

Approved by City Council on July 25, 2016



City Council Budget Workshop Meeting Monday, May 23, 2016

Call to Order

Mayor Merrifield called the meeting to order in the Council Chambers, Franklin City Hall at 6:00 p.m.

In Attendance

Councilor Starkweather, Councilor Barton, Councilor Desrochers, Councilor Wells, Councilor Zink, Councilor Dzujna, City Manager Dragon and Mayor Merrifield.

Absent

Councilor Boyd, Councilor Giunta.

Salute to the Flag was led by Councilor Desrochers.

Mayor Merrifield mentioned that the Memorial Day Parade will be held on Monday at 2:00 pm.

I. PARKS AND REC DEPARTMENT – 17% INCREASE

Director Alpers stated Professional Development increased 57% as a online training database was added so she may access for training in many different areas related to Parks and Recreation, Camp Counselors and many other areas. Another area that has increased is Staff Development and that is for the life guard and water safety course classes that they have to take. This cost is split with the employee as it is a \$400 class so it is a lot to ask them to bear the entire expense. It is also an incentive as it is hard to find life guards and water safety instructors.

Director Alpers stated she has a new line item which is pre-employment screening and that is for drug testing as that is currently not done but will now be done on all hired staff. Another increased line item is the travel and that is to bring it up to what is actually spent as that line item is always over each year. Director Alpers stated equipment maintenance also has an increase as a new module is being added for childcare now that we have the after school program and this will help a lot with registering the students. Another increase is other contracted services and this is for the water sample fee. DES has increased their fee to \$90 per beach; it was \$60 per beach. It was \$20 per test and it is now \$30 per test and I do 3 samples per beach. This testing is performed weekly beginning next week through Labor Day. Office Supplies has gone up a little and that is due to the Drug Task Force does a lot of copying and that is part of our in-kind. Bus rentals have increased as their hourly rate and mileage rate have gone up.

Director Alpers stated misc. summer programs have increased as the field trips have changed but that money is recouped through the user fee. Another increase is in the operating supplies of the before and after school programs and this is due to an increase in enrollment and this is to cover the cost of snacks that is reimbursed through the CFAP program.

Councilor Barton asked about music license and Director Alpers stated we have to pay them to play music if we play music at a dance or music in the park. Councilor Barton asked if there is an increase in revenue for the summer program. Director Alpers stated that there was a significant increase last year and we hire 3 buses so the more we fill those buses the better off we are. Councilor Barton asked what is the difference with the added revenue this year. Director Alpers stated she didn't look at this year but to compare last year FY14 revenue was \$123,762 and expenses \$143,699 and this doesn't include Director Alper's salary or the event supervisor's salaries and \$30K was brought in from grant money. FY15 revenue was \$178,608 and expenses \$145,847 and \$40K was brought in from grant money. FY16 so far we are at \$160K for revenue and \$151K for expenses. Again this does not include Director Alpers or her 3 event supervisor's salaries.

Councilor Starkweather asked if the water samples are taken to Concord. Director Alpers stated yes. Councilor Starkweather then asked if she shares this with the water department. Director Alpers stated no as the MSD uses Eastern Analytical and they don't do the testing that DES does for that bacteria that they test for from the beaches.

Mayor Merrifield asked Director Alpers that the bottom line for the Parks and Recreation budget is about \$400K. Director Alpers stated that for this year yes as last year it was \$341K. Mayor Merrifield then asked how much of that is offset by revenue. Director Milner replied by stating that if you go to page 19 of the budget and lines 2, 3, 4 and 5 which total \$161K. Council Clarenbach then asked how much was it last year? Director Milner stated it was \$136K.

Mayor Merrifield asked about the music license and how they know what songs are played. Director Alpers stated as long as they go through her or the Opera House. Councilor Clarenbach stated it is a blanket license and this is how artists get paid.

II. PLANNING & ZONING DEPARTMENT – 5% DECREASE

Director Lewis stated that linking revenues and statistics is that revenues are hard to predict because it is so dependent on the number of applications to planning and zoning and building permits that come in. We are seeing a small uptick in the housing market and in the building permits for rehabs, small additions, mechanical upgrades and this year 7-10 solar projects for residential. There has been an increase in people switching from oil to propane/natural gas. Councilor Clarenbach asked that zoning board applications seems to be up. Director Lewis stated that this year they have dealt a lot in variances for chickens, ducks, qeese, etc. There hasn't been a lot of commercial activity this year. The contract has been signed with the new engineering firm for the Haynes Brook project.

