

Finance Committee

Meeting Minutes

Meeting Information

Date: April 14, 2020

Time: 6:30 P.M.

Location: City Council Chambers

31 Wakefield Street Rochester, New Hampshire

Committee members present: Mayor McCarley, Deputy Mayor Lauterborn, Councilor Walker, Councilor Gray, Councilor Hamann, Councilor Lachance, Councilor Bogan.

City staff present: City Manager Blaine Cox, Deputy City Manager Katie Ambrose, Deputy Finance Director Mark Sullivan

Agenda & Minutes

1. Call to Order

Mayor McCarley called the meeting to order at 6:30 PM and read the following preamble:

Good Evening, as Chairperson of the City Council, I am declaring that an emergency exists and I am invoking the provisions of RSA 91-A:2, III (b). Federal, state, and local officials have determined that gatherings of 10 or more people pose a substantial risk to our community in its continuing efforts to combat the spread of COVID-19. In concurring with their determination, I also find that this meeting is imperative to the continued operation of City government and services, which are vital to public safety and confidence during this emergency. As such, this meeting will be conducted without a quorum of this body physically present in the same location.

At this time, I also welcome members of the public accessing this meeting remotely. Even though this meeting is being conducted in a unique manner under unusual circumstances, the usual rules of conduct and decorum apply. Any person found to be disrupting this meeting will be asked to cease the disruption. Should the disruptive behavior continue thereafter, that person will be removed from this meeting.

Please note that all votes that are taken during this meeting shall be done by Roll Call vote.

Let's start the meeting by taking a Roll Call attendance. When each member states their name and ward, also please state whether there is anyone in the room with you during this meeting, which is required under the Right-to-Know law.

Cassie Givara, Deputy City Clerk, called the roll. All Councilors were present except for Councilor Lachance who arrived at 6:35 PM. In addition, all Councilors indicated that they were alone in the location from which they were connecting remotely.

2. Public Input

Deputy Finance Director Mark Sullivan read an email correspondence received by Carol Petruszewicz,

resident, in regards to the financial aspect of fluoridating Rochester's water supply. Deputy Finance Director Sullivan then read an email response from Ian Rohrbacher, Chief Operator of Water Treatment.

Finance Director Katie Ambrose read an email correspondence from Ray Barnett, Resident.

public input correspondence included as an addendum to the Finance Committee Meeting Packet

Mayor McCarley stated that following the March 31, 2020 City Council meeting, City Manager Blaine Cox and Deputy City Manager/Finance Director Ambrose both reached out to Mr. Barnett to try to address some of the items he referenced in his written comment submitted for that meeting. Mayor McCarley stated that she would discuss with Deputy City Manager Ambrose about ways to further address Mr. Barnett's concerns.

Councilor Gray referenced the supplemental appropriations to the school department in prior fiscal years which Mr. Barnett had addressed in his correspondence. Councilor Gray suggested that when the school budget is presented, the City could look back at the past several years to see how much was authorized as a Supplemental Appropriation to the school department the prior year as well as how much was left as unexpended funds to be returned back to the City. Councilor Gray suggested that in calculating what should be approved, the Council might want to deduct the prior years' supplemental appropriation from the total amount.

3. Unfinished Business-None

No Discussion.

4. New Business-None

No Discussion.

5. Reports from Finance & Administration

5.1 Monthly Financial Report Summaries March, 2020, Pg. 2- Revenue discussions

5.1 (a) March 31, 2020 Revenues-Pg. 17

5.1 (b) March 31, 2020 Expenses-Pg. 19

Mayor McCarley indicated that the budget process would be starting on April 28, 2020 with the first budget meeting of the year. She asked that Finance Director Ambrose and Deputy Finance Director Sullivan give an overview of what has been going on with the City's finances during COVID-19 and to speak about the current budget freeze and how the City will be handling things moving forward.

