

# **Town of Greenville Proposed Municipal Budget FY2006-2007**

**First Draft – Including Department & Manager’s Requests – Completed March 24, 2006  
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Budget Committee Review April 20, April 26 & May 3, 2006  
Town Meeting June 5 & 6, 2006**



## **Balancing Operational Needs with Revaluation**

### **Introduction**

There are many new variables at play with this year’s budget which have not been part of the equation in previous years. First, the Town of Greenville is entering its second year under the State-mandated spending cap, known colloquially by its original bill number, “LD 1”. This cap is on the NET budget as it impacts the tax rate. As you know, there are four contributors to every municipal mil rate (tax rate) calculation:

Municipal Costs

School Costs

County Tax

Overlay.

The municipal cost cannot go up beyond the total growth rate for our community, which is calculated by taking the year's most recent state cost of living index (2.62% for 2006, as recommended by the State Planning Office). In addition to this state-wide figure, each community must calculate its local growth factor, meaning the percentage increase in its value of new construction, renovated properties, and land splits due to subdivision. Last year, the state cost of living index was 2.58%, to which we added 1.18% in local growth, totaling 3.76%.

This year, we are in the process of revaluation, which means that our total land splits, renovated properties, and new construction values are impossible to calculate at this time because the value of land per neighborhood and the value of new construction are all being re-calculated at this time. For the time being, our assessor recommends we use last year's local growth factor for the purposes of calculating this year's total allowable increase. Therefore, the local growth factor of 1.18% (from last year) will be added to the new state-wide cost of living index (2.62%) to total 3.80%. When multiplied by last year's net tax commitment for the municipal budget (\$842,702), the most we can growth the net municipal budget this year without exceeding this cap is \$28,072.42. Permission of the voters of the Town of Greenville will be required to exceed this amount, if necessary. Last year, the Town stayed just under this cap.

I anticipate that the Town will need to exceed this cap this year, albeit by a slim margin. There are multiple cost drivers for this year's budget which cannot be avoided, some of which are the result of actions taken last year to lower the tax commitment that year to stay under the cap. This cost drivers are as follows (these are amended from the previous list of municipal cost drivers):

|                                    |           |  |
|------------------------------------|-----------|--|
| Final Payment for Revaluation:     | \$20,303  |  |
|                                    |           | (This is the amount necessary to make the final payment to RJD Appraisals for the revaluation currently underway – we are under contract with this firm).  |
| Municipal Building Bond Payment:   | \$23,814  |  |
|                                    |           | (Last year, only \$2,000 was raised for that year's loan payment, due to left over funds from the project. This year, the total amount is due).  |
| Road Bond Payment:                 | \$55,359  |  |
|                                    |           | (Last year, the voters approved a bond for a major paving project in Town. The first year's loan payment must be raised in this budget).   |
| Restoration of PW Equipment Rates: | \$28,900  |  |
|                                    |           | (Last year, the amount we raise for PW equipment use was reduced by 50%, resulting in operations costs cutting into the PW reserve accounts slightly. It was agreed last year to make this a one-year reduction only. If the rates remain low - \$10/hour – there may be insufficient funds to replace equipment in the future.) |
| Airport Runway Project:            | \$40,000  |  |
|                                    |           | (This represents the final amount needed to fund the 2.5% local cost share for the runway reconstruction project).   |
| TOTAL:                             | \$168,376 |  |

Of these projects, some of these funds were raised in part or their entirety last year. When considering which of these cost drivers have actually gone up, and also reducing the Road Bond appropriation by \$15,000 (MDOT Local Road Assistance Funds), the NET increase over last year becomes:

|   |          |   |
|---|----------|---|
| Revaluation Appropriation Net Increase: | \$0*     | *Actually, this amount is \$25,646 less than FY05-06. |
| Mun. Building Debt Service Increase:    | \$21,814 |   |
| Road Bond Net Increase:                 | \$40,359 |   |
| PW Equipment Rates Net Increase:        | \$28,900 |   |
| Airport Runway Project net Increase:    | \$6,466  |   |

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TOTAL NET INCREASE:                      \$97,539

Department Heads, the Board of Selectmen, and the Budget Committee have all worked hard to come up with cost-saving proposals to reduce the total impact of these cost drivers. Of this projected increase of \$97,539, the budget being forwarded by the Board of Selectmen has been trimmed to just \$81,688 in additional expenses over last year. We have also aggressively sought additional off-setting revenues to reduce the impact of these cost-drivers. Utilizing new revenues such as administrative funds from the operation of the Greenville Business Incubator, utilizing some of the interest which grows on the Town's bank accounts, and developing a true-cost analysis of the administrative cost of delivering services to outlying communities has all resulted in a \$48,077 increase in off-setting revenue over last year. In fact, the percentage of the budget which is raised by off-setting revenue (as opposed to property taxation) is 51.05% (up from last year's 50.66%). Clearly, the Town of Greenville is working hard to identify and to receive revenues to reduce the property tax rate.

