MANSFIELD
CONNECTICUT

Finance Committee Special Meeting
Tuesday June 9, 2020; **6:30PM**

Virtual Meeting

REVISED AGENDA

In accordance with Governor Lamont's Executive Order 7B and social distancing guidelines recommended by the CDC to slow community spread of COVID-19, this meeting is physically closed to the public. The public may view the meeting live at https://mansfieldct.gov/video or on Charter Spectrum Cable Channel 191 (the website is recommended as it is a higher image clarity).

Public Comment will be accepted by email at TownMngr@mansfieldct.org or by USPS mail at 4 South Eagleville Road, Mansfield CT 06268 and must be received prior to the meeting (public comment received after the meeting will be shared at the next meeting). Additionally, public comment can be phoned in live. Please email TownMngr@mansfieldct.org or call 860-429-3336 ext. 5 by 4:00PM on the day of the meeting to receive instructions for how to phone in public comment.

Call to Order

Opportunity for Public Comment

Staff Reports

1. Approval of Minutes
    a. May 11, 2020

Old Business

New Business

2. Liability Insurance Discussion
3. Shared Services Information

Communications/Other Business/Future Agenda Items

Adjournment

Virtual Meeting
4 South Eagleville Road, Mansfield, CT 06268

DRAFT MINUTES

Members Present: Kochenburger (Chair), Fratoni, Shaiken (joined at 6:07pm)

Other Council Members Present: Moran, Bruder

Staff Present: Carrington, Trahan, Vincente, Dilaj, Corson, Schaefer

Guests: Atty. Kevin Deneen, O'Malley, Deneen, Leary, Messina & Oswecki

1. Meeting called to order at 6:04 pm

2. Opportunity for Public Comment – Betty Wassmundt, Old Turnpike Road requested that the Finance Committee look into the most recent bond sale to ensure we received the best rate for the taxpayers. She also requested that the Committee look into the Town's level of liability insurance and the Discovery Depot.

3. Staff Reports – None

4. Approval of minutes for April 21, 2020

   Fratoni moved and Kochenburger seconded to approve the minutes of April 21, 2020 as presented. Motion passed by Fratoni & Kochenburger.

5. Appointment of the Auditors – Finance Director Trahan reviewed informed the Committee that we have a three year contract with the option to extend for two years in place with Blum Shapiro. The appointment for the FY 2019/20 fiscal year will be the fourth year of the contract. The Committee discussed Best Practice in terms of reappointment, how frequently to go out to bid, and the pro's and con's of changing audit firms periodically. This contract was last bid out in FY 2016/17. Trahan will provide the Best Practice guidance from the Government Finance Officers' Association regarding the appointment of auditors. The Finance Committee would like to discuss this further for future years.

   Shaiken moved and Fratoni seconded to recommend the Town Council appoint Blum Shapiro and Company, PC as the auditing firm for the Fiscal Year 2019/20. Motion passed unanimously.

6. Transfer of Uncollected Taxes to Property Tax Suspense Book – Trahan noted that the $30,277,71 to be transferred to suspense will continue to be collectible for 15 years and that the majority of the accounts are delinquent motor vehicle and trash collections. Fratoni asked what happened with the Enviro Enterprises LLC motor vehicle accounts. Trahan will follow up with the Collector of Revenue and report back to the Committee.

   Shaiken moved and Fratoni seconded to recommend the Town Council transfer $30,277.71 in uncollected property taxes to the Mansfield Property Tax Suspense Book as recommended by the Collector of Revenue. Motion passed unanimously.

7. Financial Statements dated March 31, 2020 – Trahan gave a brief overview of the statements and answered questions from the Committee. Trahan will follow up on a question from Fratoni regarding the Day Care Fund and State Support – DCF and report back to the Committee. In addition, Fratoni recommended that depreciation be booked and reported on a quarterly basis, rather than all at yearend. Trahan agreed that can and will be done beginning next fiscal year.

   Shaiken moved and Fratoni seconded to recommend the Town Council accept the Financial Statements dated March 31, 2020. Motion passed unanimously.

8. Communications/Other Business/Future Agenda Items – Liability insurance discussion; shared services

9. Adjournment. The meeting adjourned at 6:50pm.

   Fratoni moved and Shaiken seconded to adjourn. Motion so passed.

Respectfully submitted: Cherie Trahan, Director of Finance

MEMO

To: Finance Committee
CC: John C. Carrington, Interim Town Manager
From: Cherie Trahan, Director of Finance
Date: June 8, 2020
Subject: **Response to Questions**

Introduction

Questions from the May 11, 2020 Finance Committee meeting.

1. Transfer to Suspense – What was the reason for Enviro Enterprises motor vehicle taxes being unpaid and on the Suspense List?

   Response: This was a bankruptcy case. Statutorily, when the due dates of the vehicle taxes fall within a certain range before the bankruptcy filing they become uncollectible. They were with the collection agency, but they sent them back to us because they had filed for bankruptcy making those taxes uncollectible. Once that happens we aren't allowed to have them with a collection agency, hold them up with the Department of Motor Vehicles or demand payment.

   According to the Collector's records a proof of claim was not filed with the courts for these property taxes back when they filed for bankruptcy. Had one been filed, the court would have entered the tax amounts into their chapter 13 payment plan, and we would have most likely gotten something, if not all of it recouped.

2. Transfer to Suspense – What is the reason for refuse collection accounts with balances in multiple years?

   Trash have not been suspended in the past, so that is why they were still open on our books. We started collecting for trash in 2011, based on the recommendation from our Revenue Collector we are cleaning the records up. The ones that have multiple years look like they had started at the end of the earlier year. In the fall or early winter, and their account carried over into the first quarter or two of the next year before being shut off. None of the people on the list have had accounts in recent years and are therefore assumed to have either moved away or are deceased.

3. Day Care Fund – March 31st financial statements – Why have there been no receipts for State Support – DCF for the fiscal year? The budget they provided to us broke out the budget for Care for Kids grant funding out separately, but they are depositing the funds to one of the other accounts. Will we have them correct for the next reporting cycle.

MEMO

To: Finance Committee
CC: John C. Carrington, Interim Town Manager
From: Cherie Trahan, Director of Finance
Date: June 8, 2020
Subject: **Shared Services Documents**

Introduction

Attached you will find several documents related to Shared Services discussions held by the Finance Committee and the Town Council.

1. Communication to the Finance Committee on July 15, 2013. This analysis was done to assess whether or not the charges to our partners in the Shared Services Agreement were being charged appropriately. This analysis did include direct and indirect costs. Please note my conclusion at the end: "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. No changes were requested to be made following this discussion.

   I would also like to bring your attention to the indirect costs estimated at that time - $6,575 for office space and $1,000 for furniture and fixtures. While these estimates were done a number of years ago, I do not believe they have changed significantly. To put this in perspective if the current agreement percentage allocation was applied to this amount, the Region would be charged an additional $1,515. Of this amount, Mansfield would be responsible for 58.19% of that cost or $882, leaving Mansfield with a net $633.

2. Town of Mansfield Financial and Operational Controls Assessment – Municipal Analysis and Comparison, dated April 2015 prepared by Jeff Ziplow and Sam Weil of BlumShaprio. This independent analysis compared our staffing levels to other communities (with and without shared services) and our cost allocation model. See page 12 for their observations. From these observations, the Council approved an additional staff person for the Finance Department in the following budget year which was subsequently approved at Town Meeting. The Town also began charge the other entities for services.

