

CITY OF ROCHESTER
NOTICE of PUBLIC MEETING:
FINANCE COMMITTEE

Meeting Information

Date: April 12, 2022
Time: 6:00 P.M.
Location: City Council Chambers
31 Wakefield Street
Rochester, New Hampshire

Agenda

1. **Call to Order**

2. **Acceptance of Minutes:** March 8, 2022. Pg. 2

3. **Public Input**

4. **Unfinished Business:**
 - 4.1.1 Prof. Connelly Rochester History Project. Pg. 9

5. **New Business-**
 - 5.1.1 Trustees of Trust History of Rochester Capital Reserve Fund. Pg. 10
 - 5.1.2 Donation of Fire Gear. Pg. 13
 - 5.1.3 Economic Development Non-Capital Reserve Fund. Pg.14
 - 5.1.4 Public Works Committee \$500,000 Supplemental Appropriation-Paving. Pg.19

- Reports from Finance & Administration**
 - 5.2.1 Unassigned Fund Balance Audit & Activity Report. Pg. 20
 - 5.2.2 Monthly Financial Report Summary-March 31, 2022, Pg.22

6. **Other**

7. **Adjournment**

Finance Committee

Meeting Minutes

Meeting Information

Date: March 8, 2022

Time: 6:30 P.M.

Location: 31 Wakefield Street

Committee members present: Mayor Callaghan, Deputy Mayor Lachapelle, Councilor Beaudoin, Councilor Gray, Councilor Hainey, Councilor Larochelle, and Councilor Hamann.

City staff present: Deputy City Manager Katie Ambrose, Deputy Finance Director Mark Sullivan,

Others present: Professor Patrick O. Connelly

Agenda & Minutes

1. Call to Order

Mayor Callaghan called the Finance Committee meeting to order at 6:30 PM. Deputy City Clerk Cassie Givara took a silent roll call. All Councilors were present.

2. Acceptance of Minutes: February 8, 2022

Councilor Lachapelle **MOVED** to accept the minutes of the February 8, 2022 Finance Committee meeting. Councilor Hamann seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

3. Public Input

There was no one present for public input.

4. Unfinished Business:

4.1.1 Community Outreach Facilitator Position

Finance Director Ambrose reminded the Committee that this position had originally been presented to the prior Council as the Community Health Coordinator position. At that time, Council had directed the City Manager to move forward with the development and job description of this position. The Personnel Advisory Board has since met and recommended a classification and pay grade for the position. She advised the Committee that this agenda item only requires a vote on the position's job description, classification and pay grade; the funding is a separate item on the agenda.

Councilor Lachapelle **MOVED** to recommend to full Council the acceptance of the Community Outreach Facilitator position job description, classification, and pay grade as detailed by Finance Director Ambrose. Councilor Larochelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

4.1.2 ARPA Projects-Department Presentation

Finance Director Ambrose reported that there were three ARPA proposals to be discussed; the first of which is the funding component of the previously discussed Community Outreach Facilitator position. The total request for this position is \$916,000, which would fund the salary for five years, benefits, administrative support, equipment, and a vehicle for the position. However, the City Welfare director had indicated administrative support might not be necessary for the position. In this case, the funding could be reduced to reflect this change, or the total amount could be allocated and the unused portion returned.

Councilor Lachapelle **MOVED** to recommend to full Council the approval of \$916,000 in ARPA funds for the Community Outreach Facilitator position. Councilor Hainey seconded the motion. Councilor Beaudoin spoke against the proposal and stated that he felt these funds should not be used to fund temporary positions, but rather for durable goods and items which would be of more benefit to the public. Councilor Gray asked if the position could be initially funded with ARPA funds, and then funded through the City budget for subsequent years. Finance Director Ambrose confirmed this would be an option. She also reported that this is a pilot program and the person hired would be responsible for reporting to Council the success of the position as well as gathering data to establish the benefit of continuing the position. Council would then assess and decide whether to continue funding the position through the budget once the ARPA funds have been expended. Councilor Gray suggested that the ARPA funds be used to fund the position from the present through June 30, 2022 at which point the Council could fund it through the budget. Councilor Larochelle spoke about the potential benefits of the position, but agreed that it would be better funded through the City budget. Councilor Hamann said that the prior Council had discussed funding the salary of the position through the City budget and using ARPA funds for the startup costs, vehicle, and equipment. Finance Director Ambrose stated that she would need to verify if this funding could be used for start-up and administrative costs as opposed to funding the position itself.

Councilor Hainey emphasized the importance of the position and explained the benefit it would offer to the police department and welfare. She urged the Committee to support the position and expressed concerns that, if delayed and the funding changed from ARPA, the funding could be lost in the shuffle of the budget process. Mayor Callaghan stated that the position itself had been recommended for approval; it was just the method of funding which still needed to be determined. He supported funding the position with ARPA funds, at least at the onset, to have time to evaluate and determine if the position is worthwhile, without expending City funds. Councilor Beaudoin inquired what the cost of start-up, including vehicle and equipment, would be. He suggested delaying a decision on the matter, if it is not urgent, in order to determine if these start up and administrative costs would be eligible uses of ARPA funds. Councilor Hainey

stated that this decision has already been pending for several months and urged the importance of acting on the decision so a hire could be made and start working as soon as possible. Councilor Gray stated that City Staff would be able to gather these answers prior to the April regular meeting at which a vote could be taken on the matter and there would be no need to further delay at the Committee level.

