

**CITY OF ROCKVILLE
FINANCIAL ADVISORY BOARD
AGENDA**

DATE: November 9, 2022

Location: Video/Teleconference on WEBEX

<https://rockvillemd.webex.com/rockvillemd/j.php?MTID=mbd9f7e2952ef63396cee0577e7a822>

[a8](#)

Meeting ID: 2630 472 0729

Passcode: PrNXXwZX334

1-408-418-9388

TIME: 6:30 p.m.

- I. Call to Order
- II. Approve Agenda
- III. Approve Minutes
 - Attachment: Minutes from October 20, 2022
- IV. Reports
 - Councilmember Feinberg
 - City staff
 - Board members
- V. Old Business
- VI. New Business
 - Draft Memo on Implementing the Raftelis Recommendations
 - FY 22 Procurement Annual Report
- VII. Future Agenda and Meeting Dates
- VIII. Good of the Board
- IX. Adjourn

**CITY OF ROCKVILLE
FINANCIAL ADVISORY BOARD**

DATE: October 20, 2022
LOCATION: Video/Teleconference on WEBEX
TIME: 6:45 p.m.

**Board Meeting
MINUTES**

PRESENT: Board Members: Jack Kelly, Kenneth MacRitchie, Bob Wright (Board Chair), William Spagnuolo
Mayor and Council Liaison: Councilmember Beryl Feinberg
Staff Liaison: Xiaojing Zhang, Director of Accounting
Staff: Robert DiSpirito, City Manager; Kimberly Francisco, Deputy Director of Finance; Jessica Lewis, Director of Procurement

ABSENT: Harold Hodges, Darryl Parrish

I. Call to Order

Mr. Wright called the meeting to order at 6:45 p.m.

II. Approve Agenda

Mr. Wright asked the Board if there were any changes to the agenda. Board members did not raise any changes.

III. Approve Minutes

Mr. Wright asked for a motion to approve the minutes from September 21, 2022. Mr. MacRitchie made a motion to accept the minutes. Mr. Kelly seconded the motion. All members voted in favor.

Mr. Wright asked for a motion to approve the minutes from September 27, 2022. Mr. MacRitchie made a motion to accept the minutes. Mr. Kelly seconded the motion. All members voted in favor.

IV. Reports

- Councilmember Feinberg informed the Board of the following: 1. On October 24th, there is a presentation from the Board of Supervisors and Election; there will be also a discussion with Rockville Housing Enterprises about affordable housing. 2. There is no meeting on October 31st, 2022. 3. On November 7th, Historic District Commission will discuss the State legislative priorities. 4. November 14th meeting will be the Part II discussion about Near-Term Plan, budget practices and financial policies. 5. The November 21st meeting is tentatively scheduled for presentation from Charter Review Commission report.
- Mr. Wright stated that he was grateful for Mayor and Council's approval of the FY22 Annual Report and FY23 Action Plan. Mr. DiSpirito appreciated Councilmember Feinberg's important highlights and reported that the MONEY magazine rated Rockville as the top place to live.
- Ms. Zhang reported that the December 12th Mayor and Council meeting will discuss the FY24 Budget Priority Survey and the presentations of FY22 Annual Comprehensive Financial Report and Popular Annual Financial Report.
- Mr. Wright asked if the Board would like to start future Board meetings at 6:30 p.m., instead of 6:45 p.m. The Board chose to start at 6:30 p.m. Mr. Wright thanked Ms. Francisco for sending the budget calendar to the Board. Ms. Francisco confirmed that the proposed budget book should be ready around mid-February – February 22nd. Ms. Francisco expects the memo from the Board's budget review on April 17th. Ms. Francisco reported that there will be new initiatives in the FY24 budget. Ms. Francisco added there will be a new depiction of long-term planned Capital Improvement Projects (CIP), which will extend beyond the 5-year time horizon for capital investments. The new rendering should allow the City to better prioritize its capital improvement projects strategically. Ms. Francisco added that equity, climate component, and social justice will be included for the Mayor and Council to respond to. Also new details will be included for operating and capital grants. The community surveys will incorporate demographic information to make sure that the City is hearing from all parts of the City.
- Mr. Wright reported that Board will not meet on April 12th and the Board will meet January 18th, February 22nd and March 29th. Ms. Lewis reported that the Procurement Annual Report is to be presented to the Mayor and Council; therefore, Mr. Wright suggested that the Board meet November 9th and have the comments on the Procurement Annual Report by November 16th.
- Mr. Wright reported that there are minor amendments to the FY23 Action Plan. These amendments include the cycle times for complex procurement sourcing and comments on Capital Improvement Program (CIP). Councilmember Pierzchala would like the Board to review 1. the pace of spending in CIP, and the known projects beyond the 5-year

