

Finance Committee

Meeting Minutes

Meeting Information

Date: July 13, 2021

Time: 6:30 P.M.

Location: Council Chambers, 31 Wakefield Street

Committee members present: Mayor Lauterborn, Deputy Mayor Walker, Councilor Lachapelle, Councilor Gray, Councilor Bogan, Councilor Hamann, and Councilor Jean.

City staff present: Finance Director Katie Ambrose, Deputy Finance Director Mark Sullivan. Fire Chief, Mark Klose. Assistant Fire Chief, Tim Wilder.

Agenda & Minutes

1. Call to Order

Mayor Lauterborn called the meeting to order at 6:30 PM. Deputy City Clerk Cassie Givara took a silent roll call. All Councilors were present except for Councilor Jean, who arrived at 6:39 PM.

2. Acceptance of Minutes - June 8, 2021

Councilor Walker **MOVED** to **ACCEPT** the minutes of the June 8, 2021 Finance Committee meeting. Councilor Hamann seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

3. Public Input

There was no one present in Council Chambers for public input.

4. Unfinished Business-None

No Discussion.

5. New Business-

- **Fire Department CIP-Living Quarters Upgrade**

Deputy Finance Director Mark Sullivan gave an overview of the CIP request. He reported that this project had been intended for the current fiscal year; however when it was entered into

the database it was tagged with a start date of fiscal year 2023 and therefore the funding was moved out of the current year's budget and was not included in the current year as the fire department intended. Mr. Sullivan stated that under the current circumstances for this project to move forward in the current fiscal year, it would be a request for a supplemental appropriation which would be bonded, requiring a public hearing.

Assistant Chief Tim Wilder said that the Fire Department had the intention of moving forward with these renovations in the current year and it wasn't discovered until after the budget was adopted that this CIP project had been left out. He clarified that this fiscal year would be ideal for the living quarter upgrade because there are no other big ticket CIP projects scheduled for FY22. Assistant Chief Wilder reported that the fire station referenced in the request is 50 years old and there have been no major renovations in that time; only relatively minor cosmetic changes. He outlined the challenges faced with the aging building and the need for updates with the growing personnel as well as increases in female firefighters needing separate quarters.

Councilor Walker asked why this project could not be postponed until the next fiscal year. Assistant Chief Wilder stated that although this project could be postponed, the current fiscal year was the ideal time to undertake the renovations due to the upcoming fiscal year potentially having large CIP projects related to the acquisition of land, planning and design for a third fire station.

Mayor Lauterborn asked if approving this project would cause any financial issues since the budget has already been finalized. Mr. Sullivan said that the request would be for a \$250,000 supplemental appropriation with the funding being bond; so from a cash flow perspective there is no additional burden.

Councilor Gray said that he was not in agreement with performing renovations using bonding as a funding source. He suggested it would be better suited as a cash project. He stated that where it was mainly cosmetic renovation not involving load-bearing walls, the project could potentially be done over the course of several years with smaller portions being completed each year. Mr. Sullivan said the alternative to bonding would be to use unassigned fund balance. Councilor Gray asked if contingency would be an option. Mr. Sullivan stated that contingency would not be ideal because it would deplete the contingency fund.

Mayor Lauterborn asked how they arrived at the \$250,000 figure. Assistant Chief Wilder said that the amount was determined based on discussions with the director of buildings and grounds as well as internal discussions regarding the scope of the project. He said the next step would be to bring in contractors to gather more definite quotes. He outlined the timeline of the proposed project and the process involved.

Assistant Chief Wilder said that alternately, the Fire Department could request a smaller appropriation around \$10,000 in order to contract with firms to get more accurate numbers on the project before coming back to request a larger amount. Deputy Finance Director Sullivan clarified that only the actual amount of the project would be bonded; if the project total came in

less than the approved amount, the remainder of the money would be deauthorized.

Ms. Sullivan stated that the department could work within the O&M budget to find a smaller amount in order to work with architectural firms to gather more definite numbers for the total project cost.

Councilor Gray **MOVED** to recommend to the full Council that they review a quote supplied by the fire department and Buildings and Grounds for the process of obtaining engineering/architectural quotes from contractors. Councilor Hamann seconded the motion. Mayor Lauterborn said that the committee would first need to vote on whether or not to move this project into FY22. Councilor Gray stated that he felt it was not necessary to move the project to FY22 if the full Council votes to appropriate the smaller amount intended for gathering quotes. Councilor Jean stated that ultimately there would need to be a vote on moving the project into FY22, but voting on the smaller appropriation to get the process started and to gather quotes should occur first to get a more definitive project cost to determine how to move forward. He stated that as far as debt service, the impact would not occur until FY24. There would be no financial impact to the current fiscal year budget; it's just a matter of whether or not to authorize the funding to move forward with the engineering and architectural quotes. **The MOTION CARRIED** by a unanimous voice vote.

