

**City Council Budget Retreat  
And  
Committee of the Whole Budget Workshop  
May 5, 2023  
Council Chambers  
31 Wakefield Street  
9:30 AM**

**PART I**

**COUNCILORS PRESENT**

Councilor Beaudoin  
Councilor Berlin  
Councilor de Geofroy  
Councilor Desrochers  
Councilor Fontneau  
Councilor Gilman  
Councilor Gray  
Councilor Hainey  
Councilor Hamann  
Councilor Larochelle  
Councilor Malone  
Deputy Mayor Lachapelle  
Mayor Callaghan

**OTHERS PRESENT**

Blaine Cox, City Manager  
Katie Ambrose, Deputy City Manager  
Terence O'Rourke, City Attorney  
Mark Sullivan, Deputy Finance Dir.  
Peter Nourse, Director of City Services  
Mike Bezanson, City Engineer

**MINUTES PART I**

**1. Call to Order**

Mayor Callaghan called the meeting to order at 9:30 AM and requested Councilor Beaudoin to lead the Pledge of Allegiance.

Kelly Walters, City Clerk, took the roll call. All City Councilors were present except for Councilor Fontneau who has been excused.

**2. City Manager: Review from April 18<sup>th</sup> Budget Presentation**

City Manager Cox requested Katie Ambrose, Deputy City Manager,

give a brief overview of the meeting set-up.

Ms. Ambrose welcomed the City Council to the Budget Retreat. She explained that this was the second time using this format for the City's Budget Presentations and she gave a brief overview of the reasons this format has been chosen; allowing a formal collaboration between the City Council and City staff on proposed budget issues. She announced there would be an opportunity for public input, which will take place after the budget presentations and Debt Service Overview. Lastly, she announced there will be an opportunity for City Council deliberations and proposed amendments to the budget. Ms. Ambrose explained that the City Council is acting as a Committee of the Whole in accordance with Section 41 of the City Charter. Any adjustments made will be referred to the full City Council for the final budget adoption.

Ms. Ambrose said two additional Committee of the Whole Budget Workshops shall be held on May 9<sup>th</sup> and May 16<sup>th</sup>; with the FY24 Budget Adoption Public Hearings held on May 16<sup>th</sup> and the final budget adoption scheduled for June 6, 2023, at the June Regular City Council meeting.

Ms. Ambrose said the Issues and Options (I & O) Booklet includes all submitted Issues and Options. If included by the City Manager, these items are reflected in the Operating Budget. She said these items have been outlined in detail because the proposed items exceeded the 2% increase requirement of the City Manager. Any new or reclassified employee positions are also outlined in the I & O Booklet. Ms. Ambrose directed the City Council to the first two pages of the I & O Booklet to find a list of all Issues and Options, which indicates whether or not the proposed item was included/excluded in the City Manager's proposed budget. She added that some items were partially included, and if so, there is an explanation under the status line for each of the individual items listed.

Ms. Ambrose said all proposed FY 24 CIP projects shall be presented by the individual Department Heads.

Ms. Ambrose said template forms for CIP Adjustments and O & M Adjustments have been distributed to the City Council. She asked City Councilors to forward any proposed motions, whenever possible, to the Finance Department staff to ensure all adjustments are correctly interpreted and implemented for the budget adoption process. She gave a brief overview of the two templates.

City Manager Cox referred to the City Manager's Budget Presentation,

which can be found on the City's Website ([rochesternh.gov](http://rochesternh.gov)) under the City Manager's Department homepage titled For Your Information.

City Manager Cox reviewed pages 4, 5, and 6 from his budget presentation of April 18<sup>th</sup>. He said the City's budget is currently under the Tax Cap by \$3,414,376; and the projected Tax Rate is estimated to have an increase of \$1.85.

City Manager Cox said there are 24 proposed Issues & Options submitted, which equate to a grand total of \$1,650,948. He said a total of 16 projects (\$563,304) have been included and 8 projects (\$1,087,644) have been excluded.

### **3. Deputy City Manager/Finance Director: O & M and CIP Summary**

Ms. Ambrose said the overall city operations budget is a 12.34% increase over FY 23 and a 6.2% increase when you itemized debt service and cash capital transfers. She gave some examples of the larger components over the current fiscal year causing this increase, which are the included Issues & Options, the County Tax increase, the Employee Collective Bargaining Agreements (contractual obligations), the Frisbie Memorial Ambulance Contract, debt service payments, and the transfers – Cash CIP items. She gave a brief overview of the layouts of the individual budget booklets.

