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# ***ANNUAL REPORT***

***For the Year 1978***



**City of  
Rochester, New Hampshire**

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*University of  
New Hampshire  
Library*

1979

Members of the

Rochester City Government

and

Reports of the Affairs

for the Year

1978

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# CITY GOVERNMENT

As Organized January 1, 1979

## MAYOR JOHN SHAW

### COUNCILMEN

*Ward One*—George A. Lovejoy, James F. McManus, Jr.  
*Ward Two*—Chas. W. Grassie, Jr., James Burchell  
*Ward Three*—Henry L. Paradis, Josephat Laurion  
*Ward Four*—Richard W. Creteau, Walter J. Desmarais  
*Ward Five*—Kenneth Taylor, Howell F. Preston  
*At-Large*—Raymond S. Watson, Robert Watson

### STANDING COMMITTEES, 1979

*Bills in Second Reading*—Mayor John Shaw, H. Paradis, R. Creteau, J. Burchell  
*Claims and Accounts*—Mayor John Shaw, G. Lovejoy, J. McManus, Jr., H. Paradis, W. Desmarais, R. Creteau, K. Taylor, J. Burchell, R. Watson, H. Preston, R.W. Watson, C. W. Grassie, J. Laurion  
*Elections and Returns*—Mayor John Shaw, K. Taylor, R. Watson  
*Finance*—Mayor John Shaw, R. Watson, H. Preston  
*Fire*—Mayor John Shaw, W. Desmarais, G. Lovejoy  
*Legal Affairs*—Mayor John Shaw, W. Desmarais, G. Lovejoy  
*Public Buildings*—Mayor John Shaw, R. Creteau, H. Preston  
*Public Works*—Mayor John Shaw, R. Watson, K. Taylor, H. Paradis, R.S. Watson  
*Purchasing*—Mayor John Shaw, K. Taylor, H. Preston  
*Street Lights*—Mayor John Shaw, R. Watson, H. Preston  
*Recreation*—Mayor John Shaw, Z. Chase

### BOARD OF ADJUSTMENT-1979

Eugene Brodeur  
Grant Berkey  
Dwight Rabb  
Thelma Tibbetts

### PLANNING BOARD-1979

Mayor John Shaw  
Walter Desarais, Chm.  
George Brown  
Harry Germon  
Wallace Lovely  
Earl Bohannon  
Grant Berkey  
Winston McCarty

## PERSONNEL

*City Clerk*—Marilyn C. Meatty  
*City Solicitor*—Paul Urion  
*City Treasurer*—Althea D. Berry  
*City Accountant*—Frederick M. Steadman  
*Collector of Taxes*—Conrad P. Gagnon  
*Commissioner of Public Works*—Paul Clement, Acting  
*Police Commissioners*—Edward Flanagan, Ronald G. Lachapell, Harry Germon  
*Chief of Police*—Kenneth P. Hussey  
*Deputy Chief of Police*—Robert Lemieux  
*Chief Engineer of Fire Department*—Paul L. Desmarais  
*Assistant Fire Chief*—Robert Duchesneau  
*Overseer of Public Welfare*—Althea D. Berry  
*Health Officer*—J. Bruce Roberts, Acting  
*Board of Health*—Mayor John Shaw, Althea D. Berry  
*Plumbers Examining Board*—Mayor John Shaw, Aime W. Langevin, Norman A. Ramsey  
*Assessor*—Kathy Wallingford, Acting  
*Trustees of Trust Funds*—Gus L. Hoyt, W. Bradley Corson, Kennett R. Kendall, Jr.  
*Trustees of Public Library*—Marguerite K. Harvey, Eleanor Roberts, Philip L. Dupont, Paul G. Meader, Vernard Elliott, Raymond L. Boucher  
*Street Licensing Board*—Mayor John Shaw, Kenneth P. Hussey, Paul Clement  
*Licensing and Permit Board*—Mayor John Shaw, Kenneth P. Hussey  
*Building Inspector*—J. Bruce Roberts  
*Janitor of City Hall*—Raymond J. Goupil  
*Janitor of East Rochester*—Lester W. Hurd  
*Janitor of Gonic Hall*—Raymond J. Goupil

## **IMPORTANT RESOLUTIONS AND ORDERS**

Passed by the City Council 1978

### **RESOLUTION TO VALIDATE ORDERS**

BE IT RESOLVED by the Honorable Mayor and City Council of the City of Rochester the following:

That pending the passage of the annual appropriation measure for the Fiscal year 1978, the Mayor is hereby authorized and empowered to validate orders of the City Treasurer, also for all duly approved and properly classified items in operating expenses for the City of Rochester or any of its municipal subdivisions.

*Passed January 2, 1978*

### **RESOLUTION TO VALIDATE EXTRA CURRICULAR SPORTS SALARIES**

BE IT RESOLVED by the Honorable Mayor and City Council of the City of Rochester as follows:

That the extra curricular sports salaries approved by the Rochester Federation of Teachers and the Rochester School Board December 13, 1977 is hereby approved and validated.

*Passed January 2, 1978*

### **RESOLUTION TO VALIDATE TEACHERS CONTRACT**

BE IT RESOLVED by the Honorable Mayor and City Council of the City of Rochester as follows:

That the Master Agreement between the Rochester Federation of Teachers and the Rochester School Board dated

December 13, 1977 is hereby approved and validated.

*Passed January 2, 1978*

### **RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed twelve thousand five hundred dollars (\$12,500.00) be and it hereby is appropriated for the payment of Hydraulic Lift, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed January 2, 1978*

### **RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed four thousand one hundred dollars (\$4,100.00) be and it hereby is appropriated for the payment of A C Loader, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed January 2, 1978*

### **RESOLUTION TO WITHHOLD 17% INCREASE IN ELECTRIC RATES AGAINST THE CITY OF ROCHESTER, NEW HAMPSHIRE, BY PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**

BE IT RESOLVED by the Honorable Mayor and City Council of the City of Rochester as follows:

WHEREAS, A recent average increase of 17% in electric rates against the City of Rochester has been assessed by the Public Service Company of New Hampshire is excessive and

imposes a built in increase in the Rochester City Budget and correspondingly in the City of Rochester tax rate over which matter neither the Mayor nor the Council has any control; and WHEREAS, a portion of the aforementioned increase represents construction while in progress (CWIP) which is unjust and unfair to all users and customers whether they be individuals, consumers or municipalities.

NOW THEREFORE, BE IT RESOLVED by the Honorable Mayor and City Council of the City of Rochester that the payment of the 17% increase in electric rates against the City of Rochester by the Public Service Co. of New Hampshire be withheld by the City of Rochester on all electric bills from the Public Service Company of New Hampshire either received or to be received by the City of Rochester until such time as either the Public Utilities Commission or the State of New Hampshire or a Court of Law makes a final determination on the validity of said rate increase.

*Passed February 14, 1978*

## **RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed \$7,958.00 (Seven thousand nine hundred fifty-eight dollars) be and it hereby is appropriated for the payment of a Recreation Dept. truck, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed March 7, 1978*

## **RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed \$7,790.00 (Seven thousand seven hundred ninety dollars) be and it hereby is appropriated for the payment of special pump and generator at South Main Street,



said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed March 7, 1978*

## **AMENDMENT TO ORDINANCES RELATING TO PLUMBING**

BE IT ORDAINED, by the Honorable Mayor and City Council of the City of Rochester as follows:

That Chapter XXVIII entitled "Sewers and Plumbing" of the 1952 City of Rochester Ordinances, Section 15, be amended by striking out said Section and substituting therefor the following:

The rules and regulations of BOCA Basic Plumbing Code (1975 edition and amendments thereto) sponsored by the Building Officials and Code Administrators International, Inc., are hereby adopted as the minimum requirements of the rules and regulations as defined by RSA 330:12 pursuant to the authority for such adoption RSA 330:13.

Any Rules of said 1952 City of Rochester Ordinances, Chapter XXVIII, in conflict with the above are hereby repealed.

*Passed March 7, 1978*

## **RESOLUTION**

WHEREAS, the Rochester Housing Authority has constructed a residential rental project known as the "Brock Street Housing Project"; and

WHEREAS, on August 13, 1974 and October 22, 1974, the City of Rochester entered into written agreements with the Rochester Housing Authority providing for the City of Rochester to erect certain sewerage facilities for the benefit of the "Brock Street Project"; and

WHEREAS, the said agreements were dependent upon the Rochester Housing Authority's prior guarantee that the said "Brock Street Project" would be "elderly" housing; and

WHEREAS, the Rochester Housing Authority now refuses to honor the said promise; and

WHEREAS, the written agreements were entered into by the

City with the understanding that the total amount of money that the City would have to pay to the Rochester Housing Authority would be the sum of four hundred ninety thousand (\$490,000) dollars, with payments to commence in the year 1989; and

WHEREAS, the Rochester Housing Authority is now demanding greater payment;

NOW THEREFORE, be it enacted by the City Council of the City of Rochester that the City of Rochester and its appropriate officials are ordered to refrain from the further expenditure of any monies whatsoever in relation to the so-called Brock Street Housing Project improvements until such time as the Rochester Housing Authority provides to the City of Rochester sufficient written guarantees that the Brock Street Housing Project will be occupied solely pursuant to an "elderly" project and that the Rochester Housing Authority agrees that the only sum of money which the City of Rochester is obligated to pay to the Rochester Housing Authority is the sum of four hundred ninety thousand (\$490,000) dollars, with payments to commence during the year 1989

*Passed March 7, 1978*

## **RESOLUTION TO RENEW TAXICAB LICENSE FEES**

BE IT RESOLVED by the Honorable Mayor and City Council of the City of Rochester that the license fees for taxicabs as defined by the 1952 City of Rochester Ordinances, Chapter XVIII which have been suspended are hereby reinstated as provided for therein for the calendar year, 1978, with a license required for each taxicab in the City of Rochester at an annual fee of one hundred (\$100.00) dollars per taxicab plus the required inspections and insurances as required by Sections 10 to 25 of said XVIII, to be paid to the City Clerk no later than May 1, 1978. The City Clerk shall provide one non-transferable number to each taxicab which said number shall not be transferred to any other taxicab. Said number shall also not be substituted for any other number or used on any other taxicab at any time without first having secured the prior written consent of the City of Rochester Licensing Board.

*Passed March 7, 1978*

**RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed seventy-five thousand seven hundred thirty-eight and 54/100 (\$75,738.54) be and it hereby is appropriated for the payment of purchasing, repairing and rehabilitating certain pieces of equipment and machinery in the Public Works Dept., said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed April 4, 1978*

**RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed two hundred eleven thousand five hundred nine (\$211,509.00) dollars be and it hereby is appropriated for the payment of preparation of plans and specifications for one (1) pump station, 8,750 linear feet of lateral and interceptor sewers, and an advanced wastewater treatment facility, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed April 4, 1978*

**RESOLUTION TO AUTHORIZE MAYOR TO EXECUTE EASEMENT AND OTHER NECESSARY PAPERS FOR EASEMENT ADJACENT TO UNITED STATES POST OFFICE LAND, ROCHESTER, NEW HAMPSHIRE**

BE IT RESOLVED by the Honorable Mayor and Council of the City of Rochester as follows:

WHEREAS, the City of Rochester finds it necessary to install a ramp from its premises situate at the rear of the United States

Post Office, at 70 North Main Street, Rochester, Strafford County, New Hampshire to Bridge Street; and

WHEREAS, a dirt filled ramp will be less expensive than a structural steel ramp; and

WHEREAS, in order to fill said ramp it will be necessary to pile dirt on the retaining wall of the land owned by the United States Government Postal Department; and

WHEREAS, the City of Rochester will be responsible for the drainage of said ramp; and

WHEREAS, the Postal Division of the United States Government is willing to grant to the City of Rochester an easement without cost or obligation to said Postal Department; and

WHEREAS, the City of Rochester will not interfere with any drainage of said Postal Department nor drain any of its sewer or surface waters on said Postal Department land.

NOW THEREFORE, BE IT RESOLVED, as follows:

1. That the Mayor be and is hereby authorized to execute necessary easement in keeping with the above; and

2. That the Mayor be further authorized to execute any other documents necessary to accomplish the above objectives.

*Passed April 4, 1978*

## **RESOLUTION TO ACCEPT STREET**

BE IT RESOLVED by the Honorable Mayor and City Council of the City of Rochester that the Street running from Wakefield Street in front of the new High School to the Chestnut Hill Road shall be and is hereby accepted by the City of Rochester as a Public Street and shall be known as High School Road.

BE IT FURTHER RESOLVED that the Traffic Committee of the City Council of the City of Rochester is hereby designated to establish such reasonable rules and regulations for the parking on said Street as may be necessary.

*Passed April 4, 1978*

## **AMENDMENT TO THE ORDINANCES**

BE IT ORDAINED by the Mayor and City Council of the City of Rochester as follows:

A. That Chapter XVI entitled "Traffic Ordinances" of the 1952 City of Rochester Ordinances as presently amended be further amended as follows:

That Section 26 of said Chapter be amended by adding at the end thereto the following New Section (80) on High School Road before entering the Chestnut Hill Road from said High School Road.

FURTHER AMEND said Chapter XVI by adding a new Section 30-B as follows:

High School Road shall be used for the passage of vehicles as a One-Way Street only and vehicles shall be prohibited from traveling over said Street except in a Westerly direction from Wakefield Street to Chestnut Hill Road from said Wakefield Street.

*Passed April 4, 1978*

## **FUNDS TO BE RECEIVED FROM REVENUE SHARING ACT**

TO WHOM IT MAY CONCERN:

The funds to be received from the Revenue Sharing Act of the Federal Government, allocated to the City of Rochester, in the sum of \$134,500.00, and also any other funds received for this yearly period shall be allotted and expended under the same rules and regulations; said sums to be placed on the Estimated Revenues portion of the 1978 budget, to be used in compliance with the requirements of the Revenue Sharing Act in the same manner as the year 1977.

The 1978 allocation of Revenue Sharing was adopted on passage of the 1978 Municipal Budget on

Further, all of these funds shall be used to conform to the requirements of the Revenue Sharing Act and will not be used by any of the excluded categories of any of the municipal departments.

I swear that the above is a true report and record of the Rochester City Council meeting of

JOHN SHAW  
Mayor

*Passed May 2, 1978*

## **RESOLUTION TO ACCEPT 1978 BUDGET**

BE IT RESOLVED by the Mayor and City Council:

That the City Budget for the Fiscal and Calendar Year of 1978 be accepted as follows:

- 1 . That the sum of \$7,760,483.00 be and is hereby appropriated to defray the expenses of the City of Rochester in accord with the budget herein adopted.
- 2 . That the sum of \$5,437,580.00 is hereby ordered and directed to be raised by taxation in the public and ratable estates within the said City.

*Passed May 2, 1978*

## **RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed fifteen thousand dollars (\$15,000.00) be and it hereby is appropriated for the payment of Second truck for Public Works, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed May 2, 1978*

## **RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed forty-seven thousand dollars (\$47,000.00) be and it hereby is appropriated for the payment of extension of various and several country roads, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed May 2, 1978*

## **RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed fifteen thousand dollars (\$15,000.00) be and it hereby is appropriated for the payment of Truck bodies, plow attachments, etc., for two new trucks, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed May 2, 1978*

## **RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed \$5,551.31 be and it hereby is appropriated for the payment of board for delinquent children as ordered by the court, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed July 5, 1978*

## **RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed two thousand two hundred eighty-two dollars and 15 cents (\$2,282.15) be and it hereby is appropriated for the payment of repairs of street lights, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed July 5, 1978*



## **AMENDMENT TO THE ORDINANCES**

BE IT ORDAINED by the Honorable Mayor and City Council of the City of Rochester:

That Chapter XV of the 1952 City of Rochester Ordinances as amended, be further amended by adding thereto the following new section which shall read as follows:

Section 1 a. Drinking of Intoxicating Liquors in Public.