There was a brief discussion on the next phase of the request and whether it would come back to the Finance Committee or end with the full Council. Mr. Sullivan reiterated that the Fire Department would be able to find the money for this smaller appropriation within their O&M budget or contingency and there would not need to be further action taken until the amount for the full scope of the project is requested.

- **Position Changes Patron Services Supervisor & Legal Assistant II**

Marie Lejeune, Library Director, said the purpose of the Patron Services Supervisor position is to provide a comprehensive approach to library programming and outreach. She said that due to rapid changes in the way libraries need to operate, especially post-COVID, there is a need to go out into the community and to provide services externally if the library is going to survive. This position would head that effort.

Mayor Lauterborn asked if the intention was to reclassify the position of a current employee to fill this position. Ms. Lejeune said that the intention is to fill this position with an existing library employee. Councilor Walker **MOVED** to **APPROVE** the changes to the Patron Services Supervisor position. Councilor Bogan seconded the motion. **The MOTION CARRIED** by a unanimous voice vote.

Finance Director Ambrose said the other recommendation from the Personnel Advisory Board is the elimination of the Legal Assistant II position. This action would convert the current Legal Assistant I and Legal Assistant II positions currently in place to a single classification of

“Legal Assistant.” Councilor Walker asked why this recommendation is being made. Finance Director Ambrose said that these two positions share the same essential functions, so this action would give them the same title and pay grade (6). Mayor Lauterborn stated that the Legal Assistant II is currently a pay grade 8, so they would be receiving a downgrade. Finance Director Ambrose clarified that the pay grade 8 for the Legal Assistant II position was a recommendation made in the newly adopted classification plan; however this grade increase had not been put into effect, so the current legal assistant II would not be receiving a demotion in pay. The Legal Assistant I would increase from a pay grade 4 to 6.

Councilor Walker **MOVED** to **APPROVE** the elimination of the position of Legal Assistant II. Councilor Hamann seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

- **Non Union Merit Plan**

Finance Director Ambrose referenced a memo in the packet from the City Manager in regards to the employee handbook document which needs to be amended in light of the adoption of the non-union merit plan. She said that these documents are periodically amended at the recommendation of the City Manager and action by City Council.

Ms. Ambrose said that the titles of sections 2, 3, and 4 have changes and under section 2 there is an addition of titles for positions which have been included since the last time the document was updated, as well as the suggested pay grades for these positions. Along with the updates resulting from the non-union classification compensation study, this also includes recommendations from the Police Commission for positions which fall under their purview.

Councilor Lachapelle noted that the Legal Assistant II position is included, which had been eliminated in an earlier vote. Ms. Ambrose stated that if the full Council votes to eliminate the Legal Assistant II position, the adjustment will be made to this documentation.

Finance Director Ambrose directed the committee to section 3 “Merit Track Process” and noted the entirety of the text under the title is new and serves to reflect the newly adopted merit track schedule. Section 4, the Merit Track Schedule, includes the table showing the schedule which was adopted by Council. Ms. Ambrose said the evaluation forms which are attached have been amended to reflect the merit track approach. She said that the final change is the “Compensation Adjustment” section which has passages removed from the previous iteration but no new verbiage.

Councilor Jean asked if the step increases as reflected in the enclosed chart were based on years of service or if they were tied to performance. Ms. Ambrose stated that the initial placement on the pay scale is determined by the recent market study; any increases would be given following successful annual performance evaluations in which the employee received an adequate percentage score.

Councilor Walker **MOVED** to recommend to the full Council the amendments to the handbook following the adoption of the non-union merit plan. Councilor Lachapelle seconded

the motion. The **MOTION CARRIED** by a unanimous voice vote.

Reports from Finance & Administration

5.2.1 Monthly Financial Report Summaries June 30, 2021

5.2.1 (a) June 30, 2021 Revenues

5.2.1 (b) June 30, 2021 Expenses

Deputy Finance Director Sullivan reported that the City has exceeded collections for motor vehicle permits and other revenues such as host fees and building permits remain strong. Expenses are trending below the same period of prior years. Mr. Sullivan said the combination of these two is looking favorable for the end of the fiscal year.

Councilor Gray said that the City of Manchester had just announced the amount of their most recent government subsidy and asked if the City of Rochester had been informed of the amount they would be receiving. Finance Director Ambrose said that the American Rescue Plan Act funds allocated to Rochester would be in the amount of \$6,147,502.00. She stated that City Departments were instructed to submit proposals to the City Manager for projects which could utilize these funds. The proposals are being reviewed and recommendations would come back to the Finance Committee, likely in September. Ms. Ambrose said that they are awaiting final guidance on how these funds can be used because that may impact some of these proposals. The final proposals will then go to full Council for a vote. Councilor Gray asked that this information be repeated at the July 20, 2021 City Council workshop meeting for the rest of the Council as well as the general public.

6. Other

No discussion.

7. Adjournment

Mayor Lauterborn **ADJOURNED** the Finance Committee meeting at 7:10 PM.

Respectfully Submitted,

Cassie Givara
Deputy City Clerk