

## AGENDA

### SPECIAL MEETING COMMITTEE ON ACCOUNTS, ENROLLMENT AND REVENUE ADMINISTRATION

February 19, 2013  
Aldermen O'Neil, Arnold,  
Long, Corriveau, Shaw

5:15 p.m.  
Aldermanic Chambers  
City Hall (3<sup>rd</sup> Floor)

1. Chairman O'Neil calls the meeting to order.
2. The Clerk calls the roll.
3. Communication from Lisa Sorenson, Financial Analyst, submitting Finance Department reports as follows:
  - Accounts Receivable over 90 days
  - Aging Report
  - Outstanding Receivables**Ladies and Gentlemen, what is your pleasure?**
4. Communication from Lisa Sorenson, Financial Analyst, requesting the fiscal year 2013 second quarter write off list for the accounts receivable module be written off.  
**Ladies and Gentlemen, what is your pleasure?**
5. Communication from William Sanders, Finance Officer, regarding the City's Monthly Financial Report (unaudited) for the first seven months of fiscal year 2013.  
**Ladies and Gentlemen, what is your pleasure?**
6. Discussion regarding the City's Revolving Loan Fund.

## **TABLED ITEMS**

*(A motion is in order to remove any item from the table.)*

7. Report of the Committee on Accounts, Enrollment and Revenue Administration:

The Committee on Accounts, Enrollment and Revenue Administration respectfully recommends, after due and careful consideration, that the AMR Ambulance Contract audit, submitted by the Independent City Auditor be accepted.

*(Unanimous vote)*

*(Note: An addendum received on 1/10/2013 is attached. Referred back to the on Committee on Accounts, Enrollment and Revenue Administration by the Board of Mayor and Aldermen on 12/4/2012.)*

8. Communication from Alex Walker, General Counsel for Catholic Medical Center, regarding assessment and taxation of hospitals.  
*(Note: Tabled 9/18/2012; **Communication from Richard Elwell, Senior Vice President and Chief Financial Officer of Elliot Health System is attached.**)*

9. Communication from Kevin Buckley, Independent City Auditor, submitting an audit of the Office of the City Clerk, Business License and Enforcement Division.  
*(Tabled 10/21/2008. Retabled 2/22/2010 until the implementation of new software is completed.) On file for viewing with Office of the City Clerk, One City Hall Plaza.*

10. If there is no further business, a motion is in order to adjourn.



*William E. Sanders  
Finance Officer*

**CITY OF MANCHESTER**  
*Finance Department*

February 11, 2013

Committee on Accounts, Enrollment & Revenue Administration  
c/o Matthew Normand, City Clerk  
One City Hall Plaza  
Manchester, NH 03101

Dear Honorable Committee Members,

Attached for your review is a summary of the City's accounts receivable over 90 days as well as an aging report. Also included is a listing of outstanding receivables that have been submitted to the City Solicitor for review and determination of collectability.

In summary, outstanding receivables over 90 days total \$1,426,294.62 of \$3,179,680.36 billed. Last month outstanding receivables totaled \$2,750,786.22 out of \$4,259,214.08 billed.

Please let me know if you have any questions or require further information.

Respectfully submitted,

Lisa M. Sorenson  
Financial Analyst

Enc.

**Summary of Accounts Receivable Over 90 Days  
by Department - with Previous Month's Comparative**

	<u>Dept Code</u>	<u>2/11/2013</u>	<u>1/9/2013</u>
Airport	25	\$ 553,982.59	\$ 1,944,326.33
EPD	27	\$ 10,060.83	\$ 9,880.83
Parking Department	52	\$ 21,368.48	\$ 23,484.32
<b>Total Enterprise Funds</b>		<b>\$ 585,411.90</b>	<b>\$ 1,977,691.48</b>
Central Fleet Management	23	\$ 2,692.57	\$ 2,005.12
Fire Department	30	\$ 79,925.84	\$ 19,053.48
Highway	50	\$ 702,983.50	\$ 690,331.59
Parks & Recreation	65	\$ 4,733.50	\$ 4,740.43
Planning & Community Development	CE	\$ 38,589.93	\$ 36,236.07
Police Department	33,34,35,36	\$ 11,957.38	\$ 20,728.05
<b>Total General Fund</b>		<b>\$ 840,882.72</b>	<b>\$ 773,094.74</b>
<b>Total Receivables Over 90 Days</b>		<b>\$ 1,426,294.62</b>	<b>\$ 2,750,786.22</b>
<u>General Fund receivables over \$10,000 by customer</u>			
New Hampshire Fire Academy	30	\$ 61,571.48	
State of New Hampshire	50	\$ 16,632.00	\$ 16,632.00
Corcoran Environmental	50	\$ 24,182.43	\$ 24,182.43
National Grid	50	\$ 641,082.50	\$ 641,082.50
<b>Total by customer</b>		<b>\$ 681,896.93</b>	<b>\$ 681,896.93</b>
<b>Total General Fund receivables over 90 days less over \$10,000</b>		<b>\$ 158,985.79</b>	<b>\$ 91,197.81</b>
Enterprise Collection Rate		40%	31%
General Fund Collection Rate		48%	46%

Explanation of Charges  
 FEMA Reimbursement - Payments coming in slowly  
 Labor reimbursement for Kelley St Bridge Project  
 Landfill Lease Payments  
 Roadway Degradation Fees - In Litigation

City of Manchester - Aging Summary as of 2-11-13

CUST ID	TYPE	NAME	TOTAL	CURRENT	1-30 DAYS Due	31-60 DAYS DUE	61-90 DAYS DUE	OVER 90 DAYS DUE
17600	CE	211-213 WOODBURY ST CON	110.73	1.43	1.43	1.43	1.43	105.01
15581	CE	234 MERRIMACK ST, LLC	175.08	1.96	1.96	1.96	1.96	167.24
16806	CE	345-347 CENTRAL ST REAL	279.24	3.39	3.39	3.39	3.39	265.68
17588	CE	385 MANCHESTER STREET T	70.01	0.91	0.91	0.91	0.91	66.37
13108	CE	412-414 KELLY ST, LLC	825.16	8.06	8.06	8.06	8.06	792.92
17009	CE	AHMEDAMIN, SANDRA	208.40	2.56	2.56	2.56	2.56	198.16
19195	CE	ASHBURNER, DANA S	149.36	2.18	2.18	-	-	145.00
16444	CE	AZZO, RITA	400.50	4.75	4.75	4.75	4.75	381.50
17825	CE	BELIVEAU, DAN	684.60	8.96	8.96	8.96	8.96	648.76
18324	CE	BENNETT, PAMELA J	198.97	2.71	2.71	2.71	2.71	188.13
18280	CE	BERLINGUETTE, RICHARD B	442.07	6.01	6.01	6.01	6.01	418.03
13228	CE	BESSETTE, MARC S	183.70	1.82	1.82	1.82	1.82	176.42
17804	CE	BOLIEIRO, JOSE L	149.60	1.96	1.96	1.96	1.96	141.76
16482	CE	BRIGHAM, RICKY	197.12	2.34	2.34	2.34	2.34	187.76
16407	CE	CGL PROPERTIES, LLC	2,234.44	27.07	27.07	27.07	27.07	2,126.16
16988	CE	CGL PROPERTIES, LLC	3,259.25	39.95	39.95	39.95	39.95	3,099.45
16989	CE	CGL PROPERTIES, LLC	1,477.10	18.14	18.14	18.14	18.14	1,404.54
17563	CE	CGL PROPERTIES, LLC	571.07	7.37	7.37	7.37	7.37	541.59
13190	CE	CRUZ, MARIA	324.82	3.23	3.23	3.23	3.23	311.90
17978	CE	DAHL, THOMAS A	369.10	4.90	4.90	4.90	4.90	349.50
18581	CE	DAMICO, CHERYL A	252.65	3.53	3.53	3.53	3.53	238.53
16261	CE	DELISLE HAVEE, VIVIAN L	122.17	1.43	1.43	1.43	1.43	116.45
17896	CE	DELUCA, DOMINIC	109.30	1.43	1.43	1.43	1.43	103.58
18480	CE	DEMERS, JOHN P	141.76	1.96	1.96	1.96	1.96	133.92
13093	CE	DESPOU MOUTSIOULIS ESTA	460.48	5.93	5.93	5.93	5.93	436.76
15789	CE	DHLIWAYO, LOVEMORE L	885.44	10.02	10.02	10.02	10.02	845.36
18217	CE	DIX, MEREDITH F	106.44	1.43	1.43	1.43	1.43	100.72
15284	CE	FALLAH, ELAINE B	179.00	1.96	1.96	1.96	1.96	171.16
18694	CE	FILIP, MARK D REVOC TR	155.90	2.18	2.18	2.18	2.18	147.18
14592	CE	FLANDERS, ALICIA	135.04	1.43	1.43	1.43	1.43	129.32
17791	CE	FORAND, JEANNINE	109.30	1.43	1.43	1.43	1.43	103.58
19099	CE	FRANCIS, RANDALL	172.44	2.48	2.48	2.48	-	165.00
18654	CE	GICHANA, DENNIS O	327.95	4.59	4.59	4.59	4.59	309.59
17490	CE	GRAMA, MARIAN	617.89	7.99	7.99	7.99	7.99	585.93
16919	CE	GRIMARD, MICHELE M	116.45	1.43	1.43	1.43	1.43	110.73
13501	CE	GROUX, ROLAND R SR	249.32	2.48	2.48	2.48	2.48	239.40
19147	CE	HAMMERSTROM, PAUL III	293.56	4.28	4.28	-	-	285.00
18676	CE	HELPING HANDS OUTREACH	1,069.75	14.95	14.95	14.95	14.95	1,009.95

City of Manchester - Aging Summary as of 2-11-13

CUST ID	TYPE	NAME	TOTAL	CURRENT	1-30 DAYS Due	31-60 DAYS DUE	61-90 DAYS DUE	OVER 90 DAYS DUE
16740	CE	HEWETT, DANIEL H	434.32	5.27	5.27	5.27	5.27	413.24
12309	CE	HOLDEN, CHARLES E	150.77	1.43	1.43	1.43	1.43	145.05
12749	CE	HUSSEIN, MOGAHID	194.93	1.89	1.89	1.89	1.89	187.37
12290	CE	HUSSEY, MARK S	753.85	7.15	7.15	7.15	7.15	725.25
18785	CE	JGDB REALTY, LLC	63.64	0.91	0.91	0.91	0.91	60.00
17486	CE	JOHNS, JOSEPH	472.10	6.10	6.10	6.10	6.10	447.70
12271	CE	JOSELITO MANGUAL	194.56	1.88	1.88	1.88	1.88	187.04
12271	CE	JOSELITO MANGUAL	1,483.73	14.07	14.07	14.07	14.07	1,427.45
14274	CE	JUBREY, TIFFANY	297.70	3.09	3.09	3.09	3.09	285.34
13801	CE	KABAMBA, MPESAMONJI	177.92	1.81	1.81	1.81	1.81	170.68
18868	CE	KASA, DANIEL	153.72	2.18	2.18	2.18	2.18	145.00
17437	CE	KICKHAM, CHARLES	949.64	12.24	12.24	12.24	12.24	900.68
17507	CE	KICKHAM, CHARLES	553.54	7.14	7.14	7.14	7.14	524.98
18372	CE	KILGORE, SCOTT C	668.70	9.10	9.10	9.10	9.10	632.30
16825	CE	KIM BERLINGUETTE	477.96	5.81	5.81	5.81	5.81	454.72
17454	CE	LACROIX, RUDOLPH	413.96	5.36	5.36	5.36	5.36	392.52
18796	CE	LANGLEY, DAVID R	212.08	3.02	3.02	3.02	3.02	200.00
17073	CE	LAPIERRE, BRIAN A	145.34	1.81	1.81	1.81	1.81	138.10
18608	CE	LAVOIE, LEO SR	102.15	1.43	1.43	1.43	1.43	96.43
17393	CE	LEAVITT, JOHN A	236.24	3.02	3.02	3.02	3.02	224.16
19194	CE	LEIGH ANNE ELY	123.62	1.81	1.81	-	-	120.00
13639	CE	LEMIRE, ROBERT	216.94	2.18	2.18	2.18	2.18	208.22
18656	CE	LENOX, VINCENT & JENNIF	650.55	9.11	9.11	9.11	9.11	614.11
17105	CE	LORTIE, RONALD	429.90	5.35	5.35	5.35	5.35	408.50
18413	CE	LOUGEE, JILLIAN M	65.46	0.91	0.91	0.91	0.91	61.82
19019	CE	LY, THUY D	99.29	1.43	1.43	1.43	-	95.00
18080	CE	MACDONALD, MATTHEW G	106.44	1.43	1.43	1.43	1.43	100.72
15033	CE	MACLEOD, PAULA A	132.18	1.43	1.43	1.43	1.43	126.46
19191	CE	MARQUIS, LINDA J	97.86	1.43	1.43	-	-	95.00
16987	CE	MARTIN, MARKIEKE S	306.55	3.77	3.77	3.77	3.77	291.47
17981	CE	MARTINEZ, ROBERTO	147.64	1.96	1.96	1.96	1.96	139.80
16462	CE	MCFARLAND, DOUGLAS J	120.74	1.43	1.43	1.43	1.43	115.02
18764	CE	MCNEIL, VICTOR SCOTT	153.72	2.18	2.18	2.18	2.18	145.00
19052	CE	MERETE, JOSE	99.29	1.43	1.43	1.43	-	95.00
18309	CE	MILLER, SAUL B	221.07	3.01	3.01	3.01	3.01	209.03
18585	CE	MORIN, WILLIAM G	526.85	7.37	7.37	7.37	7.37	497.37
19016	CE	MORIN, WILLIAM R	1,395.24	20.08	20.08	20.08	-	1,335.00
18016	CE	MOUTSIOULIS, GEORGE	249.79	3.31	3.31	3.31	3.31	236.55

