

TOWN OF MANSFIELD

FINANCE COMMITTEE MEETING

MINUTES OF NOVEMBER 20, 2006

Present: Carl Schaefer, Alison Blair, Matt Hart, Jeff Smith, and Cherie Trahan

The meeting was convened at 6:20 p.m.

The Director of Finance discussed the September 30, 2006 Quarterly Financial Statements. Carl requested that we indicate that the financial statements are cumulative.

The Director discussed energy costs and explained the 6% gross receipts tax. He plans to email Denise Merrill to discuss the fact that since this is a percentage of the cost of gasoline; our cost has substantially increased with the increase in the cost of gasoline.

The Director reviewed the cost of salaries for the year and that the salary budget will be tight this year. Three of four contracts were negotiated this year and we budgeted the Contingency account very slim for 2006/07. Matt Hart suggested asking the Council to give thought to increasing the amount budgeted as Contingency in the upcoming budget.

Carl Schaefer commented that some of the first quarter fund financial statements could appear to be distorted due to the timing of revenues received.

The Director reviewed the Health Insurance Fund and noted that claims for the current fiscal year are up \$300,000 over the same period last year. He explained that the Reserve for maximum claim liability corridor is the difference between 100% of claims and 125% of anticipated claims (where stop loss kicks in), if aggregate claims are over 100%.

The Director discussed the Cafeteria Fund. Sales are off slightly and the cost of food is up.

The Recreation Fund was discussed. The question was raised as to why we budgeted a deficit. This will be researched and reported back.

Long-term Investment Pool reports an \$18,000 increase in market value, which is about a 4% earnings rate. We might be over-invested in the bond market. This is a pooled investment for the Cemetery Fund and Compensated Absences Fund, with different investment goals. Copies of the Town's short-term investment goals and long-term investment goals will be reviewed.

The \$25,000 transfer from the Day Care Center to Capital is for the canopy.

There is a lot of work to do in projecting the out years for the Capital Nonrecurring Fund, primarily due to the substantial cuts in State funding.

Discussion on the Solid Waste Fund included the value of the land, which is at historical cost, and therefore significantly under-valued. However, since government assets for the most part are not for sale, how important is this? GASB requires reporting at historical cost.

A review of the tax collections memo noted that we start to lose our lien on collections after 15 years.

So far our Special Education costs are within budget, but there is no way to really know how we will end the year.

Motion was made by Alison Blair to accept the quarterly report and recommend to the Council its acceptance. Seconded by Carl Schaefer. Motion passed.

The meeting adjourned at 7:15 p.m.

Respectfully submitted,

Jeffrey H. Smith

Director of Finance