Director Lewis stated there are not many changes on the expenditures for other contractual services pays for the updates to the tax maps. There was a presentation by CAI and they are putting together a GIS system online and putting together some public components and that may put some offices together. There is a cost savings on the Health line as the previous assistant was using the health benefit and the new assistant is not using the health benefit so there is a 75% savings.

Councilor Zink asked which revenue lines are yours. Director Lewis stated page 17 building permits, page 18 the two federal grants for Haynes Brook and USDA Rural Tech, Planning Board Fees, Zoning Board Fees, page 19 misc. fees – planning.

III. WELFARE DEPARTMENT – 2% INCREASE

Director Tracy stated that her budget is pretty straight forward and having success in getting people to payback services rendered. The only big increase is adjusting the burials to come up to State standards. There have been 11 people who have come in the past year and not all needing assistance as a lot had assistance through avenues that they didn't know they had. One of those avenues is life insurance through bank accounts for \$1000 that they didn't realize. One thing to note is that people coming in for burials have had nothing to do with drug overdoses. They were people with age issues coming from nursing homes or hospice.

Director Tracy wanted to note that things are working well with the partnerships with the churches and the TRIP center. She did track that 69 people have secured employment through today and have not come in for anymore services. The larger management companies in town have been working very well with not renting a place to people who cannot afford the rent which has been a big problem in the past. An example of this is charging a person \$700/month for rent and their income is only \$721/month.

City Manager Dragon mentioned that just recently a sizeable check with brought in. Director Tracy piped in stating that was for a lien and this year we have recouped \$8300. Notices of Reminders that liens are due and this is done at times around when other big bills wouldn't be due. Many people do not understand that one way or another the city will collect.

Director Tracy stated the Mayor gave us a packet from the Health and Human Services which contracted with Easter Seals the Ask the Question initiative with veterans and they asked Sara to be in the video. She is in the video under the condition that the City of Franklin received credit.

Director Tracy wanted to note that personal training to add to the offices she is now a certified recovery coach and certified through NAMI connect trainer for prevention and postvention suicide training. Mayor Merrifield asked how long has she been in this role. Director Tracy stated five years. Mayor then stated history doesn't state how far she has brought us. Director Tracy says the best thing she can do is say no. She spends more time talking with people to find

out what they can do for themselves. The biggest frustration is with DCYF and the amount of times you have to call as they don't call you back as they are so tight staffed. Councilor Clarenbach asked that the two shelters we use are Concord and Plymouth. Director Tracy stated we use Carrie House, which is a Salvation Army, in Laconia and the sister house is Mackenna House is in Concord. The Bridge House is in Plymouth which we use a lot and they have a lot of rules and they test everyone but a lot is based on availability. Councilor Clarenbach then asked do we pay a fee. Director Tracy stated we do and a lot of communities do not and it is \$10 a day. Belknap House, in Laconia, is opening up as a hostel in the summer for Belknap County residents only and then a family shelter in the winter. Those who don't follow the protocols won't be able to stay.

Councilor Dzujna asked if the suicide training was done through Franklin Hospital or the grant the school got. Director Tracy stated that all the training she received was not supported by the city she paid for it herself. Councilor Dzujna stated that he wanted to know if she took advantage of the grant the school got for the mental health training and Director Tracy interjected that she is a trainer for that grant if they wanted to use it but the school has not responded to her. Councilor Clarenbach stated Director Tracy mentioned issues with mental health and wanted to know if she knew what Merrimack County was doing about the 11/15 waivers as Belknap County is taking a very proactive stand with Genesis. Director Tracy stated she has asked Act Teams to come to the adult rap but they have not responded.

IV. CITY CLERK/TAX COLLECTOR DEPARTMENT – 3% INCREASE

City Clerk Gargano stated her statistics for motor vehicle have stayed the same, vital records are up a little bit, dogs are pretty much the same, hunting and fishing are down probably due to the State raising the fees for the first time in several years, ORHV registrations are down due to the snowless winter, LRSC registrations are down as they are required to do them online now so we will probably not see many of them in the future, water/sewer bills have stayed the same, water/sewer payment arrangements are back up as people learned the how to work new system, property tax bills are down just a bit, property tax payment arrangements are up just a bit.

