

Finance Committee

Meeting Minutes

Meeting Information

Date: March 8, 2022

Time: 6:30 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,

Others present: Professor Patrick O. Connelly

Agenda & Minutes

1. Call to Order

Mayor Callaghan called the Finance Committee meeting to order at 6:30 PM. Deputy City Clerk Cassie Givara took a silent roll call. All Councilors were present.

2. Acceptance of Minutes: February 8, 2022

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

3. Public Input

There was no one present for public input.

4. Unfinished Business:

4.1.1 Community Outreach Facilitator Position

Finance Director Ambrose reminded the Committee that this position had originally been presented to the prior Council as the Community Health Coordinator position. At that time, Council had directed the City Manager to move forward with the development and job description of this position. The Personnel Advisory Board has since met and recommended a classification and pay grade for the position. She advised the Committee that this agenda item only requires a vote on the position's job description, classification and pay grade; the funding is a separate item on the agenda.

Councilor Lachapelle **MOVED** to recommend to full Council the acceptance of the Community Outreach Facilitator position job description, classification, and pay grade as detailed by Finance Director Ambrose. Councilor Larochelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

4.1.2 ARPA Projects-Department Presentation

Finance Director Ambrose reported that there were three ARPA proposals to be discussed; the first of which is the funding component of the previously discussed Community Outreach Facilitator position. The total request for this position is \$916,000, which would fund the salary for five years, benefits, administrative support, equipment, and a vehicle for the position. However, the City Welfare director had indicated administrative support might not be necessary for the position. In this case, the funding could be reduced to reflect this change, or the total amount could be allocated and the unused portion returned.

Councilor Lachapelle **MOVED** to recommend to full Council the approval of \$916,000 in ARPA funds for the Community Outreach Facilitator position. Councilor Hainey seconded the motion. Councilor Beaudoin spoke against the proposal and stated that he felt these funds should not be used to fund temporary positions, but rather for durable goods and items which would be of more benefit to the public. Councilor Gray asked if the position could be initially funded with ARPA funds, and then funded through the City budget for subsequent years. Finance Director Ambrose confirmed this would be an option. She also reported that this is a pilot program and the person hired would be responsible for reporting to Council the success of the position as well as gathering data to establish the benefit of continuing the position. Council would then assess and decide whether to continue funding the position through the budget once the ARPA funds have been expended. Councilor Gray suggested that the ARPA funds be used to fund the position from the present through June 30, 2022 at which point the Council could fund it through the budget. Councilor Larochelle spoke about the potential benefits of the position, but agreed that it would be better funded through the City budget. Councilor Hamann said that the prior Council had discussed funding the salary of the position through the City budget and using ARPA funds for the startup costs, vehicle, and equipment. Finance Director Ambrose stated that she would need to verify if this funding could be used for start-up and administrative costs as opposed to funding the position itself.

Councilor Hainey emphasized the importance of the position and explained the benefit it would offer to the police department and welfare. She urged the Committee to support the position and expressed concerns that, if delayed and the funding changed from ARPA, the funding could be lost in the shuffle of the budget process. Mayor Callaghan stated that the position itself had been recommended for approval; it was just the method of funding which still needed to be determined. He supported funding the position with ARPA funds, at least at the onset, to have time to evaluate and determine if the position is worthwhile, without expending City funds. Councilor Beaudoin inquired what the cost of start-up, including vehicle and equipment, would be. He suggested delaying a decision on the matter, if it is not urgent, in order to determine if these start up and administrative costs would be eligible uses of ARPA funds. Councilor Hainey

stated that this decision has already been pending for several months and urged the importance of acting on the decision so a hire could be made and start working as soon as possible. Councilor Gray stated that City Staff would be able to gather these answers prior to the April regular meeting at which a vote could be taken on the matter and there would be no need to further delay at the Committee level.

