

CITY OF ROCHESTER
NOTICE of PUBLIC MEETING:
FINANCE COMMITTEE

Meeting Information

Date: May 10, 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:** April 12, 2022. Pg. 2

- 3. Public Input**

- 4. Unfinished Business:**
 - 4.1.1** Economic Development Non-Capital Reserve Fund. Pg.8

- 5. New Business-**
 - 5.1.1** Opera House-Fly Wheel Replacement. Pg. 10
 - 5.1.2** General Fund Unassigned Fund Balance-Follow up Discussion. Pg.14

- Reports from Finance & Administration**
 - 5.2.1** Monthly Financial Report Summary-March 31, 2022, Pg.16

- 6. Other**

- 7. Adjournment**

Finance Committee

Meeting Minutes

Meeting Information

Date: April 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 Katie Ambrose, Deputy Finance Director Mark Sullivan, City Attorney Terence O'Rourke

Others present: Professor Patrick O. Connelly. 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. City Clerk Kelly Walters took a silent roll vote. All Councilors were present.

2. Acceptance of Minutes: March 8, 2022

Councilor Lachapelle **MOVED** to **ACCEPT** the minutes of the March 8, 2022 Finance Committee meeting. Councilor Hamann seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

3. Public Input

Cliff Newton, resident, addressed the Committee in regards to inflation and the need for controlled government spending. He also inquired about the process and balance of the Unassigned Fund Balance. Mr. Newton spoke in opposition of funding for the History of Rochester, proposed later in the agenda.

Tom Kaczynski, resident, commented that the 6:00 PM start time for committee could be too early for the general public. He spoke to the committee regarding government spending, inflation, and how it should affect the tax rate. Mr. Kaczynski also spoke in opposition of the Economic Development fund proposal appearing later on the agenda.

Ray Barnett, resident, spoke to the Committee in regards to an increase in the elderly tax exemption. Mr. Barnett also spoke in opposition of several of the proposed ARPA fund projects.

4. Unfinished Business:

4.1.1 Prof. Connelly Rochester History Project

Finance Director Katie Ambrose explained that this item is coming back to Committee to further clarify what the requested \$50,000.00 in funds will be used for, how they will be expended, and requirements and parameters which would go along with the agreement.

Councilor Hainey referenced the two volumes of Rochester history which already exist and asked how these volumes would be incorporated into the proposed history being discussed. She asked for more specifics on details such as if Professor Connelly is billing for his time, how this would be invoiced, and whether or not the City would hold the copyright on the published volume.

Professor Connelly gave a history of the inception of his relationship with the City of Rochester and preservation of documents he had performed under prior mayors while Rochester's historical documents were in his possession. He explained the work he had done to complete the two volumes of Rochester's history prior to the City being chartered. Professor Connelly displayed the two draft versions of his history, which he stated were in the editing process, and said that they would eventually go to press. He explained what he felt would be the benefits to Rochester, scholars, and students when these volumes are published. The Professor stated that the comprehensive information contained in his yet-to-be published volumes cannot be found in the existing histories of Rochester.

Councilor Hainey reiterated her question regarding the money being requested and how these funds would be utilized. She asked if it was the Professor's time being billed, the publishing of the books, or other factors. Professor Connelly stated that he was not being paid for his time and the funding would go towards furthering the research he began 40-years ago. He stated that the money would be put towards more research trips to Rochester, web-based learning tools for the library and the City, the establishment of a Rochester history area at the public library to house the hundreds of research books and documents he had used to complete this history.

5. New Business-

5.1.1 Trustees of Trust History of Rochester Capital Reserve Fund

Finance Director Ambrose reported that the Trustees of the Trust Fund have recommended that the History of Rochester Capital Reserve Fund be closed as they have fulfilled the obligations of managing the fund. This fund currently has a balance \$24,000.00. Ms. Ambrose explained that there would be a public hearing required prior to City Council approval to discontinue the fund, at which point the Trustees would release the funds to the City. Councilor Lachapelle **MOVED to recommend to full Council that the History of Rochester Capital Reserve Fund be discontinued.** Councilor Beaudoin seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

