

**COMMITTEE ON ACCOUNTS, ENROLLMENT
& REVENUE ADMINISTRATION**

March 10, 1998

5:30 PM

Chairman Hirschmann called the meeting to order.

The Clerk called the roll.

Present: Aldermen Hirschmann, Thibault, Girard, O'Neil.
Alderman Girard arrived at 5:38 PM.

Messrs.: Kevin Clougherty, Joanne Schaffer, Diane Prew, Dawna Rooks,
Teresa Avampato

Chairman Hirschmann addressed Item #3 of the agenda:

Communication from Diane Prew, Information Systems Director, seeking approval for herself and Rick Linder to attend the HTE User's Group Educational Conference being held in Orlando, FL from May 3-7, 1998 and requesting a total of \$2,525.00 for registration, travel and accommodations.

The Chairman pointed out that the Committee also received a request from the Finance Department for travel to the same conference and indicated that the Committee would take up the items together. Ald. Hirschmann asked K. Clougherty: Didn't we make a recommendation last month that we probably shouldn't be doing this?

K. Clougherty: My recollection was that during the next budget, I don't think the Board wants to be doing this, but in the meantime, the previous Board gave to you, and you have to deal with it now.

Ald. Thibault: Let me ask you this, Kevin. In the past, did you have this in your own budget and you would do that out of your own budget?

K. Clougherty: Right. Because the Departments under the old charter and the new charter, have the responsibility to spend. And the more the Board gets into it, the more you're doing in administrative issues. Like in Personnel here. The more you act as an administrative agency, you're in conflict with the charter.

Chairman Hirschmann: Can we ask a question? What is the travel balance before we start handing out money?

K. Clougherty: I thought there was \$15... I mean, there's sufficient funds to cover these. And, certainly, if somebody comes back in we're going to have to take a look at contingency and move dollars. But there's sufficient dollars to cover this and there's still a balance after.

Ald. Hirschmann: Could you give us a balance? What I anticipate, everybody, is that next month somebody else is going to have three requests. And this is through the nature of the beast. If they know there's \$10,000 there they will find a conference.

Ald. Thibault: Maybe we should put it back the way it was before. That's the problem.

K. Clougherty: Well, I think when you do the budget next time, what we'll tell the Mayor and what we'll tell the Board is that you shouldn't, in the budget, make these arrangements where you appropriate the money and then you have to the administration. What you're saying is that we're appropriating "X" number of -- you know, \$25,000 -- and then give it to some administrative agency to have.

Chairman Hirschmann: What I'd like to see are two scenarios: The first one would be, if it stays this way, when all of the department heads budget for their conference and travel, they give the budget team a number. So then we say, Is this part of the \$25,000 number, yes or no. It's kind of petty, but...

K. Clougherty: I mean, you can just add it all up and then cut back. But cut it in the budgets. Let them decide.

Ald. Thibault: One more thing, what is this going to do, Kevin. In other words, is this to enhance what you people already know about this system. Or is it because of some of the new things that you're putting in.

K. Clougherty: I'll take a first crack at it, but I know Diane's in the back here, and she's more involved with the conference. We've got almost a \$3 million investment if you add in all the time and everything else. This is a users group. Now, most of these major systems have these things called user groups, and what it is -- Connecticut has this system, other cities and towns have this system, the State of Florida has -- all these other users get together once a year, and they talk about the system. And the beauty of this thing is that you can find out from the other users, what problems they might have had with the system, or what

applications they have. So they might say, "Hey listen," while you're sitting there talking to them in a discussion about payables, and you say "Listen, you can do something with the blanket PO's that someone else has been doing, and it saves a lot of time and fills in your system. The reason we're talking about this year's conference, sending people, and I want to make this quick. I wouldn't anticipate sending a lot of people next year. We're always going to want to send Diane and maybe one other person from the departments because, as we've told you, we're trying to create our own little user group in the city. And once we have the user group from here, we'll send that representative down there. But this year, there's a ton of concurrent meetings. So if we've got one person there, they may go sit in on one meeting and miss three others. So for the first time, we want to make sure that we have enough people to cover all that stuff and then we'll go from there.

The Chairman recognized Alderman Rivard.

