

TOWN OF MANSFIELD

SPECIAL FINANCE COMMITTEE MEETING

Monday, July 15, 2013

Audrey P. Beck Building
Conference Room B

5:00pm

A G E N D A

1. Call to order
2. Approval of minutes for May 13, 2012 Meeting
3. Opportunity for Public Comment
4. Finance Department Cost Allocation
5. Other Business/Future Agenda Items
6. Adjournment

TOWN OF MANSFIELD
FINANCE COMMITTEE MEETING
MINUTES OF MAY 13, 2013

Members Present: Bill Ryan (Chair), Carl Schaefer, David Freudmann

Other Council Members Present: Paul Shapiro

Staff Present: Matt Hart, Cherie Trahan, Cynthia vanZelm, Curt Vincente

1. Meeting called to order at 6:04pm.
2. Minutes from 04/8/13 meeting approved as presented.
3. Opportunity for Public Comment – Betty Wassmundt, Old Turnpike Road, asked which Superintendent (Region 19 or Mansfield Board) received an iPad as reported in the Responses to Citizens questions. Ms. Wassmundt also expressed that she was troubled by the Town taking over ownership of the pump station by the Post Office.
4. The final report on Storrs Center relocation expenses was reviewed by the Finance Committee. Cherie Trahan noted that the "Total Paid" amount was incorrect on the worksheet included in the packet due to an error in a formula in the worksheet. The correct amount is \$552,860.80 with Leyland and the Town each paying \$276,430.40. Relocations are complete, closed out, and all payments have been received from Leyland. A corrected report was provided.

Cynthia vanZelm was available to answer questions and confirmed that the anticipated total amount of relocation expenses was \$750,000 with the Town being responsible for \$375,000.

Paul Shapiro made the observation that Husky Pizza received a relocation reimbursement but is also on the transfer of delinquent taxes to suspense. We are required by State law to pay relocation expenses and don't have the ability to apply this payment to delinquent taxes.

5. Curt Vincente provided some history on the fee waiver ordinance, the payments made since FY 92/93, and what the ordinance covers. The Committee discussed this item and agreed to make a recommendation to the Council to set up an ad hoc committee to review the fee waivers related to recreation programs.
6. The Committee reviewed the request to transfer delinquent taxes to suspense. Carl Schaefer asked what the reason "other" could possibly mean. Cherie Trahan will get an explanation from the Revenue Collector as to what "other" reasons include. Cherie will also ask the Revenue Collector to meet with the Finance Committee to review the various collection methods that are used to collect both real estate and personal property taxes. The Committee agreed to recommend approval of delinquent taxes to the suspense list per the attached list.
7. Cherie provided a brief overview of the status of current year revenues and expenditures, noting that overall actual revenues are anticipated to exceed budget, thereby providing an increase to Fund Balance. Expenditures are primarily running according to budget, with the exception of fire costs anticipated to exceed budget by up to \$50,000. We anticipate being able to cover this overage with surpluses from other items.
8. We are currently in the second year of a three year contract for audit services with Blum, Shapiro. State Statute requires that the Council appoint the auditors on an annual basis. The Committee will recommend appointing Blum Shapiro for the FY 2012/13 audit.

9. Other business/future agenda items.

10. Adjournment. The meeting adjourned at 7:09 pm.

Motions:

Motion to approve the April 8, 2013 minutes by David Freudmann. Seconded by Carl Schaefer. Motion so passed.

Motion to recommend approval of the transfer of delinquent taxes to the suspense list by Carl Schaefer, seconded by David Freudmann. Motion so passed.

Motion to recommend to the Town Council that they form an ad hoc ordinance review committee to review the fee waiver program for recreations programs (items J & K) by Bill Ryan, seconded by Carl Schaefer. Motion so passed.

Motion to recommend acceptance of the quarterly financial statements dated March 31, 2013 by Bill Ryan, seconded by Carl Schaefer. Motion so passed.