Ms. Ambrose said all departments, with one exception (Business Department) met the maximum increase requirement of 2% or less for their operating budget (unless an Issues & Options Item was approved by the City Manager). She said the Business Budget exceeded the 2% requirement due to the consolidation of a new hire medical services and position advertisements being shifted over to the Human Resource Department. She said it is more of a reallocation of funds and centralizing that line item.

Ms. Ambrose said the CIP proposed budget is \$34,000,000; which is an increase of approximately \$9,400,000 over the prior year budget. She listed the following funding sources for the CIP Projects: General Fund Cash \$6,300,000; Enterprise Fund Cash \$1,600,000; Bonding \$24,400,000; Grants and State Highway Funds comprise of \$1,200,000.

Ms. Ambrose explained some display issues which do not require any City Council action. She clarified that the proposed CIP resolution is correct as submitted.

#### 4. Issues & Options and CIP: Review and Questions

- **City Manager**

Ms. Ambrose referred to the Issues and Options Booklet (page 3): Government Channel Operations & Support, which is **included** in the City Manager's proposed budget. The total cost is \$11,200.

Ms. Ambrose referred to the Issues and Options Booklet (page 4): Increase Part Time Camera Operators, which is **excluded**. The total cost is \$1,000. Ms. Ambrose explained this request has been removed because the department is able to utilize existing funding/alternative funding sources.

Ms. Ambrose referred to the Issues and Options Booklet (page 8): Administrative Assistant Full-Time position, which is **excluded**. The total cost is \$70,957. Ms. Ambrose gave a brief overview of the request and reasons why the request has been excluded at this time.

Ms. Ambrose asked if there were any questions about any of the City Manager's Department Issues and Options.

Councilor Gray suggested that the Administrative Assistant proposed position/duties could potentially be combined with the additional staff needed in the City Clerk's office around Election time. City Manager Cox said that is a great point and if the position was approved in the future, that idea could possibly be investigated.

Councilor Beaudoin asked the age of the current video server system that is proposed to be updated. Celeste Plaia, Government Channel Coordinator, said the current system is approaching five years, and it is under a five-year warranty. Councilor Beaudoin asked if the closed-caption fees would be a reoccurring fee. Ms. Plaia replied yes.

Councilor Beaudoin asked how many years the City Manager has been without an Executive Assistant. City Manager Cox estimated that it has been approximately three years.

Ms. Ambrose referred to the CIP Booklet (page 7). She gave a brief overview of the CIP request under the City Manager's Budget for the purchase of Public, Educational, Government (PEG) Equipment. She said this is an annual CIP item.

Ms. Ambrose said three new Capital Reserve Funds were established last year: City Buildings, Fire Apparatus Replacement, and the Department of Public Works Apparatus Replacement. She said the Finance staff is recommending that those funds be increased as follows: City Buildings (\$250,000), Fire Apparatus Replacement (\$150,000), and the Department of Public Works Apparatus Replacement (\$500,000). She briefed the City Council about how those motions would impact the budget. She said the exact verbiage of the proposed motions and the impact they would have on the Operating budget would be explained in detail with the upcoming budget memo.

Councilor Beaudoin asked how long these capital reserve Funds are locked prior to allowing access to those funds. Ms. Ambrose said the funds are invested in accordance with the recommendations made by the City Council, which was approximately three-to-five-year timeframes.

- **Legal Department**

- **I & O**

- **New Assistant City Attorney – (\$120,422) Excluded**

Ms. Ambrose said both the Attorney and Deputy Attorney are not available today, due to a scheduling conflict with a court hearing. She distributed and read a memo which had been submitted by the City Attorney regarding the Issues and Options request for a New Assistant City Attorney.

Councilor Beaudoin asked if the City Attorney's office is responsible for handling 100% of the Police Department's prosecutions. City Manager Cox replied yes, except for the juvenile cases, which are handled by a juvenile prosecutor employed by the Police Department. Mayor Callaghan said the Attorney's Office does not handle domestic violence cases either.

Chief Boudreau clarified that the legal department handles prosecution cases resulting from a speeding ticket to a misdemeanor case. He said the felony level prosecutions are handled at the county level; however, the felony case investigations are handled by the Police Department and by consulting with the legal department. Subsequently, these cases are transferred to the county level for prosecution. Chief Boudreau confirmed that domestic crimes are handled by a consultant within the Police Department.

Councilor de Geofroy requested more detailed information prior to making an informed decision.