Ald. Rivard: I think I understand it. Having the experience to participate in the Public Works Conventions that have been held throughout the country, I know that they have been most beneficial. Frank and I have had the opportunity to attend and so, obviously, I would support this. We've never been able to go with the numbers you're going with, but nevertheless... You've got five going? Is that what it looks like?

D. Prew: One thing is that, you have representatives here from the Finance Department, but what we've purchased from HTE is everything except the Public Safety modules. So there is tax collection, utility billing, planning, building permits, and so on. So it is possible that a representative from the Water Department may wish to attend.

Ald. Rivard: This same conference?

D. Prew: Yes. This conference covers everything...

Ald. Rivard: I just want to figure this out. We have a budget. The Highway Department. We used to have a travel budget. \$5,000. We used to draw off that and it would get approved. Is that correct?

Chairman Hirschmann: That's correct.

Ald. Rivard: If I understand this correctly, those funds were taken away from the departments and pooled. So you have a pool here, and it's possible that the \$5,000 that the Highway had appropriated could be spent by someone else?

Chairman Hirschmann: That's correct.

K. Clougherty: Or you could cut it down.

Ald. Rivard: So they've lost control? So now what you do is you've got a big pool and you're spooning it out. So those that don't apply may get lost in the shuffle. What you've suggested is that this procedure should not continue.

K. Clougherty: Right.

Ald. Rivard: I agree.

K. Clougherty: I think it should be in the departments hands.

Ald. Thibault: I agree.

Ald. Rivard: As long as it's approved by the Chief of Police, the Fire Chief, or Frank Thomas, or whoever it is. They should have control of that.

K. Clougherty: And if you want to cut that back in the budget process...

Ald. Rivard: Cutting it back is one thing, but giving the control to us, I don't think that should be done at all.

K. Clougherty: As we've said before, you shouldn't be doing an administrative function. So what they did, they took all the money and cut it back a little bit so there's not enough. The money we're asking for is not in excess of what we had in our budget.

Ald. Rivard: We asked you this question of how much we have left, and you don't know...

K. Clougherty: We've been tied up with some other things...

Ald. Rivard: I understand, but I mean, it works just as well, but I think what they were trying to do was squeeze everybody here.

Ald. Thibault: But with the investment of the computers that you guys have gone into now, it would be crazy not to go out and get the rest of this information. That's why I'm saying we I move on this.

A motion to approve the travel requests was made by Alderman Thibault and duly seconded by Ald. Rivard.

Chairman Hirschmann: My only comment is that with all the whirlwind going around HTE, I think we should do this.

Ald. O'Neil: What do you want to do about the other departments?

Chairman Hirschmann: Well, the major players for HTE were Information Systems and the Finance, I believe. Those were the two main thrusts behind the project, weren't they Kevin?

K. Clougherty: Yes, for this first stage. But as Diane says, as we get into other things you've got the geographic maps in the Assessors Office, there are going to be a lot of people interested and you may find there's some interest to send some other people.

Chairman Hirschmann: For the modules that we've purchased, we've already spent \$3 million?

K. Clougherty: No, \$2.5 million.

Chairman Hirschmann: Can't we get them to send us a few tickets to the conference? For \$3 million!

Ald. Thibault: I would think after this year, Kevin, if I hear you right, after this year maybe we'll have to send one person from Diane's office, possibly two, but we shouldn't have to send Water Works, and Highway, and all these other guys. She's got the information, she should be able to distribute it to the rest of the departments.

K. Clougherty: And the other thing, too, is just the nature of this year's program. It's got all these concurrent sessions. If you send just one person, you're not going to get the coverage you need.

Chairman Hirschmann called a vote on the pending motion. Motion passed.

Chairman Hirschmann addressed item #4 of the Agenda: Discussion relative to the City's revenues. Revenue Handbooks had been previously distributed to the Aldermen.

J. Schaffer: These are older handbooks. We haven't made anything more recent than these. So we have to basically copy data for the Committee. This is the way we had initially set it up. Going to the HTE system, we have many more breakdowns than are currently listed in this particular handbook. This gives you all of the overviews of the revenues that the City is currently collecting. I'm on page 1, basically looking at the first revenue source. And as I think we had briefly mentioned at one of the previous meetings, this gives you the initial revenue source that we had in the old financial system, and unfortunately we don't have a crosswalk table for you now to relate that to the new system. But what we're going to try to do for the next meeting is have a revenue forecast that will have some definitive figures in it and let you know where you basically stand for this fiscal year.

