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ANNUAL REPORT FOR 2003 - 2004

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**MEMBERS OF THE
ROCHESTER CITY GOVERNMENT
(July 1, 2003 to June 30, 2004)**

**ANNUAL REPORT
FOR
2003-2004**

**Members of the
Rochester City Government
(July 1, 2003 to June 30, 2004)**

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REPORT OF THE CITY MANAGER'S OFFICE
2003-2004

I am pleased to present the City Report for the fiscal period ending June 30, 2004 and its now the third report I have submitted without having been in the City Manager's position for the entire fiscal period.

During the past fiscal year the City has begun to experience new development pressures and is poised at a threshold for a period of economic growth.

I envision Rochester as the Hub not only as a "gateway" to the White Mountains and the Lakes Region; but we can and will become a center of business activities. Many national and regional commercial operations are looking at Rochester because of its strategic location. We welcome the recent addition of the Stonewall Kitchen Distribution Center in Rochester as a sign of this movement.

One of the more significant project completed in the past fiscal year is the new Rochester Police Station, a facility we can all be proud of and it was finished within the budget allocation for the project.

The enthusiastic group CORE, a Citizen Organization for Rochester Enhancement has been actively working on projects in the Downtown. Core encompasses a group of property owners, business owners, and citizens that are ready to bring Rochester back to the vibrant business community of the early 1900's that is depicted in many of the old photographs of Hanson Street and South Main Street.

I want to take this opportunity to thank all City employees, Departments, Committees and the City Council for their dedication to public service and especially their consideration and assistance provided to me during these transition periods.

Respectfully submitted,

Robert D. Steele
City Manager

CITY GOVERNMENT
As Organized January 1, 2004

MAYOR DAVID E. WALKER

Ward 1	-	David R. Stevens, James F. McManus, Jr.
Ward 2	-	Elaine M. Lauterborn, Sandra Keans
Ward 3	-	Peter A. Lachapelle, John H. Larochelle
Ward 4	-	Robert S. Goldstein, Marilyn Berry
Ward 5	-	Alan Reed-Erickson, Ralph Torr
Ward 6	-	Bruce Lindsay, PhD; Chuck Grassie

City Manager	Russell McAllister (10/1/02-1/13/04) Kenneth Ortmann (1/14/04-2/28/04) Robert D. Steele (3/1/04-Present)
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STANDING COMMITTEES, 2004

Appointments Review Committee: Sandra Keans, Chairperson; Elaine Lauterborn, Vice-Chairperson; Marilyn Berry, Bruce Lindsay, David Stevens

Codes & Ordinances Committee: Elaine Lauterborn, Chairperson; Bruce Lindsay, Vice-Chairperson; Robert Goldstein, Peter Lachapelle, John Larochelle

Community Development Committee: Alan Reed-Erickson, Chairperson; Charles Grassie, Vice-Chairperson; Peter Lachapelle, David Stevens, Marilyn Berry

Finance Committee: David Walker, Chairperson; David Stevens, Vice-Chairperson; Sandra Keans, Alan Reed-Erickson, Charles Grassie, Ralph Torr, Elaine Lauterborn,

Public Safety Committee: Charles Grassie, Chairperson; James McManus, Jr., Vice-Chairperson; Bruce Lindsay, Robert Goldstein, Marilyn Berry

Public Works Committee: Ralph Torr, Chairperson; Sandra Keans, Vice-Chairperson; James McManus, Jr., John Larochelle, Charles Grassie

SPECIAL COMMITTEES, 2004

Highway Safety Committee: Charles Grassie, Chairperson; James McManus, Jr., Vice-Chairperson; Bruce Lindsay, Robert Goldstein, Marilyn Berry

Police Building Committee: Sandra Keans, Chairperson; Ralph Torr, Vice-Chairperson; Elaine Lauterborn, James McManus, Jr., Robert Goldstein

Rochester Government Channel Committee: David Stevens, Chairperson; Peter Lachapelle, Vice Chairperson; Marilyn Berry, Brian Shaw, Robert Steele, John Fuchs, Jim Graham, Rick Healey

CITY OFFICERS AND DEPARTMENT HEADS, 2004

Animal Control Officer	Suzanne Paradis
Deputy Assessor	Tom Mullen
Deputy Assessor	Vickie Lambert
Chief Assessor	Brett Purvis
Business Administrator	Brian LeBrun
Checklist Supervisor Chairperson	Thomas J. Jean
Chief Planner	Michael Behrendt
City Clerk	Joseph Gray
City Engineer	Thomas H. Willis, Jr.
City Manager	Robert D. Steele
City Physician	Dr. William Olney
City Solicitor	Danford Wensley
Code Enforcement Services (Building Electrical, Plumbing, Health and Zoning)	Larry Hamer
Planning & Economic Development Director	Kenneth Ortmann
Economic Development Manager	Karen Pollard
Fire Chief	Mark Dellner
Deputy Fire Chief	Francis Zombeck
Assistant Fire Chief	Norman Sanborn, Jr.
Ice Arena	Chris Bowlen
Library Director	John Fuchs
Police Chief	David Dubois
Public Buildings & Grounds	Melodie Esterberg

Public Works Commissioner	Melodie Esterberg
Recreation, Parks, Youth Services	
Director	Chris Bowlen
Tax Collector	Doreen Jones
Deputy Tax Collector	Karen Paquette
Welfare Director	Lynn Carey
Mayor	David Walker
Deputy Mayor	David Stevens

BOARDS AND COMMISSIONS, 2004

Arena Advisory Commission: David Anctil, Chairperson; Richard Clough, Robert Brown, Raymond McGilvray, Dale Bickford, David Colson, Timothy Williams

Board of Assessors: Brett Purvis, Chairperson; Victoria Lambert, Thomas Mullin

Board of Health: Dr. Thomas Moon, John Larochele, Dr. William Olney, Larry Hamer

Conservation Commission: Rose Marie Rogers, Chairperson; Jeffrey Winders, John Hayes, III; Mark Toussaint, Meredith Lineweber, Paul Marshall, George Bailey **Alternate Member:** Peter Ejarque

County Commissioners: George Maglaras, Chairperson; Cal Schroeder, Ronald Chagnon

Rochester Historic Commission: Jan Kazlauskas, Wes Flierl, Joanne Pallas, Marilyn Berry, Janet Pelley, Vickie Lambert, James Graham

Licensing Board: Robert D. Steele, Mark Dellner, David Dubois

Personnel Advisory Board: Carol Themelis, Daniel White

Planning Board: Julie Brown, Chairperson; A. Terese Desjardins, Vice-Chairperson; James Graham, Secretary; John David Meader, Rick Healey, James McManus, Jr., Tim Fontneau, Alan Dews, Norman Sanborn, **Alternate Members:** Lance Powers, Ray Varney, Kenneth Robinson, Eugene Henderson, Robert Cider Berry, Robert Goldstein

Police Commission: Paul Dumont, Chairperson; Barry Flanagan, Vice Chairperson; Gary Stenhouse

Recreation, Parks and Youth Services Commission: Jeffrey Turgeon, Chairperson; Joseph Maynard, Gerard Gilbert, Fred Chisholm, Shelia Colson, John Larochele

Rochester School Board: At-Large: Annie Grassie; **Ward 1:** Jim McGranahan, Audrey Stevens **Ward 2:** Daniel Harkinson, Nancy Warren, Chairperson **Ward 3:** John Connelly, Gerard Gilbert **Ward 4:** Phil Stiles, Jeannette Duntley **Ward 5:** Pamela Hubbard, Charles DeVito **Ward 6:** Frank Callaghan, Robert Watson

Strafford Regional Planning Commission: Sandra Keans, Mary Lou Beaver, Kenneth Ortmann

Trustees of the Public Library: Pamela Hubbard, Chairperson; Michael Roberts, Vice-Chairperson; Joanne Pallas, Secretary, Betty Meulenbroek, Treasurer; David Tinkham, Priscilla Stiles **City Manager's Designee:** Martha Ortmann **Trustee Emeritus:** Marcia Nescott

Trustees of the Trust Fund: Marsha Miller, Brian Brennan, Richard Boyle

Utility Advisory Board: Scott Valcourt, Chairperson; Kenneth Johnson, Henry Burks, Michael Peterson, Brian Brennan

Welfare Appeals Board: Irene Creteau, Nancy Morneault, Mary Flynn

Zoning Board of Adjustment: Andy English, Chairperson; Ralph Torr, Co-Chairperson; Randy Lavalley, Scott Benoit, Robert Johnson, David Miller **Alternate Members:** Richard Groat, Robert Gates

AUTHORITIES, 2004

Rochester Housing Authority: Arthur Nickless, Chairperson; Wilbur Boudreau, Vice-Chairperson; Stella Marcotte, Secretary/Treasurer; Mark Hourihan, Otis Perry, Richard Lachance, Jerry Grossman

Rochester Industrial Development Authority: Thomas Moody, Chairperson; Laura Ring, Warren Daniel, Robert Mulcahy, David Tinkham, **Ex-Officio Members:** David Walker, Karen Pollard

ELECTION OFFICIALS, 2004

Ward One – Vacant, Moderator; Cindy Harmon, Ward Clerk; Susan Lampron, Checklist Supervisor; Rhona Panteledes, Joyce Betz, Abigail Collins, Selectmen

Ward Two – Daniel Harkinson, Moderator; Nancy Warren, Ward Clerk; Kathleen Morin, Checklist Supervisor; Roger Conway, Brian Brennan, Jean Anne Twombly, Selectmen

Ward Three – Danford Wensley, Moderator; Kenneth Billings, Ward Clerk; Sandra Healey, Checklist Supervisor; Kathryn Lachapelle, Jeannine Lambert, Theresa Lanoix, Selectmen

Ward Four – Priscilla Dickie, Moderator; Pauline Webster, Ward Clerk; Patricia Dunlap, Checklist Supervisor; Anne Letourneau, Geraldine Lacasse, Barbara Harrison, Selectmen

Ward Five – Thomas Bonneau, Moderator; Paraskevola Lalas, Ward Clerk; Carolyn Meader, Checklist Supervisor; Kimon Lalas, David Meader, Helen Gray, Selectmen

Ward Six – James Gray, Moderator; Joanne Gray, Ward Clerk, Sharyn Stuart, Checklist Supervisor; Jeanne Wurth, Jeffrey Turgeon, Norman Sanborn, Sr., Selectmen

Chairperson of the Checklist Supervisors: Thomas Jean
City Clerk: Joseph Gray

**REPORT OF THE ASSESSOR'S OFFICE
2003-2004**

TO THE CITY MANAGER AND CITY COUNCIL OF THE CITY OF ROCHESTER

ASSESSOR'S INVENTORY

LAND VALUATION:

Residential.....	358,958,116
Commercial/Industrial.....	136,196,184
Current Use.....	1,682,391

TOTAL VALUE OF TAXABLE LAND..... 496,836,691

BUILDING VALUATIONS

Residential.....	947,825,234
Manufactured Housing.....	122,089,400
Commercial/Industrial.....	206,232,766

TOTAL OF TAXABLE BUILDINGS..... 1,276,147,400

PUBLIC UTILITIES

Gas.....	5,356,300
Electric.....	17,582,600

TOTAL VALUATION OF TAXABLE PROPERTY 1,795,922,991

EXEMPTIONS

Blind (31)	775,000
Elderly (347)	9,657,500
Disabled (46)	782,000
Totally and Permanently Disabled (0)	

TOTAL AMOUNT OF EXEMPTIONS - 11,214,500

Less Public Utilities		-22,938,900
Net Valuation without utilities on which tax rate for state Education tax is computed		1,761,769,591
2003 Tax Rate x \$18.87 per 1000 Veterans (2003)	-	\$ - \$286,200
Payments in lieu of taxes	+	\$229,850
Total Amount to be collected		\$33,243,528.86

Respectfully submitted,
Brett S. Purvis, Chief Assessor

REPORT OF THE CITY CLERK'S OFFICE 2003-2004

The mission of the City Clerk's Office is to provide for the administration of federal, state, and local statutes, the maintenance of official municipal records and issuance of various licenses and documents in a highly efficient and effective manner. In addition, the City Clerk's Office will maintain the integrity of the election process by conducting fair and impartial elections.

Recorded the votes and proceedings of the City Council at Regular, Special and City Council Workshop meetings; published and indexed the minutes of all City Council meetings in accordance with RSA 91-A:4; and provided informational copies of minutes to all affected citizens, boards, commissions, and department heads. Prepared agendas, packages, and minutes for the following: City Council Regular, Special, Workshop and Public Hearing meetings.

From July 1, 2003, through June 30, 2004, 390 persons were born in the City of Rochester. The City Clerk's Office also processed 241 death records and issued 206 marriage licenses during the same period.

Notary services were provided to 1,050 persons.

119 Uniform Commercial Code Financing Statements (UCC) searches and terminations were made in this office. UCC's are filed with the Secretary of State's Office, UCC Division, Concord, NH. The City of Rochester receives reimbursement from the Secretary of State's Office for all Rochester UCC's filed with the Secretary of States Office. The City of Rochester continues to conduct UCC searches and accept NH Department of Revenue Administration Liens, Federal Tax Liens, Hospital Liens, and Town Tax Liens on Manufactured Housing.

The City Clerk's Office issued 4,225 dog licenses during the year.

Following is a summary of the City Clerk's revenues for Fiscal Year 2003-2004

Cerified Copies of Vital Records	\$17,743.00
Marriage Applications	\$ 1,694.00
Dog Licenses	\$17,443.00
UCC Fees	\$ 7,981.62
Notary Services/Miscellaneous Revenues	\$ 5,491.60
Total Revenues	\$50,353.22

The City Clerk's Office Supervised, (1) Municipal Election, November 4, 2003, (1) Presidential Primary Election, January 27, 2004. Accepted new voter registrations, declarations of party affiliations, and checklist changes in address/ward; provided in-home voter registration for the elderly and disabled; coordinated and attended all sessions of the Supervisor of the Checklist; maintained and updated the City's computerized voter checklist, and printed all required checklists.

Six applications for the Adams-Pray Fund were processed for approximately \$180.35 per applicant.

I would like to express my gratitude to the employees of this department for their hard work and dedication. Assistant Clerks Diane Moses, Kreana Jameson, and Sheryl Eisenberg.

