

**City Council Workshop
April 18, 2023
Council Chambers
7:23 PM**

COUNCILORS PRESENT

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

OTHERS PRESENT

Blaine Cox, City Manager
Katie Ambrose, Deputy City Manager
Susan Rice, resident
Carol Petruszewicz, resident
Glenn Bailey, State Representative
human, resident
Claudine Burnham, State Representative
Kelly Potenza, State Representative
Tom Kaczynski, resident
Tim Jones, Frisbie CEO
Jen Czysz, Director SRPC
Palana Belken, Arts & Culture Chair
Matt Wyatt, Public Information Manager
Mike Scala, Director of Economic Dev.

Minutes

1. Call to Order

Mayor Callaghan called the City Council Workshop to order at 7:23 PM. Deputy City Clerk Cassie Givara took a silent roll call attendance. All Councilors were present.

2. Communications from the Deputy Mayor

Deputy Mayor Lachapelle read a memorandum (*addendum A*) regarding the Code of Ethics complaint filed against Mayor Callaghan by Susan Rice, resident. He stated that the investigation conducted had found the allegations to be without merit and it was found that the Mayor did not violate the Code of Ethics.

Deputy Mayor Lachapelle made further statements regarding the conduct of particular City Councilors and what he felt was retaliatory behavior stemming from the removal of a former City Councilor in May 2022.

Councilor Beaudoin called for a point of order. Mayor Callaghan requested that the Councilor let Deputy Mayor Lachapelle continue his statements. Councilor Beaudoin stated that the point of order takes precedence. He requested that the Mayor stop the continuation of the Deputy

Mayor's statements as he was impugning a member of the public as well as several Councilors. Councilor Berlin seconded the point of order. Mayor Callaghan asked Deputy Mayor Lachapelle to continue with his statements. Deputy Mayor Lachapelle continued with his statements, emphasizing the need for Councilors to carry out the job they were elected to do by their constituents and to work together. Moving forward from past events which had caused a rift in the Council.

Councilor Beaudoin read an excerpt of the Code of Ethics and asserted that Deputy Mayor Lachapelle had violated this code during his statements. Councilor Beaudoin said that these statements were out of line and felt that several Councilors were being singled out for differing opinions.

Councilor Berlin called for a point of personal privilege. He stated that although Deputy Mayor Lachapelle did not mention the three Councilors by name in his statement, it was clear whom he was referring to based on the past vote to remove Councilor Rice from office. Councilor Berlin concurred with Councilor Beaudoin that the Deputy Mayor's statements had violated the Code of Ethics and asked for an apology.

Councilor Hainey took issue with the public forum for these statements and stated that, based on the Code of Ethics, the first step if there was conflict or inappropriate actions should have been a private conversation between the parties; and no such conversation had taken place. Deputy Mayor Lachapelle said that he would be willing to have this conversation with the Councilors in question.

Councilor Gray requested that the Mayor call for a short recess to allow everyone in the room time to cool down. Mayor Callaghan called for a voice vote on taking a recess. The **MOTION CARRIED** by a unanimous voice vote.

The Council took a recess at 7:39 PM.

***Councilor Berlin left the meeting at approximately 7:42 PM during this recess.*

Mayor Callaghan reconvened the City Council Workshop at 7:50 PM.

3. Public Input

Susan Rice, resident, declined to respond to the statements made by Deputy Mayor Lachapelle and stated that she may respond in the future. Ms. Rice questioned past minutes that had not been posted on the website, as well as the verbiage used in the 3/21 workshop minutes describing her statements at public input.

Carol Petruszewicz, resident spoke about the benefit for having meetings televised and available online for those unable to attend meetings in person. She also spoke about the Civics 101 courses offered by the City, and how helpful they were for navigating City business.

Glenn Bailey, Ward 5 State Representative from Milton, introduced himself.

human, resident, addressed Council regarding RSA 91-A and the policy followed for remote participation. human also spoke about right-to-know requests filed by himself and others and questioned reasons for their denial.