K. Clougherty: What you've got to understand, under the old system it was very simplified. Where you may have had five revenues, under the new system we may have twice that much because you take and break the revenue down even further so that you can where the money and source of funds are. So, what we're doing is, in this first year, we let departments do that. Some of them as they're going through, saying I really kind of overkilled, I didn't need five, I only needed one. So as we get through this first year, the end of this third quarter, we're starting to get a feel for which ones we want to continue for next year and prune that back a little. Joanne will give you the crosswalk that shows what the old one was, which is basically this, and how it's been broken down, and then give you a report on where you are so you can understand. Otherwise it gets a little complicated.

J. Schaffer: If you go to page eight, this will kind of be an example of what you're going to see. We have amusement licenses there and you have five or six items under the rates. What we've done on the HTE system is we've set up an individual way to segregate and measure this revenue for each of these particular items. Now, in the LGFS system, it all went as a blanket into amusement revenue -- or amusement licenses.

Chairman Hirschmann: So now there's subcodes.

J. Schaffer: Right, to break it down more definitively.

K. Clougherty: So what we're going to be doing is redoing the manual and instead of giving you one code here we're going to give you five breakouts. So that's what they're in the process of doing now, but we don't want to publish it or print out a document because we know some of those, because of our experience this year, we'll get down to that for next year's budget and you'll get a complete

list of that. And then that should last for the life of the system. The other thing, too, that's driving that is the state this time, this past year, made some changes and issued two regulations as to how they want to see the school department account for its funds, and we're incorporating that stuff in here. That's one reason we delayed things to make sure we complied with what they did.

J. Schaffer: Additionally, too, in addition to the school department, water is coming on to this system full blown also, which means that they have a more definitive breakdown for their revenue sources also. So we never had any of those broken down or measured in here because this is strictly a general fund. We're hoping to work in all the profit revenues and all the individual revenues for all the other entities that comprise all of city government. And as we were going through and working with the departments, we found out that in some instances they weren't really reporting or breaking some of these revenues down the way that they are mentioned here. So we're going through a whole revision exercise at this point. A couple of these had been updated, of course, after we put this book together. And a couple of them, I think, had been eliminated because it was really -- especially in some of these City clerk type of revenues like amusement licenses, and dog licenses -- we found that they are not breaking it down to this degree. So what I think what we're going to eliminate, and regroup again for the next fiscal year. This was a transitory year for us, and we're trying to break things down as much as possible because in accordance with the Revenue Policy which I don't think we've gone over to any degree of completeness, yet; part of what we wanted to incorporate was a cost of accounting system, cost analysis. And part of one of the things we would like to accomplish through the revenue policy is to determine what the charges are for the services that the city is offering via a service or something that is fee based. Is the city recouping its revenue to the extent that it could. And, of course, you don't want to recover the revenues completely because in some instances there's a policy decision if there's a determination made that these are services that should be provided to the tax payers of the city.

K. Clougherty: But at least you would know the difference. And so, if for example the Practical Arts, how much does it cost to operate that? And how much are we charging people to go in? And if you decide that you want the difference there, or School decides, that's great. But at least you know what the difference is to what you're allowing people. That's not been the case in the past, and that's why we've been so supportive of what School's been doing with the audit program we're they're trying to qualify some of their revenues. Looking down the road a year, with this new system and all these things coming on line, you're going to have a much better detail breakout of where you are.

J. Schaffer: So what we're going to do, basically -- and I'll be perfectly honest with you -- we don't have all of the revenues in the system to-date on the new HTE system because we're still getting people on board with charting accounts, literally, and training them how to do input. So we have different departments that have completed their updates in different stages here. But what I have done is I have vowed to get one of those revenue forecasts for...

Ald. Hirschmann: I was curious. You can't really do that if everyone hasn't...

J. Schaffer: ...put their revenues into the system. And I can estimate based on what I know the actual collections are and the bank information I've got. But it would be much more conclusive to have the departments on board attesting to the fact that they have, in fact, received "X" amount of revenues, categorically, for these particular revenue sources.

