

**CITY OF ROCKVILLE
FINANCIAL ADVISORY BOARD**

DATE: April 6, 2022

LOCATION: Video/Teleconference on ZOOM

TIME: 6:45 p.m.

**Board Meeting
MINUTES**

PRESENT: Board Members: Jack Kelly, Vicky Hsu, Darryl Parrish, Harold Hodges, Kenneth MacRitchie, Bob Wright (Board Chair), William Spagnuolo
Staff Liaison: Xiaojing Zhang, Director of Accounting
Staff: Kimberly Francisco, Deputy Chief Financial Officer

ABSENT: Mayor and Council Liaison: Councilmember Beryl Feinberg

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. MacRitchie made a motion accept the minutes from March 09, 2022. Mr. Kelly seconded the motion. All members voted in favor.

IV. Reports

- Mr. Wright said Councilmember Beryl Feinberg is attending another meeting with a Rockville community regarding the proposal by Montgomery County to locate a school bus depot at the Detention Center Site. Councilmember Beryl Feinberg will not be able to join today's meeting.
- Ms. Zhang said that the Mayor and Council has two budget sessions, one on April 18th and one on April 25th. The FY23 proposed budget is scheduled to be adopted on May 9th.

- Ms. Hsu and Ms. Zhang confirmed that all questions and/or comments from Board members regarding the FY23 proposed budget, including Capital Improvements Program (CIP) have been answered and/or responded to by City staff satisfactorily.
- Mr. Wright reported there are four sections in the FY23 proposed budget that no questions and comments have been proposed by Board members:
 - 1. There are no comments for City Attorney's Office. Mr. Parrish reported no comments.
 - 2. There are no comments for the Department of Recreation and Parks. Mr. Kelly replied that he has no comments for these two departments; but he did ask a grant-related question before the meeting started. Ms. Francisco provided the answer. Ms. Francisco answered that the detailing of each grant by source is listed in the proposed budget. Mr. Kelly mentioned about the level of activities with Rockville Economic Development, Inc. (REDI) and he will investigate the activities more deeply. Mr. Wright requested Mr. Kelly send an email stating no comments to Ms. Hsu. Ms. Francisco pointed out that the general fund revenue details provide a list of revenues by department, such as Department of Recreation and Parks, Department of Police, etc. in the FY23 proposed budget; the details do not necessarily supply the information grant by grant; all miscellaneous grants are presented in aggregate, not presented by department.
 - 3. There are no comments for the City Manager's Office. Mr. Kelly reported no comments for the City Manager's Office.
 - 4. There are no comments for the Department of Planning and Development Services. Mr. Hodges reported no comments. Mr. Wright requested Mr. Hodges send an email to Ms. Hsu reflecting so.
- Mr. Wright asked if there are edits from Board members regarding the Board's statement on the FY2023 budget to be included in the Boards and Commissions Review section for a Mayor and Council meeting or work session on the budget. The statement was shared on Mr. Wright's computer screen. There were no amendments and changes. Mr. Kelly moved to approve the motion, Mr. Parrish seconded, and all members voted in favor.
- Mr. Wright shared the analysis that he performed for the Department of Recreation and Parks, and thanked Ms. Francisco for providing him with the financial data. Mr. Wright stated the differences in the programs were due, at least in part, to Covid-19. Mr. Wright used Compound Annual Growth Rate (CAGR) to evaluate the programs in all tiers, ranging from FY19 to FY23. The growth rate for all tiers over the past five years was very consistent, stated by Mr. Wright. The combined growth rate was 4.64%. He also pointed out to the Board members that the Childcare program was the fastest growing program, as well as special events program. He also reported that it is not applicable to place a cap on any program. Mr. Hodges stated that this analysis is well

performed, and he echoed that the Board does not have the authority to make this assessment if a cap needs to be placed. Mr. Wright asked if the impact will be presented in the budget. Ms. Francisco replied that it will not because of several reasons. One reason could be a demand for more programs. Mayor and Council will respond to these demands. She also informed that the Teens and Adventure Sports program has been consolidated with the Stake Park, grouping in FY23 has been moved into tier 2. Mr. Wright stated that the memo will be shared with the Board at next meeting. Mr. Hodges informed that the wording in the memo should be carefully considered to avoid terms like subsidy, and only present fact.

- Mr. Wright reported that the contents of donations policy are not consistent. Ms. Zhang stated that such a policy is not necessary because the City has established accounting structures to account for all donations, the City undergoes an independent financial audit each year, and all programs are audited. Accounting for donations is transparent. Mr. Wright suggested that four Board members voted in favor during last meeting, and Mr. MacRitchie and Ms. Hsu will work on one version.
- Mr. Kelly reported that Raftelis Financial Consultant has been selected and contract has been signed. Raftelis presented an excellent proposal for performance measures.
- There were no other Board member reports.

V. Old Business

Board members had no old business to take up.

VI. New Business

Mr. Kelly mentioned the annual procurement report and inquired about the time frame. Ms. Francisco replied that the procurement annual report will be presented in November.

VII. Future Meeting Dates and Agendas

The next meeting will be held on **May 11, 2022**, 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. Old Business
- VI. New Business
- VII. Future Agenda and Meeting Dates

VIII. Good of the Board

IX. Adjourn

The meeting after that will be held on August 17, 2022, at 6:45 p.m.

VIII. Good of the Board

Mr. Wright thanked all Board members for all their efforts.

IX. Adjourn

Mr. Wright asked for a motion to adjourn. Mr. Kelly moved the Board adjourn, and Mr. Parrish seconded the motion. All members voted in favor. The meeting adjourned at 7:31 p.m.

Summary of follow-up items:

- Ms. Hsu and Mr. MacRitchie will work together on the draft donations policy.