

TOWN OF MANSFIELD
FINANCE COMMITTEE MEETING

Monday, August 25, 2014

Audrey P. Beck Building
Conference Room B
6:00pm

A G E N D A

1. Call to order
2. Approval of minutes for July 14, 2014 Meeting
3. Opportunity for Public Comment
4. Transfer to Suspense
5. UConn Water/Sewer Proposed Budget 2013/14
6. Shared Services Discussion
7. Communications/Other Business/Future Agenda Items
8. Adjournment

TOWN OF MANSFIELD
FINANCE COMMITTEE MEETING
MINUTES OF JULY 14, 2014

Members Present: Bill Ryan (Chair), Paul Shapiro, Virginia Raymond

Other Council Members Present: Steve Kegler, Peter Kochenburger, Alex Marcellino, Betsy Paterson, Betty Wassmundt

Guests Present: Bill Lindsay, IBIC and Vanessa Rossitto, Blum Shapiro

Staff Present: Matt Hart, Cherie Trahan

1. Meeting called to order at 6:00pm.
2. Minutes from 6/16/14 meeting unanimously approved.
3. Opportunity for Public Comment –
Martha Kelly, Bundy Lane resident and member of Board of Education but speaking as a private individual, stated that the present audit process is not sufficient, urged the Council to request bids from other auditing firms, and requested a review of internal controls.
Pat Suprenant, Gurleyville Road and Mansfield Independent News, asked a series of questions and asked for Council members to respond.
David Freudmann, Eastwood Road, expressed his belief that it is the purview of all Council members to make sure tax dollars are used appropriately, that the Town is not being adequately reimbursed for the financial services it offers, and that the Town should look at its practice of shared services.
Arthur Smith, Mulberry Road, expressed his disappointment in the audit process, requested clarification as to the qualifications of the Finance Director, and questioned the amount of bonding that will be necessary for the water and sewer project.
Betty Wassmundt, Old Turnpike Road and Council member but speaking as a private citizen, stated that she is disappointed in the handling of the Baruzzi issue and the Council's response to the situation.
Ric Hossack, Middle Turnpike, agreed with the comments to date and requested the Council address the necessary questions. Mr. Hossack suggested the Finance Department be divided into three entities.
4. Four Corners Sewer Project – Bonding Discussion – Bill Lindsay, IBIC LLC
Mr. Lindsay provided information regarding bonding for the proposed sewer project and the impact the project would have on the Town's debt service. The wording of the bond issue will indicate appropriation spending of nine million dollars with an authorization to borrow six million dollars. The issue of general obligation bonds will be for a twenty year period.
5. FY 2013/14 Annual Audit – Vanessa Rossitto, Audit Partner, Blum Shapiro & Co, PC
Ms. Rossitto reviewed her annual communication for those charged with governance.
Ms. Rossitto provided information on the components of an audit, the responsibilities of the auditors, and the responsibilities of management. Committee and Council members discussed the role of the audit in fraud detection and the role of the Council regarding questions concerning Board of Education budgetary issues.

6. Shared Services Discussion –
To be added to the next agenda of the Finance Committee.

7. Communications/Other business/future agenda items –
 - ⇒ Shared Services Discussion
 - ⇒ UConn Water/Sewer Budget FY13/14
 - ⇒ Parameters for building permit fee reductions
 - ⇒ General discussion on collection procedures
 - ⇒ Preliminary Yearend Results and Yearend Budget Transfers

8. Adjournment. The meeting adjourned at 7:28 p.m.

Motions:

Motion to approve the June 16, 2014 minutes by Paul Shapiro. Seconded by Virginia Raymond.
Motion passed unanimously.

Motion to adjourn.

Respectfully Submitted,
Mary Stanton, Town Clerk

July 14, 2014

Mr. Bill Ryan, Chair
Finance Committee
Town of Mansfield
Storrs, CT 06268

Mr. Ryan and Members of Finance Committee:

I am speaking today as a private individual, not as a member of Mansfield's preK-8 Board of Education member or as a member of their Finance Committee.

As I understand the process, the town's Finance Committee is charged with and is responsible for the governance of our town. The committee sets forth procedures to manage the town and are, in short, responsible for establishing and maintaining good governance.

It has become apparent that our present audit process is not sufficient. When I have been involved in large-scale corporate audits, all departments know that when auditors visit, randomly selected accounts – often dealing with employee expense reports (from jets to hotels to sandwiches) – are normally pulled and examined for discrepancies. However, from what I understand, the scope of municipal audits is restrained, and such detail is not normally performed during these limited audits. Areas flagged for review are at the discretion of the town's finance director, who does not review expenses under \$5,000. This must assume that officers of submitting agencies thoroughly review expenditures before they are forwarded to the controller be reimbursed. It appears the town's Finance Committee has not insisted prior review and approval of department expenses be a firm policy.