City of Manchester - Aging Summary as of 2-11-13

CUST ID	TYPE	NAME	TOTAL	CURRENT	1-30 DAYS Due	31-60 DAYS DUE	61-90 DAYS DUE	OVER 90 DAYS DUE
17788	CE	NSG REALTY INC	1,311.40	17.14	17.14	17.14	17.14	1,242.84
17176	CE	OKELLO, JAMES	187.76	2.34	2.34	2.34	2.34	178.40
17573	CE	OTL PROPERTY #2 LLC	151.56	1.96	1.96	1.96	1.96	143.72
17574	CE	OTL PROPERTY #2 LLC	151.56	1.96	1.96	1.96	1.96	143.72
17257	CE	PAPPAS, ROBERT A	245.17	3.09	3.09	3.09	3.09	232.81
18278	CE	PARKER, KEVIN J	226.63	3.09	3.09	3.09	3.09	214.27
14611	CE	PATTERSON, JOYCE L	241.68	2.56	2.56	2.56	2.56	231.44
13986	CE	PODZIC, RASIM	212.58	2.18	2.18	2.18	2.18	203.86
13968	CE	PREDA, GHEORGHE	139.33	1.43	1.43	1.43	1.43	133.61
16956	CE	RAKIS-LAMBROULIS, POTOU	441.15	5.41	5.41	5.41	5.41	419.51
16527	CE	RAMADAN, AMAL	163.32	1.96	1.96	1.96	1.96	155.48
12671	CE	RAMIREZ, MIGUEL	377.56	3.62	3.62	3.62	3.62	363.08
19190	CE	RENAUD, MARY E	97.86	1.43	1.43	-	-	95.00
17306	CE	RICARD, ERNEST H	242.08	3.09	3.09	3.09	3.09	229.72
13054	CE	ROCHE, TRACY MURPHY	513.50	5.50	5.50	5.50	5.50	491.50
13055	CE	ROCHE, TRACY MURPHY	260.33	2.79	2.79	2.79	2.79	249.17
19154	CE	ROURK, STEPHEN	97.86	1.43	1.43	-	-	95.00
13217	CE	ROUSSEAU, DONALD	358.55	3.53	3.53	3.53	3.53	344.43
12332	CE	SCHAEFER PROPERTIES LLC	1,411.43	13.37	13.37	13.37	13.37	1,357.95
18570	CE	SCHEFER, DAVID	102.15	1.43	1.43	1.43	1.43	96.43
18542	CE	SILVA, FRANCISCA	474.30	6.55	6.55	6.55	6.55	448.10
15449	CE	SINGER, PATRICIA	197.32	2.18	2.18	2.18	2.18	188.60
15124	CE	SMITH, DOROTHY M	130.75	1.43	1.43	1.43	1.43	125.03
14953	CE	SOULIOS, STEVE	654.08	7.08	7.08	7.08	7.08	625.76
18579	CE	SUPRENANT, ROBERT	118.30	1.66	1.66	1.66	1.66	111.66
17259	CE	THERIAULT-PETRO, JENNIF	299.01	3.77	3.77	3.77	3.77	283.93
18687	CE	TORRES, JOSE A	102.15	1.43	1.43	1.43	1.43	96.43
17050	CE	WATTS, RICHARD P	278.44	3.46	3.46	3.46	3.46	264.60
15108	CE	WELLS. GERRY M	234.00	2.56	2.56	2.56	2.56	223.76
CE - CODE ENFORCEMENT TOTALS			40,516.95	494.39	494.39	481.83	456.41	38,589.93
29	23	MANCHESTER CITY SOLICIT	2,852.59	-	-	740.00	-	2,112.59
11485	23	MANCHESTER PARKING DIVI	1,220.21	162.58	-	477.65	-	579.98
23 - CENTRAL FLEET MANAGEMENT TOTALS			4,072.80	162.58	-	1,217.65	-	2,692.57
3505	25	AVIATION ASSOCIATES-AVI	1,670.03	1,669.99	-	-	-	0.04
7088	25	CHAUTAQUA AIRLINES	3,727.29	-	-	-	-	3,727.29
14438	25	COMMUTAIR, INC	7,534.80	-	-	-	-	7,534.80
3613	25	CONTINENTAL AIR	207,458.49	145,538.84	-	-	-	61,919.65

City of Manchester - Aging Summary as of 2-11-13

CUST ID	TYPE	NAME	TOTAL	CURRENT	1-30 DAYS Due	31-60 DAYS DUE	61-90 DAYS DUE	OVER 90 DAYS DUE
3616	25	CONTINENTAL EXPRESS	71,858.34	43,133.75	-	-	-	28,724.59
3675	25	ENTERPRISE RENT A CAR C	76,843.73	72,387.84	-	-	-	4,455.89
19269	25	EXPRESSJET DBA DELTA CO	6,375.60	-	-	-	-	6,375.60
14028	25	EXPRESSJET DBA UNITED E	94,898.39	2,321.31	-	50,629.05	-	41,948.03
5143	25	FEDERAL GRANTS 1999	178,863.23	163,276.93	-	-	-	15,586.30
10369	25	GOJET AIRLINES	19,661.82	-	-	-	-	19,661.82
3731	25	HANGAR 5 INC	1,842.51	639.51	-	-	-	1,203.00
3736	25	HERTZ CORP-PROP & CONCE	75,193.72	74,407.68	-	177.35	177.35	431.34
3797	25	L & M VENDING & AMUSEME	31,292.85	-	-	-	1,666.67	29,626.18
18257	25	MERCHANTS AUTOMOTIVE GR	6,533.31	1,866.66	-	933.33	933.33	2,799.99
10265	25	MESA AIRLINES-UNITED EX	16,954.35	8,737.47	-	-	-	8,216.88
7594	25	MISCELLANEOUS CUSTOMER	1,945.00	402.00	-	122.00	-	1,421.00
14944	25	NH AUTO RENTAL, INC (PA	2,557.67	2,311.81	-	216.54	-	29.32
8197	25	PINNACLE AIRLINES INC	54,500.73	19,976.88	-	17,025.75	-	17,498.10
3958	25	SAFLITE PILOT TRAINING	2,468.10	1,254.06	-	379.83	388.47	445.74
17931	25	SECURITYPOINT MEDIA, LL	2,823.60	305.00	-	-	-	2,518.60
4001	25	STATE GRANTS	4,729.73	4,296.76	-	-	-	432.97
3428	25	T-MOBILE USA INC	3,171.24	2,409.06	-	254.06	254.06	254.06
4053	25	UNITED AIRLINES	344,680.71	51,825.23	-	-	-	292,855.48
4058	25	USAIRWAYS INC	162,286.01	159,029.01	-	-	-	3,257.00
4077	25	WIGGINS AIRWAYS	40,055.77	36,996.85	-	-	-	3,058.92
25 - AIRPORT TOTALS			1,419,927.02	792,786.64	-	69,737.91	3,419.88	553,982.59
12798	27	ANYTIME SEPTIC SERVICES	762.64	-	-	-	-	762.64
6124	27	DANS SEPTIC INSPECTION	8,476.02	-	-	-	316.55	8,159.47
11591	27	DRAIN MASTERS INC.	798.72	-	-	-	-	798.72
18185	27	EST	160.00	-	-	-	-	160.00
10064	27	SERVPRO OF MANCHESTER/D	182.70	-	-	2.70	-	180.00
27 - EPD TOTALS			10,380.08	-	-	2.70	316.55	10,060.83
14051	30	105 -127 PLEASANT ST RE	217.50	4.50	-	2.25	2.25	208.50
15768	30	43 WALNUT ST REALTY TRU	1,131.00	497.20	-	8.60	8.60	616.60
15869	30	AMERICAN PROPERTY MGT	657.50	15.00	-	7.50	7.50	627.50
4482	30	AMOSKEAG INN	638.40	14.40	-	7.20	7.20	609.60
13571	30	AT & T	34.92	0.50	-	0.25	0.25	33.92
7791	30	BILETCH, MARK	553.08	481.08	-	-	-	72.00
1378	30	CHARLES TSIATSIOS TRUST	1,212.84	483.98	-	1.99	1.99	724.88
18213	30	COLE-BRUCE, PAMELA	916.85	24.90	-	12.45	12.45	867.05
1446	30	HELPING HANDS OUTREACH	1,579.60	506.40	-	13.20	13.20	1,046.80

City of Manchester - Aging Summary as of 2-11-13

CUST ID	TYPE	NAME	TOTAL	CURRENT	1-30 DAYS Due	31-60 DAYS DUE	61-90 DAYS DUE	OVER 90 DAYS DUE
16305	30	JOSEPH EQUIPMENT CO	1,499.20	506.40	-	13.20	13.20	966.40
7137	30	JOSHUA IRREVOCABLE TRUS	2,833.21	528.36	-	24.18	24.18	2,256.49
12093	30	KU2 ENTERPRISES, LLC	720.15	483.55	-	-	-	236.60
17861	30	LACROIX, LUCIEN D	350.30	9.14	-	4.57	4.57	332.02
17580	30	MAHMOTORIC, MUHAREM	1,039.20	494.40	-	7.20	7.20	530.40
853	30	MANCHESTER - QC LLC	690.70	17.40	-	8.70	8.70	655.90
10993	30	MCDADE PROPERTIES, LLC	657.50	15.00	-	7.50	7.50	627.50
17794	30	MITCHELL, JOHN F	402.50	10.50	-	5.25	5.25	381.50
14589	30	MORALES, ANGEL	598.21	12.64	-	6.32	6.32	572.93
588	30	NATIONAL TIRE WHOLESALE	610.31	481.86	-	0.93	0.93	126.59
12051	30	NEW HAMPSHIRE FIRE ACAD	244,921.84	64,722.82	-	17,645.93	100,981.61	61,571.48
3202	30	NOTRE DAME PROPERTIES	1,486.60	35.40	-	17.70	17.70	1,415.80
14052	30	NUNEZ, JOSE G	1,069.02	21.90	-	10.95	10.95	1,025.22
5241	30	OVEN POPPERS	109.00	3.00	-	1.50	1.50	103.00
5603	30	PROTECTION ONE	3,564.00	1,748.00	-	24.00	24.00	1,768.00
13888	30	RODRIGUEZ, JOSE	408.72	8.28	-	4.14	4.14	392.16
1398	30	SEARS ROEBUCK COMPANY	559.20	14.40	-	7.20	7.20	530.40
11735	30	STONE TERRACE CONDOMINI	1,709.40	41.40	-	20.70	20.70	1,626.60
<b>30 - FIRE TOTALS</b>			<b>270,170.75</b>	<b>71,182.41</b>	<b>-</b>	<b>17,863.41</b>	<b>101,199.09</b>	<b>79,925.84</b>
3031	33	ALBASYS COMPUTERS	7.00	1.00	-	2.00	1.00	3.00
4301	33	AMERICAN EXCAVATING COR	3,058.06	-	-	1,515.25	-	1,542.81
11257	33	ANDERSON ADJUSTMENT CO	2.11	0.08	-	0.02	1.00	1.01
19088	33	BOOKER LAW OFFICE, PC	10.75	0.30	-	0.15	0.15	10.15
19151	33	BOOKER LAW OFFICE, PC	5.40	0.16	-	0.08	0.08	5.08
3201	34	DAVID FARWELL CONSTRUCT	2,033.14	40.38	-	20.19	20.19	1,952.38
3224	34	FAIRPOINT COMMUNICATION	7,548.70	5,565.10	-	-	-	1,983.60
9541	34	GAMACHE, D	666.06	17.16	-	8.58	8.58	631.74
11851	34	GAMESTOP INC	2,043.00	928.00	-	-	-	1,115.00
13446	34	GETMAN, SHULTHESS & STE	6.54	0.18	-	0.09	0.09	6.18
15273	34	GREENER GROUP	2,396.86	-	-	1,308.63	482.13	606.10
17534	34	KGL BUILDERS	889.60	19.84	-	9.92	9.92	849.92
19003	34	LEVEL UP GAMING	127.00	55.00	-	16.00	30.00	26.00
454	35	LMC TOWING	394.31	118.68	-	215.63	-	60.00
6413	35	MOQUIN & DALEY PA	20.75	10.30	-	0.15	0.15	10.15
18634	35	NORFIELD ASSOCIATES, IN	3.78	0.10	-	0.05	0.05	3.58
6343	36	STATE FARM INSURANCE	1.06	0.04	-	0.02	-	1.00
6421	36	STATE OF NH ATTORNEY GE	1,098.15	-	-	-	-	1,098.15
6431	36	TASCHEREAU INVESTMENT	1,422.72	36.62	-	18.31	18.31	1,349.48

City of Manchester - Aging Summary as of 2-11-13

CUST ID	TYPE	NAME	TOTAL	CURRENT	1-30 DAYS Due	31-60 DAYS DUE	61-90 DAYS DUE	OVER 90 DAYS DUE
18114	36	THIBEAULT CORPORATION	2,204.00	826.50	-	440.80	688.75	247.95
18634	36	US DEPARTMENT OF JUSTIC	21,069.86	20,615.76	-	-	-	454.10
33, 34, 35, 36 POLICE TOTALS			45,008.85	28,235.20	-	3,555.87	1,260.40	11,957.38
17145	50	3R'S HOME REPAIR	122.60	2.30	-	1.15	1.15	118.00
16039	50	ANDRE, DAMIAN P	47.50	1.10	-	0.55	0.55	45.30
3321	50	BEAULIEU LINDQUIST REAL	82.61	81.00	-	-	-	1.61
15020	50	BELAND, STEVEN H	157.20	3.40	-	1.70	1.70	150.40
14956	50	BELIVEAU, DUSTIN R	63.36	0.72	-	0.36	0.36	61.92
10962	50	BRULE PROPERTY MANAGEME	1,457.16	31.70	-	15.85	15.85	1,393.76
10626	50	CORCORAN ENVIRONMENTAL	24,182.43	-	-	-	-	24,182.43
16882	50	FORTIN, BENJAMIN J	89.45	1.46	-	0.73	0.73	86.53
16313	50	GOODNO, SANDRA MARIE	95.34	2.26	-	1.13	1.13	90.82
3204	50	GRANITE STATE MANUFACTU	208.24	28.50	-	0.47	147.00	32.27
10356	50	HAMMOND, RICHARD	69.74	1.76	-	0.88	0.88	66.22
13738	50	HEBERT, BRIAN D	109.52	2.22	-	1.11	1.11	105.08
15838	50	JBL PROPERTIES LLC	324.56	6.72	-	3.36	3.36	311.12
18338	50	JOHNSON, CARL	58.60	1.60	-	0.80	0.80	55.40
16998	50	KENNEY, JAMES	96.15	1.62	-	0.81	0.81	92.91
13446	50	KGL BUILDERS	1,279.83	8.48	-	4.24	4.24	1,262.87
15230	50	KOEHLER, DONALD T	146.50	3.20	-	1.60	1.60	140.10
18378	50	KUBA, NICHOLAS G	164.68	4.48	-	2.24	2.24	155.72
18445	50	LANDRY, THOMAS P	52.88	1.46	-	0.73	0.73	49.96
15121	50	LAWRENCE, KETURAH M	142.00	2.44	-	1.22	1.22	137.12
18549	50	LEPINE, WILLIAM	45.26	0.42	-	0.21	0.21	44.42
18609	50	LIBERTY UTILITIES, INC	378,607.08	357,445.55	-	8,510.92	7,760.57	4,890.04
10043	50	LIMFAR COMMUNICATIONS	549.41	12.26	-	6.13	6.13	524.89
18394	50	MACLEAN, KURT P	116.66	3.22	-	1.61	1.61	110.22
29	50	MANCHESTER CITY SOLICIT	10,606.76	1,575.00	-	-	-	9,031.76
3109	50	NATIONAL GRID	923,077.50	281,995.00	-	-	-	641,082.50
16316	50	NUNEZ, JOSE A	101.60	2.40	-	1.20	1.20	96.80
17279	50	PEREZ, ENRIQUE	52.58	1.32	-	0.66	0.66	49.94
15468	50	PERRY, MICHAEL J	52.50	0.50	-	0.25	0.25	51.50
15386	50	PETERSON, BENJAMIN A	24.75	0.54	-	0.27	0.27	23.67
12185	50	POMEROY, STEVE A	118.10	3.40	-	1.70	-	113.00
6646	50	QUEEN CITY REMODELING	592.90	16.10	-	8.05	8.05	560.70
8908	50	REMILLARD, RONALD L	0.36	-	-	-	0.18	0.18
16772	50	RICARD, DUANE	198.16	3.76	-	1.88	1.88	190.64
19085	50	RIDA MOHSIN AIZA, LLC	413.48	10.88	-	5.44	-	397.16