As the budget summary (balance sheet) indicates, our total net increase to the municipal budget over last year's net amount is \$35,611, which is an increase of 4.55% over last year's municipal tax commitment. Considering the \$163,165 deficit we started with, this minor increase seems reasonable. Unfortunately, this amount exceeds our mandated tax cap by \$5,538.58. To make adopt this budget, the voters will need to approve the final municipal article on the Town Meeting warrant, which requests permission to increase the tax cap by this amount. This was unnecessary for the municipal budget last year, but was necessary last year for the school budget, which exceeded the Essential programs and Services (EPS) model by \$750,000. Similar approval will be necessary again this year for the school budget; the EPS formula clearly works against small, rural schools with declining enrollments. Considering the similar intention of the municipal tax cap and the EPS formula as mandated by the State of Maine, it seems reasonable for a community such as Greenville to exceed the municipal tax cap by \$5,538.58 out of a \$1.58 million budget proposal.

These budget increases are further complicated by the other three contributors to the mil rate calculation. Ironically, the school budget portion of the tax commitment is projected to be a very minor increase this year. Due to some retirements at the school and subsequent cost savings, as well as some Essential programs and Services (EPS) transition funds made available to the Greenville Schools, the total net increase in the school portion of the tax commitment appears to be only \$8,000.

The Piscataquis County Tax has grown by the largest dollar amount ever - \$92,301, or 29.33% over last year – due mostly to our ascending state valuation. Greenville is now the highest-valued municipality in Piscataquis County, passing Dover-Foxcroft in 2005. Due to the limited value of most other Piscataquis County Towns (only 3 out of 19 municipalities have over \$100,000,000 in total state valuation), Greenville has become the top of the lightning rod for increased county tax assessments. Only a change in how this tax is calculated or a reciprocal increase in the values of other Piscataquis County communities will reverse this trend.

The overlay for FY06-07 has not yet been set, but should be higher than in previous years, due to the revaluation which is underway. The overlay is the amount of tax raised in excess of the net amount needed to meet our Town's obligations for its own expenses, the school's expenses, and the county tax. The purpose of the overlay is to pay for deficiencies in our collection of taxes, such as through tax abatements due to errors in calculation, poverty abatements, and the 1% discount offered for early payment of taxes. With ALL real estate values being re-calculated, there is a high probability of errors being made due to the sheer volume of calculations involved. Such errors, if found and agreed to by the Board of Assessors (Selectmen), result in a tax abatement which is paid from the overlay account.

The revaluation is a complicated, costly, comprehensive project which is designed to restore fairness and equity to the values assigned to all property owners by the Town of Greenville. The total cost for the revaluation is a little more than \$96,000, and will be completed by the fall of 2006. The tax bills which are sent out this fall will reflect the newly calculated values. In October 2005, the Board of Selectmen signed the FY05-06 tax commitment, using a total assessed value for the Town of Greenville (amount of value we have on our books) of about \$153 million. For the same year (2005), the State of Maine assigned \$237 million in value to the Town of Greenville. This \$84 million gap in these two values is what has caused our mil rate to go through the roof by reducing greatly our state funding for education and also the large increase in the county tax (Greenville's total

increase in the county tax bill since 2000 has been \$249,929.67, an amount which represents a 155% increase since 2000. The total cumulative increase we have paid since 2000 is larger than the 2006 assessment for 17 out of the 19 municipalities paying tax in Piscataquis County.

