

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

August 4, 2008
Aldermen, Sullivan, Lopez,
DeVries, M. Roy, Ouellette

7:30 PM
Aldermanic Chambers
City Hall (3rd Floor)

Chairman Sullivan called the meeting to order.

The Clerk called the roll.

Present: Aldermen Sullivan, Lopez, M. Roy, Ouellette

Absent: Alderman DeVries

Chairman Sullivan addressed item 3 of the agenda:

3. Department travel/conference summary reports submitted as follows:
 - Stephen J. Adams, Jr., (Airport) AAAE Annual Conference in New Orleans, LA.
(June 6-12, 2008)
 - Mark Longley, (Information Systems) Microsoft Training Camp in Plano, TX.
(June 6-16, 2008)
 - Mark Brewer, (Airport) AAAE Conference and Exhibition in New Orleans, LA.
(June 8-11, 2008)
 - Rick Linder, (Information Systems) HTE Users Group Conference in Orlando, FL.
(June 9-12, 2008)
 - Sharon Wickens and Kristy Blanchette, (Finance) HTE Users Group Conference in Orlando, FL.

(June 9-12, 2008)

- Thomas J. Malafronte, (Airport) Airports Council International Conference in Pittsburgh, PA.
(June 22-24, 2008)

Department travel/conference summary reports continued:

- John Hagopian, (Airport) AAAE/Great Lakes Chapter 17th Annual National Aviation Environmental Management Conference in Milwaukee, WI.
(June 22-24, 2008)

Alderman M. Roy moved to accept the summary of reports. Alderman Lopez duly seconded the motion.

Alderman Lopez stated maybe at the next meeting...these reports we get them...I was wondering if department heads share this information with the employees in their department. Can any department head answer that tonight? It seems like we are getting all the information but you know, do they post it on the bulletin board, what they did so maybe the employees can get some...

Chairman Sullivan asked what is the internal process?

Alderman Lopez stated yes, so the employees know that they went on a conference they learned this and...

Mr. Bill Sanders, Finance Director, interjected we don't post it on the bulletin board. I have a small department obviously with only about ten professionals in it so when two or more go to any conference there is a good bit of discussion after the conference. People are aware that they were there, what the agendas were and what the issues were. I think there is a fair amount of sharing any information that goes around the department. It probably would be a good idea for some of the larger departments, and they probably already do that, some posting mechanism, but I am not familiar with what that is.

Alderman Lopez asked Joan Porter, Tax Collector, are you still in charge, not in charge but are you still representing all the department heads? Maybe at one of your department meetings you can bring that up and how are we sharing this information. It's okay for us to get it but it seems to me the employees should have some knowledge of what's going on.

Chairman Sullivan stated I think it would just be good practice if when the employees go to these if they have any material to bring back and make it available. I suppose that's just common sense and I don't want to get into the theory of micromanaging your departments.

Mr. Sanders stated I think there's a fair amount of that that does just happen in the natural back and forth of the workday.

Chairman Sullivan called for a vote on the motion to accept the summary of reports. Alderman Lopez duly seconded the motion. There being none opposed, the motion carried.

Chairman Sullivan addressed item 4 of the agenda:

4. Communication from Joan Porter, Tax Collector, requesting the use of credit cards for the collection of Real Estate property tax, delinquent Wastewater and Central Business District tax.

Alderman M. Roy moved to allow the Tax Collector's office to accept credit cards for all transactions and any online or phone transactions that she sees fit.

Ms. Joan Porter, Tax Collector, stated that would include car registration as well.

Chairman Sullivan stated within of course the provisions of state and federal allocable laws.

Alderman M. Roy stated correct.

Chairman Sullivan stated I would like to offer a friendly amendment that, Joan, when you develop a policy and a plan for this you put it in some sort of written form and give it to the Board so we know what we are looking at.

Ms. Porter stated yes, definitely. On the credit card we are hoping for auto registration to begin when we go online with the state, which we are anticipating will be somewhere between mid September to mid October. When we go online, we want to bring all of these new things on that we are going to be doing including credit cards. With real estate taxes, the goal is that when the second bill goes out we will be up and ready. We are hoping that, again, could be September or October. If we are ready then we will probably try that out on the delinquent notices that go out before the next bill goes out. Then it's a smaller load on the system to test it. We are hoping.

Chairman Sullivan asked would there be a service charge of any sort attached to this? Are we allowed to do that?

