

Finance Committee

Meeting Minutes

Meeting Information

Date: July 11, 2023

Time: 6:00 P.M.

Location: 31 Wakefield Street

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

City staff present: City Manager Katie Ambrose. Deputy Finance Director Mark Sullivan. Director of City Services Peter Nourse. Chair of the Riverwalk Committee David Walker. Director of Economic Development Mike Scala.

Agenda & Minutes

1. Call to Order

Mayor Callaghan called the Finance Committee meeting to order at 6:00 PM.

Deputy City Clerk Cassie Givara took a roll call attendance. All Councilors were present.

2. Acceptance of Minutes: June 2023

Councilor Lachapelle **MOVED** to **ACCEPT** the minutes of the June 13, 2023 Finance Committee meeting. Councilor Hamann seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

3. Public Input

David Walker, Chair of the Riverwalk Committee, asked the committee to support ARPA funding for the Riverwalk overlook project. Councilor Beaudoin asked if there were any designs for this project. Mr. Walker stated that there were preliminary drawings and a schematic at this point.

4. Unfinished Business:

4.1.1 ARPA Funds, project review, discussion, and recommendations

Deputy Finance Director Sullivan summarized several of the projects that had been discussed

at the prior Finance Committee meeting for potentially utilizing ARPA funding.

The Community Outreach Facilitator position was discussed. Deputy Director Sullivan spoke about the phased down approach that had been presented for this position, with the ARPA funding portion being gradually reduced by 25% annually through FY27, at which point the position would be entirely budget funded. In order to accomplish this, the position would require \$262,000 of the remaining unallocated ARPA funds. Councilor Lachapelle **MOVED** to recommend that the full Council approve \$262,000 in ARPA funds for the Community Outreach Facilitator position. Councilor Hamann seconded the motion. Councilor Gray spoke against using ARPA funding for salaries. Councilor Beaudoin agreed and stated that this grant funding should be used for tangible goods. Councilor Hainey asked if the Councilors who were opposed to supporting the position using ARPA funding would be committed to fully funding the position through the budget in the next fiscal year. Councilor Gray indicated that he would be likely to support the position through the budget, however stated he could not promise without seeing a total budget and not knowing what other items and concerns would arise between now and then. The **MOTION CARRIED** by a 5 to 2 roll call vote with Councilors Hamann, Hainey, Lachapelle, Larochelle, and Mayor Callaghan voting in favor and Councilors Beaudoin and Gray voting opposed.

Deputy Director Sullivan outlined the proposal for a “Lead Hazard Mitigation Program” for which \$250,000 is requested. He explained that this money would help to establish a program, with guidance from the Board of Health. Mr. Sullivan explained that in discussion with the City’s Grant Manager, it was determined that there are lead grants available through HUD with quite a bit of money available, however it is easier to get approved for these HUD grants if there is already a program structure in place. The ARPA money being requested could be used for various things such as literature, education, and research and studies that could all go towards the establishment of such a program; it would then allow for the application for these additional HUD funds once a program has been established. The details and format of the program would be determined after this initial work is completed. Councilor Hamann **MOVED** to recommend that full Council approve the \$250,000 of ARPA funds for the Lead hazard Mitigation Program. Councilor Lachapelle seconded the motion. Councilor Beaudoin felt that lead mitigation and abatement should be the role of the federal government, who is more equipped to administer these programs. He said he would be more likely to support the ARPA funding if it was to establish a low-interest revolving loan program to assist property owners with lead mitigation or a similar program. However, the way the program is currently being proposed indicates that there would potentially be personnel needed and additional City funding to maintain. Councilor Larochelle spoke about the prevalence of lead poisoning in children and emphasized the need for prevention and for the City to support initiatives to protect children.

Mayor Callaghan agreed that lead poisoning is a serious issue with Rochester’s children and needed to be addressed. He asked what the vision was for this particular ARPA proposal and how the funding would be used. Deputy Director Sullivan clarified that the initial funding being requested would not be to hire any personnel but rather to do research and potentially come up with education and outreach materials, which can be a large initial expense. The request is to set the ARPA money aside for the proposal and then refine what it will be used for; the program may not need the entire

allotment.

