

Finance Committee

Meeting Minutes

Meeting Information

Date: December 8, 2020

Time: 6:30 P.M.

Location: Remote via Microsoft Teams

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

City staff present: City Manager Blaine Cox. Deputy City Manager Katie Ambrose. Deputy Finance Director Mark Sullivan. Director of Recreation and Arena Chris Bowlen. School Business Administrator Linda Bartlett. Superintendent of Schools Kyle Repucci

Agenda & Minutes

1. Call to Order

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

Good Evening, as Chairperson of the Finance Committee, I am declaring that an emergency exists and I am invoking the provisions of RSA 91-A:2, III (b). 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. The public can call-in to phone number: 857-444-0744 using conference code: 843095.

This meeting will be set to allow the public to "listen-in" only, and there will be no public comment taken via conference line during the 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.

Deputy City Clerk Cassie Givara took the roll call. The following Councilors indicated that they were present and alone in the location from which they were connecting: Councilors Bogan, Gray, Hamann, Lachance, Lauterborn, Walker and Mayor McCarley

2. Public Input

No discussion.

3. Unfinished Business

There was no unfinished business.

4. New Business

4.1 Arena Fund-Covid-19 Financial Impacts

Chris Bowlen, Director of Recreation and Arena, updated the Committee on the impact that COVID-19 has had on the ice arena and the plan moving forward.

Director Bowlen reported that the arena had opened two weeks later in the season than they typically do, and at that point only to contracted customers. He stated that most of their contracted customers had opted to return, although there had been some who declined to re-sign due to COVID concerns. They are not currently allowing free skating, skating classes or any of their additional programs to non-contracted customers. Director Bowlen stated that the Arena worked closely with the State and the Emergency Operations Center to develop their rules for operations, making sure to adhere to the State's guidance and mandates. There was a state-wide mandatory 2-week shut down of all ice rinks two weeks into the season due to a cluster of outbreaks throughout the state, although the Rochester rink had not been affected. Director Bowlen outlined the Arena's pre-screening process which is required prior to entry as well as their new procedures and protocols for use of the rink.

Director Bowlen reported that the Arena primarily services 3 core groups; Youth hockey, high school teams for Rochester and some other surrounding communities, and finally adult hockey leagues. After the original shut down, one of the requirements for re-opening was that all participants, including staff and volunteers, must be tested prior to admittance into the rink. Director Bowlen summarized how this mandate affected the arena's clientele and emphasize the importance of keeping the arena available for the youth hockey players.

Director Bowlen stated that it is difficult to know how things will change moving forward, and he has been consulting with the finance department to plan for the possibility of the arena fund being greatly reduced; there have been reductions in expenses, but not enough to offset reductions in revenues. Director Bowlen stated that he was not aware of any federal funding which is available to assist arenas with the hardships caused by COVID. He speculated that depending on how things progress, he may have to come back to the Finance Committee in the future to discuss numbers.

4.2 Assistant Director of Economic Development Position

Mayor McCarley stated that the City Manager did not require a recommendation from the finance committee in order to make a promotion into the Assistant Director position. City Manager Cox confirmed that he did have the authority to promote without Council approval; however, he had previously expressed to Council that he would not make such a promotion without the finance committee's support.

City Manager Cox reminded the committee that they had approved the creation of this position in October. His stated that his intention was to promote the current Economic Development specialist into the Assistant Director position, but wanted to wait until the December/January time frame to make sure the City's budget was still faring well under COVID. City Manager Cox stated that revenues were strong and expenditures were comparable to other years, so he felt comfortable moving forward with the promotion. Mayor McCarley pointed out that there is not another regular City Council meeting in 2020 in which the Council could vote to approve the promotion; therefore it will be noted in the minutes that the Finance Committee supported the City Manager moving forward with the promotion.

Councilor Walker asked when this promotion would be effective. City Manager Cox answered the promotion would go into effect January 1, 2021.

4.3 School Department-Covid-19 Budget Update

Linda Bartlett, Business Administrator, stated that year-to-date, the school department has spent approximately \$261,000 on COVID-related expenses. She stated that the school department had received federal funding of just over \$812,000, equaling out to \$200 per student, which gave the school's operating budget some relief because they were able to charge COVID expenses to that grant. Ms. Bartlett reported that the grant had to be completely spent by December 30, and all expenses had to be COVID-related. The school department has done some renovations and upgrades to classrooms to facilitate remote schooling, as well as equipment purchases related to the students remote schooling.

Ms. Bartlett addressed the committee regarding the current budget freeze. She stated that the school department is going to see a decrease in Medicaid revenue due to the fact that the schools are currently remote and no longer able to offer particular services or qualify for services which they have received funding for in the past. Ms. Bartlett anticipated that the food service program would also see a deficit due to the fact that the schools are not serving as many meals as they would if students were physically in school.

Ms. Bartlett said that the School Department just received an additional \$183,000 in State funding. This funding also needs to be expended fully by December 30 and must be COVID-related. She stated that the school would be able to spend down this funding to help relieve the operating budget.

Mayor McCarley referenced a conversation with Senator Hassan in which the lack of Medicaid reimbursements due to remote learning was discussed. She had speculated that given waivers that were granted for insurance and various telehealth options, they are exploring the possibility of the same type of waivers being given towards school Medicaid funding.