3. Agenda Item Summary dated July 25, 2016 – Agreement between the Town of Mansfield, the Mansfield Board of Education and the Regional School District No. 19 Board of Education for Employee Benefits, Financial Management, Information Technology and Risk Management Services. This proposed agreement changed the cost allocation from a flat amount direct charges to a percentage based on workload

share. This was recommended primarily for simplification for budgeting and planning, with the understanding that the spirit of the agreement was to charge partners fairly without undue workload. Since we do not report on a full cost basis, accumulating the data to include in these figures takes time. Time which is not readily available once we begin the budget process. In addition, as you can see from the original 2013 analysis that was done, the cost to generate those calculations would far exceed the revenue generated for the Town.

In conclusion, understanding that the workload varies from year to year, and the cost benefit to change this model is not there, I recommend keeping the current billing model. However, if you chose to include either an administrative or overhead charge, please note that this will require additional accounting work. Whatever you chose to do, I sincerely hope that this issue can be resolved once and for all. Many, many hours of work have been put into these analyses over the past 8 years at a cost to the taxpayers.

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

	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	Board	Region 19	EHHD	Notes
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	761,432	387,217	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)			**$ (41,778)**	**$ 14,999**	**$ 302**	

Town of Mansfield Financial and Operational Controls Assessment

Municipal Analysis and Comparison

April 2015

Prepared By:
Jeff Ziplow
Sam Weil

BlumShapiro

Accounting | Tax | Business Consulting

Background:

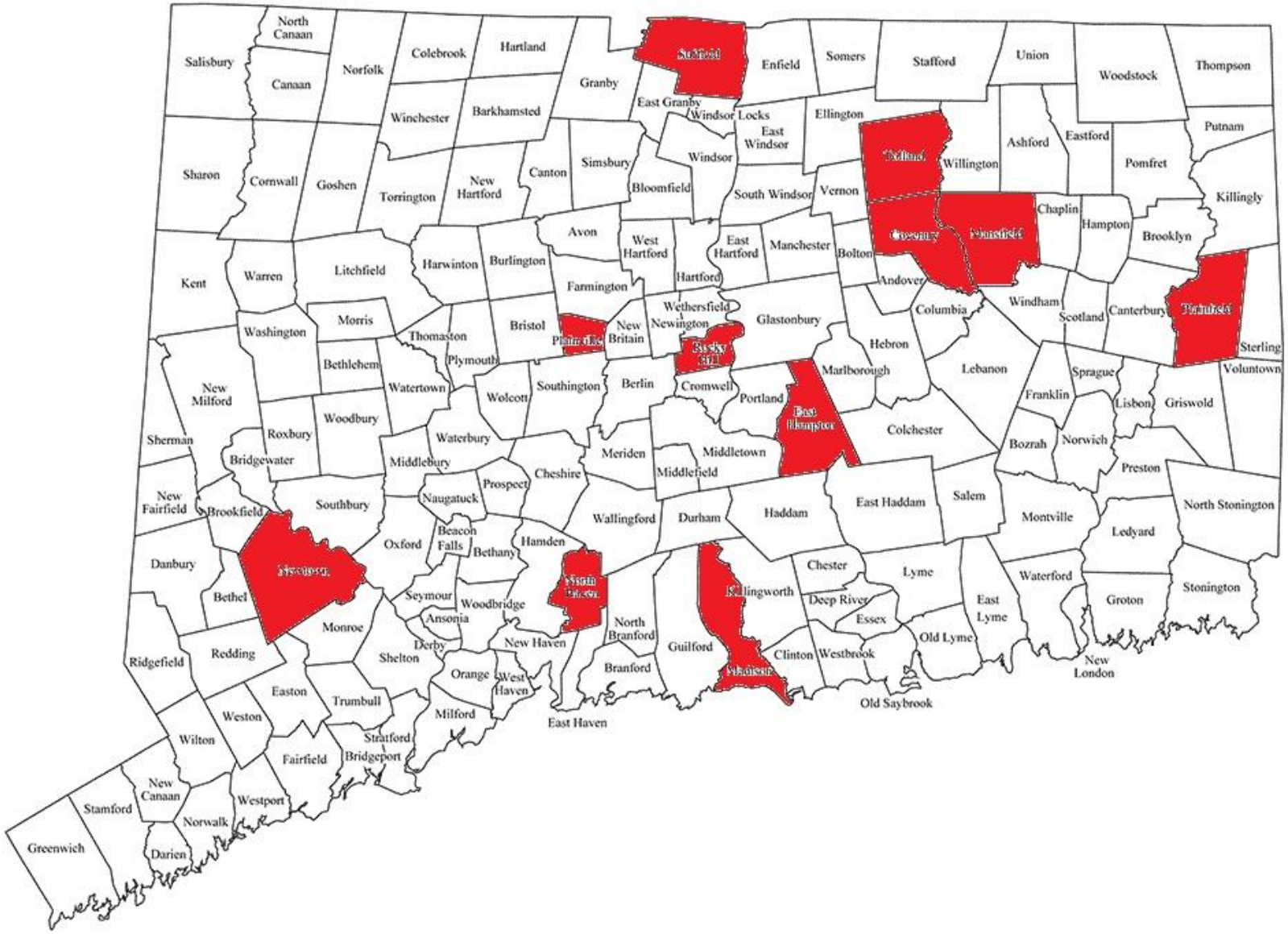
As part of the Financial and Operational Controls Assessment project, BlumShapiro evaluated the Town of Mansfield's Finance Department in comparison to ten (10) other municipalities in Connecticut. BlumShapiro obtained and evaluated the following comparison information for each town:

1. Town Population
    a. Note**:** Mansfield's population is approximately 13,500 when on-campus students are not considered
2. Total Municipal and School District 2014-15 Budget Information
    a. Note**:** Mansfield's represented budget does not include approximately $6 million in grant funds annually
3. Shared Services Environment
4. Total Number of Financial Staff for both the Municipality and School District

   (please see the Appendix for position detail)
    a. Note**:** BlumShapiro included staff members that were involved in performing financially relevant operations or that were assigned to support finance staff as part of their daily tasks (ex: Finance Office Secretaries).
5. Salaries and Benefits of Financial Staff
    a. Note**:** Due to the confidentiality of some benefits information, BlumShapiro was unable to obtain exact benefits data from the other municipalities. Therefore we used a benefits multiplier of 39% for all salaries to calculate benefits totals for the rest of the towns.
6. Financial Services for Other Entities

	Town	Shared Services?	Total Budget 2014-15	Population	Number of Finance Staff
1	Newtown, CT	Yes	$111,066,204	27,543	12
2	North Haven, CT	Yes	$88,857,841	23,035	15
3	Madison, CT	Yes	$75,751,043	17,858	8
4	Rocky Hill, CT	No	$70,894,850	19,729	9
5	Mansfield, CT	Yes	$57,112,694	25,648	7
6	Plainville, CT	Yes	$55,424,977	17,328	5
7	Suffield, CT	No	$55,300,389	15,692	7
8	Tolland, CT	No	$53,175,832	15,052	9
9	Plainfield, CT	No	$45,193,803	15,358	7
10	East Hampton, CT	Yes	$40,285,926	13,352	7
11	Coventry, CT	No	$39,088,204	12,435	6

