



City of Concord

Fiscal Policy Advisory Committee

Meeting Minutes - Draft

Tuesday, February 22, 2022

4:30 PM

City Hall
41 Green Street, 2nd Floor Conference
Room

1. Call to Order

The meeting was called to order at 4:32 PM.

2. Roll Call

Present:

City Councilors - Keith Nyhan (Chairman), Byron Champlin, Candace White Bouchard, Fred Keach, Amanda Grady Sexton and Mayor Jim Bouley.

City Staff - Thomas Aspell, Jr., City Manager; Brian LeBrun, Deputy City Manager - Finance; Carlos Baia, Deputy City Manager - Development; Katie Graff, Assistant Finance Director; Bob McManus, Director of OMB; Rebekah Dougherty, Budget Analyst; Jennifer Johnston, Director of Human Resources and Labor Relations; Chip Chesley, General Services Director; Jeff Hoadley, Deputy General Services Director; Adam Clark, General Services Administration Division Manager; John Chisholm, Deputy Fire Chief; and Sue Stevens, Executive Assistant.

Other - Kirsti Karpawich, Consultant from Borislow Insurance.

Excused: City Councilor Gail Matson.

3. Approval of the Meeting Minutes

A motion was made and seconded to approve the draft minutes from the December 20, 2021 meeting. The motion passed with a unanimous voice vote.

4. Dental Insurance

Jennifer Johnston, Director of Human Resources and Labor Relations, introduced Kirsti Karpawich, a consultant from Borislow Insurance, who gave a presentation on the potential savings the City could receive if becoming self-insured for employee dental insurance. Ms. Karpawich explained that, for the past several

years, the City has been paying out more in premiums than actual claims. As dental claims are pretty predictable, it would benefit the City to become self-insured for dental insurance. Ms. Karpawich provided a handout with a cost comparison between what the City currently pays for dental insurance and the estimated cost savings the City could have if becoming self-insured.

Councilor Bouchard asked how such a change would affect City employees. Ms. Karpawich noted that it would be a seamless transition for employees, that the plan benefits would not change, and that the network could even potentially be better.

Councilor Keach asked if the administrative charge of 6.29% of claims, as proposed on the handout, was standard. Ms. Karpawich indicated that it was actually very low; that the standard is around 13%.

Councilor Keach also asked what the potential risks were to the City should it take this route. Deputy City Manager Brian LeBrun noted that the only risk is if every person covered by the dental plan were to maximize their benefit in a given year, it would reduce the savings to the City. He noted that this has never happened before.

A unanimous vote was taken by the committee in support of City Administration looking into this further during the current Request for Proposal process.

5. EMS Billing

Deputy Fire Chief John Chisholm discussed FY 2022 1st and 2nd Quarter EMS billing receivables and allowances, of which there has been little change from previous quarters.

Councilor Nyhan asked if what was being sent to collections was people not paying their deductibles. Deputy Chief Chisholm confirmed that this was the case.

Councilor Nyhan noted that he is not in favor of the City balance billing its residents and asked to what extent the Fire Department is doing so. Deputy Chief Chisholm indicated that some balance billing does occur and that he would research the matter and get back to the committee.

Councilor Keach asked if it would make sense for the City to negotiate rates with the insurance companies. Deputy Chief Chisholm indicated that insurance companies are looking to pay Medicare rates, which are much lower and would result in a substantial loss of revenue for the City.

6. Goal for Water/Wastewater Fixed Fees

General Services Director Chip Chesley gave a presentation regarding the establishment of a fiscal goal to recover 30% of revenues in the water and wastewater funds through fixed charges. Director Chesley noted that fixed charges help the utilities pay for fixed plant and distribution costs, while volumetric charges help to defray the variable costs associated with increased demand. He explained that, currently, the City recoups approximately 20% of revenue from fixed charges and that the City's consultant recommends the utilities collect 30% from fixed charges.

There was considerable discussion about this, mostly focusing on how the establishment of fixed charges would affect the bills of residents who use little water, as well as how it might affect water conservation and consumption.

Councilor Nyhan recommended that the committee pencil in a fiscal goal to recover 30% of revenues in water and wastewater funds through fixed charges, to be considered when the committee next reviews the Fiscal Goals.

7. Tax Rate Target

The committee discussed whether to set a tax rate target for the FY 2023 budget. For the past eight years, the committee has recommended that the City Manager present a responsible budget that meets the goals and objectives of the City Council and it has worked quite well. Therefore, the committee recommended following the same process as they did for the FY 2022 budget, and have the City Manager prepare a responsible budget.

8. Old Business

Water Line Extension: City Manager Aspell noted that staff is continuing to conduct research on the feasibility of extending the City's water to the Town of Bow and/or other bordering towns.

9. Adjournment

A motion was made and seconded to adjourn. The motion was approved with a unanimous voice vote and the meeting adjourned at 5:40 PM.