

Finance Committee
Meeting Minutes

Meeting Information

Date: February 12, 2019
Time: 7:00 P.M.
Location: City Council Chambers
31 Wakefield Street
Rochester, New Hampshire

Committee members present were: Mayor McCarley, Deputy Mayor Varney, Councilor Walker, Councilor Gray, Councilor Lauterborn, and Councilor Torr. **Absent:** Councilor Keans **City staff present were:** City Manager Blaine Cox, Interim Finance Director Roland Connors, Senior Accountant Mark Sullivan, Director of Recreation and Arena Chris Bowlen, Chief Assessor Jon Rice, Director of City Services Peter Nourse and Accountant Sam Kelley.

Agenda & Minutes

1. Call to Order

Mayor McCarley called the meeting to order at 7:00pm.

2. Public Input:

There was no public input.

3. Unfinished Business

There was no unfinished business taken up by the Finance Committee.

4. New Business

4.1 Recreation Department Summer Hiring

Chris Bowlen addressed the council to ask that he may proceed with hiring summer staff. **Council Walker made a motion to recommend to the full council to approve the hiring of summer staff. Councilor Lauterborn seconded. All councilors were in favor.**

4.2 Changes to Veterans' Tax Credit Statutes

Chief Assessor Rice informed the Committee that there are two statutes that have changes. The first RSA is 72:35, I-a Tax Credit for Service – Connected Total Disability. The only change associated with this RSA is the maximum amount is increasing from \$2,000 to \$4,000. Mr. Rice stated that there are currently 79 veterans that are currently receiving this tax credit. Deputy Mayor Varney asked that of the 79 properties that these veterans own, what are the low and high property tax burdens as well as what is

the average? This information will help in seeing if these properties are 50% covered already by the existing tax credit. He also requested that this RSA be looked at again near budget time.

The second RSA is 72:28-c Optional Tax Credit for Combat Service. Mr. Rice stated that this RSA is new and that it would be very hard to track how long someone is eligible. This RSA is exclusively for members of the NH National Guard or the Reserve component of the armed forces.

4.3 CIP Budget Schedule for FY 2021

Senior Accountant Sullivan approached the podium to hold a conversation regarding the CIP budget schedule. He asked if there is a benefit to completing the CIP budget early, in January or February instead of July which is how it's done now. He stated the only issue would be the impact to the tax cap. The Net New Construction amount used in the Tax Cap calculation isn't known until April 1st each year. Public Works Director Peter Nourse stated that for purchasing vehicles it would be beneficial as they could begin building POs in January. However, Nourse feels there are more disadvantages to changing from the current schedule, one being that they currently start CIP budgeting in September-November. If they were to shift the cycle six months earlier this task would fall during their busy summer season. He also noted that their construction estimates might be off by a greater amount where they are looking at them six months earlier.

4.4 Finance Office Re-Organization

City Manager Cox presented the proposed finance department reorganization plan. Part One of the plan is to eliminate the Senior Accountant position and add an Accountant II position. The current job description for the Senior Accountant included many IT functions that are no longer done by the individual filling this position. Part Two of the plan is to fill a second deputy finance director position. When looking at other community's structures, the proposed reorganization falls more in line with them. This is similar to how Concord has structured its Finance department. This plan separates the functions between the two deputy finance directors; one would be responsible for treasury and accounting and the other would be responsible for budget management and administration. Councilor Gray inquired about the number of employees each deputy would supervise. After further discussion about the reorganization plan, **Councilor Walker made the motion to recommend approval of the creation of the Accountant II position and elimination of the Senior Accountant position to full city council and Councilor Varney seconded it. All were in favor except Councilor Gray.** Councilor Lauterborn questioned if the previous action included the approval of a second deputy finance director position. City Manager Cox stated that he would not promote someone to the second deputy finance director position without the Council's support.

Another motion was made by Councilor Walker to recommend approval of the Finance Department's reorganization plan to include two Deputy Finance Directors. Councilor Varney seconded the motion. A vote was taken and all approved except Councilors Gray and Lauterborn.

5. Reports from Interim Director of Finance & Administration

5.1 Report on Tax Deeded Property

There were no questions or concerns regarding the report on tax deeded property.

5.2 Report on Sale of City Property

There were no questions or concerns regarding the report on sale of city property.

5.3 Monthly Financial Report

There were no questions or concerns regarding the monthly financial report for January.

6. Other

Councilor Gray stated that two residents had contacted him regarding solar panel exemptions. Chief Assessor Rice confirmed that the City many years ago adopted the enabling legislation providing a property tax exemption for solar and wind improvements.

Councilor Gray spoke about the city charter and Council policy regarding the percentages and the actions that occur when the General Fund Unassigned Fund Balance reaches certain percentages. He's recommending that the city charter, Council policy or both be revised to be consistent. City Manager Cox will follow up on this request.

7. Adjournment

Councilor Walker made the motion to adjourn the meeting at 7:39 P.M. All councilors were in favor.