

**Committee of the Whole Budget Workshop
May 16, 2023
Council Chambers
31 Wakefield Street
6:28 PM**

COUNCILORS PRESENT

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

OTHERS PRESENT

Blaine Cox, City Manager
Katie Ambrose, Deputy City Manager
Peter Bruckner, resident
Ray Turner, resident
Tom Kaczysnki, resident
Susan Rice, resident
Mark Collopy, Planning Board Chair
Mark Sullivan, Deputy Finance Dir.
Sherry Young, Attorney
James Steinkrauss, Attorney
David Walker, Riverwalk Chair

MINUTES

1. Call to Order

Mayor Callaghan called the Workshop meeting to order at 6:28 PM. All Councilors were present except for Councilors Berlin, who would attend the meeting remotely.

He announced prior to the Public Hearing immediately preceding the Workshop that *Councilor Berlin would be connecting to the meeting remotely. At that time, Mayor Callaghan asked Councilor Berlin if it was reasonably impractical for him to attend the meeting in person and to state the reason (RSA 91-A,III a). Councilor Berlin confirmed this was true and cited illness as the reason. Mayor Callaghan asked if Councilor Berlin was alone in the room (RSA 91-A,III c). Councilor Berlin replied that he was alone in the room.

1.1. Non Meeting – Consultation with Legal Counsel

Mayor Callaghan recessed to a non-meeting with legal counsel at 6:29 PM.

Mayor Callaghan reconvened the Workshop meeting at 7:06 PM.

2. Public Input

Peter Bruckner, resident, urged Council to fund the Cochecho River Clean Up, which was an excluded Issues and Options request in the budget.

Ray Turner, resident, addressed Council regarding the Ethics Code and the statements made by Councilor Lachapelle at the prior City Council Workshop regarding resident Susan Rice's ethics complaint.

Tom Kaczynski, resident, spoke about the remarks made by Councilor Lachapelle at the April 18th meeting in regards to resident Susan Rice as well as his fellow Councilors.

Susan Rice, resident, addressed the memo read by Councilor Lachapelle at the April 18th meeting and the investigation that had been conducted following her ethics complaint against Mayor Callaghan.

City Manager Cox stated that there had been a public input email received from resident Brittany Eldridge titled "Mental Health/Trauma/Addictions."

3. Communications from the City Manager

City Manager Cox announced that Saturday, May 20, is Household Hazardous Waste Collection Day from 8:30 AM to 12:30 PM at Turnkey Landfill on Islington Drive (off Rochester Neck Road). He announced that the residential drop off will be closed for the entirety of the day on the 20th.

City Manager Cox reminded that the Lilac Family Fun Festival would be taking place on Saturday, July 8, from 4:00 PM to 9:00 PM at Spaulding High School and the James W. Foley Community Center. There is a rain date of July 9th at these same times. This event will feature free kiddie carnival rides, live entertainment, and family activities. There will also be several food vendors on site and the event will conclude with a fireworks display. There will be free shuttle services offered by COAST bus at several spots throughout the City.

4. Communications from the Mayor

Mayor Callaghan announced that the Memorial Day Parade would take place on Monday the 29th at 9:30 AM. Those participating can meet at Holy

Rosary Church. Councilors have been asked to participate and march together, with the parade ending at the Common.

Mayor Callaghan praised the Roy Allain baseball fundraiser (May 7) which raised money for Roger Allen Park, the Babe Ruth Field on Brock Street, and other local baseball programs.

4.1 Certificate of Recognition

Mark Collopy, Chair of the Planning Board, presented a certificate to Mark Sullivan, Deputy Finance Director, in recognition and thanks for his 11-years of service on the Planning Board.

5. NPDES Permit Update

Sherry Young, Attorney with Rath, Young, and Pignatelli, gave Council an update on the final National Pollutants Discharge Eliminations System permit recently issued to the Wastewater Treatment Facility. She gave a brief history on the progress of this permit starting in 1997, through the general nitrogen permit in 2020 when Rochester had a new limit for nitrogen imposed and a deadline of compliance of December 2025. The EPA then issued a separate draft permit for the rest of the wastewater facility, which covers everything besides nitrogen. This permit became final in March 2023. She stated that there had been extensive comments and challenges to this draft permit issued by the EPA; however, none of these comments were accepted and the final permit looks almost exactly like the draft. She said this new permit holds a new total phosphorous limit of 0.12 mg/l, and if this permit holds then Rochester will need to do an additional upgrade at a cost of \$18.3 million with \$300,000 operations and maintenance costs. If this nitrogen permit is not met by the deadline, there will potentially be additional upgrades requested for nitrogen reduction as well.

Attorney Young stated that the permit will be appealed through the Environmental Appeals Board, where they will submit the prior comments and challenges along with additional pleadings. The EAB will then make a decision on the findings. However, prior to the appeal, there will be a 60-day mediation process. If that is not successful, then the appeal will proceed. Mediation will allow face-to-face negotiation with the EPA. Attorney Young clarified that if the City loses the appeal with the EAB, the next step will be to appeal to the US First Circuit Court of Appeals.

Jim Steinkrauss, Attorney with Rath, Young, and Pignatelli, detailed the upgrades and actions the City is taking to comply with the limits of the permit, including a septage facility upgrade which will be completed by December 2023 and which was partially funded by congressional spending. There is also

the carbon storage and feed building, which was completed October 2022, an Aeration automation project in March 2023, as well as ongoing sewer system study to identify any issues. All of these lead to the City's completion of a nitrogen reduction report to be completed in October of 2024.

