

FINANCE COMMITTEE MEETING  
April 14, 2015  
Council Chambers  
7:00 P.M.

Committee Present

Mayor Jean  
Deputy Mayor Varney  
Councilor Keans  
Councilor Larochelle  
Councilor Lauterborn  
Councilor Walker  
Councilor Torr

Others Present

Councilor Hamann  
Councilor Gray  
Councilor Bogan  
Councilor Collins

Staff Present

City Manager Fitzpatrick  
Deputy City Manager Cox  
Fire Chief Sanborn  
Asst Fire Chief Dupuis  
Library Director Sylvester  
HR Manager Hoyt

MINUTES

1] Call to Order

Mayor Jean called the meeting to order at 7:00 P.M.

2] Public Input

There was no public input.

3] Old Business

3.1 Mayor's Committee on Stipends

Mayor Jean informed the Committee of the actions taken by his ad hoc committee at its meeting on April 10, 2015. The ad hoc committee recommended that no changes be made to the current stipend amounts stipulated in General Ordinances Section 5.3. [http://www.rochesternh.net/sites/rochesternh/files/file/file/chapter\\_05\\_salaries.pdf](http://www.rochesternh.net/sites/rochesternh/files/file/file/chapter_05_salaries.pdf) . Mayor Jean did note that the data collected for the ad hoc committee did show that Rochester's per meeting fee of \$10.00 was relatively low as compared to other communities.

**Councilor Walker MOVED to recommend to the full City Council that General Ordinance Section 5.3 (a) (3) be amended from \$10.00 per meeting to \$25.00 per meeting. Deputy Mayor Varney provided a second to the motion which was then ADOPTED .**

**Councilor Torr then MOVED to recommend to the full City Council that General Ordinance Section 5.3 (a) (1) be amended from \$2400.00 per year for the Mayor to \$3,400.00 per year for the Mayor (a \$1,000.00 increase). Councilor Walker provided a second to the motion which was ADOPTED.**

Councilor Gray raised the issue of the payments to the Election Officials stipulated in General Ordinances Section 5.3 (6). Mayor Jean asked Councilor Gray to work with him to bring a recommendation back to the Committee at a later date.

### 3.2 Trustees of the Trust Funds

**Councilor Walker MOVED to send this issue to the Codes and Ordinances Committee for review and recommendation to the full City Council.  
Councilor Keans provided a second to the motion which was then ADOPTED.**

### 3.3 Permitting and Planning Software Update

Deputy City Manager Cox provided an update of the progress by the software selection and implementation group. Mr. Cox indicated the "go live" target date is August 15 - September 15, 2015.

## 4] 4.1 Library Overdue Collections

Library Director Sylvester appeared before the Committee. He explained his desire to address the issue of un-collected past due library fines with the use of a collection agency. This agency, Unique Management Systems, only serves libraries and currently works with the City of Manchester, New Hampshire on their past due collection efforts.

During the discussion of this item, several questions were raised that Mr. Sylvester will follow up on. These included:

- should the allowable amount of checked out books be reduced?
- should the past due fine be increased?
- what do other libraries who have worked with this collection agency say about their services?
- if a library patron's past due account is assigned to this company, does this get reported to the credit reporting agencies?

Mayor Jean stated that this item would be held in Committee for future discussion.

## 4.2 Fire Department Staffing

Fire Chief Sanborn and Assistant Fire Chief Dupuis appeared before the Committee. The Chief and Assistant Chief presented a series of Power Point slides (copies attached) regarding staffing at the Fire Department.

## 5] Finance Director's Report

Deputy City Manager Cox reviewed his written report. He made the following points:

- The City Manager's Proposed FY2016 budget meets the requirements of the Tax Cap.
- The Utility Advisory Board (UAB) has not finalized a proposal regarding water and sewer rates and the UAB voted to request that the Committee consider extending Elderly Water Rates to residents on private water systems such as Briar Ridge.

Finally, Mr. Cox reviewed four items related to non-union salary and benefits, as follows:

First, the Committee supported action to stipulate that employees hired after June 30, 2015 would be entitled to non-cumulative vacation days (use it or lose it).