City of Manchester - Aging Summary as of 2-11-13

CUST ID	TYPE	NAME	TOTAL	CURRENT	1-30 DAYS Due	31-60 DAYS DUE	61-90 DAYS DUE	OVER 90 DAYS DUE
5184	50	ROBERT DUMAS CARPENTRY	134.34	2.82	-	1.41	1.41	128.70
16336	50	SAPIENZA, MATTHEW J	21.00	0.50	-	0.25	0.25	20.00
16038	50	SAYBALL, MARK A	84.60	1.96	-	0.98	0.98	80.68
15666	50	SOUCY JR, ANDRE R	34.97	0.78	-	0.39	0.39	33.41
15353	50	SQUIBB, CARRIE L	51.25	0.46	-	0.23	0.23	50.33
4091	50	STATE OF NEW HAMPSHIRE	16,632.00	-	-	-	-	16,632.00
18806	50	THERRIEN, MAURICE	31.80	0.90	-	0.45	0.45	30.00
3201	50	THIBEAULT CORPORATION	452.36	13.14	-	-	438.73	0.49
18766	50	VARELA, OSCAR A. AVINA	43.48	1.24	-	0.62	0.62	41.00
16995	50	VEINOTTE, BRETT A	24.50	0.60	-	0.30	0.30	23.30
15058	50	WEINRICH, TIMOTHY D	98.06	2.12	-	1.06	1.06	93.82
18339	50	WEYHERBY, ERIC D	81.77	2.22	-	1.11	1.11	77.33
19084	50	YOU, ERNIE	11.51	0.34	-	0.17	-	11.00
17215	50	ZAJAC, JONATHAN S	57.36	1.44	-	0.72	0.72	54.48
<b>50 - HIGHWAY TOTALS</b>			<b>1,361,266.45</b>	<b>641,285.29</b>	<b>-</b>	<b>8,584.94</b>	<b>8,412.72</b>	<b>702,983.50</b>
16225	52	AGUIRRE, CARLOS	112.75	3.00	-	1.50	1.50	106.75
17229	52	ALI, KERRY	128.98	3.78	-	-	-	125.20
16052	52	BAJA' CALIFORNIA CANTIN	197.60	5.26	-	2.63	2.63	187.08
16173	52	BASNAR, ANGELA	79.55	2.28	-	1.14	-	76.13
11429	52	BEHERA, RAJIB	137.77	46.38	-	45.00	45.00	1.39
7162	52	BIG BROTHERS BIG SISTER	109.75	3.00	-	1.50	1.50	103.75
5810	52	BROCHU, MARIE	208.72	5.92	-	2.21	1.46	199.13
14495	52	CLEMENT, SHARMAINE	412.50	9.00	-	4.50	4.50	394.50
15281	52	CLOW, JENNIFER	299.80	6.80	-	3.40	3.40	286.20
15589	52	COMCAST	700.77	631.58	-	0.79	0.79	67.61
11847	52	D&D CABINETS	124.45	3.16	-	1.58	1.58	118.13
14312	52	DECOSTA, GERARD	668.47	14.98	-	7.49	7.49	638.51
17751	52	ENGLISH III, BEN	112.75	3.00	-	1.50	1.50	106.75
13992	52	ERVIN, MELISSA	39.79	0.64	-	0.32	0.32	38.51
13506	52	GIBNEY, EVELYN	407.26	9.20	-	4.60	4.60	388.86
13932	52	GODSEY, ADAM	71.75	1.50	-	0.75	0.75	68.75
15791	52	GRADY, ASHLEY	10,892.46	245.70	-	122.85	122.85	10,401.06
15099	52	GRIFFIN, PAUL	299.80	6.80	-	3.40	3.40	286.20
12547	52	HAMEL, LINDSAY	68.75	1.50	-	0.75	0.75	65.75
14184	52	HORAN, EDWARD	494.04	10.72	-	5.36	5.36	472.60
12063	52	JACKSON, VECENA	953.52	17.48	-	8.74	8.74	918.56
14496	52	JACOBSEN, MARK	372.00	8.16	-	4.08	4.08	355.68
14406	52	JONES, DARREN	483.50	10.50	-	5.25	5.25	462.50



**City of Manchester  
Accounts Receivable  
Submissions for Solicitor's Review**

Sent to Solicitor	Dept Code	Customer Name	Cust #	Invoice #	Invoice Date	Original Amount	Total Outstanding	Explanation / Determination
9/7/2012	Enforcement Code	Bert MacKenzie	17281	9938116	10/26/2011	\$ 1,190.00	\$ 429.46	Account Paid in full 2/8/13
9/7/2012	Enforcement	NSG Realty Inc	17788	9942248	2/1/2012	\$ 1,140.00	\$ 1,140.00	Sent to solicitors for further pursuit.
9/7/2012	Fire	Notre Dame Properties	3202	9927531	1/1/2011	\$ 480.00	\$ 480.00	Sent to solicitors for further pursuit.
9/7/2012	Fire	Notre Dame Properties	3202	9942848	2/17/2012	\$ 700.00	\$ 700.00	Sent to solicitors for further pursuit.
9/7/2012	Fire	Protection One	5603	9941755	1/6/2012	\$ 1,600.00	\$ 1,600.00	Sent to solicitors for further pursuit.
9/7/2012	Fire	Stone Terrace Condominiums	11735	9941126	1/1/2012	\$ 680.00	\$ 680.00	Sent to solicitors for further pursuit.
9/7/2012	Fire	Stone Terrace Condominiums	11735	9942706	2/8/2012	\$ 700.00	\$ 700.00	Sent to solicitors for further pursuit.
9/7/2012	Highway	Brule Property Management	10962	9923550	9/13/2010	\$ 291.50	\$ 291.50	Sent to solicitors for further pursuit.
9/7/2012	Highway	Brule Property Management	10962	9923684	9/20/2010	\$ 192.00	\$ 192.00	Sent to solicitors for further pursuit.
9/7/2012	Highway	Brule Property Management	10962	9924005	10/4/2010	\$ 207.00	\$ 207.00	Sent to solicitors for further pursuit.
9/7/2012	Highway	Brule Property Management	10962	9924461	10/12/2010	\$ 94.50	\$ 94.50	Sent to solicitors for further pursuit.
9/7/2012	Highway	Brule Property Management	10962	9924628	10/18/2010	\$ 54.00	\$ 54.00	Sent to solicitors for further pursuit.
9/7/2012	Highway	Brule Property Management	10962	9924919	11/1/2010	\$ 87.00	\$ 87.00	Sent to solicitors for further pursuit.
9/7/2012	Highway	Brule Property Management	10962	9925369	11/8/2010	\$ 43.50	\$ 43.50	Sent to solicitors for further pursuit.
9/7/2012	Highway	KGL Builders	13446	9926996	12/10/2010	\$ 2,520.00	\$ 920.00	Sent to solicitors for further pursuit.
9/7/2012	Highway	KGL Builders	13446	9927030	12/13/2010	\$ 282.76	\$ 86.06	Sent to solicitors for further pursuit.
9/7/2012	Highway	KGL Builders	13446	9927030	12/13/2010	\$ 196.70	\$ 196.70	Sent to solicitors for further pursuit.
9/7/2012	Highway	KGL Builders	13446	9943389	3/2/2012	\$ 30.43	\$ 30.43	Sent to solicitors for further pursuit.
9/7/2012	Police	KGL Builders	13446	9926822	12/1/2010	\$ 203.52	\$ 203.52	Sent to solicitors for further pursuit.
9/7/2012	Police	KGL Builders	13446	9926954	12/8/2010	\$ 457.92	\$ 457.92	Sent to solicitors for further pursuit.
9/7/2012	Police	Tascherau Investment	9541	9940281	12/7/2011	\$ 1,221.31	\$ 1,221.31	Sent to solicitors for further pursuit.
						<b>\$ 12,372.14</b>	<b>\$ 9,814.90</b>	

All accounts determined to be uncollectable by collections >\$1,000 sent to City Solicitor



*William E. Sanders  
Finance Officer*

**CITY OF MANCHESTER**  
*Finance Department*

February 11, 2013

Committee on Accounts, Enrollment & Revenue Administration  
c/o Matthew Normand, City Clerk  
One City Hall Plaza  
Manchester NH 03101

Dear Honorable Committee Members,

Attached for your review is the 2<sup>nd</sup> quarter Fiscal Year 2013 write off list for the accounts receivable module. These accounts have been in collections and were returned as all efforts exhausted. The accounts that total \$1,000 or more have been reviewed by the City Solicitor and it has been determined that they are uncollectable and a write off is recommend.

Respectfully submitted,

Lisa M. Sorenson  
Financial Analyst

Enc.

**One City Hall Plaza • Manchester, New Hampshire 03101 • (603) 624-6460 • FAX: (603) 624-6549**  
**E-mail: [Finance@ManchesterNH.gov](mailto:Finance@ManchesterNH.gov) • Website: [www.manchesternh.gov](http://www.manchesternh.gov)**

**Department of Finance  
Accounts Receivable  
2nd Quarter FY13 - Write Offs**

Dept	Customer Name	Cust #	Invoice #	Invoice Date	Original Amount	Open Amount	Recommendation
CE	Mark Hussey	12290	9908612	06/08/09	\$ 475.00	\$ 475.00	Bank Owned Property - Recommend write off
CE	CGL Properties	16407	9932570	05/13/11	\$ 1,875.00	\$ 1,801.32	The City solicitor has reviewed this matter and determined that the City is unlikely to collect against this account.
CE	CGL Properties	16988	9936193	08/28/11	\$ 1,500.00	\$ 1,500.00	
CE	CGL Properties	16989	9936194	08/25/11	\$ 1,205.00	\$ 1,205.00	
CE	CGL Properties	17563	9941705	01/05/12	\$ 490.00	\$ 490.00	
CE	Charles Holden	12309	9908663	06/10/09	\$ 95.00	\$ 95.00	Foreclosure - Recommend write off
CE	Manguel Joselito	12271	9908523/9910518	6/4/09 and 8/7/09	\$ 1,060.00	\$ 1,060.00	Exceeds statute of limitations - Solicitor recommends write off
CE	Schaefer Properties LLC	12332	9908716	06/11/09	\$ 890.00	\$ 890.00	Exceeds Statute of Limitations - Solicitor recommends write off
CE	Migel Ramirez	12671	9909989	03/24/09	\$ 240.00	\$ 240.00	Bank Owned Property - Recommend write off
CE	Mogahid Hussein	12749	9910499	12/03/08	\$ 125.00	\$ 125.00	Foreclosure - Recommend write off
CE	Tracy Murphy Roche	13054	9911753	09/23/09	\$ 715.00	\$ 365.00	Foreclosure - Recommend write off
CE	Maria Cruz	13190	9914827	10/14/09	\$ 215.00	\$ 215.00	Foreclosure - Recommend write off
CE	Donald Rousseau	13217	9912577	10/19/09	\$ 235.00	\$ 235.00	Foreclosure - Recommend write off
CE	Marc Bessette	13228	9912624	10/20/09	\$ 120.00	\$ 120.00	Foreclosure - Recommend write off
CE	Roland Groux	13501	9914844	11/29/09	\$ 165.00	\$ 165.00	Foreclosure - Recommend write off
CE	Robert Lemire	13639	9915922	12/31/09	\$ 145.00	\$ 145.00	Foreclosure - Recommend write off
					\$ 9,550.00	\$ 9,126.32	
Fire	National Tire Wholesale	588	9915257	01/01/10	\$ 480.00	\$ 62.00	Exceeds statute of limitations - Recommend write off
Fire	AT&T	13571	9915010	12/11/09	\$ 100.00	\$ 16.67	Exceeds statute of limitations - Recommend write off
					\$ 580.00	\$ 78.67	
Police	David Farwell Construction	11851	9914372 / 9913612	11/18/09 and 11/20/09	\$ 1,346.68	\$ 1,346.68	Administrative Dissolve - Exceeds Statute of Limitations
					\$ 1,346.68	\$ 1,346.68	
Highway	Limfar Communicatons	10043	9926887	12/06/10	\$ 408.42	\$ 408.42	Administrative Dissolve - Bankruptcy
					\$ 408.42	\$ 408.42	
Parking	Meehan Architects	11714	Multiple	Nov 08 - April 09	\$ 300.00	\$ 266.67	Administrative Dissolve - Bankruptcy
					\$ 300.00	\$ 266.67	
<b>Grand Total</b>					<b>\$ 12,185.10</b>	<b>\$ 11,226.76</b>	

Write off History		
	No. of Accounts	Total Amount
FY 09	40	11,525.27
FY 10 *	15	21,772.61
FY11**	42	106,111.66
FY12 ***	33	97,612.60
FY13	16	5,917.50

\* FY10 total includes \$13,750 Manchester Hockey write off for Parks & Rec

\*\* FY11 total includes \$87,062 write off for Corcoran

\*\*\* FY12 total includes \$42,175.21 Airport write off for Independence Air



*William E. Sanders  
Finance Officer*

## **CITY OF MANCHESTER** *Finance Department*

February 11, 2013

Committee on Accounts, Enrollment and Revenue Administration  
C/o Matthew Normand, City Clerk  
One City Hall Plaza  
Manchester, NH 03101

Dear Honorable Committee Members,

Attached for your review is the City of Manchester's unaudited Monthly Financial Report for the first seven months of fiscal 2013.