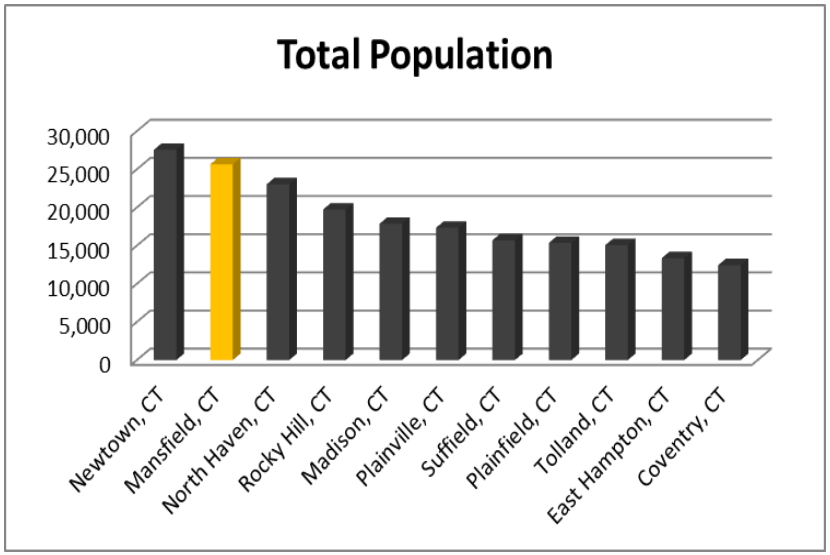
Location of the Municipalities reviewed are identified below



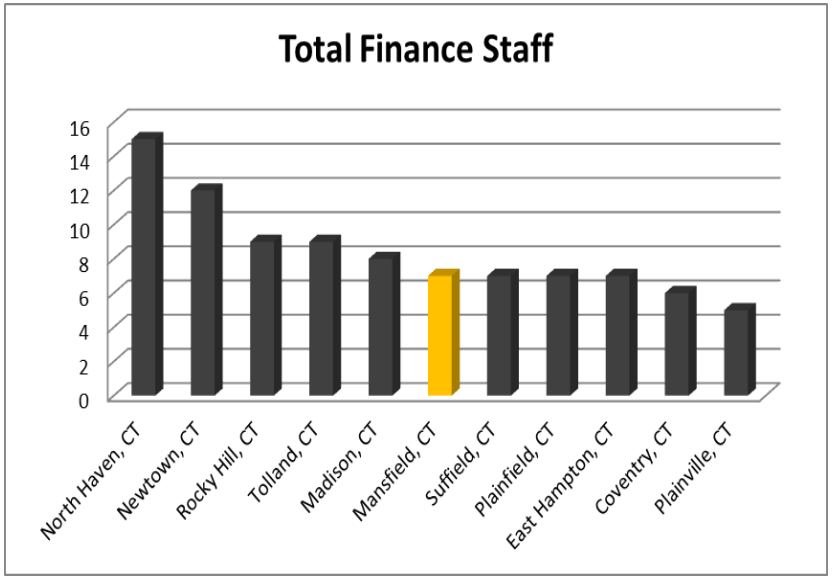
Initial Comparison:

BlumShapiro performed a comparison of population, financial staff and budget on the following pages.

	Town	Shared Services?	Population
1	Newtown, CT	Yes	27,543
2	Mansfield, CT	Yes	25,648
3	North Haven, CT	Yes	23,035
4	Rocky Hill, CT	No	19,729
5	Madison, CT	Yes	17,858
6	Plainville, CT	Yes	17,328
7	Suffield, CT	No	15,692
8	Plainfield, CT	No	15,358
9	Tolland, CT	No	15,052
10	East Hampton, CT	Yes	13,352
11	Coventry, CT	No	12,435

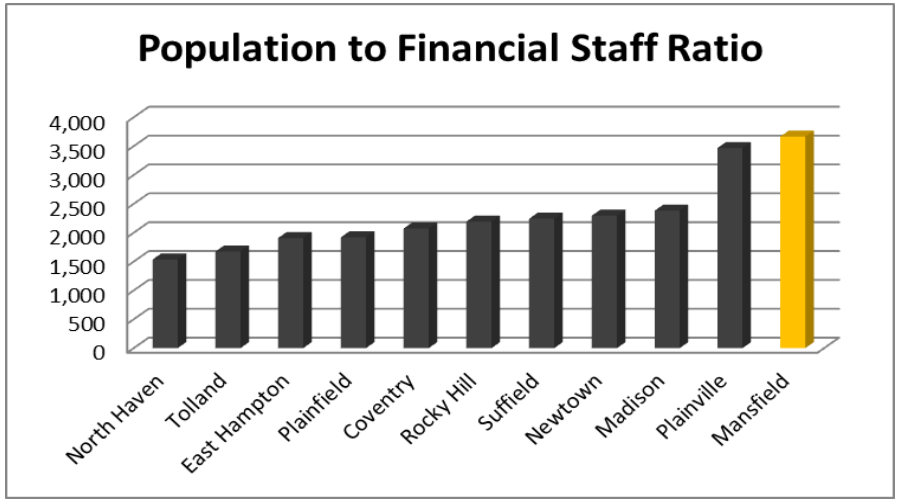


	Town	Shared Services?	Number of Finance Staff
1	North Haven, CT	Yes	15
2	Newtown, CT	Yes	12
3a	Rocky Hill, CT	No	9
3b	Tolland, CT	No	9
5	Madison, CT	Yes	8
6a	Mansfield, CT	Yes	7
6b	Suffield, CT	No	7
6c	Plainfield, CT	No	7
6d	East Hampton, CT	Yes	7
10	Coventry, CT	No	6
11	Plainville, CT	Yes	5



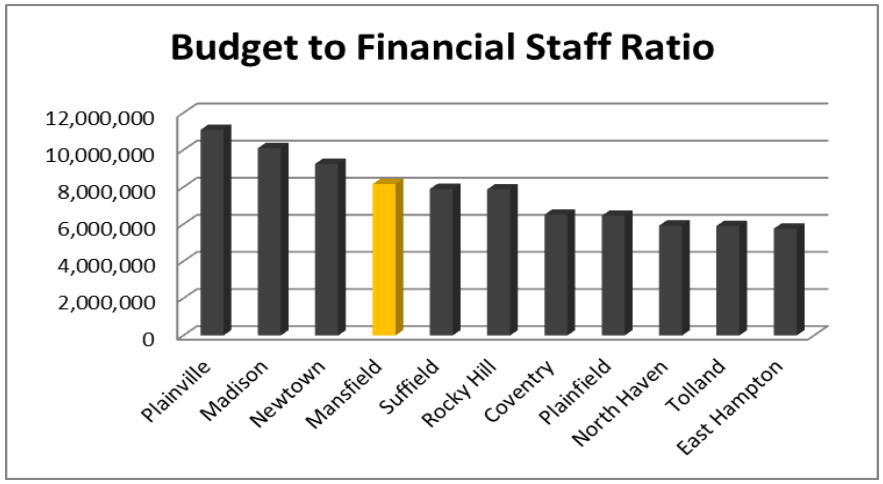
BlumShapiro evaluated town populations against the number of respective financial staff. Mansfield has the lowest financial staff-to-population ratio compared to the other municipalities.

	Ratio of Population to Financial Staff				
	Town	**Shared Services?**	**Ratio (= Population / Financial Staff)**	**Population**	**Number of Financial Staff**
1	North Haven	Yes	1,536	23,035	15
2	Tolland	No	1,672	15,052	9
3	East Hampton	Yes	1,907	13,352	7
4	Plainfield	No	1,920	15,358	7
5	Coventry	No	2,073	12,435	6
6	Rocky Hill	No	2,192	19,729	9
7	Suffield	No	2,242	15,692	7
8	Newtown	Yes	2,295	27,543	12
9	Madison	Yes	2,381	17,858	7.5
10	Plainville	Yes	3,466	17,328	5
11	Mansfield	Yes	3,664	25,648	7



BlumShapiro evaluated Town and BOE budgets against the number of respective financial staff. Mansfield has the fourth (4th) highest budget to financial staff ratio compared to the other municipalities.

