

TOWN OF MANSFIELD

FINANCE COMMITTEE MEETING

Monday, October 22, 2007

Audrey P. Beck Building

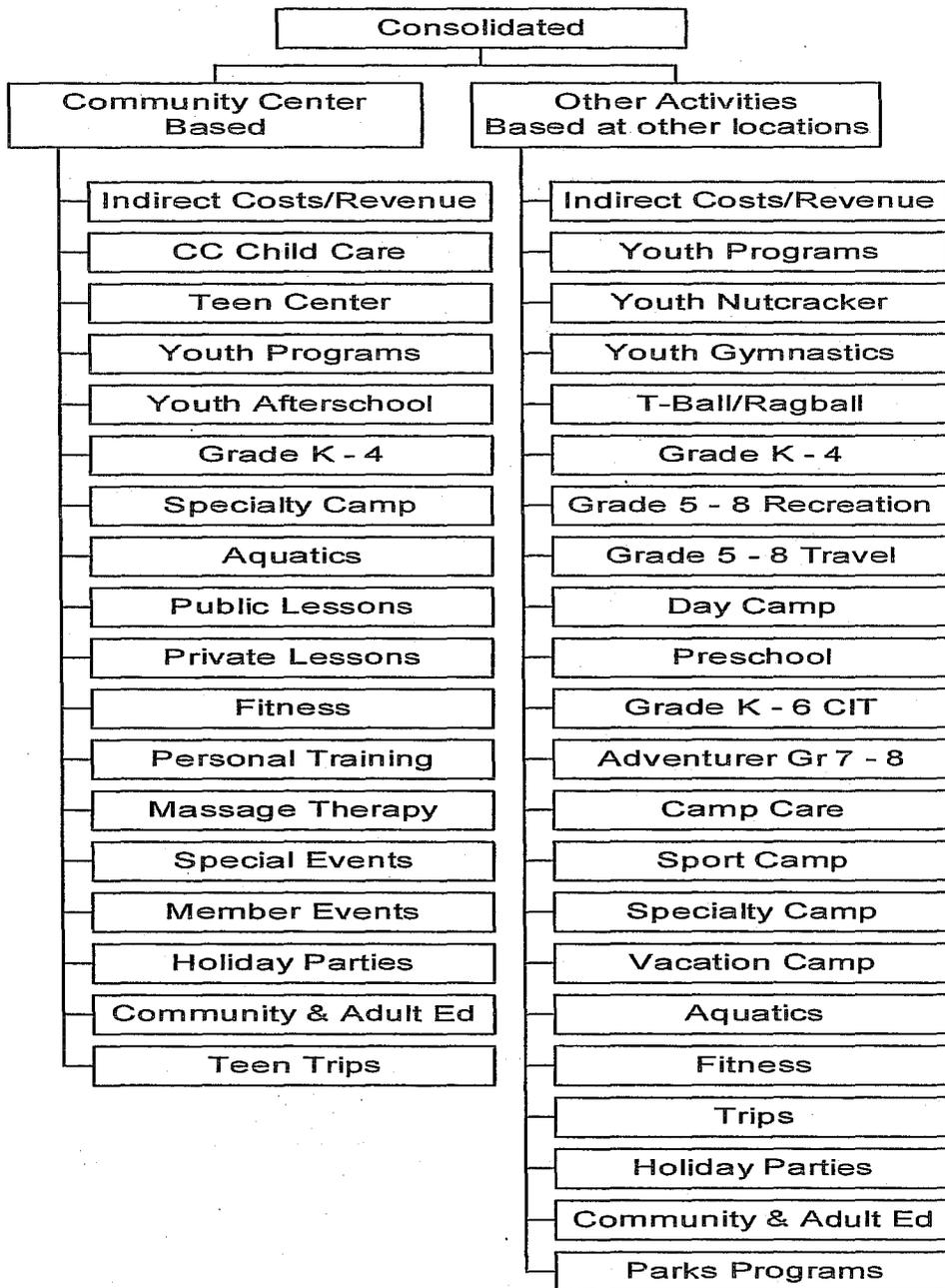
Conference Room B – 6:00 p.m.