**Town of Greenville’s apportioned Piscataquis County Tax 2000-2006**

| FY   | County Tax   | Increase from Previous Year | Cumulative Increase (from 1999) |
|------|--------------|-----------------------------|---------------------------------|
| 2000 | \$161,044.00 | \$4,017.60                  | \$4,017.60                      |
| 2001 | \$194,348.00 | \$33,304.00                 | \$37,318.60                     |
| 2002 | \$194,413.00 | \$65.00                     | \$37,383.60                     |
| 2003 | \$235,780.00 | \$41,367.00                 | \$78,750.60                     |
| 2004 | \$258,923.50 | \$23,143.00                 | \$101,893.60                    |
| 2005 | \$314,659.00 | \$55,735.50                 | \$157,629.10                    |
| 2006 | \$406,959.57 | \$92,300.57                 | \$249,932.67                    |

Average annual increase: \$35,704.67

I believe this analysis of the county tax increases underscores the necessity for a revaluation. If the Town of Greenville’s total assessed value were to reflect our state valuation, these increases would not result in such a large, reciprocal tax rate increase. By looking at all properties and comparing them to recent sales, our assessors will develop both new base land values as well as new base building values based on newer estimates on the current cost to build a new residential structure in Greenville. Other minor changes will be recommended by the Assessors which ultimately will have to be approved by the elected Board of Assessors (Board of Selectmen). These changes may or may not include changing neighborhood designations; adjusting the worth assigned to excess acreage; reducing certain depreciation schedules to reflect current market trends; and possibly adjusting the contractor’s discount given to the owners of subdivisions prior to the sale of lots. Considering that our 2006 proposed State Valuation has grown to \$260 million, it is estimated by our assessors that our new total valuation will grow from \$148 million to AT LEAST 90% of this 2006 value, or \$234 million. It is possible that we will reach or exceed \$260 million, but 90% of this amount is a safe, conservative estimate.

Where will this extra value come from? The answer best comes when comparing the actual sale price of certain properties to the Town’s current assessed value for the same. If a camp on Wilson Pond is assessed at \$70,000 but is listed for sale in the newspaper for \$150,000 and ultimately sells for \$140,000, this would indicate a possible increase of 100% to the property value. But the actual calculation is not that simple, and will actually reflect a revised base land value for similar base lots in the given neighborhood, as well as a new “original cost” estimate (for construction of the camp) which will be plugged into a depreciation formula. The market is a good indicator of trends per property type and per neighborhood, but cannot be taken directly as the new values to be assigned to given properties. If you know your property could sell for much more than it is currently assessed for, than your property value will probably go up.

There is a windfall for some property owners which will come from this revaluation. By increasing the total assessed value for the Town as a whole, the result will be a lowering, or dilution, of the mil rate. This can be seen in revisiting the FY05-06 mil rate calculation:

FY05-06 Total Assessed Value: \$152,975,050

\*approximate values from FY05-06 certified assessment return – totals are accurate.

Total net Municipal costs: \* \$738,748  
 Total net school costs:\* \$2,077,387  
 Total county tax: \$314,659  
Total overlay: \$35,789

Total tax commitment: \$3,166,583

Total tax commitment divided by total assessed value equals mil rate.

$\$3,166,583 / \$148,000,000 = \$20.70$  per \$1,000 valuation

Tax rate last year if assessed value grew to \$234,000,000.

$\$3,166,583 / \$234,000,000 = \$13.53$  per \$1,000 valuation

This illustrates a decrease in the Town's mil rate of \$7.17 per \$1,000 valuation if we had 90% of the 2006 state valuation on our books last year when we last committed taxes. This is a decrease in the tax rate from what it is currently - \$20.70 per \$1,000 valuation – of 35%. Under this scenario, if someone's property grew by 25%, and the mil rate dropped by 35%, there should be a net savings to the taxpayer. The savings may not be actually 10%, as this illustration suggests, because we are dealing with two different calculations. But for example, if a \$70,000 property grew by 25% to \$87,500, and the mil rate dropped by 35% to \$13.53, the difference in taxes assessed would appear as follows:

|                   |   |                  |   |                              |
|-------------------|---|------------------|---|------------------------------|
| \$70,000 property | X | 0.0207 mil rate  | = | \$1,449 real estate taxes    |
| \$87,500 property | X | 0.01353 mil rate | = | \$1,183.88 real estate taxes |
|                   |   | Savings          | = | \$265.12, or 18.30%          |

If we plug in our best estimates for what the FY06-07 tax commitment, we get the following:

FY06-07 ESTIMATED total assessed value: \$234,000,000

Total net Municipal costs: \$772,359

|                         |                 |
|-------------------------|-----------------|
| Total net school costs: | \$2,166,657     |
| Total county tax:       | \$406,960       |
| Total overlay:          | <u>\$50,000</u> |

Total ESTIMATED tax commitment: \$3,395,976

Total tax commitment divided by total assessed value equals mil rate.