5.1.2 Donation of Fire Gear

Director Ambrose reported that Chief Plummer had informed staff aware that Morning

Pride had offered a set of fire gear for use as a field test. This gear has an estimated value of \$3,700.00. Councilor Lachapelle **MOVED** to recommend to full council the acceptance of the donation of fire gear from Morning Pride at an estimated value of \$3,700.00. Councilor Hamann seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

5.1.3 Economic Development Non-Capital Reserve Fund

Attorney O'Rourke stated that in the late 1990s, the City had created the current Economic Development Reserve Fund. It was created for non-recurring appropriations in support of Economic Development. However, he stated that the RSA (47:1-B) under which the fund was created covers Special *Revenue* Funds, with the RSA restricting the source of money entering into the fund as well as limiting the use of said funds. The Economic Development fund which was established was named as a special *reserve* fund instead of a revenue fund, and in practice was operating as a reserve fund. Attorney O'Rourke stated that the City had limited the use of money coming out of this fund, but had not necessarily limited the source of money going into the fund in accordance with the RSA. To rectify this discrepancy, City staff is proposing the creation of a new Economic Development reserve fund under 34:1-A. He explained that a non-capital reserve fund under RSA 34:1-A will have limited purposes, but does not have the same restrictions on sources of funding going into the account. Attorney O'Rourke explained that if the Council approves the creation of this fund, the money in the current account would be transferred into the non-capital reserve fund and then funds from the original reserve fund under 47:1-B would be deauthorized, before finally deleting and replacing the supporting verbiage from the City ordinance. He gave a proposed timeline for the approvals and public hearings for the creation of the new fund and deauthorization of the existing fund, which could potentially be completed in just under three months.

Councilor Lachapelle asked for clarification on the process which would take place with the new revenue fund created under RSA 34:1-B; expenditures would need a 2/3 majority vote of the Economic Development Commission if they exceed \$100,000.00, but would only come to Council for approval if the funds requested were over \$100,000.00. Attorney O'Rourke confirmed that this is correct; that under RSA 34:10 the City would name the Economic Development Commission as agents to carry out the objects designated by Council in making these decisions up to \$100,000.00. He stated that the process would then follow the City's spending policy under section 7-38 through 7-40 of the ordinances.

Councilor Beaudoin stated that his understanding was that the money in this new Economic Development Fund would be held by the Trustees of the Trust Fund. He asked if this would include the \$1,084,000.00 which was approved by Council for the Economic Development fund the prior week. Attorney O'Rourke said that the funds referenced by Councilor Beaudoin are in the custody of the Trustees of the Trust fund under the current special reserve fund, and will remain in the custody of the Trustees of the Trust Fund until the Economic Development Commission or the City Council vote to expend those funds. Councilor Beaudoin asked if the Economic Development Commission would be able to expend the entirety of their funds without Council oversight as long as they do so in increments under \$100,000.00 each. Attorney O'Rourke stated that the Council oversight is in the appointment of the members of the Economic Development Commission as well

as approval of capital going into the fund. Deputy Finance Director Mark Sullivan directed the Committee to the resolution included in the packet, which details how Economic Development needs to come before Council to even have an operating budget to start with. This operating budget would not contain the entirety of funds contained in the revenue account, so they would not be able to spend the referenced total even if it were in increments of \$100,000.00.

Mayor Callaghan asked Deputy Director Sullivan to explain the difference between the budgetary appropriation to this revenue fund which would occur during the budget process versus the appropriations to City departments. Deputy Finance Director Sullivan stated that the appropriations are the same; Council would approve a proposed operating budget and make adjustments as needed. The Economic Development revenue fund would be the same mechanism with a proposed budget to be approved by Council each fiscal year. Councilor Gray asserted that the difference in these scenarios is that City departments report to the City Manager while the REDC does not report back to the Council nor are they required to supply financial statements or reports. He said that in the proposed funding, there would not be any oversight or Council input on how money is being spent. Deputy Finance Director Sullivan reiterated that the Economic Development Commission would need to come before Council to receive an operating budget, otherwise they would not be able to spend any money at all. He pointed out that the Economic Development Commission has not asked for any expenditures for several fiscal years even while money has been transferred into to the fund. He referenced a supplied 5-year accounting showing the money which had been expended from the account and the supplemental appropriations associated to demonstrate that Council does have full control.

