

TOWN OF MANSFIELD

FINANCE COMMITTEE MEETING

MINUTES OF SEPTEMBER 24, 2007

Present: Carl Schaefer, Bruce Clouette, Alison Blair, Mayor Paterson, Matt Hart, Jeff Smith, Helen Koehn, Cherie Trahan

The meeting was convened at 6:30 p.m.

Carl Schaefer opened the discussion with a review of the Quarterly Financial Statements. Jeff Smith reviewed the Preliminary Schedule of Changes in Fund Balance on page 6. He noted that revenues exceeded amended budget by \$143,682 and expenditures were under budget by \$19,752. Fund balance increased from \$1,661,693 at July 1, 2006 to \$1,825,127 at June 30, 2007. Jeff discussed unreserved fund balance and that the rating agencies are looking for 5 – 10% of budgeted expenditures. This is primarily to secure our debt payments. We currently have a AA rating, but we are on the edge. There are not many AA ratings that have the size grand list that we do.

Also discussed was the Parks & Recreation Fund results. Specifically discussed was a schedule of Program Fees by activity. It was interesting to note which programs fell short of their budgeted revenues. Helen asked if such a schedule could be prepared for expenditures. Cherie will provide this for the next meeting.

Jeff and Matt discussed the Pequot & PILOT grants and explained that they met with Denise Merrill to suggest a change to the legislation. The problem we ran into is that the number of students living in dormitories is now more than 40% of our population, which means that the student population can no longer be included in the total

population of a town for grant calculation purposes. Jeff & Matt have given Denise suggested language for a change to the legislation. The problem of different estimates given to us by OFA at budget time vs. the estimates provided by OPM in August was also discussed.

Jeff reviewed the activity in the Health Insurance Fund for 2006/07. He highlighted that claims increased by \$1,149,500 over the prior year and that Fund Balance decreased from \$1,108,304 to \$687,940 at June 30, 2007. Matt discussed the quarterly update meeting with our benefits consultant, Milliman. They noted that the claims increases were across the board, there was no one specific reason for the increase. He also noted that medical inflation has been running at an increase of at least 13%. Alison commented that she can see the increase in health care usage at the hospital. Matt proposed bringing Milliman in to discuss health care costs with the Finance Committee to review some of these issues.

Finally, yearend budget transfers were presented and reviewed. Jeff discussed the increase for the Resident State Trooper program (as it is affected by overtime) and the cost to various departments for unrecorded compensatory time as a result of an audit conducted by the town. Helen questioned if the Senior Center was able to take advantage of the town's bulk mailing rates, etc. We believe so, but Cherie will confirm. Bruce recommended that better estimates be made, particularly for things such as Recreation's part time salary line.

Motions:

Motion was made by Carl Schaefer and seconded by Alison Blair, to recommend the Council accept the Financial Statements for the period ended June 30, 2007. Motion so passed.

Motion was made by Alison Blair and seconded by Bruce Clouette to adjourn. Motion passed.

The meeting adjourned at 7:30 p.m.

Respectfully submitted,

Cherie Trahan

Controller/Treasurer