K. Clougherty: See, one of the things that we did before we went into accounting systems, we re-did the banking. So the departments, when they deposit, they have their own individual department tickets so we know how much is being deposited in the bank daily, by department. So we can track that against some of these other. So if somebody may not have all of their entries for the cash that we've already put in the bank, so it may not be broken down the way we want it, we have a good idea of where that is. And that's what's going to be available for you. We've tried to have a fail safe there.

J. Schaffer: Now essentially for those of you who are new, if you noted already any of these individual descriptions on any of these revenue sources, you do know that it does have the jurisdiction where the sources for the accrual of this particular revenue. Some of them are by ordinance and some of them are by state law. And some of them formerly were the subs of boards and commissions of the various departments or entities of the City of Manchester. I think that has somewhat changed with some of the charter revision, and I think part of that is going to be left up to the department head in some of those instances.

K. Clougherty: And again, that's another area where, with the charter being so new, there are questions, so we're trying to wait until we get some definitive ruling on the Solicitor on some of these. We don't want to put together a book and then as soon as we put it out, we've got to change it and reprint it. So that's why we're holding off on that. But we are gathering all the information. We need to have that down.

J. Schaffer: Now, when you were talking before about revenues and the structures and the prices and the booking of the costs that are associated with actually

carrying out some of these things, for any of you who were members of the Revenue Committee last year, I think you're probably the only one here, you remember that some point in time one of the taxpayers challenged the amount of a compliance fee that was being paid for one of the buildings that was down...

Ald. Hirschmann: One of the tenements? Yes.

J. Schaffer: and that's part of what the exercise was, to determine exactly what the pricing is for one of these things is to set up a cost amount. But first we needed to have this in place because this would be a Building Inspector's job.

Ald. Girard: That is for the rooming house on Market Street?

J. Schaffer: Yes. Right. Where they were saying it cost the same for an inspection of a rooming house for an apartment in an apartment dwelling. And they figured they shouldn't be charged the same price as an apartment dwelling. And that's one of the things that somebody would need to assess. So once we have all of these new revenues in place, basically, and have them broken down. Dawna Rooks, who is our revenue administrator, is going to go through and do cost analysis on these. Tina Parsons had started on that particular project. She had actually gone out on a couple of daily runs with a couple of Building Inspectors to determine exactly how much time it actually took to do an inspection in a room vs. an apartment, the travel time, of course the depreciation on the vehicle, the usage on the vehicle, the gas, the administrative time when they went back to the office for putting together whatever assessments you have made. Same with clerical time to keep track of all of these things, whether or not they do comply, whether or not there is a necessity for a second visit, etc., etc. So there are a lot of items that need to be taken into consideration. And, of course, the fringe benefit aspect of the employees salary that is dedicated to that particular...

Ald. Hirschmann: Didn't we amend that? Didn't we make an amendment on that policy based on his case?

K. Clougherty: Yes. And I think that's really what the court wants. They want to have good information to make policy decisions. One of them is financial information, so if somebody comes in and raises a legitimate question, then we have a procedure, and we have a good basis to say, OK, we'll have these people look at it, we know what they're going to go through and how they are going to do the review. And then you have some confidence in the answers. I think we've come a long way. We're starting to get more detailed and it's just a matter of getting the information.

Ald. Hirschmann: I have a question just while we're going through. Since some of them are legislative items and some of them are policies of the Board, say like the amusement, mechanical devices. If they legislate those out next time, we'll have one whole new revenue source that we know ahead of time we're going to lose.

K. Clougherty: One of the things we had talked about was in going through the manual and updating it is taking any of those revenues that are in there today and instead of just, in that case, yanking it out, not including it, you might still include it with like a line through it, and say "repealed by state legislation on such-and-such". So some guy 10 years down the road says, "I got this great idea. I want to raise some revenue." You go back to the revenue handbook and there's going to be a record there that says, you know, these guys were doing it back in 1997 until the legislature told them they couldn't.

Ald. Hirschmann: It's a good idea because people have been recently asking me about head and poll taxes. I said I don't want to start any new taxes.

K. Clougherty: Exactly. If we had records going back it would be really handy and efficient to just look it up. We're trying to build a database here that people can use and if an Alderman gets a phone call at home, he can look it up and say, "Well, this is why we're doing this. It's been discontinued because of an ordinance change or federal legislation or whatever it is."