	Town	*Ratio of Budget to Financial Staff* Rato (= Budget / Financial Staff)	Total Budget 2014-15	Number of Financial Staff
1	Plainville	11,084,995	$55,424,977	5
2	Madison	10,100,139	$75,751,043	7.5
3	Newtown	9,255,517	$111,066,204	12
4	Mansfield	8,158,956	$57,112,694	7
5	Suffield	7,900,056	$55,300,389	7
6	Rocky Hill	7,877,206	$70,894,850	9
7	Coventry	6,514,701	$39,088,204	6
8	Plainfield	6,456,258	$45,193,803	7
9	North Haven	5,923,856	$88,857,841	15
10	Tolland	5,908,426	$53,175,832	9
11	East Hampton	5,755,132	$40,285,926	7



Salaries and Benefits:

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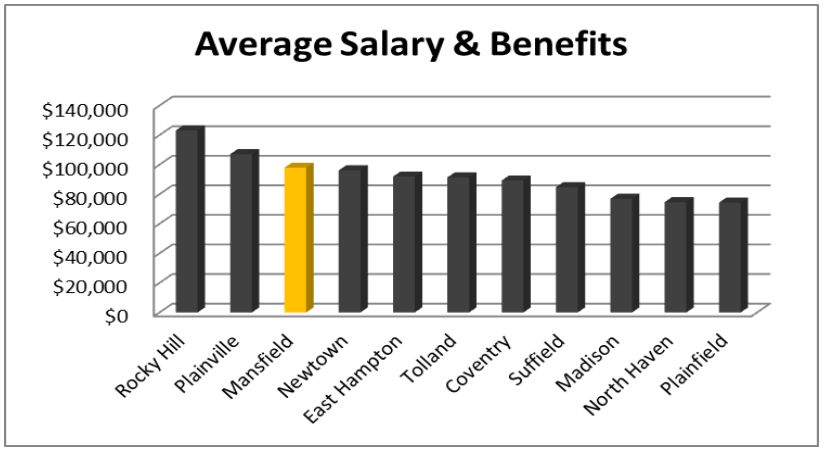
BlumShapiro evaluated average and total Town and BOE Finance staff salaries and benefits: Mansfield has the third (3rd) highest average salary and benefits, and the fifth (5th) highest total salary and benefits, for Finance staff compared to the other municipalities.

Average Finance Employee Salary & Benefits					
	Town	**Shared Services?**	**Number of Financial Staff**	**Total Salary & Benefits**	**Average Salary & Benefits per Finance Employee**
1	Rocky Hill	No	9	$1,108,346	$123,150
2	Plainville	Yes	5	$535,300	$107,060
3	Mansfield	Yes	7	$685,450	$97,921
4	Newtown	Yes	12	$1,154,014	$96,168
5	East Hampton	Yes	7	$643,670	$91,953
6	Tolland	No	9	$822,457	$91,384
7	Coventry	No	6	$535,776	$89,296
8	Suffield	No	7	$593,576	$84,797
9	Madison	Yes	7.5	$576,604	$76,881
10	North Haven	Yes	15	$1,120,015	$74,668
11	Plainfield	No	7	$520,256	$74,322



Entity Services:

BlumShapiro performed a comparison of financial/accounting services provided by each municipality for other entities.

Entity Services Matrix							
Town	**Town Departments**	**BOE Departments**	**Additional School District**	**Health District**	**Additional Entity (1)**	**Additional Entity (2)**	**Additional Entity (3)**
Mansfield	X	X	X	X	X	X	
Tolland	X	X			X	X	X
Rocky Hill	X	X			X		
Suffield	X	X			X		
East Hampton	X	X		X			
Madison	X	X					
Plainville	X	X					
Newtown	X	X					
Plainfield	X	X					
Coventry	X	X					
North Haven	**No Response Provided**						

Mansfield:
- *Town and BOE Departments*
- *Additional School District* – Region 19 School District
- *Health District* – Eastern Highlands Health District
- *Additional Entity (1)* – Downtown Partnership
- *Additional Entity (2)* – Discovery Depot

East Hampton:
- *Town and BOE Departments*
- *Health District* – Chatham Health District

Rocky Hill:
- *Town and BOE Departments*
- *Additional Entity (1)* – Foodservice Department (Sodexo)

Suffield:
- *Town and BOE Departments*
- *Additional Entity (1)* – Water Pollution Control Authority

North Haven: (No Response Provided)

Tolland:
- *Town and BOE Departments*
- *Additional Entity (1) – Tolland Non-Profit*
- *Additional Entity (2) – Food Services Department*
- *Additional Entity (3)* – Family Resource Center

Madison:
- *Town and BOE Departments*

Plainville:
- *Town and BOE Departments*

Newtown:
- *Town and BOE Departments*

Plainfield:
- *Town and BOE Departments*

Coventry:
- *Town and BOE Departments*

Findings:

BlumShapiro compared the Town of Mansfield against the sampled municipalities. BlumShapiro identified the following findings:

1. **Population**
    a. Mansfield has the second (2nd) highest population and is tied for the third lowest number of financial staff.
    b. Mansfield has the lowest finance staff-to-population ratio.

2. **Budget**
    a. Mansfield has the fifth (5th) highest budget and is tied for the third lowest number of financial staff
    b. Mansfield has the fourth (4th) highest budget-to-finance staff ratio
        i. = 2014-15 Budget / Total Number of Financial Staff

3. **Salaries and Benefits**
    a. Mansfield has the fifth (5th) highest salary and benefits total for financial staff
    b. Mansfield has the third (3rd) highest salary and benefits average per financial staff member

4. **Entity Services**
    a. Mansfield performs accounting services for the highest number of additional entities
    b. Mansfield does not charge the Discovery Depot or Downtown Partnership for accounting services

Finance Department Cost Allocation Assessment:

BlumShapiro reviewed, evaluated and updated the cost allocation model developed by the Mansfield Finance Department and concluded the following:

A. Cost Model Overview

1. Annual salary costs were identified for Mansfield Finance Department employees (7 FTEs)
2. Employee benefits were also calculated
    a. Longevity, Social Security, Medicare, MERS, Medical Insurance, Workers Compensation, STD/LTD life insurance, OPEB
3. Other expenses were identified as part of the Finance Department operations
    a. This included bank fees, supplies and utilities
        i. Utilities were calculated based on square footage of Finance Department usage
        ii. Facility maintenance costs were also estimated and included
    b. Technology costs were not included as they are a separate charge to each department
        i. Mansfield created an Internal Service Fund (Management Services Fund) to manage technology based internal charges
        ii. Costs in this fund included salary, technology infrastructure, utilities, phones, copiers, software maintenance, etc.
4. Allocations identified for each entity were based on an estimated amount of work performed by each person within the Finance Department. Services included accounts payable, payroll, budget, financial reporting/analysis and grants management. BlumShapiro reviewed the time estimates and agreed with this approach (See Appendix for list of services provided by entity).
5. No Finance Department expense allocations were made for the Discovery Depot
6. No Finance Department expense allocations were identified for the Downtown Partnership
7. No technology costs from the internal service fund were allocated to either entity