The drinking of all intoxicating liquors as defined by the Laws of the State of New Hampshire is hereby prohibited in public in the City of Rochester.

*Passed July 5, 1978*

## **RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed one thousand four hundred twenty-eight dollars (\$1,428.00) be and it hereby is appropriated for the payment of repairs to lights at the library, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed July 5, 1978*

## **RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed three thousand three hundred fifty dollars (\$3,350.00) be and it hereby is appropriated for the payment of a fence around the swimming pool, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed July 5, 1978*



## **RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed \$8,000.00 (eight thousand dollars) be and it hereby is appropriated for the payment of pump repairs and ancillary at Washington Street plus generator, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed July 5, 1978*

## **RESOLUTION TO BORROW MONEY IN ANTICIPATION OF TAXES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That the Finance Committee be and it hereby is authorized to borrow in anticipation of taxes, for the calendar year 1978, a sum not exceeding one million dollars (\$1,000,000.00), said sum to be borrowed on notes of the City, which may be refunded, in such amounts and at such times as it deems the best interest of the City requires.

*Passed July 5, 1978*

## **RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed twenty-seven thousand six hundred sixty six dollars (\$27,666.00) be and it hereby is appropriated for the payment of Case 680E and Equipment, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed July 5, 1978*

## **RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed two thousand five hundred dollars (\$2,500.00) be and it hereby is appropriated for the payment of repair of hydraulic system on hook and ladder truck, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed September 5, 1978*

## **RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed eighteen thousand nine hundred thirty-five dollars (\$18,935.00) be and it hereby is appropriated for the payment of Street Light Repairs, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed September 5, 1978*

## **RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed one thousand two hundred forty dollars and 36/100 (\$1,240.36) be and it hereby is appropriated for the payment of repair of generator at East Rochester pumping station, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed September 5, 1978*

**RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed seventy-eight thousand dollars (\$78,000.00) be and it hereby is appropriated for the payment of wage increases for the balance of this calendar year, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed September 5, 1978*

**RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed eighteen thousand nine hundred thirty-five dollars (\$18,935.00) be and it hereby is appropriated for the payment of street lights, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed September 5, 1978*

**RESOLUTION TO APPROPRIATE MONEY FOR EXPENSES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That a sum not to exceed one hundred fifteen thousand dollars (\$115,000.00) be and it hereby is appropriated for the payment of school capital improvements budget, said sum to be raised by the Finance Committee at terms deemed in the best interest of the City of Rochester.

*Passed September 5, 1978*

## **RESOLUTION TO CANCEL APPROPRIATION OF MONEY**

BE IT RESOLVED by the Honorable Mayor and City Council of Rochester:

That the sum of \$5,551.31 appropriated at the July 5 meeting of the Rochester City Council for the purpose of paying board for delinquent children is hereby cancelled.

*Passed October 3, 1978*

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

THAT whereas the City has depleted its revenue surplus and whereas this brings a deficiency in the 1978 budget,

THEREFORE the total budget approved of \$7,760,483.00 less decreases from income of \$2,332,845.12 will cause the amount to be raised by property taxes to be \$5,415,171.30.

*Passed October 5, 1978*

## **RESOLUTION TO BORROW MONEY IN ANTICIPATION OF TAXES**

BE IT RESOLVED by the Mayor and City Council of the City of Rochester:

That the Finance Committee be and it hereby is authorized to borrow in anticipation of taxes, for the calendar year 1979, a sum not exceeding four million dollars (\$4,000,000.00), said sum to be borrowed on notes of the City, which may be refunded, in such amounts and at such times as it deems the best interest of the City requires, and in conformity with the State Municipal Finance Law.

*Passed December 19, 1978*

## ANNUAL REPORT OF THE CITY ASSESSOR

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE  
CITY OF ROCHESTER:

The annual report of the City Assessor is herewith submitted  
for the year ending December 31, 1978:

### ASSESSOR'S INVENTORY

Land-Improved and Unimproved	\$	1,566,580.00
Buildings		85,442,200.00
Factory Buildings		6,227,030.00
Public Utilities-Gas		461,760.00
Public Utilities-Electric		3,907,260.00
Mobile Homes and Trailers-855		5,264,210.00
Boats and Launches-94		53,850.00

TOTAL VALUATION BEFORE EXEMPTIONS ALLOWED		\$102,922,890.00
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Blind Exemptions-15	\$	75,000.00
Elderly Exemptions-680		4,390,230.00

TOTAL EXEMPTIONS ALLOWED		\$ 4,465,230.00
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NET VALUATION ON WHICH TAX RATE IS COMPUTED		\$98,457,660.00
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Totally and Permanently Disabled Veterans and Widows-29	\$	20,300.00
All Qualified Veterans-1954		97,700.00
Property Taxes	\$	5,305,872.65
Resident Taxes		104,490.00
National Bank Stock		6,543.46

AMOUNT TO BE COMMITTED TO TAX COLLECTOR		\$ 5,416,906.11
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Rate for 1978-\$55.00

Respectfully submitted,  
KATHY WALLINGFORD  
Acting City Assessor

### 1978 REPORT BUILDING INSPECTION DEPT.

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF ROCHESTER:  
 The following is a report of all building in the City for 1978:

Month	No.	New Homes	Additions Alteration Garages	No.	New Business	No.	Business Alteration	No.	Monthly Totals	Misc. No. type	Total
January	2	74,000	\$ 33,430	7				9	\$ 107,430		\$
February	4	156,760	36,400	4				8	193,160		
March	4	90,406	81,375	13	90,000	1		18	261,781		
April	11	369,000	86,486	25	975,000	2		38	1,430,486		
May	11	341,840	296,615	38	45,000	1	150,000	51	833,455	17-pools	68,050
June	2	80,380	142,723	37	800,000	2		41	1,023,103	3-Condos	250,000
July	13	812,280	113,391	24	720,000	1		38	1,645,671	5-Mob-homes	80,089
August	8	254,600	32,300	23				31	286,900	4-demolitions	84,550
September	8	245,000	44,250	21	125,000	2		31	414,250		
October	20	693,400	53,100	20		5	92,000	45	838,500		
November	5	163,000	29,380	11		3	21,300	19	213,680		
December	7	229,500	29,900	6		1	500	14	259,900		
<b>TOTAL</b>	<b>95</b>	<b>3,510,166</b>	<b>979,350</b>	<b>229</b>	<b>2,755,000</b>	<b>10</b>	<b>263,800</b>	<b>343</b>	<b>7,906,355</b>		

Respectfully submitted,  
 J. BRUCE ROBERTS  
 Building Inspector

# REPORT OF THE CITY CLERK

**Year Ending December 31, 1978**

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE  
CITY OF ROCHESTER:

Issued 1,126 Dog Licenses and 8 Kennel Licenses.

Recorded Vital Statistics for 481 Births, 213 Marriages and 305  
Deaths.

Recorded and processed Uniform Commercial Code forms.

Supervised elections for the City.

Recorded votes and proceedings of the Council.

Issued Miscellaneous Licenses: Marriage, Food, Taxi, Junk,  
Theatre, Pool.

Recorded Tax Liens, Building Permits, Pole Licenses, Deeds of  
the City.

Issued Permits for registrations of automobiles, trucks, trailers  
and motorcycles.

Respectfully submitted,  
MARILYN C. MEATTY  
City Clerk

# REPORT OF CLERK OF THE ROCHESTER DISTRICT COURT

1978

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE  
CITY OF ROCHESTER:

Gentlemen: I hereby submit a statement of the condition of  
finances of the Rochester District Court as of December 31,  
1978:

## RECEIPTS

Cash on Hand January 1, 1978	\$	50.00
Balance in checking account January 1, 1978		140.47
Received in fines, forfeited bail and penalty assessments		97,675.50
Interest from Bank		121.15
		<hr/>
TOTAL		\$97,987.12

## DISBURSEMENTS

Paid City Treasurer	\$37,600.00
Paid N.H. Dept. of Safety	40,124.60
Paid N.H. Fish & Game Dept.	340.00
Paid for Breathalyzer Test & Blood Test	238.00
Paid Special Justices	150.00
Clerk's Bond	80.00
Paid for Witness fees	3,503.40
Printing supplies & stenographic hire	3,719.16
Paid out for telephone & postage	1,068.02
Probation officer expenses	50.00
Travel, conferences, & dues (of Judges & Clerk)	777.01
Court Officer	1,230.00
Guardian Litem for Juveniles	132.50
Penalty Assessment Paid to State Treasurer	8,788.00
Bail Return	100.00
Cash on hand December 31, 1978	50.00
Balance in checking account December 31, 1978	36.43
	<hr/>
TOTAL	\$97,987.12



## SPECIAL ACCOUNTS

### RECEIPTS

Balance in checking account Jan. 1, 1978	\$ 4,254.50
Bail received for District Court	28,174.80
Bail received for Superior Court	1,300.00
Appeal fees received for Superior Court	424.00
Sale of writs and executions	916.41
Small Claims collected	727.70
Amounts collected for restitution & others	1,970.80
Peace Bonds	100.00
Interest from Bank	272.94
Received on Account of court orders	4,259.06
TOTAL	<u>\$42,400.21</u>

### DISBURSEMENTS

Bail returned for District Court	\$27,401.00
Bail sent to Superior Court	1,300.00
Appeal fees sent to Superior Court	424.00
Paid City for writs and executions	916.41
Paid City for Small Claims	727.70
Paid for restitution and others	1,877.31
Returned Peace bonds	100.00
Paid out from funds received on court orders	2,913.00
Paid City Bank Interest	272.94
Balance in checking accounts Dec. 31, 1978	6,467.85
TOTAL	<u>\$42,400.21</u>

### TOTAL PAID CITY TREASURER FROM THE DISTRICT COURT

Criminal cases and motor vehicle	\$37,600.00
Small Claims	727.70
Writs and executions	916.41
Bank interest	272.94
TOTAL	<u>\$39,517.05</u>

**DISTRICT COURT OF ROCHESTER  
FOR THE YEAR ENDING  
December 31, 1978**

I.	Criminal cases	
1.	Complaints entered during year	3,965
	A. City and Town police	2,089
	B. State Police	<u>1,876</u>
	TOTAL	3,965
2.	Complaints disposed of during year	
	A. Motor Vehicle violations	2,422
	B. Other violations	276
	C. Misdemeanors	1,201
	D. Felonies	<u>66</u>
	TOTAL	3,965
II.	Criminal cases divided into principal classes according to kind of disposition	
1.	Intoxication	122
2.	Motor Vehicle Violations	
	A. Offenses against City Ordinances	223
	B. Offenses against State Statutes	1,876
3.	Cases respondent pleaded not guilty	230
4.	Cases respondent found not guilty	42
5.	Cases Nol Prossed	106
6.	Cases Appealed to Superior Court	62
III.	Juvenile cases	
1.	Total Number of Juvenile Hearings including new petitions	415
	A. Cases of Neglected children	11
	B. Cases of delinquent children	155
	C. Cases of persons in need of supervision	15
IV.	Small Claims Cases	
1.	Small Claims pending Dec. 31, 1978	0
2.	Small Claims entered during year	390
3.	Small Claims disposed during year	
	A. Small Claims in which judgment entered after hearing	68
	B. Small Claims in which judgment entered after default	242
	C. Small Claims settled or otherwise disposed	80

V. Civil Cases		
1. Cases pending Dec. 31, 1978		0
2. Cases entered during year		157
Total civil cases for year		157
VI. Civil cases divided into principal classes		
1. Cases for damages to person and/or property		25
2. Cases founded on contracts		104
3. Cases of landlords & Tenants		28
4. Cases in which judgment entered after hearing		62
VII. Total cases in the Rochester District Court heard for the year of 1978		
1. Criminal cases		3,965
2. Juvenile cases		415
3. Small Claims		390
4. Civil cases		157
	Total cases for year	<u>4,927</u>

VIII. Court Sessions for the year 1978

	Richard F. Cooper	Robert A. Carignan	Special Justices
Juvenile	69	5	
Criminal	97	39	3
Civil	4	41	
	<u>170</u>	<u>85</u>	<u>3</u>

Respectfully submitted,  
 ERNEST J. LEVESQUE  
 Clerk

This is to certify that I have examined the accounts for Ernest J. Levesque, Clerk of the Rochester District Court for the year ending December 31, 1978, and I find them as set forth in the above statement with all payments to the Treasurer and otherwise properly receipted for together with a cash balance on hand of \$50.00 and checking account of \$36.43.

Respectfully submitted,  
 RICHARD J. COOPER  
 Justice

## ROCHESTER FIRE DEPARTMENT ANNUAL REPORT FOR 1978

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE  
CITY OF ROCHESTER:

Gentlemen: I herewith submit the annual report for the year ending on December 31, 1978.

There were a total of 762 alarms in the City of Rochester in 1978, which consists of the following: Box Alarms 172, and Still Alarms of 614.

These include: motor vehicle fires 53, chimney fires 39, bomb scares 4, no school blown 4, Code 25's 29, residential fires 56, wood stove fires 6, accident responses 48, electrical fires 42, industrial fires 5, mercantile fires 5, brush and grass fires 53, mutual aid responses 10, mutual aid calls 20, honest mistake 29, and miscellaneous calls of 256.

There were the following alarms in the East Rochester and Gonic substations in 1978: East Rochester Boxes 27 and Gonic Boxes of 76.

Below are the figures reported on buildings and contents involved in fires for 1978:

Estimated Value of Buildings	\$143,300.00
Estimated Insurance on Same	91,000.00
Estimated Loss Reported	58,292.82
Insurance Paid on Same	18,298.82
Estimated Value of Contents	14,000.00
Estimated Insurance on Same	27,500.00
Estimated Loss on Same Reported	2,205.02
Insurance Paid on Same	205.02

At this time, I wish to express my appreciation to his Honor, the Mayor, and members of the City Council, the Committee of the Fire Department, the Board of Engineers, all members of the Rochester Fire Department, and to all other persons who have rendered us assistance throughout the year of 1978.

Respectfully submitted,  
ROBERT E. DUCHESNEAU  
Fire Chief

**REPORT OF THE LIBRARIAN  
of the  
ROCHESTER PUBLIC LIBRARY  
for 1978**

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE  
CITY OF ROCHESTER:

In 1978 the city of Rochester again made library services available to its citizens. All inhabitants of the city share in the support of library services and all may rightfully expect some phase of library services to satisfy their particular needs. It is our goal to accomplish this.

Many kinds of services have been available during the year—some indirectly from the state library and other public libraries—and many directly at the local level. In addition to providing reading materials, the library serves as an information center for ready access to multitudes of facts. A particular need in the city is a greater access to factual information about Rochester. To be more able to respond to these needs, a committee of the Friends of the Library organized a system to index the Rochester Courier and has made initial inroads in this gigantic project. In addition the library staff is compiling a file on all items in the library that pertain to Rochester—a picture in a book, a paragraph in a guide, or an artifact in our collection. There is a real need for much information in this area, and we hope this project will help fill the gap.

Our services have also included a variety of offerings for all ages; for children the Little Red Wagon story theatre, films, story hours, magic shows, yoga classes and craft programs. Adults have been able to widen their horizons with classes in such things as investment securities, cake decorating, bargello, painting and quilting.

These are some of the things a library provides. The trustees and staff know these offerings are available only through the support of many people—the mayor and council who authorize operating funds, the many supporters who contribute beyond the tax dollar, the Friends of the Library who raised and spent over a thousand dollars this year to improve the library, and the representatives of the press and radio who carry our messages so faithfully to the people.