A G E N D A

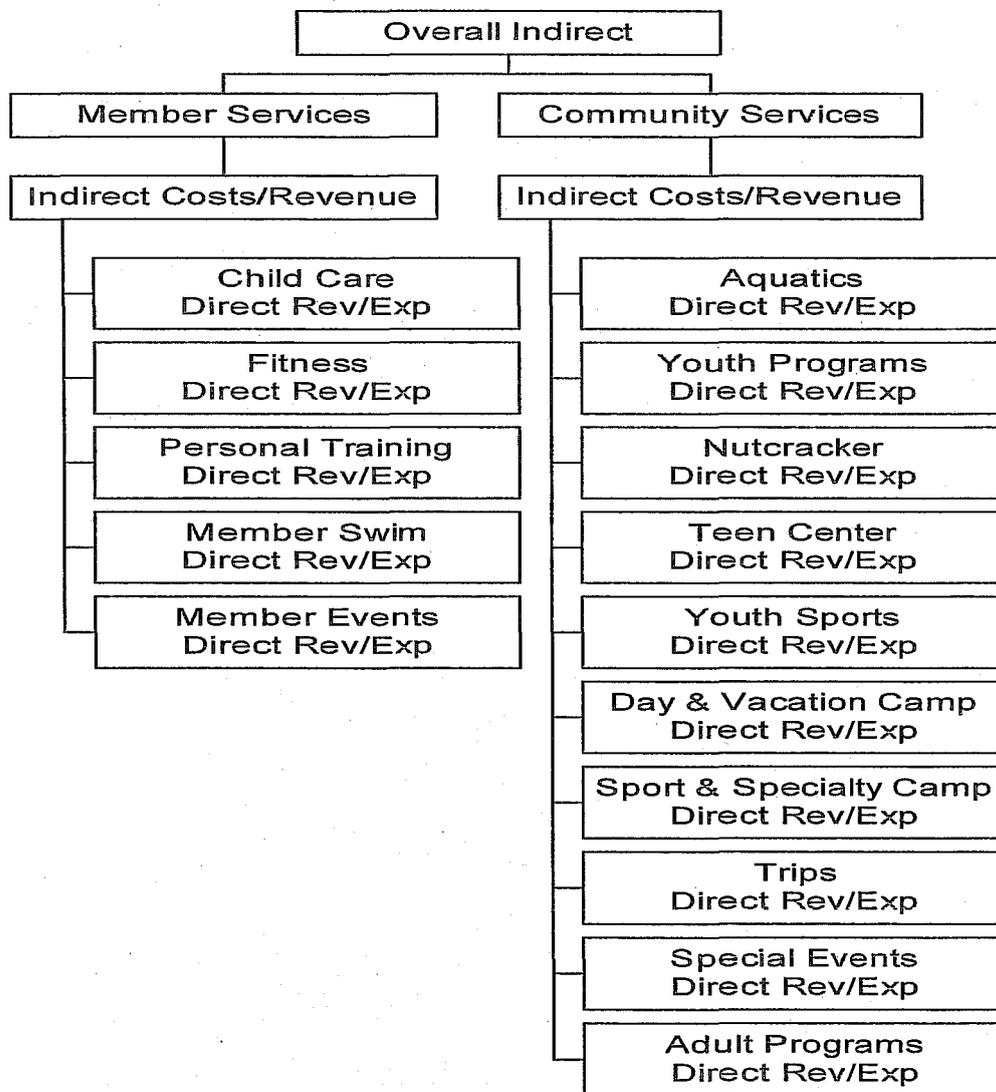
1. Community Center financial status
2. Approval of Sept 24'th minutes
3. Audit services for 07/08
4. CIP Closeouts
5. Suggested budget adjustments for 07/08
6. Distribution of Sept. 30'th financial statements
7. Grants Accounting Position
8. Other Business
9. Adjournment