Ms. Porter responded in fact, I guess we have to and it has to be percentage based. It can't be a flat fee because it is a tax, and Finance would know better, but I believe it's the IRS rate which is 2.75%. That would be the rate that they are going to charge. We apparently can't get any better than that.

Alderman Lopez asked you are going to take the credit card...it's going to be verified through normal procedures?

Ms. Porter responded we will be using the same vendor that the City is using right now with official payments. They are using that for water, for sewer, for parking tickets. I am not sure what else. It will be the same vendor. We are going to stay with the same vendor and not change to another one.

Chairman Sullivan asked would the service charge, the percentage based one you just mentioned, would that be enough to cover the costs of working with the existing vendor? Are we going to actually losing money from this?

Ms. Porter responded that would be a Finance Department question because I haven't worked with the credit card companies at all.

Mr. Sanders stated the fee is charged directly to the customer who uses the card; the City should lose no money on this transaction; we are not planning to.

Chairman Sullivan asked it is revenue neutral?

Mr. Sanders responded correct.

Alderman M. Roy stated just so I am clean on this...I go online; I have the opportunity to pay...let's call it a hypothetical \$5,000 tax bill. The 2.75% would be added to the \$5,000. I would then be charged the \$5,000 plus the 2.75% interest. That's my bill that shows up on my credit card the next month. From the City side, which is where I think the question was going, for that transaction, what is the fee, we always have this conversation in Parking, where for a quarter we always end up spending 10 cents on a fee or 15 cents on a fee. What is the City side payment or is there no payment to the credit card company?

Mr. Sanders stated there is no payment to the credit card company. They get the 2.75% and the City gets \$5,000 in your example.

Alderman M. Roy stated okay. Taking that to other places that we use credit cards, is that the same or is there a fee on those? Does the City pay any fees short of monthly maintenance or anything like that? And if we increase the credit card usage by the hypothetical \$15,000,000 in Joan's department what will our fee be? Will there be any type of fee for any of these transactions? None?

Ms. Porter clarified you are asking me if there is a bill to the City from official payments for collection. I don't believe there is. That was never my understanding.

Mr. Sanders stated no, their entire revenue opportunity relates to the fee they are going to charge on the balance that is applied. They welcome the opportunity the City gives them to access that revenue stream. I am only hesitating, you said any transactions, I would need to check with the Airport and the Parking Garage and some of the really large credit cards that we accept. I would be surprised if we were paying any fee.

Alderman M. Roy asked is this going to the full Board tomorrow night? I would like to report it out. I would like, if it is working the way that you are talking, Bill, I would like to see if we can jump on board with some of our other places that we are taking in credit cards and Joan, do you have a prediction of how many dollars will go through this system?

Ms. Porter stated I really don't know yet. We would have to go through our billing and see how many people take advantage of it.

Chairman Sullivan stated I think a lot of that is going to depend on the customer response as people become more aware of it.

Mr. Sanders stated to many of us the fee would be a hindrance to using the card potentially. We also want to be careful as we roll out more use of credit cards and electronic payments that all of the security procedures are in place as we have all heard in newspapers of security breeches on credit cards. We have done all the right things here. I'm not suggesting we haven't, but when you start getting out to stand alone sights, Joan's area is very centralized and we have an opportunity to work with that. Some of the sites may be less so. That is, just taking a card and stripping it at a counter for example is different than paying online.

Chairman Sullivan stated so your recommendation is to focus on the Tax Collector's office right now. Let's get that up and running and then we can deal with the other City operations.

Mr. Sanders stated correct, and then the Clerk's office or other areas that we might want to do it in.

Alderman Lopez asked is 2.7% on any credit card that they use or are we going to restrict the credit cards like some companies do?

Ms. Porter responded I don't think we restrict the credit cards.

Alderman Lopez asked so every credit card that's being used, they get 2.7% whatever, is that what we are saying?

Ms. Porter responded yes.

Mr. Sanders stated yes, that's what I believe the answer is. Yes, that's the answer.

Alderman Lopez asked and we get nothing?

Ms. Porter responded we get our taxes.

Mr. Sanders stated we get the \$5,000 immediately.

Alderman Lopez stated I know.

Ms. Porter stated there is an interest. We have got a lot of questions and a lot of people want to know when we are going to start. The question will be once they see the fee, are they willing to pay that fee?

Chairman Sullivan stated its a convenience issue too for the public. For more and more people this is what they are used to, doing things electronically, doing it with plastic, so if it's something that goes over well from a consumer relations perspective, I don't see any reason not to go forward with this.

Alderman Lopez stated I don't see any reason not to go forward. It is no more time to do a credit card than do it the other way.