Second, the Committee did not support action that would stipulate that the pay plan ranges for non-union employees would be adjusted annually by the change in the Consumer Price Index.

Third, the Committee supported action that would phase in for non-union employees the Site-of-Service health plan in a manner similar to that achieved in the recently approved AFSCME collective bargaining agreement.

Fourth, the Committee supported the application of performance evaluation forms, processes and dates similar to those contained in the seven (7) recently approved collective bargaining agreements, to include the 2% extraordinary bonus provision.

#### 6] Monthly Financial Statements

There was no discussion on this item and no actions taken.

#### 7] Other

- 7.1 Deputy City Manager Cox presented a memorandum to the Committee (copy attached) pertaining to contemplated legislation regarding bond financing.

The Committee requested that Mr. Cox seek a review and recommendation on this issue from the legal staff at the New Hampshire Municipal Association. Mayor Jean indicated that this item would be held in Committee for future discussion.

- 7.2 Deputy Mayor Varney stated his desire that the recently issued request for proposals pertaining to a Conference Center Feasibility Study not be limited to the 3 or 4 city parcels identified in a recent email from Economic Development Manager Pollard. He desires that other properties also be considered.

- 7.3 Councilor Keans requested an update on past City initiatives related to LEED (Leadership in Energy & Environmental Design) standards. City Manager Fitzpatrick indicated he would discuss this issue at his weekly staff meeting.
- 7.4 Mayor Jean informed the Committee that Executive Councilor Van Osten would be sponsoring a meeting with Fairpoint in Council Chambers the next day (April 15, 2015). This meeting is a part of a series of such meetings that the Executive Council requested across the state in the wake of the recent labor contract deal between Fairpoint and its labor force.
- 7.5 Councilor Torr stated his belief that when the Fire Department replaces the current Mack Truck brand tanker that it should not simply be traded in. Councilor Torr indicated that these vehicles are highly sought after and the City would receive more money for it by selling it.

8] Adjournment

Councilor Walker **MOVED** to adjourn the Finance Committee meeting. Councilor Lauterborn provided a **SECOND** to the motion which was then **ADOPTED**.

The meeting adjourned at 8:50 P.M.

