

CITY OF ROCHESTER
NOTICE of PUBLIC MEETING:
FINANCE COMMITTEE

Meeting Information

Date: January 11, 2022
Time: 6:00 P.M.
Location: City Council Chambers
31 Wakefield Street
Rochester, New Hampshire

Agenda

1. **Call to Order**

2. **Acceptance of Minutes:** October 12, 2021. Pg. 2

3. **Public Input**

4. **Unfinished Business: None**

5. **New Business-**
 - 5.1.1 Police Department- Body Cameras Competitive Bid Waiver. Pg 6
 - 5.1.2 Economic Development Dept- Riverwalk Funding-Discussion. Pg.9
 - 5.1.3 Fire Department- Firefighter Overtime Summary Memo-Discussion. Pg.10

Reports from Finance & Administration

- 5.2.1 Monthly Financial Report Summary-December 31. 2021, Pg.13

6. **Other**

7. **Adjournment**

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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.

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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

FINANCE COMMITTEE

Agenda Item

Agenda Item Name: Police Department-Body Camera Competitive Bid Waiver

Date Submitted: 11-22-21

Name of Person Submitting Item: Chief Gary Boudreau

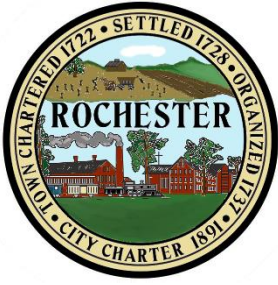
E-mail Address: gary.boudreau @rochesternh.net

Meeting Date Requested: 1-11-22

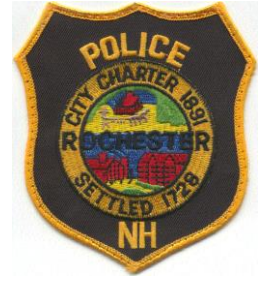
Issue Summary Statement from Finance Department: The Police Department is seeking a waiver from the City's competitive bid requirement for the purchase of body cameras. The competitive bid threshold is \$15,000. Police Department has obtained (3) three competitive quotations in lieu of the bid process. This project was funded in FY22 at \$150,000. The proposal is for a (5) five year service package of (60) sixty cameras, software, and data storage at a total project cost of \$254,420, \$50,884 annual cost.

The view from Finance is this is essentially a long term rental agreement. The software is proprietary, and the cameras have a limited useful life and need to be upgraded every (3) years. The cameras have no value if not updated with the latest software upgrades. The \$150,000 funding can cover the majority of the first three years. Subsequent years would require additional O&M funding.

Recommended Action: Discussion



City of Rochester, New Hampshire
23 Wakefield Street . Rochester, NH 03867
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www.rochesterpd.org



INTEROFFICE MEMORANDUM

TO: MARK SULLIVAN, DEPUTY FINANCE DIRECTOR
FROM: DEPUTY CHIEF GARY BOUDREAU
DATE: 11/22/2021
SUBJECT: PUCHASING POLICY WAIVER
CC: File

During the FY22, budgeting process the police department put forth a project to purchase body worn cameras for our officers. During the budget process, we indicated we were looking for a system, which would work in conjunction with our current in car cameras, which are WatchGuard units, this would be our first choice. Council approved this project during the budget for \$150,000.00. During the budget, presentation the department also indicated there would yearly fees in the area of \$39,000.00 to operate the program that would be needed in our O&M budget moving forward.

As we began looking at this project we, requested demonstrations from WatchGuard, Axon, and Bodyworn, which are the three largest manufactures of police, body worn cameras. Each one of these manufacturers' products would satisfy the essential needs of a body camera program; however, each system has their own additional system features. As part of this demonstration, we also asked for pricing for 50 body cameras and the associated hardware/software needed for the system. Additionally each of these proposals would include cloud based storage solutions for the video data. Each of the manufacturers did provide pricing, but it appears the industry standard has been changing when compared to last year during the budget building process. It appears to have changed from a one-time large up front purchasing price for the equipment and smaller out year fees to multi-year contractual agreements with payments evenly spread through the 5 years, with small upfront costs. Each of these manufacturers has moved to this type of program for their camera systems so we will need to make some adjustments for budgeting.

As a result, we received the following pricing for 50 body cameras and hardware/software needed.