J. Schaffer: Now the city, of course, is always looking for new revenue sources because, as you know, we are more dependent on property tax collections to fund the operation of the city government than we are on these types of revenue sources. So this committee is also in charge of the responsibility of making any presentations to you gentlemen regarding any new items that might come up, and also whatever proper committees they might have to be forwarded to that we might have to appear in front of. And, for example, one of the items that you probably remember from last year is the additional automobile registration fee because that also had to do with the Traffic Committee. We presented that not only to Traffic Committee but also to this Committee for concurrence and your approval before it went to the Board of Mayor and Aldermen for final action.

Ald. Girard: Didn't the state legislature pass and the governor sign a bill allowing cities and towns to add surcharges to auto registration for road servicing.

K. Clougherty: Just recently?

Ald. Girard: Yes. What is it? Up to \$2.00?

K. Clougherty: I thought that maybe it was more than that, but I don't know. We'll have to look at that.

Ald. Girard: Something we might want to look at given the condition of our roads? But there might be less resistance to that than there was to the fees for parking garages because everyone uses the roads.

Ald. Hirschmann: I'm finding there's a lot of resistance to a lot of fees. But propose what you want.

Ald. O'Neil: Fees are taxes.

Ald. Girard: There's a lot of resistance to taxes. There's a lot of resistance to fees. There's a lot of resistance to having services cut, too.

K. Clougherty: Last time around, there was a motion, I think by Alderman Domaingue, and I think it passed, that new revenues have to go to a public hearing -- over a certain amount.

Ald. Hirschmann: And I think we would order it to a public hearing if it comes here.

K. Clougherty: Right. But in order for it to go to a public hearing, you would need some costing information so you can say to people, "OK this is what's being proposed." And this is how this can help out because you people can say, this is what's envisioned by this new revenue. This is how much is expected to come from it. Here's who's going to pay it. Then the public can comment on something because they'll have something in front of them instead of just a one or two line description of new revenue.

Chairman Hirschmann: From what I remember, for everybody's knowledge, the original notion was to have a public hearing for all increases in revenues and then it got amended for just new revenues so that we can increase a dog license, take recommendations from staff for any revenue source.

K. Clougherty: It would be a new one so you'd have to go to public hearing, and I think, again, that's a Board level issue where you'd have to decide if you want...

Chairman Hirschmann: And that's probably a good policy. I mean that way something doesn't just appear out of the blue and we tax people.

J. Schaffer: I think that in today's society, with the budgets of governmental entities are continually rising, I think people are looking at different fees so that the taxpayers aren't always hit with the brunt of all of the taxes. So I think -- it's the same thing -- it all depends on your philosophical view and the policy that you want to implement, which way you want to go. If you want to assess these costs specifically to the user or do you want the whole constituency of property tax owners to pay for those fees, basically.

K. Clougherty: Or not provide the service.

J. Schaffer: Right. Those are the decisions that you need to make on a regular basis. And I think we went through that with the bag and tag program, whether or not to individualize some of those fees, we did that with the automobile registration. I think that's one of the items that the public hearing concept arose out of because there was a lot of dissension and discussion about that particular item about that then also.

K. Clougherty: What we're going to be doing is dispatching information. We're just going to take a look at the source and do the numbers and say, "Here's how it works and here's what it is." And sometimes we get people trying to influence us and say well it would really be to our benefit if it's a department trying to get something passed, to say well, geez, maybe you could present it our way, or if it's being raised by an Alderman, he'd say maybe you can make it... What we try to say is, we're giving you the whole picture. You may not like us to give the whole picture, but we're going to give you the whole picture and then you can decide if you want to trim back or what options you have. But we're always going to try to give you a complete analysis to the extent that we have the information.

J. Schaffer: And we'll be coming up with new revenue sources so we'll be rehashing some of the items that we've gone over last year. I know, if I said in terms of continually seeking revenues, we try to seek out some of the things that we think are reasonable and then a lot of the other communities will look at it. For example, we did a presentation on the nonprofit taxes program which is a very controversial issue. But I think with so much of the properties in the larger cities being taken over by nonprofits -- or being used for nonprofits -- that's a matter that seems to continually come up in front of people. It's an area where you could affordably provide a little of the amount being deprived from taxation.

