

**CITY OF ROCKVILLE
FINANCIAL ADVISORY BOARD**

DATE: January 13, 2021
LOCATION: Video/Teleconference on ZOOM
TIME: 6:45 p.m.

**Board Meeting
MINUTES**

PRESENT: Board Members: Harold Hodges, Vicky Hsu, Jack Kelly, Kenneth MacRitchie,
Darryl Parrish, William Spagnuolo, Bob Wright (Board chair)
Mayor and Council Liaison: Councilmember Beryl Feinberg
Staff Liaison: Stacey Webster, Deputy Director of Finance

ABSENT: None

I. Call to Order

Mr. Wright called the meeting to order at 6:45 p.m. and welcomed the two new members to the Board, Mr. Kenneth MacRitchie and Mr. William Spagnuolo.

II. Approve Agenda

Mr. Wright asked the Board if there were any changes to the agenda. There were no changes to the meeting agenda.

III. Approve Minutes

Mr. Wright asked the Board if there were any changes to the minutes from December 9, 2020. There were no changes to the minutes. Mr. Kelly made a motion to approve the minutes and Mr. Parrish seconded the motion. All members voted in favor.

Mr. Wright asked the Board if there were any changes to the minutes from December 29, 2020. There were no changes to the minutes. Mr. Parrish made a motion to approve the minutes and Mr. Kelly seconded the motion. All members voted in favor.

IV. Reports

- Mayor and Council Liaison Report – Councilmember Feinberg welcomed the two new Board members on behalf of the Mayor and Council. Councilmember Feinberg reviewed this past Monday night’s Mayor and Council meeting related to a budget public hearing

and a short-term rental public hearing. At Monday's meeting the Mayor and Council also discussed credited interest on the Pension Plan. Councilmember Feinberg thanked the Board for their help with that topic.

The next Mayor and Council meeting is scheduled for January 25, 2021, at 7:00 p.m. This will be a worksession style meeting with the following subjects: social justice, racism, and bias follow-up, presentation and discussion of water and sewer rates and rate structures, and discussion on consultant needs for the I-270/I-495 managed lanes project.

On February 1, 2021, there is a presentation on Vision Zero and the Bikeway Master Plan and an Ordinance to delay water and sewer late fees and water cutoffs through the remainder of this calendar year. On February 22, 2021, the Mayor and Council will receive the presentation of the FY 2022 Proposed Operating Budget and Capital Improvements Program. The next FY 2022 budget worksession and FY 2022 budget public hearing is scheduled for March 1, 2021.

Councilmember Feinberg also reviewed the credited interest topic as discussed at the Mayor and Council meeting on Monday night. The elected body requested additional information on the city's neighboring jurisdictions to compare rates. Councilmember Feinberg also described the discussion regarding the consideration of using different rates and different time periods. The Mayor and Council agenda item ended with the elected body asking staff to come back with more information and some options and/or recommendations.

- Staff Liaison Report – Ms. Webster confirmed the budget dates that Councilmember Feinberg reported and directed the Board to the website for the additional dates.
- FAB Member Reports – Mr. Wright reported that the water and sewer rate and rate structure presentation will take place on January 25, 2021. Mr. Wright is pleased with the city's consultant and the work they have done on the rates and rate structures. Mr. Wright described the enterprise reserve funds and the previous three-year rate plan. Mr. Wright explained that the funds will not reach their reserve targets by FY 2021, and it may take a few more years due to the Mayor and Council not increasing the rates during the pandemic. Mr. Wright also highlighted the results of the consultant's study regarding the cost of service by property classification. Councilmember Feinberg mentioned that she and her colleagues are receiving emails from the community stating that they can not manage an increase in their utility bills at this time.

V. FAB Orientation Document

Mr. Wright and Ms. Hsu drafted an orientation document and sent the Board an "early release" version. It is Mr. Wright's hope that the new Board members review the document and make

suggestions on improvements. Mr. Wright hopes to finalize the document by June 2021. Mr. Spagnuolo thought the document links were helpful.

