

**CITY OF ROCKVILLE
FINANCIAL ADVISORY BOARD
AGENDA**

DATE: January 16, 2018
Red Maple Conference Room, 2nd Floor City Hall
TIME: 7:00 p.m.

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| I. | Approval of Minutes | (7:00-7:05) |
| | • Attachment: Minutes from November 14, 2017 | |
| II. | FAB Member Reports | (7:05-7:15) |
| | • Circulator Study | |
| | • Performance Measures Update | |
| III. | Expanding Rockville's Electronic Engagement with Citizens | (7:15-7:45) |
| IV. | Water and Sewer Rate Update (Staff) | (7:45-8:00) |
| V. | Boards Comments on the FY 2017 CAFR | (8:00-8:30) |
| VI. | Action Plan Update | (8:30-8:45) |
| VII. | Future Agendas | (8:45-9:00) |

NEXT MEETING: March 20, 2018

**CITY OF ROCKVILLE
FINANCIAL ADVISORY BOARD**

DATE: November 14, 2017
Red Maple Conference Room, 2nd Floor City Hall
TIME: 7:00PM

**Board Meeting
MINUTES**

PRESENT: Board Members: Len Briskman, Jack Kelly (Chair), Kuan Lee, Corey Orlosky, Sylvia Pacher, Bob Wright
Staff Liaison: Stacey Webster, Deputy Director of Finance
Staff: Gavin Cohen, Chief Financial Officer; Craig Simoneau, Director of Public Works
Guests: Rob DiSpirito, City Manager

ABSENT: Board Members: Eric Strong
Mayor and Council Liaison: Beryl Feinberg

The meeting commenced at 7:03 p.m.

I. Approval of Minutes from September 26, 2017

Mr. Wright made a motion to approve the minutes from September 26, 2017. Mr. Briskman seconded the motion. All members voted in favor.

II. FAB Member Reports

Mr. Kelly reported that he had some minor issues with the format of the Procurement Report that was presented to the Mayor and Council, but he thought the report was much better compared to previous years.

III. Financial Management Policies Update

Mr. Orlosky believes that the cost recovery policies are good, but questions the implementation of the policies. Ms. Webster said that it might be better for the Board to wait and comment on staff's draft cost recovery policies. Mr. DiSpirito said that staff will provide something to the Board once a draft update is complete.

IV. Water and Sewer Rate Update

Mr. Wright explained that on November 7th the City's consultant, Stantec, meet with him and staff. He gave an overview of the consultant's history with the City. Mr. Wright said that the

consultant's report will be presented to the Mayor and Council on December 11th. Mr. Wright also noted that there will be numerous opportunities for people to comment on the proposed water and sewer rates during the FY 2019 budget process. Mr. Wright explained how the proposed rates rank versus other providers in the area. He noted that the water rates fell within the median and sewer rates were one of the highest in the region. Water rates will reach target reserve in 6 years (FY16-21) and sewer rates will reach target reserve on 8 years (FY16-23).

Mr. Briskman asked if the new Cost Allocation Plan had a significant impact on the rate update. Mr. Wright said yes.

Mr. Kelly said that he hopes the consultant will present information on who is bearing the burden of the rate increases. He also mentioned that it would be useful if the report discusses the pipe replacement schedule. Ms. Webster said that the pipe replacement analysis was outside the scope of the study.

Mr. Wright explained that future discussions need to take place on cash funded capital versus bond funded capital in the long-term. Ms. Webster explained that it is the consultant's position that eventually most pipe replacement/repair would be cash funded and most major facility improvements (like improvements to the Water Treatment Plant) would be bond funded.

Mr. Kelly asked when it would be best for the Board to comment. Ms. Webster said that the Board could send the Mayor and Council a memo at any time during the FY 2019 budget development process.

V. Circulator Study Update

Mr. Wright said that the Mayor wants to do a feasibility study. Mr. Wright said there are two steps: 1) identify need for service and routes, and 2) cost for the desired service. He asked the Board, do you hire one firm for the first task and one for the second, or one firm for both with a two-step contract.

Mr. DiSpirito and Mr. Wright said that the Mayor and Council might need to provide a better idea of what they are looking for with this project. This will help staff to develop a better RFP.

Mr. Briskman said that he was concerned with a two-step process because we may get a false positive during step one because the residents/community might not consider it from a cost perspective. Mr. DiSpirito said that you might be able to work the cost component into step one.

Mr. Simoneau explained that the consultant will predict ridership, which would be a good measurement of success. Mr. DiSpirito discussed his previous experience with a 'tourist' trolley service in Florida.

The discussion concluded with Mr. Wright asking Mr. DiSpirito if a 'worksession' with the Mayor and Council would be helpful before the RFP is developed or after the consultant begins their work. Mr. DiSpirito said a worksession before the RFP is developed would be more helpful.

He also said that a worksession could take place in the spring. Mr. Kelly confirmed that Mr. Wright had enough information/input to finalize his memo to the Mayor and Council.

VI. Performance Measures Update

Mr. Lee reiterated that the Board would like to look at various performance and outcome measures and compare the measures to other jurisdictions. Mr. Lee asked the Board what jurisdictions they would be interested in. Mr. Kelly said to start with Police and look at other jurisdictions with Police forces. Mr. DiSpirito mentioned organizations like ICMA could help determine best practices for benchmarks. Mr. Orlosky confirmed this comment by saying that he performed that function when he worked at ICMA. Mr. Wright said it might be best to compare to neighboring jurisdictions, like Gaithersburg.

Mr. DiSpirito mentioned that ICMA was hired to perform a staffing study of the Police function. Mr. DiSpirito offered to arrange a meeting between the ICMA team leader and Mr. Lee. Mr. Lee said that he would email Mr. DiSpirito as a follow up. Mr. Orlosky pointed out that all Police departments are required to report information to the FBI, so there is an existing way to measure/track statistical information.

VII. Action Plan Update

Mr. Kelly reported that the Action Plan was formally approved by the Mayor and Council on October 16, 2017, and asked Ms. Webster to post it to the FAB's website. Mr. Kelly asked about the status of the Caregiver Task Force. Ms. Webster said that the City was still in the process of forming the Task Force, and there has been some difficulty filling all the vacant spots. Ms. Webster said that she would follow up with Carlos Aparicio and report back to the group.

VIII. Future Agendas

Ms. Webster reported on the dates for upcoming Mayor and Council meetings that have finance-related agenda items. The Board established the next two meetings dates of January 16 and March 20, 2018.

The next meeting is scheduled for **January 16, 2018**, and will include the following:

- I. Approval of Minutes
- II. FAB Member Reports
- III. Water and Sewer Rate Update
- IV. Board Comments on FY 2017 CAFR
- V. Action Plan Update
- VI. Future Agendas

Action Items:

- Ms. Webster will send a link to the CAFR when it is posted to the City's website.
- Ms. Webster will set up a meeting for Mr. Kelly and Mr. Strong the week after Thanksgiving.

- Mr. Wright will finalize the Circulator Study memo for the Mayor and Council.
- Mr. Lee will email Mr. DiSpirito to arrange meeting with ICMA team leader to discuss performance measurement and the Rockville Police Department.
- Ms. Webster to post approved FAB Action Plan to the website.
- Ms. Webster will check with Mr. Aparicio on the status of the formation of the Caregiver Task Force.

Mr. Wright made a motion to adjourn. Mr. Briskman seconded the motion. All members voted in favor.

The meeting adjourned at 8:40 p.m.