Toward the library staff and trustees I feel great admiration for the cooperative spirit and sense of service they maintain. I thank them for their help to me.

Respectfully submitted,  
 (MRS.) ROBERTA RYAN  
 Librarian

**TRUSTEES**

John Shaw, Mayor, ex-officio  
 Mr. Raymond Boucher  
 Mr. Vernard Elliott  
 Mrs. Albert Hervey  
 Mr. Paul Meader  
 Mrs. Eleanore Roberts

**STAFF**

Librarian		
Roberta Ryan		
Serials & Reference Librarian		
Charlene Leonard	35	Hours
Circulation & Reference Librarian		
Patricia Haendler	32	
Circulation & Reference Librarian		
Patricia Roese	30	
Acquisitions Librarian		
Muriel Lincoln	30	
Children's Librarian		
Maybeth Anderson/Pamela Fitz	32	
Part time Children's Librarian		
Pamela Fitz/Diane Shannon	22	
Secretary & Bookkeeper		
Gail Pearson	20	
Custodian		
Harold Lincoln	25	
Page		
Jody Campbell	15	
Part time Circulation & Reference Librarian		
Ruth Gagnon		substitute

## 1978 FINANCIAL STATEMENT

### SUMMARY

1. Trust Fund Income 1978 & Beginning Balance	\$ 6,701.01
Trust Fund Expenditures 1978	<u>4,281.30</u>
Balance as of December 31, 1978	2,419.71
2. Special Account Income 1978 & Beginning Bal.	5,424.85
Special Account Expenditures 1978	<u>5,272.08</u>
Balance as of December 31, 1978	152.77
Total Balance as of December 31, 1978	<u><u>2,572.48</u></u>

### 1978 INCOME

1. TRUST FUNDS:	
a. Balance as of Dec. 21, 1977	\$ 1,642.42
b. Income for 1978	<u>4,058.59</u>
Total for 1978	5,701.01
2. SPECIAL ACCOUNT	
a. Balance as of 1977	266.06
b. Income for 1978	<u>5,158.79</u>
(Included here is \$580.78 for Staff Orders which does not represent Income-\$1,511.71 from 3M Machine.)	
Total for 1978	<u>5,425.85</u>
TOTAL INCOME FOR 1978	<u><u>\$11,126.86</u></u>
Olive M. Woodward Account with the Rochester Savings Bank	<u><u>689.93</u></u>
1978 Book & AV Expenditures	
1. FROM TRUST FUNDS	4,281.30
2. FROM SPECIAL ACCOUNT:	
Books, Periodicals, Pamphlets	3,644.90
AV & Misc. Supplies	323.14
3M Machine	1,304.04
Total Expenditures for 1978	<u><u>5,272.08</u></u>
	<u><u>9,553.38</u></u>

## 1978 BILLS SUBMITTED TO THE CITY

Books	\$ 2,040.81
Periodicals	1,531.73
Supplies	1,087.24
Building Repair and Supplies	704.31
Utilities-Electricity & Telephone	2,943.55
Fuel	1,998.67
Incidentals	508.50
Salaries-Library	49,011.16
Salaries-Work Study	255.56
Insurance	2,388.90
Retirement	477.75
Adult Services	128.17
FICA	2,961.22
Loan Payment & Interest-Books	735.12
Loan Payment & Interest-Plumbing	261.12
	\$67,033.81

## ROCHESTER PUBLIC LIBRARY 1978 CIRCULATION STATISTICS

Adult Fiction	40,375
Adult Non-Fiction	21,248
Adult Periodicals and Pamphlets	6,849
Adult Records	701
Adult Pictures & Puzzles	106
Films	154
Interlibrary Loans	391
Adult Notre Heritage	168
Outreach	2,344
	72,066
Children's Fiction	15,583
Children's Non-Fiction	5,050
Children's Records	274
Children's Notre Heritage	140
Children's Periodicals and Pamphlets	311
	21,358
Total Circulation for 1978	93,694



Total Circulation for 1970	76,533
Total Circulation for 1971	83,064
Total Circulation for 1972	86,287
Total Circulation for 1973	87,001
Total Circulation for 1974	94,144
Total Circulation for 1975	96,710
Total Circulation for 1976	95,114
Total Circulation for 1977	95,154
Magazines	129
Newspapers	11
1978 Adult Registrations	1,804
State Card Reg.	234
Out of State	76
Children	363
Teacher	31
	<hr/>
	2,508
1978 Acquisitions	
Adult Purchases	1,490
Children's Purchases	337
Gifts	597
	<hr/>
	2,424
Recorded Purchases and Gifts	78
1978 Discards	
Adult	380
Children's	7
	<hr/>
	387
1978 Withdrawals	
Adult	157
Children's	5
Records	5
	<hr/>
	167
1970 Acquisitions	1791
1971 Acquisitions	2,731
1972 Acquisitions	2,532
1973 Acquisitions	3,313
1974 Acquisitions	1,564

1975 Acquisitions	2,007
1976 Acquisitions	2,101
1977 Acquisitions	2,499
Meeting Room	3,165
Books Loaned on St. Cd.	4,308
Story Hours	786
Film Programs	4,741
Times Films Shows	283
School Classes	845

## REPORT OF CHIEF OF POLICE

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE  
CITY OF ROCHESTER:

The following is an accounting of the activities of the  
Rochester Police Department for the Year 1978:

### MOTOR VEHICLE ARRESTS

Allow an unlicensed person to operate	10
Allow unregistered vehicle to be operated	2
Allow uninspected vehicle to be operated	6
Allow unregistered trailer to be towed	1
Allow a person to ride in trailer	1
Blocking driveway	2
Bench Warrant issued	13
Cause overweight vehicle to be operated	6
Contempt of Court	6
Cross center median strip	6
DWI	153
Evading toll fare	5
Following too closely	4
Fail to stop for a police officer	20
Fail to keep right	28
Fail to yield right of way	35
Fail to stop at a railroad crossing	1
Fail to appear when summoned	2
Fail to display plates	1
Fail to dim headlights	4
Fail to stop for pedestrian	1
Fail to not Dir. change of address	3
Forged inspection sticker	1
Give false information to a police officer	3
Have loaded gun in motor vehicle	5
Held for other departments	1
Improper passing	54
Illegal parking	3
Leave scene of an accident	12
Littering	4
Load spillage	3
Make an improper turn	2

Make unnecessary noise	9
Misuse of plates	27
Misuse of power	58
Misuse of emergency lights	1
Operating OHRV on a public highway	3
Operating without a taxi license	1
Operating with an altered exhaust	6
Operating without a muffler	2
Operating boat without fire extinguisher	1
Operating with obstructed mechanism	4
Operating motorcycle without goggles	15
Operating without a license	142
Operating without corrective glasses	7
Operating without a highway permit	4
Operating without a financial responsibility	44
Operating without lights	3
Operating after revocation	19
Operating after suspension	18
Operating unregistered vehicle	132
Operating uninspected vehicle	382
Operating to endanger	2
Operating with smooth tires	72
Operating wrong way on a 1-way street	4
Overtime parking	29
Operating overweight/overwidth vehicle	26
Operating unregistered OHRV	10
Operating in breakdown lane	2
Operating without binder chains or flaps	1
Operating OHRV on railroad tracks	2
Pass school bus flashing lights	3
Possession controlled drug in a motor vehicle	3
Reckless operation	18
Resisting arrest	5
Speeding	917
Stop sign violation	107
Tow unregistered trailer	4
Tow trailer without lights	5
Tow vehicle without a tow bar	3
Traffic light violation	29
Transport a controlled drug	4
Unauthorized use of propelled vehicle	2
Vehicles turning left	1
Yellow line violation	144
	<hr/>
	2,675

## DISPOSITIONS OF MOTOR VEHICLE ARRESTS

Assessed witness fees	1
Bail forfeited	4
Continued for sentence	24
Cleared of contempt	1
Defaulted	187
Dismissed	12
Fined	2,027
Fine suspended	4
Fine appealed	8
Fined and license revoked	133
Fined and license suspended	28
Fined, license revoked and House of Correction	2
Fined and license revoked appealed	18
Fined and license suspended appealed	1
Fined and House of Correction	3
Fine and House of Correction appealed	1
Fine and House of Correction suspended	18
Found not guilty	22
Fined, license and reg. suspended	3
Fined and ordered to make restitution	1
Fined, lic. rev. and House of Correction appealed	2
House of Correction	4
House of Correction suspended	3
Nol Prossed	51
Ordered to make restitution	1
Ordered to pick up rubbish	1
Placed on file	111
Purged of contempt	3
Released to other departments	1
	<hr/>
	2,675

## CRIMINAL ARRESTS

Assault	67
Aggravated assault	8
Attempted assault	1
Attempted larceny	2
Attempted murder	1
Att. to take smelt in closed brook	2

Aiding in violation	1
Burglary	11
Bench Warrant issued	16
Carry concealed weapon without a license	1
Cons. alcoholic beverage in a public place	10
Concealed of merchandise	13
Criminal mischief	30
Criminal threatening	10
Criminal trespass	18
Cruelty to animals	1
Criminal liability for conduct of another	3
Disorderly conduct	62
Dog pursuing deer	4
Endangering welfare of a child	3
Fail to keep a dog restrained	11
Fail to keep dog from being a menace	4
False report to Law Enforcement	1
False public alarms	2
Fugitive from Justice	1
Fail to obtain owner's permit	1
Fishing without a license	2
Forgery	2
Fraud and deceit	1
Felonious sexual assault	1
Fishing in closed waters	1
Fail to license dog	1
Fail to report trapping catch	1
Give false information to a police officer	4
Held for investigation	17
Held for safekeeping	5
Harassment	3
Hinder apprehension or prosecution	2
Held for other departments	19
Intoxicated (simple drunks)	264
Intoxication	117
Indecent exposure and lewdness	1
Issuing bad checks	40
Juveniles	142
Kindle fire without a permit	1
Littering	6
Manufacture a controlled drug	1
Non support	1

Over limit of fish	1
Possession of stolen property	12
Picked up for other departments	19
Pres. where a controlled drug was kept	12
Possession of a controlled drug	38
Possession of a hypodermic needle and syringe	1
Purchase alc. bev. for minors	1
Reckless conduct	4
Resist arrest or detention	15
Robbery	1
Sexual assault	1
Take a protected bird	3
Theft by deception	2
Theft by unauthorized taking	1
Theft	16
Theft of services	1
Trespassing	1
Unauthorized use of a propelled vehicle	6
Unauthorized use of related property	1
Use of unmarked traps	1
	<hr/>
	1,053

## DISPOSITIONS OF CRIMINAL ARRESTS

Bail forfeited	1
Bound over to Superior Court	30
Continued for sentence	39
Continued for sentence appealed	9
Defaulted	4
Discharged	1
Dismissed	45
Fined	224
Fine appealed	9
Fine suspended	4
Fined and House of Correction	2
Fine and House of Correction suspended	14
Fine and House of Correction appealed	3
Fined and ordered to make restitution	14
Fine suspended and ordered to pick up rubbish	4
Fine and ordered to make restitution appealed	7
Found not guilty	20

Found in contempt of Court	2
Fined, H. of Cor. and ordered to make restitution	2
Fined, H. of Cor. and ordered to pay fees	1
House of Correction	15
House of Correction appealed	7
House of Correction suspended	9
H. of Cor. and ordered to make restitution	4
H. of Cor. susp. and ordered to make restitution	1
H. of Cor. and ordered to make restitution appealed	1
H. of Cor. suspended and placed on probation	4
Nol Prossed	79
No probable cause found	1
Ordered to pay and House of Correction suspended	5
Ordered to make restitution	3
Placed on file	37
Purged of contempt	2
Referred to Juvenile Court	142
Released	230
Released to other departments	31
Waived formal extradition	2
Taken to mental hospital	2
	<hr/>
	1,053

### DEPARTMENTS ARRESTS

Rochester Police Department	2,035
State Police	1,335
Other Departments	358
	<hr/>
	3,728

### FINES ASSESSED

Motor Vehicle Arrests	\$81,620.00
Criminal Arrests	11,375.00
	<hr/>
	\$92,995.00

### ACTIVITIES

Aids to individuals	1,253
Aids to other departments	572



Accidents investigations	875
Accidents reported at station	249
Animals taken to pound or vet's	133
Articles found	197
Articles lost	223
Articles stolen	676
Autos stolen	35
Autos recovered	38
Blood relays	77
Buildings unlocked	861
Burglaries	176
Complaints answered	8,657
Criminal arrests	647
Fatalities	5
Funeral escorts	57
Intoxicated (simple drunks)	264
Juveniles	142
Lodgers	179
Missing persons	126
Missing persons returned	115
Motor vehicle arrests	2,675
Payroll and store escorts	1,157
Personal injuries in auto	120
Plane crashes	2
Report of street and traffic lights out	61
Robberies	2
Suicides	1
Warnings given	689
	<hr/>
	20,085

### MONIES RECEIVED

Meter Collections	\$ 9,404.14
Meter Fines	1,889.00
Beano Permits	2,125.00
Bicycle Licenses	262.75
Copy Machine	1,915.00
Pinball Machine Licenses	360.00
Pistol Permits	498.00
	<hr/>
	\$16,453.89

Respectfully submitted,  
**KENNETH P. HUSSEY**  
 Chief of Police

# REPORT OF THE DEPARTMENT OF PUBLIC WORKS

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF ROCHESTER:

I submit herewithin my report of the activities of the Department of Public Works for the year ending December 31, 1978:

Snow removal, salting, and sanding required most of our attention for the first three months. However, when the weather permitted, we did considerable patching of streets and started our regular patching program in the middle of April.

Around the first of April we were able to start sweeping our many city streets and we continued this until cold weather set in toward the first of November.

Our surface drains were cleaned in the spring and fall of the year with the aid of our hydraulic Catch Basin Cleaning Machine. Drains which did not take water were cleaned with hand rods and our sewer rodding machine.

Gravel was hauled to repair washouts and to improve some of our unpaved roads. Roads to which gravel was hauled were the Havenhill Road, Sheepboro Road, Dump Road, Evans Road, Hussey Road, and the Bickford Road.

Dust Oil was applied to some roads in the city to control dust conditions on unsurfaced areas. Roads which were oiled are the Sheepboro Road, Evans Road, Hussey Road, and the Bickford Road.

We hot-topped some streets and roads in the City during the summer months; such as Railroad Avenue-Gonic, Main Street-Gonic, Ten Rod Road, Tibbetts Road, Part of Dodge Street, part of Summer Street, part of Four Rod Road, part of Autumn Street, and part of Rochester Avenue.

Culverts were installed on Franklin Street, Ten Rod Road, and Yvonne Street to correct flooding of water which was running into the streets.

Sidewalks were repaired on some streets in the City which included; Pine Street, North and South Main Streets, Maple Street, Congress Street, Washington Street, Brock Street, and Charles Street.

Sewer Main extensions have been completed on Maplewood Avenue, and on Howe Street; using 237 feet of 8" and 580 feet of 6" Transite Sewer Pipe.

Nineteen new sewer services were installed, bringing the total to 3,641 services in the system.

Water Main extensions have been completed on Salmon Falls Road, Howe Street, Tingley Street, Birchwood Grove Park, Hemlock Street, Maplewood Avenue, Wildwood Lane, and Birchwood Avenue; using 144 feet of 8" Ductile Iron Pipe and 3,944 feet of 6" Ductile Iron Pipe.

Seventy-two new water services were installed and nine water services were relaid.

In order to assist us in our activities and programs we were able to purchase some new equipment such as; two (2) new 1978 International Dump Trucks, one (1) new 1978 Mobil Street Sweeper, and one (1) new 1978 Case Backhoe Front-end Loader.