City Clerk Gargano stated that the Professional Development line went up some to cover the cost of the various workshops, conferences and trainings. Other professional services line is the mortgagee researcher and that went down as they are not doing as many lien researches. Membership/Dues went up as City Clerk Gargano will belong to the NE Clerk's Association so she can start the next step of trainings to become a Master City Clerk. Books/Pubs went down as the book pricing skyrocketed so they are going to try and get the books elsewhere.

City Clerk Gargano went to page 29 to Elections. There is an increase as there are 3 elections this year and there were only 2 last year. Other contracted services has an increase as the fee has increased to service the machines to count the ballots. Misc. supplies has also increased and this covers election workers lunch, supplies and creating ballots. Councilor Dzujna asked

do you have many problems on Election Day. City Clerk Gargano stated she tries to do her rounds to all three polling places and the State comes out to do their inspection. There really haven't been any issues for the past couple of elections. Councilor Dzujna asked if we got any bad marks from the AG because there weren't enough Councilors present or anything like that. Councilor Clarenbach stated that is only on the winter election for the Governor and Senator Election. You don't have to be there for any other election. Mayor stated that the Governor just signed a bill this past year allowing Selectman/Councilors to appoint an alternate to take their place at the polls.

Councilor Barton noticed that the workers comp. is different on each budget. City Manager Dragon stated that the positions are rated differently based on your position. Councilor Barton then asked what is the overall increase and Director Milner stated 5.4%.

Councilor Zink stated that there was some question about the security in Ward 3 about the voting and wanted to know if there was going to be a change in Ward 3's location. City Clerk Gargano stated she hadn't been notified. City Manager Dragon stated there was a conversation but a change to the ward maps would have to happen and there has been no change made at this time. Mayor Merrifield stated that State Law states you have to have voting physically in the ward where voting is to take place. City Manager Dragon stated that there were suggestions made that they have a teacher in service day so school is not in session on those days.

Councilor Clarenbach stated that RD Edmunds is going to be sold to GMI and wondered what the number of vehicle registrations and amount would be lost if they register all their vehicles in Belmont and if City Clerk Gargano could look into that.

V. LIBRARY – 1% DECREASE

Stephanie Bendixsen, Chair of Board of Trustees, spoke about the Library goals to meet the community's needs and align with that. They have a high technology use even with people using the free Wi-Fi outside when they are closed. They just want to support the community with their location, meeting room upstairs, education and their ship this year is in children programming to catch them at a young age to build that desire for learning. They have worked on connecting on social media, school visits and field trips to the library. They are looking at supporting a book club at the library next year. Board Chair Bendixsen stated they volunteer to fundraise for the scholarships that they give to the high school each year. They are asking for the same level funding this year. The programming line has an increase but that is because they shifted money there but they are not asking for more money. This past February they held a program that had over 75 participants and saw a 45% jump in circulation with juvenile participation the next month. They are just trying to get kids engaged with their summer program and feel that is the best use of their funding.

Councilor Dzujna stated they are doing a great job and wanted to know if they are seeing more people using the upstairs? Board Chair Bendixsen stated yes and they use the room quite a bit for multi uses. They offer it as a free location when the library is open and even have birthday parties there. Councilor Dzujna asked if they have seen a big increase in people utilizing that space because of that. Board Chair Bendixsen stated that they have 30-40 people a month asking to use the space and we are not sure why so it is hard to track.

Councilor Barton stated that it shows you have a decrease in utility is that a safe gamble. Director Sargent spoke up and stated that they have found lower cost carriers for some of their utilities so that is the reason for the decrease

Councilor Zink stated that the nights your open there are young kids without parents, is that a problem? Board Chair Bendixsen stated that is not a problem as it is a place where children should feel safe. The upstairs room is closed and not allowed up there. The kids are not running around unsupervised. Most of the time the time are using the computers. We would hope that the library is a place where they feel safe.

VI. FINANCE – 4% INCREASE

Director Milner stated that pretty much everything is level funded. Payroll checks are going down as more people are opting for direct deposit. The auditing line has gone up as the single audit fees in the past have been with other funds and not in the general fund. Those funds no longer have those grants because the projects are completed so those are in the general fund this year and partially offset by revenue. Other contracted services have decreased 100% as that was for on the desktop services but it is not ready for that yet so it was taken off. Dues has a small increase to add Melissa for the same training as Director Milner as she is taking on more of the higher functions of the office.

Councilor Starkweather asked about the Affordable Care Act's part time employee 29.5 hour deal and how does that impact us. Director Milner stated that it impacts a few employees and only one person at the recreation center we watch like a hawk.

