

TOWN OF MANSFIELD

FINANCE COMMITTEE MEETING

MINUTES OF OCTOBER 22, 2007

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

The meeting was convened at 6:00 p.m.

The meeting began with approval of the September 24, 2007 minutes.

Matt Hart gave an overview of the Community Center sustainability report for those council members that were unable to attend the Special Town meeting on August 27, 2007. Mayor Paterson commented that we want to be sure that the consultant who will be looking at the Community Center operations takes into consideration that it is not just a fitness center but that it is truly a "**community** center". Bruce Clouette raised the point that we now need to decide "where we want to go from here". One option that can be discussed is go back to the original concept of strictly a fitness center and move all recreation activities back to the schools. All agreed that for as much negative feedback that has been received on the cost of the community center, we have received just as much, if not more, positive feedback on what the Community Center has added to the community. Matt Hart discussed the need for enhanced marketing and briefly discussed the programs that Curt Vincente has been working on implementing, ie the First Responder Program, a program with the Uconn Foundation, the Co-Op, etc.

Cherie Trahan reviewed the existing accounting structure and a new proposed structure. Originally the structure was set up to accumulate costs and revenues by

location – if it was done at the Community Center or if it was an activity at another location. For example, Youth Programs would have an activity under each location depending on where the activity took place. However, this led to the misconception that community events and parks and recreation activities held at the Community Center should be supported by the membership. All “hidden” subsidies that occurred by an activity being held at another location all became apparent in the building and maintenance costs of the Community Center. The proposed structure will provide for overall indirect costs (including administration salaries & benefits, building maintenance, marketing, etc) to be accumulated in one place and then based on a predetermined method, allocated back to two distinct areas – Member Services (comprised of Fitness, Personal Training, Child Care, Member Swim etc) and Community Services (comprised of Aquatics, Youth Programs, Teen Center, Day Camp, Adult Programs, etc). All direct program revenues and expenditures will continue to be accounted for within their own activity accounts as we do now. We will work with our audit firm, Kostin, Ruffkess & Co. to determine an appropriate method of allocating the overall indirect costs. The Committee was in complete support of the new structure. Cherie will “put dollars” to the structure in the form of revised financial statements so that we have a true understanding of exactly how much our community services are costing us. Carl Schaefer commented that in this way, we can see exactly what the town subsidy should be, it can be budgeted for in the General Fund and we can stabilize it.

Jeff Smith led a discussion on the pros and cons of going out to bid for audit services and mandatory auditor rotation. At this time, there are only three major firms who do municipal audits in Connecticut. What exactly do we want to achieve by going out to bid – do we want the lowest cost possible? Or do we want a fresh set of eyes reviewing out financial processes and reporting? Cherie distributed a letter from our current auditors discussing the audit approach for next year in light of the new Risk Assessment Standards. The Committee was in agreement that in light of these new standards, the best review for this coming year would be with the firm who is familiar with how we do things. However, it was agreed that we would discuss again next year and come to an agreement on how and when we replace our audit firm.

Cherie discussed her memo to Jeff Smith on the coming retirement of our part time accountant and the need to expand this position to full time. She reviewed the areas where skilled accountant analysis was needed, particularly in light of the variety of requirements of our many grants. Funding would come from existing grants, directing some program funds to administration costs, but only to the extent that is absolutely necessary. Virtually all of our grants allow for some administrative costs, which in the past we have not made use of.

Jeff & Cherie reviewed the capital projects close out memo and a list of proposed adjustments to the budget in light of changes in State funding. Due to the reduction in the Pequot grant, adjustments need to be made to the capital projects budget. Some of the additional PILOT & ECS funding could be used to offset the deficit fund balance in the Parks & Recreation Fund.

The September Quarterly Financial reports were distributed and will be discussed at the next meeting. No action was requested on the items presented at this time but rather they were distributed and discussed to allow the Finance Committee time to review.

Next meeting will be November 13, 2007 at 6:30pm.

Motions:

Motion was made by Mayor Paterson and seconded by Bruce Clouette, to accept the minutes of the September 24, 2007 minutes. 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