Town of Mansfield Finance Department Cost Allocation Model

Finance Department Costs/Expense by service and entity

Item	Finance Dept. Expenses	Total Costs	Notes
A.	Salaries	$ 489,949	July 1st actual salaries for all Finance staff - 7 FTE's
B.	Overtime	$ 1,500	
C.	Benefits:		
1.	Longevity	3,750	
2.	Social Security	30,377	Rate = 6.2% of annual salaries & budgeted overtime
3.	Medicare	7,104	Rate = 1.45% of annual salaries & budgeted overtime
4.	MERS	58,696	July 1st rate = 11.98% of annual salaries & budgeted overtime
5.	Medical Insurance	88,339	
6.	Workers Comp	24,711	Basis - Finance salaries as a % of total salaries times W/C annual premium
7.	STD/LTD/Life	7,359	Actual premiums based on coverage for Finance staff
8.	OPEB	5,046	Basis - Finance salaries as a % of total salaries times annual OPEB contribution
D.	Bank Management Fees	22,000	Budgeted bank service fees
E.	Central Supplies	10,000	Budgeted office supplies
F.	Office Space	6,575	Alloc. of building maint/energy annual budget based on office square footage
G.	Furniture & Fixtures	1,000	Estimated cost of desk units, file cabinets, chairs with average life of 10 years
H.	Miscellaneous	2,425	
I.	Total Costs	$ 758,832	

Cost of Services by Entity

Service	Total Costs	Town	Board	Region 19	EHHD	Downtown Partnership	Discovery Depot:	Notes
Accounts Payable	$ 146,773	$ 67,321	$ 46,154	$ 22,812	$ 8,170	$ 760	$ 1,556	Estimated hours of support
Payroll	$ 90,550	19,966	36,220	28,976	1,811	1,132	2,445	Estimated hours of support
Budget	$ 143,982	93,556	22,110	24,320	2,909	1,086	-	Estimated hours of support
Financial Reporting, etc	$ 258,415	147,713	43,290	61,278	3,978	1,078	1,078	Estimated hours of support
Technology	*Separately charged to respective departments through							
Grants Management	75,613	25,368	15,205	15,205	19,834	-		Estimated hours of support
Other	43,500	17,700	16,580	5,800	1,640	840	940	
Total Costs	758,832	371,625	179,559	158,391	38,342	4,896	6,019	
Percentage By Entity	100%	49%	24%	21%	5%	0.65%	1%	

Observations:

Based on the aforementioned findings, BlumShapiro has made the following observations regarding the Town of Mansfield Finance Department:

1. **The Finance Department has minimal resources to meet their expected responsibilities**
    a. The Finance Department is tied for the second (2nd) least number of staff and are asked to perform accounting services for the highest number (6) of entities
    b. We recommend that the Town consider adding an accounting position FTE to the Town's Finance Department. This person's role would include the following:
        i. Helping to oversee financial controls
        ii. Perform financial analysis
        iii. Assisting with the budgeting process
        iv. Assisting with the grants management process

2. **Mansfield does not have a consistent policy for charging other entities for their accounting services**
    a. Currently the Discovery Depot and Downtown Partnership do not pay a fee for the accounting services provided by the Mansfield Finance Department
    b. BlumShapiro recommends that Mansfield develop a consistent policy for charging additional entities for services performed by the Finance Department
        i. Mansfield should track time (at a high level) to more accurately reflect costs by entity for services performed

Municipal and School District financial staff detail listing

Financial Staff Detail									
Town	**North Haven**	**Newtown**	**Rocky Hill**	**Madison**	**Plainfield**	**East Hampton**	**Mansfield**	**Suffield**	**Plainville**
Shared Services?	Yes	Yes	No	Yes	No	Yes	Yes	No	Yes
Number of Financial Staff	15	12	9	7.5	7	7	7	7	5
Town Finance Office	1. Director of Finance 2. Treasurer 3. Asst. Office Mngr. 4. Bookkeeper II 5. Bookkeeper II 6. Bookkeeper II 7. Bookkeeper I 8. Secretary 9. Senior Clerk 10. Senior Clerk	1. Director of Finance 2. Asst. Finance Director 3. Accountant & Payroll 4. Accts. Payable 5. Secretary	1. Director of Finance 2. Accounting Mngr. & Treasurer 3. Payroll Clerk 4. Accts. Payable Clerk	1. Director of Finance 2. Comptroller & Asst. Director of Finance 3. Payroll Mngr. 4. Senior Acct. & Payroll Clerk 5. Accounting Supervisor 6. Senior Acct. Clerk I 7. Senior Acct Clerk II 8. Accts Payable (part time)	1. Director of Finance 2. Asst. Director of Finance 3. Staff Member I	1. Finance Director 2. Asst. Finance Director 3. Accts. Payable Clerk 4. Revenue Clerk	1. Director of Finance 2. Accounting Mngr. 3. Budget Analyst 4. Accountant 5. Accts. Payable Clerk 6. Payroll Admin. 7. Finance Clerk	1. Director of Finance 2. Payroll 3. Accts. Payable 4. Treasurer	1. Director of Finance 2. Accts. Payable
BOE Finance Office	11. Director of Business & Operations 12. Asst. Director of Business & Ops. 13. Student Revenue & Payroll 14. Accts. Payable 15. Benefits	6. Director of Business 7. Business Office Coordinator 8. Accountant 9. Accts. Payable Coordinator 10. Payroll Coordinator 11. Payroll Bookkeeper 12. Financial Analyst	5. Director of Finance & Ops. 6. Executive Asst. Director of Finance & Ops. 7. Bookkeeper I 8. Bookkeeper II – Accts. Payable 9. Secretary II	N/A	4. Director of Finance 5. AP/AR Clerk 6. Payroll 7. Secretary	5. Business Mngr. 6. Accts. Payable Clerk 7. Payroll Clerk	N/A	5. Director of Fiscal Admin. 6. Accounting Coordinator 7. Payroll & Benefits Coordinator	3. Director of Business & Ops. 4. Accts. Payable 5. Payroll

Additional Municipal and School District financial staff detail listing

Financial Staff Detail		
Town	**Tolland**	**Coventry**
Shared Services?	No	No
Number of Financial Staff	9	6
Town Finance Office	1. Director of Finance 2. Assistant Finance Director 3. Treasurer 4. Senior Account Clerk	1. Director of Finance/Treasurer 2. Accountant 3. Assistant to the Accountant
BOE Finance Office	5. Business Manager 6. Accountant 7. Payroll Clerk 8. Payables Clerk 9. Secretary	4. Business Manager 5. Payroll Clerk 6. AP Clerk

Town of Mansfield – Finance Department Detailed Service Listing

Description	Town	Board	Region	EHHD	Downtown Partnership	Discovery Depot
Financial Services						
Routine Operations:						
Purchasing Agent/Services – RFQ, RFP review	X	X	X	X	X	X
Payroll Processing – paychecks, direct deposits, tax reporting, deduction processing, pension reporting, etc	X	X	X	X	X	X
Accounts Payable Processing – check issuance, 1099 Reporting, etc	X	X	X	X	X	X
Quarterly Financial Statements	X	X	X	X	X	X
Quarterly Narrative	X					
Monitor Fiscal Year Budget Activity	X					
Semi-annual Energy Reports	X	X	X			X
Energy Contracts Negotiations	X	X	X			X
Bus Contract Negotiations		X	X			
Software User training & maintenance – AP, PO, GL, PR, BU, CAMA, Tax Collections & Misc. Receivables	X	X	X	X	X	X
Annual Audit	X	X	X	X	X	X
Comprehensive Annual Financial Report Preparation	X	X	X	X		
Submittal of CAFR to GFOA	X		X			
Fiscal Yearend Closing	X	X	X	X	X	X
ED001, ED141, MBR, SBCH Reporting		X	X			
Journal Entry Processing	X	X	X	X	X	X
Grant monitoring, reporting, journal entries, and drawdowns	X	X	X	X		
Salary Transfer Calculations	X	X	X			
Health Insurance Fund Operations – monthly contribution calculation & transfers, claims payments.	X	X	X	X	X	X
Management Services Fund Operations (copiers, energy, IT, postage, phones, etc)	X	X	X	X	X	X
Parking Garage Operations	X					

