

CITY OF ROCHESTER
NOTICE of PUBLIC MEETING:

FINANCE COMMITTEE

Meeting Information

Date: April 14, 2020
Time: 6:30 P.M.
Location: This Meeting will be conducted virtually.

The Public may call in to:

1 585-318-2007

Conference ID: 609 248 701#

The above number will be to “listen-in” on the meeting only – there will be no public comment taken during the live meeting.

(The meeting will also be broadcast on Atlantic Broadband Channel 26 and streamed live on our website: www.RochesterNH.net)

To submit public input prior to the meeting, please leave a voicemail at 603-509-1908 by noon on the day of the meeting.

Or email Mark.Sullivan@RochesterNH.net by 5pm on the day of the meeting.

City of Rochester, NH
Preamble for the April 14, 2020 Finance Committee Meeting

Good Evening, as Chairperson of the City Council, I am declaring that an emergency exists and I am invoking the provisions of RSA 91-A:2, III (b). Federal, state, and local officials have determined that gatherings of 10 or more people pose a substantial risk to our community in its continuing efforts to combat the spread of COVID-19. In concurring with their determination, 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. Even though this meeting is being conducted in a unique manner under unusual circumstances, the usual rules of conduct and decorum apply. Any person found to be disrupting this meeting will be asked to cease the disruption. Should the disruptive behavior continue thereafter, that person will be removed from this 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.

1 585-318-2007

Conference ID: 609 248 701#

The public can call-in to the above number using the conference ID #. Please remember to use *6 to mute your phones when signing into the meeting, as there will be no public input allowed during this particular meeting. If any member of the public has difficulty accessing the meeting by phone, please email PublicInput@RochesterNH.net or call 603-332-1167.

The Agenda for the April 14, 2020 Finance Committee Meeting can be found on the next page

Agenda

- 1. Call to Order**
- 2. Public Input**
- 3. Unfinished Business-None**
- 4. New Business-None**
- 5. Reports from Finance & Administration**
 - 5.1 Monthly Financial Report Summaries March, 2020, Pg. 2- Revenue discussions**
 - 5.1 (a) March 31, 2020 Revenues-Pg. 17**
 - 5.1 (b) March 31, 2020 Expenses-Pg. 19**
- 6. Other**
- 7. Adjournment**

FINANCE COMMITTEE

Agenda Item

Agenda Item Name: Monthly Financial Statements Summary – as of March 31, 2020

For the full detail report, click here: [March 2020 Financial Detail Report](#)

Name of Person Submitting Item: Mark Sullivan Deputy Finance Director

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

Meeting Date Requested: April 14, 2020

Issue Summary Statement

The March-31, 2020 financial summary reports are attached. We are approximately 77% through fiscal year 2020. General Fund expenses are trending to budget, and revenues are slightly above budget. Below are summaries of anticipated Covid-19 impacts to the City's various revenue streams. Covid-19 is presenting many challenges and there is concern the non-property tax revenues will decline at a rapid pace, but it is still too early to determine the exact level of decline. Below are the major non-property tax revenues that are sensitive to economic declines. Finance is closely monitoring FY20 receipts, as well as anticipating FY21 impacts.

Motor Vehicle Registrations: A slow-down is beginning to occur, particularly on new vehicle registrations which was extended from 20 days to 30 days by one of the Governor's orders, but we continue to process new registrations & transfers through the drop box. There is also concern, depending on the local unemployment impact, that new vehicle purchases and leases will decline in FY21. The good news is this revenue has been conservatively budgeted, and that approach is safeguarding the FY21 revenue forecast from deeper reductions.

Waste Management Host Fees: This revenue has two factors, tonnage times a rate of \$3.00/ton. Early indications show commercial tonnage is decreasing, and residential tonnage is increasing. Of concern is tonnage decline related to various construction activities, but it's too early to judge the full impact. Again, good news is this revenue has been conservatively budgeted which is safeguarding FY21 revenue forecast.

Building Permits: Anticipate decline through FY20, and substantial decline in FY21. This revenue is dependent upon how deep recession and local unemployment levels reach. Finance will continue to monitor.