Finance Director Ambrose clarified that the bulk of the funding request covered the cost of salaries for the Community Outreach Facilitator position and the administrative support staff over the course of five years. There is \$10,000 budgeted for a laptop, office equipment, furniture and clothing. \$2,500 for vehicle fuel, and \$45,000 for the vehicle itself. The remainder of the total allocation is all salary and benefits. Councilor Gray **MOVED to AMEND** the original motion to approve the use of ARPA funds for the current fiscal year and to then fund the position through the City budget moving forward. Councilor Beaudoin seconded the motion. Councilor Gray clarified that the intent of his motion is to fund the start-up costs including equipment, salaries and benefits, through June 30th of the current fiscal year with ARPA funds. After June 30, he stated that the City Council would determine how to fund the position in the budget process, whether it be with continued ARPA funds or through the City budget. He expounded on the reasons the position should be approved as part of the annual budget process. Councilor Hainey expressed reluctance to approve the decision of having the position in the City budget prior to actually seeing the proposed budget and not having a full picture of the City's needs. There was continued discussions on the benefits and drawbacks of funding the position through the City budget versus using ARPA funds. Councilor Lachapelle stated that once a position is created and included in the City budget, it is difficult to eliminate that position. Using ARPA funds would have less of an impact in this regard. Finance Director Ambrose suggested that the recommendation could be to allocate \$57,500 of ARPA funds for the vehicle, administrative costs, and other associated start up fees. If it is thereafter determined that this is not a permissible use of the ARPA funds, the decision could come back to the Finance Committee before going to full Council for a vote. Councilor Gray recommended increasing the allocation to include funding for personnel through the end of the current fiscal year. Councilor Gray **MOVED to AMEND** his amendment to the motion to approve \$100,000 in ARPA funds for personnel and startup costs for the Community Outreach Facilitator position through June 30, 2022. Councilor Beaudoin seconded the motion.

Councilor Larochelle suggested funding the position for a full year in order to properly evaluate how the position is working. Deputy Finance Director Sullivan cautioned against funding the position through the current budget cycle. He said the proposed budget is nearing completion, and this position is not part of it. If it is recommended as part of the budget, the position could be presented as an "Issues and Options" proposal (not included by the City Manager in the budget) or included by the City Manager, but funded through ARPA. Mr. Sullivan recommended Councilor Larochelle's approach to fund the position with ARPA funds for the first fiscal year, and then gradually reducing the percentage of ARPA funds used over the subsequent fiscal years until it is fully funded through the City budget if desired. If Council wanted to fund the entire position through the O&M in the upcoming budget, they would need to determine how to do so and stay within the tax cap. Councilor Larochelle **MOVED to AMEND** the amendment as detailed by Deputy Finance Director Sullivan; to fund the first year of the position using ARPA funds and to then gradually decrease the percentage of ARPA funds used in subsequent years. Councilor Beaudoin

seconded the motion.

The Committee discussed the potential of withdrawing all prior motions and amendments in order to make a final, clear motion and to clarify the intent and the voting process. Councilor Larochelle declined to withdraw his amendment to the amended motion, and he requested a vote on each motion. The following motions were voted on:

Councilor Larochelle **MOVED** to **AMEND** the amendment as detailed by Deputy Finance Director Sullivan; to fund the first year of the position using ARPA funds and to then gradually decrease the percentage of ARPA funds used in subsequent years with the remainder being funded through the City budget. Councilor Beaudoin seconded the motion. The **MOTION CARRIED** by a majority hand count vote with 4 yes votes and 3 no votes.

Councilor Gray **MOVED** to **AMEND** the original motion to approve \$100,000 in ARPA funds for personnel and startup costs for the Community Outreach Facilitator position through June 30, 2022. Councilor Beaudoin seconded the motion. The motion was voted on as **AMENDED** by Councilor Larochelle as noted above. The **MOTION CARRIED** by a majority hand count vote with 4 yes votes and 3 no votes.

Councilor Lachapelle **MOVED** to recommend to full Council the approval of \$916,000 in ARPA funds for the Community Outreach Facilitator position. Councilor Beaudoin seconded the motion, which was then amended by Councilor Gray and Councilor Larochelle as noted above. Mayor Callaghan called for a final vote on the motion as amended: to fund the Community Outreach Coordinator position with ARPA funds being used for the first fiscal year starting July 1, 2022 and to decrease the percentage of ARPA funds used each subsequent year there forward. The **MOTION CARRIED** by a majority hand count vote with 5 yes votes and 2 no votes.

