

Finance Committee

Meeting Minutes

Meeting Information

Date: November 10, 2020

Time: 6:00 P.M.

Location: Council Chambers, 31 Wakefield Street
Rochester, New Hampshire and remotely via Microsoft Teams

Committee members present: Mayor McCarley, Deputy Mayor Lauterborn, Councilor Walker, Councilor Gray, Councilor Bogan, Councilor Lachance, and Councilor Hamann.

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

Agenda & Minutes

1. Call to Order

Mayor McCarley called the Finance Committee meeting to order at 6:00 PM and read the following preamble:

Good Evening, as Chairperson of the Finance Committee, I am declaring that an emergency exists and I am invoking the provisions of RSA 91-A:2, III (b). I also find that this meeting is imperative to the continued operation of City government and services, which are vital to public safety and confidence during this emergency. As such, this meeting will be conducted without a quorum of this body physically present in the same location.

At this time, I also welcome members of the public accessing this meeting remotely. The public can call-in to phone number: 857-444-0744 using conference code: 843095.

This meeting will be set to allow the public to “listen-in” only, and there will be no public comment taken via conference line during the meeting.

Please note that all votes that are taken during this meeting shall be done by Roll Call vote.

Let’s start the meeting by taking a Roll Call attendance. When each member states their name and ward, also please state whether there is anyone in the room with you during this meeting, which is required under the Right-to-Know law.

Deputy City Clerk Cassie Givara took the roll call. The following Councilors were present in Council Chambers: Deputy Mayor Lauterborn, Councilor Hamann, Councilor Gray, Councilor Walker and Mayor McCarley. The following Councilors were connecting remotely and indicated

they were alone in the location from which they were connecting: Councilor Bogan and Councilor Lachance.

2. Public Input

Ray Barnett, resident, addressed the committee is regards to returned funds from the previous fiscal year budget and the potential uses for these funds. He also spoke about the City's purchase of properties.

3. Unfinished Business-None

No discussion.

4. New Business-

4.1 Rochester Trustees of the Trust Funds-Review-Discussion

Brett Johnson and Ray Varney, Trustees, gave a brief summary of all the funds for which the Trustees of the Trust fund are responsible. Mr. Johnson stated that the Trustees had met with Charter trust in September for their annual meeting and reported the following:

The common funds have a balance of approximately \$3.5 million with a year-to-date return of over 8%. The expendable funds balance is running at \$126,000 with year-to-date returns just under 5.5%; and the Capital Reserve fund is just over \$2 million. Mr. Johnson stated that the Capital Reserve fund has a low yield because the funds come in and out very quickly.

Mr. Johnson summarized their disbursements year-to-date, stating they are the custodians of over \$41,000 in scholarships to Spaulding High School students, \$140.50 to the high school library, and over \$5000 to the Rochester Public Library.

Mr. Johnson stated that residents and those wanting to know more about the funds to which the trustees are custodians can find this information of the Trustees of the Trust Fund page of the City website.

Councilor Lauterborn remarked on the high balance in the commons funds and inquired if it was just the income on the fund which is being spent and if there was a timeline on when the principal needs to be spent. Mr. Johnson said these decisions are made when the fund is initially set up; with most funds the principal cannot be expended and the trustees are only expending the income. Mr. Johnson summarized a few of the many funds which make up the common funds.

Councilor Lauterborn asked how people will know the capital reserve fund is available and how they can utilize the funds. Mr. Johnson stated that the Trustees take their direction from the Finance Committee and City Council on what funds come in and how much money is expended at any one time. Mr. Varney clarified that the capital reserve fund comes from the undesignated fund balance. He stated that it has been used to pay school debt service. He reported that there had been discussions with Finance about using the funds more aggressively;

but if Council wants the funds back, the Trustees need to be able to respond with that amount. Therefore, long-term investments cannot be made with these funds. Mr. Varney stated that the ordinance states that money put into the capital reserve fund needs to be earmarked for a specific project unless there is a public hearing to change the intent of the funding.

4.2 Covid-19 Funding & Aid Update-Discussion

Finance Director Ambrose gave a general overview of the COVID-19 funding aid which has been applied for, received, and what is still to come.

Director Ambrose gave a summary of the funding received for the Primary and General elections. She stated that the allocation is currently up to \$71,190.02 as reimbursement for the additional cost for the processing of absentee ballots. The maximum allocation is just over \$59,000 with the City's match being \$11,865. For the Primary Election, the City received \$12,545.40. It is unknown how much will be received for the General election, although it is anticipated it will be determined with the next week. This amount is based on the absentee ballot count and determined with a formula comparing number of absentee ballots requested and received this year over the amount in 2016.

Director Ambrose stated that CDBG has provided some additional COVID-19 grants. The first round, which Council approved, was \$149,714.00. Round 3 is going to committee next week and coming to Council for approval in December, with an amount of \$146,576.00; the total of both being just over \$296,000 in additional CDBG COVID funding.

