

Finance Committee

Meeting Minutes

Meeting Information

Date: July 12, 2022

Time: 6:00 P.M.

Location: 31 Wakefield Street

Committee members present: Mayor Callaghan, Deputy Mayor Lachapelle, Councilor Beaudoin, Councilor Gray, Councilor Hainey, Councilor Larochelle, and Councilor Hamann.

City staff present: Deputy City Manager/Finance Director Katie Ambrose, Deputy Finance Director Mark Sullivan.

Others present: Cliff Newton, resident. Tom Kaczynski, resident. Ray Barnett, resident.

Agenda & Minutes

1. Call to Order

Mayor Callaghan called the Finance Committee meeting to order at 6:00 PM.

2. Acceptance of Minutes: June 14, 2022

Councilor Lachapelle **MOVED** to **ACCEPT** the minutes of the June 14, 2022 Finance Committee meeting minutes. Councilor Hamann seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

3. Public Input

Cliff Newton, resident, addressed the Committee regarding use of the unassigned fund balance. He also spoke about presenting an “honest” budget up front to avoid requests for supplemental appropriations.

Tom Kaczynski, resident, inquired about the City Council non-meeting held on July 5, 2022 and the reconsideration of a vote that evening. Mr. Kaczynski questioned the purchase price of the property at 181 Highland Street and the increase of \$10,000 over what was originally listed in the resolution.

Ray Barnett, resident, spoke about the details of the non-union merit track compensation plan on the agenda this evening. Mr. Barnett also questioned why the elderly/disabled/blind/vet exemptions were not on the agenda as originally expected.

4. Unfinished Business:

4.1.1 None

5. New Business-

4.1.1 Non-Union Merit-Track Compensation Plan

Katie Ambrose, Finance Director, explained that the prior year, all non-union employees were converted to a merit track system. Each year, the track advancement is enacted as well as a COLA (Cost of Living Adjustment) review. With union employees, this cost of living adjustment occurs as part of the collective bargaining agreement contract renewal, however with non-union employees this review is brought forward to Council annually. Director Ambrose explained that the recommended action is a referral to full Council for approval of the non-union merit track schedule with the COLA adjustment.

Councilor Beaudoin asked what the COLA adjustment percentage would be this year. Director Ambrose said the percentage depends on the group in question; for RMEA, Police, and Communications, the percentage is 2% COLA and track advancement for FY23. The Fire Department is a 1% COLA. She explained that the other units are on the merit track scale.

Councilor Beaudoin asked for a comparison between a non-union position using the merit-track schedule and a union position. Director Ambrose said she could share a comparison, but noted that each scale is different and it is not an apples to apples comparison. Ms. Ambrose explained the multiple other factors and criteria that are involved with the scales and pay grades and cautioned against using this direct comparison.

Councilor Hainey inquired about the annual performance evaluations and how the process was being handled. She inquired if the reviews were taking place and how they are being conducted. Director Ambrose stated that her understanding is that the process is going well; an employee must receive a score of 70% or greater to qualify for a track advancement. She explained the process of the evaluations being done by department supervisors as well as HR to ensure that they are following the proper standards. She stated that the supervisors are also evaluated on how they perform these employee evaluations. Councilor Hainey expressed concern over evaluations based on merit and their potentially subjective-nature, which could be influenced by personalities as opposed to data and facts.

Councilor Gray MOVED to recommend to Full Council the non-union merit-track compensation plan and COLA increase. Councilor Hamann seconded the motion. The MOTION CARRIED by a unanimous voice vote.

