

CITY COUNCIL FY2027 BUDGET WORKSHOP

Tuesday, July 7, 2026 – 6:00 p.m.

Franklin Public Library

1. ATTENDANCE

Present: Councilor Susan Hallett-Cook, Councilor Al Warner, Councilor Ben Forge, Councilor Ed Prive, Mayor Glenn Morrill, Councilor Tim Johnston, Councilor Justine Hoppe, Councilor Tom Boyce, Councilor Delaney Carrier, and Councilor Sam Jacobson (participating remotely).

Absent: None.

Others Present: City Manager Mitch Kloewer, School Superintendent Dan LeGallo, School Board Chair Liz Cote, Finance Director Pessy Cote, and members of the public.

2. CALL TO ORDER

Mayor Morrill called the City Council Fiscal Year 2027 Budget Workshop to order at 6:02 p.m.

Mayor Morrill asked the Council to vote, by roll call, on whether to allow Councilor Jacobson, participating remotely, to join the meeting.

Vote: Roll call.

Councilor	Vote
Hallett-Cook	Yea
Warner	Yea
Forge	Yea
Prive	Yea
Jacobson	Yea
Johnston	Yea
Hoppe	Yea
Boyce	Yea
Carrier	Yea

Result: The roll call vote was unanimous, 9–0, in favor. City Manager Kloewer noted, as a point of order, that a remote participant's reason for being unable to attend in person

must be stated for the minutes; it was reported that Councilor Jacobson was on site for a work assignment in Binghamton, New York.

3. SALUTE TO FLAG

Led by Councilor Carrier.

FY27 BUDGET WORKSHOP

Combined Budget Review

Reallocate Patrol Overtime (VAWA) Funds to Patrol Equipment (\$7,078)

Motion: Councilor Warner moved: "I move to take \$7,078 from line 01-2-103-40140-403 (Patrol Overtime, VAWA), leaving \$22,922 in that line, and move \$7,078 to line 01-2-103-40740-000 (Patrol equipment line)."

Seconded by Councilor Prive.

Discussion: Councilor Warner explained the transfer would move funds from a \$30,000 VAWA grant line that had been overspent on paper due to a budgeting error, into a line that could fund a needed police radio; Finance Director Cote clarified the \$30,000 line item was a carryover from the prior year's budget that should not have included overtime, and that the transferred amount would nearly cover one of three additional radios the Police Department has requested.

Vote: Roll call vote.

Councilor	Vote
Hallett-Cook	Yea
Warner	Yea
Forge	Yea
Prive	Yea
Jacobson	Yea
Johnston	Yea
Hoppe	Yea
Boyce	Yea
Carrier	Yea

Motion Result: Motion carried, 9–0.

Reduce City Manager Contingency Line to Fund School Department (\$40,000)

Motion: Councilor Jacobson moved: "I move to reduce the City Manager's contingency line, 01-2-40898-000, from \$100,000 to \$60,000, and move that \$40,000 to support the school department."

Seconded by Councilor Forge.

Discussion: Councilor Jacobson stated the funds should be redirected to the school department; City Manager Kloewer advised that funds cannot be moved from a city budget line directly into the school's budget without an existing school-budget line to receive them, and that the school department is a component unit without such a line. Discussion followed regarding the purpose and history of the contingency line, including a known \$34,000 legacy lighting-upgrade bill, the City's use of fund balance, and the source of the annual city/school property-tax split. City Manager Kloewer committed to research the transfer mechanism through the New Hampshire Department of Revenue Administration (DRA).

Vote: Roll call vote.

Councilor	Vote
Hallett-Cook	Nay
Warner	Nay
Forge	Nay
Prive	Nay
Jacobson	Yea
Johnston	Nay
Hoppe	Nay
Boyce	Nay
Carrier	Yea

Motion Result: Motion failed, 7–2.

Public Comment

Desiree McLaughlin raised an objection under RSA 91-A regarding the audibility of Councilor Jacobson's remote participation, asserting that the Council's practice of having Councilor Jacobson's remarks relayed by the secretary, rather than heard directly, did not meet the statute's requirement that remote participants be audible to those present. City Manager Kloewer responded that the practice was intended to meet the statute's intent given equipment limitations, and that the objection would be noted in

the minutes. The Council discussed options to improve audio quality, including a suggestion to route the call through a cell phone held to the microphone.

Five-Minute Recess

Motion: Mayor Morril moved: "I move that we have a five-minute recess."

Seconded by Councilor Forge.

Discussion: The recess was taken to arrange an alternate audio setup (a cell phone held to the microphone) to improve the audibility of Councilor Jacobson's remote participation.

