



City of Concord

Fiscal Policy Advisory Committee

Meeting Minutes - Draft

Monday, October 16, 2017

4:30 PM

City Hall
41 Green Street
2nd Floor Conference Room

1. Call to Order

Chairman Nyhan called the meeting to order at 4:35 PM.

2. Roll Call

Present: City Councilors Keith Nyhan (Chairman), Candace White Bouchard, Mark Coen, Dan St. Hilaire, Amanda Grady Sexton, and Mayor Jim Bouley; City Staff - Tom Aspell, City Manager; Brian LeBrun, Deputy City Manager - Finance; Carlos Baia, Deputy City Manager - Development; Ed Drouse, IT Director; Katie Graff, Assistant Finance Director; Rebekah Dougherty, Management & Budget Analyst; Sue Stevens, Executive Assistant.

Excused: Councilor Fred Keach.

3. Approval of Meeting Minutes

August 21, 2017 Draft Meeting Minutes

Action: Councilor Grady Sexton moved approval, seconded by Councilor Bouchard. The minutes were unanimously approved on a voice vote.

4. Technology Security Update

IT Director Ed Drouse gave an overview of the City's technology security investments, processes, and weaknesses. He explained that the purchase of firewalls comes from the CIP, but that maintenance comes out of the IT maintenance budget, of which about 1/3 is spent on security.

The IT Department's three main objectives when it comes to security are: 1) to protect citizens' data; 2) meet regulatory requirements; and 3) keep breaches to a minimum. Director Drouse noted that the Department invests 1/2 of one FTE and about 5.5% of its budget to security. Despite all the measures we are taking, there is always risk; and investing more money in security cannot guarantee more safety. Director Drouse noted that in the future we will most likely need a position solely to

handle technology security matters.

Councilor Nyhan asked if there are any City Departments that warrant additional security more so than others. Director Drouse stated that most of the City's data is subject to the Right-to-Know Law; however, we do have some information that must remain confidential, like criminal records and vital records for example. The City does not keep any credit card data - all credit card data is handled by an outside credit card processor, Heartland Payment Systems.

Councilor St. Hilaire shared that the State had recently purchased insurance to protect against data breaches. He suggested the City look into doing this. Director Drouse and City Administration indicated they will look into the costs and viability of insurance for technology breaches.

Chairman Nyhan thanked Director Drouse for the information. He commended the IT Department for the amount of work they do with the resources they have.

5. Referral from City Council: Conservation & Open Space Plan Update

Discussion of this item was postponed until the November meeting.

6. ERP Update

Deputy City Manager LeBrun updated the committee on the status of the new ERP. The City signed a contract with Munis on September 29, 2017. The total price is \$778,534, with a 20% holdback on software costs until 12 months after the final "go live" of the last module, and a 15% holdback on implementation costs until acceptance of that module. The City hired an attorney to help negotiate the contract, and a consultant to help with some of the set-up.

Overall, the implementation will take about 36 months. Go live dates are as follows: Core Financials, 12/1/2018; Human Capital Management (HR and Payroll/ESS), 7/1/2019; Utility Billing, 10/1/2019; and Tax Billing and Collections, 1/1/2020.

Staff is currently reviewing time and attendance systems and will make a decision on that in the relatively near future. The plan is to implement at the same time as payroll.

Councilor Nyhan asked if every Department needs to use a time and attendance system. Deputy Manager LeBrun responded that time sheets are required by the Department of Labor, and a time and attendance system will eliminate paper. The

system will also be able to link to time clocks, and can even be set up for bio-metrics.

Mayor Bouley suggested that all the union contracts be reviewed to make sure all the scheduling and pay nuances can be met by whatever new time and attendance system we select. Deputy Manager LeBrun indicated that the various contracts will be reviewed.

Mayor Bouley also asked about the City's return on investment for the new ERP. Deputy Manager LeBrun noted that the maintenance costs for the new system will be \$40,000 lower per year than the current system. In addition, the system will enable us to be more efficient, which leads to time and, ultimately, cost savings. The hope is to get at least 10 years out of the new system.

Mayor Bouley asked why the City isn't moving more towards cloud technology. Deputy Manager LeBrun responded that the City had looked into that and it was too expensive (\$300,000 per year vs. \$85,000 per year for maintenance).

7. Update on Municipal Complex Heat Conversion Project

Deputy Manager LeBrun noted that the project is nearly complete, with just some small punch list items to be completed. Projected completion dates were met and there was heat in the building by the middle of September. The project will come in under budget by about \$40,000. The City eliminated a number of things, like redundancy pumps, and will circle back and decide what we should put back into the project. McFarland-Johnson is not billing us for the final portion of the engineering of the project, approximately \$40,000, hence being under budget. The City is working with Liberty Utilities to receive a \$30,000 rebate due to the energy efficiencies resulting from the project.

Committee members asked if the \$40,000 surplus could be used for other energy improvements. Deputy Manager LeBrun responded that it could.

8. FY 2018 Quarterly Financial Statements

Deputy Manager LeBrun briefly discussed the FY 2018 Quarterly Financial Statements, which presents a picture of revenues and expenditures as of the end of the first quarter of FY 2018.

9. FY 2017 Preliminary Year End Financial Statements

Deputy Manager LeBrun discussed the FY 2017 Year End Financial Statements, noting that the audit had been completed and no further adjustments will be made.

The City had a year end General Fund surplus of \$369,000. City Administration plans to allocate \$975,000 to Assigned Fund Balance, and is recommending a transfer of the \$975,000 to Trust Fund Reserves and a \$50,000 appropriation from reserves to support equipment purchases and training.

On a motion made by Councilor Coen, seconded by Councilor Bouchard, the committee unanimously voted to approve the Report to Council making the above recommendations.

10. Other

There was a general discussion about the history of the City's Enterprise Funds, how they came to be and their purpose.

11. Adjournment

Chairman Nyhan moved to adjourn the meeting. The motion was duly seconded and the meeting adjourned at 5:40 PM.

A true copy; I attest:

Suzanne Stevens
Executive Assistant