

City Council Meeting Minutes
August 24th, 2015

Call to Order

Mayor Merrifield called the meeting to order at 6:00 p.m. in the Council Chambers, Franklin City Hall. Salute to the Flag was led by Councilor Starkweather.

In Attendance

Councilor Feener, Councilor Desrochers, Councilor Wells, Councilor Giunta, Councilor Dzujna, Councilor Clarenbach, Councilor Boyd, Councilor Starkweather, Councilor Barton, City Manager Dragon and Mayor Merrifield.

Agenda Item I.

City Council to consider establishing a Franklin SAU withdrawal Planning Committee (FWPC)

Mayor Merrifield asked for an update from the City Manager. City Manager Dragon stated she has spoken with the City Attorney regarding the withdrawal and the City's role and the relationship to the school. Attorney Fitzgerald has stated the City Council is the legislative body and this is the correct forum. A copy of the time line has been distributed from the school. The first step was for the council to hold the public hearing, which was done on August 3rd. A message was sent by means of the website looking for interested parties to be on the committee, as was directed by the Legislative Committee. Four Prospective Appointee Profiles were received.

The Legislative Committee met and discussed the committee. Their recommendation was to have two of the five members of the public be members of the city council and their recommendation was Councilor Feener and Councilor Dzujna. The school has come up with their members, being Tamara Feener and Scott Burns. The first order of business is to create the committee and determine the members.

Mayor Merrifield stated the first order of business by the council is to make a motion to create the committee.

Motion: Councilor Feener moved and Councilor Desrochers seconded that the Franklin City Council establish the SAU18 Withdrawal Committee.

Councilor Feener indicated that it is worth looking into the Franklin School's withdrawing from SAU18, due to the events that took place since March when Hill voted to withdraw from the area agreement with Franklin. Since that time, some Hill parents have asked to be able to send their children to Franklin under the open enrollment and were denied. So if Hill is looking to have no association with Franklin, then the SAU should be dissolved.

Mayor Merrifield stated that the motion is not to approve the withdrawal, but to create the committee to determine the feasibility. He added that the council does not have to appoint the

members tonight and that could be done at the next meeting of the Council. He indicated those that turned in Prospective Appointee Profiles were: Leigh Webb, Karen Testerman, Janet Desrochers and David Testerman.

Councilor Feener stated that if the council approves the setting up of the committee and does the appointments this evening, then the time it will take to look at the feasibility of withdrawing is around a 6 week process; however, if they wait then the process has added two weeks. Councilor Dzujna agreed and stated that due to the time table the council was given it should be done this evening. He then asked if the meetings are public or non-public and it was indicated they would be public.

Councilor Clarenbach asked if they set the committee tonight, then another hearing would be set for December to make the decision to withdraw and Mayor Merrifield stated he believes this meeting would be held in October. He stated the hearing is identified for October 26th, then it is sent to the Department of Education and then back to board, for the reason that he believes is to make any warranted changes. It was reiterated that tonight the Council is only voting to set up the committee and not voting to approve the withdrawal.

Councilor Clarenbach was opposed, all others in favor; motion passes.

The Mayor stated as far as appointing people to the board, the statute indicates the committee shall be comprised of two (2) school board members, one (1) member of the finance committee of the City Council and four (4) members of the community.

Councilor Desrochers asked for the qualifications of each person that has turned in a Prospective Appointee Profile.

Councilor Giunta asked who assigns the members and what they make up of the committee is. Mayor Merrifield indicated that there are two school board members, the school board appoints them and they appointed Tam Feener and Scott Burns. There is the one member of the City Council Finance Committee, four (4) members of the public and the superintendent is a non-voting member. Councilor Giunta then asked if there were four (4) applicants.

At this time City Manager Dragon stated that at the Legislative Committee there was a motion for two of the members to be council, in the four member slots, and that the Committee supported those members of the Council to be Councilor Feener and Councilor Dzujna, leaving two more members of the general public.

Councilor Giunta then asked who the members of the Finance Committee were and Mayor Merrifield stated it was Councilor Feener, Councilor Desrochers, and Councilor Giunta.