In view of the town's efforts to find the best talent, I would suggest that (1) you accept bids for other qualified firms interested in becoming our town's auditor and (2) review the internal personnel pool and governance policies to ensure qualifications and guidelines are a good fit for our present situation. It appears we have not been well served by present internal controls.

Respectfully,



Martha Kelly

29 Bundy Lane
Storrs, CT 06268



**Town of Mansfield
Agenda Item Summary**

To: Town Council
From: Matt Hart, Town Manager *MH*
CC: Maria Capriola, Assistant Town Manager; Cherie Trahan, Director of Finance; Christine Gamache, Collector of Revenue, Amy Meriwether, Accounting Manager
Date: August 25, 2014
Re: Transfer of Foreclosed Property to Property Tax Suspense Book

Subject Matter/Background

Attached please find the proposed transfer of uncollected taxes to the property tax suspense book in the amount of \$2,362.75. Following the death of the mobile home owner, Jensen's mobile home park foreclosed on the home and auctioned it off as abandoned. As advised by Attorney Adam Cohen of the law firm of Pullman & Comley, who handles tax sales and similar matters for the Town, the judgment that was recorded terminates the Town's tax liens but does not extinguish the delinquent taxes. Since there are no surviving family members or estate to pay the tax, Attorney Cohen advises that the Council move these items to the suspense list now. This action would eliminate the need for the Town to send delinquent or lien notices regarding the subject property that are essentially non-collectible.

The Finance Committee will review this item at its meeting on Monday evening.

Recommendation

If the Finance Committee wishes to recommended approval of the transfers, the following motion would be in order:

Move, effective August 25, 2014, to transfer \$2,362.75 in uncollected property taxes to the Mansfield Property Tax Suspense Book, as recommended by the Collector of Revenue.

Attachments

- 1) Process Suspense Report, dated July 3, 2014

Process Suspense Report

TOWN OF MANSFIELD Date: 07/03/2014 Time: 15:45:45
 Condition (s): Year: , Type: 01 - RE, Order: Bill Number, Total Only: No, Recap by Dist: No

Bill #	Dst	Name	Code	Reason	Date	Town Due/Susp	Dist Due/Susp	Sewer Due/Susp	Total
2010-01-0004738	0	URQUHART LORRAINE EST OF			07/03/2014	704.36			704.36
REAL ESTATE		# Of Acct: 1				704.36			
YR : 2010		TOTAL : 1				704.36			
2011-01-0004781	0	URQUHART LORRAINE EST OF			07/03/2014	798.50			798.50
REAL ESTATE		# Of Acct: 1				798.50			
YR : 2011		TOTAL : 1				798.50			
2012-01-0004743	0	JENSEN'S INC			07/03/2014	821.74			821.74
REAL ESTATE		# Of Acct: 1				821.74			
YR : 2012		TOTAL : 1				821.74			
2013-01-0004730	0	JENSEN'S INC			07/03/2014	38.15			38.15
REAL ESTATE		# Of Acct: 1				38.15			
YR : 2013		TOTAL : 1				38.15			
Grand Total: 4						2,362.75			



**Town of Mansfield
Agenda Item Summary**

To: Town Council
From: Matt Hart, Town Manager *MH*
CC: Maria Capriola, Assistant Town Manager; Cherie Trahan, Director of Finance; Amy Meriwether, Accounting Manager
Date: August 25, 2014
Re: WPCA, FY 2013/14 UConn Water and Sewer Budget

Subject Matter/Background

Attached is the proposed UConn water and sewer budget for FY 2013/14. The budget is based on actual water/sewer billings from New England Water Utility Services (NEWUS) for the period July 2, 2013 – April 8, 2014, as adjusted for prior year estimates.

The Finance Committee will review this item at its meeting on Monday evening.

Financial Impact

The proposed budget anticipates a reduction from FY 2012/13 billings primarily due to a duplication of charges to the four customers on the new pump station. UConn billed these customers directly for the period July 1, 2012 – June 30, 2013. In addition, \$25,211 in pump station capital and operating costs will be allocated to all customers in future budgets.

Recommendation

If the Town Council acting as the Water Pollution Control Authority (WPCA) approves the budget as proposed, the following motion would be in order:

Move, effective August 25, 2014, to adopt the FY 2013/14 UConn Water and Sewer budget as prepared by town staff.

Attachments

- 1) UConn Water and Sewer Enterprise Fund Estimated Budget
- 2) UConn Water and Sewer Enterprise Fund Comparison of Proposed Billing by Customer

TOWN OF MANSFIELD
 UCONN WATER/SEWER ENTERPRISE FUND ESTIMATED BUDGETS

	<u>2012/13</u> Actual	<u>2013/14</u> Proposed
OPERATING REVENUES:		
Water/Sewer Charges	<u>\$110,184</u>	<u>\$84,938</u>
Total Operating Revenues	110,184	84,938
OPERATING EXPENSES:		
Pump Station Maintenance	4,845	20,366
Consultants		-
Water/Sewer Billings	91,533	94,640
Purchased Services & Supplies	3,721	5,110
Depreciation	<u>9,563</u>	<u>9,560</u>
Total Operating Expenses	<u>109,662</u>	<u>129,676</u>
Operating Income/(Deficit)	522	(44,738)
Retained Earnings, July 1	<u>317,472</u>	<u>317,994</u>
Retained Earnings, June 30	<u><u>\$317,994</u></u>	<u><u>\$273,256</u></u>

Notes:

UConn billed the 4 new customers directly in FY 2012/13, therefore we need to adjust their current billing for the duplication of \$15,591.

