

Finance Committee
Meeting Minutes

Meeting Information

Date: September 15, 2020

Time: 6:00 P.M.

Location: Remote meeting via Microsoft Teams

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

City staff present: City Manager Blaine Cox. Deputy City Manager Katie Ambrose. Deputy Finance Director Mark Sullivan. Director of Human Resources Diane Hoyt. Director of Economic Development Mike Scala.

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. Even though this meeting is being conducted in a unique manner under unusual circumstances, the usual rules of conduct and decorum apply. Any person found to be disrupting this meeting will be asked to cease the disruption. Should the disruptive behavior continue thereafter, that person will be removed from this 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 Committee Members were present and stated that they were alone at the location from which they were connecting remotely: Councilors Bogan, Gray, Hamann, Lachance, Lauterborn, Walker, and Mayor McCarley.

2. Public Input

Ray Barnett, resident, addressed the committee in regards to the agenda item for a proposed Assistant Director of Economic Development and the use of money from contingency fund. He also spoke about agenda item 4.2 for the LDI land purchase.

3. Unfinished Business-None

No discussion.

4. New Business-

4.1 Position Classifications

Councilor Walker inquired about the purpose of the new position of Assistant Director of Economic Development. Mike Scala, Director of Economic Development, stated that this is not a new position but rather a reclassification of the economic development specialist currently in place. He stated that the specialist position has morphed well beyond the original job description. The duties and responsibilities are more in line with an assistant director or deputy.

Councilor Lauterborn questioned the need for such a small department to have multiple directors. Director Scala said that the reclassification is more in line with the duties already performed by the specialist, and stated that in other municipalities specialists don't handle the broad array of responsibilities with which they are tasked in Rochester. City Manager Cox said that the role of specialist has turned into a higher level position, which is reflected in the title, description and pay grade of the new position. He clarified that the person currently in this position has already been a second in command within the department and has taken an active, visible role in the community and as a manager in the department.

City Manager Cox clarified that this will be a new position created, but it does not necessarily mean that there will be an existing employee promoted into the position. If the current specialist is promoted to assistant director, it will leave the specialist position open. He stated that the committee is only voting to create the position; in order to actually fill the position he will need to come back to council to show that the City has sourced \$15,000 to cover the difference in salaries between the two positions.

Councilor Gray inquired what percentage raise increase the \$15,000 would constitute. City Manager Cox stated he would get that information.

Councilor Walker stated that if he were to vote for the creation of the assistant director position, he would also vote to eliminate the specialist position to avoid that being filled in the future.

Councilor Lachance **MOVED** to send the creation of an Assistant Director of Economic Development position to the full Council. Councilor Hamann seconded the motion. Councilor Lachance asked for clarification on the reclassification of the position and whether or not it would effectively eliminate the specialist position. City Manager Cox stated that the term

“reclassification” is being used incorrectly; the committee is voting to create a new position with associated job description and pay grade, but it would not eliminate the original specialist position. He stated that he could theoretically fill the specialist position if he had the budget available, but committed to not filling the position without Council approval. Diane Hoyt, Director of HR, clarified that the action being taken is to accept the position into the merit plan; it would be an unfunded position until someone is promoted or hired to fill the position. She also clarified that the specialist position could not be eliminated because it falls under the RMEA collective bargaining agreement. It would simply stay as an unfunded position. The **MOTION CARRIED** by a 4-3 roll call vote with Councilors Lachance, Bogan, Hamann, and Mayor McCarley voting in favor and Councilors Walker, Lauterborn, and Gray voting opposed.

Mayor McCarley asked for a motion to accept the Deputy Chief Information Officer and Solutions Architect positions and send them to full council. Councilor Lachance asked for more information on the positions. City Manager Cox said that these positions were already adopted by Council in the current budget and are already funded. They were part of the included “Issues & Options” approved by Council in this current fiscal year budget; this action would simply be to create the positions. Councilor Lachance **MOVED** to create the positions of Deputy Chief Information Officer and Solutions Architect. Councilor Bogan seconded the motion. The **MOTION CARRIED** by a unanimous roll call vote with Councilors Gray, Walker, Bogan, Hamann, Lauterborn, Lachance and Mayor McCarley all voting in favor.

42 LDI Project- Land Purchase Change of Funding

Deputy Finance Director Mark Sullivan gave an overview of the item. He stated that Council granted the authority to borrow \$3 million. The land purchase was then executed and charged to the \$3 million fund, but it turned out that the land purchase plus the contract for the project exceeded the \$3 million allotted. The City then resold the land and received \$150,000. Mr. Sullivan explained that the City can’t keep the land revenue for the sale because it’s a borrowing authority and the city is not borrowing that money. He suggested moving the land sale out of the account all together, which will make it appear there is a surplus. Mr. Sullivan stated that there has to be room left in case of change orders. If the money is moved completely, the deficit of \$75,000 needs to be reflected somewhere; either in general fund unassigned fund balance or the retained earnings of the Granite State Business Park TIF. He suggested having the TIF absorb it because they would receive the tax revenue from the property anyway.

Councilor Lachance **MOVED** to increase the REDC appropriation by \$225,000 from the GSBP TIF. Councilor Walker seconded the motion. The **MOTION CARRIED** by unanimous roll call vote with Councilors Lauterborn, Hamann, Gray, Lachance, Walker, Bogan, and Mayor McCarley all voting in favor.

5. Reports from Finance & Administration

51 Monthly Financial Report Summaries July 31, 2020

5.1 (a) August 31, 2020 Revenues

5.1 (b) August 31, 2020 Expenses

Mark Sullivan stated that in the financial detail reports, the abatement line appears as though it is 100% expended. There was a bookkeeping clerical error; in the preliminary tax bill, veteran's credits are supposed to be posted as an offset to the tax revenue and not show up as abatements. This error has since been fixed.

6. Other

Mayor McCarley addressed the committee in regards to the school department which is being asked to do a reassessment of all IEPs to determine if there are any shortfalls in services which were provided in the remote learning period and currently. The assessments will be done over the next month or so, and there will be undoubtedly be funding shortfalls associated. The school department will likely be coming to the City by early December for a supplemental appropriation request to cover these expenses.

Councilor Lauterborn asked if upcoming federal funding would include school aid including special education costs due to COVID-19. Mayor McCarley said that while federal funding is a possibility, the schools are already seeing a shortfall in services and in turn a shortfall in funding for these required services which may need to be requested from the City in the near future.

Councilor Gray inquired what the preliminary number was where the school budget ended up at the close of June and the amount of money the School Department ended up turning back. Finance Director Ambrose stated that the school department estimates turning back \$1.9 million, but that is before fiscal year-end adjustments and before the audit.

Councilor Lauterborn asked if the City had approved a supplemental appropriation to the school department over the past fiscal year. Finance Director Ambrose confirmed that there had been a supplemental appropriation from unassigned fund balance of over \$1 million during the fall budget freeze.

Councilor Walker inquired about the purchase of PPE for school department and the discrepancies in prices noted by the finance committee. He asked for a report from Superintendent Repucci and suggested a discussion on the purchase and bidding process at the next finance committee meeting.

7. Adjournment

Mayor McCarley **ADJOURNED** the Finance Committee meeting at 6:42 PM.

Respectfully Submitted,

Cassie Givara, Deputy City Clerk