

COMMITTEE ON ACCOUNTS, ENROLLMENT AND REVENUE ADMINISTRATION

October 17, 2023 at 5:00 PM

Chairman Heath called the meeting to order.

The Clerk called the roll.

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

Messrs: S. Wickens, K. LeBlanc, T. Clougherty, P. Chiesa, K. Daneman

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

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

3. Communication from Sharon Wickens, Finance Officer, regarding the City's Monthly Financial Report (unaudited) for the first three months of fiscal year 2024.

Sharon Wickens, Finance Officer, stated we have the first quarter under our belt. The average unobligated balance percentage should be at 75%. All departments are there with the exception of Information Systems and contracts. The percentage as of now is 73.78% for all accounts compared with 76.62% a year ago. Health insurance costs for 2024 are tracking slightly over budget through September. As we watch October's coming in, it's not great. A comparison of the retirement payouts is in front of you. As you can see, in 2024 there were eighteen retirements. It doesn't show that there and it's \$644,000 compared to about seven retirements at \$384,000. It's a huge jump and I did make a call to City Retirement to see what is affecting that. It appears it is the COLA. People kicked it over the line so that they retired not in the May to June timeframe, but in the July to August timeframe with the COLA. I expect, even though it is high in this quarter, that will happen again next year because we have another COLA. Nothing has been spent out of the contingency account. Revenues through the first three months are \$1.2 million lower. That is primarily timing of the billing to the school district. There is about \$1.7 million that still needs to be billed out. Permits are about \$22,000 higher than this same period. Interest income is great; \$550,000 higher. Our cash balance is a little higher. It looks like the spending on projects is a little bit slower, so we have a higher cash balance. We'll take it. The interest rates are great. The downfall is tax. They are trailing \$200,000 compared to last year. I am not concerned about that right now. The

big concern that I want to let you know about is there was a trucking company in Manchester after the budget had been set in mid-June. We found that this trucking company had sold and they moved their fleet. They are not registering in Manchester. It is a significant hit; about \$700,000 this year. Brenda did not call them; she went there to try to do anything she could to get this fleet to continue to be registered here. She had no luck. That is one thing that you will see on tonight's projection. That is out of her control, and we do need to deal with that. I would like to talk about healthcare a little bit. Again, after we met with you on April 18 to talk about setting rates, mid-June was really high. I had been projecting about \$2 million over plan and it was closer to \$3 million. When we went to renew the stop-loss insurance that we have, that was raised by about \$400,000, and we learned that at the end of May. Nobody else would bid. We have some really high claims and some very sick members. Cancer is prevalent in the city and we are doing everything we can to talk with USI and Anthem about what we can do to try to catch some of this early. As you know, the cost would be less. There is a little upfront, but the long-term if we can catch it. The week of September 13 I thought was wrong, it was over \$1.3 million in medical claims. We received about \$700,000 back in stop-loss, but that is still very high. One of them was a claimant where the bill itself was about \$600,000 and it was a cancer diagnosis. It is awful. We have some very sick members and we are watching this. I'll talk about it a little bit tonight, but I expect in December medical claims will tick up and I don't want to wait until the last minute as we are seeing this. I need to tell the Board immediately based on what I am seeing. At the November meeting, we may need to do further action to try to mitigate some of the expenses that we have to try to offset some of these costs. There is a reserve and it is about \$2.3 million, but if this performs the way it did last year we are in a little bit of trouble. I'll keep watching it and I'll keep reporting. We are doing everything we can to get to these people but at the end of the day we just have some very sick members.

Alderman Long asked did we include the truck company in the budget, that \$700,000.

Ms. Wickens stated yes. I am going to look at it. The tax rate setting, you get physically ill. You want to keep it at that rate. I think Rooms and Meals tax is going to save us. I think we are going to be ok. I'm doing all I can to move money around. We may be able to cover that.

Alderman Long asked are there any other issues besides the healthcare, which you're saying in November we should get a heads-up as to what we're going to be looking for and where we're going to look for it.

Ms. Wickens replied I don't know. We will have to put some options on the table. I recall last year when Alderman Levasseur had brought it up but there is very little in your toolbox to try to combat it. Is it salary freezes? We will have to talk about it, but you need that information and you need it quickly.

