

DRAFT

Finance Committee

Meeting Minutes

Meeting Information

Date: June 8, 2021

Time: 6:30 P.M.

Location: Council Chambers, 31 Wakefield Street

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

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

Others present: Ray Barnett, resident.

Agenda & Minutes

1. Call to Order

Mayor McCarley called the Finance Committee meeting to order at 6:30 PM. Deputy City Clerk Cassie Givara took a silent roll call. All members were present except for Councilor Jean, who was excused.

2. Acceptance of Minutes-April 13, 2021

Councilor Lauterborn **MOVED** to **ACCEPT** the minutes of the April 13, 2021 Finance Committee meeting. Councilor Hamann seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

3. Public Input

Ray Barnett, resident, addressed the committee in regards to the elderly tax exemption and how Rochester's rates relate to other comparable communities. Mr. Barnett also spoke about salaries and merit increases for City staff.

4. Unfinished Business-None

No discussion.

5. New Business-

5.1 Elderly Exemptions-Discussion

Mayor McCarley referenced a memo distributed by Chief Assessor Jon Rice in regards to the current elderly exemption limits and when they had been adopted by City Council. Mayor McCarley stated that the Chief Assessor is looking for guidance on whether the City wanted to remain at the current exemption level or reevaluate.

Councilor Lauterborn stated that it is important to review these levels every few years; however they had been reviewed and raised two years ago in order to make Rochester more competitive with neighboring communities and there was no need currently to readjust the rates.

5.2 School Building Capital Reserve Fund Transfer Authorization

Mayor McCarley advised the committee that action was needed in order to direct the full Council to transfer \$844,000 from the School Capital Reserve fund into the School Department FY22 revenue account.

Councilor Lauterborn asked if this was a routine motion which occurs regularly. Mayor McCarley stated that this transfer has been occurring annually since 2016. The amount was included in the budget process which was just completed by City Council and had been included in the school department's budget calculations. Councilor Lauterborn **MOVED** to recommend to full Council the transfer of \$844,000 from the school capital reserve fund into the school department FY22 revenue account. Councilor Walker seconded the motion. Finance Director Ambrose summarized the process and stated that the transfer is not able to occur without authority from the Finance Committee and minutes reflecting the approval.

Councilor Gray asked for clarification on where the amount being transferred originated and how the school department surplus from the prior year would come into play. Mayor McCarley stated that the school department did not have a surplus in the prior fiscal year to add to their capital reserve fund. The transfer in question is unexpended funds from two years prior, although the school department had not asked for it to be transferred until now. She said that in the past, the school department has used these funds as revenues to help with debt service.

Finance Director Ambrose gave an outline of how this figure was calculated. Mayor McCarley said that in the past when there have been surplus funds at the end of the fiscal year being returned back to the City, the City has allowed for up to half of these funds to be placed in the School Department's Capital Reserve Fund. The City Council then needs to authorize the transfer of money from this Capital Reserve Fund to be placed into the school's operating budget for use.

Councilor Gray asked if the School Department were to receive a supplemental appropriation during the year, if that money would effect this money being transferred. Mayor McCarley confirmed that the school's supplemental appropriations are attached to specific projects and therefore would not be associated with the capital reserve fund nor would it effect this calculation.

Councilor Walker asked for clarification on where this \$844,000 was going. Finance Director Ambrose stated that it was being used for debt service for capital items. Councilor Gray said that it would go into the Capital Reserve Fund, and although it has been used in the past to reduce debt service, it is the school department's decision on how these funds will be used. The **MOTION CARRIED** by a unanimous voice vote.

Reports from Finance & Administration

5.2.1 Monthly Financial Report Summaries May 31, 2021

5.2.1 (a) May 31, 2021 Revenues

5.2.1 (b) May 3, 2021 Expenses

Deputy Finance Director Sullivan stated that the non-property tax revenues such as motor vehicles, building permits and waste management fees are remaining strong. The only "soft" area is interest income. Expenses are trending 5% under budget. Councilor Gray asked for the report of unpaid taxes which is normally distributed around this time of year. Deputy Sullivan confirmed he could get this report to the committee.

6. Other

Finance Director Ambrose gave a reminder of the low and moderate income homeowner's property tax relief program. She stated that information and the application form (DP-8) can be found at revenue.nh.gov or by calling (603) 203-5001. The deadline to file in June 30th. Information is also available on the City of Rochester Assessing page.

7. Adjournment

Councilor Walker **MOVED** to **ADJOURN** the Finance Committee meeting at 6:51 PM. Councilor Lauterborn seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

Respectfully Submitted,

Cassie Givara
Deputy City Clerk