Ms. Porter stated I haven't done it yet but I don't think its going to be any more time.

Mr. Sanders stated you don't have to stand in line anymore.

Alderman Lopez stated that's true thank you. We should publicize that.

Ms. Porter stated we will.

Chairman Sullivan asked Joan, would this be in-person transactions in your office or would there be a provision for online payments? Or is that something we are looking at as a step down the road?

Mr. Sanders responded it was just online.

Chairman Sullivan asked so if I brought a VISA card down the hall here, I couldn't use it there.

Mr. Sanders stated that's why I was talking about, the swiping mechanisms and some of the securities around that. Online is much more secure environment.

Chairman Sullivan stated that's a different issue that we will have to look at.

Mr. Sanders stated ultimately then you would get into parking violations and others that would be able to accept it.

Alderman Lopez stated why can't I walk in there and pay by credit card and verify just like when I go to a store, or on the telephone? They call American Express.

Chairman Sullivan responded I think part of it, Alderman Lopez, has to do with the IT infrastructure that we as a City have and making sure that it's secure so we don't have a problem like Hannaford's had where someone was able to break into their data stream and pull credit card numbers out of it. Give Jenny Angell a call and she can explain it in a way that makes a lot more sense than I ever could.

Mr. Sanders stated I think she intends to soon because there is a question of who's data...if I take my card and swiping on a counter, is that data resident on that machine which is in our possession for any period of time or has it immediately been transmitted off to the credit card holder? In some cases it remains resident on that machine for some period of time and consequently...very simplified in my case...that was the Hannaford situation and we don't want that situation. We don't want to own that data. That's a Jenny Angell question.

Alderman Lopez stated we have got to walk before we run I guess.

Alderman M. Roy stated I don't want it to have to come back to Committee if the technology gets to the point where we can swipe in the Tax Collector's office, so I don't want to limit it to online if the Committee... I mean our professionals will lead the way between Bill Sanders, Jenny Angell and Joan Porter. When it's safe and secure they will do it.

Chairman Sullivan stated let's give them the leeway and discretion to do this as they see appropriate.

Alderman Lopez stated giving them discretion somebody might pick up the policy and say hey, I want to pay by credit card here. It doesn't say anything about online.

Alderman M. Roy stated but they don't offer that service.

Chairman Sullivan stated she is going to provide us with a written breakdown of how this works, so I don't think, by the time this is implemented, there will be any confusion between the public or any of us in City Hall.

Alderman M. Roy moved that the Committee approve the Tax Collector's office to collect credit card payments for all transactions in the Tax Collectors office, as the Tax Collector may deem appropriate. Alderman Lopez duly seconded the motion. There being none opposed the motion carried.

Chairman Sullivan addressed item 5 of the agenda:

5. Communication from Joan Porter, Tax Collector, requesting the acceptance of one check payable to the City of Manchester for auto registration, eliminating the need for two separate checks for the City and State.

Alderman Ouellette moved to approve this request. Alderman M. Roy duly seconded the motion.

Alderman Lopez asked are we going to be responsible now for the state if there is a bounced check? Or is there a lot of concern with that?

Ms. Porter responded we would be responsible for the state fee because when we take in this one check and deposit the money into our account, the next day we will be doing a transfer of funds into the state account for that registration so when the check comes back to us as a returned check, we need to go after all of that money. However, the state does help us in that first we will contact the customer and try and get paid right away. The state will suspend their plates and their license if we notify them that we haven't been paid. They will suspend that until we are paid. They won't be able to register a car. They won't have a license until they pay us. After they pay us the State will collect a reinstatement fee from them and then restore their license and restore their plates.

Alderman Lopez asked are we charging the state any fee for doing the work?

Ms. Porter responded we are not charging the state any fee for doing the work.

Alderman Lopez asked we can't take an administrative fee?

Ms. Porter stated because we do the state portion for car registration we are collecting a fee already of two dollars and fifty cents for every state transaction from the customer not from the state.

Alderman Lopez stated I realize we get \$2.50 but I thought the reason for the two checks was one the City and one going to the state. Now we guarantee the state all their money and we are doing all the work.

Ms. Porter stated the state had to give us permission to do this. We couldn't just do this on our own and we asked for the permission to do it because there is a lot of advantages to the City if we can take one payment, including when we do credit cards, it will be one charge to the customer instead of two separate charges on two credit card statements because we would be taking one payment.

Alderman Lopez asked so do you transfer the money or the Finance Officer?