Vote: Roll call vote.

Councilor	Vote
Hallett-Cook	Yea
Warner	Yea
Forge	Yea
Prive	Yea
Jacobson	Abstain
Johnston	Yea
Hoppe	Yea
Boyce	Yea
Carrier	Yea

Motion Result: Motion carried, 8 in favor, 1 abstention. The Council recessed at approximately 6:34 p.m. and reconvened at approximately 6:39 p.m.

Reduce Contracted Services Line to Fund School Department (\$50,000)

Motion: Councilor Jacobson moved: "I move to reduce the new account, Contracted Services line, in the City Manager's Department, from \$143,240 to \$93,240, and move the \$50,000 to the school department."

Seconded by Councilor Carrier.

Discussion: Councilor Jacobson explained the \$143,240 line was budgeted for three new a-la-carte contracted services (human resources, payroll modernization, and trust management); the proposed reduction would eliminate two of the three. City Manager

Kloewer and Finance Director Cote described the operational impact. Council members discussed the procedural question of transferring funds to a school-budget line without DRA approval, similar to the issue raised in a prior motion. Councilor Jacobson subsequently offered to entertain a friendly amendment to reserve the \$50,000 generated by the reduction, rather than transferring it directly to the school department, pending further direction on the transfer mechanism. Councilor Johnston called the question.

Vote: Roll call vote to call the question:

Councilor	Vote
Hallett-Cook	Yea
Warner	Yea
Forge	Yea
Prive	Yea
Jacobson	Yea
Johnston	Yea
Hoppe	Yea
Boyce	Yea
Carrier	Yea

Motion Result: Unanimous, 9–0, in favor of question called.

Roll call vote on the motion, as amended:

Councilor	Vote
Hallett-Cook	Abstain
Warner	Nay
Forge	Nay
Prive	Nay
Jacobson	Yea
Johnston	Nay
Hoppe	Nay

Councilor	Vote
Boyce	Nay
Carrier	Yea

Motion Result: Motion failed, 6 nays, 2 yeas, 1 abstention.

Charter Section 32(A), Increase School Property Tax Revenue by \$2,225,516.51

Motion: Councilor Carrier moved: "Whereas Charter Section 32(A) states that our base tax cap cannot restrict the City from paying bills that are mandated by state or federal government; and whereas special education costs and spending are mandated by the federal government; and whereas we have received legal advice stating that we can use this section of the Charter in this way; and whereas we received public input on June 29, with roughly 80% of speakers and letter writers speaking in favor of this spending, I therefore move that the City of Franklin increase school property tax revenue by \$2,225,516.51, to be dedicated to special education expenses."

Seconded by Councilor Forge.

Discussion: Councilors Jacobson and Carrier spoke in support, citing public turnout at a prior workshop. Councilor Johnston stated he could not support the motion without a tax-cap-compliant budget from the school board itemizing which federal- and state-mandated program costs would go unmet.

Vote: Roll call vote.

Councilor	Vote
Hallett-Cook	Abstain
Warner	Nay
Forge	Yea
Prive	Nay
Jacobson	Yea
Johnston	Nay
Hoppe	Abstain
Boyce	Nay
Carrier	Yea

Motion Result: Motion failed, 4 nays, 3 yeas, 2 abstentions.

Raise Additional \$1,000,000 for Special Education

Motion: Councilor Carrier moved: "For the reasons stated in the previous motion, I move that the City of Franklin raise an additional \$1,000,000 through the city/school portion of the property taxes, to be dedicated to special education expenses at the schools."

Seconded by Councilor Forge.

Discussion: Discussion centered on whether the school board had demonstrated a documented funding gap for state- and federally-mandated special education services, and on the source and reliability of the \$2.25 million figure cited in support of the funding request.

Vote: Roll call vote.

Councilor	Vote
Hallett-Cook	Yea
Warner	Nay
Forge	Yea
Prive	Nay
Jacobson	Yea
Johnston	Nay
Hoppe	Nay
Boyce	Nay
Carrier	Yea

Motion Result: Motion failed, 5 nays, 4 yeas.

Adjust Tax Split, City to School, by \$1,000,000

Motion: Councilor Carrier moved: "I move that the City of Franklin adjust the tax split between the city and the schools to reduce revenue on the city side by \$1,000,000 and increase revenue on the school side by \$1,000,000."

Seconded by Councilor Jacobson.

Discussion: City Manager Kloewer noted the amount represented roughly 5% of the City's operating budget and 10% of its personnel budget. Councilor Hallett-Cook expressed general support for shifting Franklin's tax split closer to municipal norms but concern about doing so in a single year without a phase-in.

