May 15, 2017

To: Town Councilors

From: Jessica Sullivan, Finance Chair

Re: Special Town Council Meeting

School Budget Vote

Dear Councilors,

It is important to consider the municipal and school budgets in the context of the recent history of overall tax rate increases in Cape Elizabeth. Matt has provided those figures for years 2007-2011, and for years 2013 to projected 2018, and I have averaged them. He has excluded 2012 because of the revaluation that year.

Total FY Tax Rate Increases:

2007 1.51% 2013 4.35%

2008 1.86% 2014 2.78%

2009 5.95 % 2015 1.35%

2010 0.57% 2016 2.30%

2011 1.82% 2017 3.91%

2018 3.88%

Total average tax rate increase from FY 2007-2018, excluding FY 2012, is 2.75%.

FOR FY 2018:

All three of the scenarios below would result in a total tax rate increase well above the average total tax rate increase of the last 10 years.

A. The already 1% decrease in the municipal budget with the proposed school budget would result in a total tax rate increase of 3.9%.

B. The already 1% decrease in the municipal budget with the superintendent’s original budget amount of March 7, 2017 would result in a total tax rate increase of 3.3%.

C. The already 1% decrease in the municipal budget and a 1% decrease in the proposed school budget for 2018 would result in a total tax rate increase of 3.1 %.