Finance Director Ambrose clarified that the bulk of the funding request covered the cost of salaries for the Community Outreach Facilitator position and the administrative support staff over the course of five years. There is \$10,000 budgeted for a laptop, office equipment, furniture and clothing. \$2,500 for vehicle fuel, and \$45,000 for the vehicle itself. The remainder of the total allocation is all salary and benefits. Councilor Gray **MOVED to AMEND** the original motion to approve the use of ARPA funds for the current fiscal year and to then fund the position through the City budget moving forward. Councilor Beaudoin seconded the motion. Councilor Gray clarified that the intent of his motion is to fund the start-up costs including equipment, salaries and benefits, through June 30th of the current fiscal year with ARPA funds. After June 30, he stated that the City Council would determine how to fund the position in the budget process, whether it be with continued ARPA funds or through the City budget. He expounded on the reasons the position should be approved as part of the annual budget process. Councilor Hainey expressed reluctance to approve the decision of having the position in the City budget prior to actually seeing the proposed budget and not having a full picture of the City's needs. There was continued discussions on the benefits and drawbacks of funding the position through the City budget versus using ARPA funds. Councilor Lachapelle stated that once a position is created and included in the City budget, it is difficult to eliminate that position. Using ARPA funds would have less of an impact in this regard. Finance Director Ambrose suggested that the recommendation could be to allocate \$57,500 of ARPA funds for the vehicle, administrative costs, and other associated start up fees. If it is thereafter determined that this is not a permissible use of the ARPA funds, the decision could come back to the Finance Committee before going to full Council for a vote. Councilor Gray recommended increasing the allocation to include funding for personnel through the end of the current fiscal year. Councilor Gray **MOVED to AMEND** his amendment to the motion to approve \$100,000 in ARPA funds for personnel and startup costs for the Community Outreach Facilitator position through June 30, 2022. Councilor Beaudoin seconded the motion.

Councilor Larochelle suggested funding the position for a full year in order to properly evaluate how the position is working. Deputy Finance Director Sullivan cautioned against funding the position through the current budget cycle. He said the proposed budget is nearing completion, and this position is not part of it. If it is recommended as part of the budget, the position could be presented as an "Issues and Options" proposal (not included by the City Manager in the budget) or included by the City Manager, but funded through ARPA. Mr. Sullivan recommended Councilor Larochelle's approach to fund the position with ARPA funds for the first fiscal year, and then gradually reducing the percentage of ARPA funds used over the subsequent fiscal years until it is fully funded through the City budget if desired. If Council wanted to fund the entire position through the O&M in the upcoming budget, they would need to determine how to do so and stay within the tax cap. Councilor Larochelle **MOVED to AMEND** the amendment as detailed by Deputy Finance Director Sullivan; to fund the first year of the position using ARPA funds and to then gradually decrease the percentage of ARPA funds used in subsequent years. Councilor Beaudoin

seconded the motion.

The Committee discussed the potential of withdrawing all prior motions and amendments in order to make a final, clear motion and to clarify the intent and the voting process. Councilor Larochelle declined to withdraw his amendment to the amended motion, and he requested a vote on each motion. The following motions were voted on:

Councilor Larochelle **MOVED** to **AMEND** the amendment as detailed by Deputy Finance Director Sullivan; to fund the first year of the position using ARPA funds and to then gradually decrease the percentage of ARPA funds used in subsequent years with the remainder being funded through the City budget. Councilor Beaudoin seconded the motion. The **MOTION CARRIED** by a majority hand count vote with 4 yes votes and 3 no votes.

Councilor Gray **MOVED** to **AMEND** the original motion to approve \$100,000 in ARPA funds for personnel and startup costs for the Community Outreach Facilitator position through June 30, 2022. Councilor Beaudoin seconded the motion. The motion was voted on as **AMENDED** by Councilor Larochelle as noted above. The **MOTION CARRIED** by a majority hand count vote with 4 yes votes and 3 no votes.

Councilor Lachapelle **MOVED** to recommend to full Council the approval of \$916,000 in ARPA funds for the Community Outreach Facilitator position. Councilor Beaudoin seconded the motion, which was then amended by Councilor Gray and Councilor Larochelle as noted above. Mayor Callaghan called for a final vote on the motion as amended: to fund the Community Outreach Coordinator position with ARPA funds being used for the first fiscal year starting July 1, 2022 and to decrease the percentage of ARPA funds used each subsequent year there forward. The **MOTION CARRIED** by a majority hand count vote with 5 yes votes and 2 no votes.

