



Finance Committee Meeting Minutes

October 3, 2022 – 5:30 p.m.

City Hall (Downstairs Blue Conference Room)

In attendance: Councilor/Committee Chair Vincent Ribas, Councilor/Committee Member Valerie Blake, Councilor/Committee Member George Dzjuna

Others in attendance: Mayor Jo Brown, City Manager Judie Milner, Finance Director Esaundra Gaudette and City Department Heads.

Councilor/Committee Chair Ribas called the meeting to order at 5:30 p.m.

Salute to the flag was led by the board.

Agenda Item I.

Approval of meeting minutes from January 31, 2022:

Motion – Councilor/Committee Member Dzujna moved that the Finance Committee approve the minutes of the January 31, 2022 Finance Committee Meeting. Seconded by Councilor/Committee Member Blake.

All in favor. Motion PASSED.

Ribas asked that he move agenda item number IV ahead of the rest and there was no objection.

Agenda Item IV.

Pay & Class study:

Milner passed out a spreadsheet and stated that she needs to take it back after the meeting since the Pay & Class study is not completed yet. She explained that there are two pay scale's; non-union and union. Currently, there are 12 steps in a grade and to have a 2.5% pay increase in between each step they would need to add a 13th step to get to the top level of a grade for each position. The Police Department numbers are not as bad as expected, but Municipal Services numbers are off quite a bit. This department is still being worked on to get final numbers. Non-union applies to every other position in the city. There was a discussion about how the city covers all of the health insurance premiums 100%. In most communities the employee share of premiums is about 10%. The City of Franklin also offers a buyback on health insurance premiums if an employee has insurance through someone else. There is only a small amount of employees who take advantage of that option. It probably does not make sense to raise the pay for some employees and have them pay 10% of premiums since employees that wouldn't have a pay increase would have more money taken out.

Milner stated that it looks like the hybrid option will be the best way to go. The final numbers will be coming in a couple of weeks. She also reminded the committee that the Administrative Assistant positions in Fire, Planning & Zoning, Municipal Services and Police were already changed in the FY23 budget.

Agenda Item II.

Update on status of city audits:

Milner started by stating that there is a rumor out that they are 2 years behind on audits, which is not true. They are currently working on the FY22 and FY21 audit, which puts them 6 months behind as audits are due by March 31st of the following year. They had been late with the FY20 audit due to the ransomware attack, Covid and the cleanup that was being done after the previous Finance Director.

The auditor is aware of where they are at and knows that they should have the audits completed soon.

Agenda Item III.

Report of City Manager responses to School Board's questions from April's Joint Finance Committee:

Ribas stated that a week from Wednesday they will be meeting with the School Board for the Joint Finance Committee and they requested some questions on the relationship between the school and municipal tax rate from the previous meeting be answered at this next meeting. They also had a question on when there would be an impact from the Chinburg project on Stevens Mill.

Milner clarified that the Joint Finance meeting is scheduled for October 12th and wanted to make sure that everyone had that date as well.

Milner then went on to discuss the first question. She would like to present this answer differently than has been done in the past. She explained that Franklin received \$8.2M from the state, while Northfield received \$4M. The state gives more to poorer communities to help relieve the tax rate. Berlin and Franklin got the biggest tax relief in the state due to this. Trying to compare Franklin to Northfield is not apples to apples, as Northfield does not run their own fire department.

Milner also stated that she feels like they keep talking about stuff from the past that cannot be changed. She would prefer to talk about ways to move forward, like services and efficiencies. The school and municipal are all one city. The same issue for Fire, PD, and Municipal Services is the same issue for the schools, which is that Franklin has more than their fair share of poor residents in the community.

She would really like to discuss working together more with the school. She mentioned that one option that she thinks would work well is to have one HR position and one Finance Director that handles both municipal and school. The school does have a great Finance Director already and it has already been hard on the Finance Director on the municipal side to handle all of the finances while dealing with HR on top of that. This would mean that all municipal and school finances would go with Jefferson Braman and all of the municipal and school HR would go to Pessy Gaudette. Milner thinks this would make it easier to work together. That would also mean the municipal wouldn't have to wait on the school for an audit and the school wouldn't have to wait on municipal for setting the tax rate. Both are doing the same thing so instead of reconciling two sets of numbers it would only be the one set.

The second part of the question is what will be the impact of Stevens Mill? Milner gave some numbers, which are largely based on some assumptions and these two factors:

1. This is using the current tax rate, which could be different.
2. The assessed value at the end of the project could be different.