Vote: Roll call vote.

Councilor	Vote
Hallett-Cook	Nay
Warner	Nay
Forge	Nay
Prive	Nay
Jacobson	Yea
Johnston	Nay
Hoppe	Nay
Boyce	Nay
Carrier	Yea

Motion Result: Motion failed, 7 nays, 2 yeas.

Adjust Tax Cap Split to Fund Athletics Program (\$278,627.15)

Motion: Councilor Carrier moved: "I move that the City of Franklin adjust the tax cap split to deliver \$278,627.15 to the school district, and decrease the city revenue side by the equivalent amount, that number being the figure provided by the school board that would fund the athletics program."

Seconded by Councilor Forge.

Discussion: Council members compared this figure to the \$58,026 estimated cost of preserving the adult education program. Councilor Warner cautioned that the Council can set a top-line revenue figure for the school department but cannot direct how the school board spends it.

Vote: Roll call vote.

Councilor	Vote
Carrier	Yea

Councilor	Vote
Boyce	Nay
Hoppe	Nay
Johnston	Nay
Jacobson	Yea
Prive	Nay
Forge	Yea
Warner	Nay
Hallett-Cook	Yea

Motion Result: Motion failed, 5 nays, 4 yeas.

Transfer \$10,000 to Fund Property-Assessing Methodology Consultant

Motion: Councilor Warner moved: "I move to transfer \$10,000 from account 01-3-125-40490-000 (Drainage and Vegetation, Other Property Services) to a new expenditure line to fund a consultant to assist with moving Franklin to a property-assessing methodology that includes income or revenue potential as an assessment criterion, in addition to real property value."

Seconded by Councilor Prive.

Discussion: Councilor Warner noted the source line had been increased \$10,000 over the prior year but was less than 50% spent as of the end of April.

Vote: Roll call vote.

Councilor	Vote
Carrier	Yea
Boyce	Yea
Hoppe	Yea
Johnston	Nay
Jacobson	Yea
Prive	Yea

Councilor	Vote
Forge	Yea
Warner	Yea
Hallett-Cook	Yea

Motion Result: Motion carried, 8–1.

Transfer \$5,000 to the Same Assessing-Methodology Consultant Line

Motion: Councilor Warner moved: "I move to transfer \$5,000 from account 01-3-125-40611-000 (Drainage and Vegetation Supplies) to the same new expenditure line established in the preceding motion, to fund a consultant to assist with moving Franklin to a property-assessing methodology that includes income or revenue potential as an assessment criterion, in addition to real property value."

Seconded by Councilor Forge.

Discussion: Councilor Carrier requested that, going forward, motions drawing from multiple lines toward one purpose be combined into a single motion for clarity.

Vote: Roll call vote.

Councilor	Vote
Carrier	Yea
Boyce	Yea
Hoppe	Yea
Johnston	Nay
Jacobson	Yea
Prive	Yea
Forge	Yea
Warner	Yea
Hallett-Cook	Yea

Motion Result: Motion carried, 8–1.

Establish New Revenue Line for State Aid Reduction (Charter Section 32(A))

Motion: Councilor Jacobson moved: "I move, recognizing that there is a more than 2% reduction in the Aid Adequacy line of the school board's approved budget, that the 2% reduction figure is \$181,496.32, and that the reduction is approximately \$549,715, to establish a new revenue line increasing school revenue by the resulting makeup amount."

Seconded by Councilor Carrier.

Discussion: Councilor Hoppe questioned whether the figures used were actuals or projections, noting that actual audited numbers showed no year-over-year deficit; Councilor Jacobson responded that the figures were the best available given the school board's and City's differing fiscal calendars. City Manager Kloewer committed to research whether a Charter Section 32(A) appropriation can be made by the Council at any point in the year, rather than only during the budget cycle, once final actuals are available.

Vote: Roll call vote.

Councilor	Vote
Carrier	Yea
Boyce	Nay
Hoppe	Nay
Jacobson	Yea
Prive	Nay
Forge	Yea
Warner	Yea
Hallett-Cook	Yea
Johnston	Nay

Motion Result: Motion failed for lack of the required two-thirds supermajority; 5 yeas, 4 nays.

Councilor Carrier requested a point of information regarding why a simple-majority result had failed; City Manager Kloewer clarified that Charter Section 32(A) adjustments above the tax cap require a two-thirds supermajority under legal advice received, regardless of a simple-majority outcome.