Interest Income-Anticipating decline through FY20, and substantial decline in FY21. Interest income rate was over 2.2 % now floating around 1 %, anticipating rates to decline to .50%.

Interest on Delinquent Taxes: Anticipating a slight decline depending upon the Board of Assessors' (BOA) willingness to waive interest in some emergency situations. If BOA implements a broader approach to waiving delinquent interest, this number could decline substantially in FY21. A broader approach would also negatively impact Tax Year 2020 property tax payment receipts. However, a

significant portion of property taxes are escrowed through mortgages. So the risk is primarily related to the non-escrowed property tax mortgages. This is being reviewed now to determine an approximate number of non-escrowed property tax payments.

State of NH Rooms & Meals: Anticipating a substantial decline of 36% in December 2020, FY21, payment. The FY20 revenue was already received in December, 2019 and was \$1,562,000. First quarter receipts reported by State DRA were stronger than prior year, which was good news. Ultimately the duration of the stay at home order and closing of in person service at bars and restaurants, as well as impacts to hotel stays, will dictate the final revenues.

Water-Sewer User Fee payment: Anticipating cash payment declines 10% to 20% due to the waiver of interest and suspension of shut offs due to non- payment.

Highway Block Subsidy: This revenue is derived from the State of NH DOT, and there is a fairly complex calculation and disbursement methodology. Essentially the revenue is driven by motor fuel taxes. The stay at home orders are significantly reducing roadway traffic, and motor fuel sales. Anticipating FY20 to be close to budgeted, but anticipating a 25% decline for FY21 revenue.

Summary: In mid-March Finance recommended to the City Manager a 30-day budget freeze be put in place. The measure isn't a hard cash freeze, essentially it's a cash slow down related to new expenditure requests in an effort to slow the pace of cash disbursements. City Manager agreed and the measure was put in place March 19th. Most departments are responding well. Finance continues to work with departments on a daily basis to help navigate through the measure. Finance is diligently monitoring local economic impacts related to the Covid-19 crisis. At this point in the crisis our cash reserves remain strong.

Finance is proceeding with a \$20 million bond issue on 4-14-20, with proceeds being received 4-23-20. The bond offering is set up so City has flexibility to decline or negotiate offers. In this bond issue, \$10 million is advanced bonding for the new Public Works facility and the other \$10 million is reimbursing the general fund for cash disbursements made to projects in advance of bonding. The preliminary tax bills will be released on approximately June 1, 2020. The preliminary tax billing generates approximately \$32 million in property tax revenues. However, it's not unreasonable to anticipate some level of decline in timely receipt of payments. Overall, cash is in the best position it can be in considering the current Covid-19 environment. Diligent monitoring will be required until the Covid-19 crisis subsides and the community returns to a sense of normalcy. A continued conservative approach to use of cash outlays, and appropriations using general fund unassigned fund balance as the funding source, is recommended.