Respectfully submitted,

Shirley McCrillis
Acting City Clerk of Rochester

AMENDMENTS TO ORDINANCES
ADOPTED BY THE ROCHESTER CITY COUNCIL
FY 2003-2004

Establishing the “City of Rochester Economic Development Special Reserve Fund” for the Purpose of Promoting Economic Development
[Adopted 6/22/2004]

Regarding Budgeting for and Expenditure of Funds for Merit Plan “Merit Salary Increase” and/or “Merit Pay Adjustment”
[Adopted 6/01/2004]

Regarding Composition of the Historic District Commission
[Adopted 3/02/2004]

Regarding Elderly Housing
[Adopted 3/02/2004]

Relative to Land Situate in the Vicinity of Great Falls Avenue
[Adopted 12/2/2003]

Relative to Land Situate off the Westerly Side of NH Route 125 and off the
Relative to Conservation Overlay District
Southerly Side of Flagg Road Near Their Intersection
[Adopted 2/03/2003]

Relative to Land Situate on the Northeasterly Side of Columbus Avenue
(Encore Shoe Property and Former Railroad Right of Way)
[Adopted 5/04/2004]

Relative to Prohibiting Political Signs in Adopt-a-Spots
[Adopted 3/02/2004]

Relative to the Rochester Historic District
[Adopted 12/02/2003]

Relative to Sewer User Rate
[Adopted 6/15/2004]

Relative to Weare Street (East Rochester)
[Adopted 4/01/2003]

Relative to Conservation Overlay District [Adopted
10/07/2003]

**RESOLUTIONS
ADOPTED BY THE
ROCHESTER CITY COUNCIL
FY 2003-2004**

Acceptance of Homeland Security Grant Program Grant
(Homeland Grant II) and Making a Supplement Appropriation
In Connection Therewith
[Adopted 9/2/2003]

Accepting Asset Forfeiture Donation to the Rochester Police Department
From the US Drug Enforcement Agency
[Adopted 2/03/2004]

Accepting Contribution from Frisbie Foundation Toward Downtown
Master Plan
[Adopted 10/21/2003]

Accepting Donations to the Rochester Fire Department from George J.
Maxfield VFW Post 1772 and Making Supplemental Appropriation in
Connection Therewith
[Adopted 10/7/2003]

Accepting Donation to the Rochester Fire Department From Strafford
County 4-H Council and Making a Supplemental Appropriation in
Connection Therewith
[Adopted 1/13/2004]

Accepting Donations to the Rochester Fire Department from the Rochester
Wal-Mart and the Rochester Middle School and Making a Supplemental
Appropriation in Connection Therewith
[Adopted 11/05/2003]

Accepting Donation to the Rochester Police Department from Progressive
Foods and Making a Supplemental Appropriation in Connection Therewith
(\$1,200.00)
[Adopted 12/2/2003]

Accepting Donation to the Rochester Police Department from State Farm Insurance Company and Making a Supplemental Appropriation in Connection Therewith
[Adopted 12/2/2003]

Accepting Federal Emergency Management Agency Assistance to Firefighters grant for the Rochester Fire Department and Making Supplemental Appropriation in Connection Therewith
[Adopted 12/2/2003]

Accepting New Hampshire Highway Safety Grant
[Adopted 3/16/2004]

Accepting Contribution from Frisbie Foundation Toward Downtown Master Plan
[Adopted 10/21/2003]

Accepting Donations to the Rochester Fire Department from George J. Maxfield VFW Post 1772 and Making Supplemental Appropriation in Connection Therewith
[Adopted 10/7/2003]

Accepting Donation to the Rochester Fire Department From Strafford County 4-H Council and Making a Supplemental Appropriation in Connection Therewith
[Adopted 1/13/2004]

Accepting Federal Emergency Management Agency Homeland Security Exercise and Evaluation Program Grant for the Rochester Fire Department and Making a Supplemental Appropriation in Connection Therewith (\$22,537.27)
[Adopted 2/3/2004]

Accepting HUD Grant for the Rochester Police Department and Making a Supplemental Appropriation in Connection Therewith
[Adopted 9/23/2003]

Accepting Impact Fee and Making a Supplemental Appropriation in Connection Therewith (\$10,000.00)
[Adopted 9/2/2003]

Accepting Local Law Enforcement Block Grant Monies (\$31, 387.00)

Accepting New Hampshire Bar Foundation Grant
[Adopted 3/02/2004]

Accepting NH Department of Safety Grant for the Rochester Police SAFE Team And Making a Supplemental Appropriation in Connection Therewith
[Adopted 1/13/2004]

Accepting NH Highway Safety Agency Grant for the Rochester Police Department and Making Supplemental Appropriations in Connection Therewith (\$577.20
[Adopted 12/2/2003]

Accepting Polling Locations and Times
[Approved 1/13/2004]

Accepting Progressive Foods, Inc. Fire Equipment Grant and Making a Supplemental Appropriation in Connection Therewith (\$1,100.00)
[Adopted 9/2/2003]

Acknowledging Receipt of Additional Outside Duties Revenues By the Rochester Police Department and Making A Supplemental Appropriation in Connection Therewith
[Adopted 6/15/2004]

Appointing Acting City Manager (Kenn Ortmann)
[Adopted 1/13/2004]

Approving 2004-2005 Community Development Budget
[Adopted 5/04/2004]

Approving 2004-2005 Operating Budget

[Adopted 6/22/2004]

Approving Supplemental Appropriation for the City of Rochester

Approving Supplemental Appropriation to Community Organization for Rochester Enhancement (CORE)

[Adopted 3/02/2004]

Approving Transfers in Community Development Block Grant Budget

[Adopted 5/4/2004]

Authorizing Application for Domestic Preparedness Equipment Program Grant for the Rochester Police Department

[Adopted 1/13/2004]

Authorizing Application for Grant by Library Department

[Adopted 11/5/2003]

Authorizing and Approving 2004-2005 Capital Budget and Authorizing Certain Bonding in Connection Therewith

[Adopted 6/22/2004]

Authorizing Easement Over Undeveloped Portion of Land Contiguous To Dustin Terrace

[Adopted 6/15/2004]

Authorizing Homeland Security Grant Application – Fire Department (\$22,537.27)

[Adopted 1/13/2004]

Authorizing Loan for Economic Development Purposes and Making Supplemental Appropriations in Connection Therewith

[Adopted 8/19/2003]

Authorizing Loan for Economic Development Purposes and Making Supplemental Appropriations in Connection Therewith (Spaulding Composites)
[Adopted 10/21/2003]

Authorizing Change of Purpose for Expenditure of Capital Improvement Funds Including Funds Drawn From the Proceeds of Bond and Operating Cash, and Making a Supplemental Appropriation in Connection Therewith
[Adopted 1/13/2004]

Authorizing Supplemental Appropriations to the 2003-2004 Operating Budget of the Rochester School Department
[Adopted 6/15/2004]

Deauthorizing Certain Capital Improvements Project Appropriations, In Part
[Adopted 6/22/2004]

Establishing Polling Places/Times for 2003 Municipal Election
[Adopted 9/2/2003]

Establishing Levels For Certain Real Property Tax Exemptions and/or Credit in the City of Rochester for the 2004 Tax Year
[Adopted 3/16/2004]

Authorizing Participation by the Rochester Police Department in Project 54 and Accepting Equipment Provided to the City in Connection Therewith
[Approved 1/13/2004]

Regarding Acceptance of Asset Forfeiture Donation by Rochester Police Department
[Adopted 2/3/2004]

Relative to Defeating House Bill 1416-FN
[Approved 3/02/2004]

Relative to Sewer User Rates (2nd Reading)
[Approved 6/15/2004]

Supporting L-Chip Funding
[Approved 3/2/2004]

Accepting Homeland Security Grant - Domestic Preparedness Training
[Adopted 1/13/2004]

Accepting HUD Grant for the Rochester Police Department and Making a Supplemental Appropriation in Connection Therewith
[Adopted 9/23/2003]

Accepting Impact Fee and Making a Supplemental Appropriation in Connection Therewith (\$10,000.00)
[Adopted 9/2/2003]

Accepting NH Department of Safety Grant for the Rochester Police SAFE Team and Making a Supplemental Appropriation in Connection Therewith
[Adopted 1/13/2004]

Accepting NH Highway Safety Agency Grant for the Rochester Police Department and Making Supplemental Appropriations in Connection Therewith (\$577.20)
[Adopted 12/2/2003]

Accepting Polling Locations and Times
[Approved 1/13/2004]

Accepting Progressive Foods, Inc. Fire Equipment Grant and Making a Supplemental Appropriation in Connection Therewith (\$1,100.00)
[Adopted 9/2/2003]

Appointing Acting City Manager (Kenn Ortmann)
[Adopted 1/13/2004]

Authorizing Application for Grant by Library Department
[Adopted 11/5/2003]

Authorizing Homeland Security Grant Application – Fire Department (\$22,537.27)
[Adopted 1/13/2004]

Authorizing Loan for Economic Development Purposes and Making Supplemental Appropriations in Connection Therewith
[Adopted 8/19/2003]

Authorizing Loan for Economic Development Purposes and Making Supplemental Appropriations in Connection Therewith (Spaulding Composites)
[Adopted 10/21/2003]

Authorizing Change of Purpose for Expenditure of Capital Improvement Funds Including Funds Drawn From the Proceeds of Bond and Operating Cash, and Making a Supplemental Appropriation in Connection Therewith
[Adopted 1/13/2004]

Establishing Polling Places/Times for 2003 Municipal Election
[Adopted 9/2/2003]

Authorizing Participation by the Rochester Police Department in Project 54 and Accepting Equipment Provided to the City in Connection Therewith
[Approved 1/13/2004]

Accepting Grant for the Purchase of Bullet Proof Vests
[Adopted 8/5/2003]

Accepting Homeland Security Grant – Domestic Preparedness Training
[1/13/2004]

**REPORT OF THE CODE ENFORCEMENT DEPARTMENT
2003-2004**

The Code Enforcement Department has been extremely active. As the population of Rochester continuously grows, so does the responsibility of the department to enforce applicable rules and regulations of the City of Rochester. This office remains dedicated to this responsibility and will continue its program of proactive code enforcement ensuring the health and safety of the citizens of Rochester.

The total revenue collected by the Code Enforcement Department is categorized as follows:

Food Establishment Licenses	\$ 20,135.00
Code Enforcement Permits	5,760.00
Building Permits	196,263.00
Miscellaneous Permits & Fees	2,184.25
TOTAL	\$243,112.25
Less Refunds, Waived Fees (Veteran & Municipal Status)	18,770.00>
TOTAL	\$ 224,342.25

The total amount expended by the department was \$270,813.00

BUILDING INSPECTION

The major duties of the department include the administration of National Codes, the review and issuance of building permits, and the inspection of construction sites to ensure conformance of these codes; additionally enforce compliance of the Zoning Ordinance and Planning Board approvals.

A total of 2,522 permits were issued with an estimated building cost of \$58,712,973.00. With the combination of building, health, and miscellaneous items, there were 4,197 inspections performed.

HEALTH

The major health related duties of the department continue to be the licensing and inspection of the City's food service establishments. We have worked closely with the owners and operators to ensure compliance with the New Hampshire rules for the sanitary production and distribution of food. During the year each food establishment was inspected a minimum of two to three times. As a whole, Rochester's food establishments are in full compliance.

The department also performed inspections of day care and foster home facilities, investigated housing code complaints and responded to various health related concerns for the citizens of Rochester.

The Board of Health comprised the following members:

Dr. Thomas Moon, D.V.M. - Chairman

John Larochele, Councilor

Vacant

Vacant

Dr. William Olney, M.D.

Mr. Larry A. Hamer, Health Officer – Secretary

CODE ENFORCEMENT

Other general activities performed by the department include: Inspection and licensing of mobile home parks, licensing of movie theaters, pool tables, video games, all taxi (company, drivers, and cars), junk yards, motor vehicle junk yards, second hand dealers, and hawkers & peddlers. Additionally the department has investigated 369 citizen complaints and zoning infractions.

Respectfully submitted,
Larry A. Hamer
Director of Code Enforcement Services

REPORT OF THE CONSERVATION COMMISSION 2003-2004

In 2004 the Rochester Conservation Commission continued its work examining dredge and fill applications, taking action on violations of wetland/buffer ordinances, answering complaints from taxpayers and developing plans for preservation of important conservation lands.

We attended technical review meetings, planning board meetings and City Council meetings acting as a resource for the City when conservation issues were discussed.

The Commission developed a plan for evaluating land acquisition projects. This plan will be tested and presented to City Council in 2005. The Commission worked on acquiring the development rights to the Gagne Farm on Rochester Hill as a "Farm in the City" providing open space and protecting wildlife, for future generations. The Commission was disappointed not to have fulfilled this project in 2004 but the work is continued to 2005.

As the year ended we lost our long time Chair and friend George Bailey to retirement. This loss is still being felt because his wise counsel was valued and missed.

Respectfully submitted,

Rose Marie Rogers,
Chairperson

REPORT OF ECONOMIC DEVELOPMENT 2003-2004

The Economic Development Department was re-established in October 2003 with the hiring of a professional and highly qualified Manager. The department has been restructured to report directly to the City Manager in carrying out the objectives of Business Attraction, Retention and Expansion, Downtown Revitalization, Marketing, Fiscal Management and Administration and Establishing Economic Development Strategy and Policy.

Economic Development projects can take a long time from start to finish, but the initial strategy in Rochester was to attempt to have some short-term early successes to promote. This would help build the self-esteem of the community and could be used in attraction and retention marketing efforts.

The Economic Development Department handled 75 successful projects in attraction, expansion or retention of business and industry. These projects retained 428 new jobs, and created 1,366 new ones in Rochester. These businesses occupied 958,075 square feet of space in the City, much of which was previously vacant. This has significantly reduced the available commercial space in Rochester and has had the effect of raising prices in certain categories.

Business Attraction was very successful during the fiscal year, in part due to availability of space from former manufacturers. The Tillotson Healthcare facility was auctioned to the SBA, and then sold to a businessman in Concord, NH who has been leasing space at very reasonable rates. The Prime Tanning building in the Granite State Business Park was sold to Rand Whitney, the oldest and largest New England based container company, resulting in 60 jobs moved to Rochester from Dover. The former Cabletron buildings also found new owners. Eastern Propane purchased a facility on Industrial Way in the Ten Rod Road Industrial Park, and 36 Industrial Way was sold and is being divided very successfully into office condo units. Stonewall Kitchen is leasing 100,000 sf of space for warehousing and distribution in a former Flextronics facility and hope to expand to more than 100 employees in a year. Steve Dumont, owner of the Gonic Mill and the IMC

Building on Old Dover Road, has had a successful year as well, attracting Specialty Textile Products, Howard Systems and Fiesta Candy. To facilitate further attraction efforts, a database of available space both land and buildings was created. In addition, relationships were established with property owners, developers and real estate professionals in order to develop new leads and realize opportunities.