Transfer \$275,000 from Patrol Full-Time Wages to School Department

Motion: Councilor Jacobson moved: "I move that we move \$275,000 from account 01-2-103-40110-00 (Patrol Full-Time Wages) and reserve it for the school department."

Seconded by Councilor Carrier.

Discussion: Councilor Jacobson explained that \$275,000 represented roughly half of the estimated \$550,000 cost of the four open patrol positions included in the proposed budget, and that the amount was drawn entirely from full-time wages with the expectation that the City Manager's department would rebalance related overtime, benefits, and payroll-tax lines accordingly. City Manager Kloewer and Councilors Boyce and Forge raised public-safety and staffing-burnout concerns, noting that pulling the funds would eliminate rather than merely freeze the positions and could increase overtime costs for existing staff covering the vacancies.

Vote: Roll call vote.

Councilor	Vote
Carrier	Yea
Boyce	Nay
Hoppe	Nay
Johnston	Nay
Jacobson	Yea
Prive	Nay
Forge	Nay
Warner	Nay
Hallett-Cook	Nay

Motion Result: Motion failed, 7 nays, 2 yeas.

Adjust Tax Split to Fund Adult Education Program (\$58,026)

Motion: Councilor Carrier moved: "I move that the City of Franklin make an adjustment to the property tax revenue split between the city and the schools to effect a \$58,026 increase on the school side and an equivalent \$58,026 decrease on the city side."

Seconded by Councilor Hoppe.

Discussion: Councilor Carrier noted the figure was the amount specified by the school board's budget to fund the adult education program. Councilor Jacobson asked Councilor Carrier to accept a friendly amendment bundling the adult-education and

school-sports funding values discussed earlier in the meeting; Councilor Carrier did not accept the amendment.

Vote: Roll call vote.

Councilor	Vote
Carrier	Yea
Boyce	Nay
Hoppe	Nay
Johnston	Nay
Jacobson	Yea
Prive	Nay
Forge	Yea
Warner	Nay
Hallett-Cook	Yea

Motion Result: Motion failed, 5 nays, 4 yeas.

Curbside Collection Program

City Manager Kloewer presented a proposed rescission and replacement of the City's trash-collection ordinance, moving to a per-barrel sticker fee system administered through the City Clerk's Office, MSD, and the transfer station, with an estimated two- to three-month rollout and estimated program revenue of approximately \$150,000. He also outlined roughly \$400,000 in department-head-identified potential budget reductions across MSD, Police, Fire, and Parks, and committed to provide the Council with specific line numbers and positions if directed to proceed. Council members raised questions regarding public notice and hearing requirements for the ordinance change, transfer-station hours and fee structure, and the process for identifying department cuts. City Manager Kloewer committed to look into the applicable state RSA notice requirements in response to Councilor Boyce's citation of RSA 675:7 and to have a transfer-station operations plan ready for the next Council meeting.

No motion was made on this item.

Charter-Change Public Hearing Scheduling

The Council discussed rescheduling the public hearing on proposed charter changes, previously set for July 20, due to scheduling conflicts for both the Mayor and City Manager. Councilor Hoppe suggested August 10; the Council reached general

agreement to reschedule to that date, with the Legislative Committee meeting on July 23 and the City Council meeting on August 3 to further define the specific scope of the hearing beforehand. Councilor Jacobson raised a point of order regarding what additional documentation, beyond the specific charter-change language already provided in the June 1 Council agenda packet, would be needed; City Manager Kloewer committed to review the minutes of that meeting to confirm the exact wording used in the relevant motions.

Additional Budget Workshop Dates

The Council confirmed two additional FY2027 budget workshops, both to be held at the Franklin Public Library at 6:00 p.m.: Monday, July 13, and Wednesday, July 15. A previously scheduled workshop for July 9 was confirmed cancelled due to the City Manager's unavailability. The Council also noted an upcoming Legislative Committee meeting on July 23 and a public hearing regarding the Trestle Bridge project on July 27, with the City Manager to confirm whether the Elks Lodge is available as an alternate venue for the July 27 hearing given anticipated attendance.

ADJOURNMENT

Motion: Councilor Hoppe moved: "to adjourn."

Seconded Forge.

Vote: Roll call vote.

Councilor	Vote
Carrier	Yea
Boyce	Yea
Hoppe	Yea
Johnston	Yea
Jacobson	Nay
Prive	Yea
Forge	Yea
Warner	Yea
Hallett-Cook	Yea

Motion Result: Motion carried, 8–1. The meeting adjourned at 8:53 p.m.

Respectfully submitted,

Brenda Demers
Executive Secretary
With AI Assistance