Finance Director Ambrose stated that the City is approximately 77% through the current fiscal year with general fund expenses remaining on budget and revenues slightly above budget. The budget freeze was instated on March 19, 2020 to carry through April 20, 2020, although it may be extended. She reported that with the freeze in place and with the City remaining diligent with expenditures and preserving cash, there is not great concern for the remainder of this current fiscal year. Finance Director Ambrose stated that there is more concern for FY21, and they are currently making adjustments to the budget to account for this new way of doing business.

Deputy Finance Director Sullivan stated that it is difficult to make projections at this time due to the

novelty of the situation; it is only 30-days into the State stay-at-home orders. He stated that it may take at least two months of data to get an idea of how things will trend moving forward. Per the Tax Collector, auto registrations have been coming in strong but they are unsure if this will be effected by the extension granted for new vehicle registrations. Deputy Finance Director Sullivan stated that much of the data is consumer behavior based and will be effected by factors such as the unemployment rate and consumer buying patterns. He stated that the City has some sensitive revenues such as auto registrations, Waste Management host fees, interest income, state rooms and meals tax, water/sewer user rate fees, and others which may very well be reduced or delayed due to the current situation. Deputy Director Sullivan said they are closely monitoring these items in order to make projections and to plan.

Councilor Lachance asked if it was safe to assume that Arena and Community Center revenues would drop. Deputy Finance Director Sullivan answered that the Arena is a special revenue fund which would likely see declines and the Community Center is subject to these declines as well partially dependent on what happens with the status of the leases for the Community Center occupants. Councilor Gray added that the revenue taken in for the summer programs at the Community Center and Arena would also be effected.

Mayor McCarley indicated that the NH Municipal Association had sent out a survey to each municipality in which they can report their anticipated revenue and expense shortfalls. Finance Director Ambrose has started work on the survey already. This information will be important when it comes to giving the City a voice at the State level and for the State to determine what federal funds will come into the City.

6. Other

Councilor Hamann inquired about a request from NHDES regarding shovel ready projects and asked if the information would be completed and submitted to NHDES by their deadline because there is a potential of receiving stimulus funds for certain projects. City Manager Cox stated that the request had been forwarded to Director of City Services Peter Nourse who had completed the request including several Rochester projects and it will be submitted by the deadline.

Councilor Gray stated that he saw the notice on the City website announcing that the City is waiving interest penalties on water and sewer fees. Councilor Gray stated that these fees are either set by statute or are a part of City policy and thus they are supposed to be approved by City Council. He requested that these waivers be placed on the agenda for the next Regular City Council meeting in order for Council to be made aware and to discuss the matter. City Manager Cox stated he would make a report to Council on these waivers at Workshop meeting on April 21, 2020.

Councilor Bogan reminded all those listening to complete their 2020 Census Forms.

Councilor Walker inquired when the Council would receive the budget books. City Manager Cox stated that the budget books would go out electronically to Council prior to the City Council workshop meeting on April 21, 2020. The physical books would likely be delivered a couple day later.

Councilor Walker asked about the overlay for abatements and whether requests had increased, since this could affect revenue and the tax rate next year. Councilor Walker surmised that if the City is going by income, this may cause an increase; with many of these businesses shut down and not making money their income will be down significantly and they will be seeking abatements on their taxes. Deputy Finance

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Director Sullivan said he can only comment on what is posted now, which according to the Chief Assessor is not a substantial amount for FY20. Deputy Finance Director Sullivan stated that they have a budgeted amount that they have changed for FY21; instead of overlay they have placed it in the adopted budget amount. Councilor Walker suggested increasing this amount because he anticipates there will be many abatements next year. Deputy Finance Director Sullivan said this can difficult because regardless of what amount is budgeted, the amount that the assessor abates needs to be paid. The City will continue to gather information in determining how to best move forward.

7. Adjournment

Mayor McCarley **ADJOURNED** the Finance Committee meeting at 7:00 PM.

Respectfully Submitted,

Cassie Givara
Deputy City Clerk