Finance Director Ambrose directed the Committee to the “Employee Premium Pay” ARPA proposal. She reported that this was a proposed one-time stipend for employees who had continued to come into work during the pandemic, putting their physical wellbeing at risk. These employees do not work for departments in which they were already eligible for first responder stipends through the CARES act. Finance Director Ambrose stated that there had been staff turnover since the original proposal was made, so it could be reduced from \$92,000 to \$85,044 to reflect the current employees who are eligible. Councilor Lachapelle **MOVED** to recommend to full Council the approval of the Employee Premium Pay ARPA proposal in the amount of \$85,044. Councilor Hainey seconded the motion. Director Ambrose gave further details on the staff members who would be eligible for this position. Councilor Beaudoin spoke against the proposal and stated that those in the private sector who worked throughout the pandemic did not receive bonuses. Councilor Hainey spoke in support of the proposal and praised those employees who continued to work, at a personal risk to themselves. The **MOTION CARRIED** by a majority voice vote.

Finance Director Ambrose spoke about the Employer Assisted Child Care Cooperative proposal request for \$1.4 million. This would cover the feasibility study of approximately \$75,000

to evaluate details of a location, and determine what improvements need to be made prior to opening. The remainder would cover the start-up costs, establishing a childcare program, and establishing the structure and management of the organization. Councilor Hailey inquired if the proposed program will be run by the City. Finance Director Ambrose responded that this would be part of the assessment in the feasibility study; whether the program would be entirely in-house, or if it would be done with support of partners in the community. Councilor Lachapelle **MOVED** to recommend to full Council the \$1.4 million ARPA proposal for "Employer Assisted Childcare Cooperative." Councilor Hailey seconded the motion. It was clarified that this money would also fund the consultant to conduct the feasibility study, which has not yet been commenced. Councilor Beaudoin reiterated that he did not feel ARPA funds should be used for proposals such as this, but rather for durable goods, infrastructure, and the like. Mayor Callaghan emphasized the great importance of childcare and equated it to the importance of infrastructure; with parents needing reliable, quality childcare in order to continue working and contributing. Councilor Gray stated that there were many existing childcare organizations in the area and said that, although this type of program would be of great benefit to employees, it should be considered how the City starting a childcare facility might adversely affect existing childcare businesses in the City. Finance Director Ambrose said in the research that had already been conducted, they discovered there was higher demand than there was availability for childcare in the City. She stated that existing businesses expressed excitement at the proposal and she reiterated that this could be a supportive and collaborative approach with existing businesses. Council Gray suggested reaching out to more childcare businesses, especially smaller centers, and determining how they might be affected. The **MOTION CARRIED** by a majority hand count vote with 4 yes votes and 3 no votes.

4.1.3 Utilization of General Fund Unassigned Fund Balance-Capital Reserves

Finance Director Ambrose reported that this item was a carryover from the last Finance Committee meeting, at which the Committee had delayed a vote in order to obtain additional information from Charter Trust. Director Ambrose indicated that the documentation supplied by Charter Trust showed that the earnings would outweigh the management fees if new capital reserve funds were established. Councilor Lachapelle **MOVED** to recommend to full Council the establishment of three new Capital Reserve Funds with an amount of \$500,000 allocated to each. Councilor Beaudoin agreed that based on the information provided, this was a good investment. The **MOTION CARRIED** by a unanimous voice vote.

Councilor Beaudoin asked what the process would be if the original intent of the allocation of these Capital Reserve Funds was changed midway through the schedule and the money was requested to be used for another project. He said that his understanding was that there would need to be a 3/4 vote of Council and a public hearing to change the intent of the money. Finance Director Ambrose confirmed that appears to be the case based on the statute; Council would need to authorize a change of use for the funds because the purpose of the funds is detailed when establishing the funds. She stated she would verify if a public hearing was required and would have this information prior to the full Council vote on April 5, 2022.