I take this opportunity to thank his Honor the Mayor, Members of the Public Works Committee, the City Council, and the employees of this department for assisting me in solving the problems that arise in the City.

Respectfully submitted,  
PAUL W. CLEMENT  
Acting Commissioner

## REPORT OF THE SUPERINTENDENT OF SCHOOLS

TO THE SCHOOL BOARD AND CITIZENS OF ROCHESTER:

I am pleased to report some of our activities in the School Department for the school year 1978. This is not complete but, hopefully, it will give you a sense of what is happening within the School Department.

First, I would like to call your attention to the fact that our enrollment seems to have levelled off. We have not increased in number of pupils and, near the end of the year, we did in fact decrease by a few. I expect that this will be a temporary thing because Rochester will be growing and, although family sizes are smaller, the continued increase in population will, in a few years I believe, start to increase the school population again.

In an effort to improve our high school scheduling, we adopted a process called arena scheduling. Simply stated, this is where a student elects his courses by selecting a card representing each of his classes. In most instances, his selection is based on teacher recommendation and his own choice. These cards are put together and a master schedule is constructed which tells the School Department the number in each class in each subject area and the number of classrooms needed. The total request is then given to the computer and a daily schedule is worked out fitting the students into programs according to their requests. This plan of scheduling, unlike the previous one, is ninety-eight per cent conflict free. It also avoids the confusion of the first two weeks of school with classes that are overloaded, students with conflicts in their schedule, and the like.

Stafford Learning Center has continued to provide considerable assistance in the area of handicapped education. With the help of state and federal monies which we are not able to obtain locally, the Learning Center is providing three times as much services in dollars as we spend to belong to the organization. With continued emphasis from the federal government on the handicapped, hopefully Stafford Learning Center will expand to provide Rochester and other local districts in the area the needed services. Right now we are receiving assistance in the way of a psychologist who tests the handicapped, learning disabilities specialists, speech pathologists, occupational therapists, and learning disabilities aides. We would not be able to buy all of these services at the local level.

This year, as the School Board is aware, we have adopted a new retention policy. Previously, we tried to retain children in the first and second grades if we felt they were having a problem learning. However, this policy caused students to become lazy and complacent about doing their work and paying attention. I believe it also encouraged an attitude of unconcern on the part of the students in the upper grades. We have, therefore, instituted a policy which states that any student who does not complete his work for the school year and is able to will not be promoted. We feel that students must assume their responsibility at each particular grade level and that assuming this responsibility is part of growing up. We will now watch to see if the change in policy affects the attitude of pupils within the classroom.

This last year we had an evaluation by the State Department of Education of our Special Education Program. The results were good. In other words, what we were doing we were doing well, but there were several areas that we need to become involved in to improve the program that we are offering. For example, after an educational program has been developed for a child, we need to improve our follow-through within the classroom. We need to improve our record-keeping in order to provide the state and federal government with up-to-date reports and to assist us locally so that we will know where the student is at a given time. This will require additional staffing because of the paperwork involved. We also need to provide additional staff within the schools themselves to help the classroom teacher help these students.

For many years I have been concerned about the elderly, the food that they were or were not receiving, and the loneliness that many of them experience. I have been inquiring around in an attempt to identify outside agencies that could assist me in developing a program for the elderly. This spring I was able to obtain help from the state and federal agencies and, with the assistance of our own staff and the elderly within the city, late spring we established a program in the high school. The purpose of this program is two-fold: first, to provide a balanced meal once a week at a nominal sum and, second, to provide an opportunity for the elderly to come together and visit, to discuss their problems and to offer programs of entertainment. We were delighted to see more than two hundred attend our first program and each week thereafter. Schools are not just for people ages six to eighteen-they belong to the city and, therefore, should be

used by the city for all ages of citizens. I am proud of this program and hope it continues and expands.

Our school calendar with a two-week recess at Christmas time, although different than most other schools in the area, was successful. Its major purpose of conserving fuel during the coldest time of the year did result in a saving. Experts informed us that, if we closed school and reduced our thermostats from 70° to 55°, there could be as much as a four per cent saving. Although we do not have any hard data to prove this, there obviously was a saving because of a reduced consumption of oil. I hope we can keep this calendar in the future.

This December we opened our new gym facility at the high school. Not only will this relieve a serious problem of overcrowding for physical education, curtailed activities in this area and scheduling problems, it also provides one of the best facilities in the state for athletics and meetings. It is a beautiful facility and one which the city should be proud of.

This year, American Education Week was planned differently. Instead of having open house in the schools as we have for so many years, we secured the display space at the Rochester Mall and set up educational programs presently in operation. Over thirty different characteristics of our education were on display and parents and other people in this community had an opportunity to review firsthand some of the things that are happening in our schools. We hope to continue this another year because it was so well received.

Rochester, since 1971, has been on what is called a four-and-a-half-day week. This has provided Wednesday afternoon for curriculum development and in-service training. This has continued to allow the School Department to spend a concentrated time on various problems in order to improve the quality of education your children receive. Every Wednesday throughout the year teachers have a meeting and workshops within their school buildings or on committees to review, study and improve the instruction the children will receive. If I had to single out one of the most important characteristics that has enabled us to provide a quality educational program in Rochester, in spite of some of our problems, it would be this program. As we continue this, I feel that the schools will continue to grow and reflect the needs of the student.

This year, in conjunction with the state mandate, we have set up an Accountability Committee to develop an Accountability



Program following state guidelines. To date, the following has been done. We have established a local planning group composed of School Board members, administrators, teachers and parents. This group has been charged with the responsibility of developing a system-wide accountability plan. They will be responsible to develop an outline for a plan and submit it to the State Department of Education in January, 1979. They also must look at the student outcomes that we have at each grade level to see if they are appropriate. They must decide what grade levels should be tested in a system-wide program. Areas of education such as math or reading should be considered in order to select what should be tested. They should also decide the criteria used in the development of student outcomes. This local planning group will then report to the administration who will make recommendations to the School Board. The recommendations adopted by the Board will be submitted to the State Board with their approval.

In conclusion, the citizens of Rochester should be proud of their schools. They are not without problems and shortcomings but, as I travel around the state and talk to people of other districts, I become aware that we continue to provide quality education, we continue to provide the basic experiences for children so that upon graduation they can take their places as competent, worthy citizens in our community, or go on to higher education and be competitive with others from other communities and states. It is a pleasure to continue to serve you as the head of the School Department.

Respectfully submitted,  
THAYER D. WADE  
Superintendent

## **SCHOOL BOARD-CITY OF ROCHESTER, N.H.**

Chairman, Hon. John Shaw  
Ward One-Harry W. Germon, Annette Elliott  
Ward Two-Dr. Gus L. Hoyt, Beth Hourigan  
Ward Three-Muriel P. Gagnon, Michael Dubois  
Ward Four-Roland Roberge, Franklin C. Jones  
Ward Five-James Seavey, Frederick M. Steadman  
At Large-Richard V. Carlson, F. Roland Keans

### **STANDING COMMITTEES**

Finance-All Board Members  
Personnel-Shaw, Steadman and Carlson  
Instruction-Steadman, Elliott, Jones, and Hoyt  
Building-Seavey, Dubois, Roberge  
Special Services-Gagnon, Germon, Keans

### **PERSONNEL**

Robert C. Gilman, Assistant Superintendent  
Faustina M. Trace, Teacher Consultant  
School Nurses-Marion S. Goodwin, R.N.; Jacqueline A.  
Brennan, R.N.; Mary Wallace, R.N.  
Attendance Officer-Zane Chase  
Director of School Lunch-Helen Grenier



## REPORT FROM THE OFFICE OF THE PUBLIC WELFARE

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE  
CITY OF ROCHESTER:

Following gives a report of the assistance given for the year  
1978-198 families and 112 single persons were provided with the  
following:

Appropriation for direct relief, soldier's aid and board and care  
\$100,000.00.

Food	\$29,291.27
Fuel	9,448.97
Rent	39,371.28
Utilities	1,526.48
Medical	4,839.62
Clothing	262.15
Board & care-children	843.21
Board & care-adults	1,641.50
Medical	109.28
TOTAL	\$87,333.76
Appropriation Old Age Assistance	\$55,000.00
Expenditures for 10 months	53,426.14
Credits from Direct relief and old age assistance	3,416.39
Appropriation for office expenses	\$10,310.00
Expenditures	\$10,732.28

Respectfully submitted,  
ALTHEA D. BERRY  
Overseer of Public Welfare

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**Annual Financial Report**  
**December 31, 1978**

The Mayor and City Council  
City of Rochester, New Hampshire:

We have examined the combined balance sheet--all fund types and account group of the City of Rochester, New Hampshire as of December 31, 1978 and the related combined statements of revenues, expenditures and changes in fund balances--all governmental fund types; revenues, expenditures and changes in fund balance--budget and actual--general fund; revenues, expenditures and changes in retained earnings/fund balances--proprietary fund type and similar trust funds and changes in financial position--proprietary fund type and similar trust funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The City has not maintained a record of its general fixed assets, and accordingly a statement of general fixed assets, required by generally accepted accounting principles, is not included in the financial report.

In our opinion, the aforementioned financial statements present fairly the financial position of the various funds and the general long-term debt group of accounts of the City of Rochester, New Hampshire as of December 31, 1978 and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year after giving retroactive effect to the change, with which we concur, in the method of accounting for estimated uncollectable receivables in the water fund as described in note 6 to the financial statements.

The examination referred to above was directed primarily toward formulating an opinion on the aforementioned financial statements of the City of Rochester, New Hampshire, taken as a whole. The supplementary data included in Schedules 1 and 2 are presented for supplementary analysis purposes and are not necessary for a fair presentation of the financial position and

results of operations of the City of Rochester, New Hampshire. The supplementary data have been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, are stated fairly in all material respects only when considered in conjunction with the financial statements taken as a whole.

PEAT, MARWICK, MITCHELL & CO.

October 9, 1979

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**Combined Balance Sheet--All Fund Types and Account Group**  
**December 31, 1978**

Assets and Other Debits	Total (memorandum only)	Governmental fund types		Proprietary fund type		Fiduciary fund type		Account group	
		General fund	Capital projects fund	Water fund	Nonexpendable trust funds	Nonexpendable trust funds	General long-term debt		
Cash, including time deposits	\$ 165,700	90,646	3,137	45,523	26,394	-	-	-	-
Investments, at cost	161,794	-	-	-	161,794	-	-	-	-
Receivables (net, where applicable, of allowances for estimated uncollectible amounts of \$108,000) (note 8)	1,050,103	1,050,103	-	-	-	-	-	-	-
Taxes, including interest, penalties and liens (note 2)	361,241	296,516	-	64,725	-	-	-	-	-
Accounts receivable	64,119	-	-	64,119	-	-	-	-	-
Unbilled accounts receivable	1,676	-	-	-	1,676	-	-	-	-
Accrued interest	81,132	81,132	-	-	-	-	-	-	-
Tax acquired property	653,474	53,825	599,649	-	-	-	-	-	-
Due from other funds	854,965	-	854,965	-	-	-	-	-	-
Due from other governmental units (note 9)	42,325	-	-	42,325	-	-	-	-	-
Inventory	7,061	-	-	7,061	-	-	-	-	-
Prepaid expenses	1,872,788	-	-	1,872,788	-	-	-	-	-
Property, plant and equipment (net of accumulated depreciation) (note 7)	9,353,982	-	-	-	-	-	-	-	9,353,982
Amount to be provided for retirement of general long-term debt	2,300	-	-	-	-	2,300	-	-	-
Other assets	\$14,672,660	1,572,222	1,457,751	2,098,841	189,864	-	-	-	9,353,982
		<u>1,572,222</u>	<u>1,457,751</u>	<u>2,098,841</u>	<u>189,864</u>				<u>9,353,982</u>

**CITY OF ROCHESTER, NEW HAMPSHIRE**

**Combined Balance Sheet--All Fund Types and Account Group, Continued**

Assets and Other Debits	Total (memorandum only)	Governmental fund types		Proprietary	Fiduciary	Account
		General fund	Capital projects fund	Water fund	Nonexpendable trust funds	General/long- term debt
<u>Liabilities</u>						
Accounts payable	662,898	637,094	-	25,804	-	-
Contracts payable	149,238	-	149,238	-	-	-
Accrued interest payable	2,730	-	-	2,730	-	-
Due to other funds	653,474	599,649	-	53,825	-	-
General obligation bonds and notes payable (note 3)	9,726,647	-	-	372,665	-	9,353,982
Total liabilities	<u>11,194,987</u>	<u>1,236,743</u>	<u>149,238</u>	<u>455,024</u>	<u>-</u>	<u>9,353,982</u>
<u>Fund Equity</u>						
Contributed capital	\$ 634,196	-	-	634,196	-	-
Reserve for encumbrances	716,619	-	716,619	-	-	-
Retained earnings (Exhibit DD)	1,009,621	-	-	1,009,621	-	-
Fund balances:						
Reserve for tax acquired property	81,132	81,132	-	-	-	-
Designated for subsequent years' expenditures (note 12)	42,030	42,030	-	-	-	-
Undesignated	994,075	212,317	591,894	-	189,864	-
Total fund balances (Exhibits BB and DD)	1,117,237	335,479	591,894	-	189,864	-
Contingent liabilities (note 10)	\$14,672,660	<u>1,572,222</u>	<u>1,457,751</u>	<u>2,098,841</u>	<u>189,864</u>	<u>9,353,982</u>

See accompanying notes to financial statements.

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**Combined Statement of Revenues, Expenditures and**  
**Changes in Fund Balances--**  
**All Governmental Fund Types**  
**Year Ended December 31, 1978**

	Total (memorandum only)	General fund	Capital projects fund
Revenues			
Taxes	\$ 5,848,757	5,848,757	-
Intergovernmental	4,038,673	1,855,514	2,183,159
Charges for services	23,182	23,182	-
Interest	21,315	21,315	-
Police	7,257	7,257	-
Miscellaneous	209,188	209,188	-
Total revenues	10,148,372	7,965,213	2,183,159
Expenditures:			
General government	199,233	199,233	-
Education	4,746,930	4,746,930	-
Debt service	586,186	586,186	-
County tax	556,649	556,649	-
Public works	528,232	528,232	-
Police	368,457	368,457	-
Fire	354,526	354,526	-
Special appropriations	473,082	473,082	-
Public welfare	151,492	151,492	-
Public building	33,205	33,205	-
Library	70,312	70,312	-
District court	34,861	34,861	-
Ambulance	38,000	38,000	-
Street and traffic lights	102,309	102,309	-
Recreation	37,419	37,419	-
Abatements	59,181	59,181	-
Employee benefits	59,077	59,077	-
Capital projects	2,079,990	-	2,079,990
Miscellaneous	53,606	53,606	-
Total expenditures	10,532,747	8,452,757	2,079,990
Excess (deliciency) of revenues over expenditures	(384,375)	(487,544)	103,169
Other financing sources:			
Proceeds of general obligation notes	845,507	633,998	211,509
Excess of revenues and other financing sources over expenditures	461,132	146,454	314,678
Fund balances, beginning of year	466,241	189,025	277,216
Fund balances, end of year (Exhibit AA)	\$ 927,373	335,479	591,894

See accompanying notes to financial statements.