Alderman Long asked so you will have a better number in November.

Ms. Wickens answered maybe this is an anomaly because we did get hit with quite a few individual cases that were high cost. Flu season is coming and COVID is rearing its ugly head. I just want to get in front of it.

Chairman Heath stated and we are an aging workforce.

Ms. Wickens stated right.

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

4. Communication from Kim LeBlanc, Financial Analyst II, requesting authorization to write off the first quarter receivables identified.

Chairman Heath stated I am still new to all of this so a little bit of an explanation would be great.

Kim LeBlanc, Financial Analyst II, stated absolutely. We usually come to the committee four times a year to ask you to write off accounts that we can no longer collect on. We haven't done that in quite some time. We ended up breaking up, or our collections agency broke up with us. As of the fall of last year they no longer do municipal accounts. We had to do an RFP for another collection agency, so it has been a little bit in order to get these things back on track. The number that we are asking you to write off is in line with what we have done in the past. We haven't come to the committee for anything significant since the first quarter of July 2022.

Alderman Long stated I am looking at Highway. Are a lot of these checks with insufficient funds that are bounced? I spoke to Mr. Clougherty.

Ms. LeBlanc stated there are some on here that are standing out as NSF checks but most of them are just people using the drop-off facility and not paying their bill after.

Alderman Long stated ok so we give them credit. If I go to drop off something and I don't have money on me, you say ok and you owe us \$35?

Ms. LeBlanc replied they usually get invoiced.

Alderman Long stated and I just ignore you and get it written off.

Ms. LeBlanc responded they usually get invoiced by DPW.

Tim Clougherty, Public Works Director, stated Alderman Long and I had a discussion earlier today. I just wanted to clarify that. When these accounts are identified as being delinquent, we do shut off those accounts so they are no longer available to the services that we provide at the drop-off.

Alderman Long stated great. Mr. Chiesa, 2019-2020, these are all statute of limitations?

Peter Chiesa, Deputy City Solicitor, answered yes. If it is more than three years ago, then it is past the statute of limitations so we couldn't go to court on them.

Alderman Long stated so that is money that the city lost out on. Parking, I understand it. I get a parking permit for January, February, and March, and if I don't tell them that I am not using it in April they keep charging and it accumulates and that is what these are. That is not really lost revenue. I spoke to the Police about McGarvey Saloon, which isn't McGarvey's on Elm Street. It is a business that was on Granite Street that shut down. Knight's Excavation is a company that is currently in business and owes \$855 for police detail. Again, that statute of limitation ran out. We need, especially for a company that is still in business, we need to get that money from them. I don't know if they have more police details but I am thinking they do because they are an excavator. If we can keep in mind that this is revenue to our departments and we are losing this revenue...police is \$2,300+. This is the first write off?

Ms. LeBlanc stated yes.

*On motion of **Alderman Long**, duly seconded by **Alderman Cavanaugh**, it was voted to approve the write offs identified.*

5. Communication from Kathy Daneman, Manchester Arts Commission Chair, requesting the release of \$6,000 from the art fund for a mural project to be painted on the Waypoint Center at the corner of Hanover and Beech Streets.

Alderman Long stated I want to confirm that the CEAG not getting their \$6,000 appropriated will not stop this project. My understanding is there is \$6,000 or \$5,000 they are requesting. If that money doesn't come in, it doesn't put the mural in jeopardy, right?

Kathy Daneman, Arts Commission Chair, answered yes that is our understanding.

Ms. Wickens stated this is money that has already been spent. They are looking to be reimbursed. It is an appropriate use of the funds. The balance in the art fund at this time is a little over \$124,000.

Alderman Long stated they are using Waypoint clients which I think is fantastic.

*On motion of **Alderman Long**, duly seconded by **Alderman Barry**, it was voted to approve the request, with **Alderman Levasseur** being duly recorded in opposition.*

6. Communication from the Manchester Arts Commission Chair requesting the release of \$759.68 from the art fund to reimburse the cost of purchasing exhibition and display materials.

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

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

A True Record. Attest.

A handwritten signature in black ink, appearing to read "Matthew Normand". The signature is fluid and cursive, with a long horizontal stroke at the end.

Clerk of Committee