

**CITY OF ROCKVILLE
FINANCIAL ADVISORY BOARD
AGENDA**

DATE: July 1, 2020

Location: Video/Teleconference on ZOOM

Open to public participation via an email request
sent to BobWright0130@gmail.com

TIME: 6:45 p.m.

- I. Call to Order
- II. Approve Agenda
- III. Approve Minutes
 - Attachment: Minutes from March 11, 2020
 - Attachment: Minutes from April 23, 2020
- IV. Reports
 - Beryl L. Feinberg, Mayor and Council Liaison
 - Stacey Webster, City Staff Liaison
 - FAB Member Reports – See Action Plan
- V. Old Business
 - Follow-up from Last Meeting
 - Other
- VI. Review draft FAB FY 2020 Annual Report
- VII. Develop draft FAB FY 2021 Action Plan
- VIII. Discuss Supplemental Employee Contributions
- IX. Elect FY 2021 Financial Advisory Board Chair
- X. New Business
- XI. Future Agendas and Meeting Dates
- XII. Good of the Board
- XIII. Adjourn

**CITY OF ROCKVILLE
FINANCIAL ADVISORY BOARD**

DATE: March 11, 2020

LOCATION: Oriole Conference Room, 2nd Floor City Hall

TIME: 6:30 p.m.

**Board Meeting
MINUTES**

PRESENT: Board Members: Harold Hodges (via phone), Jack Kelly, Darryl Parrish (via phone), Bob Wright (Board chair)
Mayor and Council Liaison, Beryl Feinberg
Staff Liaison: Stacey Webster, Deputy Director of Finance
Staff: Gavin Cohen, Chief Financial Officer/Director of Finance
Guests: Kenneth MacRitchie, Prospective Board Member

ABSENT: Board Members: Andrew Brammer, Kuan Lee, Corey Orlosky

I. Call to Order

Mr. Wright called the meeting to order at 6:28 p.m.

II. Approve Agenda

Mr. Wright asked the Board if there were any changes to the agenda. Mr. Hodges requested that the Board discuss protocols for future teleconference meetings (under 'New Business'). There were no other changes to the agenda.

III. Approve Minutes

Mr. Kelly made a motion to approve the minutes from January 7, 2020. Mr. Parrish seconded the motion. All members voted in favor.

IV. Reports

- Mayor and Council Liaison Report – Councilmember Feinberg reported that the dates and times of the next several Mayor and Council meetings may change. March 18 will begin at 7:00 and topics on the agenda include COVID-19 update and 5G small cell discussion. For March 23, the Mayor and Council are looking to begin at 6:00 or 6:30, and the agenda will include a budget public hearing, budget worksession, PROS Plan update, and discussion of the RedGate property.

- Staff Liaison Report – Ms. Webster reported that the Mayor and Council began to discuss the FY 2021 budget on March 2 and she encouraged the Board to watch the on-demand video.
- FAB Member Reports – Mr. Wright reported that the City’s water and sewer consultant was scheduled to meet with members of the Board and the Mayor and Council on March 18/19 to discuss the potential changes to the City’s water and sewer rate structure based on property classification (*note: all meetings were canceled as a result of the COVID-19 pandemic).

V. Old Business

Mr. Wright reviewed the action items from the January 7 meeting and confirmed all action items were completed.

VI. Review/Approval of Board Comments on Annual Procurement Report

Mr. Kelly started the item by noting that there is a fundamental problem with the spending data by fiscal year in the annual procurement report. Mr. Kelly is most concerned with the amount spent from master agreements. Mr. Cohen said that it is possible to run a master agreement report by fiscal year; Mr. Cohen gave Mr. Kelly an example. Mr. Kelly confirmed that what Mr. Cohen had produced is exactly what he requested from Procurement.

Mr. Wright said he would set up a meeting with Ms. Lewis and the City Manager to discuss the master agreement spending report. Mr. Kelly agreed to hold his memorandum until the meeting happens.

VII. Review of FY 2019 Popular Annual Financial Report

Mr. Parrish referenced the Water and Sewer funds being out of compliance with the Financial Management Policies and asked when the rates will stabilize and only be adjusted by inflationary increases. Ms. Webster explained that inflationary increases were assumed to start in FY 2022, but there are many unknowns that could impact that date. Mr. Cohen and Ms. Webster then explained the history of the water and sewer systems and rate increases, with focus on the difference between fixed and variable expenses and revenues.

VIII. Review of the Proposed FY 2021 Operating Budget and Capital Improvements Program

Mr. Wright asked each member to comment on their assigned sections of the budget. Some members were still working on their sections or trying to schedule meetings with the department directors to discuss their budget proposals. Ms. Webster answered various questions including what is considered capital outlay, what is the fund balance and when can it

be used, and the difference between the operating and capital budget. Ms. Webster asked if anyone reviewed the budget at a macro-level, with focus on the budget highlights section and the Compensation and Classification Study. The Board did not comment but agreed to review the Compensation and Classification Study that was posted to the City's website.

The Board agreed to continue their budget discussion at the next meeting.

IX. New Business

Mr. Hodges requested that future Board meetings that cannot be held in person be held via Zoom or WebEx so that he is able to see the other meeting participants. The Board agreed that they would look into it if future circumstances prohibited in-person meetings.

X. Future Meeting Dates and Future Agendas

The next meeting will be held on **March 26, 2020**, at 6:30 p.m. in the Black Eyed Susan Conference Room and will include the following:

- I. Call to Order
- II. Approve Agenda
- III. Approve Minutes
- IV. Reports
- V. Old Business
- VI. Procurement Annual Report
- VII. Compensation and Classification Study
- VIII. Budget Follow-Up
- IX. New Business
- X. Future Agenda and Meeting Dates
- XI. Good of the Board
- XII. Adjourn

The next meeting after that will be held on April 16, 2020, at 6:30 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 8:05 p.m.