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance--**  
**Budget and Actual--General Fund**  
**Year ended December 31, 1978**

	Budget	Balances carried forward and additional appropriations	Total authorized	Actual (note 5)
Revenues:				
Taxes:				
Property taxes (net of veterans' credits)	\$5,429,834	-	5,429,834	5,451,657
Automobile excise taxes	300,000	-	300,000	397,100
Total taxes	5,729,834	-	5,729,834	5,848,757
Intergovernmental revenues:				
School income	625,739	-	625,739	655,794
Business profits tax	512,350	-	512,350	512,351
Interest and dividends tax	154,213	-	154,213	154,213
State Aid water pollution	98,158	-	98,158	98,158
Room and meal tax	140,561	-	140,561	140,561
State highway aid subsidy	124,031	-	124,031	139,161
Federal revenue sharing	151,597	-	151,597	155,276
Total intergovernmental revenues	1,806,649	-	1,806,649	1,855,514
Charges for services	10,000	-	10,000	23,182
Interest	10,000	-	10,000	21,315
Police	8,500	-	8,500	7,257
Miscellaneous	83,000	-	83,000	209,188
Total revenues	7,647,983	-	7,647,983	7,965,213

**CITY OF ROCHESTER, NEW HAMPSHIRE**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balance--  
Budget and Actual--General Fund, Continued**

	Budget	Balances carried forward and additional appropriations	Total authorized	Actual (note 5)
Expenditures:				
General government	171,668	-	171,668	199,233
Education	4,691,455	-	4,691,455	4,746,930
Debt Service	575,954	-	575,954	586,186
County tax	556,650	-	556,650	556,649
Public works	457,683	-	457,683	528,232
Police	326,617	-	326,617	368,457
Fire	311,771	-	311,771	354,526
Special appropriations	-	516,926	516,926	473,082
Public welfare	165,310	-	165,310	151,492
Public building	30,405	-	30,405	33,205
Library	66,042	-	66,042	70,312
District court	30,975	-	30,975	34,861
Ambulance	38,000	-	38,000	38,000
Street and traffic lights	100,700	-	100,700	102,309
Recreation	36,303	-	36,303	37,419
Abateents	18,000	-	18,000	59,181
Employee benefits	62,500	-	62,500	59,077
Miscellaneous	7,950	-	7,950	53,606
<b>Total expenditures</b>	<b>7,647,983</b>	<b>516,926</b>	<b>8,164,909</b>	<b>8,452,757</b>
Excess of expenditures over revenues-- carried forward	-	(516,926)	(516,926)	(487,544)



**CITY OF ROCHESTER, NEW HAMPSHIRE**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balance--  
Budget and Actual--General Fund, Continued**

	<u>Budget</u>	<u>Balances carried forward and additional appropriations</u>	<u>Total authorized</u>	<u>Actual (note 5)</u>
Excess of expenditures over revenues-- brought forward	\$ -	(516,926)	(516,926)	(487,544)
Other financing sources:				
Proceeds of general obligation notes	-	633,998	633,998	633,998
Excess of revenues and other financing sources over expenditures	-	117,072	117,072	146,454
Fund balances at beginning of year	<u>189,025</u>	-	<u>189,025</u>	<u>189,025</u>
Fund balances at end of year	<u>\$ 189,025</u>	<u>117,072</u>	<u>306,097</u>	<u>335,479</u>

See accompanying notes to financial statements.

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**Combined Statement of Revenues, Expenditures and Changes in**  
**Retained Earnings/Fund Balances--Proprietary Fund Type and Similar Trust Funds**  
**Year Ended December 31, 1978**

	Total (memorandum only)	Proprietary fund type Water fund	Fiduciary fund type Nonexpendable trust funds
Operating revenues:			
Water sales	\$ 179,087	179,087	-
Equipment sales	66,735	66,735	-
Interest and dividends	19,445	7,341	12,104
Gifts	12,105	-	12,105
Loss on sale of securities	(4,078)	-	(4,078)
Other	3,520	3,520	-
Total operating revenues	<u>276,814</u>	<u>256,683</u>	<u>20,131</u>
Operating expenses:			
Labor	95,112	95,112	-
Supplies	18,454	18,454	-
Depreciation	48,195	48,195	-
Heat, light and power	22,441	22,441	-
Repairs	16,560	16,560	-
Insurance	6,467	6,467	-
Employee benefits	9,967	9,967	-
Bad debt expense	6,665	6,665	-
Payments to beneficiaries	9,679	-	9,679
Other	16,374	16,374	-
Total operating expenses	<u>249,914</u>	<u>240,235</u>	<u>9,679</u>

**CITY OF ROCHESTER, NEW HAMPSHIRE**

**Combined Statement of Revenues, Expenditures and Changes in Retained Earnings/Fund Balances--Proprietary Fund Type and Similar Trust Funds, Continued**

	Total (memorandum only)	Proprietary fund type Water fund	Fiduciary fund type Nonexpendable trust funds
Nonoperating expenses:			
Interest	\$ 16,089	16,089	-
Net income	\$ 10,811	359	10,452
Retained earnings/fund balances, beginning of year, as previously reported	1,088,639	909,227	179,412
Plus restatement to establish an allowance for uncollectible receivables and to capitalize contributions from citizens (note 6)	83,311	83,311	-
Retained earnings/fund balances, beginning of year, restated	1,171,950	992,538	179,412
Current year net income	10,811	359	10,452
Plus depreciation charged to contributed capital	16,724	16,724	-
Retained earnings/fund balances, end of year (Exhibit AA)	1,199,485	1,009,621	189,864

See accompanying notes to financial statements.

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**Combined Statement of Changes in Financial**  
**Position--Proprietary Fund Type and**  
**Similar Trust Funds**  
**Year Ended December 31, 1978**

	Total	Proprietary fund type	Fiduciary fund type
	(memorandum only)	Water fund	Nonexpendable trust funds
Sources of working capital.			
Net income	\$ 10,811	359	10,452
Item not requiring working capital--depreciation	48,195	48,195	-
	59,006	48,554	10,452
Contributions from citizens	53,585	53,585	-
Note proceeds	38,290	38,290	-
	\$150,881	140,429	10,452
Uses of working capital:			
Acquisition of property, plant and equipment	91,449	91,449	-
Retirement debt	46,000	46,000	-
Net increase in working capital	13,432	2,980	10,452
	\$150,881	140,429	10,452
Elements of net increase (decrease) in working capital:			
Cash	4,928	(7,951)	12,879
Investments	(4,103)	-	(4,103)
Accounts receivable	9,618	9,618	-
Inventory	9,286	9,286	-
Other assets	3,187	1,511	1,676
Accounts payable	7,716	7,716	-
Accrued interest	(926)	(926)	-
Due to other funds	(16,274)	(16,274)	-
	\$ 13,432	2,980	10,452

See accompanying notes to financial statements.

# CITY OF ROCHESTER, NEW HAMPSHIRE

## Notes to Financial Statements

December 31, 1978

### 1. Summary of Significant Accounting Policies

The accounting policies of the City of Rochester, New Hampshire conform to generally accepted accounting principles applicable to government units. The following is a summary of the more significant of such policies.

#### A. Basis of Presentation

The accounts of the City are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balances, revenues and expenditures. The various funds are summarized by type in the financial statements. The following fund types and account group are used by the City.

#### Government Funds

General Fund—The general fund is the operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. The fund pays the general operating expenses, the fixed charges and the capital improvement costs that are not paid through other funds.

Capital Projects Fund—The capital projects fund is utilized to account for all resources and project authorizations used in the acquisition and construction of capital facilities and other fixed assets.

#### Proprietary Fund

Enterprise Fund—The enterprise fund is used to account for operations of the Water Department which are financed and operated in a manner similar to private business enterprises—where the intent of the govern-

### Proprietary Fund (cont.)

ing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

### Fiduciary Fund

Trust Funds-These funds are used to account for assets held in trust by the City for others.

### Account Group

General Long-term Debt-This account group is established to account for long-term debt which is backed by the City's full faith and credit.

## B. Basis of Accounting

The modified accrual basis of accounting, under which expenditures, other than interest on long-term debt, are recorded when the liability is incurred and revenues are recorded when received in cash unless susceptible to accrual, i.e. measurable and available to finance the City's operations, or of a material amount and not received at the normal time of receipt, is followed by the governmental fund types.

Revenue sources which are being accrued include property taxes, charges for current services and intergovernment reimbursements. Major revenue sources not being accrued are automobile excise taxes, licenses and permits.

Budget data as presented for the general fund also utilizes the modified accrual basis of accounting. The accrual basis of accounting is utilized by proprietary fund types and fiduciary fund types.

## C. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market.

## D. Property, Plant and Equipment-Water Fund

Property, plant and equipment owned by the water fund is stated at cost. Depreciation has been provided over the

#### D. Property, Plant and Equipment—Water Fund (cont.)

estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Structures	50 years
House services	25- 50 years
Mains	75-100 years
Equipment	3- 25 years
Water tanks	100 years

#### E. General Fixed Assets

The City does not maintain a record of its general fixed assets. Expenditures for property and equipment are charged against departmental operations whenever such items are purchased.

#### 2. Property Tax

Property taxes for the current year were levied October 30, 1978 on the assessed value listed as of the prior April 1 for all real property located in the City. Taxes were due December 1, 1978 with a 30-day grace period before interest was charged. The last re-evaluation occurred in 1964. The assessed value for the list of April 1, 1978, upon which the 1978-79 levy was based, was at approximately 42% of the estimated market value.

#### 3. Debt Obligations

##### Long-term Debt

The following is a summary of debt transactions of the City for the year ended December 31, 1978:

	<u>General Obligation</u>	<u>Water fund</u>	<u>Total</u>
Debt payable at January 1, 1978	\$9,156,237	380,375	9,536,612
New debt issued	823,007	38,290	861,297
Debt retired	<u>625,262</u>	<u>46,000</u>	<u>671,262</u>
Debt payable at December 31, 1978	<u>\$9,353,982</u>	<u>372,665</u>	<u>9,726,647</u>

The City is subject to state law which limits debt outstanding

### Long-term Debt (cont.)

to a percentage (depending on how funds will be used) of its last full state valuation. Debt incurred for state required sewerage systems and treatment facilities are not subject to the limit. The following is a summary, by purpose, of the outstanding debt of the City at December 31, 1978 and related limitations:

	Net debt outstanding	Percent of state assessed value of \$234,523,857	Statutory limit	Debt margin
School	\$5,045,500	7.00%	16,416,670	11,371,170
Water	372,665	10.00	23,452,386	23,079,721
All other	<u>2,165,482</u>	<u>1.75</u>	<u>4,104,167</u>	<u>1,938,685</u>
	7,583,647			
Sewer	<u>2,143,000</u>			
Total	<u>\$9,726,647</u>			

The annual requirements to amortize all direct long-term debt outstanding are as follows:

1979	\$1,582,259
1980	1,627,174
1981	1,151,407
1982	1,022,059
1983	971,001
1984-1988	3,556,522
Thereafter	6,180,579

### Overlapping Debt

The City is situated in Strafford County and is, therefore, responsible for its proportionate share of the County's general obligation debt. As of December 31, 1978, the County's bonded indebtedness is \$4,970,000 of which 24.074% or \$1,196,478 is the City's proportionate share. The City's share of this debt is amortized through annual assessments by the County.

### 4. Pension Plan

The City participates in the New Hampshire retirement



#### 4. Pension Plan (cont.)

system which covers all full time permanent City and school employees. The system requires that both employees and the City contribute to the plan and provides retirement, disability and death benefits. Employees are eligible for normal retirement upon attaining age sixty and early retirement after reaching age fifty-five provided they have accumulated ten years of creditable service. The City's contribution for 1978 is \$130,995.

As of June 30, 1978, the unfunded accrued liability approximated \$20,600 and is being amortized over a remaining period of eleven years.

#### 5. Legal Violation

Chapter IV, section 9, of the City Ordinance forbids any appropriation to be overexpended until the City Council stipulates the means for financing the overexpenditure. Several of the City's appropriations were overexpended in 1978 without Council providing the means for financing the overexpenditures.

#### 6. Prior Period Adjustment/Reclassification

In prior periods, the City had not established an allowance for uncollectable receivables in the water fund nor had it capitalized citizen contributions as required by generally accepted accounting principles. In addition, depreciation on assets contributed by citizens was not properly allocated. These accounting policies have been instituted during the current year.

The effect of these adjustments applied retroactively to the prior year would be to reduce revenues by approximately \$46,000.

The effect of the adjustment to establish an allowance for uncollectable receivables was to reduce retained earnings as previously reported by \$61,335. The reclassification of citizen contributions and the related accumulated depreciation increased retained earnings as previously reported by \$144,646.

#### 7. Property, Plant and Equipment

A summary of the water fund's property, plant and equipment

## 7. Property, Plant and Equipment (cont.)

follows:

	Balance January 1, 1978	Additions	Balance December 1978
Structures and land	\$ 82,408	22,500	104,908
House services	305,902	22,696	328,598
Mains	1,969,376	31,493	2,000,869
Equipment	597,341	14,760	612,101
	<u>2,955,027</u>	<u>91,449</u>	<u>3,046,476</u>
Less accumulated depreciation	<u>1,125,493</u>		<u>1,173,688</u>
	<u>\$1,829,534</u>		<u>1,872,788</u>

## 8. Allowance for Uncollectible Receivables

For financial statement purposes, the City has estimated and recognized allowances for potentially uncollectable receivables. These allowances are not recorded in the City's accounting records.

## 9. Due from Other Governmental Units

These amounts represent unclaimed portions of capital construction grants committed by various Federal and state agencies. The amount has been accrued to the extent that actual expenditures and encumbrances exceed reimbursement. Of the total amount due, \$716,619 is represented by encumbrances and the remainder by actual expenditures and contracts payable.

The grant programs are subject to financial and compliance audits by the grantors or their representatives. As of October 9, 1979 the audits of the programs have not been completed. Accordingly, the City's compliance with applicable requirements will be established at a future date.

## 10. Contingent Liabilities

There are several pending lawsuits in which the City is involved. The potential claims against the City from such litigation are not expected to materially affect the financial statements of the City.

## 11. Subsequent Events

Subsequent to December 31, 1978 the City Council authorized special appropriations of approximately \$290,000. The City has financed these special appropriations by issuing general obligation notes.

## 12. Fund Balance Designated for Future Years' Expenditures

Fund balance designated for future years' expenditures include a \$69,282 deficit related to the construction of the new high school. The deficit is due to actual expenditures exceeding the estimated construction costs. The City's options for funding the deficit include incurring additional debt or appropriating funds from the general fund in the future.