### ***Expenditures:***

The average unobligated balance percentage after seven months should be 41.7% as a benchmark. All departments except Information Systems and Central Fleet Management are within 10% of this benchmark. The overall unobligated percentage after seven months is 40.56% for 2013 compared to 41.55% a year ago. Health insurance costs are tracking the 2013 budget through January. The severance reserve of \$700,000 has been fully expended. A comparison of severance payouts thru January for FY 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Payments	\$1,056,397	\$ 271,973
Retirements		
Fire	12	6
Police	5	0
Highway	9	2
Other	9	2
Total	<u>35</u>	<u>10</u>

### ***Revenues:***

Revenues for the first seven months of fiscal 2013 are tracking lower than the same period a year ago. School charge backs are lagging behind by \$1,156,000 from last year due to timing differences and the deferral of the \$432,000 book loan payment in FY2013. In fiscal 2012 the full year recycling revenue of \$230,000 was billed and recognized in July. In fiscal 2013 the revenue is billed and recognized on a monthly basis for a comparable annual amount. Auto registrations are \$313,000 higher than last year and are tracking to the full year budget.

Sincerely,

William E. Sanders  
Finance Officer

**One City Hall Plaza • Manchester, New Hampshire 03101 • (603) 624-6460 • FAX: (603) 624-6549**  
**E-mail: [finance@manchesternh.gov](mailto:finance@manchesternh.gov) • Website: [www.manchesternh.gov](http://www.manchesternh.gov)**

**CITY OF MANCHESTER  
NEW HAMPSHIRE**



**FINANCIAL REPORTS**

**FOR THE SEVEN MONTHS ENDED  
JANUARY 31, 2013**

**UNAUDITED**

CITY OF MANCHESTER, NEW HAMPSHIRE  
PRELIMINARY FINANCIAL STATEMENTS  
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(UNAUDITED)

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City of Manchester, New Hampshire  
 Budget vs Actual Expenditures - General Fund  
 By Department Without Restricted Items  
 For The Seven Months Ended January 31, 2013  
 (UNAUDITED)  
 Budget Basis  
 MNTBUDNB1

2/11/13  
 3:10 PM  
 1. 1

	FY 2013 MODIFIED BUDGET	FY 2013 OBLIGATIONS TO DATE	FY 2013 UNOBLIGATED BALANCE	FY 2013 PERCENT UNOBLIGATED
<b>AGENCIES-</b>				
ALDERMEN	\$ 70,000.00	\$ 34,166.66	\$ 35,833.34	51.19
ASSESSORS	609,338.00	299,053.60	310,284.40	50.92
CITY CLERK	994,800.00	577,209.70	417,590.30	41.98
MEDO	204,552.00	92,259.85	112,292.15	54.90
CITY SOLICITOR	1,183,513.00	714,772.43	468,740.57	39.61
FINANCE	956,137.00	517,622.59	438,514.41	45.86
CENTRAL FLEET MANAGEMENT	2,833,416.00	1,956,224.77	877,191.23	30.96
INFORMATION SYSTEMS	1,471,696.00	944,094.75	527,601.25	35.85
MAYOR	230,548.00	127,993.16	102,554.84	44.48
OFFICE OF YOUTH SERVICES	565,905.00	311,017.57	254,887.43	45.04
HUMAN RESOURCES	709,981.00	427,353.30	282,627.70	39.81
PLANNING & COMMUNITY DEVELOPMENT	1,933,411.00	1,045,799.00	887,612.00	45.91
FACILITIES DIVISION	6,071,723.00	3,469,892.07	2,601,830.93	42.85
TAX COLLECTOR	526,867.00	295,589.41	231,277.59	43.90
FIRE	19,017,332.00	11,227,846.93	7,789,485.07	40.96
POLICE	20,570,203.00	11,853,518.00	8,716,685.00	42.38
HEALTH	2,732,676.00	1,441,509.50	1,291,166.50	47.25
HIGHWAY	16,117,215.00	9,301,010.76	6,816,204.24	42.29
WELFARE	1,028,342.00	602,991.50	425,350.50	41.36
PARKS & RECREATION	3,005,908.00	1,686,749.95	1,319,158.05	43.89
LIBRARY	2,004,863.00	1,135,962.39	868,900.61	43.34
SENIOR SERVICES	241,654.00	126,152.81	115,501.19	47.80
<b>TOTAL AGENCIES</b>	<b>83,080,080.00</b>	<b>48,188,790.70</b>	<b>34,891,289.30</b>	<b>42.00</b>
<b>RESTRICTED ITEMS-</b>				
SEVERANCE PAY	700,000.00	1,056,397.49	(356,397.49)	(50.91)
WORKERS COMPENSATION - SALARY	584,000.00	388,424.10	195,575.90	33.49
WORKERS COMPENSATION - MEDICAL	1,800,000.00	1,421,135.76	378,864.24	21.05
HEALTH INSURANCE	9,110,296.50	5,572,627.82	3,537,668.68	38.83
HEALTH INSURANCE RESERVES	394,318.00	-	394,318.00	100.00
DENTAL INSURANCE	736,396.50	373,643.16	362,753.34	49.26
DEATH BENEFIT	76,672.42	27,658.15	49,014.27	63.93
DISABILITY INSURANCE	72,875.36	25,278.76	47,596.60	65.31
CITY RETIREMENT	4,907,345.58	2,650,249.70	2,257,095.88	45.99
FIRE STATE PENSION	3,901,483.00	2,385,676.94	1,515,806.06	38.85
POLICE STATE PENSION	3,144,456.00	1,907,590.74	1,236,865.26	39.33
FICA	2,924,503.64	1,623,468.89	1,301,034.75	44.49
UNEMPLOYMENT	74,900.00	10,072.19	64,827.81	86.55
TUITION	50,000.00	27,399.07	22,600.93	45.20
CGL INSURANCE	947,131.00	238,654.46	708,476.54	74.80
<b>TOTAL RESTRICTED ITEMS</b>	<b>29,424,378.00</b>	<b>17,708,277.23</b>	<b>11,716,100.77</b>	<b>39.82</b>
<b>NON-DEPARTMENTAL ITEMS-</b>				
CONTINGENCY	1,019,254.00	-	1,019,254.00	100.00
MPTS	453,000.00	453,000.00	-	-
CIVIC CONTRIBUTIONS	163,514.00	82,000.00	81,514.00	49.85
NON-CITY PROGRAMS	68,434.00	68,433.75	.25	-
STREET LIGHTING	1,376,576.00	939,445.33	437,130.67	31.75
CHARTER REVIEW	25,000.00	2,561.43	22,438.57	89.75
COMMUNITY IMPROVEMENT PROGRAM	15,000.00	-	15,000.00	100.00
TRANSIT SUBSIDY	1,073,825.00	1,073,825.00	-	-
EMPLOYEE MEDICAL SERVICES	40,000.00	25,510.90	14,489.10	36.22
TRANSFER TO MSD	200,000.00	200,000.00	-	-
MATURING DEBT	11,926,329.00	7,183,829.41	4,742,499.59	39.76
INTEREST ON MATURING DEBT	6,267,947.00	4,395,635.33	1,872,311.67	29.87
<b>TOTAL NON-DEPARTMENTAL ITEMS</b>	<b>22,628,879.00</b>	<b>14,424,241.15</b>	<b>8,204,637.85</b>	<b>36.26</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 135,133,337.00</b>	<b>\$ 80,321,309.08</b>	<b>\$ 54,812,027.92</b>	<b>40.56</b>

City of Manchester, New Hampshire  
 Budget vs Actual Expenditures - General Fund  
 By Department Without Restricted Items  
 For The Seven Months Ended January 31, 2012  
 (UNAUDITED)  
 Budget Basis  
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	FY 2012 MODIFIED BUDGET	FY 2012 OBLIGATIONS TO DATE	FY 2012 UNOBLIGATED BALANCE	FY 2012 PERCENT UNOBLIGATED
<b>AGENCIES-</b>				
ALDERMEN	\$ 70,000.00	\$ 35,000.00	\$ 35,000.00	50.00
ASSESSORS	612,320.00	285,485.13	326,834.87	53.38
CITY CLERK	998,800.00	552,942.07	445,857.93	44.64
MEDO	205,302.00	107,235.18	98,066.82	47.77
CITY SOLICITOR	1,166,697.00	701,567.59	465,129.41	39.87
FINANCE	913,992.00	510,906.82	403,085.18	44.10
CENTRAL FLEET MANAGEMENT	27,619.42	-	27,619.42	100.00
INFORMATION SYSTEMS	1,472,446.00	969,587.14	502,858.86	34.15
MAYOR	220,548.00	126,835.54	93,712.46	42.49
OFFICE OF YOUTH SERVICES	475,955.00	264,000.91	211,954.09	44.53
HUMAN RESOURCES	709,981.00	436,774.88	273,206.12	38.48
PLANNING & COMMUNITY DEVELOPMENT	1,881,408.00	1,059,279.76	822,128.24	43.70
FACILITIES DIVISION	6,111,248.85	3,566,979.36	2,544,269.49	41.63
TAX COLLECTOR	527,617.00	288,972.30	238,644.70	45.23
FIRE	18,486,979.00	10,820,152.22	7,666,826.78	41.47
POLICE	19,115,461.00	11,141,751.24	7,973,709.76	41.71
HEALTH	2,621,823.00	1,374,187.07	1,247,635.93	47.59
HIGHWAY	19,239,584.00	11,051,999.47	8,187,584.53	42.56
WELFARE	1,028,342.00	559,919.77	468,422.23	45.55
PARKS & RECREATION	3,208,922.00	1,785,786.62	1,423,135.38	44.35
LIBRARY	1,934,863.00	1,116,240.44	818,622.56	42.31
SENIOR SERVICES	240,326.00	126,984.37	113,341.63	47.16
<b>TOTAL AGENCIES</b>	<b>81,270,234.27</b>	<b>46,882,587.88</b>	<b>34,387,646.39</b>	<b>42.31</b>
<b>RESTRICTED ITEMS-</b>				
SEVERANCE PAY	700,000.00	271,972.76	428,027.24	61.15
WORKERS COMPENSATION - SALARY	584,000.00	386,056.97	197,943.03	33.89
WORKERS COMPENSATION - MEDICAL	1,800,000.00	1,445,862.07	354,137.93	19.67
HEALTH INSURANCE	12,526,595.00	6,881,798.03	5,644,796.97	45.06
DENTAL INSURANCE	924,414.00	379,410.09	545,003.91	58.96
DEATH BENEFIT	76,415.00	34,703.31	41,711.69	54.59
DISABILITY INSURANCE	72,645.00	39,982.19	32,662.81	44.96
CITY RETIREMENT	4,025,333.42	2,440,976.57	1,584,356.85	39.36
FIRE STATE PENSION	3,813,985.00	2,246,910.34	1,567,074.66	41.09
POLICE STATE PENSION	2,825,033.00	1,682,101.70	1,142,931.30	40.46
FICA	2,819,293.00	1,528,837.79	1,290,455.21	45.77
UNEMPLOYMENT	424,900.00	98,921.88	325,978.12	76.72
TUITION	50,000.00	40,736.78	9,263.22	18.53
CGL INSURANCE	947,131.00	599,001.66	348,129.34	36.76
<b>TOTAL RESTRICTED ITEMS</b>	<b>31,589,744.42</b>	<b>18,077,272.14</b>	<b>13,512,472.28</b>	<b>42.77</b>
<b>NON-DEPARTMENTAL ITEMS-</b>				
MPTS	453,000.00	453,000.00	-	-
CONTINGENCY	885,694.56	-	885,694.56	100.00
MARKERS & PLAQUES	7,500.00	-	7,500.00	100.00
CIVIC CONTRIBUTIONS	140,571.00	60,820.44	79,750.56	56.73
NON-CITY PROGRAMS	68,434.00	68,433.75	.25	-
COMMUNITY IMPROVEMENT PROGRAM	432,000.00	432,000.00	-	-
TRANSIT SUBSIDY	1,101,623.75	1,028,325.00	73,298.75	6.65
EMPLOYEE MEDICAL SERVICES	40,000.00	21,109.55	18,890.45	47.23
MATURING DEBT	11,434,283.00	6,791,963.78	4,642,319.22	40.60
INTEREST ON MATURING DEBT	6,830,225.00	4,652,460.91	2,177,764.09	31.88
<b>TOTAL NON-DEPARTMENTAL ITEMS</b>	<b>21,393,331.31</b>	<b>13,508,113.43</b>	<b>7,885,217.88</b>	<b>36.86</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 134,253,310.00</b>	<b>\$ 78,467,973.45</b>	<b>\$ 55,785,336.55</b>	<b>41.55</b>