Councilor Walker asked when the students would be returning from remote learning and back to in-person. Superintendent Repucci stated that the original idea was to return to in-person learning after January 18, 2021. He stated that the school board would keep an eye on the trends and continue to discuss this and make a decision based on the numbers. Councilor Walker referenced research showing that in-school transmission with students is very low. Superintendent Repucci acknowledged the importance of reviewing all the research, but clarified that what this particular study fails to take into consideration is the adults present at the schools to teach and facilitate learning; while the students may be less likely to become ill and transmit the virus, if the adults become ill they are unable to work which would negate the children being able to return to class.

Councilor Gray inquired about the number of free and reduced lunch forms which had been received. Superintendent Repucci stated that he did not have the exact number of forms in relation to what they received last year and briefly discussed how he hoped the program would work moving forward.

4.4 CTE Joint Building Committee Update

Mayor McCarley referenced the request at the previous Finance Committee meeting by the JBC to use the remainder of their funds to do approximately 2/3 of the paving needed for the property. The remaining funds equal approximately \$236,000. Finance Director Ambrose stated that the remaining funds are from two separate CIP accounts; the first being the CIP for the original project with a balance of \$161,000. The second being the CIP account from a supplemental appropriation authorized by Council for additional equipment which has a remainder of \$75,575 and unassigned fund balance as the source. Finance Director Ambrose suggested that no additional action was needed to expend the remainder from the original account. She recommended that the \$75,575 for additional equipment be deauthorized by Council, and then reauthorized for the school department's paving line.

Councilor Gray stated that he felt the money should all be returned to the General Fund and the School could submit a CIP request for the paving during the budget cycle. Councilor Walker agreed with Councilor Gray that the money should be returned to the General Fund. Mayor McCarley expressed that she felt the paving was part of the completion of the CTE project, and while the remainder doesn't fully cover the paving costs, it would help towards the full completion.

Councilor Lachance asked when the School Department planned on having the paving completed. Superintendent Repucci said they were hoping to have the paving completed during the early spring or as soon as weather conditions permitted. Councilor Lachance speculated that

if the school department waited to put the paving request in as a CIP project in the next budget cycle, it would push the paving schedule out quite a bit past the end of the fiscal year. Councilor Walker stated that the project would need to go out to bid, in which case it would not be able to be completed until late summer either way. Mayor McCarley inquired if the school department was using the numbers from the City's prior year paving bids. Superintendent Repucci confirmed that they had used the figures from the City's prior paving bids, and if they were given the authorization they would be able to put it out to bid immediately for spring paving.

Mayor McCarley **MOVED** to send the deauthorization for \$75,575 to full Council for the CTE paving project. Councilor Lachance seconded the motion. Councilor Hamann asked if the School Department would go out to bid at the same time as the City street paving so it could be done as one contract. Superintendent Repucci confirmed that this is a possibility as was done in the past for other school paving jobs. **The MOTION CARRIED** by a 5 – 2 roll call vote with Councilors Bogan, Hamann, Lauterborn, Lachance, and Mayor McCarley voting in favor and Councilors Gray and Walker voting opposed.

5. Reports from Finance & Administration

5.1 Monthly Financial Report Summaries October 31, 2020

5.1 (a) October 31, 2020 Revenues

5.1 (b) October 31, 2020 Expenses

Deputy Finance Director Mark Sullivan stated that revenues continue to be strong and expenditures are slightly below budget.

Councilor Lachance referenced the library revenue line in the finance reports, which is at 30%. He inquired if this number was COVID-related. Deputy Finance Director Sullivan stated that this is likely related to COVID, although he had not directly reviewed this with anyone at the library. Mayor McCarley briefly discussed the struggles experienced by the library during the past 9 months of COVID.

Councilor Lachance asked for an update on the Library Director position. City Manager Cox stated that the Library Trustees had done a search several months back for a new director, and although several offers were made, they were unable to hire a replacement for the previous director. At that time, the Trustees had decided to hold off on a new search for a few more months. City Manager Cox said they would likely initiate the new search in January. Councilor Lachance asked if salary was the reason the library was unable to hire a new director. City Manager Cox confirmed that the two candidates who were given offers were not hired due to inability to come to terms with the City on salary. Councilor Lachance asked for comparisons for library director salaries from other comparable municipalities. City Manager Cox stated that the City is taking a look at the position and the salary and would be suggesting increasing the position one salary range.

6. Other

Mayor McCarley asked for an update in the status of the tax bills. Finance Director Ambrose stated that the tax rate had been set at \$24.61, which is a \$.29 cent reduction from the prior rate and a \$.14 cent reduction from the estimated rate. The bills are currently being processed and the target mail date is December 18. Director Ambrose reported that there is a report ticket in with the software company needed to process the bills, but the issue is being handled fairly quickly and they are hopeful they can stay on target for the mail date. She stated that if there is need for a delay, they are comfortable extending the mailing date to December 28. The due date will be 30 days past the mail date.

Councilor Gray asked for the figures on the undesignated fund balance. Director Ambrose stated that the audit is not yet complete, but there was a report in the previous months' finance packet which gave an estimate of 20.3% or \$22,138,487.21 at that time. Given the supplemental appropriations which Council has approved since, the undesignated fund balance is now at 18.7%, which is \$20,380,812.73.

7. Adjournment

Mayor McCarley **ADJOURNED** the Finance Committee meeting at 7:31 PM.

Respectfully Submitted,

Cassie Givara
Deputy City Clerk