

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

December 13, 1999

5:15 PM

Chairman Hirschmann called the meeting to order.

The Clerk called the roll.

Present: Aldermen Hirschmann, Rivard (late), Thibault, O'Neil

Absent: Alderman Girard

Messrs: R. Sherman, J. Shaffer, S. Tellier

Chairman Hirschmann addressed Item 5 of the agenda:

Review of Expense and Revenues Reports for November, 1999.

Reports were handed out to the Committee members.

Mr. Sherman stated we apologize. We thought these had gone out on Friday and that you would be getting them over the weekend.

Alderman Thibault asked has anything really changed. You have given us this report before.

Mr. Sherman answered these are new. The last ones you had were for October. We have them for November now. On the expenses there is nothing out of the ordinary there. School is not on here. If you recall, on the expense sheet we do have that \$6.8 million school charge back number. It is the third one up from the bottom. There are some charge backs that have now been going through the system, which is one of our concerns that the departments would follow us on that. On the revenue side, we don't see anything out of the ordinary either at this point.

Ms. Shaffer replied right. I think that you would probably note that some of the numbers are a little bit more than you would anticipate. Some of these numbers, for example, the revenue sharing distributions and what not come in from the State in December. So when you get the next report for the period ending December, a lot of the numbers will probably make more sense and will be more on target. Some of these revenues are only received on an annual or semi-annual basis like

the fees for some of the fire department's devices like mechanical devices. I think those of you who have been on this Committee for awhile recognize that those are revenues that are collected at a specific time of year.

Alderman O'Neil asked mechanical devices, do you know what that one item is off hand. I got it. It is 4709.

Chairman Hirschmann stated there was \$580,000 budgeted. It says revenue of \$9,494.25. That's it?

Alderman O'Neil asked how is the legislation that becomes effective on January 1 going to affect this.

Chairman Hirschmann answered we are already off \$570,505.75 so it can't hurt us. We are not making any money in doing this. We have only collected \$9,000.

Alderman O'Neil stated because they are not renewable until May. It is the end of our fiscal year.

Clerk Bernier stated your question is because of the new legislation that makes it a felony. I can't determine what that is going to do. We are going to come in...I would assume...

Chairman Hirschmann replied those are late revenues.

Alderman Thibault stated most of them that I have talked to are going to take them out.

Chairman Hirschmann stated I have a question. You said that school isn't on here at all. They were pulled off? At one of our previous meetings I did want Freida Hawkinson come in and talk to us and keep us posted because she is the interim financial person, right.

Mr. Sherman replied right.

Chairman Hirschmann stated let's make a note that the School's financial person has to keep the Committee on Accounts briefed in the future. I may not be the Chairman of the Committee on Accounts anymore so someone should make a note of that.

Alderman Thibault asked is Dick O'Shea gone now.

Mr. Sherman answered he is in about one day a week if that at this point. You may want that to be more of a committee report so the Board can get a letter.

Alderman Thibault stated I will make the motion but I would like to make sure that the School Department gets notified that we are concerned about who is going to be there to report to the Accounts Committee.

Chairman Hirschmann stated the interim person is Freida Hawkinson. She did appear here once and I thought that was okay.

On motion Alderman Thibault, duly seconded by Alderman O'Neil, it was voted to request that the School Department and the Airport Authority keep the Committee on Accounts, Enrollment & Revenue Administration up-to-date on their finances.

Chairman Hirschmann asked is there anything specific on revenues that you would like to talk to us about.

Mr. Sherman answered at this point of the year these things are all coming in on time. If you look, there is a one-page revenue report as well by department.

Chairman Hirschmann asked so unaudited we have about 33% of our revenue in.

Mr. Sherman answered right. Again, a lot of it that isn't in is the State revenue. You have almost \$6 million in revenue sharing that is not coming in until later. The numbers are looking pretty good right now.

Chairman Hirschmann asked if anyone had any questions about the expenses.

Chairman Hirschmann asked about the school deficit line. Is that not encumbered at all?

Mr. Sherman answered that line you won't actually spend that. This is really going to go right down to your fund balance at the end.

Alderman O'Neil stated I noticed and we have talked about parking revenues over the past couple of years and you were able to break down the meters per section. Are you able to break down the garages by garage?

Mr. Sherman replied we do have that.

Alderman O'Neil responded but you don't show a specific line item for revenue source on that. All of the garages are put together?

Mr. Sherman stated they are all combined. We can break out...Joanne we are on 4374.

Ms. Shaffer stated I believe we do have all of that information.

Alderman O'Neil asked I know that is part of the negotiations with the civic center, correct. Does that include spaces or just garages that they are talking about?

Mr. Sherman answered for the civic center, they are talking about a parking spot per number of attendees. They don't care whether it is a parking meter or garage or open lot.

Alderman O'Neil asked so we might not be getting those revenues then, correct.

Mr. Sherman answered correct.

Alderman O'Neil asked but there is an assumption that we will be getting revenues.

Mr. Sherman answered there is a sharing formula that will go into the calculations.

Alderman O'Neil stated even not to do with the civic center, I would be curious in how the garages are doing.

Mr. Sherman replied okay, we can break that out.

Alderman O'Neil asked would there be anything else besides the three garages. Any other lots broken down?

Ms. Shaffer answered I can get all of the lots broken down. We can forward that to the Committee members.

Alderman O'Neil asked you aren't seeing any trouble with parking. Everything seems to be okay?