Milner stated that the current tax rate is \$23.21 and with this being a \$35M project, that means the assessed value will probably be about \$25M. If you take the \$25M at the current tax rate that gives an additional \$580,000. Milner's recommendation to the council was to put that entire amount into Capital Improvements. She thinks that the school would like a portion of that amount, but Capital Improvements would also include their capital improvements as well. The \$580,000 would not come to the city until 7 years from the substantial date of completion. They are saying they will be substantially completed by 12/31/2023. Kettlehead Brewery will also be on the tax roll as well.

Ribas suggested they start with the Stevens Mill answer first at the Joint Finance Committee meeting, since there will be less blowback on that and then they can go into the tax rate split between the school and municipal.

Agenda Item V.

Buildings & Grounds position recommendation:

Milner let the committee know that currently there are two part-time custodian positions in Building & Grounds that work under Kirk Kelly. These positions are responsible for cleaning all city buildings and out buildings, except for the Bessie Rowell, which already has one full-time custodian for.

One of the current positions is open and the second doesn't want to continue working part-time. MSD Director Hanscom and Assistant Director Marsh discussed turning the two part-time positions into one full-time position. They feel this will work better. Each part-time position is 32 hours each right now. This would give a savings of about \$10,000 for the MSD budget and that includes adding a family health plan. One employee would like a full-time position. Kirk Kelly has been cross training everyone also, so the custodian would also be able to cover in other areas as well, whenever needed.

Milner wanted to get some feedback before bringing this back to the council, since normally this would wait until the FY24 budget, but they would like to implement this right away.

This was discussed and decided that it will be put on the November 14th, 2022 City Council meeting agenda.

Agenda Item VI.

Other Business:

Milner stated that she had a couple of updates:

- The City Hall work group was fortunate enough to have an architect from Warren Street Architects come in pro bono to do a walk through. He gave some recommendations and there is no way that it can be piece mailed. She stated that they are looking at around a \$5M dollar project.

She would like to ask the council to review and allow funding for a feasibility study that could be paid back with an InvestNH grant. This study would give them a real cost and let them know what really needs to be done to City Hall. Based on the units being built by Chinburg, they can get an InvestNH grant of \$10,000/unit and there will be 31 units when Chinburg is done. This will give the city \$310,000 to use towards the feasibility study, a traffic study and a study of what slows down Central Street.

A predevelopment loan can also be used for the feasibility study, which would have 0% - 1% interest and would not have to be paid back until the city receives funding either from an InvestNH grant, a CBDG grant, etc.

- They have recently applied for ARPA funding for a grant for downtown that will make it safer to get to schools and to walk downtown. This is called the Action Plan for safe streets and roads for all. Milner would like to join the two trails together with this and come up with a better plan for parking downtown as well.
- Milner stated that they were asked by EPA to apply for \$200,000 in Brownsfield grant for the Stanley Mill so they did.
- A grant for \$400,000 in funding has been applied for with InvestNH through the BEA as well based on demolition of buildings. The demolition of Stanley Mill supports parking for Chinburg, Catch and Odell Park.
- In the fire department there has been several resignations in the last couple of weeks. Milner and Finance Director Gaudette did exit interviews and found that the #1 reason for leaving was that they all felt overworked. They are all on mandatory overtime and they are beat. They are doing more hours per person than any other community and they can get more money and less hours at other communities. The #2 reason is that they would like to be paid more, yet having a better work/life balance was the biggest reason for leaving for all four of the recent resignations.

The next date for the City Finance Committee was scheduled for Monday, November 21st, 2022 at 5:30 p.m.

APPROVED - Finance Committee Meeting Minutes

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Motion to adjourn was made by Councilor/Committee Member Dzujna and seconded by Councilor/Committee Member Blake.

All in favor. Motion PASSED.

Meeting adjourned at 7:12 p.m.

Respectfully submitted,

Lisa Jones
Executive Secretary

City of Franklin, New Hampshire																			
Proposed Retention Bonus - \$3000																			
FY2023																			
FY2023 Budget Position Listing																			
Approved employees				96															
Unfunded				-2															
Canines				-2															
bldgs & grds custodian change				-1															
library unfilled position				-1															
Employees eligible for bonus				90															
Cost of Bonus by Fund																			
				# of positions				Percentage (FY2023 Budget)				Retention Bonus Allocation Amount				Total Amount			
Allocated Employees:								general				water				sewer			
clerks				3				65%				17.5%				17.5%			
finance				3				80%				10%				10%			
MSD Admin Secretary				1				40%				45%				15%			
MSD Deputy Director				1				40%				45%				15%			
MSD Director				1				20%				65%				15%			
mechanics				2				90%				5%				5%			
water/sewer ee's				4								50%				50%			
water/sewer ee's				2								90%				10%			
Non Allocated Employees:																			
general employees				73				100%											
Total Bonus				90															
Social Security (6.2%)				53															
Medicare (1.45%)				90															
Total Expenditure/Expense																			
Sources of Funding																			
Wage & Benefit Unspent Appropriations for Open Positions																			
Unspent FY2022 ARPA funding																			
One Time State Return of 7.5% Police & Fire Retirement																			
Opioid Lawsuit Settlements Received																			
Primex Worker's Comp Return of Contribution																			
Primex Unemployment Return of Contribution																			
Total Sources of Funding																			
(Excess)Shortfall of funding																			
Amounts that need to be appropriated through a resolution in FY2023												\$ 100,266							