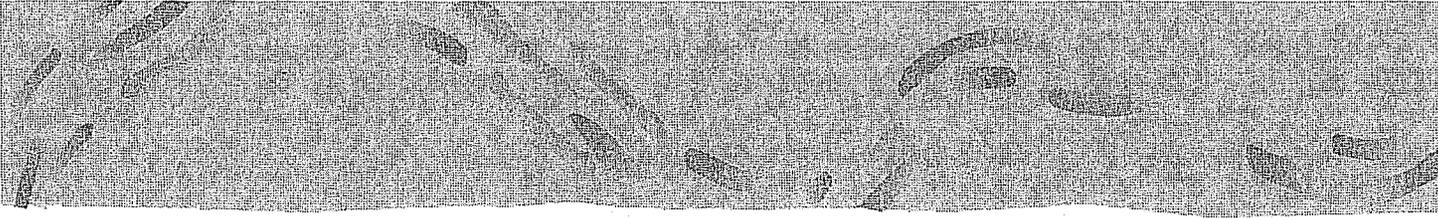
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BREAK

Mansfield Parks & Recreation Current Structure



Mansfield Parks & Recreation Proposed Structure

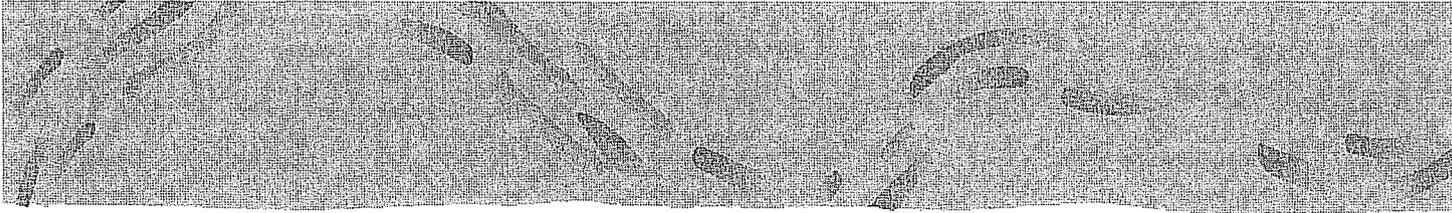




Notes

Overall Indirect

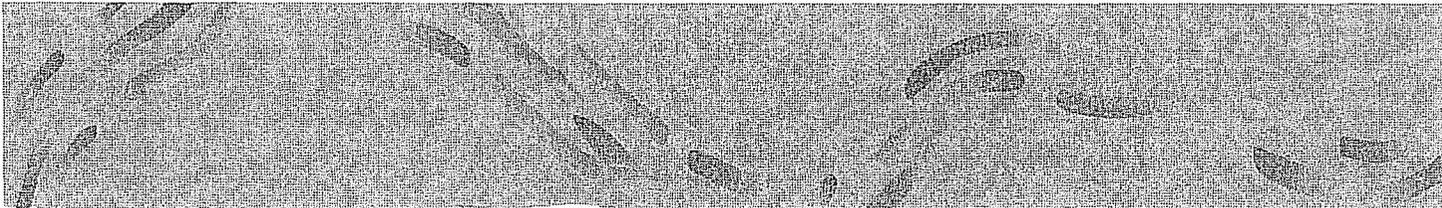
- ☛ Revenues that benefit both member services & community services, ie advertising income, contributions, sale of merchandise
 - ☛ Expenditures that relate to both member services & community services, ie utilities, alarm service, medical supplies, etc
 - ☛ Overall indirect costs includes salaries & benefits of administration & support staff
 - ☛ Overall indirect costs includes all building costs - maintenance, utilities, etc
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Notes

