

# TOWN OF MANSFIELD & MANSFIELD BOARD OF EDUCATION



## *Citizen's Budget Guide (Updated April 2009)*

### **BUDGET PROCESS**

Each year the Town undergoes its annual budgeting process. The Town budgets for its anticipated program revenues and expenditures needed to operate services such as Pre K-12 education, fire and police protection, snow plowing, and a public library. Per state law, the Town operates on a July 1—June 30 fiscal year. Most of the key dates in the budget process occur in late winter and early spring. Electors and citizens are encouraged to actively participate in the budget process by attending budget workshops, public information sessions and hearings, and the annual town meeting.



- December** Staff develops base budgets and prepares revenue projections.
- January** Town Manager and Finance meet with departments to discuss and analyze base budget requests.
- February** Town Manager reviews budget requests, establishes priorities, and recommends budget allocations.
- March** Town Manager presents a proposed budget to Council.
- April** Council budget workshops, public information sessions, and public hearing held. Council adoption of budget.
- May** Annual Town Meeting, adoption of budget by electors.

The Town Council voted at its April 20th meeting to adopt a General Fund budget of \$43,010,137 (including the Region 19 contribution), a Capital

Fund budget of \$1,317,255, and a Capital Nonrecurring Fund budget of \$900,000. Council's adopted budget will be presented to Mansfield voters at the annual Town Meeting on May 12th.

### **GENERAL FUND**

*What is the General Fund?*

The General Fund provides for general purpose government services. In other words, the General Fund finances the regular day-to-day operations of the Town.

*What types of activities does the General Fund provide for?*

Examples of what the General Fund provides for are services such as public safety, recreational opportunities, streets maintenance, library services, senior services and general administration.

*Where does the money for the General Fund come from?*

The money that funds the General Fund comes from a wide variety of sources. The primary sources of revenue are: local property taxes and related items (55%), PILOT funding (18%) from the state, and the Education Cost Sharing Grant (ECS) (23%) from the state. Other sources include inspection fees, fines, grants, licenses, permits and other revenue.

### ***Where Does the Money Go? General Fund Expenditures by Service Area FY 2009/2010***

<b>Mansfield Board of Education</b>	<b>\$ 20,595,570</b>
<b>Region 19 Contribution</b>	<b>\$ 9,924,817</b>
<b>Public Safety</b>	<b>\$ 2,783,540</b>
<b>Government Oper. (inc. energy)</b>	<b>\$ 2,299,060</b>
<b>Public Works</b>	<b>\$ 1,920,280</b>
<b>Community Services &amp; Devel.</b>	<b>\$ 1,964,440</b>
<b>Other/Town-Wide (benefits, etc.)</b>	<b>\$ 3,522,430</b>
<b>TOTAL:</b>	<b>\$ 43,010,137</b>

partment at 860-429-3315 or on the web at [www.mansfieldct.org](http://www.mansfieldct.org)

## UNDERSTANDING YOUR TAX CALCULATION

*What is a mill rate?*

The mill rate is used to calculate the amount of taxes a property owner pays to the Town. The Town of Mansfield has established a mill rate of 25.24 mills for the current fiscal year, 2008/2009. One mill produces one dollar for each \$1,000 of property value. In other words, a property owner paid \$25.24 in property taxes for every \$1,000 of “assessed” value. In order to fund the Council’s adopted budget for the upcoming fiscal year, 2009/2010, a mill rate of approximately 25.71 would be needed; this represents a 1.88% increase over the current fiscal year.

*How are my taxes calculated?*

In Connecticut, your property taxes are calculated based on 70% of your home’s current market value, or its “assessed” value. For example, the median single family home price in Mansfield is \$239,700. The assessed value of a \$239,700 home is \$167,790. Your current fiscal year tax bill is calculated as follows:

$$\frac{(\text{Assessed Value} \times \text{Mill Rate})}{1000} = \text{Amount Due in Taxes}$$

Using the example of a home valued at the median single family home price in Mansfield, a typical single family homeowner would pay as follows this fiscal year:

$$(\$167,790 \times 25.24) / 1000 = \$4,235$$

Property taxes are often perceived as a regressive means of taxation. Due to statutory limitations, the Town has a nearly impossible task of diversifying its revenue base in such a way that would create a more progressive tax structure.