horizon; and 2. the sources of funding acceleration with pros and cons. Mr. Kelly raised the question of maintenance cost and it works best with an analytical model. Councilmember Feinberg indicated that the analysis would involve the ratios for debt service capacity on the operating side. Ms. Francisco reported that the City is mindful of the capacity; while expanding services, the operating impacts for CIP are factored in. Ms. Francisco added that the City has a process to include the on-going maintenance cost to the CIP projects. The City looks for creative lens to finance CIP, some of which are in the pipeline for a long time. If the City cannot find the creative ways, some projects will be deferred. Mr. DiSpirito stated that the City evaluates the debt capacity with the Mayor and Council. The City does not want to have its resources tied to debt service. The City is always looking for a trade-off, assuming reasonable amount of debt while still covering unexpected expenses when they arise, such as the pandemic. Councilmember Feinberg emphasized the importance of balance. Mr. DiSpirito stated that the City has an on-going process of securing grants so that the City does not necessarily need to use debt service for funds.

- Mr. Wright suggested that the Board be proactive in performing the action items. Mr. Spagnuolo reported that he read the past two community surveys. Mr. DiSpirito stated that he will be happy to review the proposed draft survey from the Board. He also reported that the FY24 survey will be different from the prior year's – a fresh look. The City is open to collect the thoughts and urged the Board to share with the City once completed. Mr. Spagnuolo said that the 2018 survey is very thorough. He also mentioned that the community is more interested in CIP projects, performance measurement, different revenue generating activities, and budget based on the City's plan. Mr. Spagnuolo reported that the business owners would like to get involved. Mr. DiSpirito replied that Rockville Economic Development, Inc. (REDI) and the Chamber of Commerce are great resources for business owners and especially REDI does business surveys. Mr. DiSpirito reported that Mayor and Council provides funding to REDI, and small businesses are welcome to apply for the retention grant funds.
- Mr. Kelly reported that he wrote a memo to discuss the procurement performance measures. The two main points are how to track the savings for the city to achieve strategic sourcing, and the compliance with the procurement guide. Mr. DiSpirito stated that the Calyptus report is an independent consultant's report, and it does not equate to what the city staff will do. Mr. DiSpirito reported that the procurement guide is an internal document, not in the Board's action plan, and the procurement department is going through revisions of this document. Mr. Kelly raised the question of how the master agreements are handled and how the procurement performance measures are proposed. Mr. DiSpirito stated that Raftelis incorporated the feedback from all departments, except the City Attorney's office and if the Board would like to address performance measurement, the Board should review all city departments.

- Mr. Wright discussed with the Board on Action item #7 and #10. Mr. DiSpirito emphasized that the Board should have a broader scale for performance measurement. Mr. Wright inquired to whom the memo of comments on performance measurements should be sent. Mr. DiSpirito stated that it should be shared with the project manager of the performance measurements.
- There were no other Board member reports.

V. Old Business

- Board members had no old business to take up.

VI. New Business

- Mr. MacRitchie and Mr. Parrish will work on Councilmember Pierzchala's amendment to the action plan. Mr. Spagnuolo's work will concentrate on the community survey. Mr. Kelly, Mr. Wright and Mr. Spagnuolo will form working groups to review the city-wide performance measurements.
- Mr. Wright reminded the Board members of the vacant position on the Board and encouraged the recruitment efforts.

VII. Future Meeting Dates and Agendas

The next meeting will be held on **November 9, 2022**, at 6:30 p.m. A hybrid meeting is planned, in person at City Hall and via Webex teleconference. The agenda includes the following:

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The meetings after that will be held on January 18, February 22, March 29, 2023. All meetings begin at 6:30 p.m.

VIII. Good of the Board

Mr. Wright thanked Councilmember Feinberg, City Manager Mr. DiSpirito and all Board members for participating tonight.

IX. Adjourn

Mr. Kelly made a motion to adjourn the meeting. Mr. MacRitchie seconded. All members voted in favor. The meeting adjourned at 8:49 p.m.