Finance Director Ambrose directed the Committee to the “Employee Premium Pay” ARPA proposal. She reported that this was a proposed one-time stipend for employees who had continued to come into work during the pandemic, putting their physical wellbeing at risk. These employees do not work for departments in which they were already eligible for first responder stipends through the CARES act. Finance Director Ambrose stated that there had been staff turnover since the original proposal was made, so it could be reduced from \$92,000 to \$85,044 to reflect the current employees who are eligible. Councilor Lachapelle **MOVED** to recommend to full Council the approval of the Employee Premium Pay ARPA proposal in the amount of \$85,044. Councilor Hainey seconded the motion. Director Ambrose gave further details on the staff members who would be eligible for this position. Councilor Beaudoin spoke against the proposal and stated that those in the private sector who worked throughout the pandemic did not receive bonuses. Councilor Hainey spoke in support of the proposal and praised those employees who continued to work, at a personal risk to themselves. The **MOTION CARRIED** by a majority voice vote.

Finance Director Ambrose spoke about the Employer Assisted Child Care Cooperative proposal request for \$1.4 million. This would cover the feasibility study of approximately \$75,000

to evaluate details of a location, and determine what improvements need to be made prior to opening. The remainder would cover the start-up costs, establishing a childcare program, and establishing the structure and management of the organization. Councilor Hailey inquired if the proposed program will be run by the City. Finance Director Ambrose responded that this would be part of the assessment in the feasibility study; whether the program would be entirely in-house, or if it would be done with support of partners in the community. Councilor Lachapelle **MOVED** to recommend to full Council the \$1.4 million ARPA proposal for “Employer Assisted Childcare Cooperative.” Councilor Hailey seconded the motion. It was clarified that this money would also fund the consultant to conduct the feasibility study, which has not yet been commenced. Councilor Beaudoin reiterated that he did not feel ARPA funds should be used for proposals such as this, but rather for durable goods, infrastructure, and the like. Mayor Callaghan emphasized the great importance of childcare and equated it to the importance of infrastructure; with parents needing reliable, quality childcare in order to continue working and contributing. Councilor Gray stated that there were many existing childcare organizations in the area and said that, although this type of program would be of great benefit to employees, it should be considered how the City starting a childcare facility might adversely affect existing childcare businesses in the City. Finance Director Ambrose said in the research that had already been conducted, they discovered there was higher demand than there was availability for childcare in the City. She stated that existing businesses expressed excitement at the proposal and she reiterated that this could be a supportive and collaborative approach with existing businesses. Council Gray suggested reaching out to more childcare businesses, especially smaller centers, and determining how they might be affected. The **MOTION CARRIED** by a majority hand count vote with 4 yes votes and 3 no votes.

4.1.3 Utilization of General Fund Unassigned Fund Balance-Capital Reserves

Finance Director Ambrose reported that this item was a carryover from the last Finance Committee meeting, at which the Committee had delayed a vote in order to obtain additional information from Charter Trust. Director Ambrose indicated that the documentation supplied by Charter Trust showed that the earnings would outweigh the management fees if new capital reserve funds were established. Councilor Lachapelle **MOVED** to recommend to full Council the establishment of three new Capital Reserve Funds with an amount of \$500,000 allocated to each. Councilor Beaudoin agreed that based on the information provided, this was a good investment. The **MOTION CARRIED** by a unanimous voice vote.

Councilor Beaudoin asked what the process would be if the original intent of the allocation of these Capital Reserve Funds was changed midway through the schedule and the money was requested to be used for another project. He said that his understanding was that there would need to be a 3/4 vote of Council and a public hearing to change the intent of the money. Finance Director Ambrose confirmed that appears to be the case based on the statute; Council would need to authorize a change of use for the funds because the purpose of the funds is detailed when establishing the funds. She stated she would verify if a public hearing was required and would have this information prior to the full Council vote on April 5, 2022.

5. New Business-

5.1.1 Rochester History Project

Professor Patrick Connelly gave the Committee a brief overview of his mission. Professor Connelly reported that through his 40-years of research he had compiled and written an extensive history of Rochester, reaching from the original native inhabitants through the settlement, chartering, and entry into the 19th Century. He stated that, along with the first volume he had completed in 2016, the second volume he has compiled includes a complete town history with novel information not available from any other source and never before seen. Professor Connelly stated he would like the City to support the completion of his project and consider giving financial assistance toward the publishing, as well as space to store the hundreds of books and historic documents used to complete these works. He spoke of the historical benefits which would be experienced having the volumes available; with universities adding the history to their curriculums, high schools using the research, and Rochester becoming a destination for those seeking to learn more about the early history of New England settlements. Professor Connelly stated that he had spoken with the Director of the library and that there was interest in working with the Library Trustees to secure funding for storage space for the volumes of books and documentation he has compiled.