Ms. Ambrose referenced the BJA Coronavirus emergency supplemental funding, which was \$89,226 accepted for the mobile dispatch center. She stated the trailer has been put out to bid and awarded.

Director Ambrose stated that the Council would vote tonight the on whether to accept additional GOFERR funds, which are CARES act funding through the state to provide relief to municipalities. Rochester's maximum allocation is \$726,914, which is calculated based upon population. Director Ambrose spoke about submission deadlines, and the fluid nature of the treasury guidelines on what is reimbursable, which has been changing throughout the process. She gave examples of qualifying reimbursable expenses such as additional staffing, and laptops for remote work.

Director Ambrose summarized the FEMA public assistance funding, for which the City is currently applying. It is a cost share funding source with a 75% reimbursement and a 25% match from the City. She reported there are just under \$71,000 in expenses which will be submitted, largely related to Emergency Operations Center expenses such as PPE purchase and staff payroll. She stated that donations can offset the 25% City contribution. There are currently \$7,280 in donations which will factor into that contribution.

Councilor Lauterborn asked if there is a large amount of paperwork accountability and federal government oversight with this funding, or if there is leeway given to the City to expend the funds however they deem most appropriate. Director Ambrose said that the City has been tracking COVID-related expenses very carefully, and for this funding they need to provide backup documentation such as invoices. Director Ambrose stated the finance department will be working with the auditors, although there is no current audit guidance from the government and likely will not be until January.

Councilor Lachance inquired if the City was on track expenditure wise as a percentage of the budget in the current budget cycle. Deputy Finance Director Sullivan referred to the financial reports which showed that the City was currently at 31% and they are 33% through the fiscal year; tracking very similar to last year. Councilor Lachance asked if the City needed this federal money if they are on track financially as they were pre-COVID. Director Ambrose said that she believes the funding has been beneficial because the City was able to make COVID-related purchases which might not have been possible without the additional funding and which were not budgeted for.

4.3 FY20 General Fund Unassigned Fund Balance –Estimate

Finance Director Ambrose referred to the report in the finance packet and gave a summary of the General Fund Unassigned fund balance use from the start of the fiscal year to current. There was an overall decreased of unassigned fund balance in the amount of \$1,049,523 which left an ending balance of \$22,138,487.21, or 20.3%. The ordinance requires a minimum level of 8% – 17 %, with the use of unassigned fund balance in FY20; leaving the City still above the minimum required level. She also gave a summary of the major contributors to the fund.

She referenced the supplemental appropriations which are on the Council agenda for approval tonight, along with the recommended \$17,674.28 for the EDA Salmon Falls road project. If these are all approved, the impact would be 18.7%, which is still above minimum level.

4.4 EDA Salmon Falls Rd- Project Closure Review

Director Ambrose reported that the EDA Salmon Falls Road project was substantially completed in 2017. This project was funded via multiple sources over multiple funds; such as bonding, private donations, and the Economic Development fund. Initially, the appropriations were based upon estimates. However now that the final numbers are in, it was realized that some appropriations were more than were needed and some were less; so there are multiple adjustments needed to close the project. They have drafted a multi-part resolution changing some funding sources, deauthorization and withdrawal of authority and repurposing other funding.

Mayor McCarley asked there could be a motion made without the resolution being available. Director Ambrose suggested a committee recommendation to send the resolution to full Council when it is completed. Councilor Gray **MOVED** to recommend to send the resolution to full council. Councilor Lauterborn seconded the motion. The **MOTION CARRIED** by a unanimous roll call vote with Councilors Hamann, Lachance, Bogan, Walker, Gray, Lauterborn

and Mayor McCarley all voting in favor.

5. Reports from Finance & Administration

5.1 Monthly Financial Report Summaries October 31, 2020

5.1 (a) October 31, 2020 Revenues

5.1 (b) October 31, 2020 Expenses

Deputy Finance Director Sullivan said the non-property tax revenues, waste management host fees, and motor vehicles all remain strong. Building permits and water sewer user rate collections have rebounded. On the expenditure side, he noted there are some spikes in police and fire overtime, but not significantly over the past year. Overall everything is looking good.

Mayor McCarley asked if there was any anticipated problems collecting the December tax bills. Deputy Finance Director Sullivan stated that the first billing cycle, there was strong initial collections on the residential side and overall they collected over 90%. He anticipates it will be similar with this billing.

6. Other

Councilor Walker asked if the school department had provided any updates on their COVID financing. Mayor McCarley said they had not received anything after the October finance meeting update. City Manager Cox said there have not been any current updates, although if there is a supplemental appropriation needed it will likely be in December or January.

Councilor Gray asked about the per student CARES act money and whether or not it will reduce their request for a supplemental appropriation.

Councilor Hamann inquired if the assessing software was up and running yet. Director Ambrose said they are still in the implementation process currently, getting ready to go live and completing final testing. The process continues to move forward, although the next bill will be through Patriot.

7. Adjournment

Mayor McCarley **ADJOURNED** the Finance Committee meeting at 6:39 PM.

Respectfully Submitted,

Cassie Givara
Deputy City Clerk