Claudine Burnham, Ward 5 State Representative from Milton, introduced herself.

Kelley Potenza, resident and District 19 State Representative, introduced herself and spoke about RSA 91-A/right-to-know requests.

Tom Kaczynski, resident, questioned the process being followed for Public Hearings. Mr. Kaczynski also spoke about right-to-know request denials, and supplemental appropriations being requested outside the budget.

City Manager Cox reported that the City had received three public input email submissions as follows:

- Frederick Leonard "Check register on-line examples"
- Frederick Leonard "City Attorney Stonewalling"
- Frederick Leonard "Ethics policies"

Mayor Callaghan said, if there were no objections, he would like to revise the agenda to move "6. Frisbie Hospital Update" and "7. Housing Needs Assessment" before the City Manager and Mayor's communications. There were no objections noted.

4. Frisbie Hospital Update – Tim Jones

Tim Jones, Frisbie CEO, gave Council an update after completion of his first 18-months on the job.

Mr. Jones stated that following the discontinuation of Obstetrics services as Frisbie, there was a settlement reached between HCA and the Foundation. This settlement funding will be used by the Foundation to provide health initiatives within the Community.

Mr. Jones spoke about the recent opening of Frisbie's inpatient rehab unit and gave further details on what kind of cases this unit will handle and how the unit is staffed and structured.

Mr. Jones updated Council on the significant flooding that had occurred in the operating suite following a burst pipe this past February. There is now a disaster recovery company on site rebuilding the operating rooms, and the finished project will be State of the Art and will be finished by late May.

Mr. Jones updated the Council on the behavioral health program they offer following inpatient admissions. This is a two week program offered that including group sessions, individual sessions, and general life counseling for the patients' life after their admission. He stated that the hospital is looking to offer an intensive outpatient program, which would be then next step in this behavioral health treatment program. He clarified that Frisbie is still an acute care hospital and is available for emergency services; the additional programming is based on community needs. The hospital is currently recruiting for primary care providers to try to build back up after the large amount of providers lost in spring 2020. He gave further details on how the hospital was looking to hire and rebuild this portion of their practice.

Mr. Jones reported that Frisbie had partnered with Clear Choice Urgent Care, which had recently opened in the community and gave an overview of how these two services collaborate. He stated that HCA intends to stay within the community and, in fact, had invested \$42.5 million into the capital infrastructure of the hospital in just under three years.

5. Housing Needs Assessment - Strafford Regional Planning Commission

Jen Czysz, Executive Director of Strafford Regional Planning Commission, explained that a regional housing needs assessment is a statutory requirement of the regional planning commissions. This assessment is intended to assist the municipality with the housing needs portion of the City's Master Plan, as well as compliance with workforce housing statutes. She explained that SRPC had worked in conjunction with the eight other planning commissions throughout the State and used funding through the Governor's Council on Housing Stability to complete these assessments.

Ms. Czysz gave an overview of population statistics in the region and associated housing trends. She spoke about the increasing median costs for both house purchases and rental units as compared to the median income for owners and renters. She spoke about other items that affect the housing market, such as employment trends as well as employees commenting into the community as opposed to relocating.

Ms. Czysz spoke about the very low rental vacancy rates in the area as well as the housing stock, with available properties on the market for record low lengths of time before sale.

Councilor de Geofroy referenced news stories regarding large national companies coming into communities, buying rental properties, and greatly increasing the costs. He asked if Rochester has experienced any of this activity. Ms. Czysz stated she has not heard of any such activity in the region.

Mayor Callaghan referenced a statement made that Rochester needed an additional 2,000 units by 2040. He asked if that included what was currently on the market. Ms. Czysz stated that this figure does include what is currently on the market but does not include approved developments that have not been started and/or completed.

6. Communications from the City Manager

6.1 City Manager's Proposed Budget for Fiscal Year 2024

City Manager Cox presented the proposed Operating budget and Capital Improvements budget for Fiscal Year 2024. He announced that the Council would once again hold a one-day budget retreat on May 5. He outlined the agenda for this retreat in which Council will review the tax cap numbers, budget summaries, Issues and Options proposals, and debt service before they have an opportunity for deliberations and budget adjustments.