Attorney Steinkrauss said there are 11 new requirements contained in the final permit, and he outlined the limits contained therein and the steps that the City will need to take to comply with these requirements.

Attorney Young explained that, in order to meet these requirements and comply with these permits, there will be additional staff required. Failure to comply would constitute a violation of the Clean Water Act and is grounds for enforcement action, which could include criminal negligence penalties. She clarified that this is not unique to Rochester, these same requirements are imposed on all the other communities under this permit.

Attorney Steinkrauss reported that in February, the Conservation Law Foundation had filed a Residual Designation Authority (RDA) petition with the EPA, asking the EPA to regulate separately unregulated storm water discharges water from properties with impervious ground (mostly commercial, industrial, and institutional privately owned properties.) He outlined the areas which would be subject to this potential permit.

~~6. State of the Opera House — John McKenna~~

This agenda item was canceled.

7. Riverwalk Update

David Walker, Chair of the Riverwalk Committee, gave an overview of past projects that the Riverwalk Committee had completed, including the kayak launch and renovation of Duval Park. He outlined the current project underway (Hanson Pines Benches, Dam Overlook, educational walks, and Riverwalk Dinners).

Mr. Walker spoke about the projects that the Committee will be looking to complete in the future, such as multiple bridge connections, potential connections between the Riverwalk to both Farmington and Barrington, and the construction of an amphitheater for outdoor entertainment. Mr. Walker spoke about the various partnerships with City departments and local organizations

Councilor Fontneau agreed that the Riverwalk is an untapped resource for the City of Rochester and spoke in support of the Cocheco River Clean Up project, referenced by Peter Bruckner during public input, and the importance

of maintaining and taking care of this natural asset. Councilor Desrochers suggested that the Council may want to consider including the Cocheco River Clean Up in the budget, especially as the Committee moves forward with several of their initiatives for connection to other communities and the amphitheater.

Councilor de Geofroy asked how the debris and garbage that is in the Cocheco could negatively affect the Riverwalk efforts. Mr. Walker spoke about not only the recreational aspects of the Riverwalk, but environmental as well. He indicated that the Committee is able to clean up a small areas of the river annually, but there is a need for a larger effort and acknowledged that those using the space do not like seeing garbage in the river.

Councilor Desrochers stated that there have been discussions on the Arts & Culture Commission regarding the need for more performance spaces within the City and spoke about how the proposed amphitheater would be an asset to the Arts & Culture community in the City.

Councilor Beaudoin spoke about a cleanup effort organized many years prior and the amount of garbage and debris which was removed from the river at that time. This prior effort had been funded by the federal government. He asked if the Committee had looked into any potential grant funding for similar cleanups. Mr. Walker stated that the Committee is actively looking into grants and has investigated State clean up funding, Strafford Regional Planning funding, and Rivers Coalition funding amongst others.

8. Continued Budget Deliberations and Adjustments

Deputy Finance Director Mark Sullivan presented (*addendum A*) a review of the budget adjustments that had been made at the prior meeting and discussed relevant community statistics showing Rochester's current Economic state. Mr. Sullivan detailed several alternative budget adjustments and the effect on the tax rate in which these alternative adjustments would result.

Deputy Director Sullivan explained that Finance staff had reviewed the 39 budget adjustments proposed by Councilor Beaudoin at the prior meeting and separated them into two categories: employee-related cuts and operations related cuts. He cautioned against basing adjustments on the prior five fiscal years, three years of which fell under COVID and had limited or alternative operations of City Departments and do not reflect "normal" budgeting. He stated that if the adopted budget adjustments made on 5/9 are carried through, the City budget will end up below the Fiscal Year 19 revised numbers. The City has since grown not only in employees, but experienced significant development, and is not the same organization as it was in FY19. Deputy Director Sullivan explained that many of these budgets that had

experienced the reductions had been level-funded from the prior year from fiscal years 19-21, and he emphasized the importance of giving departments the proper funding to run their operations.

Mr. Sullivan presented notes on the operations-related cuts, some of which he designated as essential to City operations. He explained that many of these cuts would impact equipment and admin supply replacement cycles and result in department heads needing to make due with inadequate equipment or needing to repair these items when they should be replaced.

Mr. Sullivan discussed the proposed \$125,000 cut to the Welfare Direct Assistance line, which had been tabled pending discussion. He explained that this would put Welfare in the position below the FY19 budget numbers.

Deputy Director Sullivan gave an overview of relevant community statistics comparing FY19 and FY23, including unemployment rates, income, and property valuations, to illustrate how Rochester is currently in a strong position economically.

Deputy Director Sullivan explained that Finance had come up with several alternative budget adjustments; rather than making many small operational cuts, there could be reduction, redirection, or delay of a few larger projects to have the same effect on the tax rate.

The following adjustments were suggested to the proposed budget:

CIP Book – Page 48/Department of Public Works/Evans Road Paving/
The City Manager’s Proposed Amount of \$565,000 to be **REDUCED** by
\$565,000 by moving the project to FY25

CIP Book – Page 51/Department of Public Works/
Pavement Rehabilitation Program/
The City Manager’s Proposed Amount of \$2,000,000 to be **REDUCED** by
\$500,000, resulting in a new total of \$1,500,000

Mr. Sullivan stated that the Department of Public Works has averaged \$1,000,000 in the past for this pavement rehabilitation program. In FY23, there was some additional money that came from State, resulting in \$1.5 million to complete the year; there should be no issues with level funding this line from the last fiscal year.