VI. Semi-Annual Report Review

Mr. Wright asked the Board members to provide semi-annual updates on their action items:

- Mr. Kelly – Mr. Kelly sent Mr. Wright updates to the language on the Procurement Guide. Mr. Kelly reported that the City Manager and Procurement Director can only meet in the spring or summer due to workload. Mr. Kelly hopes for a meeting as early as May 2021.
- Ms. Hsu – Ms. Hsu would like to make the Financial Management Policies more organized and easier to understand. Ms. Webster explained that the policies are a guide for the financial management of the city, and reminded the Board that any proposed changes put forward by the Board would have to be approved by the Mayor & Council. Mr. Wright, Ms. Hsu, and Mr. Parrish will have a call to discuss the topic in more detail.
- Mr. Wright – Mr. Wright will add two new sections to the Action Plan, one for the supplemental employee contributions and one for the credited interest to the Pension Plan.

VII. FY 2021 Action Plan and Budget Review – Assignment of Leads

Mr. Wright discussed the following assignments for the FY 2021 Action Plan:

- No. 1 – Parrish
- No. 2 – Hsu
- No. 3 – Parrish
- No. 4 – Parrish
- No. 5 – Parrish
- No. 6 – Hsu lead; All members will review budget
- No. 7 – Kelly
- No. 8 – Kelly, Spagnuolo
- No. 9 – Wright, Hodges
- No. 10 – Hodges
- No. 11 – closed

Mr. Wright will send out the document again and asked that the new Board members volunteer for items by the end of the month.

Mr. Wright discussed the following department assignments for the FY 2022 Budget review:

- HCD - MacRitchie

- M&C – Hodges
- Attorney – Hodges
- CMO – Hsu
- PDS – Hodges
- Finance – Parrish and Wright
- HR – MacRitchie
- IT – Hsu
- Police – Spagnuolo
- PW – Wright
- R&P – Kelly
- CIP – Parrish

VIII. Old Business

- Mr. Wright reviewed the completed follow-up items from the December 9, 2020, meeting. All items were completed.

IX. New Business

Mr. Wright asked for the Board's approval of his draft language for the water and sewer rate and rate structure Mayor and Council agenda item. He sent the Board the draft language earlier in the day. He proposes that the language go under the Boards and Commissions section of the agenda report. The Board discussed the study, the results, and the impacts to the different property classes. They decided not to comment on the report because some members wanted more information.

Councilmember Feinberg asked Ms. Webster to send out the PowerPoint from the one-on-one presentations from Stantec.

Mr. Hodges made a motion to include language for the Boards and Commissions section that states the Board needs more information before making a recommendation. Ms. Hsu seconded the motion. Four members voted in favor, one against, and one abstained. Mr. Hodges will send Ms. Webster an email with the language for the Boards and Commissions section.

X. Future Meeting Dates and Agendas

The next meeting will be held on February 24, 2021, at 6:45 p.m. via teleconference and will include the following:

- I. Call to Order
- II. Approve Agenda
- III. Approve Minutes

- IV. Reports
- V. Review of the FY 2022 Proposed Operating Budget and Capital Improvements Program
- VI. Old Business
- VII. New Business
- VIII. Future Agenda and Meeting Dates
- IX. Good of the Board
- X. Adjourn

The next meeting after that will be held on March 17, 2021, at 6:45 p.m.

XI. Good of the Board

XII. Adjourn

Mr. Kelly made a motion to adjourn. Mr. Hodges seconded the motion. All members voted in favor. The meeting adjourned at 8:40 p.m.

Summary of follow-up items:

- Mr. Spagnuolo and Mr. MacRitchie will review the orientation document and offer comment/edits to Mr. Wright.
- Mr. Wright will add two new sections to the FY 2021 Action Plan, one for the supplemental employee contributions and one for the credited interest to the Pension Plan.
- Mr. Wright will send out the FY 2021 Action Plan document for the new Board members to volunteer for items by the end of the month.
- Ms. Webster to send out the PowerPoint from the one-on-one presentations from Stantec.
- Mr. Wright and Mr. Hodges will send staff language for the Boards and Commissions section of the water and sewer rates and rate structure item for the January 25th Mayor and Council agenda packet.