Member Services Indirect

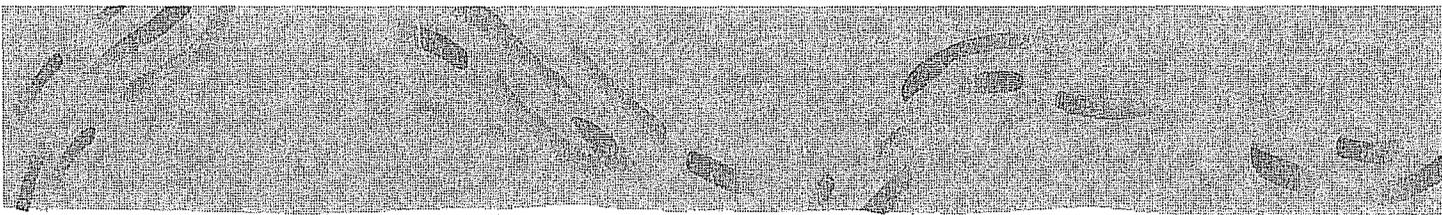
- Revenues that benefit member services as whole – not one particular activity, ie membership fees, daily admissions
 - Expenses that relate to member services as whole – not one particular activity, ie salary for Member Services Coordinator
 - Member swim cost – is an allocation from the total direct cost of aquatics based on % of time pool is available for member swim.
 - Direct revenues & expenses for individual activities will be charged to that activity, ie Fitness, Child Care, Personal Training, etc
- 



Notes

Community Services

- Indirect revenues and expenses relate to community services as whole – very limited
 - Activities are charged with program staff directly related to the programs provided
 - Regular staff would be charged to the activity if they do not support other activities or programs, ie Parks Coordinator charged to Adult Programs
 - Aquatics includes ALL costs related to the pool, including the Aquatics Director, lifeguards, etc. A charge would then be allocated to Member Swim
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Other Points

- Direct revenues should meet or exceed direct expenditures
 - Community programs historically have not been expected to cover indirect costs – including facilities & employee benefits. We are now expecting membership fees to cover those costs
 - Developing a methodology for allocating Overall Indirect (revenues and expenditures) to Member Services and Community Services
 - Audit firm will assist us in evaluating allocation methods
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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

INTER**OFFICE****MEMO****FINANCE DEPARTMENT, TOWN OF MANSFIELD**

To: Matthew W. Hart, Town Manager
From: Jeffrey H. Smith, Director of Finance
Subject: Capital Projects Fund
Date: October 22, 2007

Attached is an analysis of current and proposed revenue and expenditure budgets for specific capital projects. If adopted as presented, it will accomplish the following:

1. Officially close out completed/cancelled projects:

81101	Town Hall Add'l. Parking	83629	Garage Service Truck
81207	Re-roof Historical Society Bldg.	83730	Vac-All Body Replacement
81916	Plan of Conservation & Development	83912	Mapping Workstation/Software
81918	Traffic Consultant	83915	Vehicle AVL System
82204	Vent & Exhaust System	83916	Town Aerial Photos
82623	Fire Chief Vehicle	85805	Comm. Ctr. Expansion
83218	Town Garage Furnaces	86263	Elem. Schools Shelving
83517	Mansfield Center Improvements	86269	MMS Auditorium Renov.
83522	Maple Rd. Reconstruction		
83526	Separatist Rd. Bikeway		
83627	Large Dump Truck		

2. Increase (decrease) funding for the following overspent (underspent) projects:

81207	Re-roof Historical Society Building	\$(400)
81916	Plan of Conservation & Development	355
81918	Traffic Consultant	(16,520)
82204	Vent & Exhaust System	(1,790)
82623	Fire Chief Vehicle	(53)
83218	Town Garage Furnaces	1,576
83517	Mansfield Center Improvements	(34,423)
83522	Maple Rd. Reconstruction	(1,180,433)
83526	Separatist Rd. Bikeway	(147,461)
83627	Large Dump Truck	6,865
83629	Garage Service Truck	(5,358)
83730	Vac-All Body Replacement	(21,145)

83915	Vehicle AVL System	(5,950)
83916	Town Aerial Photos	(1,760)
86263	Elementary School Shelving	(25)
86269	MMS Auditorium Renovations	8,257

3. Transfer \$7,100 From Project 83202-Roof Replacement to complete funding for Project 81207-Reroof Historical Society Building.
4. Fund the Capital Projects Coordinator's salary and fringe benefits (Project 80101) through 6/30/07.
5. Recognize a \$25,000 grant from OPM for Project 84212- ADA Compliance, and fund the local share of \$1,300.
6. Fund Project 84901- Senior Center Assoc Study at \$8,750 from CNR funds.
7. Reduce the revenue budget for Project 85803- Community Center Walking Track from \$325,000 to \$277,618, the amount actually spent.
8. Recognize an appropriation of \$110,000 to Project 86260- Deferred Maintenance Projects from the Board of Education at June 30, 2007.
9. Revise the revenue budgets for school Projects 86106 and 86284 to agree with approved State grants and required local funds.