The Economic Development Manager visited with more than 200 Rochester companies as part of the Business Retention and Expansion Strategy. This is the most effective way to understand challenges facing the business community, or to identify companies that are struggling. Local, state or federal resources were then brought in as appropriate to the business needs. Many successful and growing businesses were also revealed during these visits, and Governor Craig Benson had some productive appointments with 6 manufacturers over the summer of 2004. The JOB Loan Program financed two expansions in Rochester, the first to First Star Manufacturing on Rochester Hill Road and secondly to Nantucket Beadboard Inc. on Chestnut Hill Road for equipment. In both cases, traditional bank financing fell short of what was needed for equipment, and new jobs have been created.

Downtown Revitalization was very exciting, with the new Stewardship Committee established as an independent non-profit organization. The City and CORE - Community Organization for Rochester Enhancement have not yet determined whether or not we will become a Main Street Community, but have left the door open should that become a priority. CORE is following the guidelines in the Cecil Group Report and Downtown Master Plan. CORE presents a semi-annual report directly to the City Council each October and March. The Economic Enhancement Committee of that group completed a business survey, interviewing more than 100 downtown merchants. The survey results were then used to prioritize goals and objectives for Downtown. It was nearly unanimous that restaurants should be the number one attraction priority in the Arts and Entertainment District, and the committee created an attraction package that was sent to 60 successful Seacoast restaurants encouraging them to open a second location. Some of the effects of this effort were not felt immediately, but the response was excellent and brought a lot of positive attention to Rochester. Chronic vacancies by negligent property owners continues to be a challenge, and all property owners were contacted to be informed of the

City's revitalization plans. We had hoped to enlighten some of them on ways they could participate, but to date have had no significant change in the status of the properties in question.

Marketing the city to internal and external potential customers has certainly had ups and downs. The structured and planned press releases, photo ops, and articles extolling the virtues of Rochester came across extremely well, and has started to improve the perception of the City as a leading member of the Seacoast community of Cities, and also in the state of New Hampshire and the region. The budget for the coming year will provide additional marketing opportunities, particularly in electronic media, which is the preferred method.

**REPORT OF THE CITY FINANCE OFFICE
2003-2004**

For the fiscal year ending June 30th, 2004 the City's fiscal health is excellent. Continued close monitoring of City accounts and fund balances will ensure future stability.

The following financial statements and auditor's report substantiates the fiscal health of the City. With the exception of the Sewer and Arena funds, all other funds enjoyed the same fiscal health. Both the Sewer and Arena funds posted net operating losses, as reported in the annual audit report. These losses are a reflection of increased debt service and depreciation expenses due to the major Sewer Plant expansion and the upgrade/expansion of the Ice Arena.

As of June 30, 2004 the City returned sufficient funds to the General Fund to remain above the required 5% undesignated unreserved portion of fund balance. Subsequent to June 30, 2004, a portion of the fund balance was used to offset taxes.

Fiscal Year 2003-2004 was overall financially positive for the City of Rochester.

Respectfully Submitted,

Brian G. LeBrun
Finance Director

EXHIBIT A
CITY OF ROCHESTER, NEW HAMPSHIRE
Statement of Net Assets
June 30, 2004

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 11,263,005		\$ 11,263,005
Investments	4,310,857		4,310,857
Taxes receivable, net	602,881		602,881
Accounts receivable, net	1,358,971	\$ 1,632,544	2,991,515
Due from other governments	1,320,110	5,277,079	6,597,189
Internal balances	(2,506,318)	2,506,318	-
Prepaid expenses	10,418	30,616	41,034
Inventory	17,713	153,790	171,503
Tax dedeed property	122,469		122,469
Total Current Assets	<u>16,500,106</u>	<u>9,600,347</u>	<u>26,100,453</u>
Noncurrent Assets:			
Non-depreciable capital assets	13,261,667	5,418,605	18,680,272
Depreciable capital assets, net	68,672,520	53,660,255	122,332,775
Total Noncurrent Assets	<u>81,934,187</u>	<u>59,078,860</u>	<u>141,013,047</u>
Total Assets	<u>\$ 98,434,293</u>	<u>\$ 68,679,207</u>	<u>\$ 167,113,500</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 1,660,611	\$ 230,074	\$ 1,890,685
Accrued expenses	4,087,821	858,120	4,945,941
Retainage payable	470,411	220,669	691,080
Deposits	229,145		229,145
Deferred revenue	12,794,820	12,037	12,806,857
Current portion of bonds payable	3,120,170	3,310,200	6,430,370
Current portion of capital leases payable	52,345		52,345
Total Current Liabilities	<u>22,415,323</u>	<u>4,631,100</u>	<u>27,046,423</u>
Noncurrent Liabilities:			
Bonds payable	24,890,626		24,890,626
Notes payable		25,303,208	25,303,208
Compensated absences	111,000		111,000
Total Noncurrent Liabilities	<u>25,001,626</u>	<u>25,303,208</u>	<u>50,304,834</u>
Total Liabilities	<u>47,416,949</u>	<u>29,934,308</u>	<u>77,351,257</u>
NET ASSETS			
Invested in capital assets, net of related debt	53,871,046	30,465,452	84,336,498
Restricted for:			
Permanent funds	49,387		49,387
Unrestricted (Deficit)	(2,903,089)	8,279,447	5,376,358
Total Net Assets	<u>51,017,344</u>	<u>38,744,899</u>	<u>89,762,243</u>
Total Net Assets and Liabilities	<u>\$ 98,434,293</u>	<u>\$ 68,679,207</u>	<u>\$ 167,113,500</u>

See accompanying notes to the basic financial statements

EXHIBIT B
CITY OF ROCHESTER, NEW HAMPSHIRE
Statement of Activities
For the Year Ended June 30, 2004

Funcions/Programs	Net (Expense) Revenue and Changes in Net Assets					
	Expenses	Program Revenues		Business-type Activities		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities:						
General government	\$ 2,947,134	\$ 71,408	\$ -	\$ -	\$ (2,875,726)	\$ (2,875,726)
Public safety	8,662,460	368,955	390,543	287,500	(7,615,462)	(7,615,462)
Highways and streets	5,613,408	25,088	471,369	-	(5,116,951)	(5,116,951)
Health and welfare	616,285	-	-	-	(616,285)	(616,285)
Health and recreation	1,486,086	82,231	1,000	-	(1,402,855)	(1,402,855)
Community development	476,988	571,189	371,295	-	(105,693)	(105,693)
Community services	478,357	916,499	621,110	95,051	92,832	92,832
Education	40,591,522	1,500,656	18,455,672	-	(22,135,850)	(22,135,850)
Food service	369,248	-	-	-	36,953	36,953
Capital outlay	1,674,426	-	-	-	(274,197)	(274,197)
Interest and fiscal charges	3,628,474	-	-	-	(1,674,426)	(1,674,426)
Intergovernmental	68,045,044	2,035,370	20,310,989	382,551	(3,628,474)	(3,628,474)
Total governmental activities						
		\$ 8,183,759	\$ 20,310,989	\$ 382,551	\$ (45,316,134)	\$ (45,316,134)
Business-type activities:						
Sewer	3,430,326	2,911,419	-	-	(518,907)	(518,907)
Water	2,070,350	2,849,445	-	-	779,095	779,095
Water	403,111	387,525	-	-	(15,586)	(15,586)
Areana	5,903,787	6,148,389	-	-	244,602	244,602
Total business-type activities	\$ 73,948,831	\$ 8,183,759	\$ 20,310,989	\$ 382,551	\$ (45,071,532)	\$ (45,071,532)
Total primary government						
		\$ 8,183,759	\$ 20,310,989	\$ 382,551	\$ (518,907)	\$ (518,907)
					779,095	779,095
					(15,586)	(15,586)
					244,602	244,602
					(45,071,532)	(45,071,532)
General revenues:						
Property taxes					32,506,632	32,506,632
Motor vehicle permit fees					4,196,064	4,196,064
Intergovernmental revenue					1,394,786	1,394,786
Interest and investment earnings					249,384	249,384
Miscellaneous					16,550	16,550
Capital contributions					19,036	19,036
Transfers					250,000	250,000
Total general revenues and transfers					534,970	534,970
Change in net assets					(2,298,255)	(2,298,255)
Net assets - beginning - (as restated)					37,965,327	37,965,327
Net assets - ending					\$ 35,744,899	\$ 35,744,899

EXHIBIT C
 CITY OF ROCHESTER, NEW HAMPSHIRE
 Balance Sheet
 Governmental Funds
 June 30, 2004

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 11,230,125		\$ 32,880	\$ 11,263,005
Investments	4,261,470		49,387	4,310,857
Taxes receivable, net	602,881			602,881
Accounts receivable, net	1,185,444		173,527	1,358,971
Due from other governments		290,639	1,029,471	1,320,110
Due from other funds	12,051,267		2,958,721	15,009,988
Prepaid expenses	10,418			10,418
Inventory	2,232		15,481	17,713
Tax dedeared property	122,469			122,469
Total Assets	<u>\$ 29,466,306</u>	<u>\$ 290,639</u>	<u>\$ 4,259,467</u>	<u>\$ 34,016,412</u>
LIABILITIES				
Accounts payable	\$ 921,015	\$ 362,567	\$ 377,029	\$ 1,660,611
Accrued expenses	3,572,139		2,081	3,574,220
Retainage payable		470,411		470,411
Deposits	229,145			229,145
Deferred revenue	13,017,212	25,760	170,247	13,213,219
Due to other funds	7,393,738	9,238,087	884,481	17,516,306
Total Liabilities	<u>25,133,249</u>	<u>10,096,825</u>	<u>1,433,838</u>	<u>36,663,912</u>
FUND BALANCES				
Reserved for endowments			37,263	37,263
Reserved for prepaid expenses	10,418			10,418
Reserved for inventory	2,232		15,481	17,713
Reserved for special purposes	20,000			20,000
Unreserved, (deficit) reported in:				
General fund	4,300,407			4,300,407
Special revenue funds			2,760,761	2,760,761
Capital projects funds		(9,806,186)		(9,806,186)
Permanent funds			12,124	12,124
Total Fund Balances	<u>4,333,057</u>	<u>(9,806,186)</u>	<u>2,825,629</u>	<u>(2,647,500)</u>
Total Liabilities and Fund Balances	<u>\$ 29,466,306</u>	<u>\$ 290,639</u>	<u>\$ 4,259,467</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds 81,934,187

Property taxes are recognized on an accrual basis in the statement of net assets, not the modified accrual basis 418,399

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year end consist of:

Bonds payable (28,010,796)
 Capital leases payable (52,345)
 Compensated absences (111,000)
 Accrued interest on long-term obligations (513,601)

Net assets of governmental activities \$ 51,017,344

EXHIBIT D
CITY OF ROCHESTER, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2004

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 33,710,385		\$ 326,381	\$ 34,036,766
Licenses and permits	4,196,064			4,196,064
Intergovernmental	17,985,475	\$ 95,051	4,007,800	22,088,326
Charges for services	544,494		1,490,876	2,035,370
Interest income	215,398		3,164	218,562
Miscellaneous	3,096,497	951,709	124,057	4,172,263
Total Revenues	59,748,313	1,046,760	5,952,278	66,747,351
Expenditures:				
Current operations:				
General government:	2,736,654		930	2,737,584
Public safety	8,169,876		448,859	8,618,735
Highways and streets	1,875,994			1,875,994
Health and welfare	616,285			616,285
Culture and recreation	1,417,185		11,572	1,428,757
Community development	71,718		405,270	476,988
Community services			478,357	478,357
Education	37,072,228		2,632,948	39,705,176
Food service			1,492,175	1,492,175
Capital outlay		8,436,693	2,000	8,438,693
Debt service:				
Principal retirement	3,147,340			3,147,340
Interest and fiscal charges	1,669,153			1,669,153
Intergovernmental	3,628,474			3,628,474
Total Expenditures	60,404,907	8,436,693	5,472,111	74,313,711
Excess of revenues over (under) expenditures	(656,594)	(7,389,933)	480,167	(7,566,360)
Other financing sources (uses):				
Proceeds from sale of capital assets	22,500			22,500
Operating transfers in	597,168	6,187	1,537,614	2,140,969
Operating transfers out	(256,187)	(2,134,782)		(2,390,969)
Total other financing sources (uses)	363,481	(2,128,595)	1,537,614	(227,500)
Excess of revenues and other sources under expenditures and other uses	(293,113)	(9,518,528)	2,017,781	(7,793,860)
Fund balances (Deficit) at beginning of year, as restated	4,656,170	(287,658)	807,848	5,146,360
Fund balances (Deficit) at end of year	\$ 4,333,057	\$ (9,806,186)	\$ 2,825,629	\$ (2,647,500)

CITY OF ROCHESTER, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2004

New Change in Fund Balances—Total Governmental Funds	\$ (7,793,860)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	3,154,616
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of fixed assets. There were proceeds of \$22,500.	(78,912)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,530,134)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	3,147,340
Repayment of principal on capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	49,396
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(5,273)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(21,000)
Change in Net Assets of Governmental Activities	\$ (3,077,827)

See accompanying notes to the basic financial statements

EXHIBIT E
CITY OF ROCHESTER, NEW HAMPSHIRE
Statement of Net Assets
Proprietary Funds
June 30, 2004