Respectfully Submitted,

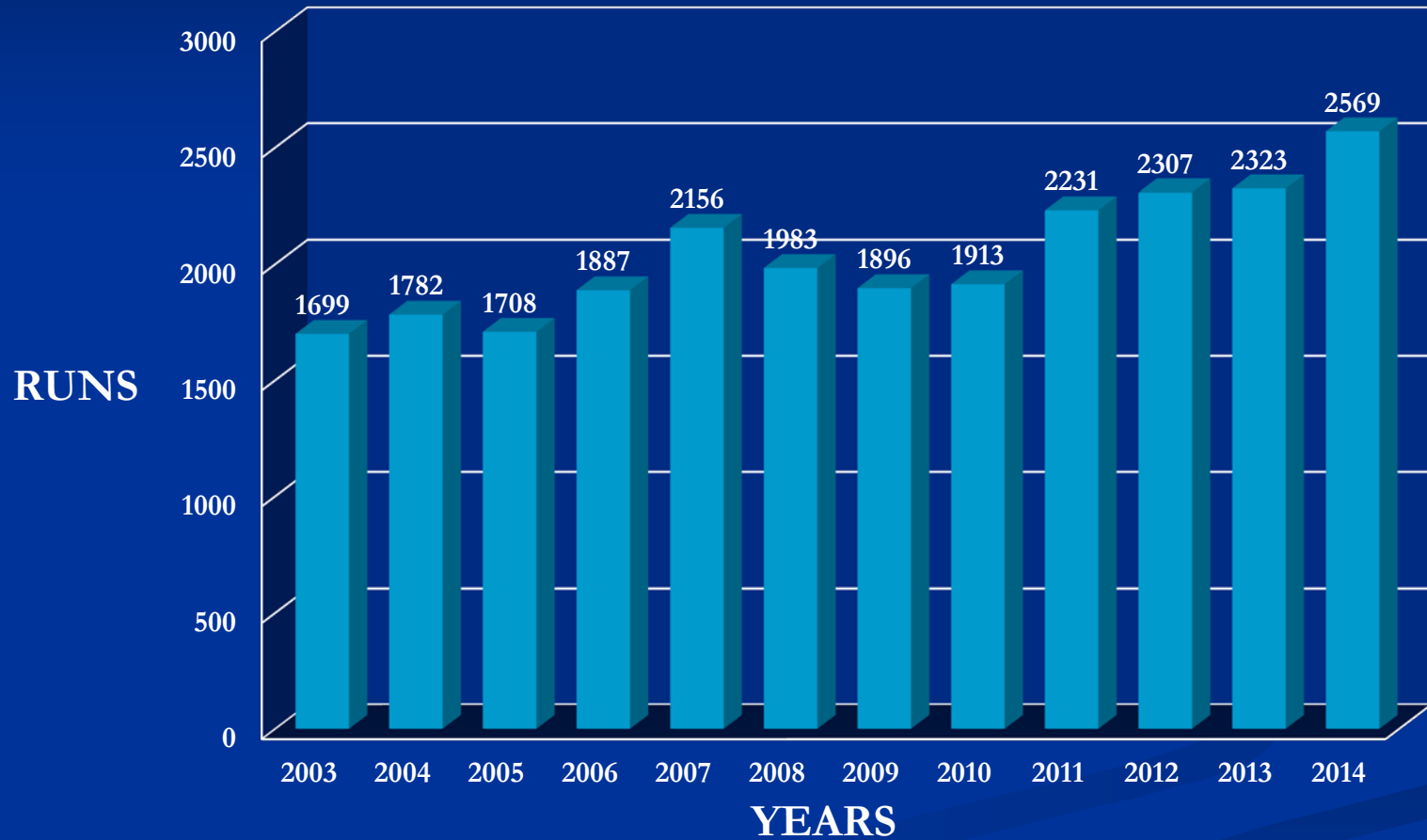
Blaine M. Cox  
Deputy City Manager

BMC:sam

# Rochester Fire Department Staffing Needs



## 12 Year Fire Department Call Volume (Calendar)



# Actual FY14 Incident Statistics

- During FY14 we had 2,382 Runs (or 2,569 in calendar year 2014)
- 8 man shifts allowed to reduce to 7 without coverage. A full shift only occurred 29% of FY14 (The Department ran short 256 days in FY14)
- Simultaneous incidents (SI) occurred 408 times in FY14
- Of those 408 SI's 46 were multiple SIs, (3 or more incidents at a time)
- There were 10 working fires during FY14
- Of these working fires 2 occurred simultaneously (Portland & Bunker Lane March 30, 2014)
- 6 fires had one or more incidents occurring during the fire
- 1 incident occurred just before a fire was reported, short staffing firefighters on arrival. (Jamey Drive 11/30/14, MVA )

# Incidents in March 2015

- There were 5 working fires in March 2015, 4 of which were multiple alarms
  - Shaw Drive 3/3/15 (2 Alarms) *2,700 feet from nearest hydrant*
  - Dustin Homestead 3/12/15 (3 Alarms) *Out of hydrant district*
  - Ancil Court 3/13/15 (1 Alarm)
  - Highland Street 3/22/15 (2 Alarms) *Hydrant failed*
  - Woodman Street 3/24/15 (2 Alarms)
- Short Staffed for Dustin Homestead (Initial arrival with 2 firefighters)
- Extra Staff for Woodman Street fire due to a recall put on earlier



# Since New Hire

- New hire started September 12, 2014.
- From September 12, 2014 through March 16, 2015 \$10,771.00 in overtime were saved.
- Potential annual overtime saved should exceed \$21,542.00 (due to summer vacations)\*
- 46 Shifts with 9 FF on duty (Not always fully staffed)
- During that time the shift officer still required 8 recalls, 2 box alarms, and 2 code 25's transmitted
- However, 20 of those shifts had simultaneous incidents that did not require overtime to cover