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**General Long-term Debt Payable**  
**December 31, 1978**

	Interest rate	Final maturity date	Annual serial payment	Issued	Retired	Outstanding
<b>General obligation bonds:</b>						
Chamberlain Street School	3.40 %	12/ 1/80	\$ 30,000	651,000	591,000	60,000
Allen School	3.20	11/ 1/83	25,000	490,000	375,000	115,000
			(20,000 in 1982)			
East Rochester School	4.60	12/15/87	40,000	785,000	440,000	345,000
			(35,000 in 1985)			
Water pollution—phase I	3.90	12/15/96	100,000	3,000,000	1,200,000	1,800,000
New high school and Allen School addition	7.50	9/ 1/04	165,000	4,965,000	675,000	4,290,000
Police, fire station and city hall repairs	7.50	9/ 1/04	40,000	1,100,000	160,000	940,000
			(35,000 in 1985)			
<b>Total general obligation bonds payable</b>				<b>10,991,000</b>	<b>3,441,000</b>	<b>7,550,000</b>
<b>General obligation notes:</b>						
Addition to computer and city hall generator	4.75	3/ 1/79	2,694	13,470	10,776	2,694
Test borings and land purchase	4.75	3/ 1/79	6,100	30,500	24,400	6,100
Plans for phase II sewer	5.50	11/10/79	211,509	211,509	-	211,509
Rewire city hall and audits	5.50	1/20/80	10,743	53,715	32,229	21,486
Chamberlain Street land	5.50	1/20/80	3,000	15,000	9,000	6,000
Land purchase and fire truck repairs	5.50	1/20/80	32,200	161,000	96,600	64,400
Voters re-registration	5.50	1/20/80	4,110	20,550	12,330	8,220
Public works equipment	5.50	1/20/80	5,950	29,750	17,850	11,900

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**General Long-term Debt Payable, Continued**  
**December 31, 1978**

	Interest rate	Final maturity date	Annual serial payment	Issued	Retired	Outstanding
Waste water treatment facility	4.50 %	12/21/80	\$ 8,100	81,000	64,800	16,200
Industrial land in Gonic	4.75	11/ 4/80	(325,000 in 1980)	325,000	-	325,000
Police cruiser and Gregoire house	5.75	4/ 1/81	4,020	20,100	8,040	12,060
Sewerage facility study and merit raises	5.75	4/ 1/81	18,800	94,000	37,600	56,400
Public works equipment	5.75	4/ 1/81	740	3,700	1,480	2,220
School repair	5.75	4/ 1/81	12,900	64,500	25,800	38,700
Police and fire equipment	4.40	11/22/81	8,290	41,450	16,580	24,870
Public works equipment	4.40	11/22/81	17,200	86,000	34,400	51,600
School repair (school supplemental budget)	4.40	11/22/81	25,000	125,000	50,000	75,000
Abateents and engineering consultants	5.51	11/ 4/82	3,772	18,858	3,772	15,086
Band uniforms	4.80	11/ 4/82	1,700	8,500	1,700	6,800
TRA funds, merit raise and building appraisal	4.80	11/ 4/82	6,466	32,330	6,466	25,864
Public works equipment	4.80	11/ 4/82	930	4,650	930	3,720
Public works equipment	5.15	11/ 4/82	5,124	25,622	5,124	20,498
Street light and ladder truck repairs	5.625	11/10/83	20,487	102,958	-	102,958
			(21,010 in 1983)			
Pool, library, police and fire equipment	5.625	11/10/83	5,347	26,736	-	26,736
Merit raises	5.625	11/10/83	23,800	119,000	-	119,000
Public works equipment	5.625	11/10/83	30,533	152,805	-	152,805
			(36,339 in 1983)			

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**General Long-term Debt Payable, Continued**  
**December 31, 1978**

	Interest rate	Final maturity date	Annual serial payment	Issued	Retired	Outstanding
School repair	5.625%	11/10/83	\$ 23,000	115,000	-	115,000
Purchase Bradford and Turcotte property	3.50	8/25/85	1,500	30,000	19,500	10,500
Land for industrial shell	3.50	8/25/85	750	15,000	9,750	5,250
Swimming pool enclosure	2.90	7/11/86	2,000	40,000	24,000	16,000
Pickering Road, sewerage and lift station	variable	11/22/86	7,500	75,000	15,000	60,000
Salmon Falls road repairs	5.70	11/ 4/87	5,200	52,000	5,200	46,800
Water, sewer extension and sewer pump	5.70	11/ 4/87	5,290	52,896	5,290	47,606
Purchase Courier building	5.875	11/10/88	1,800	18,000	-	18,000
Salmon Falls road repairs	5.875	11/10/88	7,700	77,000	-	77,000
Total general obligations notes payable				<u>2,342,599</u>	<u>538,617</u>	<u>1,803,982</u>
				<u>\$13,333,599</u>	<u>3,979,617</u>	<u>9,353,982</u>

In addition to the general obligation debt exhibited above, the City of Rochester has a contingent liability against its full faith and credit on the water fund listed below. The general credit of the municipality is obligated only to the extent that liens foreclosed against properties are insufficient to retire outstanding debt.

## Water Fund bonds:

Water construction bonds	2.50	5/ 1/84	\$ 25,000	650,000	475,000	175,000
			(30,000 in 1980)			

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**General Long-term Debt Payable, Continued**  
**December 31, 1978**

	Interest rate	Final maturity date	Annual serial payment	Issued	Retired	Outstanding
Water Fund notes:						
Adams Corner Hill pump	4.375%	8/28/82	\$ 2,000 (1,375 in 1982)	19,375	12,000	7,375
Pump and generator	5.625	11/10/83	3,158	15,790	-	15,790
Water pressure pump	6.50	4/ 1/86	9,000	90,000	18,000	72,000
Pickering Road water construction	variable	11/22/86	10,000	100,000	20,000	80,000
Land at Round Pond	5.875	11/10/88	2,250	22,500	-	22,500
				<u>247,665</u>	<u>50,000</u>	<u>197,665</u>
				<u>\$ 897,665</u>	<u>525,000</u>	<u>372,665</u>

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**Assessed Valuation, Commitment and Collections**  
**Year Ended December 31, 1978**

	<u>Valuation</u>	<u>Tax rate (dollar per thousand)</u>	<u>Commitment</u>
Real property	\$9,647,042	55.0	\$5,305,873
Supplemental taxes			18,711
			<u>5,324,584</u>
Less:			
Cash collections			4,402,449
Taxes abated			43,739
			<u>4,446,188</u>
1978 taxes uncollected at December 31, 1978			<u><u>\$ 878,396</u></u>



# CITY OF ROCHESTER, NEW HAMPSHIRE

## Management Letter

October 9, 1979

To the Mayor and City Council  
City of Rochester, New Hampshire

We have examined the financial statements of the City of Rochester, New Hampshire for the year ended December 31, 1978 and have issued our report thereon dated October 9, 1979.

As a part of our examination, we made a study and evaluation of the City's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. Under these standards, the purpose of such evaluation is to establish a basis for reliance on the system of internal accounting control in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist us in planning and performing our examination of the financial statements.

Our examination of the financial statements made in accordance with generally accepted auditing standards, including the study and evaluation of the City's system of internal accounting control for the year ended December 31, 1978, that was made for the purposes set forth in the paragraph above, would not necessarily disclose all weaknesses in the system because it was based on selective tests of accounting records and related data. Such study and evaluation revealed the following conditions that we believe deserve your attention.

### Significant Weaknesses

In our opinion, the following situations are significant weaknesses in the system of internal controls which should be acted upon as soon as possible.

#### Cash Receipts

Cash receipts are not necessarily deposited daily. The daily deposit of cash receipts keeps the amount of cash on hand at a minimum and reduces the risk of loss from burglary. Moreover,

there is less opportunity for misappropriation of funds for short periods of time and reduced flexibility in concealing such "borrowing" by substitution of later receipts. Investment income could also be maximized.

### Purchasing

We would like to recommend the following regarding the purchasing system:

- . The City does not use a receiving report, nor is receipt of goods or services noted on invoices. In order to be assured that all invoices represent purchases for municipal purposes and that goods and services have been received, we recommend that a receiving report be used to record the receipt of all goods and services. Receiving reports should be attached to the vendor's invoice before it is approved for payment.
- . Upon approval by the purchasing committee, all copies of purchase orders are returned to the originating department. We recommend that one copy of the purchase order be transmitted to the accounting department to be subsequently compared to the invoice. This procedure will ensure the propriety of the goods received or services rendered and that the amount charged is as agreed. It came to our attention that department heads were preparing purchase orders after the goods were ordered in some instances. This practice should be prohibited.
- . Invoices received in the mail are initially transmitted to the department heads. To establish control over the invoices and to maintain an adequate record of accounts payable, we recommend that all vendors' invoices be encumbered by the accounting department.
- . Upon payment, invoices should be marked "paid" to avoid the possibility of duplicate payments.
- . After disbursement checks are signed by the Mayor and Treasurer, the checks are returned to the accounting department for mailing. We recommend that the checks be returned to an individual who is independent of the cash disbursement function for mailing to reduce the risk of misappropriation of funds.

## Payroll Procedures

In connection with our examination of payroll procedures, we noted the following for your consideration:

- . Department heads approve payrolls, do the hiring, and distribute the paychecks for their respective departments. Such a system can result in a defalcation which can be covered up by the perpetrator. We recommend that the responsibilities of hiring and distributing the payroll be assigned to an employee who is independent of the various departments and the preparation of the payroll.
- . We recommend that pay rate history records be maintained for each employee which would indicate the approval of any rate changes by designated City officials. This procedure will add assurance that wages being paid are proper and in line with established policies or union contracts.
- . The maintenance of personnel records is not centralized. We recommend the establishment of a centralized personnel record filing system to accumulate information on employees. In our opinion, such a system would help ensure that such information is not improperly disclosed and that the files are complete in all respects.
- . Our test procedures indicated instances where taxes are being withheld at rates differing from those expected based upon information in the W-4's. Tax regulations require an employee to maintain accurate W-4 records. We recommend that the City require all employees to submit new W-4 forms annually and that no changes be made in the payroll system without revised W-4's.

## Subsidiary Ledgers

The City's accounting system includes many subsidiary ledgers and records that support the general ledger. Several of these were not in agreement with the general ledger at December 31, 1978. We recommend that the following subledgers/records be reconciled to the general ledger on a monthly basis to ensure the propriety of postings:

- . Accounts receivable listings for both the general and water funds-In the case of the water fund, individual ledger cards

should also be reconciled to the control cards.

- . Accounts payable listings for both the general and water funds-Particular attention should be paid to reconciling the interfund balances.
- . School accounts should be reconciled to records maintained by the Superintendent's office.
- . Water fund fixed asset records.

### Overexpenditures

The City ordinance requires identification by the Council of additional financing sources before an appropriation can be expended. The City has exceeded appropriated amounts in numerous accounts. Where it appears likely that expenditures will exceed appropriated amounts, the Council should be requested to transfer appropriations from other accounts or to make additional appropriations from fund balance when financially feasible.

### Other Observations

In addition to the items above, which in our opinion require immediate attention, the following items are noted to highlight areas which we believe should be reviewed and acted upon by the City in order to:

1. Increase revenues.
2. Reduce expenditures.
3. Improve management information.
4. Protect assets.
5. Improve operating efficiency.
6. Avoid instances of noncompliance with statutes.

It should be noted that our recommendations are not the sole manner in which desired goals can be reached. It is up to the City to decide which means would be appropriate in achieving these goals. Our recommendations are presented mainly to give City officials a starting point from which to proceed.

## Increasing Revenues

### Tax Commitment

The City currently bills taxes once a year. This results in significant uncollected taxes at year end. Since tax anticipation notes are due at year end, the City's cash position is strained to meet these obligations. We recommend that the City consider billing taxes in two equal installments during the year. In addition to improving the City's cash flow, the taxpayer should find budgeting for two smaller payments easier. Cash flow would be improved and investment income could be maximized.

### Interest on Delinquent Taxes

The City makes a limited effort to collect interest due on delinquent taxes when payment is received through the mail. Formal and effective guidelines should be established to ensure the collection of all interest due the City to maximize interest revenue and to establish impartiality as to when fines will be assessed.

### Water Fund Revenues

The following opportunities to increase water fund revenues or improve cash flow are offered for your consideration:

- . Our review revealed that a substantial portion of the water fund's accounts receivable were long overdue. In fact, several accounts were identified as not having any payments made for several years. We found the City's collection procedures in this area to be minimal. We recommend that the City develop formal guidelines for effective collection of water bills which might include liening the property serviced. Such guidelines will improve cash flow, reduce receivable carrying costs, and will demonstrate that the City intends to collect all bills.
- . Billing rates should be reviewed periodically to determine whether the fee structure is sufficient to cover costs and capital needs.
- . We noted instances where bills are being sent out two to three months after the billing date. We recommend that bills be sent out as soon after the billing date as possible to improve cash flow and increase investment potential or minimize the need to borrow.

- There are several water customers who are assessed a flat fee. Considering that many of these fees were established several years ago, the City should investigate the feasibility of installing water meters on these properties. If this is not practical, fees should be reviewed to determine whether they are adequate in light of expected consumption at the properties.
- The City estimates billings when access cannot be gained to meters. To ensure that the proper fee is being charged, we recommend that the period for which a customer's bill can be estimated be limited to one year, with a reading required after this period.
- It was noted that interest assessed on delinquent water accounts receivable is sometimes written off before any collection procedures are applied. Once again, to ensure impartiality in assessing the fine, we recommend establishing formal guidelines for effective collection of the interest charge. Such a procedure should also accelerate collection of accounts receivable.

## Reducing Expenses

### Bidding Procedures

Chapter XXII, section 3, of the City ordinance requires that three bids be obtained and submitted along with a purchase order for approval by the purchasing committee prior to making purchases. This policy is not adhered to due to its impracticality. The ordinance should be revised to include practical and effective competitive bidding procedures to ensure that the City is obtaining goods and services at the lowest cost commensurate with the quality of the goods or services it uses.

### Obsolete Water Fund Inventory

The City should identify and dispose of its obsolete water fund inventory. Benefits will include reducing the carrying costs of the inventory and a generation of miscellaneous revenues to be used by the fund to update its inventory.

### Centralized Purchasing and Receiving

The City should consider instituting a centralized purchasing and receiving system. Such a system should reduce the cost of



goods since larger quantity purchases can be made and duplicate work by the departments in processing orders would be eliminated. In addition, such a system would centralize accountability and ensure that purchased goods are inspected and counted before payment is approved.

### Improving Management Information

#### Council Minutes

In reading the Council minutes, we noted instances where resolutions and the clerk's signature are lacking. In addition, certain passages were difficult to understand due to the manner in which they were written.

The minutes are the official record of work performed by the Council and should accurately and completely reflect all actions taken. We recommend that procedures be instituted to ensure the preparation of minutes in a clear and accurate manner in the future.

#### Water Fund Inventory Valuation

We would like to note the following as regards the water fund inventory:

- . To properly reflect income from one period to the next, it is essential to consistently value inventory on the same basis.
- . Physical inventory counts should be performed at year end to identify quantities on hand at the close of the accounting period to ensure that all inventories are accounted for and to ensure that obsolete items are not valued.

#### Costing of Fixed Asset Additions—Water Fund

A majority of the fixed asset additions in the water fund require the costing of labor and services performed. It appears that the cost of these items is being underestimated. We recommend the City undertake an analysis of the various services performed to determine proper costing rates. In doing so, special attention should be paid to properly identifying indirect costs such as the cost of machinery and equipment used, costs of operating the equipment and employee benefits paid for laborers which would not be include in the pay rate.

## Protection of Assets

### Fixed Asset Record and Controls

Sound financial administration in safeguarding the Town's investment in fixed assets is of utmost importance in the exercise of stewardship responsibilities. These responsibilities can be effectively discharged only through adequate fixed assets accounting.

By maintaining fixed assets records, the Town will realize several benefits:

- . Fixed assets can be inventoried periodically to ensure that they are properly controlled.
- . Responsibility for custody and effective use of fixed assets can be clearly established.
- . Records will be readily available to substantiate the amount of grants used to finance expenditures for fixed assets. Furthermore, the determination of costs for building or equipment use is facilitated. The latter is important to obtain reimbursement for the use of buildings and equipment in Federal and state aid programs.
- . Information is readily available both to determine insurance needs and to substantiate losses recoverable from insurance.
- . Information is available for the preparation of a Statement of General Fixed Assets.

Establishing fixed assets records when none existed before can be a difficult and time consuming task. One approach is to:

1. Define clearly what constitutes the fixed assets categories, (e.g., land, buildings, improvements other than buildings, equipment); a fixed asset (i.e., minimum dollar value and useful life); and the location "control" areas.
2. Plan and perform a complete inventory of all fixed assets. In creating the inventory records, obtain as much of the information to be included in the individual assets records as is possible, e.g., asset description, location, vendor or manufacturer, acquisition date. Fixed assets identification tags should be affixed at the time the physical inventory is taken.