	Business-type Activities			Totals
	Sewer Fund	Water Fund	Arena Fund	
ASSETS				
Current Assets:				
Accounts receivable, net	\$ 837,767	\$ 791,602	\$ 3,175	\$ 1,632,544
Due from other governments	5,062,684	214,395		5,277,079
Due from other funds	1,978,170	2,359,892	97,878	4,435,940
Prepaid expenses		30,616		30,616
Inventory		153,790		153,790
Total Current Assets	7,878,621	3,550,295	101,053	11,529,969
Noncurrent Assets:				
Non-depreciable capital assets	3,805,039	1,541,593	71,973	5,418,605
Depreciable capital assets, net	37,141,761	15,356,656	1,161,838	53,660,255
Total Noncurrent Assets	40,946,800	16,898,249	1,233,811	59,078,860
Total Assets	\$ 48,825,421	\$ 20,448,544	\$ 1,334,864	\$ 70,608,829
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 151,605	\$ 74,830	\$ 3,639	\$ 230,074
Accrued expenses	691,723	146,511	19,886	858,120
Retainage payable	149,584	71,085		220,669
Deferred revenue			12,037	12,037
Due to other funds	997,802	931,820		1,929,622
Current portion of notes payable	1,711,981	1,540,984	57,235	3,310,200
Total Current Liabilities	3,702,695	2,765,230	92,797	6,560,722
Noncurrent Liabilities:				
Notes payable	19,718,928	4,539,692	1,044,588	25,303,208
Total Noncurrent Liabilities	19,718,928	4,539,692	1,044,588	25,303,208
Total Liabilities	23,421,623	7,304,922	1,137,385	31,863,930
NET ASSETS				
Invested in capital assets, net of related debt	19,515,891	10,817,573	131,988	30,465,452
Unrestricted	5,887,907	2,326,049	65,491	8,279,447
Total Net Assets	25,403,798	13,143,622	197,479	38,744,899
Total Liabilities and Net Assets	\$ 48,825,421	\$ 20,448,544	\$ 1,334,864	\$ 70,608,829

See accompanying notes to the basic financial statements

EXHIBIT F
CITY OF ROCHESTER, NEW HAMPSHIRE
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2004

	Business-type Activities			Totals
	Sewer Fund	Water Fund	Arena Fund	
Operating revenues:				
Charges for services	\$ 2,911,419	\$ 2,849,445	\$ 387,525	\$ 6,148,389
Miscellaneous	4,595	11,955	-	16,550
Total operating revenues	<u>2,916,014</u>	<u>2,861,400</u>	<u>387,525</u>	<u>6,164,939</u>
Operating expenses:				
Personal services	706,501	741,125	159,895	1,607,521
Materials and supplies	200,035	155,416	9,395	364,846
Utilities	491,405	72,521	82,078	646,004
Depreciation	866,298	573,265	44,291	1,483,854
Miscellaneous	241,514	225,732	56,738	523,984
Total operating expenses	<u>2,505,753</u>	<u>1,768,059</u>	<u>352,397</u>	<u>4,626,209</u>
Operating loss	<u>410,261</u>	<u>1,093,341</u>	<u>35,128</u>	<u>1,538,730</u>
Non-operating revenues (expenses):				
Interest revenue	222,756	25,678	950	249,384
Interest expense	(924,573)	(302,291)	(50,714)	(1,277,578)
Net non-operating revenues (expenses)	<u>(701,817)</u>	<u>(276,613)</u>	<u>(49,764)</u>	<u>(1,028,194)</u>
Income (Loss) before contributions and transfers	(291,556)	816,728	(14,636)	510,536
Capital contributions	19,036			19,036
Operating transfers in	<u>250,000</u>			<u>250,000</u>
Change in net assets	(22,520)	816,728	(14,636)	779,572
Total net assets at beginning of year, as restated	<u>25,426,318</u>	<u>12,326,894</u>	<u>212,115</u>	<u>37,965,327</u>
Total net assets at end of year	<u>\$ 25,403,798</u>	<u>\$ 13,143,622</u>	<u>\$ 197,479</u>	<u>\$ 38,744,899</u>

See accompanying notes to the basic financial statements

EXHIBIT G
CITY OF ROCHESTER, NEW HAMPSHIRE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2004

	Business-type Activities			
	Sewer Fund	Water Fund	Arena Fund	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 3,354,523	\$ 2,965,203	\$ 398,515	\$ 6,718,241
Cash paid to suppliers and employees	(1,481,321)	(1,167,340)	(307,868)	(2,956,529)
Net cash provided by operating activities	<u>1,873,202</u>	<u>1,797,863</u>	<u>90,647</u>	<u>3,761,712</u>
Cash flows from noncapital financing activities:				
Transfer from other funds	250,000			250,000
Net cash provided by noncapital financing activities	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Cash flows from capital and related financing activities:				
Purchases of capital assets	(1,974,252)	(1,478,757)		(3,453,009)
Proceeds of note payable	782,711	165,188		947,899
Principal paid on note payable	(1,718,691)	(1,303,362)	(57,236)	(3,079,289)
Interest paid on note payable	(975,504)	(318,261)	(51,643)	(1,345,408)
Capital contributions	19,036			19,036
Net cash used for capital and related financing activities	<u>(3,866,700)</u>	<u>(2,935,192)</u>	<u>(108,879)</u>	<u>(6,910,771)</u>
Cash flows from investing activities:				
Interest on investments	222,756	25,678 ✓	950 ✓	249,384
Net cash provided by investing activities	<u>222,756</u>	<u>25,678</u>	<u>950</u>	<u>249,384</u>
Net (decrease) in cash and cash equivalents	(1,520,742)	(1,111,651)	(17,282)	(2,649,675)
Cash and cash equivalents at beginning of year	2,501,110	2,539,723	115,160	5,155,993
Cash and cash equivalents at end of year	<u>\$ 980,368</u>	<u>\$ 1,428,072</u>	<u>\$ 97,878</u>	<u>\$ 2,506,318</u>
Reconciliation of operating loss to net cash provided by operating activities:				
Operating income	\$ 410,261	\$ 1,093,341	\$ 35,128	\$ 1,538,730
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation expense	866,298	573,265	44,291	1,483,854
Changes in assets and liabilities:				
Accounts receivable, net	21,339	26,436	685	48,460
Due from other governments	417,170	77,367		494,537
Prepaid expenses	8,974	19,806	2,511	31,291
Inventory		(27,665)		(27,665)
Accounts payable	25,217	(19,117)	1,278	7,378
Accrued expenses	(12,396)	(16,655)	(3,551)	(32,602)
Retainage payable	136,339	71,085		207,424
Deferred revenue			10,305	10,305
Net cash provided by operating activities	<u>\$ 1,873,202</u>	<u>\$ 1,797,863</u>	<u>\$ 90,647</u>	<u>\$ 3,761,712</u>

See accompanying notes to the basic financial statements

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CITY OF ROCHESTER, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2004

NOTE 7—CAPITAL ASSETS AND DEPRECIATION (CONTINUED)

	Balance <u>07/01/03</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>06/30/04</u>
Business-type activities:				
Capital asset not depreciated:				
Land	\$ 2,221,430			\$ 2,221,430
Construction in process	390,364	\$ 2,848,740	\$ (41,929)	3,197,175
Total capital assets not being depreciated	<u>2,611,794</u>	<u>2,848,740</u>	<u>(41,929)</u>	<u>5,418,605</u>
Other capital assets:				
Infrastructure	27,184,736	502,219		27,686,955
Buildings and improvements	43,522,646	49,029		43,571,675
Vehicles and equipment	2,149,790	94,951		2,244,741
Total other capital assets at historical cost	<u>72,857,172</u>	<u>646,199</u>	<u>-</u>	<u>73,503,371</u>
Less accumulated depreciation for:				
Infrastructure	(7,937,047)	(503,564)		(8,440,611)
Buildings and improvements	(9,147,646)	(883,623)		(10,031,269)
Vehicles and equipment	(1,274,569)	(96,667)		(1,371,236)
Total accumulated depreciation	<u>(18,359,262)</u>	<u>(1,483,854)</u>	<u>-</u>	<u>(19,843,116)</u>
Total other capital assets, net	<u>54,497,910</u>	<u>(837,655)</u>	<u>-</u>	<u>53,660,255</u>
Total capital assets, net	<u>\$ 57,109,704</u>	<u>\$ 2,011,085</u>	<u>\$ (41,929)</u>	<u>\$ 59,078,860</u>

Depreciation was charged to proprietary funds as follows:

Sewer fund	\$ 866,298
Water fund	573,265
Arena fund	44,291
Total business-type activities depreciation expense	<u>\$ 1,483,854</u>

NOTE 8—DEFINED BENEFIT PENSION PLAN

Plan Description

The City contributes to the New Hampshire Retirement System (NHRS), a cost-sharing, multiple-employer, defined benefit pension plan administrated by the NHRS Board of Trustees. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report can be obtained by writing to New Hampshire Retirement System at 4 Chenell Drive, Concord, New Hampshire 03301-8509.

Funding Policy

Covered public safety employees are required to contribute 9.3% of their covered salary, whereas teachers and general employees are required to contribute 5.0% of their covered salary. The City is required to

CITY OF ROCHESTER, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2004

NOTE 8—DEFINED BENEFIT PENSION PLAN (CONTINUED)

contribute at an actuarially determined rate. The City’s contribution rates for the covered payroll of police officers, fire employees, teachers, and general employees were 7.87%, 13.44%, 2.64%, and 5.90%, respectively. The City contributes 65% of the employer cost for police officers, fire employees, and teachers, and the State of New Hampshire contributes the remaining 35% of the employer cost. The City contributes 100% of the employer cost for general employees. In accordance with accounting principles generally accepted in the United States of America (GASB #24), on-behalf fringe benefits contributed by the State of New Hampshire of \$532,551 have been reported as a revenue and expenditure of the General Fund in these financial statements.

Under State law (RSA-100:16), plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The City’s contributions to the NHRS for the years ending June 30, 2004, 2003 and 2002 were \$1,482,202, \$1,058,083, and \$988,707, respectively, equal to the required contributions for each year.

NOTE 9—GENERAL DEBT OBLIGATIONS

General Long-term Obligations

The changes in the City’s long-term debt obligations for the year ended June 30, 2004 are as follows:

	Balance			Balance	Due Within
	<u>07/01/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>06/30/04</u>	<u>One Year</u>
Governmental activities:					
Bonds payable	\$ 31,158,136		\$ (3,147,340)	\$ 28,010,796	\$ 3,120,170
Capital leases payable	101,742		(49,397)	52,345	52,345
Compensated absences	90,000		(90,000)	-	-
Total governmental activities	<u>\$ 31,349,878</u>	<u>\$ -</u>	<u>\$ (3,286,737)</u>	<u>\$ 28,063,141</u>	<u>\$ 3,172,515</u>
Business-type activities:					
Bonds/Notes payable	<u>\$ 30,744,798</u>	<u>\$ 947,899</u>	<u>\$ (3,079,289)</u>	<u>\$ 28,613,408</u>	<u>\$ 3,310,200</u>
Total business-type activities	<u>\$ 30,744,798</u>	<u>\$ 947,899</u>	<u>\$ (3,079,289)</u>	<u>\$ 28,613,408</u>	<u>\$ 3,310,200</u>

Governmental Activities

Bonds payable at June 30, 2004 are comprised of the following individual issues:

CITY OF ROCHESTER, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2004

NOTE 9—GENERAL DEBT OBLIGATIONS (CONTINUED)

	Original Issue <u>Amount</u>	Interest Rate	Final Maturity Date	Balance at <u>6/30/04</u>
High School and Allen School additions	\$ 4,965,000	7.50%	October 2004	\$ 165,000
Public buildings repairs	1,100,000	7.50%	September 2004	35,000
Capital bond issue #5	4,605,250	variable	October 2007	1,013,700
1991 NHMBB	5,484,100	6.80%	December 2010	1,919,435
1991 NHMBB	13,031,515	6.80%	January 2011	4,015,000
1992 Series D bonds	1,194,500	variable	January 2013	540,000
Refinancing bonds 1994	6,259,500	variable	November 2009	3,263,885
1995 Series bond issue	2,440,000	variable	August 2015	1,440,000
1996 Series bond issue	1,197,000	variable	August 2016	773,000
1997 Series bond issue	1,320,000	variable	August 2017	910,000
1998 Series A	1,779,000	variable	August 2018	1,270,800
2000 Series bond issue	12,084,500	variable	August 2020	6,606,976
2002 Series bond issue	6,383,000	variable	August 2022	6,058,000
Totals	<u>\$ 61,843,365</u>			<u>\$ 28,010,796</u>

Debt service requirements to retire general obligation bonds outstanding at June 30, 2004 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 3,120,170	\$ 1,498,416	\$ 4,618,586
2006	2,909,213	1,321,782	4,230,995
2007	2,890,688	1,160,481	4,051,169
2008	2,891,003	984,199	3,875,202
2009	2,627,123	831,116	3,458,239
2010-2014	7,391,280	2,417,311	9,808,591
2015-2019	4,283,315	996,248	5,279,563
2020-2023	1,898,004	151,967	2,049,971
Total	<u>\$ 28,010,796</u>	<u>\$ 9,361,520</u>	<u>\$ 37,372,316</u>

Capital Lease Obligations

Capital lease obligations represent lease agreements entered into for the financing of equipment acquisitions. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. Amounts are annually budgeted in the applicable function. Following is the capital lease obligation at June 30, 2004:

	Interest Rate	Final Maturity Date	Balance at <u>6/30/04</u>
Highway equipment	5.97%	7/2004	<u>\$ 52,345</u>

CITY OF ROCHESTER, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2004

NOTE 9—GENERAL DEBT OBLIGATIONS (CONTINUED)

Business-type Activities

Bonds payable at June 30, 2004 are comprised of the following individual issues:

	Original Issue <u>Amount</u>	Interest Rate	Final Maturity Date	Balance at 6/30/04
Capital bond issue #5	\$ 3,388,450	variable	October 2007	\$ 846,300
1991 NHMBB	615,900	6.80%	January 2011	953,565
Wastewater treatment plant	2,270,000	variable	July 2004	110,000
Sewer capital improvements bond	1,900,000	8.16%	November 2005	190,000
1992 Series D bonds	405,500	variable	January 2013	180,000
Refinancing bonds 1994	13,240,500	variable	November 2009	5,221,115
1996 Series bond issue	280,000	variable	August 2016	182,000
1998 Series A	871,000	variable	August 2018	704,200
2000 Series bond issue	1,772,000	variable	August 2020	1,457,524
2002 Series bond issue	2,253,000	variable	August 2022	1,395,000
2002 State Revolving loan fund	19,036,378	variable	August 2020	16,347,678
Totals	<u>\$ 46,032,728</u>			<u>\$ 27,587,382</u>

Debt service requirements to retire general obligation bonds outstanding at June 30, 2004 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 3,126,459	\$ 1,182,620	\$ 4,309,079
2006	3,052,415	1,038,046	4,090,461
2007	2,995,939	889,494	3,885,433
2008	1,870,625	784,918	2,655,543
2009	1,654,505	698,915	2,353,420
2010-2014	6,371,861	2,635,578	9,007,439
2015-2019	6,034,825	1,295,532	7,330,357
2020-2023	2,480,753	166,914	2,647,667
Total	<u>\$ 27,587,382</u>	<u>\$ 8,692,017</u>	<u>\$ 36,279,399</u>

Interest expense for the year ended June 30, 2004 was \$3,014,560 on general obligation debt for the City of Rochester. The State of New Hampshire annually reimburses the City for its share of Sewer related debt service payments. For the year ended June 30, 2004, the reimbursement was \$234,192.