CIP Book – Page 58/Department of Public Works/
Vehicle Replacement program- DPW/
The City Manager’s Proposed Amount of \$796,500 to be **REDUCED** by
\$263,000 by moving one of the dump trucks to FY25, resulting in a new total

of \$533,500

O&M Book – Page 67/General Overhead/Transfer to Other Funds 593009
The City Manager’s Proposed Amount of \$100,00 to be **REDUCED** by
\$100,000, resulting in a new transfer total of \$0

Mr. Sullivan explained that this is the transfer scheduled for the new Economic Development non-capital reserve fund. Although the ordinance states that the Council will annually review and consider transferring money into this fund, it does not specify that it needs to happen through the budget cycle. The account currently sits at \$1.4 million, and delaying this transfer should not have a detrimental effect.

O&M Book – Page 4/Business Office/Interest Income 400302
The City Manager’s Proposed Amount of \$600,00 to be **INCREASED** by
\$150,000, resulting in a new total of \$750,000

Mr. Sullivan explained that interest rates are the highest they have been in many years, averaging around 4%. After conferring with banks, the Finance department is comfortable adding this additional \$150,000 to interest income. He clarified that every dollar that goes unspent through budgetary appropriation is then put into the City’s investment accounts to earn interest; this money is not raised from property tax with no return.

O&M Book – Page 6/Code Enforcement/Building Permits 400404
The City Manager’s Proposed Amount of \$500,00 to be **INCREASED** by
\$50,000, resulting in a new total of \$550,000

O&M Book – Page 5/General Overhead/Sale of City property
INCREASE/ADDITION of \$290,000, resulting in a new total of \$290,000

Deputy Director Sullivan stated that this line has not been added into the budget in the past because it is considered unanticipated revenue. However, there is a sales agreement in place, which will be closing in FY24 and this \$290,000 can be considered anticipated revenue.

O&M Book – Page 21/School Department Expenditures/School Budget
Bottomline Adjustment
The City Manager’s Proposed Amount of \$73,043,706 to be **REDUCED** by
\$250,000, resulting in a new total of \$72,793,706

Mr. Sullivan stated that these combined reductions of cash capital and revenue additions reduces the amount to be raised by taxes to \$2,168,000.00.

Deputy Director Sullivan requested that seven of the budget reductions made on 5/9/23 be restored to the budget, totaling \$70,920.00.

CIP Book – Page 10/Economic Development/Strategic Plan Update
The City Manager’s Proposed Amount of \$25,000 **REMOVE from CIP** (funding source of Economic retained Earnings) and fund through O&M budget “Consulting Other” 534006

He explained that if Council agrees to these alternate adjustments, the total tax cap surplus would be \$5,573,944.00. With the Chief Assessor reporting that the Preliminary assessed net valuation will experience an increase of \$30 million; this will bring the property tax increase down to 81 cents.

Mayor Callaghan said he had met with Finance staff and requested that they take a closer look at the budget and the adjustments that had been made at the May 9th meeting in order to look for alternatives. This resulted in the suggested adjustments presented by Deputy Director Sullivan. Mayor Callaghan summarized the Department of Public Works adjustments; He acknowledged that Evans Road does need to be paved, but said it is not urgent and can be delayed one more fiscal year.

Mayor Callaghan **MOVED** to **ADJUST** the three Department of Public Works items as discussed above. Councilor Lachapelle seconded the motion. Councilor Beaudoin requested that the Director of City Services speak about the cost of one more year of maintaining Evans Road if this paving is delayed. Director of City Service Peter Nourse explained what is entailed with the maintenance to this road and stated there is not a great cost, although he did acknowledge that it would be beneficial and easier on the DPW to have this road paved.

Councilor Gray requested to divide the question and take up each item separately. He reported that there is one section of Evans Road is that is awful during mud season, and he would prefer to see the drainage fixed in this small portion and have just this section paved. Mayor Callaghan agreed to divide the question.

Mayor Callaghan **MOVED** to make the following cash CIP adjustment:

CIP Book – Page 48/Department of Public Works/Evans Road Paving/
The City Manager’s Proposed Amount of \$565,000 to be **REDUCED** by \$565,000 by moving the project to FY25

Councilor Desrochers seconded the motion. Councilor de Geofroy emphasized the importance of completing this paving, even if delayed. He

spoke about the poor condition of this road and the need to make these improvements for its residents. Councilor Hamann stated that the Public Works committee had also unanimously voted to pave this road and agreed that if it delayed, it should just be for one more fiscal year and not repeatedly delayed.

Councilor Beaudoin referenced the improvements suggested by Councilor Gray for a portion of Evans Road. He asked Director Nourse to give a rough estimate of how much it may cost to repair this referenced portion of the road. Director Nourse outlined the materials that would be needed to prepare this road prior to paving and estimated that it would be approximately \$200,000. Councilor Beaudoin clarified that this work explained by Director Nourse would need to be completed prior to paving either way, whether it was now or in the next fiscal year. Director Nourse confirmed this is true. Councilor Beaudoin asked if it would be beneficial to leave \$225,000 in the current budget for this preliminary work. Director Nourse said the Department would be able to make improvements with that amount if Council decides. Councilor de Geofroy asked for confirmation that if money were left in the current budget for this project, it would simply reduce the amount requested in the next fiscal year. Director Nourse confirmed, however he stated there would be some additional cost to replenish the gravel which is lost in the interim.

Mayor Callaghan clarified that the motion on the floor is to delay the Evans Road paving to FY25 and have DPW continue their normal yearly maintenance on this road. The **MOTION CARRIED** by an 11 to 2 roll call vote with Councilors Hamann, Desrochers, Gilman, Malone, Fontneau, Larochele, de Geofroy, Berlin, Hainey, and Lachapelle voting in favor and Councilors Gray and Beaudoin voting opposed.