## PROPERTY TAX RELIEF

*I need help paying my taxes. Where do I go for help?*

Mansfield offers some property tax abatement programs. Taxpayers that may be eligible for property tax relief include veterans, seniors, disabled persons, and farm owners. Information about tax abatement programs in Mansfield, including eligibility requirements can be obtained by contacting our Assessor’s Office at 860-429-3311, our Human Services De-

## CAPITAL IMPROVEMENT PROGRAM

*What’s a capital improvement project?*

It is construction, renovation or physical improvements, or equipment costing more than \$5,000.

*What’s a capital improvement plan?*

Annually, the Town prepares and revises a five year plan for all capital projects. The plan accounts for anticipated revenues and expenditures that will be used to fund capital projects.

*Where does the revenue come from to fund capital projects?*

A variety of revenue sources are used such as monies from the General Fund, grants, lease-purchase options, and bond issues.

*What are some examples of our current capital projects?*

Examples of some current year capital projects include bridge improvements, street resurfacing, purchase of a salt storage shed and the replacement of a dump truck.

<i>Where Does the Money Go?</i>	
Capital Fund Expenditures by Service Area	
FY 2009/2010	
<b>General Government</b>	<b>\$ 155,000</b>
<b>Public Safety</b>	<b>\$ 63,000</b>
<b>Public Works</b>	<b>\$ 855,500</b>
<b>Community Services</b>	<b>\$ 39,300</b>
<b>Facilities Management</b>	<b>\$ 204,455</b>
<b>TOTAL:</b>	<b>\$ 1,317,255</b>

*What’s the Capital and Nonrecurring (CNR) Fund?*

The CNR Fund is primarily used for conducting transfers to other funds. It has typically been used to fund capital projects and one time expenditures.

**Where Does the Money Go?  
Capital Nonrecurring Fund (CNR)  
Expenditures by Service Area  
FY 2009/2010**

<b>Management Services Fund</b>	<b>\$ 150,000</b>
<b>Debt Service Fund</b>	<b>\$ 150,000</b>
<b>Fire Truck Debt</b>	<b>\$ 80,000</b>
<b>Property Tax Revaluation Acct</b>	<b>\$ 25,000</b>
<b>Capital Fund</b>	<b>\$ 395,000</b>
<b>Parks &amp; Recreation Fund</b>	<b>\$ 50,000</b>
<b>Compensated Absences Fund</b>	<b>\$ 50,000</b>
<b>TOTAL:</b>	<b>\$ 900,000</b>

**DEBT MANAGEMENT**

Just like citizens often borrow money for large purchases such as homes and vehicles, so do towns. Towns often borrow money for large purchases with useful lives exceeding 15 years. Money is usually borrowed by issuing bonds or acquiring equipment through lease-purchase options. Mansfield has, for example, issued bonds to pay for renovations to the Public Library and to the elementary and middle schools.

Mansfield's debt is significantly less than its legally allowable limits for debt. In fact, Mansfield has one of the lowest debt per capita rates in the state; in 2006 Mansfield ranked 150 out of 169 towns at \$626 per person, including the University dorm students (source: CT Office of Policy and Management, Municipal Indicators). Excluding the dorm students, Mansfield's rank is still in the lower 30th percentile at 118.

*What is debt service?*

Debt service provides for the payment of debt related expenses.

*Why is it in the Town's interest to have a favorable bond rating?*

Better bond ratings mean that the Town's bonds are considered to be a good investment. Good bond ratings are also evidence that the Town is financially healthy. A bond rating is the primary factor in determining the interest rate that the Town needs to pay

on debt. The better the bond rating, the more likely it becomes that the Town will pay lower interest rates on debt.

*Does the Town have a favorable bond rating?*

Both Standard and Poor's and Moody's have given Mansfield very favorable bond ratings.

**Town of Mansfield Bond Rating**

**Moody's Investor's Service                      Aa3**

**FUND BALANCE**

*What's a fund balance?*

A fund balance is the excess of revenues over expenditures for a fund. A fund balance protects the Town against catastrophic revenue losses and major emergency expenditures. Examples include severe economic downturns and extreme weather conditions such as hurricanes and other natural disasters.

*How much needs to be in the general fund balance for the Town to be considered financially healthy?*

A healthy fund balance contributes to the Town's favorable bond ratings. Bond rating agencies advise that the General Fund reserve be kept to at least 5 to 10% of the total general fund revenues. Additionally, Mansfield has a fund balance policy goal of maintaining the undesignated fund balance at 5% of the general fund operating budget. In recent years, fund balance has slightly dipped below the 5% goal and policy makers and leaders are working to improve the fund balance. Including reserves held outside of the General Fund, Mansfield maintains approximately 8% of General Fund revenues.

**ANNUAL TOWN MEETING**

Each year the voters in Mansfield have an opportunity to vote to approve or reject the Town Council's proposed budget for the Town. The Mansfield Board of Education budget is also included in the proposed budget presented to the electors.

*When is Town Meeting held?*

Town Meeting will be held on May 12, 2009 at 7:00pm at the Mansfield Middle School Auditorium. For Town Meeting, the Town's Human Services Office makes childcare, hearing impairment, and trans-

portation accommodations (elderly and disabled) for citizens upon request. More information about these programs is published in the spring.

*Who may vote at the Town Meeting?*

Any person who is registered to vote and any citizen of the United States over the age of 18 who owns property (motor vehicle or land) in Mansfield valued at \$1,000 or more. Citizens can register to vote by contacting the Registrars of Voters, Andrea Epling and Bev Miela at 429-3368.

*How do I vote on the budget at Town Meeting?*

Electors have the ability to vote to accept, increase or decrease program expenditures. General Fund programs are defined as cost centers within functions of government i.e. Mansfield Board of Education, Town Clerk, Road Services, Senior Services. Capital Fund programs are defined by the major functions of government i.e. General Government, Public Safety, Public Works, Facilities Management and Community Services. Capital & Nonrecurring Fund programs are defined by the recipient of the fund transfer i.e. debt service fund, property revaluation fund. Mansfield utilizes program based budgeting so programs are clearly presented in the materials for Town Meeting.

**MANSFIELD BOARD OF EDUCATION BUDGET PROCESS**

Mansfield Board of Education (MBOE) provides for education of Mansfield students in grades PreK-8. MBOE has its own elected board of officials. In the fall, the Superintendent begins to prepare his proposed budget to the Board. The Superintendent's

budget is submitted to the Board in January. After a series of meetings in the winter, the Board adopts a proposed budget that is then submitted to the Town Council for its consideration. Council has the ability to increase or decrease the MBOE budget as a whole; it can not be increased or decreased by program or line item. The MBOE budget is then submitted with Council's proposed budget to the electors at the annual Town Meeting. Voters have the legal ability to approve, increase or decrease the MBOE budget as a whole.

**REGION 19 BUDGET PROCESS**

Regional School District 19 provides for education of Mansfield-Ashford-Willington students in grades 9-12. As a regional school district, Region 19 is a separate entity from the Town of Mansfield. Region 19 has its own elected board of officials. The Superintendent submits his proposed budget to the Region Board during the winter. After a series of budget workshops, the Region 19 Board adopts a proposed budget that is then submitted to the voters of its three member towns. Registered voters in Mansfield-Ashford-Willington have an opportunity to vote on the Region's budget at a referendum held on May 5, 2009. Once the voters have approved a budget for the Region, Mansfield then has a legal obligation to appropriate funds for its proportionate share of the Region's budget. By state law, Mansfield's proportionate share is determined by the number of Mansfield students enrolled in classes at the Region. In other words, the Region's budget process and adopted budget are outside of the Town's legal control.

**BUDGET VIEWING LOCATIONS**

**Mansfield Public Library  
Mansfield Community Center  
Mansfield Senior Center  
Mansfield Town Clerk's Office  
[www.mansfieldct.org](http://www.mansfieldct.org)**

*Proposed budgets will be available in late March and may be viewed during normal business hours at noted public locations.*

**MANSFIELD TOWN COUNCIL**

**ELIZABETH PATERSON, MAYOR  
GREGORY HADDAD, DEPUTY MAYOR  
ALLISON WHITHAM BALIR  
BRUCE CLOUETTE  
LEIGH DUFFY  
HELEN KOEHN  
GENE NESBITT  
CHRISTOPHER PAULHUS  
CARL SCAHEFER**

**MATTHEW HART, TOWN MANAGER**