

**SPECIAL CITY COUNCIL MEETING**  
**March 19, 2013**  
**COUNCIL CHAMBERS**  
**8:50 PM**

**MEMBERS PRESENT**

Councilor Hervey  
Councilor Hynes  
Councilor Keans  
Councilor Labranche  
Councilor Lachapelle  
Councilor Larochelle  
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  
Peter Nourse, Acting Public Works Director

**MEMBERS EXCUSED**

Councilor Lauterborn  
Councilor Reed-Erickson

**MINUTES**

**1. Call to Order**

Mayor Jean called the Special City Council meeting to order at 8:50 PM. Marcia Roddy, Deputy City Clerk, took a silent roll call. All Council members were present except for Councilors Lauterborn and Reed-Erickson, who had been excused.

Mayor Jean said he wished to amend the order of the Agenda if there was no objection from the City Council. No member of the City Council objected.

**2. Resolution Channing's Lane**

Councilor Lachapelle **MOVED** to read the Resolution by title only for the first time. Councilor Walker seconded the motion. The **MOTION CARRIED** by a unanimous voice vote. Mayor Jean read the Resolution for the first time by title only as follows:

**RESOLUTION TRANSFERRING FUNDS**  
**TO THE DPW FY 2012-2013**  
**CAPITAL IMPROVEMENTS BUDGET**  
**FROM THE**  
**UNENCUMBERED FY 2012-2013 CONTINGENCY ACCOUNT**

**BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF THE CITY OF ROCHESTER, AS FOLLOWS:**

**WHEREAS**, by action of the Mayor and City Council of the City of Rochester in June 2012, an operating budget for the City of Rochester for fiscal year 2012-2013 was adopted, which contained a so called "Contingency" account appropriation for use in connection with what, at that time, were unidentified and/or unanticipated City needs and/or projects: and

**WHEREAS**, the Rochester Department of Public Works has recently identified road and/or infrastructure construction and related work needed to be done in connection with so-called Channing's Way, in the amount of Seventeen Thousand Nine Hundred Fifty-Four Dollars and Forty-Nine Cents (\$17,954.49);

**NOW, THEREFORE**, the Mayor and City Council of the City of Rochester, by adoption of this Resolution, hereby take the following actions with respect to the currently unencumbered funds in the so-called Contingency fund of the City of Rochester 2012-2013 operating budget:

(a) Transfer the total of Seventeen Thousand Nine Hundred Fifty-Four Dollars and Forty-Nine Cents (\$17,954.49) of previously appropriated funds in the FY 2012-2013 operating budget of the City of Rochester, to the City of Rochester, Department of Public Works FY 2012-2013 CIP Budget (transfer to capital improvement projects account ); and

(b) Appropriate, as a supplemental appropriation to the FY 2012-2013 CIP Budget of the City of Rochester, Department of Public Works, the amount of Seventeen Thousand Nine Hundred Fifty-Four Dollars and Forty-Nine Cents (\$17,954.49) for the purpose of paying for the costs of road and/or infrastructure construction and related work road with respect to Channing's Lane (the Finance Director to establish and/or designate an appropriate account for such appropriation), such supplemental appropriation to be drawn in its entirety from the above mentioned transferred funds.

To the extent not otherwise provided for in this Resolution, the Finance Director is hereby authorized to designate and/or establish such accounts and/or account numbers as necessary to implement the transactions contemplated by this Resolution.

Mayor Jean said the transfer of funds is in the amount of \$17,954.49 for the purpose of completing the construction on Channing's Lane. Councilor Keans asked if the construction plan for Channing's Lane included a sidewalk. Mr. Nourse, Acting Public Works Director/City Engineer, clarified that there were several items which were

removed from the final plan and the installation of sidewalks was one of the items removed.

Councilor Larochelle asked if this project would cost the taxpayers any money. Mayor Jean replied yes, the amount of \$17,954.49 would be drawn from the Contingency Fund.

Mr. Nourse informed the City Council that the original bid came back as \$87,980 now \$81,480, which is a reduction in the amount of \$6,500. This would also reduce the amount of funds requested to be transferred from the Contingency Fund would be \$11,454.48. Mayor Jean said the resolution should be adjusted accordingly.