City of Manchester, New Hampshire  
 Budget vs Actual Revenue By Department - General Fund  
 Non-Property Tax Revenues  
 For The Seven Months Ended January 31, 2013  
 (UNAUDITED)  
 Budget Basis  
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	FY 2013 MODIFIED BUDGET	FY 2013 REVENUE RECOGNIZED	FY 2013 UNRECOGNIZED BALANCE	FY 2013 PERCENTAGE UNRECOGNIZED
AGENCIES-				
ASSESSORS	825,915.00	954,361.32	(128,446.32)	(15.55)
CITY CLERK	2,386,355.00	1,043,835.58	1,342,519.42	56.26
MEDO	188,466.00	103,106.89	85,359.11	45.29
CITY SOLICITOR	690,000.00	334,500.00	355,500.00	51.52
FINANCE	4,887,089.00	1,111,513.49	3,775,575.51	77.26
INFORMATION SYSTEMS	142,000.00	93,579.83	48,420.17	34.10
HUMAN RESOURCES	4,000.00	2,874.24	1,125.76	28.14
PLANNING & COMMUNITY DEVELOPMENT	1,975,000.00	1,007,992.54	967,007.46	48.96
FACILITIES DIVISION	5,543,906.00	1,479,740.82	4,064,165.18	73.31
TAX COLLECTOR	15,432,000.00	8,860,742.86	6,571,257.14	42.58
CENTRAL FLEET MANAGEMENT	30,000.00	8,547.64	21,452.36	71.51
FIRE	656,975.00	564,235.31	92,739.69	14.12
POLICE	1,007,760.00	198,677.12	809,082.88	80.29
HEALTH	2,228,354.00	940,987.12	1,287,366.88	57.77
HIGHWAY	4,329,718.00	3,425,054.65	904,663.35	20.89
WELFARE	18,000.00	12,071.12	5,928.88	32.94
CEMETERY, PARKS & RECREATION	1,115,820.00	259,232.05	856,587.95	76.77
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TOTAL AGENCIES	\$ 41,461,358.00	\$ 20,401,052.58	\$ 21,060,305.42	50.80
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City of Manchester, New Hampshire  
 Budget vs Actual Revenue By Type - General Fund  
 Non-Property Tax Revenues  
 For The Seven Months Ended January 31, 2013  
 (UNAUDITED)  
 Budget Basis  
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	FY 2013 MODIFIED BUDGET	FY 2013 REVENUE RECOGNIZED	FY 2013 UNRECOGNIZED BALANCE	FY 2013 PERCENTAGE UNRECOGNIZED
<b>TAXES, INTEREST AND PENALTIES</b>				
MISCELLANEOUS TAXES	12,710.00	64,071.22	(51,361.22)	(404.10)
INTEREST AND PENALTIES	906,000.00	489,044.95	416,955.05	46.02
CABLE FRANCHISE FEES	1,669,420.00	819,342.12	850,077.88	50.92
<hr/>				
<b>TOTAL TAXES, INTEREST AND PENALTIES</b>	<b>2,588,130.00</b>	<b>1,372,458.29</b>	<b>1,215,671.71</b>	<b>46.97</b>
<b>LICENSES AND PERMITS</b>				
AUTO REGISTRATIONS	14,819,000.00	8,568,971.07	6,250,028.93	42.18
LICENSES	473,940.00	99,835.13	374,104.87	78.94
PERMITS	1,948,650.00	1,220,596.41	728,053.59	37.36
<hr/>				
<b>TOTAL LICENSES AND PERMITS</b>	<b>17,241,590.00</b>	<b>9,889,402.61</b>	<b>7,352,187.39</b>	<b>42.64</b>
<b>INTERGOVERNMENTAL</b>				
FEDERAL REVENUES	368,000.00	10,033.51	357,966.49	97.27
PAYMENTS IN LIEU OF TAXES	810,415.00	853,128.28	(42,713.28)	(5.27)
STATE REVENUES	2,365,875.00	1,561,458.70	804,416.30	34.00
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<b>TOTAL INTERGOVERNMENTAL</b>	<b>3,544,290.00</b>	<b>2,424,620.49</b>	<b>1,119,669.51</b>	<b>31.59</b>
<b>SALES AND SERVICES</b>				
GENERAL REVENUES	127,545.00	84,943.41	42,601.59	33.40
PUBLIC SAFETY	136,875.00	101,441.79	35,433.21	25.89
HIGHWAY	757,750.00	556,202.57	201,547.43	26.60
SANITATION	-	866.65	(866.65)	-
HEALTH	9,000.00	6,415.00	2,585.00	28.72
CEMETERY, PARKS & RECREATION	181,425.00	125,641.75	55,783.25	30.75
ZONING BOARD	37,000.00	22,677.00	14,323.00	38.71
PARKING VIOLATIONS	11,000.00	4,550.00	6,450.00	58.64
COURT FINES	20,000.00	10,387.24	9,612.76	48.06
OTHER FINES	-	(1,636.40)	1,636.40	-
FEES	941,545.00	697,465.51	244,079.49	25.92
WITNESS FEES	85,000.00	30,572.18	54,427.82	64.03
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<b>TOTAL SALES AND SERVICES</b>	<b>2,307,140.00</b>	<b>1,639,526.70</b>	<b>667,613.30</b>	<b>28.94</b>
<b>OTHER REVENUE SOURCES</b>				
INTEREST INCOME	195,000.00	224,725.22	(29,725.22)	(15.24)
FUND TRANSFERS	2,788,431.00	-	2,788,431.00	100.00
REIMBURSEMENTS	3,040,202.00	2,117,038.49	923,163.51	30.37
RENTALS & LEASES	941,016.00	145,916.19	795,099.81	84.49
SCHOOL CHARGEBACKS	8,799,109.00	2,541,685.12	6,257,423.88	71.11
MISCELLANEOUS	16,450.00	45,679.47	(29,229.47)	(177.69)
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<b>TOTAL OTHER REVENUE SOURCES</b>	<b>15,780,208.00</b>	<b>5,075,044.49</b>	<b>10,705,163.51</b>	<b>67.84</b>
<hr/>				
<b>TOTAL</b>	<b>\$ 41,461,358.00</b>	<b>\$ 20,401,052.58</b>	<b>\$ 21,060,305.42</b>	<b>50.80</b>
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City of Manchester, New Hampshire  
 Budget vs Actual Revenue By Type -  
 Non-Property Tax Revenues  
 For The Year Ended June 30, 2012 And  
 Modified Budget FY 2013  
 (UNAUDITED)  
 Budget Basis  
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	ACTUAL FY 2012	MODIFIED BUDGET FY 13	DIFFERENCE ACTUAL 12 VS BUDGET 13	PERCENTAGE DIFFERENCE OF FY12 VS FY13
<b>TAXES, INTEREST AND PENALTIES</b>				
MISCELLANEOUS TAXES	38,247	12,710	(25,537)	(66.77)
INTEREST AND PENALTIES	1,113,885	906,000	(207,885)	(18.66)
CABLE FRANCHISE FEES	1,639,885	1,669,420	29,535	1.80
<b>TOTAL TAXES, INTEREST AND PENALTIES</b>	<b>2,792,017</b>	<b>2,588,130</b>	<b>(203,887)</b>	<b>(7.30)</b>
<b>LICENSES AND PERMITS</b>				
AUTO REGISTRATIONS	15,097,031	14,819,000	(278,031)	(1.84)
LICENSES	610,613	473,940	(136,673)	(22.38)
PERMITS	2,104,438	1,948,650	(155,788)	(7.40)
<b>TOTAL LICENSES AND PERMITS</b>	<b>17,812,082</b>	<b>17,241,590</b>	<b>(570,492)</b>	<b>(3.20)</b>
<b>INTERGOVERNMENTAL</b>				
FEDERAL REVENUES	402,871	368,000	(34,871)	(8.66)
PAYMENTS IN LIEU OF TAXES	813,242	810,415	(2,827)	(.35)
STATE REVENUES	2,649,081	2,365,875	(283,206)	(10.69)
<b>TOTAL INTERGOVERNMENTAL</b>	<b>3,865,194</b>	<b>3,544,290</b>	<b>(320,904)</b>	<b>(8.30)</b>
<b>SALES AND SERVICES</b>				
GENERAL REVENUES	109,515	127,545	18,030	16.46
PUBLIC SAFETY	115,910	136,875	20,965	18.09
HIGHWAY	846,951	757,750	(89,201)	(10.53)
SANITATION	7,535	-	(7,535)	(100.00)
HEALTH	8,674	9,000	326	3.76
CEMETERY, PARKS & RECREATION	204,598	181,425	(23,173)	(11.33)
ZONING BOARD	46,811	37,000	(9,811)	(20.96)
PARKING VIOLATIONS	11,650	11,000	(650)	(5.58)
COURT FINES	15,381	20,000	4,619	30.03
FEES	1,029,880	941,545	(88,335)	(8.58)
WITNESS FEES	80,990	85,000	4,010	4.95
<b>TOTAL SALES AND SERVICES</b>	<b>2,477,895</b>	<b>2,307,140</b>	<b>(170,755)</b>	<b>(6.89)</b>
<b>OTHER REVENUE SOURCES</b>				
INTEREST INCOME	667,248	195,000	(472,248)	(70.78)
FUND TRANSFERS	2,606,064	2,788,431	182,367	7.00
REIMBURSEMENTS	2,694,388	3,040,202	345,814	12.83
RENTALS & LEASES	926,757	941,016	14,259	1.54
SCHOOL CHARGEBACKS	9,177,046	8,799,109	(377,937)	(4.12)
MISCELLANEOUS	25,214	16,450	(8,764)	(34.76)
<b>TOTAL OTHER REVENUE SOURCES</b>	<b>16,096,717</b>	<b>15,780,208</b>	<b>(316,509)</b>	<b>(1.97)</b>
<b>TOTAL</b>	<b>\$ 43,043,905</b>	<b>\$ 41,461,358</b>	<b>\$ (1,582,547)</b>	<b>(3.68)</b>

City of Manchester, New Hampshire  
 Budget vs Actual Revenue By Type -  
 Non-Property Tax Revenues  
 For The Seven Months Ended January 31, 2013 and 2012  
 (UNAUDITED)  
 Budget Basis  
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	7 MONTH ACTUAL FY 2012	7 MONTH ACTUAL FY 2013	DIFFERENCE ACTUAL 12 VS ACTUAL 13	PERCENTAGE DIFFERENCE OF FY12 VS FY13
<b>TAXES, INTEREST AND PENALTIES</b>				
MISCELLANEOUS TAXES	14,771	64,071	49,300	333.76
INTEREST AND PENALTIES	367,510	489,044	121,534	33.07
CABLE FRANCHISE FEES	404,778	819,342	414,564	102.42
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TOTAL TAXES, INTEREST AND PENALTIES	787,059	1,372,458	585,399	74.38
<b>LICENSES AND PERMITS</b>				
AUTO REGISTRATIONS	8,255,214	8,568,971	313,756	3.80
LICENSES	127,737	99,835	(27,901)	(21.84)
PERMITS	1,081,939	1,220,596	138,657	12.82
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TOTAL LICENSES AND PERMITS	9,464,890	9,889,402	424,512	4.49
<b>INTERGOVERNMENTAL</b>				
FEDERAL REVENUES	221,143	10,033	(211,109)	(95.46)
PAYMENTS IN LIEU OF TAXES	810,415	853,128	42,713	5.27
STATE REVENUES	1,817,875	1,561,458	(256,416)	(14.11)
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TOTAL INTERGOVERNMENTAL	2,849,433	2,424,620	(424,812)	(14.91)
<b>SALES AND SERVICES</b>				
GENERAL REVENUES	69,962	84,943	14,981	21.41
PUBLIC SAFETY	70,276	101,441	31,165	44.35
HIGHWAY	513,287	556,202	42,915	8.36
SANITATION	4,437	866	(3,570)	(80.47)
HEALTH	4,935	6,415	1,480	29.99
CEMETERY, PARKS & RECREATION	134,852	125,641	(9,210)	(6.83)
ZONING BOARD	24,591	22,677	(1,914)	(7.78)
PARKING VIOLATIONS	6,250	4,550	(1,700)	(27.20)
COURT FINES	7,962	10,387	2,425	30.46
OTHER FINES	-	(1,636)	(1,636)	-
FEES	708,667	697,465	(11,201)	(1.58)
WITNESS FEES	31,710	30,572	(1,137)	(3.59)
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TOTAL SALES AND SERVICES	1,576,929	1,639,526	62,597	3.97
<b>OTHER REVENUE SOURCES</b>				
INTEREST INCOME	403,479	224,725	(178,753)	(44.30)
FUND TRANSFERS	98	-	(98)	(100.00)
REIMBURSEMENTS	1,688,245	2,117,038	428,793	25.40
RENTALS & LEASES	111,004	145,916	34,912	31.45
SCHOOL CHARGEBACKS	4,129,823	2,541,685	(1,588,137)	(38.46)
MISCELLANEOUS	10,094	45,679	35,585	352.54
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TOTAL OTHER REVENUE SOURCES	6,342,743	5,075,044	(1,267,698)	(19.99)
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<b>TOTAL</b>	<b>\$ 21,021,054</b>	<b>\$ 20,401,052</b>	<b>\$ (620,002)</b>	<b>(2.95)</b>
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City of Manchester, New Hampshire  
 Parking Division  
 Budgetary basis  
 For the seven months ended January 31, 2013

(unaudited)

Object Code Description	2013 Revised Budget	July 2012 - January 2013 Activity	2013 Balance
Charges for Services Total	1,411,000	798,146	612,854
Licenses & Permits Total	2,153,000	1,218,582	934,418
Interest Total	3,500	1,804	1,696
Other Revenue Total	1,219,880	545,660	674,220
Transfer in Total	-	-	-
<b>Grand Total</b>	<b>4,787,380</b>	<b>2,564,193</b>	<b>2,223,187</b>
Salaries & Wages Total	712,739	371,057	341,682
Employee Benefits Total	321,206	224,498	96,708
Purchased Professional Services Total	11,500	7,025	4,475
Purchased Property Services Total	554,397	287,745	266,652
Other Purchased Services Total	58,500	40,415	18,085
Supplies & Materials Total	106,500	48,744	57,756
Capital Outlay Total	-	-	-
Miscellaneous Total	65,000	61,207	3,793
Non-Departmental Total	670,641	550,769	119,872
Miscellaneous-Reimburse City Total	2,259,331	-	2,259,331
<b>Grand Total</b>	<b>4,759,814</b>	<b>1,591,459</b>	<b>3,168,355</b>
 Excess (deficit) of revenues over expenditures	 27,566	 972,733	 (945,167)

*Matthew Normand  
City Clerk*



*Heather Freeman  
Assistant City Clerk*

*JoAnn Ferruolo  
Assistant City Clerk*

**CITY OF MANCHESTER**  
*Office of the City Clerk*

**MEMORANDUM**

To: Committee on Accounts, Enrollment and Revenue Administration

From: Maura Leahy *ML*  
Administrative Assistant

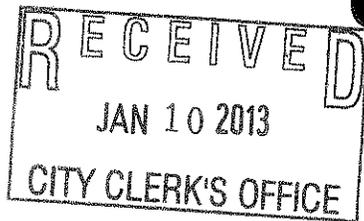
Date: January 10, 2013

Attached, please find an agenda addendum to go along with item 9 at the January 15, 2013 Committee on Accounts, Enrollment and Revenue Administration meeting.

# INTERNAL AUDIT REPORT

**CITY OF MANCHESTER**

**NEW HAMPSHIRE**



**City of Manchester  
AMR Ambulance Contract  
Follow-up Report**

**Prepared by  
The Office of the Independent Auditor**

**INTERNAL AUDIT REPORT  
CITY OF MANCHESTER, NEW HAMPSHIRE  
AMR AMBULANCE CONTRACT  
FOLLOW-UP REPORT**

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**City of Manchester  
Office of the Independent City Auditor**

One City Hall Plaza  
Manchester, New Hampshire 03101  
Phone: (603) 624-6460  
Fax: (603) 624-6549

*Committee on Accounts, Enrollment and Revenue Administration  
City of Manchester, New Hampshire  
Honorable Aldermen: O'Neil, Arnold, Long, Corriveau, and Shaw*

Dear Honorable Committee Members:

At the June 18, 2012 Committee on Accounts meeting a request was made of the Office of the Independent City Auditor (OICA) to conduct an audit of the certain elements of the contract between American Medical Response (AMR) and the City of Manchester to provide ambulance service within the city limits.

AMR initiated its own internal audit following the receipt of complaints from two city workers. During this initial internal review, AMR discovered 323 ambulance trips that were found to have been overcharged and corrected these trips. Additionally, the City received several complaints lodged by Manchester Residents who felt they were being overcharged or mischarged by AMR.

My office was asked to perform an audit to determine if all over charges were discovered and all patients were properly refunded of their accounts credited for the over charge.

My audit revealed one instance of undiscovered overcharges in an area that AMR's internal auditors excluded from their detail testing. Based on the one error discovered during detail testing it was determined that there were 230 trips that were improperly excluded from detail testing. These were trips that were fully paid and had a zero balance and no adjustments. I provided the list of trips to AMR who performed an audit on these trips.