JHS:cd

Attachment

PROPOSED CAPITAL FUND BUDGET CHANGES

Page 1 of 2

JOB #	DESCRIPTION	FUNDING SOURCE	REVENUE BUDGET					EXPENDITURE BUDGET				BALANCE TO SPEND (OVERSPENT)	
			CURRENT BUDGET	BUDGET CHANGE	PROPOSED BUDGET	ACTUAL REVENUES	OVER/ (UNDER) PROPOSED	CURRENT BUDGET	BUDGET CHANGE	PROPOSED EXPEND.	ACTUAL EXPEND.		
80101	Capital Projects Coordinator	CNR	\$ 441,685	\$ 93,686	\$ 535,371	\$ 441,685	\$ (93,686)	\$ 441,685	\$ 93,686	\$ 535,371	\$ 535,371	-	
81101	Town Hall Add'l Parking	CNR	60,000		60,000	60,000		60,000		60,000	60,000	*	
81203	Community Center Architects Study	CNR	19,850	1,950	21,800	19,850	(1,950)	19,850	1,950	21,800	21,800	-	
81207	Re-roof OldTown Hall	Grant Loc Sup CNR	8,200 700 8,200	 700 (1,100)	8,200 700 7,100	8,200 700 7,100	 (7,100)						
	Total 81207		16,400	(400)	16,000	8,900	(7,100)	16,400	(400)	16,000	16,000	*	
81916	Plan of Conservation & Develop.	CNR	13,242	355	13,597	13,242	(355)	13,242	355	13,597	13,597	*	
81918	Traffic Consultant	CNR	50,000	(16,520)	33,480	50,000	16,520	50,000	(16,520)	33,480	33,480	*	
82204	Ventilation & Exhaust System	CNR	8,000	(1,790)	6,210	8,000	1,790	8,000	(1,790)	6,210	6,210	*	
82623	Fire Chief Vehicle	CNR	35,000	(53)	34,947	35,000	53	35,000	(53)	34,947	34,947	*	
83202	Roof Replacement	CNR	130,000	(7,100)	122,900	130,000	7,100	130,000	(7,100)	122,900	118,209	4,691	
83218	Town Garage Furnace	CNR	10,000	1,576	11,576	10,000	(1,576)	10,000	1,576	11,576	11,576	*	
83517	Mansfield Center Improvements	ISTEA CNR	217,880 172,120	(9,050) (25,373)	208,830 146,747	208,830 172,120	 25,373						
	Total 83517		390,000	(34,423)	355,577	380,950	25,373	390,000	(34,423)	355,577	355,577	*	
83522	Maple Rd. Reconstruction	State CNR TA/RD	1,157,000 40,000 75,000	(1,157,000) (23,433)	 16,567 75,000	 40,000 75,000	 23,433						
	Total 83522		1,272,000	(1,180,433)	91,567	115,000	23,433	1,272,000	(1,180,433)	91,567	91,567	*	
83526	Separatist Road Bikeway	Loc Sup CNR	100,000 650,000	(100,000) (47,461)	 602,539	 650,000	 47,461						
	Total 83526		750,000	(147,461)	602,539	650,000	47,461	750,000	(147,461)	602,539	602,539	*	
83627	Large Dump Truck	CNR	98,811	6,865	105,676	98,811	(6,865)	98,811	6,865	105,676	105,676	*	
83629	Garage Service Truck	CNR	60,000	(5,358)	54,642	60,000	5,358	60,000	(5,358)	54,642	54,642	*	
83730	Vac-All Body Replacement	CNR	30,000	(21,145)	8,855	30,000	21,145	30,000	(21,145)	8,855	8,855	*	
83912	Mapping Work Station/Software	CNR	120,000		120,000	120,000		120,000		120,000	120,000	*	
83915	Vehicle AVL System	CNR	25,000	(5,950)	19,050	25,000	5,950	25,000	(5,950)	19,050	19,050	*	
83916	Town Aerial Photos	CNR	35,000	(1,760)	33,240	35,000	1,760	35,000	(1,760)	33,240	33,240	*	
84212	ADA Compliance	OPM Grant CNR	 25,000	25,000 (23,700)	25,000 1,300	 1,300	(25,000) (1,300)						
	Total 84212		25,000	1,300	26,300		(26,300)	25,000	1,300	26,300	3,847	22,453	