Mayor Callaghan **MOVED** to **ADJUST** the Department of Public Works Pavement Rehabilitation program as follows:

CIP Book – Page 51/Department of Public Works/
Pavement Rehabilitation Program/
The City Manager’s Proposed Amount of \$2,000,000 to be **REDUCED** by
\$500,000, resulting in a new total of \$1,500,000

Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a 12 – 1 roll call vote with Councilors Hainey, Malone, Gilman, Fontneau, Larochele, de Geofroy, Desrochers, Berlin, Beaudoin, Hamann, Lachapelle, and Mayor Callaghan all voting in favor and Councilor Gray voting opposed.

Mayor Callaghan **MOVED** to **ADJUST** the Department of Public Works Vehicle Replacement program as follows:

CIP Book – Page 58/Department of Public Works/
Vehicle Replacement program- DPW/

The City Manager’s Proposed Amount of \$796,500 to be **REDUCED** by
\$263,000 by moving one of the dump trucks to FY25, resulting in a new total
of \$533,500

Councilor Lachapelle seconded the motion. Councilor Beaudoin suggested there could be further reductions to the vehicle replacement program and indicated he was intending to review the program and suggest adjustments. He questioned the importance and necessity of some of the vehicles listed. Director Nourse gave an overview of some of the vehicles referenced by Councilor Beaudoin and explained the need. Councilor Fontneau clarified that the motion is to remove one vehicle from the program, which does not preclude Councilor Beaudoin from making future adjustments. The **MOTION CARRIED** by a 13 – 0 roll call vote with Councilors de Geofroy, Beaudoin, Hamann, Desrochers, Lachapelle, Malone, Berlin, Hainey, Larochelle, Gray, Gilman, Fontneau, and Mayor Callaghan all voting in favor.

Mayor Callaghan **MOVED** to **ADJUST** the budget as follows:

O&M Book – Page 4/Business Office/Interest Income 400302
The City Manager’s Proposed Amount of \$600,00 to be **INCREASED** by
\$150,000, resulting in a new total of \$750,000

Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a 12 – 1 roll call vote with Councilors Desrochers, Gray, Fontneau, Hamann, Hainey, Lachapelle, Larochelle, Beaudoin, Malone, Gilman, de Geofroy, and Mayor Callaghan voting in favor and Councilor Berlin voting opposed.

Mayor Callaghan **MOVED** to **ADJUST** the budget as follows:

O&M Book – Page 6/Code Enforcement/Building Permits 400404
The City Manager’s Proposed Amount of \$500,00 to be **INCREASED** by
\$50,000, resulting in a new total of \$550,000

Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a 12 – 1 roll call vote with Councilors Gilman, de Geofroy, Gray, Hainey, Larochelle, Berlin, Lachapelle, Fontneau, Hamann, Beaudoin, Desrochers, Malone, and Mayor Callaghan all voting in favor.

Mayor Callaghan **MOVED** to **ADJUST** the budget as follows:

O&M Book – Page 5/General Overhead/Sale of City property
INCREASE/ADDITION of \$290,000, resulting in a new total of \$290,000

He explained that this would be placed in the O&M as non-property tax revenue. Councilor Beaudoin asked how Councilor could be sure that this revenue would be anticipated and asked if the sale had already been negotiated. Mayor Callaghan confirmed that this had already been negotiated. The **MOTION CARRIED** by a 12 – 1 roll call vote with Councilors Desrochers, Hamann, de Geofroy, Beaudoin, Hailey, Lachapelle, Gilman, Malone, Fontneau, Larochelle, Berlin, and Mayor Callaghan voting in favor and Councilor Gray voting opposed.

Mayor Callaghan **MOVED** to **ADJUST** the budget as follows:

O&M Book – Page 67/General Overhead/Transfer to Other Funds 593009
The City Manager’s Proposed Amount of \$100,00 to be **REDUCED** by \$100,000,
resulting in a new transfer total of \$0

Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a 13 – 0 roll call vote with Councilors Larochelle, Gilman, Berlin, Beaudoin, de Geofroy, Fontneau, Hamann, Lachapelle, Malone, Desrochers, Gray, Hailey, and Mayor Callaghan all voting in favor.

Mayor Callaghan **MOVED** to **ADJUST** the School Department Operating Budget bottomline as follows:

O&M Book – Page 21/School Department Expenditures/School Budget
Bottomline Adjustment
The City Manager’s Proposed Amount of \$73,043,706 to be **REDUCED** by
\$250,000, resulting in a new total of \$72,793,706

Councilor Lachapelle seconded the motion. Mayor Callaghan indicated that he had spoken to the Chair of the School Board regarding this reduction, and the School Board feels the reduction will be manageable. Councilor Larochelle inquired what impact this reduction will have on the schools. Paul Lynch, School Board Chair, explained that this reduction had been discussed with Superintendent Repucci and they have a plan on how they can handle this reduction and will be making subsequent requests to Finance in June. (*Mr. Lynch made a request of Council that any excess, unused funds being returned from the School Board be placed in the reserve fund, which will help reduce debt service going forward and help with construction of the new school*). Councilor Gray cautioned against reducing the school budget and gave reasons why it can be problematic. Councilor Larochelle praised the Rochester School system and emphasized the importance of funding the schools. Councilor de Geofroy clarified that this is not an actual reduction of the school budget but rather \$250,000 less in increases. The **MOTION CARRIED** by a 10 – 3 roll call vote with Councilors Lachapelle, Hailey,

Desrochers, Gilman, de Geofroy, Malone, Fontneau, Beaudoin, Hamann, and Mayor Callaghan voting in favor and Councilors Laroche, Berlin, and Gray voting opposed.