Councilor Varney **MOVED** to **ADOPT** the resolution. Councilor Walker seconded the motion. Councilor Keans **MOVED** to **AMEND** the motion to reduce the amount of funds to be transferred from the Contingency Fund to \$11,454.49. Councilor Walker seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

Councilor Larochelle said as a matter of principle he is against using taxpayers' money for a poor construction company's job. He did not feel the City should be "backing-up" private developers. Mayor Jean explained that in this particular case, the City's Planning Department released a significant amount of surety prematurely and ended up in this abnormal situation, which is the only reason he feels compelled to hold the City responsible. Councilor Larochelle thanked Mayor Jean for the clarification.

Councilor Walker informed the City Council that at the time the Planning Board decided to collect the surety of Channing's Lane it was under the impression that there was enough surety in place to complete the project; it was subsequently exposed that there was not enough surety in place to complete the project.

Councilor Torr asked what work would be covered under this project. Mr. Nourse gave a brief overview of work entailed for the project. Councilor Torr asked where the guardrails would be installed. Mr. Nourse gave the location of the six guardrails to be installed on Channing's Lane. Councilor Torr felt strongly that there was no real reason to install the guardrails at this point. He said installing guardrails would be a waste of taxpayers' money. He added that the real problem for Channing's Lane is about 500 feet further down the road on the pole. He said the road could be finished without seeking Contingency Funds. Council briefly discussed.

Mayor Jean called for a vote on the main motion as amended. Councilor Torr requested to have a roll call vote. Councilor Walker seconded the request for a roll call vote. The **MOTION CARRIED** by an 8 to 3 roll call vote. Councilors Hervey, Hynes, Walker, Varney, Keans, Lachapelle, LaBranche, and Mayor Jean voted in favor of the motion. Councilors Torr, Larochelle, and Savoie voted against the motion.

The Resolution has been amended as follows:

**RESOLUTION TRANSFERRING FUNDS**  
**TO THE DPW FY 2012-2013**  
**CAPITAL IMPROVEMENTS BUDGET**  
**FROM THE UNENCUMBERED FY 2012-2013 CONTINGENCY ACCOUNT**

**BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF THE CITY OF ROCHESTER, AS FOLLOWS:**

**WHEREAS**, by action of the Mayor and City Council of the City of Rochester in June 2012, an operating budget for the City of Rochester for fiscal year 2012-2013 was adopted, which contained a so called "Contingency" account appropriation for use in connection with what, at that time, were unidentified and/or unanticipated City needs and/or projects: and

**WHEREAS**, the Rochester Department of Public Works has recently identified road and/or infrastructure construction and related work needed to be done in connection with so-called Channing's Way, in the amount of Eleven Thousand Four Hundred Fifty-Four Dollars and Forty-Nine Cents (\$11,454.49);

**NOW, THEREFORE**, the Mayor and City Council of the City of Rochester, by adoption of this Resolution, hereby take the following actions with respect to the currently unencumbered funds in the so-called Contingency fund of the City of Rochester 2012-2013 operating budget:

(c) Transfer the total of Eleven Thousand Four Hundred Fifty-Four Dollars and Forty-Nine Cents (\$11,454.49) of previously appropriated funds in the FY 2012-2013 operating budget of the City of Rochester, to the City of Rochester, Department of Public Works FY 2012-2013 CIP Budget (transfer to capital improvement projects account ); and

(d) Appropriate, as a supplemental appropriation to the FY 2012-2013 CIP Budget of the City of Rochester, Department of Public Works , the amount of Eleven Thousand Four Hundred Fifty-Four Dollars and Forty-Nine Cents (\$11,454.49) for the purpose of paying for the costs of road and/or infrastructure construction and related work road with respect to Channing's Lane (the Finance Director to establish and/or designated an appropriate account for such appropriation), such supplemental appropriation to be drawn in its entirety from the above mentioned transferred funds.

To the extent not otherwise provided for in this Resolution, the Finance Director is hereby authorized to designate and/or establish such accounts and/or account numbers as necessary to implement the transactions contemplated by this Resolution.

