## **MINUTES**

Fiscal Policy Advisory Committee September 20, 2012 4:30-6:00 PM Second Floor Conference Room

In Attendance: <u>Chair</u> – Allen Bennett; <u>City Councilors</u> – Jan McClure, Fred Keach, Mark Coen, Candace White Bouchard, Dan St. Hilaire, and Mayor Bouley; <u>City Staff</u> - Tom Aspell, City Manager; Brian LeBrun, Deputy City Manager Finance; Carlos Baia, Deputy City Manager Development; Bob McManus, OMB Director; and Michael Jache, Treasurer/Tax Collector

**Excused:** Councilor Keith Nyhan

- 1) Approval of August 23, 2012 Meeting Minutes: Chair Bennett called the meeting to order at 4:36 PM and requested a motion to approve the minutes of August 23, 2012. Councilor Coen moved to accept the minutes, seconded by Councilor Bouchard. The minutes were unanimously approved as presented.
- 2) Financial Strategic Plan Draft Deputy City Manager LeBrun presented the draft plan submitted to the committee. After researching outlines for Strategic Financial Plans, the outline chosen was from Lee Ann Runy from the HospitalConnect.com website, which was included with the documents distributed on Wednesday, September 19th. This draft is simply a starting point for the discussion with FPAC. The committee briefly discussed the draft and set a special meeting to discuss the strategic financial plan and goals for Wednesday, October 3<sup>rd</sup> at 4:30 pm.
- 3) Goals Revision Draft Deputy City Manager LeBrun discussed the proposed revisions to the Goals. He stated the revisions would be discussed further at the special meeting, or next FPAC meeting, after the committee has had a chance to review the revisions. Mayor Bouley asked questions about the item numbering and DCM LeBrun said he would take a look at it.
- 4) Recommendations for improving Miscellaneous Billing operations Deputy City Manager LeBrun discussed the issues surrounding the City's Miscellaneous billing operations. Several work groups over the past couple years have looked at the issues concerning the billings, collections, lease tracking, restitution payments, etc. and all agree changes are long overdue. The last group recommended naming a specific person to be an Accounts Receivable manager who would work with departments to be sure collections were up to date; billings of leases and other recurring items were happening when scheduled; and to work with the Legal Department on delinquent collections. The recommendation proposes to reorganize responsibilities within the Collections Department in order to put the A/R manager responsibilities under the purview of the Treasurer. The estimated annual cost of a part time staff person including benefits is \$13,000. A suggested funding source is the excess revenue anticipated from the motor vehicle advertising efforts.

Treasurer Jache indicated that the greater than 60 day receivables were approximately \$75,000. He also mentioned at any given time there may be in excess of \$1M in miscellaneous billing accounts receivable from a variety of city wide projects. He discussed the restructuring in more detail and identified some of the duties of the Collecti

on's staff.

The committee asked many questions and made comments regarding the number of staff, specific duties, the concern of having just approved the FY13 budget and a new proposal to add staff less than 90 days after the start of the fiscal year. They asked questions about the savings that could be achieved by adding this staff and making this change and were hoping for specific examples of what savings can occur or opportunities that were lost.

While the committee did not approve making a recommendation to the full council at this time, they did request trying to implement some of these changes without additional staff and to provide FPAC with a status report at future FPAC meetings. Based on this information, the committee may be in a better position to make a recommendation for the FY14 budget or possibly sometime before if the data warrants.

Deputy City Manager LeBrun said that if the recommendations from the review committee had been available before the FY2013 budget was presented to council, he would have worked with the City Manager to include them in the budget. However, the work of the committee did not conclude with recommendations until July. He also indicated that he will work with Treasurer Jache to prepare more detailed examples of lost opportunities or savings by making these changes and adding a 10-15 hour per week staff and will bring this information back to FPAC at a future meeting or include in the FY14 budget.

- **5) Recap of FY13 tax rate target** Due to the absence of City Manager Aspell, this item was postponed until the next FPAC meeting.
- 6) Encumbrance Report Deputy City Manager LeBrun stated that this is the first year in many that there are no carry forward encumbrances for operating budgets. DCM LeBrun stated that the operating, or lapsing, fund carryover encumbrances were provided for approval annually and that the CIP, or non-lapsing, fund encumbrances were open until the project was complete or reassigned through the annual closeout process. Therefore there would be no need for an encumbrance report in the future as discussed in the report to council. A motion was made by Councilor St. Hilaire to accept this report. Councilor McClure seconded and a unanimous vote approved the motion.
- 7) Adjournment A motion was made by Councilor St. Hilaire to adjourn, seconded by Councilor Coen, and a unanimous vote brought the meeting to an end at 5:33 PM.

Respectfully submitted,

Brian LeBrun Deputy City Manager – Finance