



Susana Measelle Hubbs &lt;susana.hubbs@capeelizabeth.org&gt;

---

**[CE SBAC] MATT - SBAC Tax Calculation Errors**

1 message

**Cindy Voltz** <cvoltz@capeelizabethschools.org>

Mon, May 6, 2024 at 7:18 AM

To: Matthew Sturgis <matthew.sturgis@capeelizabeth.org>, Christopher Record <crecord@capeelizabethschools.org>,  
Penny Jordan <penny.jordan@capeelizabeth.org>

Cc: "SBAC (CE School Building Advisory Cmte)" &lt;cesbac@capeelizabethschools.org&gt;

Good Morning Matt and Chris,

You may have seen Caitlin's email yesterday regarding issues with the online Tax Calculator. I'm sending this to provide some additional detail. Please review and correct this information as soon as possible.

We started looking into this because my husband and I noted the values for a \$700K home in the Tax Calculator do not match the values that were sent with the survey materials. Here is one issue we noted with the Tax Calculator and the source spreadsheet: It is compounding interest on the bonds (debt service) annually. The Bonds are stated to be level P&I.

The following error are present on all Option scenarios in the Tax Calculator:

FY25 - No new debt service.

FY26 - Prior Town Budget is increased by 4% and the new debt service (Tranche 1) is added.

FY27 - FY26 Entire Town Budget(including Tranche 1 debt service) increases 4%. Debt service should have remained flat.

FY28 - FY27 Entire Town Budget (now inflated by extra 4% from Tranche 1 debt service) increases 4% and additional debt service (Tranche 2) is added. Now Tranche 1 debt service has been increased by 4% twice (debt service is being compounded annually, when it should be flat).

FY29 - FY28 Entire Town Budget (inflated by 2 years of Tranche 1 debt service payments and 1 year of Tranche 2 debt service compounding at 4%) increases by 4%.

FY30 - FY39 Entire Town Budget (inflated by 3 years of Compounding interest on debt service) increases by 4%.

However, it appears this is not the only issue because the FY25 and FY26 numbers also do not match our prior communications and the tax rate calculation would not be impacted by the bond debt calculator error that begins in FY27.

Another issue is that the year-over-year Tax Impact amounts in dollars do not match the percentages displayed, even when you back out the base case. This is true if you calculate with OR without the erroneous compounding interest of the debt service.

There may be additional errors, but we did not spend the time to isolate them.

Thank You,

Cindy

**Cindy Voltz**

*Member, Cape Elizabeth School Board*

*Co-Chair, School Building Advisory Committee*

--

Under Maine's Freedom of Access law, documents - including e-mail - about town/school department business are classified as public records and may be subject to disclosure.

To unsubscribe from this group and stop receiving emails from it, send an email to [cesbac+unsubscribe@capeelizabethschools.org](mailto:cesbac+unsubscribe@capeelizabethschools.org).