City Manager Cox explained that there had been 24 proposed Issues and Options, sixteen of which he included in his budget totaling \$563,304. The eight projects excluded totaled \$1,087,644.

City Manager Cox gave an overview of how the tax cap is calculated and the allowed 12% increase for the upcoming fiscal year. He stated that between the City, County, and School, the proposed budget came in \$3,414,376 below the tax cap. He summarized the estimated tax rate and the change over the prior year.

City Manager Cox explained that he had asked department heads to maintain a 2% or less increase within their operating budgets. The purpose of the Issues and Options requests are for projects or items that may exceed this 2%, or for all new, expanded, or reclassified positions. He summarized the six Issues and Options requests that he had included as "required" items.

Mayor Callaghan clarified that the budget retreat would be held in

Council Chambers on May 5, 2023.

7. Communications from the Mayor

Mayor Callaghan spoke about the “Sound the Alarm” event held by the Rochester Fire Department and the Red Cross the prior Saturday. The goal was to help the community recognize the importance of smoke detectors and carbon monoxide detectors. During this event the department, the 60 volunteers were able to distribute 179 alarms at no cost to residents. The efforts were focused in mobile home parks and the more densely populated areas near where schools are located.

7.2 Golden Gavel presentation

Palana Belken, Chair of the Arts and Culture Commission, presented Matt Wyatt with the Golden Gavel award in honor of his 9 years chairing the commission.

8. Request for Proposals Regarding 45 Old Dover Road

Mike Scala, Director of Economic Development, explained that he had developed an RFP (Request for Proposal) for the property of the former DPW facility and surrounding properties; 43, 45, and 51 Old Dover Road. Based on past discussions, he had targeted the RFP towards workforce housing. He explained that this would go through the normal channels of the City’s bid process as well as distribution to some potentially interested parties. Director Scala explained that bidders would likely have about 4-6 weeks to develop a proposal and submit to the City. There would then be a Council review to determine if the City wants to go with any of the submissions or to keep looking. Mr. Scala asked for input on the RFP and if any changes were needed.

Councilor Beaudoin asked if this project would be advertised for public bidding or if the City would be soliciting bids from select groups. Director Scala indicated that both of these are true; they would advertise publicly as well as distributing the RFP to particular groups who may be interested.

City Manager Cox directed the Council to page 56 of the packet, and the portion that outlines how proposals will be handled procedurally. He asked if the Council was agreeable to this process outlined, and if not, to offer alternative suggestions.

Councilor Gray asked to give an update on the District Court building. He said this property completed the process at the State House and the funding is in the capital budget, which will start hearings in a couple weeks. Councilor Gray explained that the House had not discussed the land swap between the

property that the court currently occupies and the City-owned land. The court had proposed that the City would pay a reasonable price for the current court property, deducting a reasonable cost for the City-provided property. He indicated that he would first look into the history of court property to determine how much the State had paid originally, when they purchased this building from the Post Office; if the purchase price was \$1, Councilor Gray indicated he would be requesting a straight land swap. He gave further details on how the process would work.

9. Department Reports

Councilor Larochele noted the 4-overdose deaths year-to-date that were listed in the Police report. He inquired how the City could identify the risks as well as minimizing and prioritizing the risks. Gary Boudreau, Chief of Police, clarified that there were actually five overdose deaths year-to-date; however, this is one less than the same time period in the prior year. He spoke about continuing efforts out by the police department as well as the fire department and community outreach coordinator to determine trends and to find ways to help reduce these risks and connect the at-risk populations to the appropriate resources.

10. Non-public/non-meeting

Councilor Lachapelle **MOVED** to enter into a non-public session under RSA 91-A:3, II (a) for Personnel at 9:13 PM. Councilor de Geofroy seconded the motion. The **MOTION CARRIED** by an 11 – 0 roll call vote with Councilors Gray, Fontneau, Hamann, Hailey, Lachapelle, Larochele, Beaudoin, Malone, Gilman, de Geofroy, and Mayor Callaghan all voting in favor (Councilor Desrochers had been excused from the meeting at 9:05 PM).