K. Clougherty: That's the intent of the handbook. We encourage you to go through it, look at it and understand it. We're trying to update it as we're going through this process.

Chairman Hirschmann: Communication is probably so important. That mill rated increase that happened last year probably could have survived, but the communication. When people went to register their cars, what happened was there was a double-whammy at the same time. I don't mean it was a whammy, but...tires and batteries and oil. There was a segment...

J. Schaffer: Reclamation Trust.

Chairman Hirschmann: The Reclamation Trust was a segment in that fee. There was actually two increases in the fee, but nobody could explain it properly. So everybody got the calls at City Hall and the Aldermen got calls, and everyone gave up and said, Let's get rid of this. Because it was on fire by then.

K. Clougherty: That was unfortunate, because that really was the best source of funding for your parking garages and it's something you need to do.

Ald. Thibault: But there is a problem with that. You go into areas of the city where they're on the outskirts, what you'll find is that instead of someone paying for the city to pick up those tires, they're going to throw them out there. The batteries. They're ending up all over my ward. I have to keep cleaning these things out constantly.

Chairman Hirschmann: Everybody that registers their car now, Hank, you can drop off your tires and your batteries for free at Dunbarton Road.

Ald. Thibault: Nobody's ever told me that.

Chairman Hirschmann: Like I said, communication. We're not coming through with the information.

Ald. Thibault: Well what I'm trying to say is that people who don't know that are throwing them all over the Douglas Street area and all of the outlying areas.

Ald. Girard: They were doing that before the Reclamation Trust.

Ald. Thibault: Oh, I'm sure that there's more...

K. Clougherty: You could promote it. You've already paid for this when you registered your cars. Take advantage of it and use it. It's a public relations issue and that's really something where the city falls down. We can come in and explain to you the numbers and the business side, you adopt the business decision,

but if it doesn't get promoted or marketed, then you're right. Not everybody will take advantage of it and that has to be followed up.

Chairman Hirschmann: There was one thing I wanted to ask. On dog licenses. Do renewals get mailed out?

Clerk: They will this year.

Chairman Hirschmann: I thought of that one. I said, you know, they weren't mailing renewals so people would let them slide. I know my poor dog is one of them.

Clerk: We actually completed a lot of data entry and developed a new program. Now we get rabies certification from the vets. We enter that into a database. We get the licensing information. That's put into a database. Now we can match them up and see what dogs are in the city that have been vaccinated which don't have licenses. And we've found that there are more dogs that are unlicensed in the city than are licensed. And we've got a mailing going out.

Chairman Hirschmann: I think I owe you \$9.00 for the past three years because I have the license for 94-95. You didn't mail me any renewals, so I didn't go down to City Hall.

Clerk: You will now.

J. Schaffer: In the back of the book are different types of charts which indicate each of these revenue sources and collections by month and by quarter and by semi-annual instances. Of course we had a change in the fiscal year a few years back, it kind of changed the way we looked at a lot of these numbers, so we had to reconstruct some of these. Now Dawna is building all these for the year past so that we will be able to present this revenue forecast to you next month. Now does anybody have any specific questions about anything that relates to revenues or something we could research and put together for you for meetings?

Ald. O'Neil: I had one. This is obviously a political...but the reality is it looks like this video poker thing is going to... It's \$500,000 now. I know it's a budget item.

Clerk: It's \$444,000. Renewal will probably be \$400,000.

Chairman Hirschmann: Close enough. Is somebody watching that at the state level for our city?

K. Clougherty: Yes. They might be watching it the wrong way from a revenue standpoint. Maybe the right way from a societal standpoint.

Ald. Girard: Just to bring something up, though. I mean, part of what we have to base that fee on are police and city clerk enforcement efforts because, as you know, you can't charge a fee in excess of your enforcement efforts otherwise it's considered a tax by the state. So perhaps one way to address the issue is to cite changes or shifts in police expenditures or city clerk expenditures where the enforcement is no longer necessary for those licenses to show that that is being used in another way. I realize that in the aggregate it's probably a half million dollar hit, but the truth of the matter is that you are probably going to save a lot more on enforcement and be able to put that money somewhere else.

Ald. O'Neil: We're not doing \$440,000 worth of enforcement. I can tell you that.