Mayor Merrifield stated that as these are just nominations a motion and a second are not necessary.

Councilor Feener nominated David Testerman and all were in favor of him serving on the committee.

Councilor Dzujna then nominated Leigh Webb and all were in favor of him serving on the committee.

Councilor Barton asked if any parents of students were interested in being on the committee and Mayor Merrifield stated that no applications were submitted by them.

Councilor Feener nominated Janet Desrochers, Councilor Desrochers abstained, and all others were in favor of her serving on the committee.

Councilor Giunta nominated Councilor Dzujna as a member of the public, Councilor Clarenbach was opposed, and all others were in favor of him serving on the committee.

Councilor Desrochers nominated Councilor Feener as a member of Finance Committee to be seated on the committee, Councilor Clarenbach was opposed, all others were in favor of him serving on the committee.

City Manager Dragon stated the Legislative Committee has asked that Director Milner and the City Manager participate in the process. The City Manager recommended that the Superintendent bring the Business Administrator for the school due to questions the committee will have regarding finances. The school should have a member of their staff on hand. Tamara Feener asked who would be taking the minutes and the City Manager stated the member of the staff that the school has at the meetings.

Councilor Feener asked City Manager Dragon to notify all members of the committee and stated that Councilor Desrochers can let Janet know. Elizabeth indicated the superintendent will set the first meeting date, and Superintendent Dan LeGallo stated he would.

Councilor Starkweather asked if a member of the Hill School Board would be on the committee and Mrs. Feener stated they would not be. Superintendent LeGallo stated they do not have any involvement; however, the meetings need to be posted in Hill. Mayor Merrifield stated they will have a chance to respond at the public sessions or at the Department of Education hearings. Councilor Giunta asked if the Chair would be voted on by the committee at the first meeting. City Manager Dragon indicated the chair would be voted on at the first meeting, the superintendent and she would confer to set the time and date of the first meeting, the meetings will be posted and the locations will flip flop between the school and the city.

Agenda Item II.

Lease and purchase power agreements with NH Solar Garden for city owned property on River Street.

Councilor Giunta recused himself.

City Manager Dragon stated that they have been working on the solar project and are asking for approval for just two of the projects, on city owned property on River Street. She stated there has

been a significant amount of effort put forward on this project, with the Planning Board procedure, the Site Plan process, and aggressive negotiations. Tonight the Council has the Lease and Purchase Power Agreements for the solar used by the City. The agreements are good for 20 years with two five year renewal possibilities. One of the properties will have a \$17,000 lease and the other will be \$13,000, with payment in lieu of taxes on top of that for \$3,500 each. The rate the city currently receives was looked at, and how far out they would guarantee the rates based on the market for 10 years.

Manager Dragon stated that in the packets was the chart for all seven properties; however, this evening the council is only approving lots 1 and 2, and the draft lease bond language was in the packet. A longer spreadsheet was distributed from Director Milner regarding the escalation of rates at 5.5%. She stated they know the numbers for years 0-2 and year 3 they know what it should be. The deal makes economic sense as far as where we should be at each year. The savings start at 40,000-70,000 and then escalate to over a million, including the lease revenue and pilot. The total savings/revenue over the years is \$2,177,258.35. The future electrical rates took the most time to negotiate.

The ash fill needs change over in ownership to the City before the Council can approve this. The other properties will be brought before the council in the near future.

MOTION: *Councilor Boyd moved and Council Feener seconded that the Franklin City Council approve the proposed lease for two River Street properties identified by Tax Map/Lot # 123-403-00 and to approve the proposed purchase power agreement related to this project.*

Councilor Clarenbach stated that he has no problem with the lease payments, but has a problem with fixing the electrical rates over 20 years. Director Milner stated that currently the rate is 7.93, but the renewal is for 8.45. She stated that after three years it will be at 9.45 and then it escalates annually 5% thereafter. Councilor Clarenbach asked how they came to the 5%. He was concerned the City could receive a reduced rate when Northern Pass comes. He asked how the city is assured the rate will be 20.63 in year 2019. Director Milner stated this is an average of the last 10-15 years, and then they halved the number to be safe, which is 5.5%. She stated they used a 3% increase for the energy contract which was very conservative.