New Capital and operating pump station costs to be allocated to customers in future budgets, costs to date \$25,211.

UCONN WATER/SEWER FUND
 COMPARISON OF PROPOSED WATER/SEWER BILLING
 BY CUSTOMER 13/14 VERSUS ACTUAL 12/13

Account	FY 2012/13 Budget	FY 2013/14 Preliminary Budget	FY 2012/13 Adjustment	FY 2013/14 Proposed Budget	Budget Increase/ (Decrease)	%
Wrights A - Sewer Only	3,547	3,258	(925)	2,333	(\$1,214)	-34.2%
Wrights B - Sewer Only	1,009	1,023	(52)	971	(\$38)	-3.8%
Holinko - Sewer Only	12,257	11,213	(1,329)	9,884	(\$2,373)	-19.4%
Senior Center - Water and Sewer	1,216	1,115	(314)	801	(\$415)	-34.1%
Total Town of Mansfield	18,029	16,609	(2,620)	13,989	(4,040)	-22.4%
Wrights A - Water Only	3,463	3,169	(889)	2,280	(\$1,183)	-34.2%
Wrights B - Water Only	1,075	1,089	(44)	1,045	(\$30)	-2.8%
Holinko - Water Only	12,273	11,484	(1,191)	10,293	(\$1,980)	-16.1%
Total Mansfield Housing Authority	16,811	15,742	(2,124)	13,618	(3,193)	-19.0%
Mansfield Retirement Comm. (Juniper Hill) Water and Sewer	20,396	20,632	(752)	19,880	(\$516)	-2.5%
Mansfield Retirement Co-op (Glen Ridge) Water and Sewer	14,579	14,157	(1,261)	12,896	(\$1,683)	-11.5%
Center for Rehabilitation and Nursing Water and Sewer	26,393	23,413	(2,024)	21,389	(\$5,004)	-19.0%
Courtyard Condos	8,051	9,053	(8,051)	1,002	(\$7,049)	-87.6%
Post Office	911	535	(911)	(376)	(\$1,287)	-141.3%
University Plaza	5,140	7,532	(5,140)	2,392	(\$2,748)	-53.5%
Weeks Trailer Park	1,489	1,637	(1,489)	148	(\$1,341)	-90.1%
Total All Accounts	111,799	109,310	(24,372)	84,938	(26,861)	-24.0%

New joint finance director already finding efficiencies

By Francesca Kefalas
For The Bulletin

The town finance department recently moved into the Kramer building where it now works side by side with the school district finance office, both under the supervision of joint finance director Christian Johnson.

At the same time, new financial reporting software was installed so both departments are on the same system.

"It's been a busy time," Johnson said. "The staff has adapted very well to all the changes."

The town and school district invested significant money in Munis software, which allows the town and school financial departments to run the same software.

For years both finance departments operated on different platforms and the difficulties of that became obvious every year during audits. To pull together the financial information for the school and town in one format in order to conduct an audit became onerous, Johnson said.

For the first time in many years, the town last year only needed one extra month to submit its audit to the state. In previous years the audit took much longer.

And in that additional month the town produced a much more detailed audit book and submitted it to Government Finance Officers Association for an award. The results have not been released yet.

Johnson said the town might not need that extra month this year.

Because the Town Council and the Board of Education made a commitment to hire Johnson almost one year ago

as the joint finance director, the accounts for both have been merged into one chart.

Town comptroller Tom Pesce said having one chart simplifies many accounting procedures and is a major factor in reducing the time it takes to finalize the annual audit.

Moving the town offices next to the school district offices was a natural next step, Pesce said.

"There's a lot of good that comes out of being able to walk down the hall and be able to talk to each other," he said. "It's not ideal because now I have to go down the hill to meet with people in Town Hall, but this move made the most sense."

The Munis software came online last month and there are kinks to be worked out, Pesce said. The staffs are working together to learn the software and streamline procedures, he said.

Johnson said there will be another phase of Munis coming online in the future.

Uniting the staffs on one software platform and training them together are just part of the efficiencies created, Johnson said.

The staffs have also been "right-sized," Johnson said, and there are a total of 15 people working in both departments. They also all work the same hours and have already provided support for one another. Johnson said he expects the staff to remain at 15 unless there is a retirement or someone leaves, at which point workflow will be reexamined.

"We haven't maximized the potential yet as far as getting the groups together and all doing the work together," Johnson said. "We'll look for more efficiencies down the road."