AMR found 2 additional over charges resulting in an additional \$4,467 in refunds. I then tested a sample of trips in order to verify their findings and found that their testing appears to be adequate.

Conclusion

My additional testing revealed no further issues associated with the overcharges noted in the original audit and I believe that all over charges have most likely been discovered and patients reimbursed.

Kevin M, Buckley, CPA  
Independent City Auditor

January 7, 2013

**AMR AMBULANCE TRIPS BY FINANCIAL CLASS  
JANUARY 1, 2011 TO MARCH 31, 2012**

<b>FINANCIAL CLASS</b>	<b># OF TRIPS</b>	<b>% Trips</b>	<b>TOTAL CHARGES</b>	<b>TOTAL PAYMENTS</b>	<b>TOTAL REFUNDS</b>	<b>TOTAL DISALLOW</b>
Private Pay	4,503	32.2%	\$ 8,395,717.13	\$ 726,980.32	\$ (33,743.38)	\$ 3,528,896.93
Non-Contract Insurance	1,081	7.7%	\$ 2,140,336.32	\$ 1,683,707.21	\$ (53,278.57)	\$ 342,683.11
Contract Insurance	664	4.8%	\$ 1,318,054.96	\$ 406,357.40	\$ (11,051.50)	\$ 832,634.46
Facility Contract	20	0.1%	\$ 38,606.16	\$ 8,032.02	\$ -	\$ 18,392.01
Medicare	5,179	37.1%	\$ 10,539,778.61	\$ 2,033,446.08	\$ (20,564.43)	\$ 8,396,456.47
Medicaid	2,304	16.5%	\$ 4,191,852.16	\$ 359,160.22	\$ (1,565.83)	\$ 3,685,399.99
Medicare HMO	181	1.3%	\$ 374,813.33	\$ 52,840.29	\$ (533.50)	\$ 266,045.56
Medicaid HMO	39	0.3%	\$ 74,450.23	\$ 9,551.50	\$ -	\$ 62,543.92
<b>Totals</b>	<b>13,971</b>	<b>100.0%</b>	<b>\$ 27,073,608.90</b>	<b>\$ 5,280,075.04</b>	<b>\$ (120,737.21)</b>	<b>\$ 17,133,052.45</b>

Total Charges – The total usual and customary charge

Total Payments – All payments made for the trip including co-pays and uncovered expenses (balanced billed amounts)

Total Refunds – Any refund adjustment applied to the trip. Does not include \$4,467 discovered by the additional testing.

Total Disallow – All contractual and other adjustments to the trip

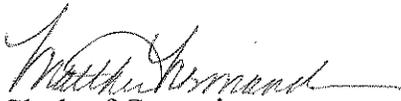
Source: Trip Database provided by AMR

**To the Board of Mayor and Aldermen of the City of Manchester:**

The Committee on Accounts, Enrollment and Revenue Administration respectfully recommends, after due and careful consideration, that the AMR Ambulance Contract audit, submitted by the Independent City Auditor be accepted.

*(Unanimous vote)*

Respectfully submitted,

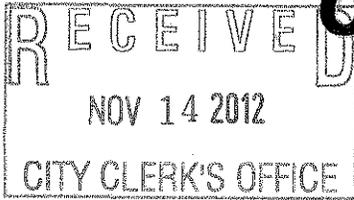
  
Clerk of Committee

At a meeting of the Board of Mayor and Aldermen held December 4, 2012, on a motion of Alderman O'Neil, duly seconded by Alderman Roy, the report of the Committee was referred to the Committee on Accounts, Enrollment & Revenue Administration.

  
City Clerk

# INTERNAL AUDIT REPORT

## CITY OF MANCHESTER NEW HAMPSHIRE



City of Manchester  
AMR Ambulance Contract  
September 2012

Prepared by  
The Office of the Independent Auditor

**INTERNAL AUDIT REPORT  
CITY OF MANCHESTER, NEW HAMPSHIRE  
AMR AMBULANCE CONTRACT  
SEPTEMBER 2012**

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**City of Manchester  
Office of the Independent City Auditor**

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Phone: (603) 624-6460  
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*Committee on Accounts, Enrollment and Revenue Administration  
City of Manchester, New Hampshire  
Honorable Aldermen: O'Neil, Arnold, Long, Corriveau, and Shaw*

Dear Honorable Committee Members:

At the June 18, 2012 Committee on Accounts meeting a request was made of the Office of the Independent City Auditor (OICA) to conduct an audit of the certain elements of the contract between American Medical Response (AMR) and the City of Manchester to provide ambulance service within the city limits.

AMR initiated its own internal audit following the receipt of complaints from two city workers. During this initial internal review, AMR discovered 323 ambulance trips that were found to have been overcharged and corrected these trips. Additionally, the City received several complaints lodged by Manchester Residents who felt they were being overcharged or mischarged by AMR.

My office was asked to perform an audit to determine if all over charges were discovered and all patients were properly refunded of their accounts credited for the over charge.

Conclusion

My testing revealed that one trip out of the 166 emergency ambulance trips tested the patient was over charged by AMR and not discover by their internal audit review. I also discovered other issues with AMR that are disclosed in the report and recommendations for corrections are included.

The draft audit report was sent to the management of AMR for their review and comment. Observation 1 was also sent to Anthem for their review and comment. The observations generated and the auditee written responses are included in the report. The auditee responses indicate general agreement with the report recommendations and states that corrective action will be or has been taken. We appreciate the courtesy and cooperation of the staff and administration of AMR and the Manchester Fire Department on this assignment. The management of AMR was very forth right and cooperative with the audit and I believe have or are working to fix the problems noted.

Kevin M, Buckley, CPA  
Independent City Auditor

September 28, 2012

## INTRODUCTION

### AUDIT BACKGROUND

At the June 18, 2012 Committee on Accounts meeting a request was made of the Office of the Independent City Auditor (OICA) to conduct an audit of the certain elements of the contract between American Medical Response (AMR) and the City of Manchester to provide ambulance service within the city limits. The contract allows AMR to be the sole emergency transportation service in the City of Manchester.

The contract was executed on June 29, 2010 and covers the period from January 1, 2011 through December 31, 2012 with an option for two – one year extensions. The contract has clauses in it that dictate certain performance objectives as well as the cost AMR is allowed to charge for its emergency services to Manchester transports.

During the course of the first year of operations Aldermen and the Fire Department (who monitors the contract) received complaints from constituents that they were being over charged or mis-charged for emergency ambulance transportation. One of the Deputy Fire Chiefs has the responsibility of monitoring the contract and conducted an investigation of the complaints. He found that AMR had mis-charged City residents and brought it to the attention of AMR. Management at AMR ordered an internal audit done and discovered that due to a lack of training at the payment center 323 incorrect billings were processed. AMR claimed that they had identified all incorrect charges, repaid or credited all residents who were charged in error and instituted policy and procedures changes in the billing department to prevent the billing errors from occurring in the future.

The COA has asked the OICA to conduct a separate independent audit to verify their results. The request was passed by the COA unanimously.

I conducted my audit in accordance with auditing standards applicable to performance audits contained in *Government Auditing Standards*, Issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for my findings and conclusions based on my audit objectives. I believe that the evidence obtained provides a reasonable basis for my findings and conclusions based on my audit objectives.

### BACKGROUND OF AUDITEE

American Medical Response, Inc. (AMR) was founded in 1992 when several ambulance providers consolidated into a single company. AMR continued to expand through 1997 when it merged with Med Trans and became the largest ambulance service provider in the country. Since that time it has continued to grow and now provides services to more than 2,100 communities in 38 states and the District of Columbia.

AMR's Manchester unit provides both emergency and non-emergency medical transport services to the City and surrounding communities. AMR Manchester employs approximately 75 paramedics and EMTs and handles on average 18,000 transports annually.

AMR's mission as stated on their web site is to make a difference by caring for people in need..

AMR was awarded the contract for emergency transportation services by the City of Manchester on June 29, 2010 and amended on December 3, 2010. The contract calls for AMR to be the sole provider of 911 emergency services for the City of Manchester. The term of the agreement was for two years starting January 1, 2011 through December 31, 2012 (amended to start December 18, 2010) with the option for two one year terms. AMR is to provide:

- No fewer than 4 ambulances manned 24 hours a day plus one emergency backup available within 10 minutes.
- Assist in the development and implementation of a training system for certification of Police and Fire Department personnel in emergency medical procedures
- Maintain the mass casualty incident (MCI) trailer and the equipment to support it
- Execution of at least 1 MCI drill per year
- Provide oxygen replenishment for Fire and Police Department oxygen cylinders
- Replace all disposable medical equipment and supplies used by the Fire Department
- Perform monthly patient satisfaction surveys.

AMR is required to pay the City of Manchester \$235,000 and \$243,000 for calendar years 2011 and 2012 respectively as reimbursement for emergency 911 dispatch services being provided pursuant to the agreement.

## **AUDIT SCOPE AND OBJECTIVES**

The audit was a contract compliance audit of certain sections of the contract between the City of Manchester and AMR Inc, specifically the audit was designed to determine if AMR correctly calculated and charged Manchester transports no more than 135% of Medicare part b rates for emergency transportation services, in cases where customers were overcharged that AMR paid back the overcharges and has improved procedures to reduce or eliminate over charges. The audit period was the 16 months ended April 30, 2012.

### **Methods used:**

- Interviews with management at Fire Department, AMR and NH Insurance Commission.
- Internet searches.
- Request for information from ALGA Listserv website to seek information about other municipality ambulance operations and other ambulance service audits.
- Obtain a database from AMR of emergency trips in the City and reconcile to 911 system reports to ensure completeness.
- Select a sample of trips found to contain errors by AMR internal audit and recalculate amount of refund/adjustment due. Trace to payment of refund or adjustment to account receivable.
- Select a sample of trips AMR internal audit determined to be free of audit errors and recalculate amount due to determine if there were any undiscovered over payments.

- Obtain a database from Anthem BC/BS of City employees or dependent payments for AMR emergency ambulance trips. Determine if correct amount was paid for the ambulance service.
- Solicit complaints from City employees and the general public and determine the cause and reconciliation of the complaints.

## CONCLUSIONS

Management is responsible for establishing and maintaining effective internal controls to help ensure that appropriate goals and objectives are met; resources are used effectively, efficiently, and economically, and are safeguarded; laws and regulations are followed; and reliable data is obtained, maintained and fairly disclosed. I am responsible for using professional judgment in establishing the scope and methodology of my work, determining the tests and procedures to be performed, conducting the work, and reporting the results.

The results of my test work have revealed that:

- Of 39 refunds tested there were no errors detected in the calculation of refunding/crediting of the patient accounts
- Of 20 employee health care payments to AMR it was determined that a lack of provider agreement between Anthem and AMR is causing the City to pay a higher than necessary amount for emergency ambulance service
- Of 60 trips tested one (1) trip was overpaid and not discovered by AMR in the course of their internal audit, and several trips were sent to collections at the higher usual and customary charge instead of the contract allowable amount for emergency trips of City residents. In most cases, however, the charges remained at usual and customary due to the receipt of full payment by the patient from their carrier.
- Of the 47 complaints investigate the majority were for the high cost of ambulance service and problems encountered with AMR billing personnel. No actual overcharge errors were noted however the billing seems to be confusing for most patients and time delays between billing and collection of Medicare/insurance payments are causing confusion with patients. This confusion makes it appear to the patients that they are being over charged.
- Changes in billing procedures appear to be eliminating over payment errors.

The results of my testing, recommendations and observations are included in the report that follows.

## **TESTING RESULTS**

### **RECENT AMBULANCE HISTORY IN MANCHESTER**

The City of Manchester ambulance service had been run by the Police Department and then the Fire Department until 1985. The City at the time found it very expensive to run the service due to high cost and a low collection rate. In 1985 a private joint venture was formed called Stat Care that took over emergency ambulance service in 1985. Stat Care was replaced by Chalk Ambulance then in 1993 Rockingham Ambulance took over the service. Rockingham was a local ambulance service that, according to a February 2011 study by the State of NH Hampshire Insurance Department, was the largest ambulance provider in the State in both number of transports and total charges. In the last year of their contract with the City of Manchester Rockingham provided 19% of all transports (emergency and non-emergency) and 14% of total billings. After winning the bid to provide emergency service in Manchester American Medical Response (AMR) started providing service to Manchester in December of 2010.

### **AMERICAN MEDICAL RESPONSE (AMR)**

AMR was founded in 1992 when several regional ambulance providers consolidated into a single company. AMR has quickly grown over the years by merging and/or acquiring other regional ambulance services to become the largest US private ambulance provider.. Today AMR services over 2,100 communities in 38 states and the District of Columbia. AMR in Manchester NH provides emergency and non-emergency medical transport service for the city and surrounding communities. AMR Manchester employs 75 paramedics and EMTs and handles over 18,000 transports annually.

### **AMBULANCE BILLING**

Ambulance billing and collection can be a very confusing subject. The factors that will determine what the billing will be include: what kind if any insurance a patient has, what deductibles, where the patient lives, the type of care needed and other factors. In an emergency situation when 911 is called to dispatch an ambulance it is often impossible at the time of service to determine who will be paying and how much a service will cost. Emergency service providers are required to provide service regardless of the patient's ability to pay. All of these factors must be taken into account when the rates are set to provide service.

In order to calculate the base or usual and customary charge (UCC) You need to take into consideration the estimated number of trips reduced by the number of trips where transport is not required or refused (currently around 35% of 911 trips) to arrive a base of chargeable emergency trips. This is divided into the variable costs such as salaries of drivers and emergency personnel plus fixed cost, overhead and expected profit margin.

In order to cover the cost per trip, base revenue needs to be set high enough to cover the number of people without insurance or any ability to pay. In calendar year 2011 3,528 trips were for patients who self paid. AMR had to write off approximately 40% of the amount billed for self pay patients that year.

In addition Medicaid/Medicare was the payer for 6,150 or 55% of the emergency trips. Medicare/Medicaid are Federal/State government programs that insure the elderly, disabled and poor population. By federal and state law emergency ambulance providers are only allowed to charge a set fixed rate for these trips. During calendar year 2011 Medicaid paid \$145 and \$175 for basic life saving and advanced life saving trips respectively while Medicare paid \$352.81 and \$418.96 per trip respectively.

Insurance companies will contract directly with the ambulance services to set a discount on the amount they will pay. According to a study done by the NH Insurance Department discounts can run from 1% up to 23% depending on the carrier. The insurance carrier makes direct payments to the service provider in exchange for this discount.