PROPOSED CAPITAL FUND BUDGET CHANGES

Page 2 of 2
REVENUE BUDGET

EXPENDITURE BUDGET

84901	Senior Center Assoc. Study	CNR	8,750	8,750	(8,750)	8,750	8,750	875	7,900			
85803	Comm. Ctr. Walking Track	Loc Sup	325,000	(47,382)	277,618	152,000	(125,618)	325,000	(47,382)	277,618	277,618	
86106	New Wells - Schools	State	400,000	464,270	864,270		(864,270)					
		CNR	235,730		235,730	235,730						
			635,730	464,270	1,100,000	235,730	(864,270)	635,730	464,270	1,100,000	811,283	288,717
86260	Deferred Maint. Projects	GF/Bd	108,500	110,000	218,500	218,500						
		CNR	115,000		115,000	115,000						
		Other	136,436		136,436	136,436						
			359,936	110,000	469,936	469,936		359,936	110,000	469,936	354,970	114,966
86263	Elem Schools' Shelving	CNR	12,800	(25)	12,775	12,800	25	12,800	(25)	12,775	12,775	
86269	MMS Auditorium Renovation	CNR	150,000	8,257	158,257	150,000	(8,257)	150,000	8,257	158,257	158,257	
86284	MMS Heating Alterations	State	2,774,000	(64,050)	2,709,950		(2,709,950)					
		Bonds	1,026,000	64,050	1,090,050		(1,090,050)					
			3,800,000		3,800,000		(3,800,000)	3,800,000		3,800,000		3,800,000
Grand Total			<u>\$ 8,873,454</u>	<u>\$ (772,791)</u>	<u>\$ 8,100,663</u>	<u>\$ 3,311,904</u>	<u>\$ (4,788,759)</u>	<u>\$ 8,873,454</u>	<u>\$ (772,791)</u>	<u>\$ 8,100,663</u>	<u>\$ 3,861,936</u>	<u>\$ 4,238,727</u>

Recap of Funding Changes:	Bonds	\$ 64,050
	CNR	(59,329)
	Gen Fund - Board	110,000
	Local Support	(146,682)
	State Grants	(731,780)
	ISTEA Grant	(9,050)
		<u>\$ (772,791)</u>

Town of Mansfield
 State Revenue - Funding Adjustments
 Per August, 2007 State Estimates
 Proposed Adjustments to 2007/08 Budget

Anticipated Additional Funding:

ECS		\$ 423,290
PILOT		<u>221,690</u>
Total		<u>644,980</u>

Additional Funding Needed:

Deficit Fund balance in Parks & Recreation Fund	\$ (101,538)	
Pequot grant reduced \$619,520 - leave an estimated deficit balance in CNR Fund	(679,274)	
CIP Closeouts, October 2007 - reduce CNR transfer	59,329	
Additional support for Recreation programs 07/08	<u>(100,000)</u>	
		(821,483)

Net CIP Adjustments below

	<u>178,560</u>
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Net Available

	<u><u>2,057</u></u>
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Additional CIP Adjustments:

Cancel 82622 - Police Cruiser	25,000
Cancel 82626 - Rescue 626	30,000
Reduce Snowplow budget	7,000
Reduce Water Supply Study - UCONN	30,000
Close Tech upgrade	28,430
Split Town Walkways over 2 years	100,000
Birch Road ISTEAs additional grant	43,570
Community Center construction shortage	<u>(85,440)</u>
	<u><u>178,560</u></u>