Councilor Hamann asked what degree of funding the professor was seeking. Professor Connelly stated that the single volume of Rochester history which had been published cost the City \$40,000. He requested a similar grant. He spoke of the City's records that he had, at his own cost, preserved and transcribed into an electronic format, for viewing and research without further degradation. He also spoke of the benefit it would be to the City having this information accessible. Councilor Hamann spoke in support of financially supporting the Professor's endeavors, especially with Rochester approaching its tricentennial year. Councilor Beaudoin spoke in support of the preservation of Rochester's history. Councilor Hamann **MOVED** to recommend to full Council an allocation of \$50,000 towards the professor's publication and related projects. Councilor Beaudoin seconded the motion. The **MOTION CARRIED** by a unanimous voice vote. Finance Director Ambrose asked if there would be a recommendation on a funding source. Councilor Hamann suggested the funding could come from Unassigned Fund Balance. Professor Connelly asked for authorization to approach the library director on moving forward with the potential of working with the Library Trustees and securing space for the historic town records. Mayor Callaghan indicated that Professor Connelly could work directly with City Manager Cox on this matter.

5.1.2 Walmart N95 Facemasks Donation

Director Ambrose stated that Walmart was interested in donating two pallets of N95 masks to the City of Rochester at a total value of \$14,500. Councilor Lachapelle **MOVED** to recommend to full Council the acceptance of the donation. Councilor Beaudoin seconded the motion. Councilor Beaudoin asked if there was going to be adequate storage for the masks and personnel to transport the pallets. It was confirmed that the logistics had been taken care of. The **MOTION CARRIED** by a unanimous voice vote.

5.1.3 Finance Committee Revised Start Time

Mayor Callaghan clarified that the request is to move the start time of the Finance Committee meeting from 6:30 PM to 6:00 PM. Councilor Lachapelle **MOVED** to revise the Finance Committee meeting start time to 6:00 PM. Councilor Hainey seconded the motion. The **MOTION**

CARRIED by a majority voice vote.

Reports from Finance & Administration

5.2.1 Unassigned Fund Balance Activity Report

Mr. Sullivan explained to the Committee how to navigate the new report, which will demonstrate where the General Fund Unassigned Fund Balance is in relation to statutory threshold. There was a brief discussion on the information contained within the spreadsheet and how to interpret the data.

5.2.2 Monthly Financial Report Summary-February 28, 2022

Mr. Sullivan gave a brief overview of the financial report. He stated that expenses are trending slightly above budget, but there was nothing of great concern on the general fund side. Both the Community Center and Arena funds had rebounded slightly with revenue collected. Overall, revenue are healthy.

Mayor Callaghan inquired about the Arena special revenue fund and stated that it appeared that ARPA funds were used to stabilize this fund. He inquired about the outlook on this fund going forward . Mr. Sullivan replied that it all depended on how the Arena performs; if they return to normal operations, then their revenues should outweigh their expenses. However, if the arena suffers another bad year, it would compound the amount that is owed to the General Fund. Finance Director Ambrose reported that the arena had also needed significant repairs that were unanticipated. These repairs delayed ice time, which also contributed to lost revenues. .

6. Other

No Discussion.

7. Adjournment

Mayor Callaghan **ADJOURNED** the Finance Committee meeting at 7:36 PM.

Respectfully Submitted,

Cassie Givara
Deputy City Clerk

FINANCE COMMITTEE

Agenda Item

Agenda Item Name: Patrick O. Connelly – Rochester History Project

Name of Person Submitting Item: Katie Ambrose, Deputy City Manager/Director of Finance & Administration

E-mail Address: kathryn.ambrose@rochesternh.net

Meeting Date Requested: 4/12/2022

Issue Summary Statement: Professor Patrick O. Connelly will be returning to provide additional details and further discussion on this project and use of funds.

Recommended Action: Discussion

FINANCE COMMITTEE

Agenda Item

Agenda Item Name: Trustees of Trust- History of Rochester Capital Reserve Fund

Meeting Date Requested: 4-12-22

Name of Person Submitting Item: Mark Sullivan Deputy Finance Director

E-mail Address: mark.sullivan@rochesternh.net

Issue Summary: The Trustees of the Trust have recommended that the capital reserve fund for the History of Rochester be closed. The account has a balance of \$24,000, and the Trustees have fulfilled the obligations related to managing the funds. The funds can be repurposed to another capital reserve fund, or returned to general fund.

Recommended Action: Discussion/determination of funds.

Councilor Keans moved to suspend the Rules of the Council to allow for the second reading of the Resolution at this meeting. That motion was seconded by Councilor Grassie and was unanimously passed.

Mayor Green then read the Resolution for the second time, by title only, with no objections to the title-reading expressed by the Council.

Councilor Keans moved that the Resolution be approved as read. That motion was seconded by Councilor Creteau.

Councilor McManus asked if funds had been included in the budget for this purchase. The Mayor responded in the affirmative, noting that the present capital budget included a "Purchase of Property" line-item.

Councilor McManus expressed support for the Resolution, noting that it was important to protect the City's water supply.

Councilor Callaghan asked if a fence would be erected along the 300' buffer zone. The Mayor stated that no plans had been made to erect a fence but that the Council could authorize such action if it so desired. Councilor Callaghan expressed his belief that the Council should consider installing a fence "to protect the City's interests." Mayor Green pointed out that the heavily-wooded areas of the parcel may not be suitable for fence installation.

Councilor Keans' motion was then passed by a unanimous voice vote in favor.