Description	Town	Board	Region	EHHD	Downtown Partnership	Discovery Depot
Intermodal Center Operations	X					
Parks & Recreation Fund Operations	X					
Treasury Management	X	X	X	X	X	X
Maintain Fixed Asset Records	X	X	X	X	X	X
Capital Projects Fiscal Management	X	X	X			
Employee Contract Negotiation Projections	X		X	X	X	
Assist with Interlocal Agreements	X	X	X	X		X
Fund Analysis	X	X	X	X	X	X
Purchasing Card Management	X	X	X	X	X	X
Oversight of Assessor's Office	X					
Oversight of Collector's Office	X	X	X	X	X	X
Budget Preparation:						
Salary & Benefit Projections	X	X	X	X	X	
Energy Cost Projections	X	X	X		X	X
Health Insurance Fund Projections	X	X	X	X	X	X
Management Services Fund Projections (Energy, copiers, phones, IT, postage, etc)	X	X	X	X	X	X
Workers Comp Fund Projections	X	X	X			
Solid Waste Fund Review	X					
Transportation Cost Projections		X	X			
Budget in Brief preparation	X	X	X			
Budget narratives and schedule preparation	X	X	X	X	X	X
Preparation of budget documents	X					
Preparation of information packets and presentations	X					
Submittal of budget to GFOA	X					
Projects:						
Implement UCOA	X	X	X	X	X	X
Implement OpenGov	X	X	X	X	X	X
Developed Pay-As-You-Go Capital Plan	X					
Implement Employee Benefit Statements	X	X	X	X	X	X
Storrs Center – Assessments, Grant	X					

Description	Town	Board	Region	EHHD	Downtown Partnership	Discovery Depot
Management, Funding Analysis						
Financial Software Upgrade	X	X	X	X	X	X
Revenue Collection System Upgrade	X	X	X	X	X	X
CAMA System Upgrade	X					
Region 19 Bond Refunding (2009)			X			
Issue General Obligation Bonds (2011)	X		X			
Athletic Track & Facility Improvements – debt analysis, member town impact, public info. sessions, budgeting			X			
Four School Renovation Project – cost projections, debt analysis, budgeting, public info. sessions, etc	X	X				
Financial Policy Updates	X		X			
Four Corners Sewer Project – Debt/Cost analysis, presentations	X					
School Construction - applications, reporting, reimbursement requests, audit preparation, etc.		X	X			
Review of procedures for Student Activities Fund		X	X			
Implemented Energy Watchdog	X	X	X		X	X
Grants:						
Storrs Center – DOT, DECD, etc	X					
Other DOT Projects (bridges, etc)	X					
Education – Title I, VIB, etc		X	X			
School Construction		X	X			
Agricultural Education Equipment			X			
LOCIP, Town Aid Road, etc	X					
PILOT, Pequot, Transportation, ECS	X	X	X			
Bioterrorism Preparedness				X		
Other EHHD grants				X		

Mansfield Finance Department Cost Allocation By Department/Service

Services Used by Entity:	Budget %	Fin. Clerk (CD)	Fin. Clerk (DN)	Payroll Admin	Accountant	Budget Analyst	Accounting Manager	Dir. Of Finance	Overtime	Bank Fees	Central Supplies	Indirect Expenses	Grand Total
Town Functions:		*29.00%*	*64%*	*22.05%*	*25%*	*19%, 20%*	*51.0%*	*40%, 40%, .2%*	*100%*	*45%*	*30%*	*33%*	
Accounts Payable		22,051	45,270						1,500	9,900	3,000	3,300	81,721
Payroll				19,966									19,966
Budget						20,636		72,921					93,556
Financial Reporting					19,834		54,959	72,921					147,713
Technology	*Separately charged to respective departments through												
Grants Management						21,722		3,646					25,368
		22,051	45,270	19,966	19,834	42,358	54,959	149,487	1,500	9,900	3,000	3,300	371,625
Mansfield Board of Ed:		*30%*	*33%*	*40.0%*	*25%*	*17%, 14%*	*15%*	*2%, 4%*		*49%*	*33%*	*25%*	
Accounts Payable		22,812	23,342							10,780	3,300	2,500	60,234
Payroll				36,220									36,220
Budget						18,464		3,646					22,110
Financial Reporting					19,834		16,164	7,292					43,290
Technology	*Separately charged to respective departments through												
Grants Management						15,205							15,205
		22,812	23,342	36,220	19,834	33,669	16,164	10,938	-	10,780	3,300	2,500	179,559
Regional School District #19:		*30%*		*32.0%*	*25%*	*14%, 14%*	*30%*	*5%, 5%*			*33%*	*25%*	
Accounts Payable		22,812									3,300	2,500	26,112
Payroll				28,976									28,976
Budget						15,205		9,115					24,320
Financial Reporting					19,834		32,329	9,115					61,278
Technology	*Separately charged to respective departments through												
Grants Management						15,205							15,205
		22,812	-	28,976	19,834	30,411	32,329	18,230	-	-	3,300	2,500	158,391
Eastern Highlands Health:		*10%*	*1%*	*2%*	*25%*	*1%*	*2%*	*1%, 1%*		*2%*	*2%*	*10%*	
Accounts Payable		7,604	566							440	200	1,000	8,810
Payroll				1,811									1,811
Budget						1,086		1,823					2,909
Financial Reporting							2,155	1,823					3,978
Technology	*Separately charged to respective departments through												
Grants Management					19,834								19,834
		7,604	566	1,811	19,834	1,086	2,155	3,646	-	440	200	1,000	38,342
Downtown Partnership		1%		1%		1%	1%			2%	1%	3%	
Accounts Payable		$ 760.39								$ 440	$ 100	300	1,300
Payroll				1,132									1,132
Budget						1,086							1,086
Financial Reporting							1,078						1,078
Grants Management													-
		760	-	1,132	-	1,086	1,078	-	-	440	100	300	4,896
Discovery Depot:			2.2%	2.7%			1%			2%	1%	4%	
Accounts Payable			1,556							440	100	400	2,096
Payroll				2,445									2,445
Budget													-
Financial Reporting							1,078						1,078
Grants Management													-
		-	1,556	2,445	-	-	1,078	-	-	440	100	400	6,019
Total Services		76,039	70,734	90,550	79,335	108,610	107,763	182,301	1,500	22,000	10,000	10,000	758,832

Town of Mansfield
Agenda Item Summary

To:	Town Council
From:	Matt Hart, Town Manager MWH
CC:	Maria Capriola, Assistant Town Manager; Kelly Lyman, Superintendent, MBOE; Bruce Silva, Superintendent, Region 19; Cherie Trahan, Director of Finance; Jaime Russell, Director of Information Technology
Date:	July 25, 2016
Re:	Agreement between the Town of Mansfield, the Mansfield Board of Education and the Regional School District No. 19 Board of Education for Employee Benefits, Financial Management, Information Technology and Risk Management Services

Subject Matter/Background

On June 13, 2016, the Town Council reviewed the proposed three-year successor Agreement between the Town of Mansfield, the Mansfield Board of Education and the Regional School District No. 19 Board of Education for Employee Benefits, Financial Management, Information Technology, and Risk Management Services. The Council requested additional information regarding the impact of the new cost sharing methodology.

Financial Impact

Attached is a memo from the Director of Finance identifying the shared costs included in the FY 2016/17 budget compared to the costs identified under the new methodology. The proposed workload allocation would result in an increase to the Mansfield Board of Education of $55,466 and a decrease to the Town of $56,633. The new allocation also includes changes in cost for other agencies receiving service from the Town, including the Eastern Highlands Health District, the Mansfield Discovery Depot, and the Mansfield Downtown Partnership. In these cases, the Town would need to modify the existing operating agreements with these agencies to implement these changes. Assuming all these changes were implemented, the Town would see an overall reduction of $1,167 for FY17. Staff will discuss with the Finance Committee the various options to implement the new allocation.

