

**ROCHESTER CITY COUNCIL WORKSHOP
FEBRUARY 19, 2013
COUNCIL CHAMBERS
7:00 PM**

MEMBERS PRESENT

Councilor Hervey
Councilor Hynes
Councilor Keans
Councilor Labranche
Councilor Lachapelle
Councilor Lauterborn
Councilor Larochelle
Councilor Reed-Erickson
Councilor Savoie
Councilor Torr
Councilor Varney
Councilor Walker
Mayor Jean

OTHERS PRESENT

Daniel Fitzpatrick, City Manager
Blaine Cox, Deputy City Manager
Dan Wensley, City Attorney
Gregg DeNobile, Resident
Peter Nourse, Acting Public Works Director/
City Engineer

MINUTES

1] Call to Order

Mayor Jean called the City Council Workshop Meeting to order at 7:00 PM. Marcia Roddy, Deputy City Clerk, took a silent roll call. All members were present.

2] Public Input

Gregg DeNobile, resident, asked what packet was being used for the meeting as he saw two packets on the website, one dated February 14 and one dated February 15. He noted that there were some changes made to the second packet. He was told that the February 15 packet was the revised version and was being used that evening.

Mr. DeNobile wanted to follow up on a document handed out at the most recent Finance Committee meeting. It was in reference to the City Hall Annex. He said that in reviewing the document it looked like the committee had a good idea of the time frame for the work to be done, but that the City Council had previously said there were no

plans on “getting things done.” However, the document has a completion date and he is wondering if there is a plan in place. He pointed out that it is a \$3-4 million project and that the School Department recently proposed a \$10 million project. Also, Mr. DeNobile cited budgeted money in the CIP budget from the current fiscal year for a \$2 million architectural engineering fee and he had been told that was being pushed off for another year. His question at this point is whether or not the staffing needs are such that warrant this additional space.

Mr. DeNobile said that in reviewing the packet it appeared to him that it looks like the City is trying to re-bond debt from years gone by. He questioned the intent of the re-bonding and asked if the purpose was to get a lower interest rate, to which he praised the Council, but said that there are usually fees involved in doing this. He would like to know how this would impact the overall debt of the City and the debt service.

Mr. DeNobile asked about the Police Department’s Memorandum of Understanding that was included in the packet. He asked what the legalities are and if it was something that could be done without fear of legal ramifications and what would be the duration of the memorandum.

The last item that Mr. DeNobile wished to question was the Backflow Prevention discussion and that the information in the packet seemed to have changed. He was wondering if it was just formatting or if there was change in the content. He asked the Council to discuss that before any vote is taken.

Mayor Jean closed public input at 7:07 PM.

3] Communications from the Mayor

Mayor Jean said the joint meeting between the City Council and the Planning Board had been canceled due to inclement weather and has been rescheduled for 7:00 PM on February 26, 2013, at the Frisbie Conference Center.

4] Discussion about Proposed Legislation

Deputy City Manager/Finance Director Blaine Cox said that occasionally the City staff become aware of certain proposed legislation from Concord and often times the staff might have an opinion, either personally or professionally. He said they are looking for guidance from the governing body on how they would prefer the staff respond to those situations. In the past a certain issue would be referred to a specific committee, but often times it is not.

Mayor Jean responded by saying he has become aware of certain recent legislation that could affect the City Clerk’s office, for example. He asked the Council if anyone knows of any past precedent regarding taking positions or if staff would want to take positions in a professional capacity; is it run by this body [City Council] before

doing that, or is there any desire to set up a formal mechanism that can enable a City staff member to speak out on an item.

Councilor Varney said that the Municipal Association sends out weekly bulletins with opinions on topics as they show up. The association offers an opinion without the Council's help.

Councilor Keans said she believes there have been a few occasions when the Council has passed a resolution to be sent to Concord to be entered into testimony. At times a Department Head has traveled to Concord to speak on the City's behalf, but that has not been on a regular basis.

Councilor Lauterborn added that with respect to the Municipal Association they will weigh in, and often strongly, when an issue is clearly not in the best interest of the cities and towns. If there is a big issue, such as the rooms and meals tax redistribution, that creates winners and losers, they won't take a position because they represent everybody. On such an occasion, Councilor Lauterborn said that the City Council would have to take its own position.

City Manager Fitzpatrick said that the City Manager's office gets requests to support issues, but he is hesitant to make a statement that the City of Rochester supports something unless the City Council has voted on it. He said that is his position and unless the City Council takes a position on a policy matter he cannot say that the City of Rochester supports something.

Mayor Jean said that going forward if any staff member wants to bring a matter to the Council's attention, then that person should go to the appropriate committee. If the matter does not "fit" with a committee, the matter could always be brought to the attention of the Finance Committee to try to find the best venue.

Councilor Lauterborn said that the only problem with that type of legislation is a time line as sometimes things get scheduled for a hearing and there is not time for that kind of delay if the City needs to make a response.

Councilor Keans said that it is a good idea to send someone to Concord on occasion as it is much more important for a committee to hear from an actual community on how a matter will affect that community. She pointed out that just because something may work in a small community in one part of the state it may not necessarily work for a larger town or city in another part of the state.

5] Annual Audit: FY 12 Presentation

Deputy City Manager Cox introduced Jarad Vartanian and Robert Vachon of *Vachon Clukay & Company PC*, the accounting firm that audited the City's financial statements. Mr. Cox also acknowledged Roland Connors, the Finance Department staff

member who works with the auditors every year in putting the audit together. Copies of the audit books were passed out to the City Council members.

