

FAIRLEE VOTER INFORMATION

Fairlee is healthy. A confident Town faces its problems and does its best to address them swiftly and in the most cost effective manner.

There is never a good time to borrow money. However, when one examines both the Town Hall and Water System issues, **now is the least expensive time to borrow and to invest.** Rejecting these investments or postponing them will increase taxes for every town resident.

Doing nothing is not the solution. A rejection of these investments today will lead to once again considering them next year. In particular, a rejection of the Town Hall bond will lead to continuing capital expenditures which over time have proven to be more expensive to taxpayers than borrowing.

BACKGROUND

Fairlee is financially sound. Town costs are spread over a broad community of taxpayers so that our municipal tax rate is low relative to the municipal tax rates of our neighbors.

- **Only 3 towns in Orange County have lower municipal tax rates than Fairlee** (Orange, Washington, and Brookfield).¹

Property tax rates include municipal taxes and Rivendell Interstate School District (RISD) taxes. Fairlee's municipal tax rate is approximately 23% of the total property tax. School taxes account for the remaining 77%.

- **Municipal taxes dropped in 2017.** 2017's estimated tax rate is \$0.5321 per \$100, dropping from 2016's actual rate of \$0.5350 per \$100.
- **RISD taxes dropped in 2017.** In spite of growth in the approved Rivendell Interstate School District budget, Fairlee's tax rate has dropped due to an increase in the Town's Common Level of Appraisal (CLA),² leading to a 6.5¢ reduction in the tax rate and dropping from \$1.8366 per \$100 to \$1.7685 per \$100.

¹ 2016 Grand List Data, Div. of Prop Valuation Review, Dept. of Taxes

² The CLA is the state's evaluation of the relationship between the appraised values in the Grand List and actual Fair Market Value (the price that property sells on the open market). If the State finds that the Town's properties, on average, sell for more than their appraised values, the CLA will be less than 100%.

The municipal tax rate approved at 2017's Town Meeting is an *estimated* figure.

- The municipal tax rate is calculated by dividing total municipal expenditures (including highway expenditures and capital expenditures) by the Grand List (the appraised value of all real estate parcels). The Grand List varies from one year to the next, and is affected by new construction and building renovation.
- Each year's Grand List is not available until months after Town Meeting. As a result, tax information viewed at Town Meeting 2017 was an estimate, because it was based on 2016 rather than 2017 Grand List value.

Estimated 2017 growth in the Fairlee Grand List will partially if not fully abate the impact of new Town expenditures.

- During 2016, there was a considerable amount of new construction on Lake Morey and Lake Fairlee. This new construction will lead to an increase in the 2017 Grand List. Grand List increases mean that expenditures are spread over a larger base, and increases can partially if not fully abate the impact of additional Town expenditures.