Recommendation
At this point, staff recommends that the Town Council authorize me to execute the proposed agreement between the Town and the two boards of education. We believe the proposed agreement is fair to all parties and it is acceptable to the boards.

If the Council agrees with this recommendation, the following motion is in order:

Move, effective July 25, 2016, to authorize the Town Manager to execute the Agreement between the Town of Mansfield, the Mansfield Board of Education and the Regional School District No. 19 Board of Education for Employee Benefits, Financial Management, Information Technology and Risk Management Services, for a term beginning on July 1, 2016 and expiring on June 30, 2019.

Attachments
1) Proposed Shared Services Agreement
2) C. Trahan re: Shared Services Cost Allocation
3) Expiring Shared Services Agreement

Town of Mansfield
Department of Finance

To: Matt Hart, Town Manager

From: Cherie Trahan, Director

Date: July 18, 2016

Re: Shared Services Cost Allocation

As you know, the Shared Services agreement effective July 1, 2016 changes the method of cost sharing for shared finance and information technology services from flat amount direct charges to a percentage allocation based on workload share.

The following table reflects what the impact of this change would be for FY 16/17 for the partners and funds that are serviced. Please note that this change is not scheduled to take effect until FY 17/18. However, FY 16/17 budgets were used to prepare this comparison so that all parties would be aware of the extent of the impact before we begin budgeting for FY 17/18.

A few important points to note regarding the shift in costs:

1. The cost to the Board of Education for financial and information technology services would increase by $55,466. The cost to the Town for their share of the workload would decrease by $56,633. A net overall cost reduction to Mansfield taxpayers of $1,167.
2. The workload analysis was performed independently and was not done based on current payments. The attached comparison reflects the following percentage allocations:

	Financial Services	Information Technology
Board of Ed	23.0%	27.5%
Town	50.1%	50.0%
Region 19	20.5%	18.0%
Other Agencies	6.4%	4.5%

3. This allocation reflects charging other agencies for their share of financial and information technology services provided to them. Not all agencies paid for services in the past, therefore new agreements will need to be negotiated by the town to assess these charges.
4. The original analysis done in FY 13/14 reflected that the Mansfield Board was undercharged approximately $42,000.
5. Approximately 5 – 6 years ago, the IDEA grant was reduced and therefore, a portion the finance salaries that the grant was to cover was reduced (approximately $25,000). In order to make up the difference, a larger portion of finance salaries was covered by the Solid Waste Fund.

6. The shift in costs to the Board of Education is offset completely by a reduction in Town costs. Since there is no impact on taxpayers, I recommend we discuss with the Town Finance Committee a budget adjustment in FY16/17 to reflect this shift. In other words, increasing the Board budget and decreasing the Town budget to shift the costs in the current year. This will avoid the appearance of artificial increases or decreases in the FY 17/18 budgets. There are no actual increased costs to the town as a whole, simply a reallocation.

Partner	Per FY 16/17 Budget	Per % Allocation	Increase/ (Decrease)
Town - Finance	$ 455,815	$ 442,003	$ (13,812)
Town - IT	421,684	378,863	(42,821)
Net Town Apportionment	877,499	820,866	(56,633)
Board - Finance	151,511	202,916	51,405
Board - IT	204,313	208,374	4,061
Net Board Apportionment	355,824	411,290	55,466
Region 19 - Finance	183,567	180,859	(2,708)
Region 19 - IT	121,236	136,390	15,154
Net R19 Apportionment	304,803	317,249	12,446
Eastern Highlands - Finance	35,030	44,994	9,964
Eastern Highlands - IT	171	11,366	11,195
Net EHHD Apportionment	35,201	56,360	21,159
Solid Waste Fund - Finance	53,679	2,647	(51,032)
Solid Waste Fund - IT	10,000	7,577	(2,423)
Net SWF Apportionment	63,679	10,224	(53,455)
Downtown Partnership - Finance	333	2,647	2,314
Downtown Partnership - IT	40	7,577	7,537
Net MDP Apportionment	373	10,224	9,851
Discovery Depot - Finance	2,307	6,176	3,869
Discovery Depot - IT	280	7,577	7,297
Net MDD Apportionment	2,587	13,753	11,166
Total Finance	882,242	882,242	-
Total IT	757,724	757,724	-
Total	1,639,966	1,639,966	-

Agreement between the Town of Mansfield,
the Mansfield Board of Education and
the Regional School District No. 19 Board of Education
for Employee Benefits, Financial Management,
Information Technology and Risk Management Services
6/13/16 draft

This Agreement made this _____ day of _____, 20___ by and between the Town of Mansfield (hereinafter referred to as the "Town"), the Mansfield Board of Education (hereinafter referred to as the "Mansfield Board") and the Regional School District No. 19 Board of Education (hereinafter referred to as the "R-19 Board"), collectively referred to as the "Parties."

Whereas, the Town, the Mansfield Board and the R-19 Board share certain employee benefits, financial management, information technology and risk management services;

Whereas, the Parties collectively have the necessary staffing, equipment and materials to undertake these activities; and

Whereas, to the extent that this Agreement is entered into by and between the Mansfield Board and the R-19 Board, such boards of education enter into such Agreement in accordance with the provisions of Connecticut General Statutes §10-158a.

Now, therefore, the parties do mutually agree as follows:

I. Employee Benefits and Risk Management

A. The Town, working through its Town Manager and his/her designee (e.g. Assistant Town Manager), shall perform and carry out in a satisfactory and proper manner a scope of activities acceptable to the Parties, for the purpose of providing to the Mansfield Board and the R-19 Board the employee benefits and risk management services described in this Agreement.

B. Upon request, the Town shall provide the Mansfield Board and the R-19 Board with employee benefits services that assist in supporting the existing Mansfield Board and R-19 Board staff in the following areas:
- Collective bargaining as it relates to employee benefits
- Employee wellness programming
- Flexible benefits plan administration
- Government Accounting Standards Board (GASB) 45 compliance, including coordination of Other Post-Employment Benefits (OPEB) actuarial analysis on biannual basis
- Health insurance plan administration
- Life insurance plan administration
- Optional retirement plan administration (e.g. 457 plans, Roth IRA plans, 403b plans)
- Other employee benefits issues as needed

C. Town shall provide the Mansfield Board and the R-19 Board with risk management services that assist in supporting the existing Mansfield Board and R-19 Board staff in the following areas:
   - Occupational health & safety administration
   - Liability, automobile and property insurance (LAP) plan administration
   - Workers compensation administration
   - Other related services

D. It is recognized by the Parties that the Town Manager and his/her designee has the authority on questions dealing with the implementation of flexible benefits plans, health insurance pool and plans, and life insurance plans.

II. Financial Management

A. The Town, working through its Director of Finance, shall perform and carry out in a satisfactory and proper manner a scope of activities acceptable to the Parties, for the purpose of providing to the Mansfield Board and the R-19 Board the financial management services described in this Agreement.

B. The Director of Finance shall serve as the Business Manager for the Mansfield Board and R-19 Board, on the basis of shared services with the Town. As the Business Manager, the Director of Finance shall perform for the Mansfield Board and the R-19 Board such services as described in the job description attached hereto, or as requested by either Superintendent of Schools with the approval of the Town Manager. The attached job description may be amended from time-to-time by the Town Manager, in consultation with the Superintendents.