Councilor Hailey stated that it is already known what causes lead poisoning in children and the steps that need to be taken to prevent this issue. She felt that abatement of lead in homes would be a better use of the ARPA funds. Councilor Gray said he supported the proposal as written, particularly the outreach aspect. Councilor Beaudoin spoke about the State regulations already in place regarding lead, particularly as it relates to tenants and rentals. He said that using this ARPA funding would be duplicating efforts already in place.

City Manager Ambrose stated that the Board of Health would be presenting to City Council on their efforts in Rochester regarding lead hazards. She suggested this item be held in committee until after this presentation when it could be determined Rochester's specific needs. Councilor Lachapelle **WITHDREW** his motion to recommend the approval of this funding to full Council. Councilor Hamann withdrew his second. Councilor Larochelle **MOVED** to keep the Lead Hazard Mitigation program in committee. Councilor Beaudoin seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

Deputy Director Sullivan summarized the Riverwalk Outlook proposal for \$200,000, which he stated would be used to construct an overlook on the downtown portion of the Cochembo River. There were two potential locations proposed for the project; one in Duval Park on River Street and the other in the area of the dam in the City's municipal lot on North Main Street. He reported that the Duval Park area is no longer in a HUD approved census tract due to a shift in demographics. This designation would have helped to garner more support from the federal government when the City reports on how the funds were spent. However, the location on North Main Street would be a better fit for walkability and the public health category of the ARPA funding guidelines under which it is being proposed. Deputy Director Sullivan mentioned the Sunshine Initiative's potential involvement and potential financial partnership in the project. He said this should be considered, because if the Sunshine Initiative were to contribute financially, the ARPA allocation could be reduced. Mayor Callaghan said he had spoken to the Assistant Director of Economic Development and she did not believe that the Sunshine Initiative would be contributing financially to this portion of the Riverwalk. Councilor Hamann **MOVED** to recommend that full Council approve \$200,000 for the Riverwalk Outlook project. Councilor Lachapelle seconded the motion. Councilor Beaudoin stated that he felt the North Main Street municipal parking lot area was a better fit for this outlook project and would likely be better utilized. He requested more firm numbers on estimated construction costs and suggested the project go out to bid. Riverwalk Chair Walker reported that a couple years prior the Riverwalk Committee had received a quote of \$175,000. They increased the request to \$200,000 to factor for inflation and increased supply costs. Mayor Callaghan said he supported the project and felt it would be beneficial for the City. Councilor Hamann agreed and referenced a discussion from Waterstone at the prior Planning Board meeting in which they spoke about the possibility of connecting walking paths from the Granite Ridge to the Riverwalk. This along with the Fownes Mill development shows interest in investing in the area, and the City should support and encourage that. The **MOTION CARRIED** by a unanimous voice vote.

The final proposal was a request for \$750,000 for Affordable Housing Initiatives, which would

go towards assisting challenging properties for affordable housing development projects. Mike Scala, Director of Economic Development, gave some statistics on housing in Rochester. He reported that vacancy rates are less than 1% in the seacoast area. He said that although there are hundreds of units nearing completion or in development, the City still needs much more. This funding would help not only promote such housing, but also to get the projects off the ground to begin with. Director Scala gave details on how low income housing projects are structured and the regulations and guidelines involved.

Councilor Beaudoin said there are already multiple federal programs for low income housing assistance. He asked how many units there were in Rochester that fell under the umbrella of these low-income programs. Director Scala said he could get more definite numbers, but stressed that although there are multiple complexes in Rochester that offer “affordable” housing, there are not enough to meet the need.

Councilor Beaudoin **MOVED** to keep the Affordable Housing initiative in Committee. Councilor Gray seconded the motion. Councilor Beaudoin requested more accurate numbers on how many affordable housing units are currently in Rochester and the percentage throughout the City that would be considered low income or workforce. Councilor Beaudoin said this is not a Rochester specific-issue and that there are very few available rentals in any municipality. Director Scala stated that the Rochester Housing Authority has a 3-4 year wait list, and the new portion of Apple Ridge Apartments is opening with 100% capacity rentals as well as a wait list. He reiterated that the need is great in Rochester.

Councilor Gray agreed that there is a demand for low income housing and housing in general. However, he questioned the guidelines that would be in place for developers utilizing this ARPA money, such as how long the affordable housing component would be offered. He said that more details and regulations needed to be put into the proposal before it could be supported. Director Scala explained that after the total funding was made available, the department would come back to Council for further details and approval on individual projects. He clarified that the guidelines for developments under NH Housing Authority or similar programs require developments to maintain an affordable housing component for 50-90 years.