State Revolving Loan

The U.S. Environmental Protection Agency sponsors a low interest rate loan program. The loans are administered by the States and are used by local communities to improve their water systems. In fiscal year 2004, the City borrowed an additional \$947,899 through the New Hampshire Water Pollution Control Revolving Fund Program. Total funding to date is \$1,026,026, which is reported as "notes

CITY OF ROCHESTER, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2004

NOTE 9—GENERAL DEBT OBLIGATIONS (CONTINUED)

payable” in the Enterprise Funds. Interest is accrued at 1% to be paid upon completion of construction project within the next year.

Authorized and Unissued Debt

The following debt was authorized and unissued as of June 30, 2004:

<u>Purpose</u>	<u>Amount</u>	<u>Total</u>
Governmental Funds:		
1998 Authorized	\$ 5,000	
2001 Authorized	3,453,159	
2002 Authorized	1,520,754	
2003 Authorized	4,123,000	
2004 Authorized	8,927,110	
School 2002 Authorized	730,725	
School 2003 Authorized	591,800	
School 2004 Authorized	487,000	
Total Governmental		\$ 19,838,548
Business-type Funds:		
Sewer 2001 Authorized	1,650,000	
Sewer 2002 Authorized	349,100	
Sewer 2003 Authorized	700,000	
Sewer 2004 Authorized	1,040,000	
Water 2001 Authorized	875,000	
Water 2002 Authorized	581,900	
Water 2003 Authorized	1,241,000	
Water 2004 Authorized	470,000	
Total Business-type		6,907,000
Combining Total		<u>\$ 26,745,548</u>

Of the above amount \$13,350,735 was issued subsequent to year end (see Note 14).

Available Debt Margin

The City is subject to State statute which limits debt outstanding to a percentage (dependent of purpose) of a valuation calculation made annually by the State. As of June 30, 2004, the City had the following available debt margins:

	<u>Net Debt</u> <u>Outstanding</u>	<u>% of Assessed</u> <u>Valuation</u>	<u>Statutory</u> <u>Limit</u>	<u>Available</u> <u>Debt Limit</u>
School	\$ 15,249,009	7.00%	\$ 130,159,557	\$ 114,910,548
Water	9,064,834	10.00%	185,942,224	176,877,390
Arena	1,101,823	3.00%	55,782,667	54,680,844
All other	31,498,513	3.00%	55,782,667	24,284,154

Per State law, debt incurred for sewer expansion is not included in the limitation calculations.

SCHEDULE 1

CITY OF ROCHESTER, NEW HAMPSHIRE

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual (Budgetary Basis) - General Fund

For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes	\$ 33,535,755	\$ 33,535,755	\$ 33,530,693	\$ (5,062)
Licenses and permits	3,875,700	3,875,700	4,196,064	320,364
Intergovernmental	17,489,402	17,489,402	17,452,924	(36,478)
Charges for services	377,700	518,309	566,994	48,685
Interest income	325,000	325,000	215,398	(109,602)
Miscellaneous	2,837,862	2,837,862	3,096,497	258,635
Total Revenues	<u>58,441,419</u>	<u>58,582,028</u>	<u>59,058,570</u>	<u>476,542</u>
Expenditures:				
Current:				
General government	3,195,075	3,057,979	2,736,654	321,325
Public safety	7,799,479	7,989,475	7,914,865	74,610
Highways and streets	2,077,594	2,079,116	1,875,994	203,122
Health and welfare	547,502	627,502	616,285	11,217
Culture and recreation	1,430,984	1,430,984	1,417,185	13,799
Community development	80,000	80,000	71,718	8,282
Education	36,607,986	36,607,986	36,794,688	(186,702)
Debt service:				
Principal retirement	3,147,340	3,147,340	3,147,340	-
Interest and fiscal charges	1,669,153	1,669,153	1,669,153	-
Intergovernmental	3,628,474	3,628,474	3,628,474	-
Total Expenditures	<u>60,183,587</u>	<u>60,318,009</u>	<u>59,872,356</u>	<u>445,653</u>
Excess revenues over (under) expenditures	<u>(1,742,168)</u>	<u>(1,735,981)</u>	<u>(813,786)</u>	<u>922,195</u>
Other financing uses:				
Operating transfers in	597,168	597,168	597,168	-
Operating transfers out	<u>(250,000)</u>	<u>(256,187)</u>	<u>(256,187)</u>	<u>-</u>
Total other financing uses	<u>347,168</u>	<u>340,981</u>	<u>340,981</u>	<u>-</u>
Excess revenues over (under) expenditures and other uses	<u>(1,395,000)</u>	<u>(1,395,000)</u>	<u>(472,805)</u>	<u>922,195</u>
Fund balances at beginning of year				
- Budgetary Basis	<u>5,224,261</u>	<u>5,224,261</u>	<u>5,224,261</u>	<u>-</u>
Fund balances at end of year				
- Budgetary Basis	<u>\$ 3,829,261</u>	<u>\$ 3,829,261</u>	<u>\$ 4,751,456</u>	<u>\$ 922,195</u>

See accompanying notes to the required supplementary information

REPORT OF THE FIRE DEPARTMENT 2003-2004

I submit this fire report for the fiscal year covering July 1, 2003 through June 30, 2004.

Our City's Fire Department continues to provide a high level of service for a community that is rapidly growing. As our City's population continues to increase, the citizens demand for public safety services increase and in our agency the number of back to back calls do as well.

During this period, we have increased our efforts to obtain Technical Rescue equipment and train our firefighters in the use of this equipment. Our firefighters are currently training in high angle, below grade, confined space and building collapse rescue.

The increase demand for our services and the population growth has required our department to train and provide service in these specialty areas. Training receives top priority in order for our firefighters to maintain their proficiency and work in a safe environment.

Our departments Fire Prevention division is well received and respected in the community. This office is responsible for all fire code compliance and the request for their services has continued to increase. This division has also increased their efforts in the area of Public Fire Education and Fire Investigation. Our efforts continue to focus on education and cooperation, before ordered compliance and enforcement of the code requirements. By maintaining this cooperation, we work with the community and give them a better understanding of the fire code issues.

During this period our department responded to 5 serious building fires, one apartment house and two large single family homes required multiple alarms.

The departments overall calls for service has continued to see an increase over last period. We are very proud to report, no civilian deaths or serious injuries to our firefighters during this period.

The work of our fire officers and firefighters continues to be exemplary. The support of the City Manager, Rochester City Council and the Business Community has ensured our firefighters receive the best, equipment, tools and training to provide the highest level of services to our citizens and business community.

In summary, I would like to thank all of the City Department Heads and City employees for their assistance over the past year. I would also like to thank the Fire Officers, Firefighters, City Manager, Mayor, City Council and the Citizens of Rochester who are directly responsible for our success.

Respectfully submitted,

Norman Sanborn, Jr.
Chief of Department

FIRE DEPARTMENT RESPONSE ACTIVITY

EMERGENCY RESPONSE CALLS	FY 03
Fire, other	6
Building Fire	20
Fires in structures other than in a building	4
Cooking fire, confined to container	10
Chimney fire	4
Fuel burner/boiler malfunction	5
Trash or rubbish fire	8
Fire in mobile home	5
Vehicle Fire	23
Brush fire	22
Outside rubbish fire	5
Special outside fire	4
Outside equipment fire	1
Overpressure rupture of steam boiler	1
Excessive heat, scorch burns with no ignition	1
Medical assist, assist EMS crew	195
Vehicle accident with injuries	142
Motor vehicle/pedestrian accident	14
Lock-in	3
Extrication of victim from vehicle	9
Electrocution	1
Hazardous condition	25
Gasoline or other flammable liquid spill	35
Gas leak (natural gas or LPG)	34
Oil spill	19
Carbon monoxide incident	12
Electrical wiring/equipment problem	14
Overheated motor	5
Power line down	49
Arching, shorted electrical equipment	14
Accident, potential accident	2
Vehicle accident, general cleanup	260
Removal of victim(s) from stalled elevator	2
Building or structure weakened or collapsed	1
Aircraft standby	1

Service call	51
Person in distress	1
Lockout	38
Water problem	27
Water evacuation	7
Water or steam leak	15
Smoke or odor removal	5
Animal rescue	6
Public service assistance	10
Assist police	14
Public service	2
Assist invalid	6
Unauthorized burning	39
Cover assignment	38
Good intent call	122
Dispatched & cancelled enroute	4
Authorized controlled burning	17
Steam, other gas mistaken for smoke	4
Smoke scare, odor of smoke	47
Steam, vapor, fog or dust thought to be smoke	8
EMS call, party transported by non-fire agency	2
False alarm or false call	9
Malicious, mischievous false call	2
Municipal alarm system, malicious false alarm	4
Central station, malicious false alarm	2
System malfunction	31
Sprinkler activation-no fire-unintentional	4
Sprinkler activation due to malfunction	6
Smoke detector activation due to malfunction	28
Alarm system sounded due to malfunction	107
Alarm system sounded-no fire-unintentional	90
CO detector activation	4
Unintentional transmission of alarm	9
Explosion, no after fire	1
CO detector activation-no CO	17
Bomb scare/no bomb	6
Heat Detector Activation due to malfunction	6

Lightening strike-no fire	6
TOTAL	1751

NON-EMERGENCY ACTIVITY	FY '03
-------------------------------	---------------

Building inspection	66
Certificate of Occupancy	35
Day Care Inspections	8
Fire Alarm System Tests	19
Fire Drills	30
Fire Extinguisher Classes	6
Fire Investigations	19
Fire Prevention Education	11
Foster Home Inspections	8
Juvenile Firesetter Intervention	7
Knox Box Inspections	24
Permits of Assembly	46
Plan Reviews	69
Pre-construction Meetings	18
Shift Building Inspections	100
Site Reviews	25
Sprinkler Flow Tests	8
Training Sessions	264
Walk-through Inspections	128
Wood Stove Inspections	14
TOTAL	905

REPORT OF INFORMATION SYSTEMS
2003 - 2004

COMPUTERS AND NETWORKING

MIS continued support of City operations in FY04. MIS support includes the Local Area Networks (LAN), Wide Area Networks (WAN) and the Institutional Network (I-NET) with all types of user administration, data maintenance and backup, virus prevention, network and personal computer (PC) hardware repairs, upgrades and maintenance, software installation, training and research and development of computer aided procedures. FY04 was also the start of MIS being involved with voice communications with research into existing City telephone lines and systems.

In FY04 there was continued implementation and upgrades to the Business Applications System, Munis. Other software changes included the auto registration program for the Tax Collector's Office, AutoCAD for various departments, MaxEnterprise for the Arena and Recreation departments, Library specific programs and vital records system, voter registration and dog licensing programs for the City Clerk's Office. Another MIS project was creating and compiling a database program to catalog PC hardware and software used by the City. Also, a public access PC was setup in the Library and connected to the Assessing Department program. This allows Library patrons to review property records as if they were at the Assessing counter in the Revenue Building.

In FY04 MIS capital projects included new or upgrades to servers, network operating systems, firmware on network devices, backup programs and power supply programs. Police and Fire Department network operations were relocated to a single new server to allow easy access to commonly used programs and files. Another MIS capital project included additional network cabling at the Library and conversion from hubs to switches at the Community Center. MIS was also responsible for the networking and connectivity issues for the new Police Station.

I-NET maintenance and configuration continued in FY04 including the firewall, LCN server and cable modems. The I-NET Internet email server was used to include City email accounts for City Council and the Police Commission. With Internet access and email available, an Internet

Use Policy for the City was put in place. The Government Channel was started in FY04, created via the Cable TV Franchise Agreement.

MAPPING AND GEOGRAPHIC INFORMATION SYSTEMS

The responsibility of updating and publishing electronic tax maps had been a part of Information Systems from FY93 through FY03. During FY04 MIS worked with the Assessing Department to secure a vendor to do this work. MIS compiled the 11 years worth of parcels and structures updates memos for the selected vendor to have for historical purposes.

The contract for the tax mapping service included the generating of new GIS coverages for parcels and structures. The contract also includes electronic copies for the City of all tax map drawing files but only allows for one full size plotted set of tax maps for the Assessing Department. MIS continued to produce full size tax map prints for additional departments and the Strafford County Registry of Deeds.

The electronic tax and topographic maps of the City are used for both public and private projects. MIS using City of Rochester electronic maps generated most maps used in geographic related presentations to the City Council. In FY04 MIS also continued to update and publish the City Zoning Maps, Wards Map and produce maps specific for projects or incidents as needed. Also in FY04, City tax maps, zoning maps and the wards map were put onto the City website in a format that could be read by anyone on the Internet.

The Geographic Information Systems (GIS) was updated in FY04 through the tax mapping contract and by MIS for coverages other than parcels and structures. The MIS updates included a Conservation District overlay and the revised Historic District overlay for zoning. The roads centerlines GIS coverage was updated throughout the year by MIS with new streets, renamed streets and renumbered streets, both public and private.

In FY04 MIS working with other departments and Strafford Regional Planning Commission (SRPC) helped in the completion of a Hazard Mitigation Plan for FEMA. MIS supplied existing GIS coverages and created as required.

E-911 COMMITTEE

In FY04 the E-911 Committee continued the process of reviewing problem areas, changing or adjusting street numbers administratively as allowed by City Ordinance and recommending street name related changes to the City Council. E-911 Committee members are also contacted regularly by Verizon for verification of new or changed street names and for clarification on specific street addresses.

From the E-911 Committee generated list of all duplicate street names, five (5) categories based on geographic location were determined. City Council action enabled the completing of the first three categories in FY04.