Mayor Callaghan referenced the seven prior budget reductions made on 5/9 that are being requested to be restored, totaling \$70,290.00. He said that these could be voted on in one motion or taken up individually. Councilor Beaudoin said that there was a small portion of his 39 budget adjustments being presented for restoration into the budget. He asked to delay this vote until Finance could distribute the documentation on these items and Council could review. Additionally, Councilor Beaudoin asserted that COVID was over in FY22 and that Council was serving in person at that time. Mayor Callaghan stated that he felt the Council as a whole had expressed prioritizing the workforce currently in the City and working on ways to maintain employee retention, such as staff development, training, appropriate wage increases, etc. He felt that many of these prior cuts should at least be level-funded from the prior year to allow departments to operate without gaps. It can potentially be adjusted after review for the next fiscal year. Councilor Desrochers responded to Councilor Beaudoin's earlier claim that COVID was not a budget factor in FY22; she stated that from a public health standpoint, the state of emergency had only been lifted three days prior, and this is not an indication that the economy has fully recovered. Councilor de Geofroy agreed that the City needs to invest in the workforce; the City has struggled with employee retention in multiple departments and needs to focus on making the City an attractive place to work as opposed to just gaining experience and moving on. Councilor Fontneau asked for clarification on the motion on the floor. Mayor Callaghan read the items being voted on and **MOVED** to **RESTORE** these items to the budget, level-funded from the prior year. Councilor Lachapelle called for a Point of Order and stated that there should be a second to the motion before discussion; he then seconded the motion. Councilor Desrochers agreed that these items should be level-funded and expressed that following the prior meeting, she felt that Council had made cuts that likely should have been left. After the Finance presentation and getting a more comprehensive look at the whole budget, she agreed that these items should be restored. Councilor Gray felt that voting on these adjustments/restorations is ill-advised because Council has not been given paperwork to thoroughly review that shows these adjustments. The **MOTION CARRIED** by a 9 – 4 roll call vote with Councilors Malone, Hamann, de Geofroy, Desrochers, Lachapelle, Hainey, Fontneau, Laroche, and Mayor Callaghan voting in favor and Councilors Gray, Beaudoin, Gilman, and Berlin voting opposed.

Mayor Callaghan **MOVED** to **ADJUST** the budget as follows:

CIP Book – Page 10/Economic Development/Strategic Plan Update
The City Manager's Proposed Amount of \$25,000 **REMOVE** from CIP (funding

source of Economic retained Earnings) and fund through O&M budget
"Consulting Other" 534006

Councilor Lachapelle seconded the motion. Councilor Beaudoin asked if this would affect the Master Plan in any way. Mike Scala, Director of Economic Development said that the Economic Development portion of the Master Plan is covered under this budget item. Councilor Beaudoin asked how far behind the City is currently with finalizing the various chapter of the Master Plan that are required. Shanna Saunders, Director of Planning and Development, said there are multiple sections of the Master Plan, only some of which are required by State statute. She clarified that these are not all completed at the same time and explained what is currently underway. Director Scala clarified that the current Economic Development Master Plan is 5 years old. The **MOTION CARRIED** by an 11 – 2 roll call vote with Councilors Laroche, Hainey, Desrochers, Gilman, Lachapelle, de Geofroy, Berlin, Fontneau, Malone, Hamann, and Mayor Callaghan voting in favor and Councilors Gray and Beaudoin voting opposed.

Deputy Director Sullivan stated that following these adjustments, there had been a \$2,159,000 which bring the City to a tax cap surplus of \$5,573,944 comprised of \$3.7 million under the tax cap on the City side and \$1.8 million under the tax cap on the school side. He confirmed that, along with the preliminary net assessed property valuation, this would bring the tax rate increase to 81 cents, down from the previous proposed increase of \$1.85.

Councilor de Geofroy said that, based on the positive impact of the adjustments made this evening, the City could afford to include the \$20,000 Issues & Options request for Cocheco River Cleanup, which had been excluded from the City Manager's budget. Councilor de Geofroy **MOVED** to **INCLUDE** the I&O request on page 43, Cocheco River Cleanup, \$20,000. Councilor Fontneau seconded the motion. Councilor Fontneau said he had assisted with the clean-up completed in 1978, and there may not have been a clean up that comprehensive since that time. Councilor de Geofroy suggested there could be ongoing mitigation and prevention program, or ongoing river clean-up line included in future budgets so it is not a large scale issue which goes untouched for decades. Mayor Callaghan said there is grant funding available for this type of project and he feels confident that the City will likely be able to secure matching funds. Councilor Beaudoin asked if the scope of the clean-up would be expanded beyond what is outlined in the Issues & Options if the City is to obtain matching grant funds. Director Nourse clarified that the Issues and Options is for \$25,000. He confirmed that if additional funding was secured, the clean-up would extend beyond the Wilson Street area referenced in the request. Councilor de Geofroy **RESTATED** his motion to reflect that the requested amount was \$25,000. The **MOTION CARRIED** by a 13 – 0 roll call vote with Councilors Beaudoin, Hamann, Hainey, Desrochers, Gray,

Lachapelle, de Geofroy, Berlin, Fontneau, Gilman, Malone, Larochele, and Mayor Callaghan all voting in favor.

Mayor Callaghan thanked the Finance staff for their hard work in developing these alternate budget adjustments.