Councilor Hamann asked if there had been any developers interested in doing tiny home communities in Rochester similar to the Cottages at Back River Road in Dover. Director Scala confirmed that he was scheduled to meet with the developers of the referenced community in Dover, and said they are possibly interested in building a similar community in Rochester.

The **MOTION CARRIED** to keep the Affordable Housing Initiative in Committee by a 4 to 3 hand count vote.

Director Scala asked the Committee what information they would like to see provided for the next meeting. Councilor Gray asked for ground rules on how the ARPA money can be distributed and what functions could be performed with the money. Alternately, he said that there could be a stipulation that the total allocation would be approved, but each individual project would have to

come before Council for approval. Councilor Beaudoin asked for the total number of units currently receiving assistance, including the developments being constructed or soon to open.

Deputy Director Sullivan stated that he did not have enough information to make any recommendations on either the Common bathroom project or the Dispatch Center Upgrades at this time.

5. New Business:

5.1.1 Community Center Solar Project-Review analysis of purchasing system

Director of City Services Peter Nourse explained that the new DPW facility has a 400,000 kWh display on the roof, which has been enough to supply all the power to the building as well as producing a surplus which can be sent back to the grid for a credit. Due to the success of the solar array at DPW, the City started looking for other similar opportunities; the Community Center with its 2-acre roof seemed to be a good fit. However, when the structural evaluation was completed on the Community Center roof, it was discovered that only the portion of the roof over the gym was strong enough to support a large solar array. He explained that the proposed array would be smaller than the array at DPW and would likely provide approximately ¼ of the Community Center's power needs; in turn, it would not produce a surplus to be returned to the grid. Without a surplus, the power would not be net metered and there would be no requirements to upgrade the grid while also allowing for the lower rates which the City has locked in through their integrator.

Councilor Beaudoin asked if there is ever the need for snow removal from the roof of the Community Center, and if so, would the presence of a solar array affect this removal. Director Nourse said that on occasion, there has been the need for snow removal on the Community Center roof. The roof is flat and the arrays will be oriented on a tilt. He clarified that there would not be much energy produced in the winter months anyway [so temporary snow cover would not cause any issues]. Councilor Beaudoin asked if the weight of the snow combined with the solar array would be too much for the roof to support. Director Nourse gave the specs on the weight of snow and a solar array, and stated that there were no structural concerns with the proposed section of roof.

Councilor Beaudoin spoke about the disposal of solar panels in the future and said these costs and unknowns needed to be considered. Councilor Larochelle spoke about the life span of solar panels and how some types of panels are made without toxic chemicals for the purpose of eventual recycling. He said although the eventual disposal of solar panels should be discussed and considered, it should not prevent the City from enacting initiatives such as this, which are beneficial for the City. Councilor Hamann **MOVED** to recommend the full purchase price for the Community Center Solar Project to City Council. Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a majority voice vote.

Reports from Finance & Administration

5.2.1 Monthly Financial Report Summary-June 30, 2023

Deputy Finance Director Sullivan reported that the month of June ended very strong with the two largest non-property tax revenues showing very high numbers; interest income came in at a record high with over \$1 million, and building permits a record high of \$923,000. Waste Management host fees are ahead of budget, and motor vehicle fees are close to a record high as well. Deputy Director Sullivan stated that overall property tax collections are strong and expenses are trending to budget, so although he had not done the calculations there would likely be an add to the unassigned fund balance. He gave a brief overview of the City's other funds and said that Fiscal Year 23 ended very strong.

Councilor Beaudoin asked what the total operating budget is for the department of Building and Licensing and if the department was producing revenue. Deputy Director Sullivan said that he did not have the exact number, but it was in the \$500,000 - \$600,000 range. Councilor Beaudoin said he hoped BLS would be able to be self-supporting moving forward and in the future, he would like to reevaluate the fee structure towards that goal.

6 Other

No discussion.

7 Adjournment

Mayor Callaghan **ADJOURNED** the Finance Committee meeting at 6:45 PM.

Respectfully Submitted,

Cassie Givara,
Deputy City Clerk