# Needs /Have

- 2 driver/pump operators
- 4 firefighters minimum for fire attack
  - 2 firefighters per handline x two handlines = 4 firefighters
- 2 firefighters to support both lines
- 2 firefighters minimum for search & rescue
- 2 firefighters for ventilation
- 1 firefighter to operate the aerial ladder
- 1 officer to assume command
- 2 firefighters/officer for R.I.T



# Full Time Fire Departments in NH

## Ranking by FF's /1000 residents

Ranking by FFs/Capita	Fire Department	Pop Covered	Fire Fighters	FF / 1,000
1	Newington	804	10	12.4
2	N. Hampton	4,542	14	3.1
3	Hampton	15,420	46	3.0
4	Portsmouth	20,566	61	3.0
5	Seabrook	8,523	22	2.6
6	Concord	42,546	107	2.5
<b>7</b>	<b>Salem</b>	<b>29,393</b>	<b>73</b>	<b>2.5</b>
<b>8*</b>	<b>Manchester</b>	<b>109,279</b>	<b>258</b>	<b>2.4</b>
<b>9</b>	<b>Derry</b>	<b>34,474</b>	<b>80</b>	<b>2.3</b>
<b>10*</b>	<b>Hooksett</b>	<b>14,009</b>	<b>32</b>	<b>2.3</b>
11	Lebanon	12,896	29	2.2
12	Bristol	3,139	7	2.2
13	Laconia	17,132	37	2.2
14*	Berlin	9,363	20	2.1
15	Rye	5,165	11	2.1
16	Keene	22,395	46	2.1
17	Gilford	7,453	15	2.0
<b>18*</b>	<b>Nashua</b>	<b>87,555</b>	<b>176</b>	<b>2.0</b>
19	Hanover	11,042	22	2.0
20	Londonderry	25,150	47	1.9

Ranking by FFs/Capita	Fire Department	Pop Covered	Fire Fighters	FF / 1,000
21	Exeter	15,020	28	1.9
22	Hudson	25,008	46	1.8
23	Franklin	8,739	16	1.8
24*	Durham	14,458	26	1.8
<b>25</b>	<b>Dover</b>	<b>28,803</b>	<b>51</b>	<b>1.8</b>
26	Belmont	7,104	12	1.7
27*	Wolfeboro	6,603	11	1.7
28	Plymouth	6,649	11	1.7
29	Wmdham	13,372	22	1.6
30	Tilton/Northfield	8,703	14	1.6
<b>31</b>	<b>Merrimack</b>	<b>26,693</b>	<b>42</b>	<b>1.6</b>
32	Pelham	12,745	19	1.5
33	Somersworth	12,038	17	1.4
34*	Claremont	12,970	18	1.4
35	Bedford	21,275	29	1.4
36	Barnstead	4,602	6	1.3
<b>37*</b>	<b>Rochester</b>	<b>30,974</b>	<b>38</b>	<b>1.2</b>
38	Goffstown	17,906	16	0.9
39	Bow	8,109	6	0.7

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# NH Fire Departments Ranking by Cost per Capita

Fire Department	2011/FY12 Budget	2011 Pop	Cost/ Capita
Newington	\$1,299,057.00	804	\$1,616
North Hampton	\$1,704,268.00	4,542	\$375
Seabrook	\$3,044,750.00	8,523	\$357
Portsmouth	\$6,784,538.00	20,566	\$330
Hanover	\$3,499,247.00	11,042	\$317
Salem	\$8,777,330.00	29,393	\$299
Bristol	\$877,703.00	3,139	\$280
Lebanon	\$3,561,780.00	12,896	\$276
Derry	\$9,474,891.00	34,474	\$275
Concord	\$11,473,923.00	42,546	\$270
Hooksett	\$3,670,616.00	14,009	\$262
Keene	\$5,538,968.00	22,395	\$247
Gilford	\$1,759,414.00	7,453	\$236
Wolfeboro	\$1,543,188.00	6,603	\$234
Exeter	\$3,464,227.00	15,020	\$231
Rye	\$1,177,937.00	5,165	\$228
Hampton	\$3,472,455.00	15,420	\$225
Londonderry	\$5,574,374.00	25,150	\$222
Durham	\$3,168,171.00	14,458	\$219

