

Finance Committee

Meeting Minutes

Meeting Information

Date: December 13, 2022

Time: 6:00 P.M.

Location: 31 Wakefield Street

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

**City staff present:** Finance Director Katie Ambrose. Deputy Finance Director Mark Sullivan.

Agenda & Minutes

**1. Call to Order**

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

Councilor Lachapelle led the Pledge of Allegiance.

Deputy City Clerk Cassie Givara took the roll call attendance. All Councilors were present except for Councilor Beaudoin, who was excused.

**2. Acceptance of Minutes:** November 15, 2022

Councilor Lachapelle **MOVED** to **ACCEPT** the minutes of the November 15, 2022 Finance Committee meeting. Councilor Hamann seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

**3. Public Input**

There was no one present to speak for public input.

**4. Unfinished Business: None**

**5. New Business-**

**5.1.1 Community Power & Energy Contracts**

Finance Director Ambrose presented a PowerPoint giving an overview of Community Power and the potential of the City of Rochester pursuing the option further. She explained that Community Power is a municipal electricity aggregation, formed in 2019 under RSA 53-E which allowed local governments to become the default electricity provider for their communities. The program may help to offer rates that are more competitive, allows more local control, and renewable energy options. She explained that if the City decided to move forward, participation in the program is voluntary. Customers currently on the utilities provided default service will be given the opportunity to decline the program; otherwise they will be rolled over into the Community Power program and rates. Customers who had previously switched their service to a competitive supplier will be notified of the program implementation and given an option to opt in.

Director Ambrose explained the steps which would need to be taken to implement the program, starting with the formation of an ad hoc committee, presentations by the potential energy partners to explain the various models and options, a legal review and subject matter expert consultation, a significant data collection phase, and an aggregation plan developed based on the communities goals. She said there would be public hearings required before adoption, at which point the City could enter an agreement, notify the state and public utilities commission for approval, and would finally need to conduct public outreach and adopt new policies. Director Ambrose summarized the considerations that should be taken prior to making a decision.

Finance Director Ambrose reviewed the City's current energy contracts and rates. She explained that in the last bid cycle, the City entered into a 5-year agreement for both electricity and natural gas. The current electricity rate is 7.5 cents per kilowatt hour through December 31, 2023 at which point the City extended the 5-year agreement for an additional 2-years at 6.8 cents per KWH. Natural gas is currently at 67 cents per therm with the contract expiring December 31, 2022. She gave further detail on the City's energy consumption.

Councilor Larochelle asked if the usage amounts listed were referring to the City as a municipality rather than the usage by its citizens. Director Ambrose clarified that the rates given were usage from municipal properties and City-owned facilities. Councilor Larochelle asked if the Community Power being proposed would be for the municipality or all its citizens. Director Ambrose said this program would be for all residents and small businesses. Deputy Finance Director Mark Sullivan stated that the Eversource rate was around 22.5 cents

Councilor Gray inquired about the current Eversource default rate. Deputy Finance Director Mark Sullivan stated that the Eversource rate was around 22.5 cents. Councilor Gray asked what the default rate would likely be if the City entered into one of these proposed agreements, and what type of rates other communities had received when entering into an agreement. Director Ambrose stated that she did not have this information at this time because it would be researched and gathered as part of the data collection phase.

Councilor Gray stated that there were also "generation" and "transmission" portions of the bill (SB 286, 2019).

### **5.1.2 Capital Improvements Plan – Process Change FY25**

Finance Director Ambrose explained that there would be a process change in the way the CIP process starting in fiscal year 2025. The aim is to involve the City's master plan into the process and to involve the Planning Board for project prioritization. She stated that the process would not begin during the upcoming budget cycle, however the CIP budget books would be given to the Planning Board earlier this year to prepare them for the upcoming process change. Ms. Ambrose said that there would be a City Manager's Committee formed with representation from Planning Board, City Council, and City staff. This Committee would then make recommendations to the City Manager for his proposed budget to help inform on how the projects rank and prioritize into the Master Plan. Ms. Ambrose said that there would be more details to come in the future.

### **Reports from Finance & Administration**

#### **5.2.1 Monthly Financial Report Summary-November 30, 2022**

Deputy Finance Director Sullivan reported that non-property tax revenues are trending strong. At the DRA tax rate setting, they did see a \$571,081 increase over the prior fiscal year on the adopted rooms and meals tax revenue (an increase on the amount the City will receive) which did flow down to the City side of the tax rate. However, the county tax increased by almost that same amount. Interest income is substantially elevated, over 2%, due to the interest rates the City has seen on their liquid investment accounts. Expenses are trending to budget and the enterprise funds are doing well. Deputy Director Sullivan gave a brief overview of the other City funds and accounts.

Mayor Callaghan referenced the increase in the rooms and meals tax over the past two years and inquired what was anticipated for next year. Mr. Sullivan stated that the City would look for guidance from the State. He said the City would likely budget at 2.2% unless there is guidance received that they should not be aggressive with this revenue. Director Ambrose said that the DRA current guidance is that this was a one-time increase this year and it should not be expected in the future.

### **6. Other**

No discussion.

### **7. Adjournment**

Mayor Callaghan **ADJOURNED** the Finance Committee meeting at 6:17 PM.

Respectfully Submitted,

Cassie Givara  
Deputy City Clerk