Some insurance providers do not have a contract agreement with the ambulance company. Typically the insurance company will pay the ambulance company a fixed amount in accordance with the agreement between the insurer and the insured. They will pay the insured directly who will then be responsible for paying the ambulance company the full amount of the bill. Bills under this arrangement are for the full base rate. For example the insurance company agrees to pay \$800 for an advanced life saving (ALS) ambulance trip to the insured. AMR charged \$1,575 for an ALS trip in calendar year 2011. The patient would get a check from the insurance company for \$800 and have to pay AMR \$1,575. The difference of \$775 between what the insurance company paid and what AMR charged is the responsibility of the patient.

In addition by the contract with the City of Manchester AMR can only charge Manchester transports 135% of the Medicare rate. The 135% rate is the maximum that the resident is personally held responsible for after all other payments are collected. So in the example above the patient would get a check for \$800 from the insurance company and have to write a check to AMR for \$1,365.60. The payment consists of the \$800 that came from the insurance company and 135% of the Medicare ALS rate or \$565.60.

In addition to the base rate for the ambulance trip there is a mileage rate (\$28.88 per mile in CY 2011 and \$34.37 per mile in CY 2012) plus other charges such as cardiac monitor, oxygen, IV therapy and any medication or medical supplies used during the trip. These charges are greatly reduced by Medicare/Medicaid or excluded entirely by the programs. They are also subject to any contracted insurance discounts and the maximum charges allowed to Manchester transports per the contract.

Because so many of the trips are heavily discounted the UCC is set high to cover the costs that the discounted programs do not cover.

These factors have caused much confusion in the bills that a patient receives. For example:

The 911 system calls for an ambulance in the City of Manchester. When the ambulance arrives the patient is unresponsive so very little information is obtained by the ambulance other than the name and address which indicates that the patient is a City resident. Because of the City transport provision in the contract the first bill sent out could look like this:

CODE	DESCRIPTION	UNITS	UNIT CHARGE		TOTAL
1151	ALS1 EMERGENCY	1	1,630.13		578.39
2150	ALS MILEAGE	3	34.37		28.47
3001	OXYGEN	1	149.43		.00
5005	CARDIAC MONITOR	1	298.86		.00
5002	IV THERAPY	1	191.27		.00
5001	SUPP/DEFB/MEDS/ETC	1	251.04		.00
	TOTAL CHARGES DUE				606.86

The unit charge column shows the usual and customary charge (UCC) per unit. The total column shows the extended charges at 135% of Medicare part B rates as dictated by the contract for emergency services. Notice that Medicare does not pay for anything other than the transport cost and mileage so a city transport is not charged for them either.

The patient then pays the entire amount due. Later AMR is informed by the patient's insurance carrier that they will be paying for the service. The insurance carrier does not have an agreement with AMR so they will be charged the UCC. The patient will then get a bill that looks like this:

CODE	DESCRIPTION	UNITS	UNIT CHARGE		TOTAL
1151	ALS1 EMERGENCY	1	1,630.13		1,630.13
2150	ALS MILEAGE	3	34.37		103.11
3001	OXYGEN	1	149.43		149.43
5005	CARDIAC MONITOR	1	298.86		298.86
5002	IV THERAPY	1	191.27		191.27
5001	SUPP/DEFB/MEDS/ETC	1	251.04		251.01
	***PAYMENTS***			606.86	
	TOTAL CHARGES DUE				2,016.98

The bill now reflects that the non-contract insurance company was charged the UCC as allowed by the contract. The insurance company paid the patient the entire \$2,623.84 directly so the patient is responsible for paying the entire amount due to AMR.

The above example is from an actual complaint received by this office. As the patient had yet to receive payment from the insurance provider they could not understand why they were being charged again after they paid the entire prior bill.

Let's assume however that AMR had a preferred provider agreement with the patient's health insurance provider and the patient had a \$100 deductible. The second billing should show the discounted amount of \$2,361.46 in the total column, a payment of \$606.86 from the patient, a payment of \$2,261.46 from the insurance company and a rebate due of \$506.86 (payment of \$606.86 less deductible of \$100).

Anthem is the largest health insurance provider in the City and has no preferred provider agreement with AMR. As such Anthem had been sending payments directly to the patient and had not, in all cases, been informing AMR that they are covering the patient and have paid them directly or the amount that they had paid. Anthem had been paying the patient the amount they would have paid if they had an agreement. Our testing has uncovered several instances where a lack of a preferred provider agreement has been causing billing confusion and errors.

### **OBSERVATION 1 - LACK OF PROVIDER AGREEMENT WITH ANTHEM CAUSING PROBLEMS**

#### *Observation:*

A preferred provider agreement outlines the price discount allowed by an ambulance company (the provider) and an insurance company. These agreements reduce the cost of a service to the members of the insurance product and insure the provider gets paid quickly and directly for services rendered.

Anthem BC/BS is one of the largest private health insurers in the City of Manchester. Anthem is the insurer of approximately 32% of all ambulance trips that are reimbursed through private insurance. Anthem is also the third party administrator for the City of Manchester self funded health insurance program.

Anthem BC/BS does not have a preferred provider agreement with AMR. Due to this AMR charges the City of Manchester's self insured health program at the usual and customary charge (UCC). UCC is the highest rate charged to patients. During CY 2011 Anthem paid the entire UCC. From a report on Ground ambulance transportation conducted by the State of NH Insurance Commission insurance carriers typically require a discount ranging from 1% to 23%. Anthem requires the deepest average discount of 23%. Using a conservative discount rate of 10% if Anthem had a preferred Provider Agreement with AMR the City would have saved \$3,705 in calendar year 2011 on ambulance costs to AMR. As of the date of this report there is no preferred provider agreement in place.

During CY 2012 Anthem changed its policy from sending checks directly to the patient to sending checks directly to AMR. AMR would send a billing to a patient showing the UCC in the invoice's per unit column then in the total charge column would show the contractual allowable amount for Manchester transports on a 911 call of 135% of the Medicare part b rate. Anthem was then sending checks to the patient for the discounted amount as if a provider agreement was in place. After receiving the check from anthem the patient would send the amount received from Anthem to AMR. AMR would balance bill the patient for the remainder. After receiving many complaints from its patients Anthem has been sending the patient a check for the remaining amount. AMR would not be notified of these further payments and due to the many complaints would adjust the patient's account down to the discounted amount. My testing revealed that five

out of 10 CY 2012 City of Manchester employee bills tested showed payments to patients in excess of the final AMR bill. Per AMR this is money owed to them as they would not have written down the billing if they knew insurance was paying. In four of the items tested Anthem only reimbursed the discounted rate, one of the four was processed correctly and in one instance the patient sent a check in for the full amount after Anthem reimbursed them and AMR (not aware of the insurance payment) then refunded the employee \$984.49 in error.

*Recommendation:*

AMR and Anthem should seek to formalize a preferred provider agreement.

*AMR Response:*

AMR's initial response to the RFP to provide 911 service for the city of Manchester included a clear demonstration of our ability to respond to the complexity of providing high caliber Emergency Medical Services for the residents of Manchester. This demonstration was heavily driven by the historic and longstanding reimbursement practices of our payment sources; specifically Anthem and all other 3rd party insurers. Since award of the bid, AMR has increased our rate charges on an annual basis of 3%; keeping in line with the overall inflation rates of operating expenses. Contrary to historical precedence, Anthem unilaterally decided to begin sending AMR payments directly to patients in 2011. Following the passing of New Hampshire HB 31, which became effective January 1<sup>st</sup>, 2012, Anthem complied with house bill direction, but reduced the amount sent to AMR to Anthem's internal UCR, which is marginally above Medicare. AMR maintains a willingness to discuss a contractual relationship with Anthem, but should not be expected to provide services below our cost of operations.

AMR has reached out to Anthem on several occasions to try and reach an amicable agreement. Like all emergency ambulance providers in New Hampshire, AMR is not opposed to entering into an agreement with Anthem, provided the agreement satisfactorily compensates for the high cost of readiness associated with providing emergency ambulance coverage and response.

Although we have not been successful to date, we are still engaged in active conversations with Anthem to join their network.

There are several samples reviewed during this audit that serve as good examples of the difficult position in which AMR is placed due to Anthem's practice of paying the patient directly and not providing AMR with any payment information. One example is trip # 502-28589629-00. In this case, the provider made two payments on the trip, one to AMR initially and then a later payment directly to the patient. The payment from the patient made to AMR for the amount of \$1,581.86 produced a credit of \$984.49 after the trip's balance was reduced to 135% Medicare allowable. Since AMR was not aware of the total paid to the patient by Anthem (Anthem will no longer provide this information to out-of-network providers), the patient was only being held liable by AMR for charges equaling 135% Medicare allowable. A refund, therefore, of \$984.49 was sent to the patient after receipt of their payment. The auditor's impression that this was a refund sent in error appears to indicate his awareness of an additional payment made directly to the patient by Anthem; AMR, however, was not aware of any payment nor the amount sent to the patient (nor has AMR received an EOB to confirm), so the refund was deemed as appropriate when administered.

## **Anthem Response:**

Prior to January 1, 2012, Anthem reimbursed members directly for out-of-network ambulance services. On January 1, 2012, HB 31 took effect, requiring Anthem to make payment directly to out of network ambulance providers. Because NH law now requires carriers to reimburse out of network ambulance providers directly, there is less incentive for out-of-network ambulance companies to enter into provider contracts as prior to the enactment of HB 31, the only way to receive direct payment, was to enter into a contract.

With regard to Anthem contracting with AMR, Anthem is always willing to entertain discussions with an out of network provider and more specifically, with AMR. Anthem has in fact talked with AMR about the possibility of becoming a contracted provider in New Hampshire. While we have followed up on the discussions several times, AMR has not submitted an executed contract, nor have they proposed any alternatives for contracting with Anthem.

While Anthem cannot compel a provider to become contracted, we remain interested in working with AMR should they become willing to do so.

## **AMR BILLING ISSUES**

During the course of the first year of operations Aldermen and the Fire Department (who monitors the contract) received complaints from constituents that they were being over charged or mis-charged for emergency ambulance transportation. One of the Deputy Fire Chiefs has the responsibility of monitoring the contract and conducted an investigation of the complaints. He found that AMR had mis-charged City residents and brought it to the attention of AMR. Management at AMR ordered an internal audit done and discovered that due to a lack of training at the payment center 323 incorrect billings were processed.

According to AMR the billing errors were a result of the interpretation of the contract by the AMR billing office in Akron Ohio. In many cases, the result was in favor of the patient, who received charges lower than contractually permitted.

(Costs used below are used for example and are not the actual costs of service)

The Akron office processes all billing for their entire nation wide operation and Manchester billings are done differently then all the others. For some municipalities when a patient is billed they are billed the difference between the cost charged to the insurance company and the amount paid by the insurance company. For example the cost is negotiated with the insurance company at \$1,000. The insurance company will pay 80% or \$800 and the patient will be billed for the remaining \$200.

If the patient has no insurance they would be charged the full AMR price at \$1,500.

In cases where the patient is unable to provide insurance information at the time of service they will be billed the full charge (\$1,500) and when insurance is provided they will be given a new bill showing the credit for the insurance company negotiated price, a credit for the insurance company's share of costs (\$800) and a bill for the remainder of \$200.

Manchester has a cap on charges to uninsured patients who are Manchester transports on an emergency call set at 135% of the Medicare allowable rate. For CY 2012 the amount is set at \$476.29 for Basic emergency service and \$565.60 for advanced emergency services. If you have insurance the difference between the amount the insurance company pays and the amount the patient is billed can not exceed 135% of the Medicare part b amount. This is the provision in the contract that was causing the over billing errors.

AMR did an internal review of Q1 to Q3 of 2011 and found a 4.4% error rate (127 out of 2,873 trips) with total over charges of \$244,742.92. Quarter 4 of 2011 and quarter 1 of 2012 were reviewed and AMR internal audit found 196 out of 2,089 trips over billed (9.38%) with over billed amounts of \$206,000.

AMR claims that they have identified all incorrect charges, repaid or credited all residents who were charged in error and instituted policy and procedures changes in the billing department to fix the billing errors in the future.

In order to determine if AMR had uncovered and properly reimbursed all over payments I obtained a database of all billing of ambulance trips that AMR charged for in the City of Manchester. I then sampled the database to verify AMR's internal audit assertions.

In order to determine if AMR recalculated and repaid/adjusted customers correctly I selected all 39 trips where refunds were issued plus 30 of the 296 remaining trips that were found to contain errors by AMR internal audit and recalculated the amount of refund/adjustment due. I then traced the amount calculated to the payment of the refund or an adjustment to the accounts receivable record.

In order to determine if all trips over paid were discovered I then selected a sample of 30 of 751 trips AMR internal audit determined could have been subject to over payment but were found to be free of audit errors and recalculated the amount due to determine if there were any undiscovered over payments.

In order to determine if city employee claims to the self insured health program were processed correctly I obtained a database from Anthem BC/BS of all city employees or dependent payments for AMR emergency ambulance trips. Determined if the correct amount was paid for the ambulance service and traced the Anthem payment to the AMR database to ensure that it was posted correctly. ( See observation 1 in prior section)

In order to further ensure that all over payments were handled correctly and to discover any overpayments occurring since AMR changed its procedures I solicited complaints from city employees and the general public in order to determine the cause and reconciliation of the complaints.

The result of my testing is as follow:

## **REFUND TESTING**

Tested all refunds processed by Internal Audit and found that they were all correctly calculated and refund checks sent in a timely manner.

## **TEST OF POPULATION DETERMINED TO BE ERROR FREE**

AMR's internal audit tested and determined that 752 of the trips they tested were correctly processed and contained no errors. In order to test the effectiveness of their testing I retested a sample of the trips. Out of a sample of 30 trips tested I noted the following conditions:

## **OBSERVATION 2 - BALANCES GREATER THEN CONTRACT ALLOWABLE SENT TO COLLECTIONS**

### *Observation:*

AMR Internal Audit performed testing on a population of all trips in the City of Manchester. The population was first reduced by eliminating all Medicare/Medicaid eligible trips leaving a population of non-contracted insurance, private pay and contracted insurance. Non-emergency trips were excluded. From this data set all invoices sent that were in excess of 135% of Medicare part b allowable amount were tested.

In order to ensure that no over billed accounts were erroneously determined to be error free I examined a sample of 30 trips out of 752 tested by Internal Audit and found to be error free. From the sample of 30 items selected for testing I found 10 trips that were inappropriately sent to collections at the usual and customary charge instead of the contractually reduced amount. In addition when I tested a sample of 30 out of 335 trips that AMR Internal Audit determined to have billing errors I found 3 additional trips were handled in the same manner.

While most of the trips were later reduced to the correct contractually reduced rate, by sending them to collections at the full usual and customary charge AMR causes a person's credit rating to be negatively affected by an exaggerated amount.

