COMMITTEE ON ACCOUNTS, ENROLLMENT AND REVENUE ADMINISTRATION

October 19, 2021 at 5:00 PM

Chairman O'Neil called the meeting to order.

The Clerk called the roll.

Present: Aldermen O'Neil, Gamache, Barry, Terrio

Absent: Alderman Hirschmann

Messrs.: K. Leblanc, M. Bogardus, S. Wickens, D. Boutilier

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

Kim Leblanc, Finance, stated I work in Finance and I take care of the revolving loans for the city. I will be reporting these to you going forward. I don't have anything new to update you with except loan number 10. They mailed in a payment so they are now in good standing.

*On motion by **Alderman Gamache**, duly seconded by A**lderman Terrio**, it was voted to accept the report.*

2. Communication from Michele Bogardus, Deputy Finance Officer, submitting Finance Department reports as follows:
- Accounts Receivable over 90 days
- Aging Report
- Outstanding Receivables

Michele Bogardus, Deputy Finance Officer, stated I don't have anything specific to address on the items from page 5. Do you have any questions?

*On motion by **Alderman Barry**, duly seconded by **Alderman Terrio**, 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 2022.

Sharon Wickens, Finance Director, stated through the first three months of FY22, the average unobligated balance percentage should be 75% as a benchmark. All departments are within 10% of that except Info Systems and DPW. We talk about these all the time as they enter contracts early. The overall unobligated percentage after one month is 75.29% for FY22 compared to 71.21% a year ago. Health insurance costs for FY22 are trending under budget by $68,000 through September. If you recall, at the last meeting we were trending over budget but I was working with USI. They are really sharp and have been good to work with. They found that the automation of information coming from Anthem has not happened yet. It is still kind of manual. There was a formula that was incorrect so they were projecting that we were over budget when indeed we were under budget. I feel a lot better about the healthcare and am hopeful COVID behaves itself. Retirement payouts are in the middle of the page and we had 12 in FY22 at the end of September and 15 at this same time a year ago. We have only reduced contingency by $750 thanks to the Manchester North Little League payment. Contingency has a balance of $420,825. Revenues for the first three months of FY22 are $725,000 lower than a year ago. Permits are $25,000 higher. Auto registrations are $215,000 lower than a year ago and reimbursements are lower by $239,000 which was primarily due to the debt refunding in FY21 which is skewing that comparison. I would like to talk about auto registrations for a moment. They are trending $215,000 lower than a year ago. Auto registrations are down significantly; you will see tonight when I report to the full board that Brenda is down about $684,000 in the first quarter. This is due to the auto chip that everyone is waiting on. This is a concern. Brenda is on vacation right now and will come back Thursday and I plan on sitting down with her to talk through this a little bit. What are we really looking at? If you compare what she has collected to her budget, you would think after three months she should have collected 1/4th her budget. She is indeed down about $684,000. I just wanted to point that out. We know what it is and it is to no fault of the city. Everybody is facing the same problem and this is something we will need to stay on top of. I'll open it up for any further questions.

Chairman O'Neil stated chips?

Ms. Wickens replied yes, this is why you see no inventory in the car lots. These chips are delayed.

Chairman O'Neil stated I know the used car market is crazy with very high prices so people are holding off a little bit.

*On motion by **Alderman Barry**, duly seconded by **Alderman Gamache**, it was voted to approve the reports.*

4. Communication from the Deputy Finance Officer, requesting authorization to write off the first quarter receivables identified.

Ms. Bogardus stated what you see in front of you are parking receivables. They have all been in collections and or reviewed by the Solicitor's Office and have been deemed uncollectable and therefore should be written off.

Alderman Terrio stated I would first like to thank City Clerk Matt Normand. I like the new format, it is very readable. I like how in the agenda you can click on a link and it will take me right to the attachment. It is very time saving and makes the numbers very presentable. How can we avoid this in the future? It kind of bothers me that people are not paying their bills. A lot of these, especially the smaller bills, can't we just charge them up front so they don't owe us $50-200? How is it that we are not being paid?

Denise Boutilier, Parking Manager, stated the way invoicing works is we bill them on the first of every month for what is due that month. It is due 30 days from the invoice date. We start collection activities 34-35 days after the invoice hasn't been paid. We go through one by one about 400 customers and send them an email or call and ask them to come in and pay. They have a permit and we don't want to just pull it. We give them a little bit of time. By the time they say they are coming in for payment, we are invoicing them for the next month. At that point we will stop with the permit if they haven't paid and send it to collections.

Alderman Terrio asked is everything being written off a permit.

Ms. Boutilier stated in my case in parking yes. These are permits that someone has purchased for $55-85.

Alderman Terrio asked did you see everything that is being written off on the agenda.

Ms. Boutilier asked did I.

Chairman O'Neil stated this is all parking, 11 items.

Ms. Boutilier stated yes the 11 items. The Salter School is a much different situation.

Chairman O'Neil stated 10 of them are individuals. I am aware of the amount of time Denise spent with the Salter School of Nursing. She put in hours and hours trying to chase them. It's the other 10.

Ms. Boutilier stated those other 10 have been in collections for years.

Alderman Terrio stated what I'm thinking is…I'll make an analogy. If I am renting an apartment I get a bill upfront. Whatever the fee is, I have to pay it on the first of the month and then on the first day of the next month I am paying for the following month.

Ms. Boutilier stated that is an invoicing issue with the city itself. We invoice through our financial system and then they have 30 days to pay.

Alderman Terrio stated okay I can see how they can get behind.

Ms. Boutilier stated then the next month is here and we are still trying to collect from the first month because now it is just due. You know what I mean?

Alderman Terrio stated I do a lot of business with people that require me to have a credit card on account so that I can't fall behind. They don't care if I fall behind because they can just go after my credit card.

Ms. Boutilier stated the division is not at the point where we can accept credit cards; again that is a city issue.

Chairman O'Neil stated correct me if I am wrong but pre-COVID this was not an issue right.

Ms. Boutilier stated they could get permits but we have always had to chase people.

Chairman O'Neil asked is 10 a fairly normal number.

Ms. Boutilier stated it's a really small number/percentage of what is collected and billed.

Chairman O'Neil stated I don't remember the last time you had a business, although I'm sure it happens.

Ms. Boutilier replied we rarely have a business that we send to collections that gets written off. Salter School was an anomaly.

*On motion by **Alderman Barry**, duly seconded by **Alderman Terrio**, it was voted to write-off the first quarter receivables as presented.*

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

A True Record. Attest.

Matthew Normand

Clerk of Committee