TOWN OF MANSFIELD
FINANCE COMMITTEE MEETING
MINUTES OF OCTOBER 13, 2016 – ***As Revised 10/31/16***

Members Present: Ryan (Chair), Raymond, Marcellino

Other Council Members Present: Shapiro

Staff Present: Hart, Trahan, Meriwether

Guests: None

1. Meeting called to order at 5:30pm

2. Approval of minutes for September 22, 2016

   Ryan moved and Raymond seconded to approve the minutes of the September 22, 2016 meeting as presented. Motion so passed. Marcellino abstained.

3. Opportunity for Public Comment – Wassmundt, Old Turnpike Road commented on the new finance policies and procedures and shared services. Submitted comments attached. Freudmann, Eastwood Road commented on the cost allocation of the finance department and distributed report dated August 12, 2013 (attached).

4. Staff Reports – Finance Director Trahan reviewed her memo dated October 13, 2016 with regard to shared services and long term liabilities and answered questions from the Committee. Raymond requested that the Chair suspend the rules and allow her to ask a question of Wassmundt. The Chair allowed and Wassmundt addressed the Committee. No action was needed; the Chair stated he was satisfied with the explanation.

5. Policies and Procedures Update – The Committee began to review the revised Policies and Procedures (P&P). A number of items were discussed and some changes will be made based on those discussions. The Committee will resume their review on page 31 of the P&P

6. Fraud Risk Assessment Update – Tabled until the November meeting.

7. Purchasing Ordinance Review – Tabled until the November meeting.

8. Debt Performance Goals – Tabled until the November meeting.

9. Mansfield Discovery Depot – Trahan reported that we are working on setting up a meeting with members of the MDD Board. Square footage of the building is 12,637 and it sits on 14.64 acres.

10. Communications/Other Business/Future Agenda Items – None

11. Adjournment. The meeting adjourned at 5:30pm.
    Marcellino moved and Raymond seconded to adjourn. Motion so passed.

Respectfully Submitted,

Cherie Trahan, Director of Finance

DRAFT

Finance Committee
10/13/2016

Since you are reviewing "Policies & Procedures" and other documents, I'd like you to tell me what policies and/or procedures you have in place to assure that there will be no other "Baruzzi" incidents in town. Do you know the extent of the money Baruzzi received via his special "travel account"? I calculated from the Vendor Reports that from FY 06' - 07' through FY 12' - 13', he received payments totaling $150,667and for FY 13 -14 and 14- 15 he took over $50,000. That's over $200,000 and, he worked here for many years prior to 06-07 – who knows how much money he and Gordon Schimmel received from special accounts. I suppose the Finance Department knows. Will your new Policies & Procedures, etc. provide for **responsibility** within town management? If not, they will be worthless. No one was held responsible for the Baruzzi incident. I'm reminded of Mansfield's Code of Ethics. I remember all the citizens who spoke about the inadequacies in the proposed Code but Mansfield's citizens got what town management wanted. Are you, the Finance Committee, doing the same with all of these documents you're reviewing?

About "Shared Services", I'm the one who has been here to speak about this so I hope I know what I said though it is a bit difficult to convey in 5 minutes a concept which people, even yourselves, don't seem to have a good feel for or, to have thought about and, likely really don't want to have to think about. What I've talked about is not what is conveyed in the opening sentence of the memo you received from Director Trahan. I want you to consider the cost of the retirement benefits to the Mansfield taxpayer for all the **extra** employees Mansfield may have due to the work being done for Region 19, Eastern Highlands Health District, the Partnership, the Discovery Depot; did I forget any. Let's not consider the Board of Ed tonight.

Tonight, I want you to consider just those employees the town needs to do the work for outside entities which the town would **not need** if it did not do that work.

Just use common sense, please. If there is just one employee on the Town of Mansfield payroll that is needed due to these entities, that employee is a retirement expense just to the Mansfield taxpayer while he/she has been doing the work for other towns or businesses. The Mansfield taxpayer exclusively pays retirement costs. Again use common sense. You know the extent of employees within Region 19. Can you believe that Mansfield's IT department or Finance Department could do **all that extra work** with no extra employees? I don't think so. If they could, Mansfield had too many employees to begin with.

The memo from Director Trahan does not address what I'm trying to make you understand. Perhaps she doesn't understand. Unfortunately, to get the information required to make an informed assessment of "shared services" you are relying on information provided by the Finance Director. Said person has an obvious conflict of interest since the Director's income depends on this work. The Director's salary is at least 25% higher than that of surrounding towns and, if benefits were included, the percentage would be much greater.

Note: you've been told that other towns come here to learn how Mansfield does "Shared Services", sounds great. Please ask, which of these towns has converted?

Thank you.

ET Wassmundt

Town of Mansfield
Finance Department Cost Allocation
Updated to include Mansfield Discovery Depot - 8/12/13

	Total Costs	Notes
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	$ 761,432	

Cost of Services by Entity

Service	Total Costs	Town	Day Care	Board	Region 19	EHHD	Notes
Service:							
Accounts Payable	$ 192,733	$ 90,089	$ 2,289	$ 64,155	$ 27,100	$ 9,099	Alloc basis - non-salary budget items
Payroll	89,018	19,851	2,403	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	152,018	1,025	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	761,432	381,499	5,718	178,307	156,395	39,512	
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			-	136,529	171,394	39,815	
Net Excess Payment/(Cost)			$ (5,718)	$ (41,778)	$ 14,999	$ 302	