9. History of Rochester Project: Trust Fund

Mayor Green then read the following Resolution for the first time, noting that copies had been distributed at this meeting and that two readings would be required prior to final Council action:

**RESOLUTION ESTABLISHING
THE HISTORY OF ROCHESTER TRUST FUND**

**BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF
THE CITY OF ROCHESTER:**

That the sum of \$60,000.00 presently appropriated as a non-lapsing account (Account 01-417-962) for the History of Rochester in the 1987-88 operating budget for the City of Rochester is hereby transferred to the Trustees of the Trust Funds for the City of Rochester for the purpose of establishing the History of Rochester Trust Fund. Such trust shall be established and used as follows:

- a. Such principal sum shall be invested by the Trustees and the principal and interest therefrom shall be utilized by said Trustees to support scholarly research, writing, printing, publishing and other related activities, as determined by the Trustees, necessary for the creation of a History of the City of Rochester after 1890 as a continuation of the existing History of the Town of Rochester, New Hampshire 1722-1890, by Franklin McDuffee.
- b. Prior to the publication of any manuscript resulting from the expenditure of the trust funds, such manuscript shall be submitted to the Rochester Historical Society for review and comment.

- c. The Trustees of the Trust Funds are hereby authorized to enter into any contracts or other agreements necessary to effectuate the purposes of the trust.

The Mayor reported that the Finance Committee had unanimously recommended that the Resolution be approved as submitted.

Councilor Grassie moved that the Rules of the Council be suspended to allow for the second reading of the Resolution at this meeting. That motion was seconded by Councilor Creteau and was unanimously passed.

Mayor Green then read the Resolution for the second time, by title only, with no objections to the title-reading expressed by the Council.

Councilor Grassie moved that the Resolution be approved as read. That motion was seconded by Councilor Hussey and was passed by a majority voice vote in favor, with one member opposed, namely Councilor Germon.

10. Resolution Relative to Acceptance of Donations from Private Sources and Appropriations Relative Thereto

The Mayor then read the following Resolution for the first time, noting that copies had been distributed at this meeting and that two readings would be required prior to final Council action:

RESOLUTION AUTHORIZING SUPPLEMENTAL APPROPRIATION

BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF ROCHESTER:

That the sum of Nine Thousand Five Hundred Ninety Dollars (\$9,590.00) is hereby appropriated as a supplemental appropriation to the 1989-90 fiscal year capital funds to the School Department for capital projects specified in the following itemization and in the amounts set forth therein, and that the funds for said appropriation be and hereby are allocated from the sources set forth in the following itemization:

1989-90 CAPITAL BUDGET

1989-90 Misc. Capital Projects

<u>Source of Funds</u>	<u>Amount</u>	<u>Proposed Use of Funds</u>
Nash Family Investment Properties	\$2,590	School Dept: Maple Street School Recreational Capital Improvements
Nash Family Investment Properties	\$7,000	School Dept: School Capital Improvements

The Chair reported that the Finance Committee had unanimously recommended that the Resolution be approved as submitted.

Councilor Grassie moved to suspend the Rules of the Council to allow for the second reading of the Resolution at this meeting. That motion was seconded by Councilor Creteau and was unanimously passed.

Mayor Green then read the Resolution for the second time, by title only, with no objections to the title-reading expressed by the Council.

Councilor Grassie moved that the Resolution be approved as read. That motion was seconded by Councilor Hussey and was passed by a unanimous voice vote in favor.

FINANCE COMMITTEE

Agenda Item

Agenda Item Name: Morning Pride Donation- Firefighting Gear

Name of Person Submitting Item: Katie Ambrose, Deputy City Manager/Director of Finance & Administration

E-mail Address: kathryn.ambrose@rochesternh.net

Meeting Date Requested: 4/12/22

Issue Summary: Interim Fire Chief Plummer has informed Finance that Morning Pride would like to donate a set of Firefighting gear to the Fire Department to use as a field test. This gear has an estimated value of \$3,700.

Interim Chief Plummer has provided that this donation would allow the department to evaluate their product under daily use. Although Morning Pride is not a brand that has been purchased in the past, the Fire Department is aware of their excellent reputation. The donated gear would meet the same specifications as the gear that the department currently uses.

Recommended Action: Recommend acceptance of the donation valued at \$3,700 to full Council.

FINANCE COMMITTEE

Agenda Item

Agenda Item Name: Economic Development Non-Capital Reserve Fund

Meeting Date Requested: 4-12-22

Name of Person Submitting Item: Mark Sullivan Deputy Finance Director

E-mail Address: mark.sullivan@rochesternh.net

Issue Summary: Replacing City Ordinance 7-63 Economic Development Special Reserve fund with the creation of a Non-Capital Reserve Fund under RSA 34.1a. Also enclosed is the existing 7-63 ordinance. In addition, a summary of revenues & expenditures of the Economic Development Special Reserve fund from 2017 through 2022, as well as activity from other funding sources is included.

Recommended Action: Review the attached new Non-Capital Reserve Fund language consider approval to full Council.