Councilor Desrochers asked how many additional opportunities there would be for Councilors to present budget adjustments. Mayor Callaghan stated that there would be an opportunity at the June 6th meeting. Councilor Lachapelle said that, if needed, there can be an additional Committee of the Whole Budget Workshop added on June 13th following the Finance Committee meeting.

9. Department Reports

Councilor Desrochers referenced a question she had asked of the Fire Department at the budget retreat regarding adding a portion to the monthly Fire Department report showing the percentage of calls that are EMS. She asked if the report in the packet reflected this information. Chief Dube answered that that the calls in the report contained within the packet are all EMS calls.

10. Non-public/non-meeting

10.1. Non-Public Session – Personnel, RSA 91-A:3, II (a)

Councilor Lachapelle **MOVED** to enter into a non-public session under RSA 91-A:3, II (a) for Personnel at 8:50 PM. Councilor de Geofroy seconded the motion. The **MOTION CARRIED** by a 12 – 0 roll call vote with Councilors Fontneau, Larochele, Hailey, Desrochers, Gray, Malone, de Geofroy, Berlin, Gilman, Lachapelle, Hamann, and Mayor Callaghan voting in favor (Councilor Beaudoin was not present at the time of the vote).

Councilor Lachapelle **MOVED** to exit the non-public session at 9:03 PM. Councilor Desrochers seconded the motion. The **MOTION CARRIED** by a 13 – 0 roll call vote with Councilors de Geofroy, Beaudoin, Hamann, Lachapelle, Malone, Berlin, Hailey, Larochele, Gray, Gilman, Fontneau, and Mayor Callaghan all voting in favor.

11. Adjournment

Councilor Lachapelle **MOVED** to **ADJOURN** the City Council Committee of the Whole Budget workshop at 9:04 PM. Councilor Malone seconded the motion. The **MOTION CARRIED** by a 12 – 1 roll call vote with Councilors Hailey, Gray, Malone, Gilman, Fontneau, Larochele, de Geofroy, Berlin,

City of Rochester

Budget Workshop

May 16, 2023

Beaudoin, Hamann, Lachapelle, and Mayor Callaghan voting in favor and Councilor Desrochers voting opposed.

Respectfully Submitted,

Cassie Givara
Deputy City Clerk

FY24 PROPOSED BUDGET: COUNCIL ADJUSTMENTS- REVIEW

A EMPLOYEE RELATED													
Department	Account Name	Account #	O&M Page #	FY24 CM Proposed	Increase (Decrease)	Council Revised	FY23 Actual	COVID FY22 Actual	COVID FY21 Actual	COVID FY20 Actual	FY19 Revised	FY19 Actual	Comments
Legal	Overtime-Regular	513001	39	\$3,000	(\$2,500)	\$500	\$752	\$420	\$472	\$298	\$500	\$124	Tabled
Legal	Staff Development	532001	39	\$4,500	(\$1,750)	\$2,750	\$1,018	\$1,510	\$976	\$1,349	\$3,500	\$2,958	Tabled
City Clerk	Staff Development	532001	51	\$3,500	(\$1,500)	\$2,000	\$400	\$1,653	\$0	\$2,078	\$3,500	\$2,945	Staff Training
Finance HR	Staff Development	532001	61	\$6,900	(\$5,900)	\$1,000	\$650	\$579	\$2,839	\$1,246	\$8,075	\$1,097	Staff Training
Assessors	Staff Development	532001	57	\$8,100	(\$3,500)	\$4,600	\$1,755	\$3,735	\$5,684	\$2,450	\$4,000	\$3,675	Staff Training
Planning	Staff Development	532001	76	\$6,400	(\$5,400)	\$1,000	\$1,270	\$522	\$279	\$3,885	\$6,200	\$4,921	Staff Training
Recreation	Staff Development	532001	111	\$6,500	(\$4,500)	\$2,000	\$2,183	\$1,502	\$2,496	\$1,766	\$3,900	\$2,884	Staff Training
Building & Licen	Staff Development	532001	96	\$12,500	(\$5,000)	\$7,500	\$3,666	\$5,525	\$2,206	\$4,962	\$12,500	\$6,555	ISO Requirement 2% of total Dept O&M
Police	Staff Development	532001	82	\$24,495	(\$8,000)	\$16,495	\$15,855	\$12,960	\$9,573	\$11,585	\$11,496	\$11,402	Staff Training
Dispatch Center	Staff Development	532001	86	\$5,542	(\$4,000)	\$1,542	\$738	\$673	\$100	\$1,674	\$3,310	\$3,310	Staff Training
Library	Staff Development	532001	115	\$3,500	(\$500)	\$3,000	\$3,565	\$2,393	\$375	\$829	\$1,700	\$1,494	Staff Training
City Manager	Staff Development	532001	35	\$4,500	(\$2,500)	\$2,000	\$72	\$1,215	\$235	\$3,394	\$6,545	\$2,299	5-9-23 Council Cut
Dispatch Center	Travel	558000	86	\$2,000	(\$1,500)	\$500	\$717	\$196	\$0	\$634	\$1,990	\$1,960	Conferences cancelled during Covid
Economic Dev	Travel	558000	44	\$10,000	(\$3,500)	\$6,500	\$3,832	\$5,494	\$175	\$10,390	\$13,350	\$12,592	Conferences cancelled during Covid
IT Services	Travel	558000	48	\$4,000	(\$4,000)	\$0	\$0	\$0	\$0	\$863	\$1,542	\$1,345	Conferences cancelled during Covid
City Manager	Travel	558000	35	\$5,670	(\$2,170)	\$3,500	\$84	\$92	\$32	\$1,330	\$3,213	\$1,905	5-9-23 Council Cut
Legal	Travel	558000	40	\$3,800	(\$1,800)	\$2,000	\$400	\$316	\$37	\$1,208	\$2,000	\$1,851	5-9-23 Council Cut
Assessors	Clothing	561010	58	\$3,000	(\$1,000)	\$2,000	\$1,854	\$1,406	\$1,386	\$485	\$1,400	\$1,268	CBA Related
Dispatch Center	Clothing	561010	86	\$3,200	(\$1,600)	\$1,600	\$655	\$688	\$1,387	\$199	\$1,300	\$953	CBA Related
Finance HR	Employee Recognition	589070	62	\$13,500	(\$3,500)	\$10,000	\$7,299	\$8,276	\$5,104	\$4,320	\$4,812	\$3,933	Employee Retention/Wellness plans
City Manager	Employee Recognition	589070	36	\$5,950	(\$1,950)	\$4,000	\$6,529	\$2,079	\$0	\$1,583	\$2,114	\$1,521	5-9-23 Council Cut
	Subtotals			\$140,557	(\$66,070)	\$74,487	\$53,294	\$51,235	\$33,356	\$56,529	\$96,947	\$70,992	
	FY24 Proposed to FY19 Revised Change			\$43,610									
	Percent Change			44.98%									
	FY24 Revised to FY19 Revised Change					(\$22,460)							
	Percent Change					-23.17%							