Testing also revealed a few instances where a bill was sent to collections that was in the process of being paid by either insurance or Medicare and was later paid in full. This also unnecessarily affects a person's credit rating.

### *Recommendation:*

AMR should adjust its billing practices to ensure that only the actual amount of the allowable billing be sent to collections after all efforts of collecting from insurance or Medicare are exhausted.

*Auditee Response:*

Only 12 of the 20 trips noted in the initial observation as being in collections at full Usual and Customary Charges were confirmed per AMR's follow-up audit. All other trips were already adjusted appropriately previous to this audit.

In 6 of the remaining 12 cases, AMR is aware that the patient was paid in full by their insurance provider. Therefore, these trips will remain at full Usual and Customary Rates (UCR) until compensation is made to AMR by the patient.

AMR reserves the right, per the city contract, to collect any payments received by patients from their insurance provider as a result of services provided by AMR. Due to current out-of-network provider practice, AMR is no longer capable of knowing what, if any, payments have been made directly to the patient. As a courtesy to the remaining 6 patient trips found at full UCR in collections, AMR has adjusted their remaining outstanding balance to 135% Medicare allowable. It is important to note, however, that if full UCR payment has been made to these patients by their payor, AMR is not aware at this time. As a result, if full payment was made to the patient, the patient is being held accountable for an amount well below the amount they have received from their carrier for services provided by AMR.

**OBSERVATION 3 - CHARGES IN EXCESS OF CONTRACT ALLOWABLE**

*Observation:*

AMR Internal Audit performed testing on a population of all trips in the City of Manchester. The population was first reduced by eliminating all Medicare/Medicaid eligible trips leaving a population of non-contracted insurance, private pay and contracted insurance. Non-emergency trips were excluded. From this data set all invoices sent that were in excess of 135% of Medicare part b allowable amount were tested.

In order to ensure that no over billed accounts were erroneously determined to be error free I examined a sample of 30 trips out of 752 tested by Internal Audit and found to be error free. From the sample of 30 items selected for testing I found one trips that appears to have been overpaid and no refund appears to have been paid.

*Recommendation:*

It appears that not all of the trips that were determined to have been error free were in fact error free. One additional error was found by my office. AMR Internal Audit did not look at accounts that had a zero balance and thereby missed this error. AMR should re-audit all zero balance accounts in this population to determine that no similar issues have occurred. In addition while it appears that changes to billing practices may have eliminated billing errors it still appears that communication between patients and AMR over billing questions do not appear to be resolve in a timely or effective manner. I am therefore recommending that AMR open a billing operation in the Manchester area that would be responsible for the unique requirements of the contract with the City of Manchester as well as NH laws and regulations.

*Auditee Response:*

A follow-up review between the city auditor and AMR that occurred on 10/10/12 reduced the number of errors identified in this observation to only one. This trip (selection #2) required a refund of \$116.62, which was completed on 9/27/12. Although an error, this trip did not fall within the initial AMR audit criteria.

Below is a summary for the remaining selections:

Selection #21 is not an error as a refund was sent to the patient on 3/29/12.

Selection #22 is a trip that was paid in full to the patient by the patient's insurance provider, so no refund is due.

Selection #19 is an auto insurance trip in which the patient was paid in full by their auto carrier. The patient is currently making payments on this account.

Selection #7 is a very good example of the timing and complexity of medical billing. The trip was billed and denied by Medicare initially stating no medical necessity in November 2011. The patient decided to appeal with Medicare while making \$25.00 monthly payments to AMR. The patient paid a total of \$125.00 until receipt of a Medicare payment in July 2012. Upon posting the Medicare payment, an overpayment on the account occurred and a refund in the amount of \$38.05 was sent to the patient on 9/6/12.

Backup documentation for these trips has been provided to the auditor in addition to this response.

**TEST OF TRIPS WHERE ERRORS WERE FOUND**

I tested a sample of 30 out of the 335 trips that AMR Internal Audit found over payment errors and found that all the over payments were recalculated correctly and the accounts adjusted correctly.

**COMPLAINT TESTING**

During the course of the audit I received many complaints concerning the audit billing. A large percent of the complaints were concerns that the usual and customary charges shown on the bill appeared to be way too high. Several of the people registering complaints had used the previous ambulance service and recalled how much lower the charges were. Several of the people lodging complaints were either out-of-town residents or took non-emergency related trips that are outside of the contract provisions being tested.

Forty-seven trips made the criteria of being City emergency transport. Of the 47 trips 30 complaints were determined to be correctly billed or the complaint was for other than over charging. Of the 17 trips investigated further it was determined that many were the result of the lack of a provider agreement between Anthem and AMR as noted in Observation 1. Two employees received checks from the insurance companies that appeared to be in excess of the

billed amount but were actually correct as AMR was unaware of the insurance payment and adjusted the bill down to the contractually allowed amount. Because it was an insurance paid trip with a non-contracted insurance provider the UCC amount was appropriate and the money is owed to AMR.

Another common complaint was the difficulty of dealing with AMR service reps. The service reps are in Ohio, were difficult to get a hold of and in many cases the patient found the responses uninformative or in a couple of cases rude and hostile.

There is also a time lag between when a payment check is cleared by the bank and posted to the patient's account. This caused instances where a check had cleared but the patient would get a bill that still showed that they owed money.

Insurance payments also tend to be slow in getting to AMR or posted to the patient's account causing them to get notices that they were in danger of being sent to collections when they were waiting on the insurance to get resolved. This is a particular problem with Medicare. Medicare on some occasions would deny a payment at first then after an appeal process the payment. This could take up to a month or more to resolve itself and during the appeal process the account would be sent to collections. See observation 2.

## OTHER ISSUES

### OBSERVATION 4 – NON-EMERGENCY TRANSPORTS

#### *Observation:*

The contract with AMR only governs emergency service. Medical transports that are not of an emergency are outside of the contract and are subject to AMR's usual and customary charges. According to the survey done by the New Hampshire Insurance Department on ground ambulance transports AMR was noted to be in the top 10 of high cost for emergency ambulance services.

When someone is transported to an emergency room on a 911 call AMR is restricted by the contract with the City and Medicare/Medicaid as to what they are allowed to charge. If an elderly resident is sent to the emergency room, stabilized and then sent to another facility for care not available at the receiving hospital or to a rehab facility it is no longer considered an emergency service and therefore falls outside the contract provisions. Because they have the contract with the City of Manchester for the emergency services it appears to be routine for the hospital to give the business for the non-emergency transport to AMR. Patients do not appear to be given a choice or at least informed of the cost and alternatives to transport by AMR. In Addition Medicare/Medicaid will not pay for the non-emergency transport. It was noted during the testing of citizen complaints that an elderly person would be transported to the emergency room which is picked up by Medicare and cost the patient approximately \$80 for the trip. They then are transported a couple of miles to a rehab facility on a non-emergency trip that is not covered by Medicare and are responsible for a bill well over \$1,000. If they had called another medical transport company the bill could possibly have been \$100 to \$200 dollars.

#### *Recommendation*

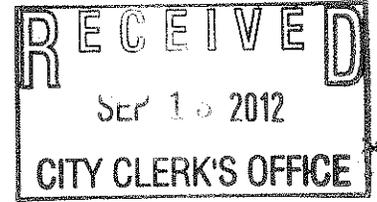
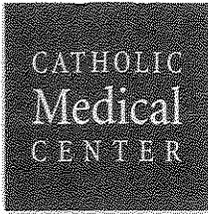
The Board of Mayor and Aldermen should seek legislation through its representatives in Concord to require hospitals to inform patients of the costs and alternatives for non-emergency transportation services from the hospital to other facilities. The Board should also consider adding non-emergency ambulance services to its Compass incentive program.

#### *Auditee Response:*

*The Centers for Medicare and Medicaid Services (CMS) govern the rules and regulations for ambulance providers with regarding to reimbursement for services provided to Medicare beneficiaries and Medicaid recipients. Both Medicare and Medicaid have reimbursement benefits for both emergency and non-emergency ambulance services when the coverage criteria of the beneficiary's / recipient's plan have been met. AMR provides both emergency and non-emergency ambulance services based on requests for services as they are called in either through the 911 system, a private caller or a staff member of a healthcare facility. For the non-emergency ambulance services, documentation must support that the patient could not have traveled safely by other modes of transportation (i.e. wheelchair – gurney van). AMR continues to partner with healthcare facilities regarding education and ensuring that the facility has the*

*tools to determine if the correct mode of transportation is provided for the patient prior to contacting providers of services.*

*This provides another example of the unique and complex nature of ambulance billing and demonstrates the need for billing expertise to ensure appropriate billing of all payors.)*



September 10, 2012

Matthew Normand  
City Clerk  
City of Manchester  
1045 Elm Street  
Manchester, NH 03101

**Re: Assessment and Taxation of Hospitals**

Dear Mr. Normand,

This letter is in response to the July 31, 2012 letter sent to Edward Dudley, Chief Financial Officer for Catholic Medical Center, by Robert Gagne, Chairman of the City of Manchester Board of Assessors, requesting a written response from hospital representatives regarding “whether it is their intent to continue to claim real estate tax exemption under RSA 72:23 in light of the implementation of the Patient Protection and Affordable Care Act.” Mr. Gagne asked that we respond directly to you with a copy to him.

Catholic Medical Center (“CMC”) appreciates the opportunity to address this question. We understand that healthcare is undergoing tremendous change, especially in terms of how hospitals are reimbursed for the care they provide. Passage of the Affordable Care Act and the Supreme Court’s decision in July did nothing clarify these complex issues and we understand why the Committee on Accounts, Enrollment and Revenue Administration raises the question concerning charitable tax exemption.

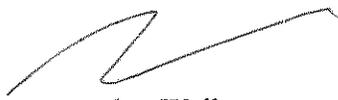
I will briefly respond to the specific question by stating that CMC does, in fact, intend to continue to claim real estate tax exemption under RSA 72:23 for the properties for which it is currently exempt. The following are but a few of the reasons why the implementation of the Affordable Care Act will have no bearing on CMC’s charitable property tax exemption:

1. In ruling on the constitutionality of the Affordable Care Act, the United States Supreme Court ruled that the federal government could not force the states to expand Medicaid coverage to those earning up to 138% of the federal poverty level. As a result, individual states, including New Hampshire, are in the process of determining whether or not to expand Medicaid eligibility. It is premature and uncertain, therefore, to make any determinations about the extent to which Medicaid expansion will impact hospitals in New Hampshire.

2. It is also premature to make any determinations before the elections in November given the very different positions of each candidate/party on the topic of the long-term viability of the Affordable Care Act.
3. Even if Medicaid expansion were to take place to the fullest extent in New Hampshire, Medicaid only reimburses hospitals for a fraction of their actual costs. As a result, hospitals will continue to absorb those unreimbursed costs as charity care.
4. Even with Medicaid expansion, there will be many citizens who, for whatever reason "fall through the cracks" and do not sign up for expanded Medicaid. Those individuals will continue to be cared for -- free of charge -- if and when they show up for treatment at CMC.
5. Expanded Medicaid coverage does not take into account the underinsured population for which CMC is required to provide care. Specifically, individuals who have high deductible health insurance plans who cannot pay their deductible or co-pays. Like the uninsured population, CMC treats these patients and absorbs any unreimbursed costs.
6. CMC provides millions of dollars a year in charity care and other community benefits which will continue to be provided under whatever version of the Affordable Care Act is ultimately implemented in New Hampshire.
7. Finally, New Hampshire law states that organizations like CMC which provide healthcare services to the public without regard to a patient's ability to pay are exempt from taxation pursuant to RSA 72:23. CMC's mission of health, healing and hope and to provide healthcare to all regardless of ability to pay will not change regardless of the outcome of the implementation of the Affordable Care Act. New Hampshire law, therefore, provides CMC with a charitable property tax exemption pursuant to RSA 72:23.

We welcome additional discussions with the Board of Mayor and Aldermen on this topic. As always, please feel free to contact me if you have any questions.

Sincerely,

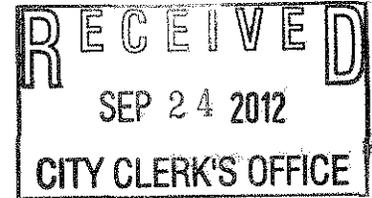


Alex Walker  
General Counsel

Cc: Robert J. Gagne

September 20, 2012

Matthew Norman, City Clerk  
City of Manchester  
One City Hall Plaza, West Wing  
Manchester, NH 03101



Re: Elliot Hospital A-9 Charitable Exemption

Dear Mr. Norman:

I am in receipt of your letter to Douglas Dean and me dated July 31, 2012.

The Patient Protection and Affordable Care Act (PPACA), as originally passed, is complicated. As a result of the successful legal challenge to PPACA's expansion of Medicaid, it is just as likely that fewer uninsured citizens will be covered. Consequently, we are still reviewing the provisions of the law to understand its implications.

Effective July 1, 2011, the State of New Hampshire changed the manner in which it utilizes matching federal funds to partially reimburse hospitals for losses incurred in treating Medicaid and uninsured patients. In fiscal year 2011, Elliot Hospital received \$16.8 million from the State in federal matching funds to partially compensate the Hospital for losses incurred in treating Medicaid and uninsured patients, while paying a Medicaid Enhancement Tax of \$14.6 million. In fiscal year 2012, Elliot Hospital did not receive any matching funds for losses associated with Medicaid and uninsured patients, but continued to be assessed a Medicaid Enhancement Tax of \$16.8 million. The net effect was a reduction of \$18.3 million in payments for treating Medicaid and uninsured patients.

As you know, RSA 72:23 allows the building, lands and personal property of charitable organizations to be exempt from taxation. At first glance, it does not appear that the PPACA affects RSA 72:23. If you have information that the federal law does affect the provisions of RSA 72:23, we would appreciate if you would share that information with us.

By way of providing additional information to the aldermen and you, Elliot Hospital and affiliated entities pay real estate taxes on certain properties, some of which could be exempt. For the tax period from October 1, 2011 through September 30, 2012, Elliot Hospital and affiliated entities have paid approximately \$580,000 in real estate taxes to the City of Manchester.

In addition, Elliot Hospital and affiliates provide uncompensated care to individuals who do not or are unable to pay for medical care. The cost of uncompensated care provided to patients in

Matthew Norman  
September 20, 2012  
Page 2

the greater Manchester area increased by 14% during fiscal year 2012 to \$36.6 million. Of this amount, 62% of the uncompensated care was provided to residents of the City of Manchester.

If you have additional questions, please contact me.

Sincerely yours,

A handwritten signature in black ink that reads "Richard A. Elwell". The signature is written in a cursive style with a large initial 'R'.

Richard A. Elwell  
Senior Vice President and Chief Financial Officer

cc: Douglas Dean, President and CEO, Elliot Hospital