

**City Council Public Hearing
September 19, 2023
Council Chambers
6:00 PM**

COUNCILORS PRESENT

Councilor Beaudoin
Councilor Berlin
Councilor de Geofroy
Councilor Desrochers
Councilor Fontneau
Councilor Gilman
Councilor Gray
Councilor Hamann
Councilor Malone (remote)
Councilor Larochelle
Deputy Mayor Lachapelle
Mayor Callaghan

COUNCILORS EXCUSED

Councilor Hailey

OTHERS PRESENT

Katie Ambrose, City Manager
Ray Barnett, resident
Tom Kaczynski, resident
Susan Rice, resident
Mark Sullivan, Deputy Finance Director
Peter Nourse, Director of City Services

Minutes

1. Call to Order

Mayor Callaghan called the City Council Public Hearing to order at 6:00 PM. He announced that Councilor Malone was attending the meeting remotely. Per RSA 91-A, he asked Councilor Malone if it was reasonably impractical for her to attend the meeting in person and asked her to state for the record the reason she could not attend. Councilor Malone stated that it was impractical for her to attend in person due to medical reasons. She stated she was alone in the location from which she was connecting.

Councilor Beaudoin lead the City Council in the Pledge of Allegiance.

2. Roll Call

Deputy City Clerk Cassie Givara took the roll call attendance. The following Councilors were present in Council Chambers: Councilors Beaudoin, Berlin, de Geofroy, Desrochers, Fontneau, Gilman, Gray, Hamann, Larochelle, Lachapelle, and Mayor Callaghan. Councilor Hailey

was excused. Councilor Malone was connecting remotely, as detailed above.

Mayor Callaghan invited members of the public to come forward and speak regarding the two items listed on the agenda.

3. Resolution for Supplemental Appropriation to FY24 General Fund CIP of \$546,000 for Community Center Solar Array Project and Acceptance of Anticipated \$164,000 Investment Tax Credit-Direct Payment

Resolution for Supplemental Appropriation to FY24 General Fund CIP of \$546,000 for Community Center Solar Array Project & Acceptance of Anticipated \$164,000 Investment Tax Credit-Direct Payment.

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

That the Mayor and City Council of the City of Rochester hereby appropriate Five Hundred Forty Six Thousand Dollars (\$546,000.00) to the FY2024 General Fund CIP-Public Buildings for the purpose of paying costs associated with construction of a Solar Array for the Community Center. The entirety of this supplemental appropriation shall be derived from General Fund Unassigned Fund Balance.

Further, the IRS has made changes to laws related to solar Investment Tax Credits (ITC) that offers a direct payment to municipalities of Thirty Percent (30%) of the construction costs in lieu of a tax credit. This direct payment opportunity is anticipated to be One Hundred Sixty Four Thousand Dollars (\$164,000.00).

Further, that the Mayor & City Council agree to accept the anticipated One Hundred Sixty Four Thousand Dollars (\$164,000.00) as a General Fund Miscellaneous Revenue when received.

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

Ray Barnett, resident, inquired why this project was not included in the FY24 CIP budget and spoke about the City's use of unassigned fund balance.

Tom Kaczynski, resident, spoke against the concept of net metering and how it affects the ratepayers. He also questioned the future disposal of solar panels.

Mark Sullivan, Deputy Finance Director, clarified that the power generated from the Community Center solar array would not be net metered; rather it would generate $\frac{1}{4}$ of the electrical load for the community center. The city purchasing the solar array allows Rochester to qualify for the 30% tax credit/cash payment, which is equivalent to an approximately \$164,000 return on the investment. He stated that this project was not included in the CIP budget because it was not ready for approval at that time.

Councilor Beaudoin asked when the City would break even on this project and how much would be saved in energy costs moving forward. Deputy Director Sullivan explained that the cost savings were dependent on the costs for the alternative; the City would not be paying the supplier charge or distribution charge, and the higher the rate, the faster the payback. He estimated the payback would be approximately 10 years. During that time, this will reduce the cash from the Community Center special revenue fund, which will be beneficial to this struggling fund.

Peter Nourse, Director of City Services, explained that the Community Center uses approximately 865 kw/year. This system will produce about 211 kw/year. Because there is no surplus to be returned to the grid, the entirety produced will go into the building.