Category 1 New Street Names

Catherine Street (formerly Spring Street, Rochester)

Colby Street (formerly a small section of Oak Street, Gonic east of Route 125)

Dublin Way (formerly Church Street, Rochester)

Fairway Avenue (formerly Oak Street, Rochester)

Museum Way (formerly a section of Autumn Street, Rochester between Columbus Avenue and Wakefield Street)

Sylvain Street (formerly Highland Avenue)

Also:

Chesley Hill Road incorporated what was formerly Grove Street, Gonic

Riverlawn Avenue incorporated what was formerly Pinecrest Lane

Category 2 New Street Names

Crow Hill Road (formerly Summer Street, East Rochester)

Harmony Way (formerly School Street, East Rochester)

Magic Avenue (formerly Walnut Avenue)

Penny Lane (formerly Autumn Place)

Raab Lane (formerly Pine Street, East Rochester)

Trestle Road (formerly Pleasant Street, East Rochester)

Unity Street (formerly Union Street, East Rochester)

Category 3 New Street Names

Copeland Drive (formerly Whitehouse Street)
Cushing Boulevard (formerly Nutter Boulevard)
Fox Lane (formerly Birchwood Drive)
Lambert Court (formerly Knight Court)

Nature Lane (formerly Woodland Lane)
Sleeper Street (formerly a section of Plante Street between Hancock Street and the remaining Plante Street)
Wyvern Lane (formerly Hancock Terrace)

Also:

Morton Avenue incorporated what was formerly Pearl Street, Rochester

All streets involved with street name changes from these categories are also renumbered in accordance with the City Ordinance at that time. Coordination of the information for landowners involved and any departments or agencies impacted is done by the E-911 Committee.

The E-911 Committee continued to coordinate street names and numbers for many private roads. When access to multiple homes or parcels is over privately owned property, the owner can simply agree to follow the City adopted system and no Public Hearing is required. In FY04 private roadways included Adrien Circle, Punch Brook Way and Rhondas Way.

When street naming and street numbering is done in mobile home parks, the owner generally notifies all residents and provides the new street signs and new numbers to be posted. The City provides the owners along private roads and mobile home park owners with mapping, numbering and helps with the street name approval process. In FY04 completed mobile home parks included The Village at Riverside, Fieldstone Village and Saks Mobile Home Park.

DENNIS SCHAFER
MIS MANAGER

REPORT OF THE LEGAL DEPARTMENT
2003-2004

The following is a report of the activities of the office of the City Attorney for the year beginning July 1, 2003 and ending on June 30, 2004:

During the fiscal year 2003-2004, the following cases involving the City of Rochester were terminated:

Squamanagonic Sportsman Association v. City of Rochester / Docket #02-E-0203;

Ferwerda Development Co., Inc. v. City of Rochester / Docket #03-E-0105 and #03-E-0267;

Pardue & Matorazzo v. City of Rochester / Docket #04-E-0040;

Barletta Engineering v. City of Rochester / Docket #11-E-110-02375-1;

Westridge Building and Development Corp. v. City of Rochester / Docket #02-E-0223;

In addition to the above cases, as of June 30, 2004, the following actions involving the City of Rochester were pending in various New Hampshire and Federal Courts:

1. New England Telephone and Telegraph Company v. City of Rochester / Docket #96-E-0160;
2. Public Service Company of New Hampshire v. City of Rochester and City of Rochester v. Commissioner of Transportation, et als / Docket #96-E-0165;
3. Verizon New England, Inc. f/k/a Bell Atlantic f/k/a New England Telephone and Telegraph Company v. City of Rochester / Docket #97-E-0123; #98-E-0135; #99-E-0148; #00-E-0185; #01-E-0155; and #02-E-162;

4. Winson v. Chadbourne, City of Rochester, et al / Docket #02-E-0214;

Krasner Law Office v. City of Rochester / Docket #03-E-0220;

City of Rochester v. James Corpening and George Blaisdell / Docket #04-E-0032;

Ford Construction Corp. v. City of Rochester / Docket #04-E-0075;

Schiavi v. City of Rochester / Docket #04-E-0137;

It should be noted that the above listing of cases does not include various bankruptcy proceedings pending in various U.S. District Courts across the United States in which the City of Rochester has filed proofs of claims and/or other pleadings with regard to the City's various interests in such bankruptcy estates, workers compensation proceedings, and various litigation in which the City is, or was, represented by counsel provided through the City's various liability carriers.

The office of the City Attorney also provided representation to the City in numerous matters before the New Hampshire courts with respect to cases in which the City was a party, as well as before various administrative agencies when necessary. In addition, the City Attorney attended Council meetings, as well as meetings of Council committees and other City boards and commissions upon request. Legal opinions and advice were provided to the City Manager, Mayor, City Council, Department Heads and various boards and commissions of the City upon request. Legal instruments, including deeds, leases, contracts, ordinances, and amendments to ordinances, resolutions and other similar documents were drafted and reviewed as required during the year and representation of the City was provided with regard to the acquisition and disposition of real estate.

Respectfully submitted,

Danford J. Wensley, City Solicitor

REPORT OF THE ROCHESTER PUBLIC LIBRARY 2003-2004

Rochester residents continued using the Rochester Public Library at an ever-increasing rate during the year. The number of items borrowed by our Library users exceeded 230,000 items for the first time, reaching an annual circulation of 231,581 books and other library materials. The number of Rochester Public Library cardholders also reached new heights this year with 16,795 cardholders as the year ended.

Online use of the Library's web site and databases also continued increasing at a rapid rate. On April 28, 2004 Rochester Public Library became the very first public library in the state of New Hampshire to offer its residents 24/7 Reference Service through the Library's web site. Joining hundreds of other libraries in a nationwide cooperative, Rochester Public Library began providing online, real time reference and information assistance from professional librarians on duty 24 hours a day 7 days a week.

An essential library service, crucial to our community's future, is presented each summer. The library's popular summer reading programs offer our children and teens an opportunity to develop and strengthen a personal love of reading. Joining the highly popular Children's Summer Reading Program (this year's theme: "Don't Bug Me, I'm Reading") for the second consecutive year was our Teen Summer Reading Program ("Check Out a Hero"). Earlier, on March 18, 2004, a new and exciting Young Adult Area within the Library was introduced to our residents with a special "open house" event.

While the number of visitors to our library facility totaled 157,811 visits during the year, the number of external virtual visits (i.e. through the library's web site) climbed this fiscal year to 77,213. This trend of our residents utilizing remote access to library resources continues growing rapidly.

The Friends of the Rochester Public Library continued revitalizing their organization during the year, providing even more support to the Library. In June 2004, the Friends designed and distributed the initial issue of a new and attractive Friends newsletter.

Respectively Submitted,

John Fuchs
Library Director

**ROCHESTER PUBLIC LIBRARY
LIBRARY COLLECTION 2003-2004**

Book Collection	73,985
Additions	
Gifts	683
Purchase	4,490
Discards	-3,551
 Total Book Collection	 75,607
 Audio-Visual Collection	 8,046
Additions	
Gifts	222
Purchase	1,237
Discards	-576
 Total Audio-Visual Collection	 8,929
 Serials	 210

Library Services

Public Service Hours	2,966
Borrowers Registered	16,795
Adult Circulation	130,660
Young Adult Circulation	11,213
Juvenile Circulation	89,708
Reference Questions	9,701
Programming	
Programs	228
Attendance	7,705

ROCHESTER PUBLIC LIBRARY
INCOME 2003-2004

City of Rochester Operating Budget		\$786,192
Trust Funds		5,846
Grants – Preservation		4,809
Fines and Fees		21,134
Gifts		1,237
Out of Town Registrations		10,160
Book Sales		4,817
Copiers, Reader-Printer Receipts		1,649
Transfers		56
TOTAL INCOME		835,900
Balances as of July 1, 2003		26,239
Trust Checking Account	13,094	
Special Account	<u>13,145</u>	
	26,239	
		\$862,139

**ROCHESTER PUBLIC LIBRARY
EXPENDITURES 2003-2004**

Personnel Compensation		\$479,872
Benefits		138,951
Legal		7,895
Insurance		7,600
Staff Development/Transportation		3,077
Supplies		15,727
Print Material		69,313
	City	\$56,450
	Special	11,835
	Trust	1,028
		<u>\$69,313</u>
Software		0
Audio-Visual		15,979
	City	\$6,735
	Special	9,244
	Trust	0
		<u>\$15,979</u>
Equipment		756
Equipment Maintenance		18,150
Electronic Services		9,000
Utilities		33,567
Postage		2,767
Dues		635
Programming		1,953
Miscellaneous – Trust		1,272
Grants – Preservation		4,809
General Fund Revenue		12,121
TOTAL EXPENDITURES		823,444
Year End Balances		38,695
	Trust Account	\$16,640
	Special Account	19,003
	City	3,052
		<u>\$38,695</u>
		\$862,139

**REPORT OF THE PLANNING AND DEVELOPMENT
DEPARTMENT
2003 - 2004**

COMMUNITY DEVELOPMENT DIVISION

The City of Rochester is one of only five designated entitlement communities in New Hampshire to receive Community Development Block Grant funds directly from the federal Department of Housing and Urban Development (HUD). These funds are applied towards housing and community investment projects that directly benefit Rochester residents whose income falls below 80% of the regional median (\$69,600 in 2003).

The City received \$376,000 for use during the 2002-2003 fiscal year. This was the fourth year of the 2000-2005 Community Development Consolidated Plan.

Housing

\$5171 was spent on two housing units for the Community Development Housing Rehabilitation Loan Program. This program's objective is to preserve Rochester's aging housing stock by providing low-interest and forgivable loans to homeowners in order to make health and safety improvements to their properties.

The Weatherization Assistance Program is designed to help households at or below 50% of the median reduce heating costs through energy conservation methods. Items specifically addressed are furnace repairs or replacements, carbon monoxide testing, moisture assessments, removal or correction of health and safety hazards and to improve the general living conditions of the residents. 46 households received \$40,000 in improvements provided by CDBG funds and \$65,583 from state funding from the Department of Energy and Community Services. An additional \$35,287 was leveraged from utility program grants bringing the total cost of improvements to \$151,338.

Economic Development

The Job Opportunity Benefit (JOB) Loan Program - is a program designed to lend money to businesses that hire and employ people of low/moderate income. This loan is generally used in conjunction with traditional bank financing to expand a business with a specific requirement that the business assisted create new jobs. One new loan was completed by the end of the reporting period.

As of June 30, 2004 the City has five loans outstanding under the JOB program.

Specialty Textiles	\$43,853
SS Tappin	\$2,694
Cullen's	\$15,296
Lance Davis	\$23,297
Slim's	\$38,206
Bee's Day Care	\$27,080
First Star	\$33,936
Total:	\$184,362

The Small Business Development Center - is a Micro enterprise Assistance Program to provide direct counseling and advisory workshops for local small business owners. Subsidized by a grant of \$4,000, 97 low/moderate income micro-enterprise owners were directly counseled and assisted with their business plans and other issues.

Public Facilities

\$17,279 was invested in new playground equipment and cushion surfacing for the Rochester Child Care Center. 292 households are served by this facility, 80% of the below the median income for the area.

Public Service

Eleven agencies received grants under this category totaling \$55,490. AIDS Response of the Seacoast assisted 43 Rochester residents living with HIV/AIDS with hundreds of hours of case management, nutrition counseling and travel assistance to medical appointments. Crossroads provided 60 Rochester residents with emergency shelter. Dover Adult Education assisted 428 students with TANF mandated and basic needs classes. The SHARE fund was able to assure 69 people wouldn't be homeless by providing

security deposits for rental housing. My Friends Place saw 101 unduplicated Rochester residents at their shelter in Dover and in their transitional housing program. Project Pride helped 22 returning students (between the ages of 17 and 21) get their GED and prepare to enter the workplace. Sexual Assault Support Services assisted 118 victims of sexual assault in the City with crisis support at the time of attack, peer support groups, counseling and advocacy. The Homeless Center for Strafford County sheltered 22 women and children by providing a warm, safe place to stay during the harsh winter months. New grantee Avis Goodwin provided 2946 low-income residents with food through their supplemental foods program, which the City assisted with a grant of \$1000.

PLANNING DIVISION

It is the mission of the Planning Division to coordinate the physical development of Rochester pursuant to the goals of promoting orderly growth, fostering efficient use of infrastructure, maintaining property values, enhancing the business climate, preserving natural and cultural resources, encouraging beauty in the built environment, and creating a special “sense of place” for present and future residents, landowners, businesses, and industries.

The major responsibilities of the Planning Division include:

- Master Planning
- Policy development
- Drafting of ordinances and regulations
- Development review
- Overseeing the zoning ordinance and processing applications for variances, special exceptions, and amendments
- Processing applications for subdivisions and site plan review
- Promoting downtown revitalization
- Transportation planning
- Historic Preservation Planning
- Infrastructure planning
- Planning for the protection of natural and cultural resources
- Coordinating the E911 addressing system

- Coordination of, and service to, land use boards: Planning Board, Zoning Board of Adjustment, Conservation Commission, and Historic District Commission

This was a typically busy year for the Planning Division. The Planning Board, Zoning Board of Adjustment, or staff (as appropriate) reviewed many proposals. Most of these applications were approved with conditions. Except for variance and zoning amendment applications it is unusual for an application to be denied outright. Rather, we work very hard with applicants to see if there is an alternative approach or design that serves the objectives of the applicant while being consistent with the public interest and meeting legitimate concerns of abutters. Happily, we find most applicants are willing and able to modify projects as appropriate.

New Projects

The Planning Board approved many high quality commercial and residential development projects. Highlights included the following:

- ❖ The Northeast Credit Union on Route 125
- ❖ Dunkin Donuts on Highland Street
- ❖ Black Dog Car Wash on Route 11
- ❖ New England Correct Craft boat sales facility on Route 125 in Gonic
- ❖ Conversion of the former Salmon Falls Precision Fabricators building on Airport Drive to multiple tenant spaces
- ❖ Relocation of Cleary Cleaners to Allen Street industrial park
- ❖ The Village of Clark Brook (Planned Unit Development) - single family houses, townhouses, apartments, office and retail on 128.5 acre parcel Old Dover Road
- ❖ An 11 lot expansion of the Pray Subdivision off Salmon Falls Road
- ❖ Tuck Realty 32 lot subdivision off Whitehall Road – including protection of open space, a circumferential woods road, and significant land on the adjacent Champlin property

Comprehensive Rezoning

The Comprehensive Rezoning Committee continued its work in developing a completely new zoning ordinance and zoning map for the city. This is an enormous task that is not done more than every 20 years. Many

communities have not done a comprehensive rezoning since their initial ordinance was adopted, but rather make piecemeal changes year by year.