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CITY OF ROCHESTER
YEAR-TO-DATE BUDGET REPORT

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FOR 2020 09

	ORIGINAL ESTIM REV	ESTIM REV ADJSTMTS	REVISED EST REV	ACTUAL YTD REVENUE	REMAINING REVENUE	PCT COLL
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1000 GENERAL FUND	<hr/>					
11011 ECONOMIC DEVELOPMENT REVENUE	0	1,000	1,000	2,602.25	-1,602.25	260.2%
11031 CITY CLERK REVENUE	105,920	0	105,920	76,173.01	29,746.99	71.9%
11051 ASSESSORS REVENUES	0	0	0	220.50	-220.50	100.0%
11061 BUSINESS OFFICE REVENUE	350,000	0	350,000	407,951.27	-57,951.27	116.6%
11062 BUSINESS OFFICE REVENUE	1,000	0	1,000	.01	999.99	.0%
11071 TAX COLLECTOR REVENUE	32,271,384	531,787	32,803,171	32,496,497.17	306,673.83	99.1%
11072 TAX COLLECTOR REVENUE	0	3,308	3,308	.00	3,308.00	.0%
11081 GENERAL OVERHEAD REVENUE	4,080,748	5,522,508	9,603,256	3,423,840.58	6,179,415.50	35.7%
11082 GENERAL OVERHEAD REVENUE	1,548,683	14,074	1,562,757	2,248,834.70	-686,077.70	143.9%
11091 PUBLIC BLDGS REVENUE	0	0	0	6,523.97	-6,523.97	100.0%
11101 PLANNING	16,250	0	16,250	33,460.27	-17,210.27	205.9%
11201 REV LEGAL OFFICE	50,000	0	50,000	38,409.89	11,590.11	76.8%
12011 POLICE CITY REVENUE	325,400	0	325,400	250,816.63	74,583.37	77.1%
12021 FIRE CITY REVENUE	25,500	0	25,500	23,732.23	1,767.77	93.1%
12022 FIRE STATE REVENUE	41,812	0	41,812	3,375.00	38,437.00	8.1%
12031 DISPATCH CENTER	60,290	0	60,290	.00	60,290.00	.0%
12041 CODE ENFORCEMENT REVENUE	394,175	0	394,175	354,573.10	39,601.90	90.0%
13011 PUBLIC WORKS REVENUE	33,700	0	33,700	27,035.39	6,664.61	80.2%
13012 STATE HIGHWAY SUBSIDY	634,612	14,563	649,175	519,340.37	129,834.63	80.0%
14011 WELFARE REVENUE	2,500	0	2,500	5,781.24	-3,281.24	231.2%
14021 RECREATION REVENUE	120,000	0	120,000	109,581.59	10,418.41	91.3%
14031 LIBRARY REVENUE	14,200	0	14,200	7,803.77	6,396.23	55.0%
TOTAL GENERAL FUND	40,076,174	6,087,240	46,163,414	40,036,552.94	6,126,861.14	86.7%
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5001 WATER ENTERPRISE FUND	<hr/>					
510001 WATER WORKS REVENUE	6,607,310	0	6,607,310	2,502,776.76	4,104,533.24	37.9%
TOTAL WATER ENTERPRISE FUND	6,607,310	0	6,607,310	2,502,776.76	4,104,533.24	37.9%
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5002 SEWER ENTERPRISE FUND	<hr/>					
520001 SEWER WORKS REVENUE	8,017,640	0	8,017,640	3,328,579.91	4,689,060.09	41.5%
520002 SEWER WORKS REVENUE	411,989	0	411,989	68,364.00	343,625.00	16.6%
TOTAL SEWER ENTERPRISE FUND	8,429,629	0	8,429,629	3,396,943.91	5,032,685.09	40.3%

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CITY OF ROCHESTER
 YEAR-TO-DATE BUDGET REPORT

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FOR 2020 09

	ORIGINAL ESTIM REV	ESTIM REV ADJSTMTS	REVISED EST REV	ACTUAL YTD REVENUE	REMAINING REVENUE	PCT COLL
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5003 ARENA ENTERPRISE FUND						
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530001 ARENA REVENUE	402,865	0	402,865	344,838.14	58,026.86	85.6%
TOTAL ARENA ENTERPRISE FUND	402,865	0	402,865	344,838.14	58,026.86	85.6%
6000 COMMUNITY CENTER SP REV FUND						
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600001 COMMUNITY CENTER REVENUE	861,466	0	861,466	618,445.22	243,020.78	71.8%
TOTAL COMMUNITY CENTER SP REV FUND	861,466	0	861,466	618,445.22	243,020.78	71.8%
GRAND TOTAL	56,377,444	6,087,240	62,464,684	46,899,556.97	15,565,127.11	75.1%

