



Town of Mansfield Department of Finance

To: Matt Hart, Town Manager
From: Cherie Trahan, Director
CC: Fred Baruzzi, Superintendent of Schools
Date: April 10, 2013
Re: Clarification of Various Budget Items

I would like to provide clarification on some items recently discussed during public comment and in recent local publications. Important information has been omitted, as well as inaccurate information presented. We worked very hard to provide accurate and complete information in the Proposed 2013/14 budget and I am very concerned that these articles and comments distort the real impact of this budget. The citizens of Mansfield deserve accurate and complete information in order to make their decision on the budget. Specifically, I am concerned about how the following is being presented:

1. \$54,320 to start a direct-mail town newsletter - this is incorrect. As our Library and IT Directors explained, the part time systems librarian position is a shared position between the two departments for technology support for the Library. Its purpose is primarily to bring digital literacy to the community, and to promote knowledge of Town resources and activities through effective communication – using modern methods of communications (Twitter, Facebook, etc.) along with traditional methods of communication. While this position may provide some guidance in getting out a direct mail piece, it is by no means its primary purpose. Second, \$17,000 for supplies and \$18,820 for project staff is inaccurate. The cost of the direct-mail piece is significantly overstated. The monies proposed in this budget for a direct mail and other communication with the public is the following: \$15,000 for the cost of supplies and postage; \$3,820 for project staff to assist with this project along with other projects – for a total proposed cost of \$18,820.
2. Information regarding the proposed additional costs for a 9-month State trooper (\$60,000), part-time firefighter (\$30,000), additional grounds keeping, etc. to respond to the Storrs Center project is correct, however ALL of these costs are being paid for from Storrs Center tax revenues. There is enough Storrs Center tax revenues being generated (based on the October 1, 2012 grand list) to pay for all of these costs AND, for the first time, pay for the Town's contribution to the Downtown Partnership of \$125,000. The omission of this information leads the reader to believe that Storrs Center is increasing the taxes of the average taxpayer and it clearly is not.

3. \$188,000 (plus) in legal fees is incorrect. \$60,000 is budgeted for legal services in the Storrs Center Reserve account and will be paid for by Storrs Center tax revenues and permit fee revenue. The General Fund operating budget for legal services is \$85,530 and is shown on page 76 of the proposed budget. This amount is comprised of the Town Attorney cost of \$42,500 and Human Resources legal costs of \$43,030.
4. While information on the 2% increase in taxable property after the abatement, and the abatement amount of \$321,000 is detailed in a recent article, there is no mention of the fact that Storrs Center will generate \$741,400 in gross taxes – for a net tax revenue of \$420,400. While the statements are not incorrect, they are incomplete and are therefore misleading. This is clearly discussed in the Storrs Center Reserve Fund Issue Paper.
5. I also disagree with the statement that the Board of Education is “tapping town funds dedicated to other priorities”. The Board is a part “owner” in the Health Insurance fund and is only using excess balances that it has paid from its operating budget into the fund for the health insurance of its employees. Secondly, the monies that are going into the Special Education Reserve Fund are from the Excess Cost Grant and are specifically for special education costs. They cannot be used for other purposes.
6. It is true that the budget proposes using \$345,000 of its excess contributions to the Health Insurance Fund. However, important information not disclosed, is the fact that the estimated fund balance at June 30th of this year is \$3.7 million. To be considered “fully funded” this fund needs a reserve balance of \$1.8 – \$2.0 million. At its current level it is overfunded. This fund balance has grown because our actual claims have been significantly below projected claims and industry trends.

I hope that this clarification is helpful. Please let me know if you would like any additional information.



Town of Mansfield Department of Finance

To: Matt Hart, Town Manager
From: Cherie Trahan, Director
CC: Irene Luciano, Assessor
Date: April 18, 2013
Re: Preliminary Grand List Change

As you know, the Grand List provided in the Manager's proposed budget is always the preliminary grand list prior to any corrections or Board of Assessment Appeals adjustments. The preliminary Grand List can also have additions following the October 1st valuation for any prorated assessments. This is the normal course of business and every effort is made to get all of these adjustments in before issuing the final Grand List and using that Grand List for the tax levy calculation. If such changes were expected to have a major impact on the tax levy calculation, I would notify you so that you could inform the Town Council of the potential change.

While this change will not have **any** impact on the tax levy nor will it have a significant impact on the project, this correction will affect the Storrs Center assessed value, and therefore I want you to be aware of it. In a nutshell, the buildings valued in Phase 1A (1 Dog Lane and 9 Dog Lane) were valued with all stories having steel framing when in fact only the first story has steel, the upper stories have wood framing. This will require a Certificate of Correction, reducing the October 1, 2012 assessed value of 1 Dog Lane by \$1,234,030 and 9 Dog Lane by \$1,437,870, thereby reducing the estimated Storrs Center tax revenue by approximately \$78,000 (from \$741,400 to \$663,417) before any pro-rates are applied. It is important to be clear that this is a correction of an error on our part – it is not a judgment with regards to the assessment.

Impact: At this time, we have approximately \$583,000 in prorated assessments to be added to the final grand list. This will generate approximately \$15,800 in additional tax revenue. Therefore, the net impact of these two adjustments is a reduction of approximately \$62,200 in tax revenues. Again, this will not affect the tax levy. The estimated Storrs Center tax revenue **and** the Transfer Out to the Storrs Center Reserve Fund will both be reduced by this amount. While this will reduce the amount available in the Storrs Center Reserve fund, there will still be more than enough resources to cover our anticipated costs.