FY24 PROPOSED BUDGET: COUNCIL ADJUSTMENTS- REVIEW

B	OPERATIONS RELATED							COVID	COVID	COVID			
Department	Account Name	Account #	O&M Page #	FY24 CM Proposed	Increase (Decrease)	Council Revised	FY23 Actual	FY22 Actual	FY21 Actual	FY20 Actual	FY19 Revised	FY19 Actual	Comments
Legal	Other Prof Services	533000	39	\$65,000	(\$32,500)	\$32,500	\$48,280	\$28,442	\$52,245	\$40,717	\$65,000	\$70,792	Legal workflows increasing
Planning	Other Professional Service	533000	76	\$25,000	(\$12,500)	\$12,500	\$2,500	\$9,536	\$13,177	\$0	\$4,000	\$850	5-9-23 Council Cut
Police	Animal Boarding	533011	82	\$4,000	(\$1,500)	\$2,500	\$1,250	\$1,833	\$7,428	\$3,364	\$4,101	\$3,330	Essential
Elections	Software Maint/Lic	534003	53	\$5,000	(\$1,500)	\$3,500	\$5,233	\$2,414	\$3,847	\$4,361	\$4,800	\$4,000	Accuvote Coding
Library	Software Maint/Lic	534003	115	\$14,600	(\$3,000)	\$11,600	\$8,500	\$9,023	\$8,729	\$8,690	\$16,072	\$9,143	Contractual-Envisionware
Economic Dev	Consulting Other	534006	43	\$82,000	(\$25,000)	\$57,000	\$2,485	\$45,447	\$29,045	\$88,625	\$41,756	\$36,419	5-9-23 Council Cut
IT Services	Consulting Other	534006	47	\$50,000	(\$25,000)	\$25,000	\$17,076	\$18,959	\$32,322	\$44,653	\$32,000	\$24,188	5-9-23 Council Cut
Public works	Vehicle maint and repairs	543001	102	\$9,000	(\$2,000)	\$7,000	\$3,733	\$4,667	\$5,250	\$5,457	\$5,500	\$5,200	Budget appropriate to fleet size
Dispatch Center	Equipment maintenance	543002	86	\$24,031	(\$8,000)	\$16,031	\$13,035	\$14,067	\$10,127	\$23,638	\$28,995	\$22,213	Essential for Dispatch operations
Dispatch Center	Other operational supplies	561032	86	\$2,500	(\$1,800)	\$700	\$629	\$363	\$893	\$779	\$2,500	\$1,218	Essential for Dispatch operations
Fire	Other operational supplies	561032	92	\$15,000	(\$8,000)	\$7,000	\$231	\$4,456	\$0	\$0	\$0	\$0	Anticipated increase in EMS Supplies
Legal	Admin Equipment	573401	40	\$2,800	(\$2,000)	\$800	\$55	\$142	\$2,776	\$1,853	\$2,800	\$2,705	Replacement cycles
Planning	Admin Equipment	573401	76	\$6,000	(\$5,000)	\$1,000	\$950	\$535	\$0	\$0	\$0	\$0	Office organization plans
Dispatch Center	Admin equipment	573401	86	\$14,150	(\$6,000)	\$8,150	\$390	\$6,789	\$1,135	\$438	\$1,825	\$788	Replacement cycles & added stations
Public Buildings	Other Equipment	573900	72	\$17,200	(\$3,000)	\$14,200	\$17,023	\$11,883	\$1,919	\$1,298	\$1,500	\$1,475	Equipment needs for all City Bld
Planning	Dues and Fees	581000	77	\$2,600	(\$1,500)	\$1,100	\$1,643	\$787	\$1,284	\$1,213	\$2,529	\$1,091	Essential professional memberships
Police	City wide Programs	589007	84	\$15,750	(\$2,000)	\$13,750	\$11,600	\$6,708	\$9,422	\$7,592	\$11,600	\$10,154	Essential for Juvenile Diversion
	Subtotals			\$354,631	(\$140,300)	\$214,331	\$134,613	\$166,051	\$179,599	\$232,678	\$224,978	\$193,565	
	FY24 Proposed to FY19 Revised Change			\$129,653									
	Percent Change			57.63%									
	FY24 Revised to FY19 Revised Change					(\$10,647)							
	Percent Change					-4.73%							