C. The Town shall provide the Mansfield Board and the R-19 Board with the following financial management services:
   - An automated cash disbursement system, which shall provide for a systematic paying of bills
   - An automated cash receipts system, which will systematically record the receipt of cash
   - A fully operational payroll system, including all necessary federal and state reporting
   - Accounting and bookkeeping services, with monthly trial balance preparation for all funds and account groups
   - An automated budget package for all funds
   - Prepare computer-generated financial reports for all funds in the same form as currently provided. Any changes in form shall be mutually agreed to by the Parties.
   - Prepare a Comprehensive Annual Financial Report (CAFR) in accordance with Generally Accepted Accounting Principles (GAAP)
   - Prepare monthly, quarterly and annual financial reports as needed
   - Prepare the ED-001, ED-141, and other miscellaneous financial reporting as required for submission to the Connecticut Department of Education
   - Pursuant to a Memorandum of Understanding (see attached) between the R-19 Board and the Edwin O. Smith Foundation, Inc., provide financial management services to the Foundation as enumerated in the MOU

D. It is recognized by the Parties that the Director of Finance and his/her designee has the authority on questions dealing with the design and the implementation of the Financial Management System. Should there be changes to the Financial Management System requiring additional budget expenditures, such changes shall be presented by the Director of Finance to the Town Manager for approval prior to proceeding with the same.

E. It is recognized by the Parties that the Director of Finance and his/her designee has the authority to act as the Purchasing Agent for the Mansfield Board and R-19 Board in accordance with the Town's Financial Policies and Procedures.

F. It is understood by the Parties that the Town shall provide financial management services to the Mansfield Board and R-19 Board in strict accordance with the provisions of the Town's Financial Policies and Procedures. The Town recognizes the authority of the Boards of Education to adjust and to administer their respective adopted budgets, pursuant to state law. As a condition of receiving the scope of services outlined in this Agreement, the Mansfield Board and the R-19 Board shall adopt Financial Management Policies that are consistent with the Financial Policies and Procedures promulgated by the Town.

G. It is recognized by the Parties that the Director of Finance and his/her designee has the authority to enforce all provisions of the Town's Financial Policies and Procedures and that the Director of Finance shall report significant instances of non-compliance to the Town Manager and the Superintendents.

III. Information Technology

A. The Parties shall share the services of one consolidated Department of Information Technology, headed by the Director of Information Technology. Each Party employs various information technology staff at various locations. The Director is presently an employee of the Mansfield Board and shall have the authority to coordinate and to direct the activity of all information technology personnel at all locations insofar as their activities directly impact the integration of technology into the curriculum and the use of technology in support of the overall operations of the Town or either school district.

There are presently four employees that comprise the "Shared Services Unit" of the Department:

- Director of Information Technology
- Network Administrator (2)
- Information Technology Specialist

The Parties recognize that management may modify the composition of the Shared Services Unit, based on the overall needs of the Department of Information Technology.

B. The Shared Services Unit of the Department of Information Technology shall provide the Parties with the following services:

- Network management (WAN / LAN) services
- Telecommunications management services

- Fiber and Internet connectivity links
- Hosting and maintenance of shared systems and databases
- System usage and overall network health and security aspects
- Other services and technological support that are requested by the R-19 Superintendent and are acceptable to the Town and the Mansfield Board, as applicable.

IV. Term

A. The initial term of this Agreement shall commence on July 1, 2016 and shall expire on June 30, 2019.

B. The Parties shall have the ability to negotiate subsequent terms of this Agreement, subject to approval of their respective governing bodies.

V. Cost Sharing

A. *Annual Budget Process.* At the beginning of each budget season, the principals from each of the Parties shall meet to discuss anticipated revenues and expenditures, and the cost sharing allocations related to the services provided pursuant to this Agreement. Annual revenues and expenditures for each of the Parties shall be established during the annual budget process and specified in each Party's annual operating budget. The principals, by consent of all three Parties, shall have the authority to make modest adjustments (± 3%) to the cost sharing allocations outlined in this section. More significant adjustments to the cost sharing allocations shall require an amendment to this Agreement.

B. *Management Services Fund.* The Town shall maintain a Management Services Fund as an internal service fund to account for revenues and expenditures related to the financial management and information technology services provided for under the Agreement. The Parties acknowledge that the Town shall also use the Management Services Fund to account for other municipal service activities (e.g. copiers; energy management).

C. *Payment Schedule.* The Town shall bill the R-19 Board for the financial management and information technology services provided under this Agreement in quarterly installments, which shall be paid by the R-19 Board within 30 days of the receipt of the Town's invoice. The Town and the Mansfield Board shall make payments for services received under this Agreement, via their annual operating budgets.

D. *Employee Benefits/Risk Management.* The Parties agree that one-half of the Assistant Town Manager's salary shall be funded from the Health Insurance Fund and that such cost shall be included in the calculation of health insurance premiums. Health insurance premiums shall be adjusted on a fiscal year basis as agreed to by the Parties.

E. *Financial Management.* For FY 2016/17, the Town agrees to provide to the R-19 Board the financial management services described in this Agreement for an annual fee of $99,430. For FY 2016/17, the Town and the Mansfield Board shall contribute $276,890 and $130,150, respectively, towards the cost of financial management services outlined in this Agreement. Beginning in FY 2017/18, the Parties shall allocate costs based upon the

percentage of the operating budget and related capital expenditures attributable to the services provided to each Party.

Beginning in FY 2017/18, the cost sharing arrangement between the Parties shall be allocated as follows:*

- Town – 50% of annual Finance Department expenditures
- Mansfield Board – 25% of annual Finance Department expenditures
- R-19 Board - 20% of annual Finance Department expenditures

(*5% of annual Finance Department expenditures billed to Eastern Highlands Health District via a separate agreement)

F. *Information Technology.* For FY 2016/17, the Town and the Mansfield Board agree to provide to the R-19 Board the information technology services provided by the Shared Services Unit and described in this Agreement for an annual fee of $118,110 paid to the Town in quarterly installments by the R-19 Board within 30 days of the receipt of the Town's invoice. For FY 2016/17, the Town and the Mansfield Board shall contribute $333,850 and $171,290, respectively, towards the cost of the Shared Services Unit. Beginning in FY 2017/18, the Parties shall allocate costs based upon the percentage of the operating budget and related capital expenditures attributable to the services provided to each Party.

Beginning in FY 2017/18, the cost sharing arrangement between the Parties shall be allocated as follows:

- Town – 50% of annual Shared Services Unit expenditures
- Mansfield Board – 30% of annual Shared Services Unit expenditures
- R-19 Board – 20% of annual Shared Services Unit expenditures

VI. Termination for Cause or Convenience

Any of the Parties may terminate this Agreement at the end of any given fiscal year. However, notice of such intent to terminate must be given in writing to all Parties to this Agreement at least 120 days prior to the end of the fiscal year so that other service arrangements may be made within fiscal budgetary time constraints.

VII. Changes/Amendments

The Parties may, from time to time, require changes in the scope of services of this Agreement. Such changes, including any increase or decrease in the amount of compensation paid to any Party that is agreed upon by and between the Parties shall be incorporated in written amendments to this contract.

VIII. Insurance

For each year of the two year contract, the Parties will supply each other with a *Certificate of Insurance* indicating proof of liability insurance coverage in effect for each fiscal year in the amount of at least two million dollars ($2,000,000.00).

In witness whereof, we have hereunto set our hand and seal this ____ day of _____, 20__.

_____ _____
Matthew W. Hart, Town Manager Date
(for the Town)

_____
Witness

_____ _____
Kelly M. Lyman, Superintendent Date
(for the Mansfield Board)

_____
Witness

_____ _____
Bruce Silva, Superintendent Date
(for the R-19 Board)

_____
Witness

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