City of Franklin, New Hampshire														
Pay & Class Study Scenarios														
FY2024 Recommended Implementation														
Scenario Description	Scenario #	Gross Pay	Social Security	Medicare	NHRS	WC	Unemployment	Health	Dental	Life/AD&D	STD	LTD	Grand Total Salary & Benefits	Comments
Base - current payscale		5,298,267.13	170,389.10	76,824.87	1,121,868.46	212,871.74	3,220.00	2,159,153.48	85,068.60	2,156.12	25,943.81	11,128.56	9,166,891.87	
Scenario as is difference from base	1	6,662,045.46 (1,363,778.33)	217,619.33 (47,230.23)	96,599.66 (19,774.79)	1,401,501.08 (279,632.62)	273,652.77 (60,781.03)	3,220.00 -	2,159,153.48 -	85,068.60 -	2,156.12 -	32,632.48 (6,688.67)	13,991.80 (2,863.24)	10,931,033.01 (1,764,141.14)	assumes steps; no COLA; people hired at top steps in current pay plan to compensate for low pay
Based on experience difference from base	2	6,108,736.11 (810,468.98)	198,933.89 (28,544.79)	88,576.67 (11,751.80)	1,285,440.70 (163,572.24)	250,338.64 (37,466.89)	3,220.00 -	2,159,153.48 -	85,068.60 -	2,156.12 -	29,866.67 (3,922.86)	12,813.56 (1,685.00)	10,207,696.68 (1,040,804.82)	assumes steps; no cola; based on experience
Based on experience no steps difference from base		6,037,016.08 (738,748.95)	196,553.01 (26,163.91)	87,536.73 (10,711.86)	1,270,408.38 (148,539.92)	247,372.05 (34,500.31)	3,220.00 -	2,159,153.48 -	85,068.60 -	2,156.12 -	29,517.33 (3,573.52)	12,662.75 (1,534.19)	10,114,056.77 (947,164.91)	assumes no steps; no cola; based on experience
closest without going over doesn't work because a lot will be at step 1 creating compression from the start														
Health Insurance 10%		230,218	7.29% NTE											
CPIU-municipal portion		686,708	6.50%											
		916,926												
		(30,238.91)												

New Hire Uniforms	Amount Ordered	Individual Cost	Total Cost
short sleeve uniform shirts	6	\$ 30.50	\$ 183.00
Long Sleeve Uniform shirts	2	\$ 37.50	\$ 75.00
EMS or Company pants	3	\$ 67.50	\$ 202.50
Ball Cap	1	\$ 29.50	\$ 29.50
Winter Hat	1	\$ 20.00	\$ 20.00
Rescue Style Uniform Belt	1	\$ 38.00	\$ 38.00
Duty Boots	1	\$ 350.00	\$ 350.00
Game Sweatshirt	1	\$ 90.00	\$ 90.00
Class B Shirt	1	\$ 68.00	\$ 68.00
Badges	1	\$ 88.50	\$ 88.50
Set of Collar Brass for Class B	1	\$ 50.00	\$ 50.00
Winter Jacket	1	\$ 99.50	\$ 99.50
Total Uniform Cost			\$ 1,294.00
Employment Physical Cost	1	\$ 432.00	\$ 432.00
Jacket	1	\$ 1,702.80	\$ 1,702.80
Pants	1	\$ 1,429.75	\$ 1,429.75
Helmet	1	\$ 361.48	\$ 361.48
Helmet front	1	\$ 77.69	\$ 77.69
Hood	1	\$ 110.00	\$ 110.00
Boots	1	\$ 579.16	\$ 579.16
Mittens	1	\$ 25.00	\$ 25.00
Gloves	1	\$ 99.00	\$ 99.00
Gear Cost			\$ 4,384.88
	Hours		
2 Weeks Training New Hire	84	\$ 49.46	\$ 4,154.64 *
6 Weeks to Hire	252	\$ 49.46	\$ 12,463.92 *
Total OT Cost over 8 weeks			\$ 16,618.56
Total cost for a new hire			\$ 22,729.44

* OT cost includes FICA Medicare, W/C and Unkempt, and NHRS.

Total estimated cost of losing 7 employees in a year \$ 159,106.08