Councilor Gray asked if prosecutions were handled by the Police Department in the past. Chief Boudreau replied yes and gave details of how the legal department was established in recent years and took over the misdemeanor workload; however, the Police Department still employs a part time lieutenant who handles all the juvenile cases. He said the legal department does, in fact, offer back-up for those cases (juvenile) when needed.

Councilor Desrochers agreed with Councilor de Geofroy that additional data is needed to show the increase to the number of cases. She also requested data showing the increase in right-to-know requests.

Councilor Larochelle spoke about the importance of supporting (funding) outside counsel. City Manager Cox said even when outside consultants are hired, it is still the responsibility of the legal department to manage that workload.

City Manager Cox informed the City Council that the City still utilizes a labor attorney for the City's Collective Bargaining negotiations and labor issues. The Council discussed the matter further. Mayor Callaghan asked where this new employee space would be located. Chief Boudreau stated that there is currently enough space to set up an additional desk area for a new employee at the legal department office located in the Police Department. He confirmed that it would only be a matter of purchasing the furniture for the new employee.

Councilor Berlin asked about the plans for space on the top floor of the Police Department. Chief Boudreau said that space is to be utilized to locate the dispatch center and to create the new Emergency Operations center for the City, which will not result in an increase to available space on the second floor where the prosecutor's office is currently located.

- **Library**
  - **I & O:**
    - **Library Assistant Position – Full Time (\$68,501) Excluded**

Marie Lejeune, Library Director, referred to the Issues an Options Booklet (page 23). She gave an overview of the proposed new position, which is not included in the City Manager's Budget.

Councilor Beaudoin said this seems to be a marketing position. He questioned what other responsibilities would be included with this

employee's position. Ms. Lejeune agreed that this would primarily be a marketing position; however, there would be a requirement for this employee to work one day a week at the main desk and required to be included in the Saturday rotation shift.

Councilor Beaudoin asked if any consideration has been made to an outside marketing firm. Ms. Lejeune explained that an outside marketing firm would be an expensive alternative.

Councilor de Geofroy asked if the recent marketing study conducted at the library gave any indication about any anticipated increases (attendance to programs) that may result directly from investing in a full-time marketing assistant. Ms. Lejeune listed a few of the recommendations given to the library to promote marketing; however, trying to implement these strategies becomes challenging due to lack of staff hours. Ms. Lejeune said an actual calculation of the potential increase in library attendance volume to such events has not been determined.

Councilor Desrochers said it seems that a percentage of increase (volume of attendance) cannot be determined; however, she asked the director to envision what hiring a marketing Assistant might add to the library. Ms. Lejeune said excluding the pandemic, the library has already doubled the programs being offered at the library and she would envision that adding this position would enhance the attendance and become a thriving library setting. Ms. Lejeune said the Children's Room is currently a thriving operation; however, it is the teens and adults who are unaware of all that is offered at the library. Katherine Parker-Wright, Librarian I, confirmed that the final study conducted highly recommended to have one person in charge of all the marketing. Councilor Desrochers gave reasons why she supported the marketing position.

Councilor Larochelle wished to confirm this position is supported by the Library Trustees. Ms. Lejeune confirmed that is true.

Councilor Hainey recalled that the financial figures relative to hiring this employee are based both on a full year or a half year position. Ms. Lejeune said although the request is for a full year, she would be happy to accept a half year salary.

- **Transition Integrated Library Systems to New Platform**  
(\$18,000) Included

Ms. Lejeune gave a detailed overview of what it would entail to migrate over to a new system.

Councilor Desrochers asked about the current software upgrades. Ms. Lejeune said the library has used the same system since 1997; however, the last upgrade to that system was five years ago.

Councilor Desrochers asked what specific benefits would result in changing to a new system. Ms. Lejeune said the primary benefit to changing to a new software system is for financial reasons. She said it would be less expensive, and the money saved could be used for creating a “fine free” environment. She briefed the City Council about the trend to eliminate overdue library fines. She gave reasons why it has been evident that posing fines on members does not reduce the number of overdue books being returned. However, she acknowledged that the library would be getting back an estimate of approximately \$9,000 this year in library fines, which does help to support the purchase of books. Therefore, it would be necessary to find an equivalent amount of funds elsewhere in the budget. She believed this could be accomplished by migrating to a new library system. Ms. Lejeune said electronic resources have become expensive. She gave details about the cost of e-books compared to paper books. She hoped that some of the savings from converting to the new system would support this expense too.

