COMMITTEE ON ACCOUNTS, ENROLLMENT AND REVENUE ADMINISTRATION

November 21, 2023 at 5:15 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 Cavanaugh**, 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 four months of fiscal year 2024.

***Alderman Long** moved to accept the report, duly seconded by **Alderman Cavanaugh**.*

Sharon Wickens, Finance Officer, stated in October the average unobligated balance percentage after the month should be 66.67 as a benchmark. All departments are within this benchmark except for the usual: Central Fleet, Information Systems. The overall unobligated percentage for fourth months is 65.53% in 2024 compared to 65.63% a year ago, so we are keeping up with last year. Health insurance costs for 2024 is tracking over-budget through October. Let me stop to talk about health insurance for just a second. October was a decent month. We had a few people term off on retirements, some very sick people. We had a number of very sick people hit stop-loss. The fire that we were having seems to have stopped. October came in slightly under where we would have budgeted for that month so it helps the first quarter a little bit. We are still tracking about $300-$400,000 over plan. At the rate way we were going I was sure if October continued to burn like the other three months, we would be up to about $1 million and we are not. That is very good. We are watching this. It would be safe to go through November, as I see the claims coming in, it is tracking similarly to October. I am hopeful. We do have a reserve, about $3 million, that can back us up if we need it. I am feeling a lot better than I did after the first quarter. In the past you are told things are going to get a little bit better and they never do. I was expecting it to continue to get worse, but we may hold our own through December and once the winter months and the claims start coming in it might tick up again and we can talk about it a little more. Retirements really haven't changed. They were high last month, there was $709,504 through 2024 and $384,000 at this same time the prior year. We had no retirements that contributed to this balance in October so it is really what we said before. It's the COLA. People retired a lot in July and August because of the COLA; I fully expect in the fourth quarter that is going to happen again. I think retirements we are fine there as well. The contingency account has a balance of $307,000. There was a Hallsville $5,000 that came out. That is the only thing. Revenues for the first four months are $157,000 lower than a year ago. Interest income is up, but auto registrations are relatively flat. They are up about 110,000 but I consider that flat. Offsetting the increase of lower permits of about $200,000 and $400,000 in school chargebacks which is strictly timing. I don't expect any issues there. We are doing ok budget-wise, with the exception of we are really watching healthcare.

Alderman Long stated the DPW, Welfare, and Library are over the ten percent so that what flags me. Are you ok with that? They are at 63.18%, 63.09%, and 65.93%.

Ms. Wickens stated they are over the ten percent.

Alderman Long stated they are supposed to be 75.5% you are saying.

Ms. Wickens stated no, 66.67%.

Alderman Long stated ok they are a little under. Ok, that is fine.

Alderman Levasseur stated I noticed on one of the documents, I don't have it in front of me, that contingency said it was over $700,000. I don't know if it was a misprint.

Ms. Wickens stated contingency is $307,000. If you saw that somewhere then that must be an error. Do you know where you saw it?

Alderman Levasseur stated I wanted to ask you about the rainy-day account. I didn't see it on there. I looked for it. Where is it actually listed? You said it wasn't in the bank, it is budgeted.

Ms. Wickens stated it is part of the reserves and that is what the rainy-day fund is. They aren't on this; they are on what is called fund-balance. I could provide a report of everything that is fund-balance and all the reserves for the next meeting if you'd like.

Alderman Levasseur asked how many fund reserves do we have listed. Is there a lot?

Ms. Wickens stated ten to fifteen. We have a lot.

Alderman Levasseur stated you say a fund reserve, can you explain that a little bit clearer. I talked to some Aldermen about the rainy-day fund, not current board members but past ones, a past Mayor and other Aldermen and they were surprised to find out that we didn't have that actual rainy-day money in the bank.

Ms. Wickens stated it is in the bank. It is part of the whole general funds.

Alderman Levasseur stated we don't get any interest on it.