Councilor Beaudoin asked if the budget submitted by Economic Development for this revenue fund would need to be itemized showing each expenditure, or if there is a lump sum requested. Deputy Director Sullivan gave an overview of how the budget process works with itemized expenditures/line items to be approved by Council. He explained that certain larger projects have been handled through the Economic Development operating budget when they would have been better handled as expenditures from the special reserve fund had there been adequate appropriations to said account.

Councilor Larochelle asked for further clarification on whether this fund could be used for expenditures relating to conferences and travel for REDC. Mr. Sullivan stated that in theory, the REDC could request a line item for travel within their initial operating budget, however the revenue fund being discussed would not be used for conferences, administrative expenses, or similar expenditures. Councilor Hamann stated that the way the resolution is written implies that the Economic Development Commission could have an approved operating budget, and could then spend above and beyond that amount through individual expenditures from the proposed revenue fund without Council approval. Mr. Sullivan stated that the fund would not work in that way and this scenario would not be possible. He equated this Economic Development Revenue fund to the City's unassigned fund balance; where any appropriations coming out of this fund have to be approved by Council. Councilor Lachapelle agreed with Mr. Sullivan's summary and pointed out the verbiage which would allow the Council to dissolve this special revenue fund at any time if they determined it was not serving its purpose.

Councilor Beaudoin inquired why the proposed fund would be in the custody of the Trustees of the Trust fund if there would need to be Council approval for any expenditures requested. He stated that the money could be maintained in the Unassigned Fund Balance as is the current process. Councilor Beaudoin stated that the Trustees meet less frequently than the City Council and the process for appropriations would be quicker if the funds were left in the Unassigned Fund Balance. Attorney O'Rourke clarified that under RSA 34:1-A, the funds are required to be managed by the Trustees. When the money is appropriated, it would be moved from the Trustees to the established account with REDC as the agents authorized to expend the funds without the need to go back to the Trustees. The Trustees will maintain the fund in the meantime so it can be invested appropriately until it is needed.

Councilor Lachapelle **MOVED** to recommend to full Council the establishment of an Economic Development Non-Capital Reserve Fund. Councilor Hainey seconded the motion. Councilor Beaudoin stated that he felt the ordinance needed to be reworded to give more clarity to the process and specify that Economic Development is not able to expend money without Council approval. Councilor Lachapelle pointed out the verbiage which referenced the budget approval process as well as the City's purchasing policy, to which this fund would comply. Councilor Gray stated that there needs to be wording drawing a distinction between the approved operating budget and this proposed revenue fund, from which Council would need to approve of any appropriations.

Attorney O'Rourke explained that the current Economic Development budget is a set amount that would be approved by Council and which the department could use as they determined fit as long as it stays within the confines of that budget. This Economic Development revenue fund would need a 2/3 majority vote of the Economic Development Commission in order for appropriations to be made, which actually makes it more restrictive than other department budgets.

There was continued discussions in Committee regarding the perceived confusion of the wording in the proposed ordinance and the difference between the Economic Development budget, the Economic Development Revenue Fund, and how each can be expended. Councilor Larochelle suggested the matter be referred to a Workshop meeting for further discussion and more clarity prior to a vote. Councilor Lachapelle **WITHDREW** his motion to recommend the creation of the Economic Development Revenue Fund to the full Council. Councilor Hainey withdrew her second. Councilor Lachapelle **MOVED** to keep the item in Committee. Councilor Larochelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

Deputy Finance Director Sullivan asked the Committee what additional details they needed to be brought back for the next meeting. Councilor Gray responded that he wanted a representation of the Economic Development budget separate from an accounting of the Economic Development Revenue fund and the amount from which REDC could request appropriations. Mayor Callaghan suggested a rewording of the resolution to distinguish between these two amounts of funding. Councilor Beaudoin also asked for rewording of the resolution for clarity.