Axon/Taser- 5-year agreement with a total cost of \$436,797.01



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Bodyworn by Utility- 5-year agreement with a total cost of \$ 309,000.00, an additional \$45,500.00 if we wanted to add in car cameras.

WatchGuard/Motorola- 5-year agreement with a total cost of \$224,540.00. We currently have in car cameras from WatchGuard, which will work in conjunction with the body cameras with the same storage and software systems.

At this time I am requesting the purchasing policy be waived to require the department to go out to formal bid for body worn cameras and move forward with purchasing cameras from WatchGuard for the following reasoning;

- We have received demonstrations and quotes from the largest three manufacturers
- We will not receive better pricing from putting the project out to bid due to the manufacture service contracts.
- WatchGuard body cameras will work in conjunction with our current in car cameras, which we already have infrastructure in place.
- During the budgeting process, the department made council aware of our current in car cameras and our intent for a body camera to integrate with our current system.
- Neither Axon nor Bodyworn will integrate with our current in car cameras.
- The WatchGuard proposal was substantially cheaper than the other two manufacturers.
- The body worn camera program falls under computer, IT equipment and related software.

After completing a review and talking with the companies, we would actually need to purchase 60 body cameras to issue one to every frontline (sergeant, detective, patrol) officer if all of our funded positions were filled, plus four spare units. I acquired updated pricing from WatchGuard for 60 body cameras, which moved their total project costs to \$254,420.00, which is still less than the quotes from Bodyworn and Axon.

For the above reasons I am requesting a waiver to normal purchasing policy requirements to go out to bid for this hardware and software. Further discussions with Finance will need to occur in relation to funding as the cost structure has changed since last year's budget development.

FINANCE COMMITTEE

Agenda Item

Agenda Item Name: Economic Development-Riverwalk Funding

Date Submitted: 1/1/22

Name of Person Submitting Item: Jenn Marsh Assistant Director Economic Development

E-mail Address: jennifer.marsh @rochesternh.net

Meeting Date Requested: 1-11-22

Issue Summary: Economic Development Department oversees the Riverwalk Committee projects, and coordinates all fund raising activity. The committee is seeking to increase the donation threshold and allow expenditures from collected funds as needed without additional City Council approvals.

Finance Department M. Sullivan Comments: The Riverwalk Committee is the only City Committee that is tasked with fundraising as the means of annual operating revenue generation. Assistant Director Marsh absorbs all of the fiduciary responsibilities related to the fundraising and is accountable for all cash received during the fundraiser. Moreover, the City's accounting processes are not set up to easily accommodate fundraising activities. There are many reconciliation and processing steps, as well as compliance with donator intent, that are involved with fundraising activities. The Riverwalk Committee is dependent on City for the management all financial activities, and all funds flows through the City's financial management system. So there is an absence of true independent organizational structure.

A better practice would be to provide the Riverwalk Fund with an annual appropriation for smaller operational activities and projects. There are several non-profit agencies that receive annual budget appropriations, for example East Rochester Library \$5,000, Rochester Art Museum \$5,000, Main Street \$35,000. The difference with the Riverwalk is the entity has essentially become a governmental unit, and not an independent third party. The suggested annual appropriation source for Riverwalk is Economic Development Fund, or Economic Development Community Services O&M budget.

Recommended Action: Discussion

FINANCE COMMITTEE

Agenda Item

Agenda Item Name: Fire Department Overtime Memo

Date Submitted: 11-24-21

Name of Person Submitting Item: Interim Chief Perry Plummer

E-mail Address: perry.plumber @rochesternh.net

Meeting Date Requested: 1-11-22

Issue Summary: Fire Department is proactively providing an explanation memo of the various issues driving the department's overtime expenses.

Recommended Action: Discussion



ROCHESTER FIRE DEPARTMENT



To: Blaine Cox, City Manager
From: Perry Plummer, Fire Chief
Date: 11/24/2021

Ref: Overtime

The fire department constantly monitors and actively manages its overtime expenses. The entire workforce has a high degree of awareness regarding the importance of good fiscal management of overtime resources. The department’s personnel have clear direction concerning the use of overtime in a manner that makes fiscal and operational sense.

A three-year comparison illustrates that the department has greater overtime expenditures for the period of July 1 – November 20 than in the previous years.