Fire Department	2011/FY12 Budget	2011 Pop	Cost/ Capita
Franklin	\$1,825,515.00	8,739	\$209
Berlin	\$1,952,996.00	9,363	\$209
Wmdham	\$2,787,200.00	13,372	\$208
Hudson	\$5,199,441.00	25,008	\$208
Dover	\$5,970,907.00	28,803	\$207
Laconia	\$3,432,554.00	17,132	\$200
Belmont	\$1,360,407.00	7,104	\$191
Merrimack	\$4,968,550.00	26,693	\$186
Plymouth	\$1,220,434.00	6,649	\$184
Barnstead	\$815,219.00	4,602	\$177
Manchester	\$18,986,979.00	109,279	\$174
Tilton/Northfield	\$1,441,971.00	8,703	\$166
Goffstown	\$2,961,638.00	17,906	\$165
Nashua	\$13,996,096.00	87,555	\$160
Bedford	\$3,323,081.00	21,275	\$156
Somersworth	\$1,835,591.00	12,038	\$152
Claremont	\$1,885,653.00	12,970	\$145
Pelham	\$1,830,825.00	12,745	\$144
Bow	\$1,070,941.00	8,109	\$132
Rochester	\$4,009,617.00	30,974	\$129



**Blaine Cox  
Deputy City Manager/  
Director Finance & Administration**

Rochester, New Hampshire  
31 Wakefield Street  
Rochester, NH 03867  
Tel. (603) 335-7609  
Fax (603) 335-7589  
[blaine.cox@rochesternh.net](mailto:blaine.cox@rochesternh.net)

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To: Mayor Jean, Manager Fitzpatrick & Finance Committee  
From: Blaine Cox, Deputy City Manager  
Date: April 13, 2015  
Subject: 2% Bonding Rule  
Copied To: Roland Connor, Deputy Finance Director

Please find attached "2005 NH SB 189." This is a Chapter Law adopted by the New Hampshire Legislature in 2005. It granted special powers to the Cities of Manchester and Nashua. I have also attached a copy of RSA 33 which contains the 2% rule." Dover is currently working to form a group of cities to seek extension by the Legislature of these Chapter Law powers to additional cities. We have been approached by Dover to join this effort. I recommend that we do so.

This Chapter Law has two main advantages for the City of Rochester.

1. RSA 33:2 stipulates that "municipalities shall not issue any bonds or notes ... in annual payments which shall be so arranged that the ... annual payment of principal and interest ... shall not be less than the amount of principal and interest payable in any subsequent year by more than **2 percent** of the principal of the entire loan." This provision provides for a fairly evenly distributed amortization schedule throughout the life of a long term borrowing. I believe the intent of this provision is to prevent communities from delaying payments in the early years of a borrowing only to be faced with a sizable balloon payment at the end of the loan term. However, this also does not allow communities the flexibility to structure debt service payments in a manner that matches their retiring debt schedule. In the case of Dover, they seek to build a new \$65 M high

school now. They have a large annual debt service payment that will be retired 4 years from now at which time they would want the new high school debt to begin. You will note in section IV of the attached Chapter Law that the 2% limitation is changed to stipulate instead "in such amounts ... as may be determined by the city finance officer, or the treasurer ... with the approval of the mayor."

2. The other area that would be of benefit for Rochester pertains to the Premium on the Sale of Bonds or Notes, section VI. As of now, we are quite limited as to how we apply bond premiums (the cash upfront "bonus" provided by bond investors so the coupon interest rate is higher than the actual interest rate). The typical approach is to apply the premium towards principal over the 20 or 30 year term of the bond. This Chapter Law would allow us to directly apply the premium proceeds to offset the costs of issuance of the bond (expenses related to the financial advisor, bond legal counsel, paying agents, bond rating agencies, etc.). The Chapter Law also would allow us to apply the premium directly to the project for which the bond is being issued thereby reducing the principal being borrowed. Another option allowed under this Chapter Law is to be able to deposit the bond premium directly in the General Fund to be used for "any lawful purpose" such as simply flowing to fund balance.