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CITY OF ROCHESTER
YEAR-TO-DATE BUDGET REPORT

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FOR 2020 12

	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
1000 GENERAL FUND							
11000051 CITY MANAGER	470,894	0	470,894	331,937.23	16,146.45	122,810.32	73.9%
11012351 ECONOMIC DEVELOPMENT	510,030	1,000	511,030	372,870.67	16,328.85	121,830.48	76.2%
11020050 IT SERVICES	797,462	6,200	803,662	563,430.19	48,522.09	191,709.72	76.1%
11030051 CITY CLERK	334,803	0	334,803	238,656.51	40,078.26	56,068.23	83.3%
11040050 ELECTIONS	54,479	0	54,479	40,240.54	1,861.32	12,377.14	77.3%
11050070 ASSESSORS	569,498	0	569,498	415,057.71	5,422.04	149,018.25	73.8%
11060051 BUSINESS OFFICE	543,461	0	543,461	398,943.52	3,124.32	141,393.16	74.0%
11063151 HUMAN RESOURCES	213,071	10,000	223,071	167,623.24	15,310.26	40,137.50	82.0%
11070070 TAX COLLECTOR	382,295	0	382,295	281,220.13	2,500.19	98,574.68	74.2%
11080050 GENERAL OVERHEAD	1,021,733	-198,558	823,175	395,255.48	205,652.03	222,267.49	73.0%
11090050 PB CITY WIDE 50	668,503	16,664	685,167	484,047.43	56,209.92	144,909.65	78.9%
11090051 PB CITY HALL 51	66,066	0	66,066	54,902.52	6,263.21	4,900.27	92.6%
11090052 PB OPERA HOUSE 52	48,551	0	48,551	29,393.56	12,814.91	6,342.53	86.9%
11090054 PB CENTRAL FIRE 54	10,979	0	10,979	9,285.51	738.00	955.49	91.3%
11090055 PB GONIC FIRE 55	10,594	0	10,594	7,211.02	515.00	2,867.98	72.9%
11090056 PB LIBRARY 56	18,893	0	18,893	16,637.00	839.01	1,416.99	92.5%
11090057 PB DPW GARAGE 57	11,874	0	11,874	9,931.97	720.00	1,222.03	89.7%
11090059 PB ER FIRE STATION 59	775	0	775	164.45	.00	610.55	21.2%
11090061 PB HISTORICAL MUSEUM 61	1,520	0	1,520	396.34	631.00	492.66	67.6%
11090063 PB HANSON POOL 63	5,100	0	5,100	1,839.38	50.00	3,210.62	37.0%
11090064 PB GONIC POOL 64	2,900	0	2,900	928.88	.00	1,971.12	32.0%
11090065 PB EAST ROCHESTER POOL 65	2,600	0	2,600	928.88	.00	1,671.12	35.7%
11090068 PB GROUNDS 68	12,160	0	12,160	4,398.71	.00	7,761.29	36.2%
11090069 PB DOWNTOWN 69	17,000	0	17,000	6,246.12	966.00	9,787.88	42.4%
11090070 PB REVENUE BUILDING 70	22,331	0	22,331	16,110.77	6,163.78	56.45	99.7%
11090071 PB PLAYGROUNDS 71	3,000	0	3,000	898.29	.00	2,101.71	29.9%
11090075 PB NEW POLICE STATION	24,252	0	24,252	17,174.60	2,594.64	4,482.76	81.5%
11090077 PB ANNEX	4,260	0	4,260	1,516.33	1,293.41	1,450.26	66.0%
11102051 PLANNING	433,139	0	433,139	307,934.55	5,154.66	120,049.79	72.3%
11200051 LEGAL OFFICE	597,718	0	597,718	401,140.94	4,519.78	192,057.28	67.9%
12010053 PD ADMINISTRATIVE SERVICES	1,976,055	51,000	2,027,055	1,470,672.36	104,943.32	451,439.32	77.7%
12012453 PD PATROL SERVICES	4,951,564	-51,000	4,900,564	3,575,595.90	.00	1,324,968.10	73.0%
12012553 PD SUPPORT SERVICES	4,425,815	0	4,425,815	296,329.11	.00	1,29,485.89	69.6%
12020054 FIRE DEPARTMENT	4,669,781	19,000	4,688,781	3,631,395.56	46,619.64	1,010,765.80	78.4%
12020055 FIRE DEPT 55 GONIC SUBSTAT	28,735	0	28,735	16,024.94	4,437.80	8,272.26	71.2%
12020754 CALL FIRE	31,373	-9,000	22,373	6,799.01	1,627.67	13,946.32	37.7%
12023354 EMERGENCY MANAGEMENT	41,812	50,000	91,812	5,324.83	15,740.52	70,746.65	22.9%
12030153 DISPATCH CENTER	882,328	0	882,328	598,302.86	9,996.01	274,029.13	68.9%
12040051 CODE ENFORCEMENT	606,553	0	606,553	432,277.32	14,118.76	160,156.92	73.6%
12050050 AMBULANCE	61,832	0	61,832	30,916.04	30,916.05	-.09	100.0%