Resolution Pursuant to RSA 34:1-a Establishing an Economic Development Reserve Fund

BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF ROCHESTER, AS FOLLOWS:

By adoption of this Resolution, the City Council establishes a Non-Capital Reserve Fund pursuant to RSA 34:1-a for the purpose of encouraging economic development within the City, encouraging the development of industrial and commercial sites, promoting the City as an attractive location for businesses and residents, and acquisition of land related to the same. The name of such fund shall be the Economic Development Reserve Fund.

The City Council, at its sole discretion, may appropriate monies to said Economic Development Reserve Fund through the annual budgeting process, however, in no case shall said annual appropriation be less than One Hundred Thousand Dollars (\$100,000.00). Budgetary Revenue sources can be Waste Management Host Fee Revenues, or General Fund Unassigned Fund Balance. Other unanticipated revenue sources, and proceeds from transactions that were originally derived from the Economic Development Reserve Fund may be transferred to the fund upon a majority vote of the City Council.

Pursuant to RSA 34:6, the Trustees of Trust Funds shall have custody of all non-capital reserves transferred to the Economic Development Reserve Fund. The Trustees of the Trust Fund will hold the monies appropriated to the Economic Development Reserve Fund in a separate liquid investment account. Appropriations made to the Economic Development Reserve Fund will be submitted to the Trustees of the Trust Fund after July 1 but prior to June 30 of the fiscal year of the appropriation.

Pursuant to RSA 34:10, the City Council names the Economic Development Commission as its agent to carry out the objects of the Economic Development Reserve Fund. All expenditures made by the Economic Development Commission shall be made only for or in connection with the purposes for which said Fund was established and only in accordance with §§7-38-40 of the City Code. Approval of expenditure of funds for projects shall only occur upon 2/3 vote of the Economic Development Commission. Further, any single expenditure of funds in excess of One Hundred Thousand Dollars (\$100,000.00) shall require the approval of a majority vote of the City Council.

The City Council may dissolve the Economic Development Reserve Fund at its sole discretion. Upon dissolution of any portion of said fund appropriated from the General Fund said funds will lapse to surplus (Undesignated General Fund fund balance) and cannot be repurposed directly to a different capital fund or project.

To the extent not otherwise provided for in this Resolution, the Finance Director is hereby authorized to designate and/or establish such accounts and/or account numbers as necessary to implement the transactions contemplated by this Resolution.

§ 7-63 Economic Development Special Reserve Fund.

[Added 9-6-2016]

A. Statement of purpose.

- (1) The City of Rochester currently serves as the "Host Community" for the Turnkey Recycling and Environmental Enterprises Waste Disposal Facility (TREE) currently operated by Waste Management of New Hampshire, Inc., and located on the Rochester Neck Road. By virtue of its status as Host Community for TREE, the City of Rochester, in addition to incurring significant expenses in connection with such facility, receives significant financial benefits in the form of real property taxes, user fees (in the form of so-called "host community fees") and various other benefits relative to the cost to the City and its inhabitants of the disposal and/or recycling of various solid waste, including reduced and/or eliminated fees for the disposal and/or recycling of solid waste generated within the City of Rochester. It is currently estimated that the permitted capacity of the TREE Waste Disposal Facility (TLR-III) will be reached in approximately the year 2023. When such facility is filled to its permitted capacity, it is anticipated that the City will experience a loss in revenues, and the City and its inhabitants will experience increased costs associated with the disposal and/or recycling of solid waste, particularly in the form of reduced and/or lost user fees and reduced property tax revenues, as well as increased costs associated with the disposal and/or recycling of solid waste. Therefore, in an effort to offset the expected loss of revenues and increased costs occurring to the City as a result of the anticipated filling of the TREE Waste Disposal Facility to its permitted capacity and to promote the general fiscal strength and well-being of the City, it is necessary that economic development in the City of Rochester be promoted and/or maintained to ensure the existence and/or expansion of a vibrant economic base for the City and its inhabitants.
- (2) Therefore, the City Council of the City of Rochester, pursuant to the authority granted by RSA 47:1-b and 47:1-c, hereby establishes a special revenue reserve fund from the specific source identified in Subsection B of this section for capital expenditures or expenditures for capital projects, transfers to capital projects, transfers to capital reserve, or for any other appropriation of a nonrecurring nature in support of economic development as determined by the City Council. The special reserve fund established in Subsection B of this section shall be known as the "City of Rochester Economic Development Special Reserve Fund." No expenditure from said City of Rochester Economic Development Special Reserve Fund shall be made without an appropriation of such funds having been adopted by the Rochester City Council, which appropriation shall provide that such appropriation is for economic development purposes and shall contain a statement and/or finding by the City Council indicating the manner in which it is anticipated that such appropriation is related to the economic development of the City of Rochester.