\$3,395,976 / \$234,000,000 = \$14.51 per \$1,000 valuation

Decrease from current mil rate = \$6.19 per \$1,000 valuation, or 29.90%.

What does this do for the typical tax payer? **It is impossible to know this with any certainty until all of the tax values are calculated and accepted by the Board of Assessors, and until the tax rate is finally calculated.** If the assumptions made here to produce this estimate were to hold true, some theoretical scenarios can be projected:

Property #1 currently assessed at \$100,000 grows to \$400,000, and mil rate drops to \$14.51 per \$1,000 value:

|              |           |   |         |   |                     |
|--------------|-----------|---|---------|---|---------------------|
| FY05-06      | \$100,000 | X | 0.0207  | = | \$2,070             |
| FY06-07      | \$400,000 | X | 0.01451 | = | \$5,804             |
| <hr/>        |           |   |         |   |                     |
| Tax increase |           |   |         | = | \$3,734, or 180.39% |

Property #2 currently assessed at \$75,000 grows to \$106,995, and mil rate drops to \$14.51 per \$1,000 value:

|            |           |   |         |   |            |
|------------|-----------|---|---------|---|------------|
| FY05-06    | \$75,000  | X | 0.0207  | = | \$1,552.50 |
| FY06-07    | \$106,995 | X | 0.01451 | = | \$1,552.50 |
| <hr/>      |           |   |         |   |            |
| Tax change |           |   |         | = | \$0        |

Property #3 currently assessed at \$100,000 grows to \$130,000, and mil rate drops to \$14.51 per \$1,000 value

|         |           |   |         |   |            |
|---------|-----------|---|---------|---|------------|
| FY05-06 | \$100,000 | X | 0.0207  | = | \$2,070    |
| FY06-07 | \$130,000 | X | 0.01451 | = | \$1,886.30 |

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Tax decrease = \$183.70, or 8.87%

These changes in taxes owed also will be affected by the restoration of our certified ratio of locally assessed tax value to state value to 100%. The Town of Greenville is currently certified at 80%, which results in a decrease in the percentage of the homestead exemption (\$13,000 to \$10,400) and veteran's exemption (\$5,000 to \$4,000). Therefore, different properties will be affected differently, but residents and veterans will each see a small benefit due to the restoration of this certified ratio to 100%.

There will be winners and losers from this revaluation, but in the end, all taxpayers should benefit from a fair and equitable system of tax assessment. After the new values are accepted by the Board of Assessors, information will be released about the general changes in values, and individual property value will be available upon request. After these values are set and tax bills are generated, the assessors will be available to meet with taxpayers who are concerned an error in their assessment was made. These hearings will begin in the late summer or early fall of 2006.

Overall, this budget as proposed by staff, recommended by the Board of Selectmen, and adopted by the Board of Selectmen reflects the cost of doing business, the honoring of several commitments which have not been previously funded, and a modest increase in operating expenses. Some of these new costs will sunset in a year or two (airport runway project; revaluation; restoration of PW rates). The Board of Selectmen and Town Manager continue to search for means to contain costs, increase revenues, and continue to provide an acceptable level of service to our growing community. Negotiating for more cost-sharing measures with Piscataquis County; revisiting our cost-sharing formulas for solid waste, police and fire protection; and development of a regional infrastructure fund are all means of accomplishing this goal. Simultaneously, we are working with the School Department to consider ways to make our school system more appealing to those considering a new location to raise a family. The possible development of an Outdoor Leadership School as an adjunct to the current Greenville Schools may be a means of accomplishing this goal, which could result in closing off the severe hemorrhaging of state funds for our school system due to declining student enrollment. Our end goal is to make Greenville a community where anyone who so wishes can afford to and will enjoy living, working, and raising a family. This budget as proposed attempts to balance infrastructure and service needs with funds available.

Respectfully Submitted;

John Simko  
Town Manager / Treasurer  
Originally drafted April 18, 2006  
Amended May 9, 2006

## DEPARTMENT ACCOUNTS – EXPENDITURES

After initial department requests were submitted this year, and the Town Manager made his suggested changes to these requests, the Board of Selectmen directed the Manager and his staff to develop new budget scenarios showing additional cuts which would (1) allow only the identified cost drivers for debt service, contracts, declining revenue, and restoration of PW equipment rates, or about \$129,000, and (2) cuts for the difference between the total increase in the Manager’s budget and these cost-drivers, or about \$24,118 (an amount which would keep the budget under the LD 1 tax cap). The Town Manager and multiple department heads (although not all of them) were able to participate in this process, which resulted in a staff recommendation of an additional \$40,000 in cuts, and a scenario for a flat-funded budget, which was quite draconian. The Board of Selectmen slightly modified the staff recommendations from these suggestions, and also adopted the hydrant rental fee cost-share formula and the administrative fee cost share for the Fire Department, landfill, and Recycling accounts suggested by the Budget Committee and developed by the Town Manager. The net result is a municipal budget which is \$81,688 higher in expenditures than last year’s budget, off-set by an additional \$48,077 in revenues, for a net budget increase of \$33,611. The summary of the changes in each department and in each revenue line are detailed below (please also refer to the explanations given in separate documents for the administrative cost share and the hydrant rental cost share):

**General Government – \$282,959 – up \$1,262, or 0.44% from last year (before counting Administrative fee).**  
ADMINISTRATIVE FEE FOR FD, LANDFILL, AND RECYCLING DECREASES BUDGET BY \$22,685.00.

### Major Cost Drivers

|                          |   |
|--------------------------|---|
| Planning board / CEO     | \$1,725 Increase  |
| Wages:                   | \$3,890 Increase (3% increase plus some additional hours for CEO) |
| TRIO Software:           | \$675 Increase  |
| Assessing:               | \$1,300 Increase  |
| Tax Bills:               | \$1,500 increase  |
| Mun. Building Debt Ser.: | \$21,814 increase   |

These were offset by decreases in the lines for the revaluation reserve (\$25,646); TRIO upgrade (\$2,600); Mun. Building Operations (\$1,570); and flat-funding of general government supplies.

**Public Safety – \$419,050 – up \$8,682, or 2.12% from last year (before counting Administrative Fee and Hydrant Cost-Share).**  
ADMINISTRATIVE FEE: \$5,042.17

|                                  |           |
|----------------------------------|-----------|
| HYDRANT RENTAL COST SHARE (16%): | \$23,458  |
| New total for Public Safety:     | \$424,092 |

**Public Works – \$216,015 – up \$28,490, or 15.19%**

ADMINISTRATIVE FEE FOR FD, LANDFILL, AND RECYCLING DECREASES BUDGET BY \$2,210.00.

Major cost drivers

|                                |                   |
|--------------------------------|-------------------|
| Restoration of equipment rates | \$22,400 increase |
| Sandpile:                      | \$3,000 increase  |

These were off-set somewhat by decreases to the new equipment line for the garage; decreases to the magnesium chloride and culvert accounts; elimination of geotextile fabric from summer roads; decreases in supplies and tools.

**Health & Welfare Accounts – \$16,375 – down \$2,225, or 11.96%**

All service group requests funded last year and requested this year were cut by 50%; C.A. Dean Ambulance fund and general assistance accounts were kept constant.

**Recreation – \$56,350 – up \$3,500, or 6.62%**

Major Cost Drivers

|             |            |
|-------------|------------|
| Programs:   | \$4,000*   |
| Facilities: | DOWN \$500 |

\*Recreation Department expects to receive \$4,000 in revenue from program activity which will be used to off-set additional costs. Net budget is \$500 less than last year.

**Cemeteries & Memorials – \$9,750 – \$400 increase due to increase costs for flags and grave markers for veterans.**

**Airport – \$60,700 – up \$6,466, or 11.92% from last year.**

|                                   |   |
|-----------------------------------|---|
| Airport Projects Reserve Account: | \$6,466 increase (should decrease next year after runway project is complete) |
|-----------------------------------|---|

Airport Operation: \$0 increase – flat funded from last year.

\*\*It should be noted that in 2005, fees and taxes collected from airport investments and operations totaled 49% of that year's budget.

**Sanitation / Solid Waste – \$277,680 – up \$1,388, or 0.50% increase from last year.**

ADMINISTRATIVE FEE: \$32,903.00.

Budget drivers include:

|                   |                              |
|-------------------|------------------------------|
| Rubbish contract: | \$541 increase (anticipated) |
| Landfill:         | \$0 (no change)              |
| Recycling Center: | \$1,000 increase             |
| Recycling Bins:   | \$500 increase               |

**Employee Benefits – \$128,574 – up \$4,164, or 3.34%**

ADMINISTRATIVE FEE FOR FD, LANDFILL, AND RECYCLING DECREASES BUDGET BY \$13,050.

Budget increase drivers include:

|                   |                  |
|-------------------|------------------|
| Health Insurance: | \$4,050 increase |
| Social Security:  | \$536 increase   |
| Health Pool:      | \$500 increase   |

These costs are off-set by minor decreases in worker's compensation insurance and unemployment compensation insurance premiums.

**Shaw Library – \$59,200 – up \$6,395, or 12.11% from last year.**

A detailed listing of the proposed increase for the library is attached. This increase takes into account the ~\$16,000 cost to the library memorial fund, which was used to pay for the cleanup and mold remediation pursuant to this past summer's flooding.

**Unclassified Accounts – \$21,595 – down \$4,560, or 11%.**

All accounts either went down or stayed constant, with the exception of 911 signs and veteran's memorial, both of which require some work. Despite a requested increase of \$13,850 from the Chamber of Commerce to BOTH fund their marketing program and this year's visitor's center, the Board voted to recommend a flat amount of \$10,000 for the Chamber. Both the Christmas Lights and Economic Development Accounts were zeroed out, but each account is carrying forward a balance of about \$2,000, which should be sufficient for operations this year.

**TOTAL NET INCREASE IN EXPENDITURES AS PROPOSED: \$81,688.**

**County Tax – Up \$92,300.55**

**Overlay – projected to be ~\$50,000, but this will be set at the time of tax commitment (typically September / October)**

**DEPARTMENT ACCOUNTS – REVENUE**

**Surplus – Up \$36,390 (\$21,390 of which is an unanticipated windfall from the municipal building reserve account).**

**Revenue Sharing – Down \$47,752, due to last year’s one-time utilization of accumulated revenue sharing surplus.**

**Vehicle Excise Taxes – Up \$1,074, or 0.33%**

**Town Clerk Fees – Flat-Funded**

**Lien Charges – Flat-funded.**

**Building Permits – Up \$400, to reflect accelerating activity.**

**Fire Department Services – Up by \$19,400 due to changes in building valuations of protected communities and due to budget increase (administrative fee and hydrant rental cost share).**

**Police Department Services – flat-funded at \$3,000.**

**Airport Revenues – up by \$630 to reflect three leases renewed at higher rate schedule.**

**Landfill Reimbursement – Up by \$6,842 due to implementation of administrative fee.**

**Recycling Reimbursement – Up by \$4,470 due to implementation of administrative fee.**

**Recycling Revenue (NET) – flat funded at \$9,700.**

**Boat Excise Tax – Flat Funded at \$8,500.**

**Other (Tree Growth and Veteran’s Exemption Reimbursements): Increased to \$30,000 to reflect higher reimbursements in recent years.**

**Landfill / Haz. Waste Fees:** Up \$1,500 to reflect actual activity.

**Recreation User Fees:** Up \$4,000 to reflect return of program income to Town to off-set expenses for programs.

**GBI / Snowmobile Administration Fees:** For administering the Snowmobile Program and the Greenville Business Incubator, the Town will collect \$300 from the State of Maine grant for snowmobiling and \$3,700 from the Composites Technology Centers Corporation for administering the center.

**Interest:** For the first time, the Town will count \$10,000 worth of the interest which accrues on the Town's sweep account to off-set expenses.

**MDOT Local Road Assistance:** The Town receives \$27,000 each year from the MDOT which must be used for capital improvements on townways or state roads for which we have a cost-share (i.e., minor collector roads). This year, \$15,000 from this revenue source will be used to off-set the cost of the debt service on the road bond. Remaining funds will be used to pay for improvements to drainage on paved roads and surface gravel and geotextile fabric on gravel roads.

**TOTAL REVENUES:** Increase of \$48,077 over FY05-06.

**NET INCREASE TO TAXPAYER:** \$33,611 (4.55%) increase to net municipal budget

**MUN. MIL RATE IMPACT:** \$0.1436 mils (0.69% increase in mil rate, assuming one-mil raises \$234,000)

**TOTAL PROJECTED MIL RATE** (Assuming \$234,000,000 total value, which represents 90% of proposed 2006 state valuation)

|                            |             |               |
|----------------------------|-------------|---------------|
| Total net Municipal costs: | \$772,359   |               |
| Total net school costs:    | \$2,085,387 | (estimated)   |
| Total county tax:          | \$406,960   |               |
| Total overlay:             | \$50,000    | (recommended) |

Total ESTIMATED tax commitment: \$3,314,706

Total tax commitment divided by total assessed value equals mil rate.

\$3,314,706 / \$234,000,000 = \$14.17 per \$1,000 valuation

Decrease from current mil rate = \$6.53 per \$1,000 valuation, or 31.55%.