We fully expect this ordinance to be one of the finest in the State of New Hampshire. It will implement the recommendations made in the Land Use Plan and incorporate many innovative, state of the art planning techniques and principles. Entirely new chapters will be written or have been written for most subjects, including, for example, definitions, aquifer protection districts, conditional uses, home occupations, nonconforming property, accessory uses, and signage.

The members of the committee include:

Tim Fontneau	Art Nickless
Chuck Grassie	Karen Pollard
Art Hoover	Jim Twombly
Gary Jewell	Steve Wallace
Sandra Keans	Jeff Winders
Glenn O'Brien	

Historic District Commission

A new historic district ordinance was adopted and a historic district commission was established. The district includes most of the central commercial areas of the downtown. The primary purposes of the ordinance are to safeguard the cultural, social, political, and economic heritage of the City and to foster the preservation, restoration, and rehabilitation of structures and places of historic, architectural, and community value.

Approval from the Historic District Commission is required for any activity affecting the exterior architectural appearance of a building within the historic district that would be visible from a public way except for certain exempted activities. Review is required for the erection of new buildings; additions to existing buildings; alterations to existing buildings; demolition of existing buildings or portions of existing buildings; and relocation of any building into, out of, or within the District.

The Commission meets on the second and fourth Thursdays of each month as needed. The members are:

- | | |
|--|--|
| Janet Pelley, Chair | Weston Flierl |
| Janice Kazlauskas, Vice Chair | Victoria Lambert |
| Marilyn Berry (Council representative) | Richard Longo (alternate) |
| James Graham (Planning Board representative) | Rick Healey (Planning Board alternate) |
| Joanne Pallas | |

Planning Board applications (03-04)

	Total	Approved	Denied	Total Lots	Withdrawn	Expired
Subdivisions	17	17		69		
Lot Line Revisions	25	25				
Site Plans	23	23				
TOTAL	65	65		69		

	Total	Allowed without further review	Sent to PB	Sent to ZBA	Withdrawn
Minor Site Plan	16	16		0	0
Special Downtown	12	12		0	0
TOTAL	28	28		0	0

We also received 39 "Letters of Intent". 16 of those were authorized without any further review. 2 were forwarded to the Planning Board, 7 were forwarded to the Minor Site Review process, 4 were forwarded to the Special Downtown review process and 5 were forwarded to the ZBA.

Zoning Board of Adjustment applications (03-04)

Applications	Total	Approved	Denied	Postponed	Withdrawn
Variances	26	18	5	1	2
Special Exceptions	7	5		0	2
Equitable Waiver	1	1	0	0	0
Change of Nonconforming Use	0	0	0	0	0
Request for Rehearing	0	0	0	0	0
<i>TOTAL</i>	39	28	5	1	4

E-911 Report

Please see the report under the MIS Department.

REPORT OF THE POLICE DEPARTMENT 2003-2004

"THE PRIME MISSION OF THE ROCHESTER POLICE DEPARTMENT is the protection of life and property. This is accomplished through fair and equal enforcement, always keeping in mind the rights and dignity of the public. The basis of all Police Action is the law and credibility of the Agency. The measure of our service will be judged by the Public in the way we deliver our service. We will hold all personnel to a high level of ethical practices. This mission can be achieved through crime prevention, public relations and community policing."

Overview

Rochester consists of an approximate area of 46 square miles, with an estimated population of 29,000+. The Police comprises the second largest Department in the City. Although very separate in their job functions, all of the members of the Department work together to produce a high level of service to the citizens. Our staff consists of sworn officers and a civilian support staff, including crossing guards. The Department also maintains a Police Explorer Post. This nationally recognized division of the Boy Scouts of America, "explores" law enforcement careers with young adults.

The City is broken out into five patrol zones for police coverage. Our Communications Center operates with enhanced 911 and is staffed 24 hours per day, by specially trained personnel. This combined center dispatches calls for service for police and fire.

A three-member-board of Police Commissioner's elected by the citizens, serves the Police Department. We had an election midyear this year. The first half of the year the citizens were represented by Chairman Ron Lachapelle, and Commissioner's Paul Dumont and Barry Flanagan. The second half of the year the Commissioners are represented by Chairman Paul Dumont and Commissioner's Barry Flanagan and Gary Stenhouse.

Major Service Responsibilities

Our major service responsibilities are to protect life and property through an effective partnership with the public and to address the needs and concerns of citizen customers.

Personnel

The following personnel were hired to fill open vacancies during this reporting period: Specialist Craig Albers, Officer James Murphy, Officer David LoConte, Specialist Shawn Baker (rehire), Officer Theresa Lustwerk, Officer Joshua Ouellette, Officer James Bonneau.

The following personnel resigned or retired during this reporting period: Officer B.T. Conlon, Officer Jacob Moore, Specialist Laure McGurran, Officer Kenneth Phoenix, Lt. Paul Moore and Det. W. John Caldwell.

Recognition was given to the following members:

- Promotions:* Sgt. Paul Callaghan Promoted to Lieutenant
- Twenty-Year Plaques:* Chief David Dubois and Officer Timothy Morgan
- Twenty-Five Year Pin:* Service pin for 25 years of service presented to Capt. Douglas Donlon
- Presentations:* Plaques and recognition were given during a presentation to Ronald Lachapelle to recognize 30 years of service as a Police Commissioner for the City of Rochester.

Former members of the Rochester Police Department who served until retirement were honored with “retired” badges.

The 2nd Annual Chief Theodore Blair Memorial Award was presented to Officer Jason Thomas

Plaques from the City and Police Department with a shadow box were presented to retiring Lt. Paul Moore

Distinguished Unit Action Award: Given to the following members for efforts relating to an attempted suicide. Off. Thomas, Off. Jackson, Off. MacKenzie, Off. Fox, Sgt. Deluca and Specialist Daigle.

Lifesaving Awards: Off. Tony Bossi and Off. Tony Macaione for assisting a citizen who was choking while at a local eatery.

Honorable Service Bar: Given to recognize honorable service: Lieutenant's Taylor, Moore, Dumas and Gould, Sergeants Burke, Callaghan, Deluca, and. Turgeon, Officers. Toussaint, Wallace, Balint, Wm. Burke, Mangum, Macaione, Thomas and Emerson

Fiscal Year Accomplishments

We are pleased to report the following year-end achievements by your police department:

- I. Police Motorcycle was implemented, and a second unit was added. This program has been favorably received in the community and in the police department. Overall operating costs of the motorcycle are far less than a full size cruiser, performing the same functions.
- II. The Police canine (K-9) team was successfully certified in narcotics and tracking a full six months ahead of any projected schedule.
- III. Police Commission meetings went "live" and are televised on Local Government Access cable, channel 26.
- IV. The Police Commission supported and implemented a Chaplain Program for the Department. Selected for the honor was Ron Lachapelle.

- V. The Department reintroduced the DARE program on a limited basis. This very successful program had been suspended for the prior two years due to budgetary constraints.
- VI. The Department, working in conjunction with the local media hosted a day-long training session designed to better understand the issues of both sides in an effort to foster (no pun intended!) better relationships between the police and the local media.
- VII. A motto for the Department was implemented with input from staff. After many submissions the motto adopted by the Commission is “Pride, Integrity, Dedication.” The motto was added to Department letterhead and added to the new cruiser design.
- VIII. A new cruiser design was introduced, with the police department joining the rest of the city, by having the City seal as part of the design. Also added was the new Department motto.
- IX. The Department attempted another customer satisfaction survey program. The information gathered on our returns was intended to help us do our jobs better.
- X. Implemented several innovative ideas as fund raisers for the community through Department members. Those included the “Facial Hair Because We Care” where members were permitted to grow facial hair after making a specified donation to charity. Gerry’s Food Pantry was the selected charity and \$2,800. was raised toward their support.

The “Cruisin’ for Coats” program brought members of the public together with the Department, allowing in exchange for warm winter gear, the opportunity to participate in a ride along with a police officer. The coats were donated to the needy, through the City’s welfare department.

The Department also was a collection site for used and unwanted cell phones through a promotion by Cingular Wireless, who donated \$5.00 for each phone collected to Special Olympic programs.

- XI. Implemented structure changes within the Department, developing two distinctive divisions in the Department, one for patrol matters and one for support matters to include detectives, prosecution, training and records.
- XII. Further, the Department embraced the “compstat” program, which is designed to allocate resources to specific events through Problem Analysis Policing.
- XIII. We have introduced crime mapping to the records module of our software program. This will provide us with opportunities to analyze information with the aid of visual effects.
- XIV. Just days before the close of the fiscal year, we moved into the new state-of-the-art modern police facility. We are still settling in as we write this and hope to offer public tours in the weeks and months ahead.

Commentary

The fiscal year accomplishments are a direct credit to the Police Commission and staff. I would like to publicly thank the men and women of the Rochester Police Department for the hard work and dedication over the past year. We also recognize the City Council for the funding and support of various projects and programs. Paramount to our success is the support of the citizen’s of the City. With areas that we track on the rise, we remain creative and enthusiastic, providing safety services in the fifth largest community in the State.

We finish the year implementing new and sometimes better ways of doing things. The surveys that we are completing with the public are, for the most part, favorable. What is more important is that the public is not afraid to guide us with constructive criticism that helps us improve the way we do our jobs.

Future

It is our vision that the Rochester Police Department will continue to be a cornerstone of progress and a model police department in service to our citizens, constantly improving the quality of services that we render. We are prepared to do our part in balancing and prioritizing our services to the community. We will continue to develop our expanded ability in some areas to provide diversified services along with the rest of progressive law enforcement. We are committed to offering the best service to the residents and visitors to the City, which can be accomplished through our community policing programs, advanced technology and input from our citizens.

Respectfully Submitted,

Chief David G. Dubois

REPORT OF THE PUBLIC WORKS DEPARTMENT 2003 - 2004 (FY 2004)

This year the department accomplished many items but most significantly, the Public Buildings and Grounds Department became a part of Public Works. The Public Works Department is committed to protecting the safety, health, and welfare of its residents and visitors by providing clean water, removing and treating sewage, and maintaining our roads, sidewalks, public buildings, parks and City cemeteries. The department works with the Mayor, City Council, City Manager, and all other departments, to provide the best service within our means.

The department helped with community projects such as: Lilac Family Fun Festival, Moonlight Madness, the Summer Festival, the Christmas Parade and the hanging of downtown Christmas holiday season decorations.

The 2003-2004 winter was a relatively light one. This is the first year that the winter operations budget was not over-budget in many years! The amount of sand applied to the roads was approximately 1025 tons and 2743 tons of salt was used.

The Public Works capital improvement projects initiated or completed during the Fiscal Year include:

- City Council appropriated \$6 million to pave many streets over a three year period. Streets completed this fiscal year includes: Eastern Avenue, Wakefield Street, Union Street, South Main Street, portion of North Main Street, portions of Milton Road, Sampson Road, Drury Lane, Isabelle Lane, Sabrina Lane, Cross Road, Gary Drive, Sewell Road, Rock Lane, Sunrise Lane, England Road, Estes Road, Post Road, Village Lane, Howard Brook Drive, Glenwood Avenue, Hanson Avenue, Wentworth Street, Mountain View Drive, Dewey Street, Letourneau Street, Park Street, Patton Street, Ray Street, Riverside Drive, Schley Street, Hussey Street, St. James Terrace, Fortier Drive, Russell Street, McDuffy Street, Beauview Street, Ten Rod Road, Thomas Street, Capital Circle, Concord Way, Yvonne Street, Darrell Street and Evergreen Lane.

- Reconstruction of Waldron Avenue, Maple and Haig Streets, which included full street reconstruction, granite curb, sidewalks, drainage, water line replacement and sewer rehabilitation was completed this year.
- A major sewer inflow and infiltration elimination project in downtown Gonic was completed this year. Work was done on Main, Church, Felker, Sherman, Demerit, Shelby Streets, and Patriots Way.
- Replaced two lagoon aeration blowers at the wastewater treatment facility.
- **Was issued a 5-year general permit by the Environmental Protection Agency to operate a Municipally Separate Storm Sewer System (MS4) and prepared and began to implement the required stormwater management plan.**

Public Works reviewed and oversaw the privately financed construction of the following streets in preparation for acceptance by the City:

- Denali Drive, Kodiak Court, Knobby Way, Butterfly Lane, Deerfield Court, Violet Court, and a reconfiguration of McNeil Drive
- Monitored the extension sewer force main on Milton Road from Norway Plains Road to a point approximately 1500 feet to the North to service a 4-lot commercially zoned subdivision.
- The city's first mechanical stormwater treatment unit was installed on the site of the new Northeast Credit Union on Charles Street. This underground unit treats stormwater collected from the Charles Street, Old Dover Road area before it discharges to the Cocheco River.

Additionally, the department reviewed and issued 148 driveway permits and 67 excavation permits.

WATER DIVISION

The Water Division is continuing to pursue new water supplies and is striving to reduce leaks. The distribution staff was very busy with installation of 30 new services as well as 20 water leaks repairs and 13 new fire hydrants and service calls. Discontinue six-inch water main on Ten Rod Road, tie homes on to twelve inch main. Discontinue six-inch water main on Liberty Street, new eight-inch water main on museum way. The Water Treatment plant treated and filtered 671 million gallons of water with an

average daily flow of 2.5 Million gallons per day. The plant continues to run very well and produces a high quality drinking water.

Began work on Process Control Upgrades at the water treatment plant, which included the installation of a silo to store and add sodium bicarbonate to the treatment process. This significantly reduced the need to add zinc orthophosphate as a corrosion inhibitor and aid in meeting EPA's requirement for reducing the quantities of zinc that can be discharged to the Cocheco River.

The events of 9/11/01 caused the nation to consider the vulnerability of many of our critical infrastructures. One of these concerns is the susceptibility of our nation's drinking water systems to malevolent acts committed by terrorists or other criminal actors. In June 2002, the Bioterrorism Act of 2002 was signed into law to address this concern. The City of Rochester conducted an objective Vulnerability Assessment (VA) of the water system between May 20-31, 2004.

In addition, the City also prepared an Emergency Response Plan (ERP). The ERP are action steps to follow should a source of drinking water become contaminated or any other component of the storage or distribution system become damaged or at risk. The completion of this plan is a significant endeavor, but one that can benefit the system and its users through emergency response preparedness, contingency planning and source protection.

SEWER DIVISION

The Division of Public Works Wastewater Treatment Facility is dedicated to the treatment of wastewater that flows into our facility from Rochester, East Rochester and Gonic and to delivering a clean, clear effluent into the Cocheco River.