PAGE
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INTER

OFFICE

MEMO

FINANCE DEPARTMENT, TOWN OF MANSFIELD

To: Jeff Smith, Director of Finance
From: Cherie Trahan, Controller/Treasurer
Subject: Expansion of Accountant Position to Full Time
Date: September 27, 2007

For some time now, the Finance department has been faced with an increasing need for accountant services. Several factors have contributed to this:

- The number of agencies and their grant awards have grown. The addition of Eastern Highlands Health District, and their own internal growth in terms of member towns, has added to the volume of accounts payable processing, payroll processing and financial reporting. The Health District has several grants that require time-consuming cost allocation and financial reporting which is performed at the accountant level.
- The establishment of the Mansfield Downtown Partnership has added similar responsibilities in terms of grant reporting. They have been awarded two \$500,000 STEAP grants which require financial accountability, reporting and requests for payments. These grants are particularly time-consuming because the Department of Economic Development requires us to match funding with particular expenditures. They also require copies of every payment that is made with STEAP funds. As this project moves forward, the demands on the department will continue to grow.
- The challenges we face because of the fluctuations in State funding are requiring more and more analysis and modifications to the budget as we try to balance our needs with our available resources.
- The financial status of the Parks & Recreation department has presented us with additional financial reporting and analysis needs. Again, this is very time consuming but critical to the financial success of the Community Center.
- Over the last couple of years, the Town Council and both Boards of Education have requested budget information earlier on in the process. Our biggest obstacle in providing this information is budgeting and estimating salaries and benefits. All three budget cycles overlap. At this time, one accountant does the salary estimating (current year) for budget transfers and the salary budgeting (proposed year) for all three entities. This responsibility clearly needs to be split between two staff members. It is a critical part of the budget process.
- School construction grants are also very time consuming and are handled by the same accountant who is responsible for the salary budgeting. We currently have several projects underway and anticipate much larger scale projects in the near future.
- The Management Services Fund has allowed us to centralize many of our internal services (phones, copiers, computers, mailing, energy, information technology) and at the same time reduce costs, and even out replacement costs and upgrades. Our entire Department of Technology is an internal service fund supported by contributions from those who receive its services. But along with the benefits of this

Fund, is a considerable amount of accounting and budgeting to accurately report, project and allocate revenues and expenditures within the Fund. This is critical to be certain that every "customer" is receiving their fair share of services and that the fund remains sufficiently solvent to meet future needs.

Currently, in addition to the Controller, the Finance department has 1.34 FTE accountants. At the end of this calendar year, our part time accountant is retiring. At this time, I would like to recommend that we expand this position to full time. In the past, we have not charged grants for administrative support, even though most of them allow it. It is our recommendation to begin charging administrative costs to several of the larger grants. I would also recommend that discussion begin with the Mansfield Discovery Depot, as we did with Eastern Highlands Health District, to charge them a nominal fee for accounting support. The Discovery Depot is provided with payroll processing; payroll tax deposits and reporting; accounts payable and purchasing; accounting and financial services; and personnel and benefits management.

The .34 FTE accountant position is supported by the Solid Waste Fund at a cost of approximately \$17,000. If we expand the position to full time, I would expect an annual cost of approximately \$53,000 including benefits. Recommended funding is as follows:

Solid Waste Fund - 32% (no change)	\$ 16,200
Various Grants - 50% *	26,500
Discovery Depot - 8%	5,000
Management Services Fund - 10%	5,300

Grant funding would come from the Board of Education IDEA Part B grant; Bio-terrorism Preparedness grant; School Readiness Grant; and the Small Cities Program Income. Our philosophy has always been that grant funding goes towards the programs they are supporting, however, we can no longer do that without covering some of the administration costs of those grants. None of the charges recommended here will have a significant impact on the programs they support. I am proposing no impact on the General Fund budget.

With the 2008/09 budget season about to begin, I request that if approved, we move forward as quickly as possible and aim to have someone on board by mid-November. Grant budgets can be modified for the current year to provide the funding for 2007/08.