Councilor Boyd stated this is a great thing.

Councilor Desrochers asked if the land would be brought back to the original state at the end of the life expectancy of the gardens and City Manager Dragon stated they would be. She stated that if something were to happen, there will be a bond to protect the City.

Councilor Starkweather indicated that at the Planning Board level they asked about the decommissioning and that was left up to the council to decide. At the end of the contract, or in the case of a default, the Planning Board wanted to make sure that the city wasn't left with a mess to clean up. Also, it needs to be addressed that Mr. Fife has a lease for at least the remainder of this

year and needs to have access to the property if he chooses to lease part of the parcel not used for the solar project in the future.

AMMENDMENT TO MOTION: *Councilor Starkweather moved and Councilor Desrochers seconded to amend the motion to include conditions that: in the case of default or at the end of the contract, that the land will be returned to its natural state and that no portion of this decommissioning will be left to the City to take care of; and, that Fife will be allowed access to the property should he wish to lease portions not used by the solar project for the farming of the land.*

All were in favor of the amendment to the motion.

Councilor Clarenbach stated he is still having a hard time in reference to the purchase of the electricity and stated that the city could lose money. City Manager Dragon stated that this was a concern of hers as well. They have been working with Eversource to make everything work. There is an option to residents to receive a discount and get a rebate twice a year. This portion of the agreement took the longest to work out and decreasing escalator to 5% was determined to be a more conservative approach.

Councilor Clarenbach stated the agreement doesn't include the purchase of power or negotiating with others. Technology could change and the city could be using less and less power or receive a better rate.

Andrew Keller, from NH Solar, was present. He stated Councilor Clarenbach's concern is justified. This is the biggest concern with most communities and Franklin is not the first community to be going through these agreements, there is Antrim, Hillsborough and Milton. The long term savings are evaluated, but if the percentage goes up there will be a net benefit to the city. They don't know what the savings could be when Northern Pass comes in and the total savings to the city over the time of the lease is over 2 million dollars. He stated there is a built in hedge to electrical rates with reserve from leases and pilot payments.

Councilor Clarenbach stated that he agrees with the numbers for the first five years, but after five years these numbers could change. Mr. Keller stated the costs and hurdles have been discussed with the underwriters, and it is a shared risk. The cost of energy is a reoccurring cost and based on what has been paid the numbers have been determined for the cost of energy. At the end of the day, the effective rate is below what the city is paying currently. He stated that there are five other sites as well, with other pilots and lease payments.

Councilor Clarenbach was opposed. Councilor Desrochers abstained. Councilor Giunta had recused himself. All others were in favor of the motion as amended; motion passes.

Agenda Item III.

Repurchase of tax deeded property 196 Central Street and request to waive assessment penalty.

City Manager Dragon stated there is no need for the council to address this item this evening, as there has been no follow-up from the owner. Councilor Clarenbach asked when the city should and when they should not approve a request to waive assessment penalties. City Manager Dragon stated that usually the city does not, unless the owner is coming in with the money owed in hand. Once the City takes a property, they have a good amount of money invested, including legal expenses, insurance for the property and upkeep. When this gets dragged out further, then the council doesn't typically approve the waiver request. The owner would need to come in with a pretty solid business plan in order for the council to approve this. She stated she put this on the agenda just in case, but hasn't heard back from the owner, so no further discussion is needed by the council.

Agenda Item IV.

Other Business

Resolution 03-16

Mayor Merrifield stated that there was a late item turned in for the setting of a public hearing for Resolution # 03-16, for the acceptance, the appropriation, and the expenditures of grant funds from the USDA Rural Development Office.

MOTION: Councilor Desrochers moved and Councilor Feener seconded that the Franklin City Council set a public hearing to be held on Tuesday, September 8, 2015, at 6:06 p.m. for Resolution 03-16, for the acceptance of Rural Development grant funds and the appropriation and expenditures of these funds starting in Fiscal Year 2016. The funds are for the hiring of a Downtown Business Coordinator to assist in the redevelopment and revitalization efforts in the downtown business district.