Ald. Girard: The Police Department would disagree with that.

Ald. O'Neil: We're not. I can tell you we're not. We're not doing \$440,000; we're not doing \$100,000 worth of enforcement.

Ald. Thibault: And their enforcement is wrong because of this. There are many machines out there that are not licensed. And they should be trying to enforce that rather than what they are enforcing.

Chairman Hirschmann: If you find any out, you should report them.

Ald. Thibault: The other thing would be this. The way to really enforce that would be to contact the people that supply the machines and have the money come out of there. And if you find him lying, charge him \$20,000 or \$10,000.

Ald. O'Neil: in actuality, in reality, it looks like the legislation is going to change or be passed and we have to somehow figure out how come up with \$400,000.

Chairman Hirschmann: We'll sit back and see what happens.

Ald. O'Neil: That's a significant revenue for us.

K. Clougherty: Yes. There's a couple issues with the City Clerk's Office. The UCC is another one.

Chairman Hirschmann: Is the budget team even considering even keeping that revenue source in the next budget? (noise. multiple conversations) We have to have one meeting here. Thank you.

J. Schaffer: For your general information also, gentlemen, each department is responsible for collecting the revenues that are administered by them and they make their own deposits, do their input, and basically reference out bookwise and cashwise with the Finance Department. Everybody participates for internal audit control.

Chairman Hirschmann: Revenue-wise I don't have any questions. I don't know if anyone else has a question? The only account that I was interested in that we didn't have on the agenda tonight was School Food & Nutrition but I was more interested on the expense side than the revenue side.

K. Clougherty: Certainly, I'll remind you that the School Department -- any Department, except the Traffic Department which deals primarily with Traffic -- but if you have an issue with that department you can certainly invite them in and ask them to respond, and they will. We have had School attend these meetings in the past.

Chairman Hirschmann: So what happened? I made that motion at the full Board. What happened? Where are they? How come it's not on my agenda?

Ald. Girard: Just as an aside, I was speaking with Frank Thomas not too long ago about CSO's and he said he hadn't received a communication from the CIP requesting that he come before the committee for a presentation.

Clerk: I'm sorry What was that one?

Ald. Girard: CIP, a couple meetings ago, they asked Frank Thomas of the Highway Department to come to the Committee to give a presentation of where we are with CSO's. I was speaking to Frank not too long ago and he said that he hadn't received anything from the Clerk yet.

Clerk: OK. I'll check into that.

J. Schaffer: Before we get off of this, I will introduce Dawna Rooks who is our revenue administrator, I'm not sure if all of you have met Teresa Avampato, she's our new internal auditor, and she's going to be doing a lot of these audits that we're going to be charged with in this particular fiscal year and next also.

Chairman Hirschmann: At the last meeting we discussed doing this. We're going to do a couple of departments, or?

T. Avoncado: Yes. We're at the beginning stages right now. In order to develop a good program we need to review the security access controls on HTE and review the ordinances and other elements. Right now we're in the process of looking at the security access controls. We have inquiry capability that Information Systems gave us to look into the system and we're starting with Finance and Information Systems and we're going to look at all the other different departments to make sure that they don't have access to areas that they shouldn't. So that's the first step.

K. Clougherty: In the computer, when Frank Thomas decides if he wants input put in for accounts payable, he has to say who he wants to have do that. He doesn't have everybody do it. And authorization for payroll. Only one person should have authorization for payroll and there has to be paperwork from the department head authorizing it. So there's a clean line of command, if a check gets cut or if a payment gets made as to who did that. So that's what they're doing now. They're going back and checking through the system all those authorizations and making sure for every one of those that those are right and accurate as we start off a new system. And the, as people want to change, we felt that was the most important thing to focus on. So that's what they are looking at now. It's not auditing any departments, it's really auditing the system to make sure all the controls are there. Then they will come back and we'll, at the same time, draft a program and then you can go back up. Once you know that the proper controls are there, then you can come up and take a look at the rest.

Ald. Rivard: On the motion for the travel, was Finance included.

Chairman Hirschmann: That was a joint consideration. We voted for both at the same time.

Clerk: That's how I recorded it.

There being no further business to come before the Committee, on motion by Alderman O'Neil, duly seconded by Alderman Thibault, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee