

**TOWN OF MANSFIELD
OFFICE OF THE TOWN MANAGER**



Maria E. Capriola, M.P.A.
Interim Town Manager

AUDREY P. BECK BUILDING
FOUR SOUTH EAGLEVILLE ROAD
MANSFIELD, CT 06268-2599
(860) 429-3336 x5 ♦ Fax: (860) 429-6863

August 18, 2017

Secretary Ben Barnes
c/o Mike Izadi
Office of Policy and Management
450 Capitol Avenue
Hartford, CT 06106

Re: Request for Fund Balance Information

Dear Mr. Barnes:

Attached please find the information your office has requested regarding the Town of Mansfield's Fund Balance. Please note that we are still in the midst of finalizing 16/17 Fiscal Year End numbers and that the attached numbers reflect budgeted (anticipated) Fund Balance amounts for FY 16/17 and FY 17/18.

For nearly a decade Mansfield has been working hard to improve its Fund Balance, striving to achieve the 10-15% of General Fund expenditures as recommended as a financial best practice by the Government Finance Officers' Association and bond rating agencies. While we have not quite achieved this goal yet, through careful financial management and policy decisions, we have made significant strides towards achieving this goal.

Executive Order No. 58 as revised by the Governor on August 18, 2017 would reduce state revenue to Mansfield by approximately \$14M, equivalent to a 27% loss in our overall revenue. A loss this substantial would be equivalent to a 13 mill increase (42%), or an increase of \$2,011 in taxes to the median Mansfield homeowner. Most certainly, a revenue loss of this magnitude would be unable to be fully absorbed by a tax increase of that size. Deep cuts in state aid to Mansfield are difficult to overcome given that we have the largest amount of non-taxable property as a percentage of our grand list of any community in the state of Connecticut (Source: OPM Fiscal Indicators).

In absence of an adopted state budget, our Council plans to begin the following policy conversations: evaluating service delivery options such as contracting for services; reducing or eliminating discretionary programs and services; reducing operating schedules for Town facilities; using reserve balances; potential tax increases; and seeking labor concessions mid-contract(s). Our budget is already very lean, so any reduction in State aid means either a reduction in services or a tax increase.


Given the current uncertainty surrounding state revenues, it is important to note that we are taking steps to control expenditures. Department heads have been directed to adhere to the attached FY 17/18 spending guidance memorandum issued June 22, 2017. All purchases are being approved by the Finance Director and no new capital projects may proceed without authorization from the Finance Director and Interim Town Manager. Capital projects that resolve a health, safety, or an emergency issue are being given priority; most other FY 17/18 capital projects are being deferred at this time. Mansfield Public Schools Superintendent Kelly Lyman issued similar direction to her administrators stating that only purchases for essential items to get the academic year started are to be made. The Superintendent and Finance Director are approving all expenditures. Attached for your information is the Board of Education Expenditure Containment Actions, summer 2017.

Management met with our labor unions in late May 2017 to discuss the state budget, its impact on Mansfield should we lose significant state revenue, and how labor and management can work together to find budget solutions should a significant loss in state revenue occur. Superintendent Lyman held similar meetings with her labor unions.

Further Mansfield is a member of a regional high school, Regional School District #19. CGS Section 10-51 gives regional boards of education fiscal autonomy. Once a regional school district budget is adopted by the electors of the member towns, the regional board of education determines the amount to be paid by each member town. Based on the adoption of the Region 19 budget during their referendum, Region 19's assessment to Mansfield has been determined. Mansfield's required contribution to Region 19 reflects nearly 21% of the Town's overall adopted budget, or \$10,916,231. This is a significant portion of the Town's expenses that we do not have direct control over. As a result, we can't make changes or reductions to 21% of our overall budget mid-year.

Thank you for your time and consideration of this information.

Regards,



Maria E. Capriola, M.P.A.
Interim Town Manager

C: Kelly Lyman, Superintendent, MBOE
Cheryl Trahan, Finance Director
Town Council
Mansfield Board of Education
Jill Krieger, Superintendent, Region #19



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

OFFICE OF THE SECRETARY

August 7, 2017

Dear Ms. Capriola,

On August 2nd, the Governor directed the Office of Policy and Management to produce a series of reports on the fiscal health of municipalities (please see attached).

To that end, I am requesting updated information on your municipality's fund balance. We have historic data already reported to our office, which we have included below. We are looking for estimates of your General Fund's total fund balance and unassigned fund balance for as of June 30, 2017. In addition, we are requesting projections of your municipality's General Fund total fund balance and unassigned fund balance as of June 30, 2018, based on the assumptions from your adopted FY 18 budget.

MANSFIELD

General Fund

	<u>Total Fund Balance</u>	<u>Unassigned Fund Balance</u> <u>per GASB 54</u>
FY 15 Actual	3,941,182	3,875,814
FY 16 Actual	4,388,229	4,186,090
FY 17 Estimated	5,063,229	4,697,775
FY 18 Projected (based on adopted municipal budget)	5,373,839	5,119,939

Finally, please provide any supplemental information about the potential impact of a continuing state budget impasse on your community's finances, such as contingency plans to utilize fund balance, issue supplemental taxes or reduce spending.

Please email the requested information to Michael Izadi on my staff at michael.izadi@ct.gov by August 16, 2017.

Sincerely,

Benjamin Barnes
Secretary

Cc: Cherie A. Trahan, Director Of Finance
Michael Izadi, Office of Policy and Management
Kerry Kelley, Office of Policy and Management

Town of Mansfield/Mansfield Board of Education
 State Grant Analysis
 As of August 18, 2017

	Council Adopted		Gov's Proposed May		Incr/(Decr) from Town Adopted		Executive Order #58 6/26/17		Incr/(Decr) from Town Adopted		EO 58 Revisions 8/18/17		Incr/(Decr) from Town Adopted	
	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18
Grant														
Pequot Grant	215,418	-	(215,418)	-	-	(215,418)	-	-	(215,418)	-	-	(215,418)	-	(215,418)
PILOT	6,676,327	6,676,327	-	-	(6,676,327)	-	-	(6,676,327)	-	-	(6,676,327)	-	(6,676,327)	
ECS	6,224,056	5,640,398	(583,658)	5,410,308	(813,748)	5,968,446	5,968,446	(813,748)	5,968,446	5,968,446	(255,610)	5,968,446	(255,610)	
Special Education Grant	2,918,758	3,601,566	682,808	-	(2,918,758)	-	-	(2,918,758)	-	-	(2,918,758)	-	(2,918,758)	
Transportation														
Town Aid	418,225	418,225	-	?	(418,225)	-	-	(418,225)	-	-	(418,225)	-	(418,225)	
LoCIP	357,699	357,699	-	?	(357,699)	-	-	(357,699)	-	-	(357,699)	-	(357,699)	
Municipal Revenue Sharing	756,128	-	(756,128)	756,128	-	-	756,128	-	-	-	-	-	-	
MRS Select Payment in Lieu	2,630,447	-	(2,630,447)	2,630,447	-	-	2,630,447	-	-	-	-	-	-	
Teacher's Retirement Cost Share	(166,270)	(1,631,528)	(1,465,258)	?	(1,465,258)	166,270	?	166,270	?	?	166,270	?	166,270	
Hospital Property Tax	39,027	39,027	-	?	(39,027)	-	-	(39,027)	-	-	(39,027)	-	(39,027)	
Municipal Aid Adjustment														
Total Actual	20,069,815	15,101,714	(4,968,101)	8,796,883	(11,272,932)	5,968,446	8,796,883	(11,272,932)	5,968,446	(14,101,369)	5,968,446	(14,101,369)	(14,101,369)	

Council Adopted State Aid for FY 16/17 \$ 20,670,279 (5,568,565) (11,873,396)