The present day advanced wastewater treatment facility is designed to treat an average daily flow of 5.0 million gallons per day, with a peak design of 16 million gallons per day. The city operates under the strict effluent limitations and monitory requirements contained in the July 23, 1997 National Pollution Discharge Elimination System (NPDES) Permit.

The reapplication for our National Pollution Discharge Eliminations System Permit and Revised Local Limits for our Industrial Pretreatment Program as a sub-part to our NPDES Permit continues to be in the review phase with the control authorities and issuance is expected at anytime.

The Wastewater facility continues to operate below projected O&M costs for power, chemicals, equipment maintenance and plant staffing levels!! The staff continues to put forth an outstanding effort to achieve compliance through operational control, preventative maintenance, teamwork and training.

The staff was very busy with service calls; they repaired many old and installed many new services. They also kept watch and performed routine maintenance on the 25 pump stations located through out the city. The City staff worked with an outside contractor and replaced sewer main on Liberty Street.

The wastewater treatment facility treated 1,162,110,000 gallons of wastewater. The average daily flow was 3,183,863 gallons. The facility continues to produce a high quality effluent and is running extremely well. 421,267 pounds of BOD (98%) and 720,954 pounds of TSS (99%) have been removed. The WWTP has also received and treated 721,150 gallons of septage.

**REPORT OF THE RECREATION, ARENA, AND YOUTH SERVICES
DEPARTMENT
2003-2004**

With the retirement of long time Recreation Director Brent Diesel, the Department of Recreation and Youth Services was combined with the Rochester Arena in February of 2004. A new department, Rochester Recreation, Arena and Youth Services (RAYS), was formed. This consolidation of staff and facilities has resulted in higher quality and greater quantity of programming to benefit the Rochester community. It is estimated that over 200,000 people used or benefited directly or indirectly from RAYS programs or facilities during the fiscal year of 2004.

To better reflect the expanded department the following Vision Statement was developed. *The Department of Recreation, Arena & Youth Services (RAYS) is committed to providing recreational and community programming aimed at enriching the quality of life in Rochester. We strive to maintain meaningful connections with the community by providing programs, services and facilities that foster a healthy community.*

Along with the new name and vision, a new logo, stationary and Webpage were developed. With the help of both the Recreation and Arena Commissions, goals were set which included the following: expansion of programming to adult, elderly, disabled and pre-schoolers, increased marketing and public relations, development of a new organizational chart and job descriptions, staff training and maximum use of resources.

The successful consolidation of Recreation, Arena and Youth Services will ensure quality programming for the citizens of Rochester for years to come.

Respectfully submitted,

Chris Bowlen
Director of Recreation, Arena and Youth Services

REPORT OF THE SUPERINTENDENT OF SCHOOLS 2003-04

To the School Board and Citizens of Rochester:

During the 2003-04 school year, Rochester School Department maintained a strong focus on academic improvement and leadership in the use of data to measure accountability and meet individual student needs.

Reading and Mathematics Instruction

The district intensified its quest for stronger reading and mathematics instruction and improved student performance in these two crucial areas. The district arranged for extensive professional development opportunities to bring scientifically based instructional techniques into common use, and employed, for the first time, a Mathematics Curriculum Coordinator who has a great deal of expertise in standards based mathematics. A standards based math program was fully implemented at the elementary level, with an accompanying improvement in third grade NHEIAP performance from 67 percent of students achieving proficiency to 80 percent.

In addition to the remarkable mathematics improvement, the district continued to enjoy progress toward its goal of 90 percent of its students reading at or above grade level by the end of grade 3, and maintaining that level of performance in subsequent grades.

Facilities

While maintaining a focus on academics and instruction, the district has not lost sight of the need for ongoing maintenance and improvement of facilities to avoid catastrophic repair costs that are often generated by ongoing neglect. Among other things, the district completed replacement of the bleachers and lighting at the Spaulding High School Athletic Complex, corrected drainage problems at the Rochester Middle School and McClelland School property, replaced seating in the Spaulding High School Auditorium, replaced flooring at the Richard W. Creteau Regional Technology Center, implemented electrical upgrades in some of the older buildings to improve safety and service, and carried out other maintenance/upgrade projects in line with the adopted facilities plan.

Accreditation

Spaulding High School hosted a visiting team from the New England Association of Schools and Colleges to complete the self-study/on-site evaluation portion of accreditation. The visiting team was very complementary of the work and improvements that have been accomplished since the previous visitation in 1993-94.

The most significant commendations include:

- ◆ High visibility of the schools' mission statement and implementation of the Spaulding High Five, which focuses students on high achievement
- ◆ Writing across the curriculum and improvement of student performance on the English/Language Arts section of NHEIAP
- ◆ Instructional use of technology
- ◆ Increasing use of differentiated instruction

Recommendations include the following:

- ◆ Develop and implement a school-wide assessment to measure progress on the Spaulding High Five
- ◆ Document how the mission statement and expectations are used to guide decisions at the school
- ◆ Inconsistency in curriculum development across departments
- ◆ A need for broader variety of instructional practices aligned with the school's mission statement and expectations
- ◆ Document use of assessment data for instructional improvement and curriculum development

Rochester Special Education Revenues and Expenditures As required by RSA 32:11-a

Table 1: Special Education Revenue

	2001-02	2002-03	2003-04
Tuition from other districts	101,422.40	104,549.77	393,191.10
Tuition for foster children	0.00	0.00	0.00
Catastrophic Aid (State)	626,559.80	521,204.31	422,457.35
Medicaid Reimbursement (Federal)	474,070.47	544,529.52	432,462.93
Special Education Grants (Federal)	592,198.63	736,601.70	932,065.48

Table 2: Special Education Expenditures

	2001-02	2002-03	2003-04
Salaries and Benefits	6,273,340.53	7,078,930.06	7,704,353.96
Tuition and Contracted Services	1,729,260.55	1,824,013.33	1,730,110.35
Supplies and Equipment	102,349.48	90,442.98	81,453.37
Other expenses	920.13	3,640.95	23,857.68
Special Area Administrative Services	247,485.11	258,145.71	309,656.85
Transportation	398,125.85	460,804.84	499,258.91

Table 3: Revenue to Expenditure Analysis

	2001-02	2002-03	2003-04
Total Revenues	1,794,251.30	1,906,885.30	2,180,176.86
Total Expenditures	8,751,481.65	9,715,977.87	10,348,691.12
Net Local Cost	6,957,230.35	7,809,092.57	8,168,514.26

Table 4: Sources of Revenue as Percent of Total

	2001-02	2002-03	2003-04
Federal Sources	12.2%	13.2%	13.19%
State Sources	7.2%	5.3%	4.08%
Other Sources	1.1%	1.1%	3.80%
Local Property Tax	79.5%	80.4%	78.93%

School Board Membership and Staffing

Rochester School Department

July 1, 2003 - June 30, 2004

School Board Membership

<u>Seat</u>	<u>Member</u>	<u>Seat</u>	<u>Member</u>
Ward 1	James McGranaghan Audrey Stevens	Ward 4	Phillip Stiles "Jae" Duntley
Ward 2	Nancy Warren Daniel Harkinson	Ward 5	Pamela Hubbard Charles DeVito
Ward 3	John Connelly Gerard Gilbert	Ward 6	Frank Callaghan
		At-Large	Robert J. Watson
			Anne Grassie

Standing Committees

<u>Committee</u>	<u>Members</u>	<u>Committee</u>	<u>Members</u>
Building	John Connelly, Chair Frank Callaghan Gerard Gilbert	Special Services	Robert J. Watson, Chair "Jae" Duntley James McGranaghan
Instruction	Daniel Harkinson, Chair Anne Grassie Robert J. Watson	Finance	Nancy Warren, Chair Charles DeVito
Personnel	Gerard, Gilbert Chair Charles DeVito Audrey Stevens		John Connelly Gerard Gilbert Anne Grassie

Daniel Harkinson
Robert J. Watson

Special Committees

<u>Committee</u>	<u>Members</u>	<u>Committee</u>	<u>Members</u>
Discipline	Daniel Harkinson, Chair Pamela Hubbard Rotating Board	Joint Field Development	John Connelly, Chair Gerard Gilbert Charles DeVito
Policy Revision	Member Charles DeVito, Chair Anne Grassie Phillip Stiles		

Central Office Administrators

Raymond Yeagley, Superintendent of Schools
Michael L. Hopkins, Assistant Superintendent of Schools
Sharon Pray, Director of Pupil Services
Sally Riley, Curriculum Coordinator
Susan Deese, Curriculum Coordinator
Marty Brennan, Title I Director
David Yassenchock, Chief Technology Coordinator
Richard Kalisz, Facilities Manager
John Laverdiere, Director of Buildings & Grounds

Principals

Robert Pedersen, Spaulding High School
Walter Helliesen, Rochester Middle School
Steve LeClair, Chamberlain Street School
Nancy Loud, East Rochester Annex (Teaching Principal)
Teresa Bailey, East Rochester School
Martha Wingate, Gonic School
Barbara McDowell, Maple Street School (Teaching Principal)
Arlene Walker, McClelland School
Nancy Booth, School Street School (Teaching Principal)
Robert "Rob" Hanson, William Allen School

Assistant Principals

William Douglass, Spaulding High School
Susan Randall, Spaulding High School
James O'Rourke, Jr., Spaulding High School
Richard Towne, Spaulding High School
John Safina, Rochester Middle School
Linda Sutton, Rochester Middle School
Gwen Guess, Chamberlain Street School
Maureen Oakman, East Rochester School
Emilie Smith, McClelland School
Rebecca Ruel, William Allen School

School Nurses

Sharon Croft, RN (Head Nurse)
Claudette Bayko, RN
Joanne Clark, RN
Nancy Graham, RN
Anne Moynihan, RN
Jennifer Saucier, RN
Bethann Welch, RN

REPORT OF THE TAX COLLECTORS DEPARTMENT

2003-2004

The responsibilities of the Tax Collector's office consist of collection of property taxes, water & sewer utility bills, and other city department collections from the library, police dept, recreation department, etc. The Tax Collector's office executes property tax liens on delinquent taxes, files tax lien redemptions, and notifies all mortgagees for all property owners that are at risk of going to Tax Deed. We collect all monies from Current Use Tax & Timber & Gravel Tax. The property tax warrant for 2003-2004 was \$33,452,580.00 and approximately 23,200 bills.

The Tax Collector's office also processes auto registrations. In 2003-2004 we processed approximately 35,369 registrations totaling \$3,857,537. We are a Municipal Agent through the State of NH therefore we issue plates & decals for an added cost of \$2.50 per registration. In the year 2003-2004 we collected a total of \$63,977.50 in municipal agent fees.

For the 2003-2004 we collected on approximately 26,199 water & sewer bills.

Revenues collected by the Tax Collector's Office:

Total Warrant	33,452,580.00
Timber and Gravel Tax	13,536.40
Int Delinquent Taxes	320,946.36
Chg Tax for Cu Removal	349,381.40
Motor Vehicle Permits	3,857,537.00
Misc-RR Natl Bk Tax	1,765.45
Water	2,640,371.84
Sewer	2,794,387.73

The Tax Collector's Office consisted of three full time employees and four part time employees. Our goal in the office is to provide polite & efficient service to all of our customers.

I would like to thank my staff for all their hard work through out the year:
Karen Paquette-Deputy Tax Collector, Virginia Gray-Clerk Typist, Shirley
Gray-Clerk Typist, Patricia Cox-Clerk Typist, Lorraine Morin-Clerk Typist
and Vickie Denis-Clerk Typist.

Respectfully Submitted,

Doreen Jones
Tax Collector

**REPORT OF THE WELFARE DEPARTMENT
2003-2004**

In compliance with RSA 165, the local welfare office for the City of Rochester administers local emergency assistance for individuals and families who may be poor and needy, and who may require help in a financial crisis. It is our mission to provide quality assistance to those in difficult circumstances, and to do so in a financially responsible manner for City taxpayers.

The city of Rochester budgeted \$375,070.00 for Direct Assistance for fiscal year 2003-2004. A total of \$446,277.00 was actually expended, a 12% increase over year prior. A supplemental of \$71,277 was required to continue assistance for families and individuals. Our office provided assistance to 344 families and 334 individuals. This was a 12% increase over year prior.

As in years past, the Welfare Department again received a McKinney Grant in the amount of \$10,000.00. These HUD monies are discretionary, and used for arrearages on utilities and rent, and to also assist needy individuals who may, by law, be ineligible for assistance through the General Assistance program. The expenditure of this grant reduced the amount that might otherwise have been expended out of the GA fund.

The City of Rochester, along with other towns and cities in Strafford County, continue its support for the Homeless Center for Strafford County on Turnkey Rd. through CDBG funds. No taxpayer funds are expended. This is HUD grant money that the City administers through our Community Development Office. This grant that supports the shelter in turn supports our office as we assist our homeless families.

This office received \$26,286.04 in reimbursements from cash, SSI contracts between the state and our office, civil and real estate liens.

Issuance of General Assistance Vouchers for Families

Burial.....	1,000.00
Dental	2,521.50
Electricity.....	8,191.15
Food	436.00
Fuel Heating.....	4,763.68
Gas	1,615.80
Household Goods	140.00
Medical.....	1,491.60
Miscellaneous.....	411.00
Mortgage	10,439.27
Prescriptions	25,345.87
Rent	132,206.97
Temporary Shelter (motel).....	6,328.80
Transportation	577.50
TOTAL	\$195,469.14

Average cost per case \$568.22

Issuance of General Assistance for Individuals

Burial.....	1,500.00
Dental	3,347.50
Electricity.....	4,561.39
Food	228.23
Fuel Heating.....	4,630.30
Gas Heating	315.16
Household Goods	81.99
Medical.....	1,082.49
Miscellaneous.....	729.85
Mortgage	2,233.60
Prescriptions	56,992.29
Rent	192,026.65
Temporary Shelter (motel).....	9,943.51
Transportation	134.05
TOTAL	\$277,807.01

Average cost per case \$831.76

Total vouchers issued \$473,276.15

Again this year, our office administered, with a private organization, the "back-to-school" backpack and supplies program. This year 28 children were helped with their school needs. We also assisted the Fire Department in its "Toy Bank" Program for children during the holiday season.

I would like to thank the following staff for their service to this office: Gail Bennett, long time Departmental secretary, and Todd Marsh, completing his first year as Departmental Social Worker.

Respectfully submitted,

Lynn Carey
Director of Welfare

New Hampshire State Library



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