Jarad Vartanian, the Audit Manager for the City's audit for the past two years, gave a PowerPoint presentation, which summarized the City's audit results for the year and highlighted pertinent financial data from the audit.

A question and answer period followed the presentation, beginning with Councilor Savoie who asked Mr. Vartanian a question regarding the bond proceeds exceeding the outlays and at some point would the outlays catch up with the proceeds. Mr. Vartanian said yes, eventually those amounts will level out.

Councilor Keans asked Mr. Vartanian to point out the 16% fund balance, but Mr. Vartanian said that is actually not in the report but it there is a formula in the audit notes to arrive at that figure.

Councilor Varney asked Mr. Vartanian if the General Fund fund balance is recorded in five categories. He asked if that is also done for the Water and Sewer funds. Mr. Vartanian said no, those are not governmental funds. He said they are proprietary funds (Water, Sewer, Arena) that are reported under the full accrual basis and are treated essentially as a business with different terminology.

Mayor Jean said that in terms of the LGC recommendation of the fund balance the City is in the upper limits of that and asked Mr. Vartanian what he sees across the state. Is Rochester the norm or average? Mr. Vartanian said the City is higher, but the size of the community can be a factor.

6] CIP Presentation from City Manager

Copies of the CIP budget were handed out to the councilors. Mayor Jean explained that it is being given to the Council ahead of the budget season in order for the councilors to have more time to review and study it. City Manager said that the CIP budget will be on the City's website in the morning (February 20, 2013).

7] Rines Right-of-Way Update Report from Attorney Wensley

Attorney Wensley said it would be better for discussion during the Non-Public Session later in the evening. Mayor Jean concurred and the report will be discussed in Non-Public Session.

8] Discussion about Backflow Prevention Devices [City Ordinances]

Peter Nourse, Acting Director of Public Works, came to the podium to answer questions. Councilor Lachapelle explained that the Codes and Ordinances Committee had asked Mr. Nourse to attend the meeting to address any questions from the Council.

Mr. Nourse said that the City had received a letter from the Department of Environmental Services in September, 2012, citing a significant deficiency. The DES did not feel that Rochester had an effective backflow cross-connection control program, referring to an annual report from 2009. The City looked into it and determined that it was not an effective program. The DES required the City to put together a capital action plan, which was done, and in that plan it appeared to be realistic that the City get an ordinance in place by the first of June and to get a fully up and running program before the winter of 2013/2014. Mr. Nourse said that is achievable.

Mr. Nourse said that the State requested an ordinance before anything else. Research shows that the City has over 400 industrial and commercial accounts. The DPW staff crafted a draft ordinance and presented it to the Public Works Committee, UAB, Codes and Ordinances Committee (twice) for input. Council is now being asked to put this forward as an ordinance.

Mayor Jean asked Councilor Lachapelle if an ordinance is being presented from the Codes and Ordinances Committee to the City Council. Councilor Lachapelle said no, that it has just been drafted and will require a public hearing.

Attorney Wensley said that Mr. Nourse has prepared the ordinance from a template provided by the State and will be ready for a first reading at the March City Council meeting. He said he does not believe that a public hearing is necessary, but that it is a very extensive document and it will have a significant impact on the business community. He said that it is the Codes and Ordinances Committee's policy to have a public hearing for any ordinance changes and this subject would be at the higher end of importance. Mayor Jean reiterated that this ordinance will come before the Council for a first reading at the March 5, 2013, meeting. The public hearing will be held prior to the March Workshop with adoption happening at the April Regular Council Meeting. Mr. Nourse said the State said it would be acceptable to have the ordinance in place by June.

9] Department Reports

Mayor Jean pointed out the Recreation and Arena report regarding the Teen Night attendance. It has increased significantly over the past year and appears to be a well-received program.

Councilor Keans questioned the \$100,000 loan given to LHR. Deputy City Manager Karen Pollard explained that it is part of the CDBG program that the City administers. No new money has gone into the loan fund; as money is paid back from loans made in the past, new loans can be given. Ms. Pollard said that the average loan is approximately \$50,000, but due to the fact that this company is a start-up business it has needs that could not be met by traditional financing mechanisms. She said that although this loan is large, it is not the largest loan ever granted. It is important that a

new business be given every opportunity for success and proper funding is a key part of that.

Councilor Keans asked how many of these Job Loans are “out there” at this point. Ms. Pollard said she thinks there are about 10 and they are all different amounts. The \$100,000 loan would be on the larger side.

10] Non-Public Session

10.1 Land, RSA 91-A:3(d)

Councilor Lachapelle **MOVED** to enter into a Non-Public Session under RSA 91-A:3, II (d). Councilor Walker seconded the motion. The Deputy City Clerk took a roll call vote. Councilors Hervey, Hynes, Keans, LaBranche, Lachapelle, Larochelle, Lauterborn, Reed-Erickson, Savoie, Torr, Varney, and Walker and Mayor Jean all voted in favor of the motion. The **MOTION CARRIED** by unanimous roll call vote. The City Council entered Non-Public Session at 7:50 PM.

Councilor Torr was excused at 7:51 PM.

Councilor Lachapelle **MOVED** to exit the Non-Public Session at 8:15 PM. Councilor Walker seconded the motion. The **MOTION CARRIED** by unanimous voice vote.

11] Other

There was no other business to come before the City Council.

12] Adjournment

Councilor Lachapelle **MOVED** to adjourn the Workshop meeting at 8:16 PM. Councilor Walker seconded the motion. The **MOTION CARRIED** by unanimous voice vote.

Respectfully submitted,

Marcia H. Roddy
Deputy City Clerk