Councilor de Geofroy said the proposed system change makes financial sense; however, he questioned who would be responsible for the migration work. Ms. Lejeune replied that the vendor would handle the migration work into the new system. Councilor de Geofroy asked about the training aspect on the new system. He asked if the training expense would continue in future budgets or if the knowledge would be passed on to new employees. Ms. Lejeune said the initial training would be necessary; however, the staff would continue the training in-house thereafter.

- **Economic Development**

- **CIP:**

- **Water Street Development (\$25,000)**

Michael Scala, Director of Economic Development, gave an overview of the proposed CIP project and design work for the Water Street Development.

Councilor Beaudoin wished to confirm that this request would result in an estimated \$600,000 overall project. Mr. Scala said that is the estimate based without the knowledge of the design work being



completed.

Councilor Beaudoin asked how much of the land the City actually owns for this project. Mr. Scala gave details about what land the City owns and explained that money is set aside for the final purchases of the rest of the land on which the City has obtained tentative verbal agreements.

Councilor Hainey asked about the creation of commercial space in this area. Mr. Scala confirmed that there is an opportunity to activate some of the lower units for commercial space. He said one landlord has expressed interest in the possible development of a bar or possibly an ice cream shop.

Councilor Larochelle questioned if the City is still receiving any contributions from the public/private sector for the development of this area (Riverwalk). Mayor Callaghan clarified that the donations were contributed for the Riverwalk and this specific project is not part of the Riverwalk project. Councilor Gray stated that this section of the City would come feet away from the Riverwalk. He said that although it is not part of it, it would lead to the Riverwalk.

Mayor Callaghan asked for an estimated timeframe for completion of this project. Mr. Scala said once the design work is complete and the land is purchased, it will be clearer how long the project would take.

- **Riverwalk Master Plan (\$25,000)**

Mr. Scala said the last time the Riverwalk Master Plan was updated was in 2018. He said it is advised that a master plan be revisited every 5 years.

City Manager Cox responded to comments made by Councilor Larochelle about accepting donations from the public/private sector. City Manager Cox confirmed that is how the Riverwalk started many years ago; however, it was concluded, after approximately fifteen years into the project, that progress has not been successful using that approach. He said the City has become more supportive and involved in the progress and may want to possibly initiate investing City funds for this effort. Councilor Larochelle and Mayor Callaghan spoke in support of the Riverwalk.

Councilor Beaudoin asked what this study is going to provide for the City. Mr. Scala said master plans generally analyze the benefits, provide the design work, and give recommendations.

Councilor Beaudoin asked if the Riverwalk Master Plan (2018) was available online. Mr. Scala replied yes.

- **Strategic Plan Upgrade (\$25,000)**

Mr. Scala gave an overview of the CIP Project entitled "Strategic Plan Upgrade," which was also last updated in 2018. He said there is a larger need for housing, which must be addressed as well as a need to look at other areas of interest such as workforce housing and industrial development.

Councilor Beaudoin asked if this study would be placed out to bid. Mr. Scala replied it is hoped that the same company (RKG) would be used because they have the background information of this area and it makes the most sense to utilize that past knowledge, although a waiver from the City would be required.

Councilor Hailey asked what is meant by the funding source titled "retained earnings." Mr. Sullivan said these funds are from the Economic Development Non-Capital Reserve Fund, which will require a transfer from the Trustees of the Trust Fund.

City Manager Cox stated that a representative of the Riverwalk Committee will give the City Council an update at the May 16, 2023, City Council Workshop meeting.

Shanna Saunders, Planning Director, said the Riverwalk Master Plan (2018) can be found on the city's website (rochesternh.gov) under Board/Committees/Riverwalk.

- **IT Services**

- **I & O:**

- **Desktop Support Specialist Positions (2)  
\$157,372 of which (\$39,343 has been Included)**

Andrew Watkin, Interim CIO, gave an overview of the request for two desktop support specialists. He said one position has been included; however, he gave reasons/details why both positions are needed.

Councilor Larochelle asked for more information about help desk tickets and what is involved. Secondly, he asked what a "near miss"

means in terms of the IT Department.

Mr. Watkins explained the help desk system is an email system which tracks all the tech support inquiries/needs, which includes everything from computers not working to dispatch services being down. Mr. Watkins gave estimates of time needed for some of the tasks. He said the on/off boarding of employees can take up to six hours of staff time to complete. The process of off boarding (termination/retirement) of an employee is extensive and includes shutting down the employees' access to programs/email and transferring their files/phones. He stated that it takes equal time for new employees (on boarding) and promotions as well.