Motion to recommend appointment of Blum, Shapiro as the auditing firm for Fiscal year 2012/13 by David Freudmann, seconded by Carl Schaefer. Motion so passed.

Motion to adjourn.

Respectfully Submitted,

Cherie Trahan, Director of Finance

Updated: May 13, 2013

Relocation Expenses

Date	Vendor	Check #	Amount Paid	Amount Due From Leyland	Amount Received From Leyland	Balance Due From Leyland
8/17/2006	Prototype/Curtis Olsen	71489	10,000.00			
10/31/2006	Prototype/Curtis Olsen	73176	10,000.00			
			20,000.00	10,000.00	10,000.00	-
8/9/2007	Campus Cuts 1/Kathly LaJoie	78658	40,420.26	20,210.13	20,210.13	-
2/26/2009	Sunmark Gardens/Campus Florist	89166	20,000.00	10,000.00	10,000.00	-
5/16/2011	Jao Praya	101779	20,000.00	10,000.00	10,000.00	-
11/2/2011	Tailoring by Tima	104341	8,000.00			
1/14/2012	Tailoring by Tima	105473	3,977.75			
			11,977.75	5,988.87	5,988.87	(0.00)
11/10/2011	Campus Cuts 2/Valerie Varga	104562	20,000.00	10,000.00	10,000.00	-
2/16/2012	Husky Greek Shop	105792	2,500.00			
3/29/2012	Husky Greek Shop	106375	17,500.00			
			20,000.00	10,000.00	10,000.00	-
1/18/2012	Gentleman's Choice/Dale Trainor	105383	2,500.00			
1/31/2012	Gentleman's Choice/Dale Trainor	105576	17,500.00			
			20,000.00	10,000.00	10,000.00	-
2/14/2012	Paperback Trader/George Norman	105841	2,500.00			
3/29/2012	Paperback Trader/George Norman	106407	17,500.00			
			20,000.00	10,000.00	10,000.00	-
7/31/2012	Wings Over Storrs	108089	69,040.84	34,520.42	34,520.42	-
8/31/2012	Husky Pizza	108368	50,000.00	25,000.00	25,000.00	-
10/31/2012	Storrs Automotive	109369	3,000.00	1,500.00	1,500.00	-
10/31/2012	Leyland Storrs LLC and Storrs Automotive	109293	36,215.85	18,107.93	18,107.93	-
11/30/2012	Select Physical Therapy Inc.	109797	28,343.05	14,171.53	14,171.53	-
2/14/2013	Subway	110819	54,285.55	27,142.78	27,142.78	(0.00)
2/14/2013	Husky Pizza	110743	36,803.04	18,401.52	18,401.52	-
2/14/2013	Leyland Storrs LLC & Travel Advisors	110758	17,084.44	8,542.22	8,542.21	0.00
3/14/2013	Leyland Storrs LLC and Body Language	111161	20,210.27	10,105.14	10,105.14	(0.00)
3/14/2013	Body Language	111084	6,855.00	3,427.50	3,427.50	-
3/14/2013	Leyland Storrs LLC and Skora's Barber & Styling Shop	111162	38,624.76	19,312.38	19,312.37	0.00

Total Paid	Leyland's Share	Paid by Leyland	Total Due From Leyland
\$ 552,860.81	\$ 276,430.40	\$ 276,430.40	\$ (0.00)



Town of Mansfield Department of Finance

To: Finance Committee
Cc: Matt Hart, Town Manager
From: Cherie Trahan, Director
Date: July 15, 2013
Re: Finance Department Cost Allocation

As discussed earlier this year, attached is a recap of the direct and indirect costs of the Finance Department. This analysis also includes a breakdown of the cost of services provided to the Mansfield Board of Education, Regional School District 19 and Eastern Highlands Health District. This information is then compared to the direct and indirect payments received from each entity.