5.1.1 Public Works Committee \$500,000 Supplemental Appropriation-Paving

Councilor Hamann, Chair of the Public Works Committee, reported that during the 202 water main project, it was discussed that there is a portion of that project budget for patching the roads that would be torn up during the project. However, it had been suggested that by adding a supplemental appropriation to this existing line item for patching, the entirety of these affected roads could be completely paved which, although increasing the current years' budget, would reduce costs in the long run. The streets in question are Bickford Road, Winkley Farm Lane, and Fiddlehead Lane. Councilor Hamann **MOVED** to recommend to full Council the approval of the \$500,000 supplemental appropriation for paving. Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

Reports from Finance & Administration

5.1.1 Unassigned Fund Balance Audit & Activity Report

Finance Director Ambrose explained that there is a report outlining the budgeted Unassigned Fund Balance versus the Audited Unassigned Fund Balance and she asked Deputy Finance Director Sullivan to go over these reports with the Committee.

Deputy Finance Director Sullivan reported that the auditors had placed the Unassigned Fund Balance at \$25,736,042.00, and their numbers utilize the gap accounting system which includes accruals. He stated that when the City reports the number contained in the Unassigned Fund Balance as \$29,175,647, it is the number reported to the State in the MS-535 financial report. Mr. Sullivan referenced a report in the packet that explained the two different numbers and how these numbers are figured. Deputy Director Sullivan stated that he had also included a report on appropriations coming out of the Unassigned Fund Balance, including those that have been committed and remain unexpended.

He gave a brief summary of the Unassigned Fund Balance; that it is not a single account containing this full amount; it is the difference between current assets including cash/cash equivalents, and also the net effect of all grants, enterprise funds, the net impact of the positions of said funds which come together into an asset base, and additionally it includes liabilities. The Unassigned Fund Balance total comes from the difference between the current assets and current liabilities.

Mayor Callaghan referenced the threshold of the Unassigned Fund Balance contained in the City ordinance, which is 17 – 18%. The City is currently at just under 27%. He asked if the percentage were in the 12% range if the bond rating would be affected. Mr. Sullivan explained how the bond rating is factored; with the fund balance making up 10-15% of the equation. He gave further details on how a lower fund balance could potentially lower the bond rating by a couple points, but not significantly. Director Ambrose expounded upon how the percentage of Unassigned Fund Balance impacted the bond rating.

Councilor Gray responded to several of the comments that had been made during public input. He stated that the change from bond funding helps to reduce the tax rate. He explained how the transfer from unassigned fund balance into a capital reserve fund does not benefit the tax rate

either, because although the funds are no longer “undesignated” they are still accounted for in the same manner. Councilor Gray emphasized the need for more funding toward City paving which he felt had been underfunded, and he referenced his suggestion for a \$1,000,000.00 appropriation toward paving to catch up and save money in future fiscal years. Councilor Gray also referenced the Community Outreach Coordinator position and explained the reason he felt the fund should be covered by ARPA funds for the first year and then gradually including using budgetary funds to avoid a large hit on the budget all at once.

5.1.2 Monthly Financial Report Summary-March 31, 2022

Deputy Finance Director Sullivan reported that revenues remain strong, with expenses trending to budget. He summarized the year to date financial report.

Mr. Sullivan referenced the “miscellaneous revenues” item in the report, which is noted to be budgeted at \$5,000.00 but contains \$950,000.00 on the report. He stated that this account is typically used for smaller expenses such as bounced check fees, refunds, reimbursements, and other miscellaneous items . However, this account had been used to temporarily house a transfer from the Trustees of the Trustee Fund to the School Department.

6. Other

No Discussion.

7. Adjournment

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

Respectfully Submitted,

Cassie Givara
Deputy City Clerk

FINANCE COMMITTEE

Agenda Item

Agenda Item Name: Economic Development Non Capital Reserve Fund

Meeting Date Requested: 5-10-22

Name of Person Submitting Item: Mark Sullivan Deputy Finance Director

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

Issue Summary: Continuation of the proposal at the 4-12-22 Finance Committee meeting. Enclosed is a revision of the language in the newly proposed Economic Development Non Capital Reserve Fund.

Recommended Action: Recommend to full Council acceptance.