5. New Business-

5.1.1 Rochester History Project

Professor Patrick Connelly gave the Committee a brief overview of his mission. Professor Connelly reported that through his 40-years of research he had compiled and written an extensive history of Rochester, reaching from the original native inhabitants through the settlement, chartering, and entry into the 19th Century. He stated that, along with the first volume he had completed in 2016, the second volume he has compiled includes a complete town history with novel information not available from any other source and never before seen. Professor Connelly stated he would like the City to support the completion of his project and consider giving financial assistance toward the publishing, as well as space to store the hundreds of books and historic documents used to complete these works. He spoke of the historical benefits which would be experienced having the volumes available; with universities adding the history to their curriculums, high schools using the research, and Rochester becoming a destination for those seeking to learn more about the early history of New England settlements. Professor Connelly stated that he had spoken with the Director of the library and that there was interest in working with the Library Trustees to secure funding for storage space for the volumes of books and documentation he has compiled.

Councilor Hamann asked what degree of funding the professor was seeking. Professor Connelly stated that the single volume of Rochester history which had been published cost the City \$40,000. He requested a similar grant. He spoke of the City's records that he had, at his own cost, preserved and transcribed into an electronic format, for viewing and research without further degradation. He also spoke of the benefit it would be to the City having this information accessible. Councilor Hamann spoke in support of financially supporting the Professor's endeavors, especially with Rochester approaching its tricentennial year. Councilor Beaudoin spoke in support of the preservation of Rochester's history. Councilor Hamann **MOVED** to recommend to full Council an allocation of \$50,000 towards the professor's publication and related projects. Councilor Beaudoin seconded the motion. The **MOTION CARRIED** by a unanimous voice vote. Finance Director Ambrose asked if there would be a recommendation on a funding source. Councilor Hamann suggested the funding could come from Unassigned Fund Balance. Professor Connelly asked for authorization to approach the library director on moving forward with the potential of working with the Library Trustees and securing space for the historic town records. Mayor Callaghan indicated that Professor Connelly could work directly with City Manager Cox on this matter.

5.1.2 Walmart N95 Facemasks Donation

Director Ambrose stated that Walmart was interested in donating two pallets of N95 masks to the City of Rochester at a total value of \$14,500. Councilor Lachapelle **MOVED** to recommend to full Council the acceptance of the donation. Councilor Beaudoin seconded the motion. Councilor Beaudoin asked if there was going to be adequate storage for the masks and personnel to transport the pallets. It was confirmed that the logistics had been taken care of. The **MOTION CARRIED** by a unanimous voice vote.

5.1.3 Finance Committee Revised Start Time

Mayor Callaghan clarified that the request is to move the start time of the Finance Committee meeting from 6:30 PM to 6:00 PM. Councilor Lachapelle **MOVED** to revise the Finance Committee meeting start time to 6:00 PM. Councilor Hainey seconded the motion. The **MOTION**

CARRIED by a majority voice vote.

Reports from Finance & Administration

5.2.1 Unassigned Fund Balance Activity Report

Mr. Sullivan explained to the Committee how to navigate the new report, which will demonstrate where the General Fund Unassigned Fund Balance is in relation to statutory threshold. There was a brief discussion on the information contained within the spreadsheet and how to interpret the data.

5.2.2 Monthly Financial Report Summary-February 28, 2022

Mr. Sullivan gave a brief overview of the financial report. He stated that expenses are trending slightly above budget, but there was nothing of great concern on the general fund side. Both the Community Center and Arena funds had rebounded slightly with revenue collected. Overall, revenue are healthy.

Mayor Callaghan inquired about the Arena special revenue fund and stated that it appeared that ARPA funds were used to stabilize this fund. He inquired about the outlook on this fund going forward . Mr. Sullivan replied that it all depended on how the Arena performs; if they return to normal operations, then their revenues should outweigh their expenses. However, if the arena suffers another bad year, it would compound the amount that is owed to the General Fund. Finance Director Ambrose reported that the arena had also needed significant repairs that were unanticipated. These repairs delayed ice time, which also contributed to lost revenues. .

6. Other

No Discussion.

7. Adjournment

Mayor Callaghan **ADJOURNED** the Finance Committee meeting at 7:36 PM.

Respectfully Submitted,

Cassie Givara
Deputy City Clerk