

A TAX ANALYSIS – REASON TO VOTE AGAINST BOTH ISSUES IN THE JUNE 2017 TOWN REFERENDUM

1. “Taxable Valuation” amount on your tax bill = \$175,000 (house value of \$250,000)
2. Divide Valuation by \$100,000.....\$175,000 / \$100,000 = **1.75** (Tax per year factor)
3. Multiply 1.75 times \$128 (bond cost per year per \$100,000) = **\$224** (cost per year)
4. Divide \$175,000 by \$1000 = 175 (Taxable Valuation Factor)
5. Multiply current mill rate of \$29.35 times 175 = \$5,136 (property tax on \$175M)
6. Multiply \$5,136 times 1.04 (avg. yearly tax increase) = \$5,341 (2017-2018 est. property tax)
7. Multiply \$5,341 times 1.04 = \$5,555 (2018-2019 est. property tax)
8. Multiply \$5,555 times 1.04 = \$5,777 (2019-2020 est. property tax)
9. Multiply \$5,777 times 1.04 = \$6,007 (2020-2021 est. property tax)
10. Add **\$224** (start of bond cost) to \$6,007 = \$6,231 (new 2020-2021 property tax)
11. Divide **\$224** (bond cost) by \$6,007 = 4%

So, for a home with a Taxable Valuation of \$175,000, as of today, in the year 2020-2021, with an average yearly regular tax increase of 4%, your taxes will have gone from \$5,136 today to \$6,007. Starting in that tax year of 2020-2021, you will begin to pay an additional \$224, which is 4% of the base tax you pay for that year (\$6,007) which was a 4%, on average, increase over year 2019-2020. In total then, the first year the bond debt kicks in, you are paying a 4% + 4% = **8% tax increase**.

Every year thereafter, for about 20 years, that **\$224** will be added to whatever your tax bill is for that year. That **\$224** will always be 4% more than your base taxes in the start year (2020-2021) of the bond debt, which in this example was \$6,007. So, in addition to the towns average tax increase for the municipal + school budget, of 4%, you will be paying an additional 4% increase over the base year, every year.

What could make those numbers worse? Plenty! :

1. A new Junior High school could be forced on you the same way they are trying to trick you on the elementary school. That would more than double the 4% bond cost factor in step 11 above.
2. **Unknown and possible negative effects of the current property re-evaluation currently underway which, by itself, could significantly increase your taxes.**
3. A new central fire station.
4. Unexpected costs for existing schools.
5. Associated costs with loss of the landfill.
6. Reduction in state help to cities and towns.
7. Repairs to other town buildings.
8. Unanticipated municipal budget increases.
9. Higher than expected inflation.

Do you want to put a stop to this potential “fiscal” irresponsibility? Easy, vote against the referendum this June. Vote against the bond issue for the new elementary school, and vote against the new school budget. Vote by absentee ballot if you can’t get to the polls on referendum day. The Town Clerk will send the ballots to your house and you send them back by mail.

Voting against the referendum will stop the tax insanity and, as importantly, force the School Board to go through with the application for state funding on the elementary school and the junior high. In one year you will know what the state thinks of the condition of both schools and have an independent analysis before you are forced to pay anything out of your own pockets. No other decision makes any fiscal sense!