

FINANCE COMMITTEE MEETING  
November 12, 2013  
Council Chambers  
7:00 P.M.

Present:

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

Others Present

Councilor Gray  
City Manager Fitzpatrick  
Deputy City Manager Cox  
Fire Chief Sanborn  
Asst. Chief Dubois  
Councilor Elect Collins  
UAB Member Lewis  
UAB Member Peterson  
Library Director Sylvester

MINUTES

1] Call to Order

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

2] Public Input

Councilor Elect Collins addressed the Committee regarding the excellent job previous Rochester elected and appointed officials have done in creating an excellent water supply and distribution system.

3] Old Business

A. Stillwater Recreation Area

Mayor Jean reviewed the discussions at the Public Works Committee on this issue. Councilor Keans shared an informal discussion she had with an NHMA attorney regarding this issue and concluded the best option would be for the residents of Stillwater to create a simple but formal homeowners' association to which the Council could transfer the land and funds over to for the creation and maintenance of a recreation area. The Committee consensus was in agreement with this approach.

Mayor Jean directed that the City Manager have his Executive Assistant draft a letter to the Stillwater residents for his signature, conveying this approach.

B. Outside Details Policy

The City Manager informed the Committee that he has received data from the Police Department, Fire Department and DPW and that his management team is working on a policy to bring forward to the Committee.

Mayor Jean stated that this item would continue to be held in Committee at this time.

#### 4] New Business

##### A. Library Org Changes

Library Director Sylvester appeared before the Committee and provided a revised version (copy attached) of the Staffing Analysis contained in the Committee meeting packet. Mr. Sylvester explained that he seeks to have five non-supervisory staff on duty at all times the Library is open and that current staffing levels and budget fall 35.2 hours short of meeting this goal. The purpose of his appearance was to inform the Committee that he would be addressing this issue in his FY2015 budget proposal to the City Manager and to seek Council input.

Mr. Sylvester then reviewed his thinking on converting two Library Assistant positions into Librarian I positions in an effort to have supervisory staff on duty in all departments in all departments at all times.

Councilor Varney stated that this change is moving in the wrong direction and that instead the Library I positions could be eliminated and have the Library Assistants report directly to the Library II personnel.

Councilor Gray suggested that Mr. Sylvester might look at a "Matrix" organizational model which makes use of the distinction between technical supervision and physical supervision.

The City Manager indicated that he would work with Mr. Sylvester as the FY2015 budget is developed and a focus would be placed upon determining how any changes proposed would add organizational value for the City.

##### B. UAB Rates Proposal

Mr. Cox reviewed the PowerPoint slides depicting the UAB's proposed water and sewer rates.

Councilor Varney stated that he would like to see:

1. An updated Working Capital Analysis and
2. An estimate of the water and sewer fund balances with a 1.5% annual increase in rates for the next 3 to 5 years.

UAB member Peterson pointed out to the Committee that a factor to be recognized is water usage conservation - as usage drops, rates must go up simply to cover the fixed overhead costs.

Councilor Keans requested data showing :

1. Whether septage volumes have changed in recent years and
2. How Rochester's septage rates compare to neighboring communities.

Councilor Larochelle shared that he has computed the "variable cost versus the fixed cost" of our water production. He stated that the variable cost is less than 10 per cent of the full cost.

Councilor Walker requested data on our water system loss rate.

Mayor Jean stated that this item would be kept in Committee.

#### C. Fire Department Overtime

Fire Chief Sanborn and Assistant Chief Dupuis updated the Committee on the Fire Department overtime salary budget. They project that this account could be as much as \$148,434 overspent by the close of the fiscal year. The Chief's indicated that the short fall is being created by staffing issues prompting the use of replacement personnel on an overtime basis.

Councilors Larochelle and Lauterborn offered suggestions regarding the Overtime Worksheet produced by the Fire Department to report their overtime expenses on a monthly basis to the Committee.

Councilor Varney requested a future report on how many overtime hours are the result of vacation leave versus other causes of overtime expense.

#### D. Fire Apparatus Repair

Fire Chief Sanborn and Assistant Chief Dupuis then informed the Committee that upon routine annual maintenance of the City's Tower Arial vehicle, a hydraulic leak was discovered in the "main swivel." They described how this unit has been re-designed by the manufacturer resulting in a projected 300% increase in the life span of the unit.

After a lengthy discussion by the Committee, the Mayor determined the sense of the members is to:

1. Support the City Manager's use of Contingency budget for repairs and
2. Seek to have the re-designed replacement unit installed rather than one of the original design.

E. Salvation Army

Mayor Jean reviewed the circumstances of the Salvation Army's water fees abatement request.

Councilor Larochelle recommended that consideration be given to changing the City's Ordinances to allow the Utility Advisory Board to routinely abate all but the "variable costs" of water when circumstances involve reasonably unforeseen and unanticipated events.

Councilor Varney recommended that the Water and Sewer Ordinances should be altered to allow the UAB to consider abating fees beyond just the current billing cycle as is dictated currently in the ordinances.

Mayor Jean directed that these issues be referred to the Codes and Ordinances Committee for review and recommendation.

F. RHA/BFA Loan Refunding

Mr. Cox explained his email exchange on this issue with Business Finance Authority. There was no further discussion.

G. GSBP Unexpended Bond Proceeds

Mayor Jean reviewed the Agenda Item form on this issue. Mr. Cox explained his intention to keep the Committee informed on this issue.

5] Finance Director's Report

Mr. Cox reviewed several items contained in his written report. The Committee had no questions.

6] Financial Statements

There was no discussion or questions on the Financial Statements.

7] Other

Councilor Torr had several questions regarding the Back Flow Preventor's bid, including why the City did not do this work in-house. The City Manager indicated that he would follow-up on this with Public Works Director Nourse.

8] Non-Public Session

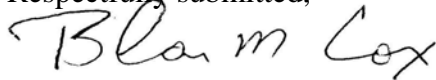
Councilor Walker MOVED to enter non-public session per RSA 91-A:3, II (a) for Personnel as well as RSA 91-A:3, II (d) Land. Councilor Torr provided a second to the motion. Upon a unanimous roll-call vote, the Committee entered non-public session at 8:56 P.M.

Councilor Walker MOVED to exit non-public session and to seal the minutes indefinitely. Councilor Torr provided a second to the motion which was adopted by a unanimous voice vote. The Committee exited non-public session at 9:10 P.M.

9] Councilor Walker MOVED to adjourn. Councilor Torr provided a second to the motion which was adopted by a unanimous voice vote.

The meeting adjourned at 9:10 P.M.

Respectfully submitted,

A handwritten signature in black ink that reads "Blaine M. Cox". The signature is written in a cursive, flowing style.

Blaine M. Cox  
Deputy City Manager

BMC:sam