Councilor Fontneau asked for clarification on why this project was not included in the CIP budget. Director Nourse explained that the City had been in discussions with their solar integrator for approximately one year. Originally, the proposal had been to cover the entirety of the Community Center roof with solar panels with the intention to power the whole building. However, after a structural analysis, it was found that only a small portion of the roof could support the load of such an array. Director Nourse also referenced an approved CIP project for the Community Center roof repair, which had just been completed. Councilor Fontneau asked if there were time constraints associated with the tax credit which is why the project was not delayed until the next budget cycle. Deputy Director Sullivan stated that there is a provisions wherein if the City's contractor obtains the equipment prior to the end of the year, it will ensure the tax credit would be available.

4. Amendment to Chapter 275 of the General Ordinances of the City of Rochester Regarding Charitable Gaming and

Commercial Bingo Halls

Amendment to Chapter 275 of the General Ordinances of the City of Rochester Regarding Charitable Gaming and Commercial Bingo Halls

THE CITY OF ROCHESTER ORDAINS:

That Chapter 275 of the General Ordinances of the City of Rochester and currently before the Rochester City Council, be amended as follows (deletions ~~struck out~~ additions in **RED**):

Chapter 275, Table 18, Use Table

ADD: Commercial Bingo Hall – Permitted in Highway Commercial and Granite Ridge Zones

275-2.1 - Definitions

ADD: Collocation: Facilities, equipment, or uses located within the same structure or parcel, often sharing the same driveway and parking facilities.

Commercial Bingo Hall: Any hall owned or leased by an individual, corporation, realty trust, partnership, association, or any other person who rents or leases the hall to a charitable organization for the operation of bingo games or Lucky 7, excluding halls owned by any charitable organization or governmental subdivision as defined by RSA 287-E:1.

275-20.2 Conditions for Particular Use

ADD: Commercial Bingo Hall. Commercial Bingo Halls are permitted only when collocated with Charitable Gaming Facilities or by Special Exception.

- 1. Facilities and buildings are subject to Parking, Landscaping, and Architectural standards set by Charitable Gaming Facilities as per Zoning Ordinance Regulations 275-20.2**
- 2. The facility is required to submit a safety and security plan subject to approval by the Rochester Fire and Police Departments. The plan shall outline all aspects of life safety to include emergency egress, access, site security, and occupancy limitations.**

Amendments take effect upon passage.

Mayor Callaghan explained that the ordinance regarding charitable gaming had already been adopted; however, it did not include verbiage regarding bingo halls, which are covered under a separate RSA.

Susan Rice, resident, asked if Bingo is currently allowed or if the adoption of the amendment would make it an allowable use. She questioned the approval of a bingo hall which had opened in Rochester if there was not already an ordinance outlining this type of use.

Terence O'Rourke, City Attorney, explained that when the ordinance was originally adopted, it include charitable gaming but not charitable bingo, which was covered under a separate state law. The City is looking to update the current ordinance to include bingo so everything is covered under the same ordinance. In situations such as the referenced bingo hall, where the project is not defined by the ordinances, the zoning administrator can find an existing definition that meets the use being proposed. In this circumstance, the zoning administrator applied the zoning ordinance for charitable gaming facilities to the bingo hall approval. Councilor de Geofroy asked for clarification that the current bingo hall is bound to the charitable gaming ordinance guidelines. Attorney O'Rourke agreed and stated that the applicant had not taken issue with the zoning administrator defining the bingo hall as a charitable gaming facility and with operating under those guidelines.

Councilor de Geofroy referenced some of the Planning Department requirements for charitable gaming facilities which had been discussed prior to adoption; such as encouraging public art and the requirement for a certain number of EV charging stations. He asked if the bingo hall was adhering to these requirements. Attorney O'Rourke stated that the bingo facility would eventually be part of a larger charitable gaming facility as they have the same owners. The facility as a whole would follow these requirements.

5. Adjournment

Mayor Callaghan **ADJOURNED** the City Council Public Hearing at 6:17 PM.

Respectfully Submitted,

Cassie Givara,
Deputy City Clerk