Resolution Pursuant to RSA 34:1-a Establishing an Economic Development Reserve Fund

BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF ROCHESTER, AS FOLLOWS:

By adoption of this Resolution, the City Council establishes a Non-Capital Reserve Fund pursuant to RSA 34:1-a for the purpose of encouraging economic development within the City, encouraging the development of industrial and commercial sites, promoting the City as an attractive location for businesses and residents, and acquisition of land related to the same. The name of such fund shall be the Economic Development Reserve Fund.

The City Council, at its sole discretion, may appropriate funds into said Economic Development Reserve Fund through supplemental appropriations or the annual budgeting process, however, in no case shall said annual appropriation be less than One Hundred Thousand Dollars (\$100,000.00). Revenue sources can be Waste Management Host Fee Revenues, or General Fund Unassigned Fund Balance. In addition, other unanticipated revenue sources, and proceeds from transactions that were originally derived from the Economic Development Reserve Fund, may also be appropriated into the fund upon a majority vote of the City Council.

Pursuant to RSA 34:6, the Trustees of Trust Funds shall have custody of all non-capital reserves transferred to the Economic Development Reserve Fund. The Trustees of the Trust Fund will hold the monies appropriated to the Economic Development Reserve Fund in a separate liquid investment account. Appropriations made to the Economic Development Reserve Fund will be submitted to the Trustees of the Trust Fund after July 1 but prior to June 30 of the fiscal year of the appropriation.

Pursuant to RSA 34:10, the City Council names the Economic Development Commission as its agent to carry out the objects of the Economic Development Reserve Fund. All expenditures made by the Economic Development Commission shall be made only for or in connection with the purposes for which said Fund was established and only in accordance with §7-38-40 of the City Code. All requests for expenditures shall be approved by the 2/3rds vote of the Economic Development Commission prior to being presented to City Council. Upon said 2/3rds vote expenditure requests may then be presented to City Council. Expenditure requests shall identify expense categories, or specific project scope detail. General administrative, travel and conference activities shall be ineligible expense activities. Expenditure requests can be presented as part of the annual budget process, or through supplemental appropriations. All approved expenditures shall follow the City's Purchasing Policy.

The City Council may dissolve the Economic Development Reserve Fund at its sole discretion. Upon dissolution of any portion of said fund appropriated from the General Fund said funds will lapse to surplus (General Fund Unassigned Fund balance) and cannot be repurposed directly to a different capital fund or project.

To the extent not otherwise provided for in this Resolution, the Finance Director is hereby authorized to designate and/or establish such accounts and/or account numbers as necessary to implement the transactions contemplated by this Resolution.

FINANCE COMMITTEE

Agenda Item

Agenda Item Name: Opera House Fly Wheel Replacement

Meeting Date Requested: 5-10-22

Name of Person Submitting Item: Opera House Director/Finance Office

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

Issue Summary: Summary report from the Opera House on the fly wheel replacement.

Recommended Action: Discussion. Project is in FY23 Issues & Options-Excluded

Rochester Opera House - Fly System Project

Synopsis of Request

The Rochester Opera House is endeavoring to make improvement to the infrastructure of the space by installing supplemental fly system mechanics to aid our original historic sandbag rigging that was installed in 1908 (last restored in 1998). The funding needed for this is estimated at \$174,000.

History

The historic Rochester Opera House (ROH) is listed on the National Register of Historic Places and presents an annual performance season of shows for children, teens, adults, and seniors at an affordable cost to the community. Built within City Hall in 1908, this beautifully restored theater is the only remaining theater in the world with a unique mechanism that raises the orchestra floor to an incline for amphitheater seating and levels the floor for dancing.

Our "Arts for All" mission is to educate, engage, empower, challenge, and inspire a community of all ages by presenting extraordinary and culturally diverse theatre, performance art, music, dance, and film on the city's foremost performing arts stage. Programming ranges from school-age educational performances to lively rock concerts. The venue is also used for community events and has hosted various nonprofits, government dignitaries and independent groups.

In 1996 a massive volunteer effort resulted in a complete restoration of the ROH. In 1998 the Rochester Opera House Inc. was formed and has continued to invest in the facility and maintain its historic integrity. The Rochester Opera House truly looks today as it did one hundred years ago and continues to have tremendous community support.