10.1 Non-Public Session – Personnel, RSA 91-A:3, II (a)

Councilor Lachapelle **MOVED** to exit the non-public session at 10:15 PM. Councilor Beaudoin seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

Councilor Lachapelle **MOVED** to seal the minutes of the non-public session because it has been determined that divulgence of the information would likely render a proposed action ineffective. Councilor Hamann seconded the motion. The **MOTION CARRIED** by an 11 – 0 roll call vote with Councilors Hamann, Gilman, Malone, Fontneau, Larochele, Gray, de Geofroy, Hailey, Lachapelle, Beaudoin, and Mayor Callaghan all voting in favor.

11. Adjournment

Mayor Callaghan **ADJOURNED** the City Council Workshop meeting at 10:16 PM.

Respectfully Submitted,

Cassie Givara,
Deputy City Clerk



City of Rochester, New Hampshire

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Memorandum

To: City Council
From: Deputy Mayor Peter Lachapelle
Date: April 18, 2023
Re: Susan Rice Complaint Regarding Mayor Paul Callaghan

During Public Input on March 21, 2023, a citizen named Susan Rice (“Rice”) made a “formal” complaint against Mayor Paul Callaghan (“Callaghan”) regarding the Chamber of Commerce’s (“Chamber”) ceremonial ribbon cutting at Rice’s business, Bartlett’s, on March 17, 2023¹. Immediately following Rice’s complaint, Callaghan self-referred the allegations to me in my role as Deputy Mayor for review in accordance with Section C. (d) of the City’s Code of Ethics and Conduct (“Code”). After reviewing Rice’s complaint, I conclude that, even taken in a light most favorable to Rice and accepting her factual assertions as true, Callaghan did not violate the Code on March 17, 2023, and that no further investigation is warranted.

I did not, however, end my inquiry at reviewing the complaint weighed against the standards of the Code. I did seek to understand the facts of March 17, 2023. At my direction, interviews were conducted with unbiased, neutral witnesses as to the events of that day. The main thrust of Rice’s complaint was that Callaghan refused to leave Bartlett’s even after multiple warnings to leave and that he lingered for minutes on end. The witnesses interviewed as part of my investigation directly contradict these assertions. The contradictions are so thorough and so profound that I have concluded that Rice lied in both her verbal and written complaint against Callaghan. Pointedly, Rice did not tell the truth about the events of March 17, 2023, and her complaint lacks any credibility.

Moreover, I conclude that Rice, in general, lacks credibility. Very clearly, Rice conducts herself with an obvious and sustained bias against Callaghan. The source of that bias is also clear: Rice seeks revenge against Callaghan for the City Council’s justifiable decision to remove her son, Christopher Rice, from the board in May 2022. That bias provided the motivation for this entire series of events. Prior to the ribbon cutting at Bartlett’s, Rice was told by the leadership of the Chamber that it was incumbent upon her to notify Callaghan if he was unwelcome. Rice told the leadership of the Chamber twice that she understood. Rice did not tell Callaghan prior to March 17, 2023, that he was not welcome at Bartlett’s. I can only conclude that Rice orchestrated this entire interaction in an attempt to smear Callaghan.

¹ On April 3, 2023, Rice submitted the same allegations to the City Council in a letter filed with the City Clerk.

As part of the trial of former Councilor Rice, he was convicted of retaliation against Callaghan and City Councilor Ashley Desrochers when he stated that he would make their lives “a living hell for the next two years.” Since her son’s removal, Rice has become the cudgel used to carry out that threat. Sadly, Rice is now attempting to weaponize the newly created Code against former Councilor Rice’s victims, a Code adopted, in large part, in response to former Councilor Rice’s abhorrent behavior. The City Council should not allow itself to be used as a pawn in Rice’s seemingly endless game of retribution.