Year	Budgeted Amount	Expended 7/1 – 11/20	Total Expenditure for Year
FY 20	\$ 240,000	\$155,153	\$366,195
FY 21	\$ 240,000	\$157,608	\$422,916
FY 22	\$ 240,000	\$193,643	\$473,000 projected

Although there are many factors that drive the department’s overtime budget on a regular basis, there are three factors that account for the greater than average spending this fiscal year.

1) Employee pay increases

Pay raises were effective 7/01/2021. Increase hourly wages translate to increased overtime payrates, therefore greater annual expenses for the same number of hours worked.

2) Increase demand for services

The department’s call volume is up 22% over the past two years. With Increased demand comes more calls that span shift change, requiring holdover pay creating increased overtime expenditures.

3) Military deployments

We currently have three “long-term” military deployments within our firefighter ranks.

Firefighter Lilah Cherim – US Marine Corp-	Deployed 04/01/2021 - Expected Return May 2022
Firefighter Kevin Banks – US Air Force -	Deployed 06/13/2021 - Expected Return March 2022
Firefighter J.B Riley – US Air Force -	Deployed 06/13/2021 - Expected Return March 2022

We are very proud of our department members who serve; however, it leaves three of the four shift’s a firefighter short, therefore creating additional overtime expenditures.

Although these vacancies create an overtime deficit it should not create an overall budget deficit greater than it has been the last two years. While these firefighters are on long-term military leave, they receive salary and benefits from the federal government, therefore, the city is not paying their salaries and benefits that are budgeted within the fire department budget.

The overall savings in salary and benefits to date is approximately \$84,723. The savings for the entire deployment equates to \$163,438. Based on the current overtime projections of \$473,000 and the overall salary and benefit savings of \$163,438 the net overtime budget required to finish the fiscal year would be \$309,562, which is \$ 69,562 more than the budgeted amount, but below the FY 20 (\$366,195) and FY 21 (\$422,916) expenditures for overtime.

FINANCE COMMITTEE

Monthly Financial Summary Report

Agenda Item Name: Monthly Financial Statements Summary – as of December 31, 2021

For the full detail report, click here: [December 31, 2021 Financial Detail Report](#)

Name of Person Submitting Item: Mark Sullivan Deputy Finance Director

E-mail Address: mark.sullivan@rochesternh.net

Issue Summary Statement

Below are the revenues & expense highlights through December 31, 2021, which represents approximately 50% completion of FY22.

GENERAL FUND NON PROPERTY TAX REVENUES

Motor Vehicle Registrations: Revenues remain strong at \$2,767,805, 57% collected.

Waste Management Host Fees: FY22 quarterly payments 1 & 2 received, total \$2,741,384. City allocation \$1,972,813, School Department allocation of \$768,572. Quarter 3 payment due January-22

Building Permits: Revenues remain strong at \$346,120, 115% collected.

Interest Income: Remains very soft at \$15,488, interest rates remain low.

Interest on Delinquent Taxes: Collections at \$253,169 collected, 74%.

State of NH Rooms & Meals: \$2,296,678 received, \$728,399 over budget. The surplus of \$728,399 was used to offset the DRA 2021 final property tax rate.

Highway Block Subsidy: First two FY22 payments received \$370,254, 62% collected.

Cablevision: Two quarterly payments received, total \$69,512.

Current Use Taxes: Current Use tax revenues are strong at \$112,728.

GENERAL FUND EXPENSES: Overall expenses are trending slightly above budget at 59%. Salary, OT & Benefits are trending slightly below budget at 46%

Fire & Police Over Time: Fire Department Overtime trending high at 102% expended, Police Overtime trending at 92% expended.

Welfare Direct Assistance: Continues to trend low at 28% expended.

WATER-SEWER SPECIAL REVENUE FUNDS:

Water-Sewer Funds: Water-Sewer User Fee revenues remain strong on each fund, with low delinquencies. FY22 Expenses trending below budget.

Community Center: Expenses trending to budget at 52%, and Revenues are at 33% collected. Will continue to monitor and advise.

Arena Special Revenue: Expenses high at 65%. This is primarily due to an emergency ice repair of \$29k. Revenues are at 50% collected, but includes a \$129,815 contribution from ARPA grant funds.