**2. City Manager's Recommendations to the Merit Plan**

Mayor Jean said the following proposed changes to the City's Merit Plan have been presented to the City Council by the City Manager:

- Merit Adjustment Range from 0% - 7% to 0% - 5% and Budget Limitation
- Non-Union Pay Plan Grade Ranges Market Analysis
- Employee Handbook Updates
- Classification Schedule Update

Mayor Jean summarized some of the changes to the City's Merit Plan for the City Council. See **Attachment A** for a complete list of all the proposed changes.

Councilor Walker **MOVED** to **APPROVE** the City Manager's proposed changes to the City's Merit Plan. Councilor Varney seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

#### **4. Resolution Authorizing the Issuance of Refunding Bonds**

Mayor Jean said the City Council should recall voting on the following two resolutions; however, after seeking legal counsel on the matter it seems the City Council must ratify the votes, which have already been taken on both resolutions. Deputy City Manager Cox explained that a Public Hearing is not always required to complete the refunding process; however, the City of Rochester's City Charter requires a Public Hearing prior to approving any bonds. He added that a Public Hearing was held this evening prior to the City Council Workshop relative to the two refunding resolutions as follows:

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**A Resolution**  
**Authorizing the Issuance of Refunding Bonds**  
**dated as of February 19, 2013**

**WHEREAS**, the City of Rochester, New Hampshire (the "City") issued certain Bonds dated July 15, 2004, the outstanding principal amount of which is \$4,755,000 (the "Refunded Bonds"); and

**WHEREAS**, the Refunded Bonds are subject to redemption prior to their stated maturity on July 15, 2014 (the "Redemption Date"); and

**WHEREAS**, it appears likely that bonds issued today would have a net interest cost less than the net interest cost on the Refunded Bonds; and

**WHEREAS**, the City may be able to realize debt service savings by issuing certain refunding bonds (the "Refunding Bonds"), the proceeds of which would be utilized to

refund or advance refund the Refunded Bonds and to pay certain other costs relating thereto;

**NOW THEREFORE, BE IT RESOLVED** that the City, acting by and through its City Council, hereby authorizes the issuance of Refunding Bonds pursuant to the provisions of RSA 33:3-d, the proceeds of which shall be utilized to refund or advance refund the Refunded Bonds, to pay the redemption premium, if any, applicable thereto, any principal and interest coming due on the Refunded Bonds prior to the Redemption Date, and to pay the costs of issuance of the Refunding Bonds, including any costs of credit enhancement; provided, however, that such refunding is only authorized to the extent that the same will achieve a net present value debt service savings in an amount equal to at least three percent (3%) of the outstanding principal amount of the Refunded Bonds; and

**IT IS FURTHER RESOLVED** that the City Treasurer, with the approval of the City Manager, is hereby authorized to issue the aforesaid Refunding Bonds by entering into a Bond Purchase Contract with such bond purchaser or underwriter as they may deem appropriate in connection with the issuance of the Refunding Bonds to evidence the City's approval of the terms and conditions of the Refunding Bonds; and

**IT IS FURTHER RESOLVED** that an Escrow Contract and such other documents as shall be required in connection with the issuance of the Refunding Bonds shall be signed on behalf of the City by the aforementioned individuals, or such other individuals as may be required by state law or as may be specified by bond counsel; and engage such other professionals (including a Financial Advisor, Escrow Agent, Verification Agent and Paying Agent), and to do such other things as are necessary to consummate the aforesaid refunding; and

**IT IS FURTHER RESOLVED** that all actions heretofore taken by the City consistent with the foregoing are hereby confirmed, ratified and approved.