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CITY OF ROCHESTER
YEAR-TO-DATE BUDGET REPORT

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FOR 2020 12

	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
13010057 PUBLIC WORKS	2,301,219	82,284	2,383,503	1,622,772.92	411,451.12	349,278.96	85.3%
13010957 WINTER MAINTENANCE	518,492	0	518,492	446,937.07	18,835.58	52,719.35	89.8%
13020050 CITY LIGHTS	218,000	0	218,000	122,742.05	68,010.85	27,247.10	87.5%
14010051 WELFARE	469,070	0	469,070	340,414.36	9,980.24	118,675.40	74.7%
14022072 RECREATION ADMINISTRATION	650,242	-2,800	647,442	505,406.16	7,322.02	134,713.82	79.2%
14022150 RECREATION PLAYGROUNDS/CAM	98,951	0	98,951	87,237.45	753.50	10,960.05	88.9%
14022250 RECREATION POOLS	83,588	2,800	86,388	66,125.33	4,015.58	16,247.09	81.2%
14030056 LIBRARY	1,299,148	23,410	1,322,558	980,954.03	27,123.20	314,480.77	76.2%
15000051 COUNTY TAX	6,610,000	104,406	6,714,406	6,714,406.00	.00	.00	100.0%
17010051 TRANSFERS/PAYMENTS DEBT SV	4,159,335	0	4,159,335	4,057,107.97	.00	102,227.03	97.5%
17030050 OVERLAY	92,000	455,495	547,495	127,685.28	.00	419,809.72	23.3%
17040051 TRANSFER TO CIP & OTHER FU	3,040,340	5,526,339	8,566,679	8,566,679.08	.00	.00	100.0%
TOTAL GENERAL FUND	40,076,174	6,087,240	46,163,414	38,278,428.10	1,230,310.99	6,654,674.99	85.6%
5001 WATER ENTERPRISE FUND							
51601057 WATER WORKS EXPENSE	5,294,828	0	5,294,828	3,429,522.11	47,848.91	1,817,456.98	65.7%
51601073 WATER TREATMENT PLANT	1,250,396	0	1,250,396	803,814.25	159,414.56	287,167.19	77.0%
51601570 WATER REVENUE OFFICE	62,086	0	62,086	48,805.87	42.50	13,237.63	78.7%
TOTAL WATER ENTERPRISE FUND	6,607,310	0	6,607,310	4,282,142.23	207,305.97	2,117,861.80	67.9%
5002 SEWER ENTERPRISE FUND							
52602057 SEWER WORKS EXPENSE	4,513,071	0	4,513,071	4,216,761.78	16,613.07	279,696.15	93.8%
52602074 SEWER TREATMENT PLANT	3,855,328	0	3,855,328	1,179,350.28	346,165.49	2,329,812.23	39.6%
52602470 SEWER REVENUE OFFICE	61,230	0	61,230	48,648.76	42.50	12,538.74	79.5%
TOTAL SEWER ENTERPRISE FUND	8,429,629	0	8,429,629	5,444,760.82	362,821.06	2,622,047.12	68.9%
5003 ARENA ENTERPRISE FUND							
53603060 ARENA EXPENSE	402,865	0	402,865	316,687.44	17,417.39	68,760.17	82.9%
TOTAL ARENA ENTERPRISE FUND	402,865	0	402,865	316,687.44	17,417.39	68,760.17	82.9%
6000 COMMUNITY CENTER SP REV FUND							

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CITY OF ROCHESTER
 YEAR-TO-DATE BUDGET REPORT

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6000	COMMUNITY CENTER SP REV FUND	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
6070572	COMMUNITY CENTER EXPENSE	861,466	0	861,466	527,825.83	120,068.47	213,571.70	75.2%
	TOTAL COMMUNITY CENTER SP REV FUND	861,466	0	861,466	527,825.83	120,068.47	213,571.70	75.2%
	GRAND TOTAL	56,377,444	6,087,240	62,464,684	48,849,844.42	1,937,923.88	11,676,915.78	81.3%

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