- B. There is hereby created a non-lapsing budgetary account within the City of Rochester, pursuant to the authority granted to the City by the provisions of RSA 47:1-b, such special reserve fund to be known as the "City of Rochester Economic Development Special Reserve Fund." Such fund shall be funded on an annual basis by the appropriation by the City Council to such special reserve fund of an amount not less than one hundred thousand dollars (\$100,000.) from the funds annually payable to the City of Rochester by Waste Management of New Hampshire, Inc., from the so-called "host community fees" payable to the City pursuant to the provisions of the Host Agreement between the City and Waste Management of New Hampshire, Inc., or of any successor to such agreement. In addition to such minimum funding level, the City Manager may, during any fiscal year of the City, upon written notification to, and appropriation by, the City Council, transfer to said City of Rochester Economic Development Special Reserve Fund unappropriated host community fees in an amount not to exceed the difference between the total amount of host community fees received from Waste Management of New Hampshire, Inc., during such fiscal year and the amount of such host community fees previously appropriated by the Rochester City Council during such fiscal year (having in mind the minimum funding/appropriation requirement provided for herein and any other appropriation of such fiscal year's host community fees by the City Council during such fiscal year).

Economic Development Special Reserve Fund-Activity 2017-2022

Economic Development Special Revenue Fund-Revenues				
Activity	Revenue Source	Amount	Notes	Fiscal Year
Revenues-IN	WM Host Fees	\$0	Transfers into Fund	2017
Revenues-IN	WM Host Fees	\$100,000	Transfers into Fund	2018
Revenues-IN	Deauthorization CIP Projects	\$27,591	Transfers into Fund	2018
Revenues-IN	WM Host Fees	\$100,000	Transfers into Fund	2019
Revenues-IN	WM Host Fees	\$100,000	Transfers into Fund	2020
Revenues-IN	WM Host Fees	\$100,000	Transfers into Fund	2021
Revenues-IN	Cares Act Grant-Micro Loan Program	\$54,500	Transfers into Fund	2021
Revenues-IN	Micro Loan Repayment	\$5,500	Transfers into Fund	2021
Revenues-IN	WM Host Fees	\$100,000	Transfers into Fund	2022
Revenues IN ED Special Revenue Fund		\$587,591		

Economic Development Special Revenue Fund-Expenditures				
Project	Description	Amount	Notes	Fiscal Year
0 Rochester Hill Rd	Land Purchase-36%	\$57,934	ED Fund Balance	2017
10 North Main St	Land-Building Purchase	\$111,914	ED Fund Balance	2018
Riverwalk Master Plan	Contribution to Riverwalk	\$5,500	ED Fund Balance	2018
Wayfinding	City wide signage infrastructure	\$100,000	ED Fund Balance	2020
Micro Loan Program-Covid-19	Micro Loan Program	\$60,000	ED Fund Balance	2021
Water Street Paving Project	Scenic-Salenger Development	\$37,000	ED Fund Balance	2022
Sub Total Expenditures		\$372,348		

Fund Balance Changes		
Net Change Fund Balance FY17-FY22		\$215,243
Prior Cummulated Fund Balance FY16		\$63,071
Current FY22 Fund Balance		\$278,314

Economic Development Activity-Other Revenue Sources 2017-2022

Economic Development Activity Funding-Other Sources 2017-2021

Project Description	Type	Amount	Source	Fiscal Year
294 Rochester Hill Rd	Land Purchase	\$450,000	GF Unassigned FB	2017
296 Rochester Hill Rd	Land Purchase	\$250,000	GF Unassigned FB	2017
0 Rochester Hill Rd	Land Purchase-64%	\$102,066	GF Unassigned FB	2017
Granite State Business Park-Water Loop	Infrastructure	\$600,000	GF Unassigned FB	2019
55 North Main St	Land-Building Purchase	\$351,273	GF Unassigned FB	2020
Downtown Revitalization Fund	Land-Building Development	\$300,000	GF Unassigned FB	2020
8 Amarosa Drive	Land Development	\$270,000	GF Unassigned FB	2021
11 Barker Court Purchase & Demo	Land Development	\$365,000	GF Unassigned FB	2021
Sub Total General Unassigned FB		\$2,688,339		

145 Airport Rd	Land Purchase	\$225,000	GSBP Fund Balance	2020
Innovation Drive-Prep Partners Waterline	Infrastructure	\$132,000	GSBP Fund Balance	2021
Sub Total GSBP TIF 162K		\$357,000		

All Total		\$3,045,339		
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FINANCE COMMITTEE

Agenda Item

Agenda Item Name: Public Works Committee Supplemental Appropriation for Paving Rehabilitation.

Meeting Date Requested: 4-12-22

Name of Person Submitting Item: Mark Sullivan Deputy Finance Director

E-mail Address: mark.sullivan@rochesternh.net

Issue Summary: The Public Works Committee recommended a supplemental appropriation of five hundred thousand dollars (\$500,000) be obtained from General Fund Unassigned Fund Balance for paving rehabilitation on Winkley Farm Lane, Fiddlehead Land, and Bickford Road.

Finance Comments: MSullivan: Each fiscal year Council adopts a specific appropriation for pavement rehabilitation. Public Works Department and Public Works Committee devise a list of streets to be targeted for rehabilitation. Any annual surplus of funds is allowed to be carried over and contribute to the next fiscal year's pavement rehabilitation program. However, supplemental appropriations for paving rehabilitation should be specific in terms of identifying the specific streets to be rehabilitated, and should also identify how any surplus is to be managed.