3. Assign values to each fixed asset according to accepted principles. More specifically, the AICPA Industry Audit Guide, "Audits of State and Local Government Units", sets forth the basis for valuing fixed assets of a governmental unit: "Such assets should be recorded at historical cost, or estimated historical cost, if the original cost is not available, or, in the case of gifts or contributions, at the fair market value at the time received."

Several procedures can be used to determine the valuation.

- . Reference to the historical records, such as vendors' invoices, contracts, purchase orders, capital expenditure authorizations, cancelled checks, gift acknowledgements, or other documents on hand.
- . Correspondence with vendors, donors, etc.
- . Use of an asset valuation reasonably reflective of historical value, provided it is reliable, if historical or fair market value is not available.
- . Historical cost as reasonably estimated by employees for small items of relatively low value, e.g., tools, office furniture, and equipment.
- . Reliance on independent outside appraisals for assets which cannot be valued by one of the above methods or some other reasonable method. It is important to emphasize, however, that the appraisal should be based upon estimated historical cost, not on replacement cost or some other basis.

Evaluation of fixed assets in the above manner will enable the City to establish reasonably accurate initial fixed asset values.

Once initial records are established, the City will want to concurrently implement the kinds of controls and procedures enabling it to maintain control over the fixed assets. These procedures should include:

- . Control over the proper input into the records for all fixed asset additions, sales, abandonments, and transfers.
- . Periodic reconciliation of detail ledgers to the general ledger.

- . Periodic inventory of fixed assets by location.
- . Verification that any asset traded in for a new acquisition is properly removed from the records.

### Annual Audit

The City should consider having an audit performed annually. The benefits to be arrived from an annual audit include:

1. A timely indication of potential problems within the City's accounting system.
2. An independent appraisal of the City's financial systems and operations.
3. Increased confidence by banks and other users of financial statement in the accuracy of such statements.
4. Annual audit fees would be reduced since there would be no need review transactions in prior periods.

### Improving Operations

#### Accounting Procedures Manual

The City should consider developing an accounting procedures manual. Such a manual can be used to set forth job descriptions and lines of authority and supervision for all departments as well as report formats, account codes and descriptions, and similar descriptive materials. The benefits of the manual include providing documentation in one location on the entire financial operations of the government, thereby facilitating an understanding of those operations by all members of management and providing detailed guidance to all personnel involved in financial activities. The training of new personnel would also be facilitated.

#### Bank Reconciliations

Miscellaneous bank reconciling items are accumulated throughout the year and are adjusted at year end. To reduce the time involved in preparing the monthly bank reconciliations, we recommend that reconciling items be adjusted for when they are identified.

#### Personnel

The City should investigate the feasibility of hiring a personnel

director whose responsibilities would include hiring, maintaining complete and current personnel records and negotiating Union contracts. The benefits to the City would include providing professional expertise in hiring and negotiating contracts and would eliminate duplicate efforts by the various departments.

### Compliance with Statutes

#### Debt Proceeds

The City's practice of issuing long-term notes to finance current operating expenses has been cited by the Attorney General of the State of New Hampshire as a violation of state statutes.

In addition to being illegal, such a policy constitutes unsound financial management since the City must pay for current expenses in future periods. We recommend that the City attempt to improve its procedures for estimating expenditures and that an adequate amount be appropriated to contingencies to finance unexpected items.

#### Expense Allowances

It is the City's practice to charge Mayor and Council expense items to fund balance (revenue surplus). Since these are normal and recurring expenses, an annual appropriation should be made and the actual expense recorded in the appropriation ledger.

\* \* \* \* \*

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures,

errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with the procedures may deteriorate.

The foregoing conditions were considered in determining the nature, timing and extent of audit tests to be applied in our examination of the financial statements, and this report of such conditions does not modify our report dated October 9, 1979 on such financial statements.

It should be noted that this letter, by its nature, is critical in that it contains only our comments and recommendations on deficiencies observed in the course of our examination. It does not include our observations on any strong features of the City's systems of internal control that were observed.

\* \* \* \* \*

We wish to thank you for the cooperation we received from your employees during our stay.

Very truly yours,  
PEAT, MARWICK, MITCHELL & CO.

## APPENDIX A

As required by the provisions of RSA Chapter 71-a, Section 21, the Summary of Findings and Recommendations of auditors are hereby published. This is included in the 1978 Annual Report because it has never been published as required by law.

April 25, 1974

### **SUMMARY OF FINDINGS AND RECOMMENDATIONS AND AUDITORS' CERTIFICATE**

To The Honorable Mayor  
and City Council  
City of Rochester  
Rochester, New Hampshire 03867

Gentlemen:

In accordance with the provisions of R.S.A. 71:26 and pursuant to a request in a letter of April 24, 1973 signed by eight (8) members of the Rochester City Council for an audit of the financial accounts of the City of Rochester authorized by a unanimous vote of eleven (11) members of the City Council voting and present on February 17, 1972, we have examined the books and records of the City of Rochester for the years ended December 31, 1971 and December 31, 1972, and submit herewith a report of that examination in the form of exhibits and schedules as hereinafter listed.

Our examination was made in accordance with generally accepted auditing standards and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, subject to the qualification stated in the comments regarding the Water Department, the accompanying balance sheets, statements of revenues, appropriations and expenditures, and surplus, present fairly the financial position of the City of Rochester at December 31, 1971 and December 31, 1972, and the results of the operations for the years ended on those dates in conformity with accounting practices generally

followed by municipalities applied on a basis consistent with that of the preceding year.

## GENERAL COMMENTS AND RECOMMENDATIONS

The last audit of the City of Rochester was performed by this Division for the year ending December 31, 1966. In the report submitted for that year and the preceding two years, we commented on the lack of effective internal control over the assets and resources of the City. We further recommended that basic, sound and generally accepted business practices be adopted and that local ordinances, state and federal statutes applicable to the affairs of the City be reviewed, evaluated and complied with. A working system of internal control is not wholly confined to bookkeeping methods and personnel involved in the accounting process, but extends itself into the area of duties and responsibilities of governing officials and management personnel. Intelligent, informed and capable individuals in positions of governing authority and managerial responsibility must establish sound policies and assume responsibility for their execution.

Our examination disclosed major deficiencies in the City's fiscal operations which, in our opinion, require immediate attention. Our recommendations for correcting the exceptions noted are enumerated below:

### 1. City Expenditures:

The City Ordinances, as revised and amended May 6, 1952 in Chapter IV, Sections 1 through 6, outline the procedures to be followed relative to the expenditure of City funds. When there is adherence to the provisions of these Sections, a modicum of control over City expenditures can be attained. We have ascertained, through detailed examination of vouchers, checks and other evidential material, that control over expenditures and authorizations for payments as required by the ordinances is, for the most part, non-existent. We recommend the preparation of an office manual of accounting and financial procedures to be employed in the day-to-day operations of the City, outlining the City's policies for all employees to follow. Although financial procedures involving municipalities are incorporated in State Statutes and others adopted through local ordinances, a greater portion of financial procedures have been formulated over the years to assist in good internal control and should be reduced to



a procedures manual. Without constant review, especially in governmental operations, a gradual erosion may occur in the centralized accounting, receiving and treasury functions (so important to proper internal control) when departments attempt to function as independent entities.

## 2. Revenue Surplus Funds:

The present Mayor has made us aware of his position regarding the use of revenue surplus funds. We are in fundamental disagreement with the premise that surplus funds may be expended without first being appropriated by the governing body. We take the position that in both towns and cities, regardless of the source of funds, an appropriation is required before an expenditure can be made. This practice is also a violation of the provisions of R.S.A. 47:6, which states as follows: "The city councils shall take proper care that no money be paid from the city treasury unless previously granted and appropriated, and shall secure a just and prompt accountability from all persons entrusted with the receipt, custody or disbursement of the money or funds of the city, or the care of its property."

In refutation of any present, past, or future contention that the expenditure of revenue surplus funds is expressly or impliedly authorized by custom or established procedures over a period of years, we state the following:

- (a.) This audit, which covered the years 1971 and 1972, disclosed deficiencies in a number of proprietary accounts and consequently required a review of records of preceding and succeeding years.
- (b.) This Division had previously conducted an examination for the years 1964, 1965 and 1966 and found no unauthorized expenditures from revenue surplus.
- (c.) During the conduct of our present audit, we found that no unauthorized expenditures were made from revenue surplus in 1967 and expenditures charged to revenue surplus in 1968 were made with council approval.
- (d.) In 1969 (when the present Mayor was the incumbent), expenditures generally of a capital nature were charged to revenue surplus. Our review of the Council minutes and other evidential material pertaining to these expenditures did not indicate that Council approval had been obtained on all items of

expenditures, or that the payment had been approved by the Claims and Accounts Committee.

(e.) In 1971, one expenditure for prior year's insurance was charged to revenue surplus.

The City Accountant provided us with a summary of revenue surplus disbursements for 1972 and a portion of 1973. Of the 1972 total disbursements of \$63,807.39 charged to revenue surplus, \$62,214.42 were authorized by the Council and \$1,592.97 were authorized by the Mayor.

An analysis of the Revenue Surplus Account for the year 1973 was made. The total charges to this account for 1973 were \$233,490.86 and the total credits were \$34,059.15, resulting in net charges to Revenue Surplus in the amount of \$199,431.71 for the year. A summary of the activity in this account together with explanatory comments follows:

Revenue Surplus was charged for:

Mayor and Councilmen	
Salary	\$ 4,300.00 (a)
Office Furniture and	
Equipment	2,481.93 (b)
Women's Lounge	
Renovation	451.87 (b)
Other Operating Expenses	2,091.98 (b)
Rewiring City Hall	19,713.09 (b)
Legal Expenses (See Note	
#1)	2,000.00 (b)
Purchase Chamberlin	
Street Land	15,000.00 (c)
Surveying Chamberlin	
Street Land	501.50 (c)
Interest on Tax Anticipa-	
tion Notes	2,983.00 (a)
Purchase of Police	
Uniforms (See Note #1)	1,375.50 (b)
Paving of Tennis Courts	
(See Note #1)	1,697.65 (b)



Purchase of Pick-up Truck (See Note #1)	\$ 2,700.00 (b)	
Purchase of Tractor (See Note #1)	1,285.00 (b)	
Payment of Tax Anticipa- Note re: Purchase of Wakefield St. Property	150,000.00 (a)	
Spaulding High Youth Activity Fund	1,600.00 (b)	
Department of Revenue Administration-Audit (See Note #2)	<u>25,309.34 (b)</u>	
TOTAL CHARGES		\$233,490.86
<u>Revenue Surplus was credited for:</u>		
Proceeds-Sale of Route 16 Recreation Land	\$ 25,000.00	
Cash Adjustment on Check #5481	1.00	
Journal Entry-August 20, 1973 (See Note #1)	<u>9,058.15</u>	
TOTAL CREDITS		<u>34,059.15</u>
Net Charges and Balance per General Ledger December 31, 1973		<u><u>\$199,431.71</u></u>

- (a) Approved by Mayor and City Council-\$157,283.00.
- (b) Approved by Mayor-\$60,706.36.
- (c) At the March 7, 1973 Special Meeting of the Rochester City Council, the Council voted down the purchase of the land located on Franklin and Chamberlin Streets. On March 9, 1973, the Mayor sent a letter to the City Accountant authorizing the drawing of a voucher for \$15,000.00 to purchase this land. On January 2, 1974, the City Council by a majority vote validated the purchase of this land and expenses incurred in connection with the property-\$15,501.50.

Note #1 On August 20, 1973, a journal entry reclassifying expenditures to accounts items originally charged to Revenue Surplus was recorded in the amount of \$9,058.15. This entry was recorded as being "Per Mayor Shaw." The expenditure for \$2,000.00 paid to Fisher, Parsons, Moreau & Temple was transferred to Account 238-Legal Adjustment. The expenditures for \$2,700.00 paid to M.D. Copp & Sons, Inc. for a Dodge Pick-up truck and \$1,697.65 paid to Wm. J. Vickers & Son for tennis court paving were transferred to Account 281-Recreation. The expenditures for \$1,285.00 paid to M.D. Copp & Sons, Inc. for purchase of a used John Deere tractor was transferred to Account 251-Highway Maintenance. The expenditure for \$1,375.50 paid to A. Barbanti & Sons, Inc. for police uniforms was transferred to Account 215-3-Police Equipment.

Note #2 Charges in the amount of \$25,309.34 have been made to Revenue Surplus for cost of this audit. Payments made to the Department of Revenue Administration were authorized by the Mayor in view of the fact that the cost of this audit was in excess of the original \$4,000.00 appropriation.

### 3. Non-Revenue Funds:

Due to the non-existence of adequate non-revenue (bond and note) appropriation records, we found it necessary to reconstruct the records by reconciling each special non-revenue appropriation on a year-to-year basis from January 1, 1967 to December 31, 1972. In the course of the audit, it was noted that many appropriations voted by the City Council were ignored or not undertaken because of the lack of communication among the Mayor, City Council and City Accountant. The City Accountant, by his own admission, does not review the minutes of City Council meetings and therefore does not recognize an appropriation when voted. Recognition of appropriations occurs only when money funding the appropriation is actually received or expenses are incurred in relation to the project. This method of recognizing appropriations is not in conformity with generally accepted principles of governmental accounting which require the prompt recognition of an appropriation when voted by the Coun-

cil charging the source of funding and crediting the appropriation.

Consequently, if the Council votes to rescind the vote establishing the appropriation, the City Accountant would remove it from his books. Our audit disclosed that the status of many appropriations was left undetermined as no action had been undertaken to either complete the projects or rescind the vote setting up the appropriation.

#### 4. Use of Bond and Note Proceeds:

The purpose for which long term bonds or notes may be issued is covered under the provisions of the Municipal Finance Act, Chapter 33, Section 3 which states, in part, as follows: "A municipality or county shall not issue bonds or notes to provide for the payment of expenses for current maintenance and operation except as otherwise specifically provided by law."

On August 28, 1972, a General Purpose Note in the amount of \$24,488.50 payable at the Community National Bank of Rochester, N.H. was issued. Of the \$24,488.50 principal balance, \$6,853.00 provided for payment of current operating expenses, \$4,000.00 for audit expenses and \$2,853.00 for welfare expenses.

On October 17, 1972, a General Purpose Note in the amount of \$6,553.00 payable at the First National Bank of Rochester, N.H. was issued. Of the \$6,553.00 principal balance, \$2,396.11 provided for the payment of current operating expenses as follows:

Visiting Nurse	\$1,000.00
250th Anniversary	500.00
N.H. Municipal Association	<u>896.11</u>
Total	<u>\$2,396.11</u>

The issuance of these notes to provide for payment of \$9,249.11 in current operating expenses is contrary to the stated provisions of the Municipal Finance Act, Chapter 33, Section 3.

In 1971, the City Council voted to appropriate \$288,000.00 for architects' fees for the New Spaulding Vocational Annex and in December 1971, \$240,000.00 was borrowed on a short-term basis. The note proceeds were applied to architects' fees in the amount of \$109,405.14 and \$130,594.86 was used to defray current maintenance expenses at the end of the year 1971. The

balance due the architects at December 31, 1971 was \$142,075.20. In July 1972, the balance outstanding was \$149,358.46 which included an interest charge of \$4,262.26 at 6% per annum on the balance of \$142,075.20 for the period from January 1 to June 30, 1972 and an additional fee of \$3,021.00. In late 1972, the City Council authorized and issued long term notes for \$240,000.00 to cover the short term issue and long term notes in the amount of \$150,358.46 to cover the \$149,358.46 obligation to the architects. A summary of the appropriations, expenditures, encumbrances and balance follows:

Original Appropriation-1971		\$288,000.00
Additional Appropriation-1972		<u>150,358.46</u>
Total		\$438,358.46
 <u>Expenditures and Encumbrances:</u>		
Architects' Fees	\$254,501.34	
Interest	<u>4,262.26</u>	
		<u>\$258,763.60</u>
Balance of Appropriations		\$179,594.86

The City Council borrowed \$390,358.46 to cover architects' fees of \$254,501.34 and interest of \$4,262.26. The use of note proceeds in the amount of \$130,594.86 to defray current maintenance expenses rather than applying them to the architects' fees resulted in a needless interest expense of \$4,262.26, besides being contrary to state law as mentioned previously.