Ms. Shaffer answered yes.

Chairman Hirschmann stated we haven't made any changes to the revenue line items lately. I remember at one time we were separating things, but I think this has been the same for awhile, right?

Ms. Shaffer replied right. This is standard and the way you have been receiving the reports for the last year.

Alderman Thibault asked about cable TV fees. It says \$510,000 budgeted and we have \$124,000?

Mr. Sherman answered that comes in quarterly. We don't have the second quarter yet.

Alderman O'Neil asked how are we doing with the auditors.

Mr. Sherman answered we met with the auditor this morning. He is ready to put together a draft report and I would expect that within the next couple of weeks.

Alderman Thibault asked what is your gut feeling. Did we get treated properly there or did they withhold something from us?

Mr. Sherman answered I think we did okay. I think we see a big difference between MediaOne and when it was with Continental.

Chairman Hirschmann asked on the expense side, is PBS running a little lean there.

Mr. Sherman answered again, PBS puts in their purchase orders for their janitorial ahead of time.

Chairman Hirschmann asked so they encumber most of it and budget it up front and that 20% will hold them through the year.

Mr. Sherman answered yes. At this point it should be right around that 60% mark.

Chairman Hirschmann stated when we set our goals two years ago, I think that we did a good job with this Committee. We set the goals and we followed things pretty tight and watched everything. Two years go pretty quick. There are a lot of things that we didn't have time to do so may the next Board do them.

Chairman Hirschmann addressed Item 4 of the agenda:

Review of reports by the Board of Assessors.

Mr. Tellier stated I would like to refer the Committee back to the October 15 report that we submitted and forwarded to the full Board of Mayor and Aldermen. Regretfully and thankfully at the same time, those numbers have not changed. As

far as tax base there might be one or two appeals left, but virtually the tax base hasn't changed at all which reflects that. What we believe would be more pertinent because this is where it started is an update on the status of revaluation. On Friday, the Mayor signed it and co-authorized it with the City Solicitor. Let me bring you the revaluation outline where we are presently at. In the spring of 1999, the RFP was developed. In the early summer of 1999 the RFP went out. Mid-summer the contractor was chosen. In the fall and winter of 1999, the contract language was all worked out. In the fall and winter of 1999, also the division outside camera license was approved and on December 10 the contract was endorsed by the Mayor, Solicitor and contract firm. As of that time, there is a 10-day window where the senior project supervisor will sit down with the Board of Assessors. A phase delineation or a work plan if you will, will be worked out. During that work plan, what will be included is which wards will be started, the police checks for the data collectors, the site of the field office, radio announcements, city and ward public information announcements, information brochures will be printed, news articles will begin appearing, the data collection cards will be printed and packets will be set-up for the data collectors to start heading out. We envision approximately eight months to a year for the data collection. At that point, immediately after that, the initial values and supervisory field review will occur along with incoming expense research and all of the opinions of value will be reconciled at that time. Potentially, in the spring of 2001, the hearings will occur citywide. In the summer of 2001, a final reconciliation of values will occur with acceptance of those values by the Board of Assessors and the Department of Revenue Administration. The final value will be reflected in the December 2001 bills and the revaluation firm is on track to defend those values. That is the general outline as it exists. The exact dates on which ward will be started and the procession through the wards and how that will occur will be worked out by the project supervisor when he comes down here within the next two weeks.

Chairman Hirschmann asked when we put this RFP out, we really didn't know that the State Department of Revenue Administration or whoever they are would have a real estate tax, school portion or whatever you want to call it. Now we are going out and revaluation our whole City. We are not just going to hand these guys...what is it over \$1 million that we are paying for this? How come the State Department of Revenue doesn't kick in and do some of this revaluation for us? Can we charge them for any of this?

Mr. Tellier answered no. The Department of Revenue Administration did have a division that did revaluations for a fee. It was, by most appearances below market, however, for the most part the municipalities that they contracted to do were those that were unincorporated and small towns. They really didn't have a very large division to perform those revaluations. As a matter of fact, those that are approved

by the DRA to facilitate revaluations in the State of NH, out of all of them and I think there are 16 or 20 that are approved, there were only 2 that had the depth of resources to do a city the size of Manchester or Nashua or Concord for example.

Chairman Hirschmann replied I understand that we are doing this but I am just questioning the future. The State is going to tax us now and it seems that they have a vested interest in all of these values.

Mr. Tellier responded they do. They have added to their budget, but the budget line item that they have included or have increased is their field appraisers. They have brought in field appraisers, field assessors that will review, at length, the ratio analysis that is part of the State school funding procedure. The ratio analysis in layman's terms is just the assessments divided by the sale prices and then they stratify it by property types, i.e. residential, condominium, industrial, commercial and then they review that. For all intents and purposes, though, from the time that they accepted this State school legislation, they are out of the business of doing revaluations as we speak.

Chairman Hirschmann stated we just got our December property tax bill and it didn't say \$6.60 per thousand for the State school tax. It said \$6.93. Tell me what is going on with that. You are the genius.

Mr. Tellier replied the short version is that the difference in school tax takes into consideration the different in ration, which is the difference between market value and assessments. Also, the \$6.94 takes into consideration the exemption.

Chairman Hirschmann addressed Item 3 of the agenda:

Proposed Intown District Graphic Ordinance.

On motion of Alderman Thibault, duly seconded by Alderman Rivard, it was voted to table this item.

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

A True Record. Attest.

Clerk of Committee