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**A Resolution**  
**Authorizing the Issuance of Refunding Bonds**  
**dated as of March 5, 2013**

**WHEREAS**, the City of Rochester, New Hampshire (the "City") has borrowed certain funds from the State of New Hampshire (the "State") pursuant to a certain State Revolving Fund Loan #CS-330122-04, dated on or about October 24, 2001 (the "SRF Loan"), the principal amount of which was \$7,693,025.54 as of August 1, 2012; and

**WHEREAS**, the State has indicated that the City may refinance and refund the SRF Loan prior to its stated maturity date without any premium or penalty upon one week's notice to the State; and

**WHEREAS**, the State has indicated that the State grant is currently applied against the principal and interest due on the SRF Loan will continue to be available to be applied against any bonds issued to refinance and refund the SRF Loan; and

**WHEREAS**, it appears likely that bonds issued today would have a net interest cost less than the net interest cost on the SRF Loan; and

**WHEREAS**, the City may be able to realize debt service savings by issuing certain refunding bonds (the "Refunding Bonds"), the proceeds of which would be utilized to refinance or refund the SRF Loan and to pay certain costs relating thereto;

**NOW THEREFORE, BE IT RESOLVED**, that the City, acting by and through its City Council, hereby authorize the issuance of Refunding Bonds pursuant to the provisions of RSA 33:3-d, the proceeds of which shall be utilized to refinance or refund or the SRF Loan, to pay the redemption premium, if any, applicable thereto, any principal and interest, if any, coming due on the SRF Loan prior to the redemption date, and to pay the costs of issuance of the Refunding Bonds, including any costs of credit enhancement; provided, however, that such refinancing or refunding is only authorized to the extent that the same will achieve a net present value debt service savings in an amount equal to at least three percent (3%) of the outstanding principal amount of the SRF Loan; and

**IT IS FURTHER RESOLVED**, that the City Treasurer, with the approval of the City Manager, is hereby authorized to issue the aforesaid Refunding Bonds by entering into a Bond Purchase Contract with a bond purchaser or underwriter in connection with the issuance of the Refunding Bonds to evidence the City's approval of the terms and conditions of the Refunding Bonds; and

**IT IS FURTHER RESOLVED**, that an Escrow Contract and such other documents as shall be required in connection with the issuance of the Refunding Bonds shall be signed on behalf of the City by the aforementioned individuals, or such other individuals, or such other individuals as may be required by state law or as may be specified by bond counsel; and

**IT IS FURTHER RESOLVED**, that the City is authorized to enter into such other documents, to engage such other professionals (including a Financial Advisor, Escrow Agent, Verification, Agent and Paying Agent), and to do such other things as are necessary to consummate the aforesaid refinancing and refunding; and

**IT IS FURTHER RESOLVED**, that all actions heretofore taken by the City consistent with the foregoing are hereby confirmed, ratified and approved.

Councilor Walker **MOVED** to **APPROVE** and **RATIFY** the actions of the City Council taken at the February 19, 2013, Special City Council meeting and the March 5, 2013, Regular City Council meeting relative to the two resolutions known as *City of*

*Rochester, New Hampshire, A Resolution Authorizing the Issuance of Refunding Bonds dated as of February 19, 2013 and City of Rochester, New Hampshire, A Resolution Authorizing the Issuance of Refunding Bonds dated as of March 5, 2013.* Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

Councilor Keans spoke about the House of Representatives Regional Finance Committee meeting. She had a conversation with the Division One Chair and it seems possible, based on action in this sub-committee, there is a recommendation to make an adjustment to the State Revolving Loan Fund. The City could potential be reimbursed up to \$88,000 if the State does not cut this action out of the budget.

Councilor Torr asked when the City Council would take a vote relative to electing a new School Board member. Mayor Jean said the interviews were scheduled for this evening; however, the vote is scheduled for April 2, 2013, at the Regular City Council meeting. He added that the City Council scheduled a Special City Council meeting this evening for the purpose of ratifying the votes taken relative to the refunding resolutions.

Councilor Lachapelle said both the Spaulding High School Boy's Basketball Team and Spaulding High School Hockey Team made it to the semi-finals this year. He publicly congratulated both teams and wished them success in the future.

## **5. Adjournment**

Councilor Lachapelle **MOVED** to **ADJOURN** the Special City Council meeting at 9:04 PM. Councilor Savoie seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

Respectfully submitted,

Marcia Roddy  
Deputy City Clerk



**Attachment A**

**City of Rochester, New Hampshire  
Office of City Manager**

To: Mayor Jean and the Rochester City Council  
From: Daniel Fitzpatrick, City Manager  
Date: March 19, 2013  
Subject: Classification, Compensation, Merit and Evaluation Plan (Merit Plan) Recommendations; Employment Policy Handbook Recommendations

The City's Merit Plan documents as well as the Employee Handbook, both of which are applicable to the City's non-union personnel, have not been updated in many years. Please find below a list of recommended amendments I am proposing for the Council's consideration:

1. Classification Schedule Update
2. Merit Adjustment Range from 0%-7% to 0%-5% and Budget Limitation
3. Non-Union Pay Plan Grade Ranges Market Analysis
4. Employee Handbook Updates

I have included as attachments (a) the current Merit Plan document, (b) the current Employee Handbook document and (c) the relevant sections of the City Charter and Ordinances that pertain to the Merit Plan and Employee Handbook.

**1. Classification Schedule Update**

The existing Non-Union Classification Schedule contained in Section 2 of the Merit Plan, contains many positions that have been incorporated in to collective bargaining units. As a result, these should be removed. The positions I recommend removing are as follows:

<b>Group</b>	<b>Position Title</b>
COMM	Communications Specialist/Dispatcher
RMEA	Clerk Typist I
RMEA	Secretary I
RMEA	Account Clerk I
RMEA	Administrative/Network Specialist
RMEA	Clerk Typist II
RMEA	Ice Arena Attendant
RMEA	Parking Enforcement Officer
RMEA	Account Clerk II
RMEA	Welfare Intake Worker
RMEA	Secretary II
RMEA	Utility Billing Administrator
RMEA	Animal Control Officer
RMEA	Crime Analyst
RMEA	Govt Channel Coordinator
RMEA	IS Technician
RMEA	Recreation Program Coordinator
RMEA	Community Development Coordinator
RMEA	Field Assessor
RMEA	Juvenile Court Coordinator
RMEA	Social Worker
RMEA	Economic Development Specialist
RMEA	Building/Mechanical Inspector (inactive position)
RMEA	Compliance Officer
RMEA	Construction Engineer
RMEA	Health/Plumbing Inspector
RMEA	Database Administrator
RMEA	Senior Accountant
RMMG	Deputy City Clerk
RMMG	Deputy Tax Collector
RMMG	Secretary III
RMMG	Arena Supervisor
RMMG	Communications Center Manager
RMMG	Recreation Supervisor
RMMG	Assistant Director of Code Enf Services
RMMG	Chief Planner
RMMG	City Clerk
RMMG	Municipal Services Supervisor
RMMG	Asst Director of Recreation
RMMG	Chief Wastewater Treatment Operator
RMMG	Chief Assessor
RMMG	Chief Water Treatment Operator
RMMG	Deputy Fire Chief
RMMG	Fire Marshall
RMMG	Tax Collector
RMMG	Bus. Administrator/Deputy Treasurer
RMMG	Director of Welfare
RMMG	Systems Supervisor
RMMG	City Engineer
RMMG	Director of Code Enforcement Services
RMMG	Director of Recreation and Youth Services
RMMG	Economic Development Manager (inactive position)
RMMG	Library Director
RMMG	Assistant Fire Chief
RMMG	Director of Planning and Development
RMMG	Director of Public Works
RMMG	Fire Chief

The remaining positions would be the following:

Grade	Group	Position Title
1	NU	Library Page
2	NU	Custodian (part-time)
4	NU	Assessing Technician (inactive position)
5	NU	Lead Custodian (inactive position)
6	NU	Planner I (inactive position)
7	NU	Financial Analyst (inactive position)
8	NU	Executive Secretary
9	NU	Human Resource Coordinator
10	NU	Deputy Assessor (inactive position)
11	NU	DPW Operations Manager (inactive position)
11	NU	Police Lieutenant
12	NU	Prosecutor
13	NU	Police Captain
15	NU	Deputy Police Chief
16		No positions in this grade.
17	NU	Director of Finance (inactive position)
18	NU	Chief of Police
18	NU	Deputy City Manager - Community Development
18	NU	Deputy City Manager - Finance & Administration