## **2005 NH SB 189**

Enacted, June 7, 2005

### **Reporter**

2005 NH ALS 91; 2005 NH Ch. 91; 2005 NH SB 189

**NEW HAMPSHIRE ADVANCE LEGISLATIVE SERVICE > NEW HAMPSHIRE FIRST YEAR OF THE 159TH SESSION OF THE GENERAL COURT > CHAPTER 91 > SENATE BILL 189**

## **Synopsis**

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AN ACT STATE OF NEW HAMPSHIRE in the Year of Our Lord Two Thousand Five AN ACT authorizing the use of interest rate swap agreements and other similar agreements by the cities of Manchester and Nashua.

## **Text**

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*Be it Enacted by the Senate and House of Representatives in General Court convened:*

91:1 Swap Agreements; Cities of Manchester and Nashua.

I. Notwithstanding any general or special law to the contrary, the cities of Manchester and Nashua shall have the following authority with respect to bonds or notes issued pursuant to **RSA 33, RSA 33-B**, or pursuant to any other enabling authority heretofore or hereinafter enacted.

II. in this act:

(a) "City" means the city of Manchester or the city of Nashua, as the case may be.

(b) "City finance officer" means the city finance officer of the city of Manchester.

(c) "Legislative body" means the board of mayor and aldermen of the city of Manchester and the board of alderman of the city of Nashua.

(d) "Mayor" means the mayor of the city.

(e) "Obligations" means bonds, notes, or other evidences of indebtedness of the city, issued or to be issued under and pursuant to **RSA 33, RSA 33-B**, or pursuant to any other enabling authority, whether heretofore or hereinafter enacted.

(f) "Swap agreement" means an agreement, including terms and conditions incorporated by reference therein, which is a swap rate agreement, basis swap, forward rate agreement, rate cap agreement, rate floor agreement, rate collar agreement, or any other similar agreement, including any option to enter into any of the foregoing; or any combination of such agreements; or a master agreement for any of the agreements in this subparagraph, together with all supplements.

(g) "Treasurer" means the treasurer of the city of Nashua.

III. Upon the authorization by a vote of at least two-thirds of all members of the legislative body of the city, the finance officer or the treasurer, as the case may be, with the approval of the mayor, may, on behalf of the city, enter into and amend any swap agreements that the city finance officer, or the treasurer, as the case may be, with the approval of the mayor, determines to be necessary or desirable for the purpose of managing an interest rate, currency, commodity price, investment, or similar risk that arises in connection with, or is incidental to, the issuance, carrying, or securing of obligations, or the acquisition or carrying of investments. Swap agreements entered into by the city shall contain such provisions, including payment, term, security, default, and remedy

Terence O'Rourke



provisions, and shall be with such parties as the city finance officer or the treasurer, as the case may be, with the approval of the mayor, shall determine to be necessary or desirable after due consideration to the creditworthiness of those parties.

IV. In connection with entering into any swap agreements or in connection with the issuance of any bonds or notes of the city issued pursuant to RSA 33, RSA 33-B, or pursuant to any other enabling authority, the city finance officer or the treasurer, as the case may be, with the approval of the mayor, may enter into credit enhancement or liquidity agreements on behalf of the city, with such payment, security, default, remedy, and other terms and conditions as the city finance officer or the treasurer, as the case may be, with the approval of the mayor, shall determine. Notwithstanding any general or special law to the contrary, any bonds or notes of the city issued pursuant to RSA 33, RSA 33-B, or pursuant to any other enabling authority, whether heretofore or hereafter enacted, including any bonds or notes of the city issued in conjunction with a swap agreement as authorized hereby, may mature at such times, not exceeding 30 years, or such longer term as may be provided in RSA 33, RSA 33-B, or pursuant to any other provision of law, in such amounts, and may bear interest at such rate or rates, including rates variable from time to time as determined by such index, banker's loan rate, auction rate, or other method as may be determined by the city finance officer, or the treasurer, as the case may be, with the approval of the mayor. Bonds or notes of the city may be made redeemable before maturity at the option of the city or any holder thereof at such price or prices and upon such other terms and conditions as may be fixed by the city finance officer, or the treasurer, as the case may be, with the approval of the mayor, prior to the issuance of any such bonds or notes.