5. Use of Federal Funds:

As explained in the comments pertaining to Non-Revenue Funds, we made a detailed examination of the records from January 1967 to December 31, 1972. In 1967, \$166,900.00 of Federal Aid for Water Pollution Project Phase I was used to reduce the tax rate of that year and \$19,000.00 was used for paving of streets. Federal funds can not be used for any other purpose except that for which the City has made application. To correct this error the City should have appropriated and raised by taxes the \$185,900.00 and restored it to the Water Pollution Project Phase I. The funds were never restored in the manner described. In 1968 the City borrowed \$185,000.00 on a short

term note and \$900.00 was restored from surplus. In this regard, renewable notes are contrary to the provisions of R.S.A. Chapter 33, Section 2, which provides for repayment of loans by municipalities. The note was finally paid out of surplus in 1973.

It is also noted that the balances due from the Environmental Protection Agency are not recognized on the books as being receivables, nor are outstanding bills due contractors recognized as payable.

#### 6. Financial Reporting and Fiscal Management:

The City Accountant did not file a financial report with this Division for the year ending December 31, 1972 as required by law. Comparison figures on the 1970 and 1971 Financial Reports submitted to this Division by the City Accountant with the auditors' adjusted figures indicates the complete unreliability of the financial reports as prepared by the City Accountant. The following summary indicates the difference in Current Surplus as reported in the Financial Reports for 1970 and 1971 and the Adjusted Current Surplus (Deficit) as determined by this audit.

	<u>Current Surplus per Financial Report</u>	<u>Current Surplus (Deficit) per Audit Report</u>	<u>Change in Financial Condition</u>
Dec. 31, 1970	\$198,587.01	\$ 1,687.54	\$196,899.47
Dec. 31, 1971	\$117,955.07	(\$201,410.38)	\$319,365.45

The following schedule shows, in detail, the adjustments required to make an adequate presentation of the financial condition of the City and properly reflect the balance in Current Surplus (Deficit) at December 31, 1970 and December 31, 1971.

<u>Adjustments Decreasing Current Surplus:</u>	<u>Dec. 31, 1970</u>	<u>Dec. 31, 1971</u>
Correct errors reporting uncollected and unredeemed taxes	\$ 13,469.08	\$
Record additional accounts payable	7,359.85	
Record additional head tax liability	1,698.50	
Record tax anticipation note payable	185,000.00	185,000.00

Adjust accounts receivable to actual	\$ 25,358.02	\$ 25,273.93
Close out overdraft in Disadvantaged Program	,999.62	,999.62
Close out overdraft in special ambulance appropriation	,716.13	
<u>Record special appropriations not funded:</u>		
Ambulance	12,000.00	
Planning Board Consultant	3,000.00	
Record estimated uncollectible accounts	9,947.65	9,947.65
<u>To close Special Appropriations:</u>		
Purchase Option-Wakefield St. Property	\$ .00	\$ 1,000.00
Test Borings-Wakefield St. Property		5,898.23
Record purchase of Wakefield Street property with proceeds of tax anticipation notes		150,000.00
Other decreases (net)		1,172.89
Total Decreases	\$259,548.85	\$379,292.32
<u>Adjustments Increasing Current Surplus:</u>		
Record payments to general fund from non-revenue funds	\$ 54,782.92	\$ 54,728.92
Record sale of old ambulance	1,200.00	
Record amount due from Highway Safety Agency toward purchase of new ambulance	6,358.06	
Other increases (net)	,362.40	
Adjust accounts payable to actual		5,197.95
Total Increase	\$ 62,649.38	\$ 59,926.87
CHANGE IN FINANCIAL CONDITION	\$196,899.47	\$319,365.45



The foregoing schedule reflects the inordinate amount of time and effort that had to be expended to satisfactorily present the financial condition of the City of Rochester at December 31, 1970 and establish a fiscal base to audit the years 1971 and 1972. If the City Council placed any emphasis on the financial reports prepared by the City Accountant showing a Current Surplus balance of \$117,955.07 at December 31, 1971, we are at a loss to determine how or why they approved and raised a deficit appropriation of \$307,700.00 in 1972. If their approval was based on material presented by the Mayor indicating overdue bills owed by the City, it is at best a piecemeal approach to the management of municipal fiscal affairs and indicates a lack of managerial ability and woefully sub-standard performance by the officials charged with fiscal management.

In the preceding paragraphs, we have made certain comments and specific recommendations and outlined some of the major matters which, in our opinion, require attention.

We list below additional comments which, while not as significant as those contained in our general comments, are serious enough to be indicative of the present laxity in the handling of the City's funds.

#### Water Department

The Water Department does not prepare a budget for the fiscal year's operations. Chapter 4, Section 15 of the City Charter implies necessity of such a budget. Also, sound financial administration alone would require the preparation and adoption of a comprehensive annual budget to properly control expenditures and to insure that adequate resources in the form of operating revenues will be available to meet operating expenses and capital outlay requirements.

In our audit reports of December 31, 1965 and December 31, 1966, we made specific reference to the condition of the Accounts Receivable records and commented on the lack of controls over collections on delinquent accounts. The situation, as stated then, is still evident. Of the \$80,703.07 in outstanding Water Rents receivable at December 31, 1972, a total of \$23,013.96 represents balances over one year old and a substantial number of balances extend as far back as ten years.

In Job Work receivables, approximately 48% or \$26,008.04 of the \$53,801.23 balance stated is over one year old. Uncollected water rents at December 31, 1972 include balances of \$941.07

due from the city employees, \$527.31 of which is due from the City Accountant whose account dates back beyond July 1, 1968. There has been no provision made for uncollectible accounts nor any direct charge-offs made for any uncollectible balances. There is a balance of \$1,275.64 for hydrant rentals due from the Fire Department that dates back prior to 1965 still carried in Job Work-Accounts Receivable.

Our examination revealed that extension of water mains in 1971 and 1972 amounted to \$74,474.09. The Clerk's minutes of the City Council meetings did not indicate that approval was granted to the Water Department for these extensions as required in the City Charter under Chapter 27, Section 5 which states as follows: "No extension of the main water pipes shall be made except by vote of the Council."

Our review of fixed asset accounts and other related accounts such as Contributions in Aid of Construction indicated that generally accepted accounting principles applicable to utility accounting are not followed. Although the Water Department is not under the supervision of the State Public Utilities Commission, we recommend that a review of the accounting standards established by the Commission as they relate to water utilities be made and such standards be implemented by the Water Department.

The comments relative to Accounts Receivable balances long past due and the failure to provide for uncollectible accounts prohibits us from rendering an opinion as to the fairness of the Water Department financial statements taken as a whole.

#### Payroll Fund

We received transfers to the Payroll Account for 1970 and 1971 and vouched and footed a representative amount of payroll checks. The March 1971 payrolls were paid with general fund checks for three smaller payrolls and six payrolls were paid by "Bank Money Orders" drawn on the First National Bank of Rochester. This deviation from standard procedure was necessitated by the fact that the City ran out of payroll checks. In addition, one payroll was paid in cash.

#### Cash with Fiscal Agent

In reconciling the bond and coupon account, all issues had to be sorted and assembled in numerical sequence and by maturity dates. Most coupons were found in the bank's stapled



envelopes, thereby prompting our opinion that this account was never reconciled.

### Tax Collector

The Tax Collector receives, remits and records tax monies, and leaves all other accounting and reconciling responsibilities to the City Accountant. The Tax Collector does not reconcile his accounts annually or at any other time. He prepares an adding machine listing of uncollected and unredeemed taxes and submits them to the City Accountant. The City Accountant adjusts the corresponding receivable accounts in the general ledger to agree with the submitted tapes and clears the adjustments through the Revenue Surplus Account. This method is in direct contravention to the proper procedure as prescribed by the Department of Revenue Administration. Tax collections are to be accounted for by reconciliation of the total committed to the Tax Collector, less receipts and abatements as recorded, thus resulting in the balance of uncollected and unredeemed taxes. The method employed by the City results in an abrogation of the duties of the Tax Collector.

During the course of our audit, we were informed that the Tax Collector had collected some \$25,000.00 in tax monies representing prepayments of 1973 taxes by citizens who responded to an appeal by the Mayor for funds badly needed by the City. Chapter 80:52-9 of the R.S.A.'s states in part: "Any city, by vote of its governing body, may authorize the prepayment of taxes and authorize the collector of taxes to accept payments in prepayment of taxes." We have no evidence that the City Council voted to authorize the Tax Collector to accept payments in prepayment of taxes.

### City Clerk

The City Clerk's books do not reflect the receipt of all licenses and permits. Motor vehicle permits, food licenses and filing fees are recorded but all other fees and permits are accounted for in the cash register. No definitive record of the source or origin of these receipts is recorded on the cash book, thus resulting in an inordinate amount of auditing time to verify and substantiate the receipt and deposit of all revenues.

In view of the materiality of the amounts involved, we strongly recommend the establishment of a system wherein receipts from all sources are recorded in a suitable journal.

## District Court

Our audit disclosed the fact that the clerk was not depositing in the bank, nor recording in the docket all bail monies collected, but only peace bonds and bails that were to be transferred to the Superior Court. The balance of bails collected were kept in an office safe to be returned to defendants at the time of disposition of the cases. We suggested that all bail monies be deposited and any returns be paid by check. This system has been implemented.

## Library

We found the books and records maintained by the Library to be in good order, and although records were not all up to date, we did not consider this to be significant.

## Police Department

Police Department records were generally found to be correct and informative. There was some difficulty in reconciling receipts recorded in the Police Department records with the general fund and by checking remittance slips with the City Clerk's cash register recordings we satisfied ourselves that the department's records were correct. However, it should be noted that parking tickets for the year 1972 and previous years were destroyed prior to our examination. Therefore, the total income received from this source in 1971 and 1972 could not be verified. We have recommended to this department that all documents substantiating receipts should be retained until the records are audited. Our review of records indicated that three members of the department have borrowed on sick leave to the extent of forty-nine days.

## School Department

A review of School Department financial activity evokes the following comments:

- (a.) A large percentage of vendor manifests are not properly signed.
- (b.) School invoices are paid without receiving slips attached or notations on invoices as to quantity or condition of goods.
- (c.) Titled funds are presently (1973) being kept in the

prescribed manner, where prior to this year difficulty in reconciling was met.

- (d.) Approximately \$170,000.00 in Accounts Receivable were not recognized on the 1972 books.
- (e.) Approximately \$29,000.00 in Accounts Payable were not recognized on the 1972 books.

The School Department accounting staff is aware of the requirements necessary to meet proper accountability for school finances. This can only be accomplished with the cooperation of the City Accountant.

### Trust Funds

The Trust Funds of the City of Rochester are administered through an Agency Account and held at the Rochester Savings Bank and Trust Company. We examined the trust records and verified the securities held by physical count and inspection. The income and expenses were verified for the period under audit.

### Surety Bonds

The fidelity bonds required for city officials as required by State Statutes were found to be in force. However, other city officials and department heads having access to liquid assets of the City, although not required by statute, should be bonded and in that context we recommend a study of coverage to insure that proper fidelity bonds be obtained where necessary.

### Pending Litigation

We are in receipt of a letter of June 27, 1973 from Burns, Bryant, Hinchey, Cox & Shea of Dover, N.H., counsel for the City of Rochester in the matter of Nat Harrison Associates, Inc. and F.E. Daddario Corp. vs City of Rochester vs Green Engineering Affiliates, Inc. Pertinent excerpts from this letter follow:

"This action was brought against the City of Rochester by a complaint filed in the U.S. District Court for the District of New Hampshire on December 28, 1971. This action is based upon a contract dated September 15, 1966 between the City of Rochester and Nat Harrison Associates, Inc., and F.E. Daddario Corporation, joint venturers doing business under the name of Harrison-Daddario. The contract provided for the construction of additions to the sewerage system of the City for the contract

price of \$3,159,260.50.”

“Work under the contract was begun by the plaintiffs in 1966, and early in 1967 large deposits of unstable material were uncovered while the plaintiffs were excavating for the sewage lagoons. These became known by the plaintiffs and by Green Engineering Affiliates, Inc., the engineers who had duties of supervision of the construction. Certain change orders were issued by the engineer, but approval was not obtained from the State and Federal agencies in 1967. As a result of this failure to approve these change orders by the State and Federal government, the engineers issued the contractor a stop order with respect to work on the lagoons on January 15, 1968.”

“The claim of the plaintiffs in the case is divided into three parts, with a Count stated in their complaint for each part. Under Count I the plaintiffs claim that the stop order was a breach of contract and that as a result of the issuance of this stop order and the failure of new change orders to be issued for over 18 months, that the plaintiffs have suffered damages of \$1,371,139.72.”

“Revised change orders were finally agreed upon by the City, the contractor, and the engineer in July 1969. The City claims that one primary reason for the delays in approval of new change orders was the failure of the contractor to cooperate and to give reasonable estimates for change order work to be accomplished. The plaintiffs claim under Count II that there was a delay in issuing to them instructions to proceed under the new change orders and that they were required to perform various items of extra work for which they should be compensated. The claim under Count II is \$1,003,611.21.”

“Under Count II the plaintiffs claim that the City has failed to remit to them the sum of \$79,048.33 of funds due under the original contract. The three counts are a total claim against the City by the plaintiffs of \$2,453,799.26.”

“The City of Rochester has filed an answer to the plaintiffs’ complaint denying all allegations and stating that no amounts are owed to the plaintiffs by the City. The City has further filed a counter-claim against the plaintiffs alleging that the plaintiffs have failed to properly perform their contract and that they are actually indebted to the City rather than the City being indebted to them. The City has also filed a third-party complaint against Green Engineering Affiliates, Inc. This complaint alleges that if any amounts should be due and owing from the City to the con-

tractor that this is due to default on the part of Green and that Green is required to make good to the City any obligation which the City might possibly have to the contract. This complaint is based upon the contract for the rendering of engineering services entered into between the City and Green. Green has filed an answer denying the allegations of this third-party complaint."

There are four other matters pending in which the City is involved, but the Acting City Solicitor has reported to us that none could involve a substantial expenditure by the City.

### Minutes of Council Meetings

As part of our standard audit procedure, we review the City Clerk's records of the minutes of the Council meetings. This record is our only source of determining the appropriations voted by the City Council during the year.

Our review of these minutes revealed that, in a number of instances, they were not properly signed and apparently were taken by someone other than the City Clerk. Chapter 48, Sections 6 and 7 of the Revised Statutes Annotated, provide for the appointment of a deputy or clerk pro tem.

This report is intended to reflect, as accurately as possible, a summarization of our findings since our last audit report submitted for the year 1966. It is obvious from our comments that the Mayor and City Council should require an annual audit of the City's records to be performed either by this Division or a reputable accounting firm.

The provisions of Chapter 71-a, Section 21, require that the auditor's summary of findings and recommendations (letter of transmittal) shall be published in the next annual report of the City. Publication of the Exhibits contained in this audit report is optional at the discretion of the City Council. This letter, however, must be published in its entirety.

Yours very truly,  
FREDERICK E. LAPLANTE  
Director

DIVISION OF MUNICIPAL ACCOUNTING  
DEPARTMENT OF REVENUE ADMINISTRATION

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