FY24 PROPOSED BUDGET: COUNCIL ADJUSTMENTS- REVIEW

C WELFARE								COVID	COVID	COVID			
Department	Account Name	Account #	O&M Page #	FY24 CM Proposed	Increase (Decrease)	Council Revised	FY23 Actual	FY22 Actual	FY21 Actual	FY20 Actual	FY19 Revised	FY19 Actual	Comments
Welfare	Direct Assistance	589014	108	\$225,000	(\$125,000)	\$100,000	\$119,279	\$63,257	\$78,910	\$153,993	\$173,000	\$168,532	Tabled-Director Marsh to Address
	FY24 Proposed to FY19 Revised Change			\$52,000									
	Percent Change			30.06%									
	FY24 Revised to FY19 Revised Change					(\$73,000)							
	Percent Change					-42.20%							

FY24 PROPOSED BUDGET: COUNCIL ADJUSTMENTS- REVIEW

Category	FY23	FY19	Change	Change %	Notes
GENERAL					
Building Permits	2,600	2,200	400	18.18%	Permit Data
General Fund Full Time Staff	286	264	22	8.33%	Budgetary Position Control data
PROPERTY VALUATIONS					
Net Assessed Property Valuation	\$2.863B	\$2.654B	\$209M	8%	MS-1
Total Exemptions	\$34M	\$32M	\$2M	3%	MS-1
DRA Equalized Assessed Value	\$4.7B	\$2.7B	\$2.0B	174%	State of NH DRA
Property Tax Collections	99%	99%			
Tax Liens	464	539	(75)	-13.91%	Tax Lien Data Reports
ROCHESTER INCOME DATA					
Median Household Income-MHI	\$70,582	\$58,427	\$12,155	20.80%	NH ELMI-2021
Poverty Rate	9.30%	11%	-0.017	-15.45%	NH ELMI-2021
Unemployment	3.50%	1.90%	1.60%	84%	NH ELMI-2021
NH Unemployment	2.40%	2.60%	-0.20%	-8%	US BLS Employ Wage Data 2023
HUD Qualified Census Tracts 843 & 844- 50% below 60% of area MHI 25% at poverty rate	1	2			HUD Cenus Track Data 844 no longer qualified
NH WAGES					
Strafford County Private-Weekly	\$1,176	\$991	\$185	18.67%	US BLS Employ Wage Data-2022
Strafford County- Local Govts	\$1,003	\$866	\$137	15.82%	US BLS Employ Wage Data-2022
Private vs Local Government	\$173	\$125			US BLS Employ Wage Data-2022
Private Percent Difference	17.25%	14.43%			
CPI					
CPI All Urban	5.5% *	8.00%	4.70%	1.23%	2019 1.81%
Fiscal Year Pairing	2025	2024	2023	2022	2021
*2023 CPI Through April-23					

FY24 PROPOSED BUDGET: ALTERNATIVES

EXPENSES-REDUCTIONS					
Source	Page	Department	Description	Amount	Notes
CIP	48	Public Works	Evans Road Paving	(\$565,000)	Push to FY25
CIP	51	Public Works	Pavement Rehabilitation Prog	(\$500,000)	Reduce
CIP	58	Public Works	Vehicle Replacement	(\$263,000)	Push (1) Dump Truck to FY25
O&M	67	General OH	Transfer to Econ Dev Fund Reserve	(\$100,000)	Econ Dev Fund Balance \$1.4MM
			Subtotal	(\$1,428,000)	
REVENUES-ADDS					
Source	Page	Department	Description	Amount	Notes
O&M	4	Finance/Business Off	Interest Income	\$150,000	Interest income 4%
O&M	6	Code Enforcement	Building Permits	\$50,000	Growth remains strong
O&M	5	General Overhead	Sale of City Property	\$290,000	Anticipated land sale-Add Account
			Subtotal	\$490,000	
SCHOOL					
O&M	21	School Department	Expenses Bottom line adjust	(\$250,000)	Adjust bottom line
			Amount to be Raised by Taxes Reduction	(\$2,168,000)	
EXPENSES RESTORE 5-9-23 REDUCTIONS					
Source	Page	Department	Description	Amount	Notes
O&M	35	City Manager	Staff Development	\$2,500	5-9-23 Motion 2
O&M	35	City Manager	Travel	\$2,170	5-9-23 Motion 3
O&M	36	City Manager	Employee Recognition	\$1,950	5-9-23 Motion 4
O&M	39	Legal Dept	Travel	\$1,800	5-9-23 Motion 7
O&M	43	Econ Development	Consulting Other	\$25,000	5-9-23 Motion 8
O&M	47	IT Services	Consulting Other	\$25,000	5-9-23 Motion 10
O&M	76	Planning Dept	Other Professional Services	\$12,500	5-9-23 Motion 14
				\$70,920	
		Department	Description		
CIP	10	Econ Development	Strategic Plan-Econ Reserve Funding	(\$25,000)	Funded by Econ Develop O&M Consult



FY24 PROPOSED BUDGET: ALTERNATIVES

- \$2,159,568 Net Reduction in Amount to be Raised by Property Taxes
- Total Tax Cap Surplus: \$5,573,944
- 2023 Preliminary Net Assessed Valuation Increase: **\$30MM**
- Property Tax Rate Increase: **81 cents**
- Single Family Home Assessment: \$223,000 Increase: \$180