Recommended Action: Discussion

FINANCE COMMITTEE

Agenda Item

Agenda Item Name: General Fund Unassigned Fund Balance-Audit Presentation

Meeting Date Requested: 4-12-22

Name of Person Submitting Item: Mark Sullivan Deputy Finance Director

E-mail Address: mark.sullivan@rochesternh.net

Issue Summary: During the auditors presentation on the FYE21 audit results the General Fund Unassigned Fund balance was stated to be \$25,736,042, (page 4 of FY21 Financial Statements). It is important to note that this is the General Accepted Accounting Principals (GAAP) balance, which includes various accounting accruals.

The City's General Fund Unassigned Fund Balance policy is based on upon the State of NH Form MS-535-Financial Report of Budget, which is summarized on page 44 of the FY21 Financial Statements. The MS-535 balance is \$29,175,647.

Attached is an FY22 summary of use of General Fund Unassigned Fund balance activities.

Recommended Action: Informational

**FY22 General Fund Unassigned Fund Balance Activity
04/7/2022**

Descriptions	GF Expenditures	Amount	Percentage	Notes
FYE21 (MS-535 06/30/2021)	\$109,564,594	\$29,175,647	26.63%	
Unassigned Fund Balance Policy Threshold 8%-17%				
Low 8%		\$8,765,168	8.00%	
High 17%		\$18,625,981	17.00%	
Over (Under) Fund Balance Policy- 17% Threshold		\$10,549,666	56.64%	
FY22 Adopted Budget City & School		\$3,047,064	16.36%	Pending FYE22 actuals
Balance Over (Under) 17%		\$7,502,602	40.28%	

FY22 Additional Activity	Date	City	School	Water-Sewer	Econ Dev Fund	Subtotal	Notes
CIP Change of Bond Funding	03/01/2022	\$2,386,489	\$570,000	\$754,150		\$3,710,639	Approved 4-5-22
Transfer to Economic Development Fund	03/01/2022				\$1,084,000	\$1,084,000	Approved 4-5-22
Creation of Capital Reserve Fund	03/01/2022	\$1,500,000				\$1,500,000	Approved 4-5-22
Public Works Committee Paving Rehabilitation	04/12/2022	\$500,000				\$500,000	Pending Council Approval
						\$0	
						\$0	
						\$0	
						\$0	
						\$0	
FY22 Totals		\$14,936,155	\$570,000	\$754,150	\$1,084,000	\$6,794,639	

FY22 Activity Summary	Amounts
FY22 Adopted	\$3,047,064
FY22 Additional Activites	\$6,794,639
FY22 Totals	\$9,841,703

FINANCE COMMITTEE

Monthly Financial Summary Report

Agenda Item Name: Monthly Financial Statements Summary – as of March 31, 2022

For the full detail report, click here: [March 31, 2022 Financial Detail Report](#)

Name of Person Submitting Item: Mark Sullivan Deputy Finance Director

E-mail Address: mark.sullivan@rochesternh.net

Issue Summary Statement

Below are the revenues & expense highlights through March 31, 2022, which represents approximately 75% completion of FY22.

GENERAL FUND NON PROPERTY TAX REVENUES

Motor Vehicle Registrations: Revenues remain strong at \$4,262,193, 87% collected.

Waste Management Host Fees: FY22 third quarterly payment received, total received \$3,611,720. City allocation \$2,733,593 School Department allocation of \$878,127. Quarter 4 payment due April-22.

Building Permits: Revenues remain strong at \$393,019, 131% collected.

Interest Income: Remains very soft at \$25,942, interest rates remain low.

Interest on Delinquent Taxes: Collections at \$430,584, 144% collected.

State of NH Rooms & Meals: \$2,296,678 received, \$728,399 over budget. The surplus of \$728,399 was used to offset the DRA 2021 final property tax rate.

Highway Block Subsidy: FY22 third payment received, total received \$493,672, 82% collected.

Cablevision: Three payments received from Comcast & Atlantic Broadband, total \$141,076, 60% collected.

Current Use Taxes: Current Use tax revenues are strong at \$112,728. There are a (51) new Current Use Warrants pending bookkeeping set up which will add another \$310,000 to the total.

GENERAL FUND EXPENSES: Overall expenses are slightly above budget at 74%. Expense details are 71% actually expended and 3% encumbered to spend. Salary, OT & Benefits are trending slightly below budget at 61%

Fire & Police Over Time: Fire Department Overtime trending high at 145% expended, Police Overtime trending at 137% expended.

Welfare Direct Assistance: Continues to trend low at 33% expended.

WATER-SEWER SPECIAL REVENUE FUNDS:

Water-Sewer Funds: Water-Sewer User Fee revenues remain strong on each fund, with low delinquencies, and collections both at 54%. FY22 Water Fund expenses are trending below budget at 63%, Sewer Fund expenses are trending below budget at 71%.

Community Center: Expenses trending to budget at 78%, and Revenues are at 65% collected.

Arena Special Revenue: Expenses at 82% Revenues are at 100% collected, which includes a \$129,815 contribution from ARPA grant funds.