**2. Merit Adjustment Range from 0%-7% to 0%-5% and Budget Limitation**

The Merit Plan in Section 4 language currently is as follows, in part: *It is the intent of the City to eliminate Cost of Living Increases (COLA). In lieu of providing, annually, COLA on July 1, and Merit on an employee's anniversary or promotion date, one merit increase will be provided for annually, effective July 1 of each fiscal year. This increase will be Merit based and shall not exceed 7% of the employee's current base wages.* I am recommending that the last sentence of this Section be amended as follows - This increase shall be Merit based and shall not exceed 5% of the employee's current base wages. In addition, the net aggregate of any and all changes in non-union staff salaries as a result of Merit increases shall not exceed the total amount of funds specifically approved by the City Council for such salary adjustments, and relevant increases, as set forth in the then applicable budget.

### **3. Non-Union Pay Plan Grade Ranges Market Analysis**

I fully acknowledge that the economic realities of the past several years have not favored adjustments upward in public sector employee salaries. However, as noted above, it has been a significant amount of time since these ranges have been adjusted. It should also be recognized that the recently approved collective bargaining agreements have modestly adjusted the salaries for unionized personnel. I will be conducting a market analysis to determine what adjustments might be warranted. I anticipate bringing the results of this analysis back to the Council for consideration.

### **4. Employee Handbook Updates**

4.1 Article II, Amendment of Rules should be amended to reflect the recent Charter amendment adopted by the voters. The existing language is as follows, in part: *The City Manager may amend these Rules and Regulations from time to time as deemed suitable and necessary to carry out the provisions of the City Charter by submission of such amendments to the City Council. An amendment shall become effective one month after the date of submission, unless vetoed by the City Council within that period.* The City's voters adopted Amendment IV on the Official Ballot on November 6, 2012 which "would insert language in the Rochester City Charter making amendment(s) to the "Merit Plan" proposed by the City Manager become effective only upon a majority vote of the City Council taken within sixty (60) days of amendment submittal rather than thirty (30) days after their submission by the City Manager unless vetoed by the City Council."

4.2 Article VI, Section 3 Compensation Adjustment – The existing language is as follows, in part: *The pay schedule of wages paid to employees shall be governed by the Pay Plan of the City of Rochester, which may be upgraded from time to time by*

the City Council in conjunction with the annual budget, as a rule, upgrades in the Pay Plan shall be guided by the increases in the Boston Department of Labor CPI for wages. I am recommending that this sentence of this Section be amended as follows - The pay schedule of wages paid to employees shall be governed by the Pay Plan of the City of Rochester, which may be upgraded from time to time by the City Council in conjunction with the annual budget, as a rule, upgrades in the Pay Plan shall be guided by the increases in the Boston-Brockton-Nashua, MA-NH-ME-CT All Items 1982-84=100 (R)=Revised (CPI-U) consumer price index for wages.

4.3 Article VIII, Section 9 Education Incentives – The existing language is as follows, in part: *An education incentive shall be paid to those regular, full-time sworn non-union Police Personnel who hold an Associate's Degree, Bachelor's Degree or Master's Degree ...*" This section was specifically for Educational Incentives for Police Command staff and no other group of employees. This was added because the unionized officers at that time received the incentives as part of their collective bargaining agreement. In the last round of negotiations, the Educational Incentive was grandfathered but new employees are not eligible. I recommend this section be amended to mirror the grandfather clause contained in the union collective bargaining agreement. Specifically, "An educational incentive shall be paid to those regular, full-time sworn police command staff who were hired prior to December 6, 2011 who hold an Associate's Degree, Bachelor's Degree or Master's Degree ..."

4.4 Article XIII, MISCELLANEOUS PROVISIONS, Section 1, Inclusion In Contracts states: *No provision of this handbook shall apply to any employee whose employment is the subject of a written employment contract, individual or collective,*

*existing or future, unless this handbook is expressly included therein.* Based upon the advice of legal Counsel, I recommend removal of those sections that apply to all employees into to a separate document, leaving the Merit Plan and Employment Policy Handbook strictly applicable to non-union personnel. Sections to be removed to a separate document include, but may not be limited to: Article VII, Bi-Annual Change of Time; Article VII, Family Medical Leave; Article VII, Emergency Closing; Article VIII, Educational Reimbursement.