I offer the following notes in order to understand this analysis:

1. Cost estimates are based on the FY 2013/14 budget
2. Salaries and all benefits (including an estimate of the annual OPEB contribution) are accounted for all employees within Finance Administration and Accounting and Disbursements. This reflects a total FTE of 7.0, including the Director's position.
3. Technology hardware and software are not included in this analysis as they are considered part of information technology services and are therefore accounted for and charged to the entities via the Management Services Fund.
4. Training, travel, conference fees and memberships for the Finance Department are not included here as each entity is charged directly for the activities that support their agency.
5. The bank management fee reflected in this analysis is for Town, Board and EHHD only. Region 19 is charged directly for the bank management fees associated with their accounts.
6. Indirect costs of furniture and office space has been analyzed. I have also included an estimate of miscellaneous costs that might occur. An average life of 10 years was used on all furniture (desks, file cabinets, etc). Office space was based on the overall cost of building maintenance for Town buildings allocated as a percentage of square footage.
7. All costs (salaries, benefits, supplies, fees, etc) have been broken down by service provided and further allocated to each entity based on the percentage of use.

8. Finally, payments reflect not only service agreements, but payments made by the entities through premiums and direct charges to their accounts.

The cost of services compared to payments received breaks down as follows:

Mansfield Board of Education	Cost more than payment = (\$41,778)
Regional School District #19	Payment more than costs = \$14,999
Eastern Highlands Health District	Payment more than costs = \$302

As this analysis is based on estimated usage (which can vary from year to year) and considering the size of the budgets involved, it is my opinion that this variation is reasonable and does not justify an adjustment to budgeting and/or funding.

**Town of Mansfield
Finance Department Cost Allocation**

	<u>Total Costs</u>	<u>Notes</u>
Salaries	\$ 477,880	July 1st actual salaries for all Finance staff - 7 FTE's
Benefits:		
Social Security	29,629	Rate = 6.2% of annual salaries & budgeted overtime
Medicare	6,929	Rate = 1.45% of annual salaries & budgeted overtime
MERS	57,250	July 1st rate = 11.98% of annual salaries & budgeted overtime
Medical Insurance	111,790	Est. \$15,970 for (7) FTE's - Family coverage average of POS/POE premiums
Workers Comp	24,103	Basis - Finance salaries as a % of total salaries times W/C annual premium
STD/LTD/Life	6,929	Actual premiums based on coverage for Finance staff
OPEB	4,922	Basis - Finance salaries as a % of total salaries times annual OPEB contribution
Bank Management Fees	22,000	Budgeted bank service fees
Central Supplies	10,000	Budgeted office supplies
Office Space	6,575	Alloc. of building maint/energy annual budget based on office square footage
Furniture & Fixtures	1,000	Estimated cost of desk units, file cabinets, chairs with average life of 10 years
Miscellaneous	2,425	
Total Costs	<u>\$ 761,432</u>	

Service	Cost of Services by Entity					Notes
	Total Costs	Town	Board	Region 19	EHHD	
Service:						
Accounts Payable	\$ 192,733	\$ 92,378	\$ 64,155	\$ 27,100	\$ 9,099	Alloc basis - non-salary budget items
Payroll	89,018	22,255	36,498	28,486	1,780	Alloc basis - salary budget items
Budget	143,330	94,528	21,810	24,095	2,897	Estimated hours of support
Financial Reporting, etc	259,585	153,043	40,896	61,766	3,880	Estimated hours of support
Grants Management	76,765	25,013	14,948	14,948	21,855	Estimated hours of support
Total Costs	<u>761,432</u>	<u>387,217</u>	<u>178,307</u>	<u>156,395</u>	<u>39,512</u>	
Payments:						
Via Health Fund Prem.			23,444	23,444	7,815	
Via Direct Charges			113,085	54,160	5,000	
Via Charge for Services			-	93,790	27,000	
Total Payments			<u>136,529</u>	<u>171,394</u>	<u>39,815</u>	
Net Excess Payment/(Cost)			<u>\$ (41,778)</u>	<u>\$ 14,999</u>	<u>\$ 302</u>	