Ms. Wickens stated we earn interest on all of our money in the bank. It goes to the general fund as interest, it doesn't go to the specific reserve accounts. The reserve accounts we hold those balances in the accounts. Any interest in total in the general fund is part of the general fund. We are using that interest every year. We don't credit the reserves with interest.

Chairman Heath asked Alderman, would you like a full report.

Alderman Levasseur no I just want one more question. The question concerning the interest, can you give me a report on how much of the interest that we are getting from all of the reserve accounts so that I can see what that amount is.

Ms. Wickens stated it is not posted to the reserve account. I could tell you what interest is earned on the general fund as a whole and what the cash balance is worth.

Alderman Levasseur asked is the line-item in there.

Ms. Wickens stated there is a revenue account for interest, yes. We are about $300,000 over this year. We increased the budget by $850,000 and I fully expect to meet that this year. It will be $2,950,000 as the budget.

Alderman Levasseur asked what bank holds all our revenue account money.

Ms. Wickens stated our operating account is held with Citizens Bank, but we have relationships with almost all of the banks that are in Manchester. It is basically based on if we have money that we can park for three or six months, who is offering the best rate. Right now the New Hampshire Public Deposit Investment Pool is 5.47% and we have a chunk of money there. You don't put all your eggs in one basket, but I tend to hit the ones that are the highest. I want to get every penny.

Chairman Heath stated thank you, Sharon. It sounds like you're working really hard for us to get every penny of interest we can get.

Ms. Wickens stated it is a challenge.

Chairman Heath stated so next month you'll have an agenda item that we can go over for Alderman Levasseur.

Ms. Wickens stated what Alderman Levasseur would like to see is all the reserve accounts.

Alderman Levasseur stated yes, please.

Chairman Heath called for a vote. There being none opposed, the motion passed.

4. Communication from Jennifer Heon, Finance Department, requesting approval of a Petty Cash policy.

***Alderman Long** moved to approve, duly seconded by **Alderman Cavanaugh**.*

Alderman Long stated it says submitted to Finance by a responsible department head. Is that division heads included or is it department head?

Ms. Wickens stated it would be the division head. Any department that has a petty cash account, the ultimate responsibility is the department head to make sure that the funds are reconciled and the balances are maintained.

Alderman Long stated this is saying a division head. So, Parks and Recreation.

Ms. Wickens stated for Parks and Recreation, it would be Mark Gomez.

Chairman Heath stated this is not a new policy. This is a revised policy.

Ms. Wickens stated right. The Petty Cash Policy that was in place before really wasn't sufficient. It didn't talk about reconciling it and making sure that if you have $100 that you always have the $100 and it doesn't get lost in the shuffle. We went through with the help of our auditors to lay out exactly what we expect. Nobody has petty cash throughout the city that is a great deal of money. The highest petty cash account is probably the Tax Collector. Sometimes she needs cash to deal with the drawers. For the most part, it is very little; $50 or $100. We want to make sure people are looking at it and maintaining it for audit purposes.

Chairman Heath asked if it is $500 it is usually maintained in petty cash. So, there is one person that is going to be the keeper of the cash and reconcile it on a monthly basis.

Ms. Wickens stated right. They would check it on a monthly basis to make sure that if they spent $10, what did they spend it on. Is there a reimbursement? You have to replenish the petty cash. Some people have $50 and they may never use it, it just sits there in case something happens.

Chairman Heath asked is this policy update is in response to an audit concern.

Ms. Wickens stated they thought that our Petty Cash Policy was loose. Some of the Finance staff have gone to training sessions to revamp a lot of the policies that are out there and this is the first one that they had.

Chairman Heath stated this applies to everybody, all departments. The School District as well?

Ms. Wickens stated no. The School District has its own.

Chairman Heath called for a vote. There being none opposed, the motion passed.

5. Communication from the Manchester Arts Commission Chair requesting the release of $264.07 from the art fund to reimburse the cost of purchasing exhibition and display materials.

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

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

A True Record. Attest.

Matthew Normand

Clerk of Committee