VII. MISCELLANEOUS

City Manager Dragon stated this is where we go through the budget and pick up any items that aren't covered in the other departments. City Manager Dragon talked about the following:

Page 25 – Membership/Dues has an increase due to an increase in NHMA dues

Page 26 – Everything is pretty much level funded. Joint loss safety committee was reduced as most safety equipment is bought by depts. The contingency fund has been reduced as well. The USDA grant was in this, for the Downtown Coordinator, but we don't have this grant going forward so we are looking to do something else to carry it forward. Councilor Dzujna asked

what was meant by carrying it forward through a grant or in the budget. City Manager Dragon explained that the \$50K grant we got through USDA grant was to fund Niels contract and we are working on that currently. We would like to continue Niel's contract beyond the one year contract if we can find funding for it. Councilor Clarenbach asked if he will be a replacement for Jim. City Manager Dragon stated that Niel is working on specific projects and tasks. Jim is our economic go to person and works for FBIDC.

Councilor Clarenbach asked about the nuisance abatement and the 17K carryover. Director Milner explained. City Manager Dragon explained that there are some projects coming up so she has left the line item level funded.

Page 34 – Assessing department is level funded and we have kept the contract at \$80K and we have kept them within their hours. At some point we will have to up the contract as it has been at this level for several years.

Page 35 – Data Processing budget which includes our software. At the next update we want to switch all the software to Avitar for the city but doesn't make sense until that time. Proposed tracking software for purchase orders currently is not cloud based so that won't work for us right now. Fire Dept's server was taken out as it is going to be replaced in this year's budget. Legal Services is level funded.

Page 42 – Insurances budget has increased but it is due to the city adding things. The cost is level funded. Councilor Starkweather asked when the last time each department did a physical inventory was. Director Milner stated they do one every year.

Page 83 – Debt Services is where you see the bonds.

Page 86 – Interfund Operating Transfers Out is where you see the Capital Reserves for the Municipal Bldgs and the Bessie Rowell.

City Manager stated the next meeting is in June and is outside agencies and then the next night, Tuesday, is the School budget. She did explain that she has a meeting with them in June the Thursday before the June Council Meeting. There are still several things that haven't been given by them.

Councilor Dzujna asked that if you don't get all the information would be it be productive to meet with them. City Manager stated that without all the information she can't help them to the fullest. Mayor Merrifield states that there is a mandated increase of \$500K for computers, books and supplies so who mandated that. Director Milner stated that she has seen documents that in some it is in and others it is out so she is not sure. Councilor Clarenbach stated that in the past there have been issues with their spreadsheets with wrong numbers.

Councilor Desrochers stated his has a concern that the school board has only met twice for the budget and the first meeting on 4 members out of 9 showed up so they could only talk and not do anything. The following meeting they had 8 members and the Chair didn't show up. How much time have they actually spent on this budget? His impression is that they have just put it together and said ok send to the Council and let them deal with it. Councilor Clarenbach, Mayor Merrifield and City Manager Dragon all stated that the School Board, the Superintendent and Business Administrator are all new and are probably not familiar with the process. Councilor Clarenbach stated this is a perfect storm to what is probably happening.

Councilor Zink stated she is hearing from constituents if the city has more money to give to the school and how would that work, where would the money come from, cutting from city's budget, raising the tax cap, etc. Mayor Merrifield stated all of the above are possibilities there are also the Special Ed trust fund and Capital Reserve School Fund which are not good options. Councilor Desrochers stated that is a bad idea to even touch those funds. Councilor Dzujna agrees that those funds should not be touched. Mayor Merrifield agreed but those are one time options just not good options.

City Manager Dragon stated that they have heard the school's budget is 1.3M over revenues but have not seen their budget. Councilor Desrochers stated they have gone this route before with the prior School Board. Mayor Merrifield stated he is not sure where you get 1.3M from as that would be a 13% tax increase and the community can't sustain that. Councilor Wells asked is there a reason why we get it in the 2nd week in June, can't we move them up in the system. City Manager stated they don't get there number until after the May Council Meeting but they can certainly move it up closer to that time. Councilor Clarenbach stated he wants to hear a plan of how we are going to improve the schools. The challenge is we all have to be on the same page and have to get down to what is in the best interest for the City of Franklin.

Motion to adjourn made by Councilor Barton, seconded by Councilor Clarenbach. All in favor; meeting adjourned at 8:17 p.m.

Respectfully Submitted,

Lauraine G. Paquin