COMMITTEE ON ACCOUNTS, ENROLLMENT AND REVENUE ADMINISTRATION

March 18, 2025 at 5:45 PM

Chairman Terrio called the meeting to order.

The Clerk called the roll.

Present: Aldermen Terrio, E. Sapienza, Vincent, O'Neil, T. Sapienza

Messrs.: K. LeBlanc, S. Wickens

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

Kim LeBlanc, Financial Analyst II, stated I don't have any comments on the report but I would be happy to answer any questions.

*On motion of **Alderman Vincent**, duly seconded by **Alderman E. Sapienza**, 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

Ms. LeBlanc stated I just want to make one comment on Page 5 of the summary of accounts receivable over 90 days. The school administration just sent in a payment so that top number of $404,000 falls off of that list.

*On motion of **Alderman Vincent**, duly seconded by **Alderman E. Sapienza**, 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 eight months of FY25.

Sharon Wickens, Finance Officer, stated the average general unobligated balance percentage after eight months should be 33.33% as a benchmark. All departments are within 10% of this benchmark with the exception of Public Works. The overall unobligated percentage after eight months is 32.49% compared to 30.45% a year ago. We are doing a little bit better this year. Health insurance costs for 2025 are tracking over budget through February. Since this report was produced and the letter was given to the Clerk's Office, we have since received a pharmacy rebate of about $500,000 along with a couple of other credits that we have identified. We are now tracking under budget. It is not much but it is definitely better than being over budget. As we see the claims coming in, they seem to be holding steady. There was a time last month where it seemed to rise every week but they seem to be holding steady and have gone down a little bit. Fingers crossed that we may get through this fiscal year right on budget. In the middle of the letter you will see a comparison of retirement payouts. FY25 is tracking a little higher than FY24; not so much in the number of retirements but I think the people that are retiring had a little bit more longevity. Revenues for the first eight months are $63,000 higher than a year ago. Auto registrations are up about $700,000. Interest income is up over $500,000. School chargebacks are $730,000 higher due to more timely billing. Offsetting the increases in comparison are the state revenues which are down $1.7 million. That shortfall in revenue was accounted for when we did the budget. We knew that we would have less revenues coming in. I don’t have any specific comments on anything. I don’t know if you have any questions.

Alderman T. Sapienza asked did I hear you right that we got a $500,000 rebate from prescriptions.

Ms. Wickens answered yes. It was a pharmacy rebate. We get pharmacy rebates in quarterly. This was a little bit higher. It is usually about $300,000 but this was $500,000. We got a good rebate in from Anthem and I expect we will get another one before the end of the year.

Alderman T. Sapienza stated when we were doing the budget we had a lot of discussion about how much the employees should pay versus how much the city pays for health care. What happens to that rebate?

Ms. Wickens replied the rebates are factored in when we look at the overall budget. USI and Anthem are going to say your claims this year are $25 million. Well we aren’t going to budget $25 million right because we know that we are going to get rebates in and we know there are other credits and our Enterprises pay us back a portion of what they use for health care. We get state of NH retirement credits towards health care. There are a lot of other credits so at the end of the day once that all shakes out, our budget for the city was a little over $16 million this year. Those rebates have been factored in to what the overall budget is and what the overall cost is. When they say the plan is going to go up, it is just the overall cost of the plan.

Alderman T. Sapienza stated I am thinking about the employee who is on the high deductive health plan and pays $3,000 for prescriptions all out of pocket…

Ms. Wickens interjected if they are on a high deductible health plan, it is a $4,000 deductible and the city gives you $3,000. The most they would have to pay is $1,000.

Alderman E. Sapienza stated Sharon it sounds to me like you are saying the rebate has been factored in and ought not be looked at as a surplus. It has already been factored in so therefore it is not a surplus correct? It can’t be factored in twice right?

Ms. Wickens answered it is not necessarily a surplus. It just shows that we are running…if you are talking about where we are against budget we got a little bit more than we thought so maybe it is a little bit of a surplus but claims could be a little higher than we thought too. At the end of the day, it is the whole big pie.

Chairman Terrio stated it looks like the revenue shortfall of $1.7 million is made up by…so our revenues are short but it looks like our receipts are also kind of cancelling those out.

Ms. Wickens asked what page are you looking at.

Chairman Terrio replied Page 2.

Ms. Wickens stated when we are comparing FY25 against FY24 to see where we are, it is really not apples to apples because if you know you are going to get high revenues in FY24 and then you know that the revenues are going to be a little bit lower in FY25 you budget accordingly and when you go to compare them it is going to say well your revenues are down compared to last year. We knew that was happening and we budgeted appropriately. It is just the comparison between the two fiscal years. It kind of jumps out at you that compared to FY24 we are down but we knew we would be down.

Chairman Terrio stated but not by much.

Ms. Wickens responded right. There are other revenues that are also down like the cable franchise fees. Those are down about $390,000. There are several revenues. These are just the big ones that might be down a little bit. Overall, there are no big concerns about any revenue stream being off right now. We don't see that.

*On motion of **Alderman O'Neil**, duly seconded by **Alderman Vincent**, it was voted to accept the report.*

4. Chairman Terrio advised that ordinances are to be considered for consistency with the rules of the Board and requests the Clerk to make a presentation.

"Amending Chapter 52: Sewers of the Code of Ordinances of the City of Manchester by amending Section 52.160 Sewer Rental Charges to increase the user charges in the City of Manchester."

"An Ordinance repealing Sections 32.025 through 32.035 relating to the Arts Commission and replacing Sections 32.025 through 32.035."

*On motion of **Alderman O'Neil**, duly seconded by **Alderman T. Sapienza**, it was voted that the Ordinance Amendments ought to pass and be Enrolled.*

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

A True Record. Attest.

Matthew Normand

Clerk of Committee