

Finance Committee  
Meeting Minutes

Meeting Information

Date: October 12, 2021

Time: 6:30 P.M.

Location: Council Chambers, 31 Wakefield Street, Rochester, NH

**Committee members present:** Mayor Lauterborn, Deputy Mayor Walker, Councilor Lachapelle, and Councilor Hamann.

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

**Others present:** Sandy Keans, resident.

Agenda & Minutes

**1. Call to Order**

Mayor Lauterborn called the Finance Committee to order at 6:30 PM. Deputy City Clerk Cassie Givara took a silent roll call attendance. All Councilors were present except for Councilors Bogan and Gray, who were both excused and Councilor Jean who was absent.

**2. Acceptance of Minutes-Sept-14, 2021**

Councilor Walker **MOVED** to **ACCEPT** the minutes of the September 14, 2021 Finance Committee meeting. Councilor Hamann seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

**3. Public Input**

Sandra Keans, resident, inquired where more information on the proposed ARPA projects could be found. Deputy City Manager Ambrose gave direction on where these proposals can be found on the City website.

**4. Unfinished Business- American Rescue Plan Act-Project funding review**

Finance Director Ambrose directed the Committee to the updated spreadsheet tracking the status of the ARPA proposals and includes the new proposal request for the Route 202A Water Main Extension project. This new proposal originated from the Public Works committees and the City Manager has recommended funding this proposal with ARPA funds. The total request for this project is \$600,000.00.

Director Ambrose reported that the Arena Fund “lost operating revenue replenishment” proposal had been approved by full Council in an amount of \$129,815.00. The Community Health Coordinator position had been sent to full Council for discussion, and the remainder of the proposals are still currently being held in Committee at the Finance level.

Councilor Walker **MOVED** to recommend to full Council the \$600,000.00 ARPA proposal for the Route 202A Water Main Extension project. Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

Mayor Lauterborn referenced the Water Fund “Water Transmission Main Lining” proposal in the amount of \$2,000,000.00 which had been detailed by DPW Commissioner Peter Nourse at the previous Finance Committee meeting. Commissioner Nourse had previously reported that if this project is funded through annual CIP requests over the course of several budget cycles, the total cost would end up being much higher than if it was authorized in one lump sum. Mayor Lauterborn spoke in support of this project as not only being in great need, but as being a one-time expenditure. Councilor Walker agreed that approving the proposal in this manner would not affect the tax rate or future CIP capacity. Councilor Hamann **MOVED** to recommend to full Council the \$2,000,000.00 proposal for the Water Transmission Main Lining project. Councilor Walker seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

Councilor Walker stated that he did not feel the Community Health Coordinator position should be developed using ARPA funds. He stated that once the funds from this one-time expenditure run out, the City would need to budget for this position annually. Councilor Walker clarified that he fully supports this position, but felt that it should be presented and approved through the next fiscal years’ O&M budget.

## **5. New Business-**

### **5.1 Impact Fees-Return of Collected Fees-Discussion**

Councilor Walker gave some history on this item and stated that the topic of impact fees had spent several years going through Council before being approved, and after potential issues were brought up, the item was sent back to Planning Board. The Planning Board had voted in March 2021 to discontinue assessing impact fees. Councilor Walker stated that the Planning Board felt that these impact fees were hurting single family developments where the original intent had been to target larger developers. He stated this is causing a hardship for residents building single homes. The guidance of the City Attorney had been that the assessed fees had to be equitable for all development and there could not be exemptions given on a case-by-case basis or exemptions given for a single type of development such as a house on a single lot. Councilor Walker stated that there is currently around \$100,000.00 in the account that houses impact fees; this money would need to be refunded to the businesses and residents to which they were assessed.

Mayor Lauterborn questioned the amount of time and money that had been put into

developing these impact fees, only to then rescind the assessment of fees. She inquired how other communities who assess impact fees deal with the issues Rochester is experiencing. Councilor Walker said that he believed other communities just assessed these fees to all development, regardless of size.