Ms. Porter stated Finance would be transferring the money.

Alderman M. Roy stated Joan said the magic words, "next day", and I love the word interest. Mr. Sanders I am sure you don't have this number in front of you, nor would I expect you to at this meeting, but could you get back to us on potential revenue? If we are depositing in a lock box, I am sure we start collecting interest that day, you're sending it out the following day. Some of these balances can get... payments to the state can get healthy so can you give us an idea of where we are looking at for interest?

Mr. Sanders responded yes we can.

Alderman Lopez asked do we have to send it the next day? Can we keep it for a week and get some interest?

Ms. Porter responded I believe the agreement with the state is it's going to be daily. I can check the agreement again but I think the agreement is we have to deposit the following day, as we do now.

Mr. Sanders stated I guess we can be closed Monday through Thursday and just be open on Friday.

Chairman Sullivan stated Alderman Lopez you missed you're calling in life. You should have worked on Wall Street!

Chairman Sullivan called for a vote on the motion to authorize the Tax Collector to accept the one check payable to the City of Manchester for auto registration, eliminating the need for two separate checks for the City and state. There being none opposed, the motion carried.

TABLED ITEMS.

6. Communication from Kevin Buckley, Independent City Auditor, submitting an audit of the VISTA program and updating the committee on the status of pending and future audits.
(Note: Tabled 2/4/08 Copies of the audit and supporting documentation previously sent to the BMA and Committee members; Remained tabled 3/4/08; Updated communication between Kevin Buckley, Internal Auditor, and Janice Lopilato, State Program Specialist of the Corporation for National & Community Services attach; Tabled 3/11/08; Internal Auditor to present the attached Business Expense Policy as amended.)
On file for viewing with Office of the City Clerk, One City Hall Plaza.

On motion of Alderman M. Roy, duly seconded by Alderman Lopez, it was voted to remove this item from the table.

Chairman Sullivan stated what I would like to do is I would like to give Kevin Buckley the authority to develop an RFP for the fraud and abuse hotline that we have discussed in the past. He has some information from some vendors that operate these hotlines. I would like to see him put together a proposal that he can bring back to the Committee and eventually the full Board. I think it's important that we give him the go ahead to start this process now so that by the time the next fiscal year rolls around we will have something ready to go and we can authorize that at that time. Right now I would like to see him determine the actual cost involved and some of the logistics that would go into this.

Chairman Lopez moved that we authorize Kevin Buckley to prepare and RFP that would be brought back to the Committee on Accounts for approval. Alderman M. Roy duly seconded the motion. There being none opposed, the motion carried.

Alderman Ouellette stated for the purpose of gathering information I am going to approve this tonight but as of right now I just want the record to reflect that I am not in favor of establishing the hotline. For the purpose of gaining information so that we can make an informed decision I am going to support this motion tonight.

Chairman Sullivan stated I want to see what the final battle plan looks like. I would like to see Kevin be the guy that does it rather than have us do it piecemeal. He knows this process; he has talked to other municipal and county auditors around the country. He kind of knows the players when it comes to this sort of thing. I would like to see him get a proposal together, bring it back to us and then we can hash out the details with him.

Alderman Lopez moved to put item 6 back on the table. Alderman M. Roy duly seconded the motion. There being none opposed, the motion carried.

Alderman Lopez stated the City Clerk could just mention to Kevin too about that information on the Crime Line. He was going to research that and bring that back to the Committee along with the RFP that the Chairman is talking about. So we will have both factors in play.

Chairman Sullivan asked are you looking for a motion or do you want some informal communication?

Alderman Lopez responded we already decided when we asked him to find out the information and while he's doing that he might as well do both.

Chairman Sullivan stated they sort of parallel each other. It's a different creature but I see what you are saying. One doesn't conflict with the other.

7. Communication from Kevin Buckley, Independent City Auditor, listing audit observations and recommendations from all internal audits since *(Tabled 3/11/08; Retabled 7/07/08)*
On file for viewing with Office of the City Clerk, One City Hall Plaza.

This item remained on the table.

8. Copy of a communication from Alderman Lopez to Committee on Community Improvement requesting the BMA to ask the Finance Officer, City Solicitor and Bond Counsel (if needed) to review the possibility of using Rooms and Meals Tax money in the future for Storm Water Utility/Sidewalks/Streets.
(Tabled 09/25/2007 pending further information from the Finance Department. Re-tabled 7/07/08)

This item remained on the table.

There being no further business, on motion of Alderman Lopez, duly seconded by Alderman M. Roy, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee