COMMITTEE ON ACCOUNTS, ENROLLMENT AND REVENUE ADMINISTRATION

March 21, 2023 at 5:30 PM

Chairman Heath called the meeting to order.

The Clerk called the roll.

Present: Aldermen Heath, Long, Levasseur, Cavanaugh, Barry

Messrs.: S. Wickens

1. Update on the City's Revolving Loan Fund.

*On motion of **Alderman Long**, duly seconded by **Alderman Long**, it was voted to accept the report.*

2. Communication from Kim LeBlanc, Financial Analyst II, submitting Finance Department reports as follows:

- Accounts Receivable over 90 days
- Aging Report
- Outstanding Receivables

*On motion of **Alderman Long**, duly seconded by **Alderman Barry**, it was voted to accept the reports.*

3. Communication from Sharon Wickens, Finance Officer, regarding the City's Monthly Financial Report (unaudited) for the first eight months of fiscal year 2023.

Sharon Wickens, Finance Officer, stated the average unobligated balance percentage for eight months should be 33.33% as a benchmark. All departments are there except for Public Works and that is because of contracts. The overall unobligated percentage after eight months is 34.45% compared to 33.81% last year. We are doing slightly better. Health insurance costs for 2023 are tending $1.5 million over budget through February. January was a hard month and February was worse. I do have Anthem pulling some reports. We knew that in January there were a lot of very sick claimants. They had high claims but they hadn't hit stop-loss yet and that is $250,000. When I spoke with our Anthem representative, he said a majority of them have hit stop-loss and we know that the increases stopped for them but do we have any new ones. That is what they are digging up and I hope to have a meeting with them either later this week or the beginning of next week to get a better picture of what we are looking at. It is trending very high. The good news is that surplus is just crazy good. We can absorb this and we will still have almost $3 million in surplus.

Chairman Heath asked what is crazy good.

Ms. Wickens answered right now it is $3.788 million and that includes absorbing this $1 million. It would still be $2.788 million and I expect it to get better.

Alderman Levasseur stated we need to see some of these costs. I would like to see what the negotiation costs are. I practice law and do a lot of personal injury cases and I can tell you that when I see the bills that come into my office with the charges and what the insurance company pays, it is probably 40% less. I want to make sure that Anthem is doing this. Believe me they negotiate for hospitals and they should be doing the same job for us.

Ms. Wickens responded I can get that information for you.

Alderman Levasseur stated you should definitely be checking up on them and asking what the negotiated prices look like. Maybe they need to start comparing that to Medicare and Medicaid. There is a law out there that they have to basically charge the same amount to any insurer. Unless our claims have gone through the roof with the offsets due to the discount, our costs should be lower. I guess we need to know that.

Ms. Wickens stated right and that is a huge concern. You want to make sure that Anthem is doing what they are supposed to do. HR has entered into a contract with a company called Truvaris and what they do is go through all of the bills and make sure that we are getting all of the discounts we should. We just met with them a few days ago and we weren't off by a lot. I want to say it was a few thousand dollars that we should have gotten but didn't. It wasn't a lot of money but that information would be good for you to see. We don't have to divulge who the employee is but we can tell you these are the claims and this is what they ended up paying. I can absolutely get that.

Alderman Cavanaugh stated I do agree with Alderman Levasseur but we always have to remember that these costs have people behind them and we have some people going through some devastating and trying times. I know we have to make sure that the bills are legitimate but there are some people going through some tought times and the reason they are here is because we have great insurance. We should always keep in mind that there are people behind these numbers and that is the most important thing.

Alderman Levasseur asked so the claims are up how much from last year. Is it a number that we have or a percentage?

Ms. Wickens answered I don't have what the percentage is from last year but last year we were short $2 million at the end of the year. In the budget that we are currently in, we added $700,000 and we are still down $1.5 million plus they raised rates.

Alderman Levasseur asked do you know if the number is up from last year's number.

Ms. Wickens replied I would say yes.

Alderman Levasseur stated we usually get a presentation from Anthem at some point before the new fiscal year correct.

Ms. Wickens replied yes. They will want to set the rates and will come before you.

Alderman Levasseur asked so we know what we have to put in as a number for the budget for next year.

Ms. Wickens answered yes.

Chairman Heath asked do you have anything else you want to share with us Sharon.

Ms. Wickens stated the retirements are doing better than last year. There was $854,000 paid out last year and it is $607,000 this year. I know the Board voted to give Health a little bit of money at the last meeting but they are reworking their numbers and don't think they will need it. I will just leave it there until I know for sure that they don't need it. Revenues are doing very well. Brenda thinks we are going to beat budget by more than $900,000. She feels comfortable putting in $900,000 now.

Chairman Heath asked what about Parking.

Ms. Wickens responded Parking did better but I think it was because of all of the work that was done for winter parking like getting people out there and giving tickets. They were making a lot of money.

Chairman Heath stated I have one more question about DPW. This last storm that we had was huge. Are we all set with their budget? Is everything okay?

Ms. Wickens answered I have been emailing Owen, the Deputy Public Works Director, and I think that they planned for one more big storm. They are still projecting that they will be short $175,000, which is what we had last time.

Alderman Levasseur stated on the issue of the health insurance, can you compare our claims to the school district to see if they have increased also.

Ms. Wickens yes we can do that.

Alderman Levasseur asked do they have the same insurance as we do.

Ms. Wickens answered yes. When I am speaking with Anthem, I will ask them how we are doing compared to the school district.

*On motion of **Alderman Long**, duly seconded by **Alderman Barry**, it was voted to accept the report.*

*There being no further business, on motion of **Alderman Cavanaugh**, duly seconded by **Alderman Long**, it was voted to adjourn.*

A True Record. Attest.

Matthew Normand

Clerk of Committee