Mayor Lauterborn directed the Committee to the chart of the impact fees that have been assessed year to date. There was a discussion on the varying amounts that had been assessed. Deputy Finance Director Sullivan gave an overview of the chart. He stated that 40% of the fees assessed were to single-family homes, some of which were fairly large fees; the remainder were mostly to smaller developments. He said that when the impact fee ordinance was being put in place, the larger scale developers applied for 5-year waivers for these fees before the ordinance went into effect. It was stated that these fees are assessed based on the square footage of each property.

Councilor Walker **MOVED** to recommend to full Council to refund the impact fees, which have been assessed, and to discontinue the issuance of any further impact fees. The **MOTION CARRIED** by a majority voice vote.

## 5.2 Conservation Fund Ordinance-7-64- Update proposal

Finance Director Ambrose stated that in a staff review of the City ordinances, this amendment to chapter 7 was identified. If the Finance Committee is in support of the amendment, it can be further reviewed in conjunction with the Conservation Commission.

Deputy Finance Director Sullivan outlined the current multiple step process, starting with an annual budgeted amount of \$35,000.00 in General Fund revenues, of which \$10,000.00 is an automatic transfer to the Conservation Fund. He summarized the warrant process between the tax collector and assessor in which each warrant is recorded as an account receivable by the Finance Department. He also detailed the steps that go into determining the total cash flow received before there is finally a resolution presented for a Council vote authorizing a transfer to the Conservation Fund.

Deputy Director Sullivan said that with the current process, it could be difficult to determine at a moment's notice the amount of money held in the conservation fund, as well as the amount expected to be transferred with Council approval. He summarized several other drawbacks of the current process. He directed the Committee to the new proposed process where the funds would come in from current use and be transferred automatically to the current use fund, eliminating multiple other intermediate steps. He stated that this process would be more efficient and less complicated; however, the General Fund would not receive its budget of \$25,000 each year. He clarified that the \$25,000 is of much more significance to the Conservation Fund than it is to the General Fund, with the General Fund being able to make it up easily through other non-property tax revenues. Mr. Sullivan spoke of a land purchase in which the Conservation Commission had to use money from unassigned fund balance to complete the purchase, whereas they would have had enough money if the \$25,000.00 had been kept in their fund annually.

Deputy Finance Director Sullivan explained that in the proposed process, there would still be Council control requiring approval for any expenditures. He said that via RSA 79A-25, Council can determine the percentage of revenues received yearly that will be transferred into the conservation fund or, alternately, there could be a cap placed on the Conservation Fund.

Councilor Lachapelle agreed that with the current system, there were too many steps and chances for error. The new proposed process would be more efficient while still allowing multiple controls. Councilor Lachapelle **MOVED** to recommend full Council the amendment to Conservation Fund Ordinance, Chapter 7-64, as presented by City staff. Councilor Hamann seconded the motion. It was determined that prior to going to full Council, the amendment should be reviewed by the Codes & Ordinances Committee. Councilor Lachapelle amended his motion to send Chapter 7-64 to the Codes & Ordinances Committee at their December meeting. Councilor Hamann seconded the amended motion. The **MOTION CARRIED** by a unanimous voice vote.

#### Reports from Finance & Administration

##### 5.2.1 Monthly Financial Report Summary-September 30, 2021

No Discussion.

## 6. Other

Councilor Walker **MOVED** to send the position of the Community Health Coordinator to the Personnel Advisory Board for review and a recommendation on grade. He said that although this position is scheduled for discussion at the October workshop meeting, this action would put a motion in place for Council to vote on at their next regular meeting so the item would not need to wait another month. He stated that regardless of whether the position was funded with ARPA funds or through the next fiscal year budget, it would still need to be reviewed by the personnel advisory board. Finance Director Ambrose clarified that if Council approves the funding for this position, it will automatically be sent to the Personnel Advisory Board for review to create the classification and job description. She stated that she did not believe that the Personnel Advisory Board is authorized to make recommendations until they receive an approval from Council. Ms. Ambrose reported that City Staff is doing extensive research on similar positions and will have recommendations ready when the time comes in order to expedite the process.

## 7. Adjournment

Mayor Lauterborn **ADJOURNED** the Finance Committee meeting at 7:01 PM.

Respectfully Submitted,

Cassie Givara, Deputy City Clerk