4.1.2 City Clerks & Tax Office Hours of Operation

Mayor Callaghan explained that this item is on the agenda for discussion only and the purview to change the hours of the Clerk's Office and/or Tax office is under the City Manager as stated in the Charter. Director Ambrose stated that there had been correspondence received by a constituent requesting that the hours of the Tax office and City Clerk's office be extended later into the evening for at least one day a week. Director Ambrose stated that she had reviewed the need and spoken to staff of both offices to determine if this was an issue. She reported that the staffs of both offices have not received much feedback that their current hours are inadequate. She said that with current staffing levels, in order to achieve these later hours the offices would either need to open later in the day or they would need to be short-staffed for periods of time. Opening later in the day could be prohibitive due to both offices experiencing higher customer volumes during the first few hours of each morning. Director Ambrose clarified that most of the services offered by both offices could be completed online as well as in office for those unable to come during business hours; with the notable exception being first time new vehicle registrations. Ms. Ambrose said that based on the feedback received and the issues that would be encountered with evening hours, she recommended maintaining the current hours for both the Tax office and City's Clerk's office.

Councilor Beaudoin stated that there are both State Representatives and a Senator on the Committee; he recommended that the issue of new vehicle registrations could be relayed to the DMV and they could potentially review and revise the methodology to allow new registrations either online or via mail. Councilor Lachapelle asked how new vehicle registrations were handled during the height of the pandemic when offices were closed to in-person business. Director Ambrose stated that during the declared state of emergency, the State extended the deadline for use of temporary plates. Councilor Gray suggested that there are other options that could be explored; such as use of the drop-box at the Tax office or completing transactions remotely. He referenced oaths of office that had been administered via Teams for other City Commissions and suggested that there might be options such as this that could be considered.

Reports from Finance & Administration

5.1.1 Monthly Financial Report Summary-June 30, 2022

Deputy Finance Director Sullivan explained that the report contained in the packet summarizes the entire Fiscal Year 2022. He stated it was a strong year, revenue-wise.

5.1.2 FY22 Use of General Fund Unassigned Fund Balance

Deputy Finance Director Sullivan referenced a chart, which illustrates the beginning balance of the unassigned fund balance and what was used throughout the year, stating there was substantial use of the unassigned fund balance during FY22. He clarified that the City side is unlikely to make a contribution to the unassigned fund balance this fiscal year due to this level of usage. Mr. Sullivan said that although it appears that water/sewer revenues are falling behind, this is only due to the quarterly billing process, and these will be updated for the final year-end figures. He explained that the Community Center and Arena funds are slightly lagging, which is an item that will be monitored going forward. Mr. Sullivan said that, based upon the wishes of the Committee,

he could supply this chart on a regular basis and can reformat or add detail as requested. Councilor Beaudoin requested that this chart be supplied quarterly for the Finance Committee to review.

Finance Director Ambrose clarified that the reports being discussed are unaudited and, following the audit, there may be changes and adjustments made, although they are unlikely to change anything substantial.

5.1.3 New Hampshire Municipal Association-Fund Balance Article

Councilor Beaudoin thanked Mr. Sullivan for providing the article. Councilor Lachapelle suggested that article could be included on the website for constituents to read. Deputy City Manager Ambrose stated that the article would be posted on the business and finance portion of the website.

6. Other

Mayor Callaghan referenced a comment made by Mr. Barnett during public input and clarified that the Elderly tax exemption discussion with the Chief Assessor had been moved to the August agenda. Mayor Callaghan reiterated that if any committee members had questions, they could be submitted to Chief Assessor Jonathan Rice ahead of the meeting. He will also be present for questions at the August Finance meeting.

Councilor Beaudoin stated that the Trustees of the Trust Fund are required to submit a quarterly report to the City Clerk's office. He requested that this report be sent to the Finance Committee once it has been submitted to the Clerk.

Councilor Beaudoin reported that he had received a great deal of feedback regarding the City's purchase of land at 181 Highland Street and he asked that an earlier comment made by Mr. Kaczynski regarding the additional \$10,000 included in the purchase price be addressed. Director Ambrose confirmed that the \$10,000 was in regards to a donation that the seller wanted to give to the Fire Department, which caused the appropriation to be adjusted. She stated that this donation would be coming before the Finance Committee in the near future and there would be a lengthier discussion at that time.

7. Adjournment

Mayor Callaghan **ADJOURNED** the Finance Committee meeting at 6:33 PM.

Respectfully Submitted,

Cassie Givara
Deputy City Clerk