Benefits of a New System

The Rochester Opera House is seeking funds to replace a portion of the original fly system that was installed in 1908. The fly system encompasses eighteen hand operated overhead lift systems that are used to "fly" scenery and drops as well as hoist lights, projection screens and curtains. The line sets require a counterweight to offset the weight of the items that are hung over the stage. Counterweight is added or removed as needed and hangs in 25 lb. - 200 lb. sandbags approximately 30-50 feet over the stage left area.

In 1998, The Rochester Opera House underwent extensive restoration. At that time, the fly system was upgraded with new block and tackle, ropes, and sandbags. The entire infrastructure was reinforced with steel and the existing framing was replaced with new timber. The Opera House has operated that system for more than 20 years without incident. Currently, five of the existing 18-line sets carry the heavy theatrical lighting and a theater projection screen. Those systems employ 90% of the overhead sandbags. We endeavor to replace those five lines with an automated modern mechanical system that would eliminate 90% of the overhead sandbags.

By replacing a portion of the original system, the ROH will be preserving most of the historic sandbag rigging system, while at the same time bringing the building in closer compliance to modern day

theatrical safety standards and automated operation of the heavier loads. A newer and safer system will also allow opportunities for younger crew members and new staff to train and operate a system, allowing them to train with us and use this experience in other theaters with newer systems.

Breakdown of Costs of Project

Costs for the project include the Prodigy P300G Stage Hoists, Controls, Cables, Mounting Plates and hardware (most recent quote)	\$149,000
Engineering	\$6,000
Electrical Work	\$15,000
Grid Improvements	\$4,000
Total Cost of Project	\$174,000

Recent Negative Impacts on ROH Revenue

ROH has been diligent in reducing costs in response to the drastically reduced revenue from both COVID 19 restrictions and the temporary closure of the balcony due to fire safety concerns. After federal and state mandates closed our stage for 7 months, our capacity has been temporarily reduced from almost eight hundred seats to approximately three hundred, further impacting our revenues. The pandemic has been especially hard on live performance venues, and Rochester Opera House has been proud to persevere, beginning our 2022 season strongly.

ROH Economic Impact on Rochester Businesses

It has been well documented that successful theater programs bring revenue to the surrounding businesses which employ many residents of Rochester - ROH is widely credited as a leader in the city's downtown economic revitalization. Stacey Marchionni, owner of Revolution Taproom & Grill, shares: *"The Rochester Opera House is one of, if not the biggest, economic driver of traffic and business to our downtown shops in Rochester... Their shows bring in national and local acts, and bring a tremendous amount of business to our restaurants and shops."*

A \$174,000 investment from the city would foster a substantial partnership in the ongoing community revitalization efforts as we emerge from the affects of the COVID-19, and would amplify the steady and sustaining growth of our vibrant city.

Conclusion

The Rochester Opera House is approaching The City of Rochester with this request because the proposed upgrades are, ultimately, permanent infrastructure improvements that will remain with the building. Moreover, the proposed upgrades will mitigate risk and improve safety for our patrons, staff and performers for years to come.

Photo Support



The “Fly Line” above stage left. Nylon lines securing lighting batons with sandbags for counter weight



Rochester Opera House technical director Dane Leeman hoisting a baton with sandbags attached.

FINANCE COMMITTEE

Agenda Item

Agenda Item Name: General Fund Unassigned Fund Balance-Audit Presentation

Meeting Date Requested: 5-10-22

Name of Person Submitting Item: Mark Sullivan Deputy Finance Director

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

Issue Summary: Continued discussion, and or presentation, on the FYE21 General Fund Unassigned Fund Balance. The City's General Fund Unassigned Fund Balance policy is based on upon the State of NH Form MS-535-Financial Report of Budget, which is summarized on page 44 of the FY21 Financial Statements. The MS-535 balance is \$29,175,647. The fund balance was at 26% of FYE21 Expenditures. Attached is the summary report.