Mr. Watkins explained what is meant by a "near miss". He explained there were a few close calls regarding security issues from employee accounts being compromised. He said most recently it was brought to the City's attention that a certain type of software had been compromised in the State of New Hampshire, however, the City of Rochester acted quickly and avoided being compromised.

Councilor de Geofroy spoke about the delay (19 days) in closing out tickets and the fact that the CIO is called to close some of the tickets. He said it is evident that the department is understaffed. He stated that these delays impact operations throughout the city. He said it seems that adding these two positions would make financial sense and would improve the quality of work for employees.

Councilor de Geofroy asked if these positions would be hired at level I support. Mr. Watkins replied yes.

Councilor Beaudoin asked what the current staffing level is for the IT Department. Mr. Watkins replied this is the last day for the current CIO and the IT Department is also losing their per diem employee at the end of the month, which will leave 5 employees on staff.

Councilor Gray listed many reasons why the City should seek a way to combine their IT Department with the IT Department of the School. The City Council discussed the issue at length. Mr. Watkins said there are some areas where the City and School do work together but there are large differences in the systems used by the school vs the city. Councilor de Geofroy said it does not make sense to look at combining any of the IT services for this current budget; however, a later study for future budgets could be reviewed.

- **Microsoft 365 Learning (\$45,000) Included**

Mr. Watkins gave details of the importance of having all accounts covered by the Microsoft 365 licensing.

Councilor Beaudoin asked why this was listed in the Issues and Options booklet and not in the operating budget. City Manager Cox clarified that this increase is listed in the Operating budget, but the reasons are required to be explained in the booklet because the amount requested exceeded the City Manager's 2% increase requirement. City Manager Cox confirmed that he included this in the operating budget as it is a necessary upgrade.

- **IT Services**
  - **CIP**

- **Annual Hardware Replacement FY 24 \$150,000**

Mr. Watkins gave a brief overview of the Annual Hardware Replacement CIP Project.

Councilor de Geofroy said there is a five-year warranty; however, the City is using a four-year cycle of replacement. Mr. Sullivan explained that is likely a default number (5-years) that was not updated; however, the narrative on that page clearly shows the four-year cycle.

- **Annual Software Upgrades FY 24 \$25,000**

Mr. Watkins gave a brief overview of the Annual Software Upgrades. Councilor Beaudoin questioned why this item is not included in the operating budget. Mr. Watkins explained that this funding would also include a feasibility study for document scanning, signing, and management.

Mayor Callaghan asked why this project is classified as essential. Mr. Watkins explained that it is deemed essential because it is important to preserve the City's important documents, which are still in paper form, and the digital signage aspect is becoming more important moving forward. He said this is a feasibility study and then it will be implemented based on that study's findings. Councilor Beaudoin asked if the feasibility study could be skipped if the City deems the work essential. Mr. Watkins explained that the feasibility study is necessary to determine the best solutions for the specific situations with which City departments are

faced.

- **IT Security FY 24 \$15,000**

Mr. Watkins gave a brief overview of the IT Security Project. Councilor de Geofroy asked if this was mostly for staff training. Mr. Watkins replied yes, that is a big part of the project to protect the City from being compromised.

- **Network Upgrade/Expansion FY 24 \$600,000**

Mr. Watkins gave a brief overview of the Network Upgrade/Expansion project.

Councilor de Geofroy asked how many switch replacements this funding would cover. Mr. Watkins replied 38 devices.

Councilor Beaudoin stated, including this year's proposed budget, the City has spent an estimated \$4,000,000 in networking upgrades since 2018.

Councilor Beaudoin questioned how many years this project is expected to be bonded. Mr. Sullivan said these types of projects would typically be bonded for a five or ten-year period.

Councilor Hamann informed the City Council that back in 2018 the IT infrastructure was in poor shape with out-of-date software, breaks in the phone system, and security risks were high. Councilor de Geofroy agreed that it is important to keep networking up-to-date for security purposes.

- **Facility Network and Security Upgrades FY 24 \$50,000**

Mr. Watkins gave a brief overview of the Facility Network and Security Upgrades.

Mayor Callaghan thanked Mr. Watkins for his presentation.

This concludes Part I of the May 5, 2023, Committee of the Whole Budget Workshop/Retreat. Please see Part II of the minutes for the remainder of this agenda.

Respectfully submitted,

City of Rochester  
Part I

City Council Budget Workshop  
May 5, 2023

Kelly Walters, CMC  
City Clerk