Mayor Merrifield then read the resolution:

RESOLUTION # 03-16

A Resolution Relating to a Supplemental Appropriation for Fiscal Year 2016.

In the year of our Lord, Two Thousand Fifteen,

WHEREAS, the City Council of the City of Franklin has adopted a budget for Fiscal Year 2016 which began July 1, 2015; and

WHEREAS, the City has been awarded a grant from the Rural Development Office of the US Department of Agriculture in the amount of \$50,000, with the funds to be used for the hiring of a Downtown Business Coordinator to assist the redevelopment and revitalization of the downtown area; and,

WHEREAS, the City Council recognizes the recent efforts to improve the economic and residential viability of the downtown and the need to continue with additional progress; and,

WHEREAS, the City Council recognizes that these grant funds will provide the City a unique opportunity to assist in the redevelopment efforts which will benefit all downtown property owners and business owners;

Now, THEREFORE BE IT RESOLVED, that at the scheduled meeting of the City Council on Tuesday, September 8, 2015, the City Council of the City of Franklin, New Hampshire does hereby vote to accept the grant funds from the USDA, Rural Development office, does hereby authorize the City Manager to execute all grant documents and does hereby authorize the following non lapsing appropriations,

An increase in revenues:

Acct# 01-1-000-33111-435 Federal Grant – USDA Rural Technical Assistance – Fifty Thousand Dollars (\$50,000.00),

And an increase in expenditures for the following accounts:

01-1-302-40110-435 Wages – USDA Rural Technical Assistance \$48,000

01-1-991-40299-435 Travel - USDA Rural Technical Assistance \$200

01-1-991-40610-435 Supplies - USDA Rural Technical Assistance \$1,500

01-1-302-40290-435 Professional Development - USDA Rural Technical Assistance \$300

By a roll call vote.

All were in favor; motion passes.

Street Lights

City Manager Dragon indicated she handed out a map of the street lights this evening to the Council. The street lights are to be converted to LED lights. They are making sure there are no privately owned street lights; but, there are also some street lights that are outliers. Street lights should be in areas that are dangerous to navigate and on school walking routes; however, there are some street lights in areas that could be removed and should be discussed prior to replacing the lights with LED lights. She mentioned some lights on Smith Hill Road and Ward Hill Road.

Councilor Clarenbach stated that MSD is the one who determines where the lights should be located. In the past, they had a certain number of lights and if people called and wanted a light, they would move one light from one location and move it to another. These people were normally either influential people or families with children. The lights should be in the downtown and on school walking routes. They could probably cut the number of lights in half and save money on the city electricity bill. He added technology has changed and now the car vehicle lights are better.

Councilor Starkweather stated that it is true that technology has changed and not all these lights are as necessary as they may have been. The new lights will produce more light and so you may not need lights so close together. He stated that up by the lake, the homeowners are not there in the winter and so not as many lights should be necessary in this area.

Councilor Clarenbach stated that he would like to refer this to the Municipal Services Committee, rather than putting this on the City Manager's shoulders to make the decision. He stated that they should not be located at houses, and more at intersections, school walking routes and downtown.

MOTION: Councilor Dzujna moved and Councilor Boyd seconded that the Franklin City Council send the locations of the street lights to the Municipal Services Committee to determine where the lights should be located and where the lights should be removed and that the Municipal Services committee should then made a recommendation back to the council after their review.

City Manager Dragon stated this needs to be closed out by October 1st and the lights need to be ordered. She would like to see the Municipal Service Committee's determination by the September 8th Council meeting.

Councilor Feener asked if they would be wiping out a ton of lights as before and Councilor Clarenbach stated he is not aware that they will be.

All were in favor; motion passes.

Adjournment

Motion to adjourn made by Councilor Feener and seconded by Councilor Dzujna. All in favor; meeting adjourned at 7:05 p.m.

Respectfully Submitted,

Angela M. Carey