Recommended Action: Informational

**FY22 General Fund Unassigned Fund Balance Activity
04/30/2022**

Descriptions	GF Expenditures	Amount	Percentage	Notes
FYE21 (MS-535 06/30/2021)	\$109,564,594	\$29,175,647	26.63%	
Unassigned Fund Balance Policy Threshold 8%-17%				
Low 8%		\$8,765,168	8.00%	
High 17%		\$18,625,981	17.00%	
Over (Under) Fund Balance Policy- 17% Threshold		\$10,549,666	56.64%	
FY22 Adopted Budget City & School		\$3,047,064	16.36%	Pending FYE22 actuals
Balance Over (Under) 17%		\$7,502,602	40.28%	

FY22 Additional Activity	Date	City	School	Water-Sewer	Econ Dev Fund	Subtotal	Notes
CIP Change of Bond Funding	03/01/2022	\$2,386,489	\$570,000	\$754,150		\$3,710,639	Approved 4-5-22
Transfer to Economic Development Fund	03/01/2022				\$1,084,000	\$1,084,000	Approved 4-5-22
Creation of Capital Reserve Fund	03/01/2022	\$1,500,000				\$1,500,000	Approved 4-5-22
Public Works Committee Paving Rehabilitation	04/12/2022	\$500,000				\$500,000	Pending Council Approval
						\$0	
						\$0	
						\$0	
						\$0	
						\$0	
FY22 Totals		\$14,936,155	\$570,000	\$754,150	\$1,084,000	\$6,794,639	

FY22 Activity Summary	Amounts
FY22 Adopted	\$3,047,064
FY22 Additional Activites	\$6,794,639
FY22 Totals	\$9,841,703

Balance April -30-22 *	\$19,333,944
Percentage	17.65%

* The April-30-22 balance is a ratio of FYE21 balance plus new FY22 commitments, divided by FYE21 expenditures. Actual FYE22 results could be different

FINANCE COMMITTEE

Monthly Financial Summary Report

Agenda Item Name: Monthly Financial Statements Summary – as of April 30, 2022

For the full detail report, click here: [April 30, 2022 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 April 30, 2022, which represents approximately 83% completion of FY22.

GENERAL FUND NON PROPERTY TAX REVENUES

Motor Vehicle Registrations: Revenues remain strong at \$4,697,857, 96% collected.

Waste Management Host Fees: Total FY22 revenue received \$4,538,671. City allocation \$3,660,544 School Department allocation of \$878,127. The April payment of \$926,950 crossed months, and won't reflect in revenues until the May-22. The total FY22 revenue received is \$1,410,544 over the adopted amount of \$3,128,127.

Building Permits: Revenues remain strong at \$451,316, 150% collected.

Interest Income: Remains very soft at \$26,340, interest rates remain low.

Interest on Delinquent Taxes: Collections at \$395,428, 113% collected. The March -22 financial summary reported this revenue as \$430,584, however a return of interest adjustment of \$34,143 was not calculated into the March-22 total.

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: Through March-22 total received \$493,672, 82% collected. The final quarterly payment of \$120,974 was recently received and will reflect in the May-22 summary report.

Cablevision: Three payments received from Comcast & Atlantic Broadband, total \$141,076, 60% collected.

Current Use Taxes: Current Use tax revenues are very strong at \$380,128, or 234% collected.

GENERAL FUND EXPENSES: Overall expenses are slightly above budget at 87%. Expense details are 84% actually expended and 3% encumbered to spend. Salary, OT & Benefits are trending slightly below budget at 79%

Fire & Police Over Time: Fire Department Overtime trending high at 152% expended, Police Overtime trending at 149% expended.

Welfare Direct Assistance: Continues to trend low at 34% expended.

WATER-SEWER SPECIAL REVENUE FUNDS:

Water-Sewer Funds: Water-Sewer User Fee revenues remain strong on each fund, with low delinquencies, and collections, Water at 58% and Sewer at 53%. FY22 Water Fund expenses are trending below budget at 65%, Sewer Fund expenses are trending below budget at 74%.

Community Center: Expenses trending to budget at 83%, and Revenues are at 68% collected.

Arena Special Revenue: Expenses at 87% Revenues are at 115% collected, which includes a \$129,815 contribution from ARPA grant funds.