Summary of follow-up items:

- Mr. Wright will request a meeting with the City Manager and Ms. Blow to discuss the procurement issues related to master agreement spending.
- Mr. Kelly will review the Compensation and Classification Study from the City's website.

**CITY OF ROCKVILLE
FINANCIAL ADVISORY BOARD**

BOARD MEETING MINUTES

Thursday, April 23, 2020
Conducted via ZOOM
Meeting ID: 880 8787 9406
TIME: 7:00 p.m.

PRESENT: Board Members: Harold Hodges, Huei-Chi Hsu, Jack Kelly, Darryl Parrish, Bob Wright (Board chair)
Mayor and Council Liaison, Beryl L. Feinberg
Guests: None

ABSENT: Board Members: Andrew Brammer and Corey Orlosky;
Staff Liaison: Stacey Webster, Deputy Director of Finance
Staff: Gavin Cohen, Chief Financial Officer/Director of Finance

1. Call to Order

Remarking that a quorum was present, Mr. Wright called the meeting to order at 7:17 p.m. He welcomed Ms. Huei Chi Hsu (Vicky), the newest Board member who was appointed by Mayor and Council on March 30, 2020. Ms. Hsu will serve a three-year term ending on March 30, 2023.

2. Approve Agenda

Mr. Wright asked the Board if there were any changes to the agenda. There were no changes to the agenda that accompanied the public notice of the meeting posted on the City website (www.rockvillemd.gov/965/Financial-Advisory-Board). That agenda did not have approval of minutes for the Board's meeting on March 11, 2020. Hearing no changes offered, the agenda was adopted.

3. Reports

Mayor and Council Liaison--Council Member Feinberg discussed numerous activities of the Mayor and Council. The City elected representatives continue to meet virtually and to develop the FY 2021 Operating Budget and Capital Improvements Program (the Budget). Council Member Feinberg discussed several items on the Mayor and Council agenda for the meeting on April 27, 2020. The Budget is expected to be adopted at the meeting on May 4, 2020. Essential City services are being performed. Mayor and Council receive regular updates from the County and State on the coronavirus pandemic. She said the Mayor and Council would be reviewing proposed changes to Chapter 17 of the City Code on

Procurement at their next meeting. She also answered questions asked by several Board members.

Mr. Kelly commented on the Classification and Compensation Study Report that had been presented to the Mayor and Council on March 2, 2020. He noted that the Board had not been given an opportunity to review the report in advance of its presentation. However, he felt it was a much better report than the 2015 report on the same topic. Mr. Kelly pointed out that the study did not seem to address directly how the proposed compensation plan would reflect job performance. He said that the report did discuss a "Total Rewards" perspective on compensation that included a variable pay component that reflected performance in a one-time payment. Council Member Feinberg said that the salaries in the different job classes should have been normalized based on hours worked, but the study didn't do this. She reported that the proposed Compensation and Classification Plan would not be implemented in FY 2021.

Mr. Wright reported that a scheduled meeting to discuss the water & sewer rate study had been postponed and noted that Rockville City Hall has been (and is still) closed. Therefore, access to City staff is extremely limited. As a result, it is difficult to follow activities in the Board's FY 2020 Action Plan.

4. Old Business

Mr. Wright give a brief historical introduction to the memorandum that Mr. Kelly forwarded to the Board.

Mr. Kelly discussed his memorandum regarding the Procurement Annual Report and the various ways he used to detail the spending under Master Agreements. Messrs. Kelly, Parrish and Wright still intend to meet with the City Manager to discuss the City's spending under Master Agreements.

Council Member Feinberg said that the Mayor and Council has discussed an RFI for input to the King Farm plan. Staff has been directed to draft a Request for Proposal (RFP) for this plan and she would like the Board to review it in draft form. Mr. Wright asked Mr. Parrish to review the draft RFP on behalf of the Board.

5. Review/Approval of Board Comments Regarding the FY 2021 Operating Budget and Capital Improvements Program

Mr. Wright discussed the wording for the Board's input to the Mayor and Council agenda on May 4, 2020. The agenda that evening includes adopting the FY 2021 Operating Budget and Capital Improvements Program (the Budget). Various Board members suggested additions and changes to the wording that had been initially drafted, since the Budget material for the Mayor and Council work session for Monday evening, April 27, 2020, has numerous recommended changes to account for the effects of the coronavirus pandemic on City revenue and expenses for FY 2021.

Moved by Mr. Hodges and seconded by Mr. Kelly that, "Mr. Parrish be given the power of the pen to draft the Board's remarks in a statement that would be circulated to the Board

for concurrence and then forwarded to the City (Ms. Webster) for inclusion in the Boards and Commissions section of the agenda item for the Budget adoption.” The motion carried unanimously.

6. New Business

No new business was introduced.

7. Future Agenda and Meeting Dates

The next meeting of the Board was set as Wednesday, July 1, 2020. The agenda is to be determined.

8. Good of the Board

Mr. Kelly suggested we support take out from local restaurants.

Mr. Hodges, noting much food is being lost because of supply chain disruption, suggested the Board become involved in some manner to help those in need, particularly those with hunger, as a result of the coronavirus pandemic.

Mr. Wright suggested Board members bring to the Board’s attention any existing on-going efforts with which the Board might partner.

9. Adjourn

Moved (Mr. Kelly) and seconded (Mr. Hsu) that the Board meeting adjourn. The motion carried unanimously. Meeting adjourned at 8:21 p.m.