V. The city finance officer or treasurer, as the case may be, with the approval of the mayor, when so authorized by vote of the legislative body of the city authorizing a swap agreement, may determine that the obligation of the city to make payments in accordance with the terms of a swap agreement, shall be a general obligation of the city for which its full faith and credit may be pledged. In the event that such a determination shall have been made, the amounts the city is required to pay in accordance with the terms of a swap agreement in each fiscal year shall without annual vote of the city be annually assessed and collected to the same extent as if such payments constituted payments of principal and interest on loans.

VI. Notwithstanding any general or special law to the contrary, no swap agreement authorized by this act shall be included in the computation of any debt limitation imposed upon the city.

91:2 Premium on the Sale of Bonds or Notes of the City. Notwithstanding any general or special law to the contrary, any premium received by the city may, in the discretion of the city finance officer or the treasurer, be:

- (a) Applied to the payment of the costs of preparing, issuing, and marketing any such bonds or notes;
- (b) Applied to the cost of the project or projects for which such bonds or notes were issued, resulting in a like reduction of the amount of bonds or notes issued to finance such project;
- (c) Deposited in the general fund of the city and available to be appropriated for any lawful purpose of the city; or
- (d) Applied in any combination of the foregoing.

91:3 Purpose of Bonds or Notes. Notwithstanding the provisions of any general or special law to the contrary, the city may authorize and issue its general obligation bonds or notes for any purpose for which it may raise money.

91:4 Refunding Bonds. Notwithstanding the provisions of any general or special law to the contrary, the city may authorize the issuance of general obligation refunding bonds in order to pay all or part of any issue of its outstanding general obligation bonds and for the payment of any redemption premium thereon, all or part of the interest coming due on or prior to the date on which the outstanding general obligation bonds are redeemed, and the costs of issuing and marketing any such general obligation refunding bonds. Notwithstanding any general or special law to the contrary, any general obligation refunding bonds issued by the city shall mature at such time or



times and in such amounts as the city finance officer, with the approval of the mayor, shall determine; provided, however, that the present value of the principal and interest payments due on any issue of general obligation refunding bonds of the city shall not exceed the present value of the principal and interest payments to be paid on the general obligation bonds to be refunded by such issue of general obligation refunding bonds.

91:5 Authentication of Bonds or Notes. The requirements of RSA 33:11 regarding the authentication of bonds shall not apply to the city.

91:6 Supplemental Authority. The authority granted by this act shall be in addition to, and not in place of the authority granted to the cities of Manchester and Nashua by any other general or special law.

91:7 Effective Date. This act shall take effect 60 days after its passage.

## History

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Approved by the Governor June 7, 2005

## Sponsor

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D'Allesandro

NEW HAMPSHIRE ADVANCE LEGISLATIVE SERVICE

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# **TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES**

## **CHAPTER 33 MUNICIPAL FINANCE ACT**

### **Section 33:2**

**33:2 Repayment of Loans.** – Municipalities and counties shall not issue any bonds or notes payable on demand. They shall provide for the payment of all loans issued under authority of this chapter except notes issued under authority of RSA 33:7, in annual payments which shall be so arranged that the amount of the annual payment of principal and interest in any year on account of any loan shall not be less than the amount of principal and interest payable in any subsequent year by more than 2 percent of the principal of the entire loan. The total amount of such payments shall be sufficient to extinguish the entire loan on account of which they are made at maturity. The first payment of principal on any loan shall be made not later than 2 years and the last payment not later than 30 years after the date thereof, provided, however, that no loan issued to pay for public work or improvement shall exceed the expected useful life of said public work or improvement as determined by the governing board or the city councils in the case of cities, or the county commissioners in the case of counties. Each authorized issue of notes or bonds shall be a separate loan. The amount of each payment of principal and interest on all loans shall, without vote of the municipality or county, be annually assessed and collected. Sinking funds and debt retirement funds for the payment of debt shall not hereafter be established.

**Source.** 1917, 129:2, 3. PL 59:3, 4. RL 72:3. 1947, 5:1. 1949, 120:1. 1953, 258:1, par. 2, eff. Jan. 1, 1954.