

Town of Windham

Assessing and GIS Department
8 School Road
Windham, ME 04062

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MEMORANDUM

DATE: August 8, 2019
TO: Town Council; Donald Gerrish, Interim Town Manager; Windham Property Owners
FROM: Elisa Trepanier, Assessor/GIS Coordinator
RE: 2019/2020 Tax Rate Calculation

Valuation Update:

1. The 2018/2019 Sales Ratio Study which reflects sales from 4/1/2018 through 4/1/2019 has come down to 88% of overall sales with a quality rating of 11. Had the Town of Windham not conducted a value update this year, it would not be able to report a certified ratio of 100% due to the significant increase in the current real estate market. Implications of not certifying at 100% include: all assessed values would be at 90% and Homestead, Veteran's and Blind Exemptions would also be at 90% of their value.
2. The 2019/2020 value update now brings the average sales ratio to 96% with a quality rating of 7. A quality rating below 10 is considered excellent.
3. There were no changes to commercial or industrial values as there were not enough sales to indicate an update was needed. Commercial properties make up 17% of the tax base and residential properties make up 83%.
4. The median assessed value of a single-family home in Windham for 2018 was \$230,300. The median assessed value of a single-family home in 2019 is now \$254,100. There were 40 new homes completed in 2019 at an average assessed value of \$321,570.
5. New value letters were mailed to all property owners whose assessed value increased by \$35,000 or more. Informal hearings were offered to those who had questions about their new assessment.

Mil Rate Influences:

Assessments (Increases over prior year):

1. County tax increase: \$103,947;
2. Municipal appropriation increase: \$5,203,186;
3. TIF financing plan amount increase: \$125,455
4. Local education appropriation increase: \$833,302;

Deductions:

1. Anticipated state municipal revenue sharing increase: \$272,588.
2. Other revenues: excise tax, etc. increase: \$3,960,999;

The net to be raised by local property tax rate has increased by \$2,032,303 or 6.23%.

Overlay:

The recommended mil rate for this year includes an Overlay amount of \$71,848.54. The Overlay value is used to ensure that the Town has enough money set aside for potential abatements that may occur following tax commitment. The past five years of Overlay, Abatements and Supplements are shown below.

YEAR	OVERLAY	ABATEMENTS	SUPPLEMENTS
2018	\$154,278.03	\$30,750.78	\$22,449.00 Revaluation
2017	\$60,473.31	\$31,172.95	\$61,670.08
2016	\$49,786.75	\$12,216.46	\$19,815.13
2015	\$44,080.28	\$35,859.05	\$35,389.99
2014	\$56,705.59	\$16,754.01	\$1,704.66

Assessor's Mil Rate Recommendation:

The minimum allowable tax rate is 0.014610 and the maximum allowable tax rate is 0.015340. I am attaching the Municipal Tax Rate Calculation forms with three tax rate options for the Council to choose from. My recommendation is that the Council adopt a mil rate of 0.014640. This rate represents a decrease in the current rate of \$0.54/per thousand or 3.56%.

I would encourage the Council to choose a mil rate that ends in an even number. Using a mil rate with an uneven number is problematic for tax billing, mortgage companies and is unpopular with taxpayers as it creates uneven bills.

I would like to take this opportunity to acknowledge Assessing Office staff for a job well done. The Town also hired residential value consultant Robert A. Konczal, CMA of Atlantic Valuation Service to assist with analysis and pricing schedules.

Assessing Staff:

Kara L.T. Taylor, CMA, Assessor's Assistant
Joan Hodgdon, CMA, Senior Appraiser
Vacant, Junior Appraiser
Teresa V. Konczal, Administrative Assistant

I believe I have provided the information necessary for the Council to make a decision on the mil rate. If there is other statistical information you would like, please let me know prior to the meeting so that I can come prepared to answer your questions.

Respectfully submitted,



Elisa A. Trepanier, CMA-II
Assessor/GIS Coordinator

MAINE REVENUE SERVICES - 2019 MUNICIPAL TAX RATE CALCULATION STANDARD FORM

Municipality: WINDHAM

BE SURE TO COMPLETE THIS FORM BEFORE FILLING IN THE TAX ASSESSMENT WARRANT

1. Total taxable valuation of real estate	1	2,276,099,500		
		(must match MVR Page 1, line 6)		
2. Total taxable valuation of personal property	2	30,503,000		
		(must match MVR Page 1, line 10)		
3. Total taxable valuation of real estate and personal property (Line 1 plus line 2)	3	2,306,602,500		
		(must match MVR Page 1, line 11)		
4. (a) Total exempt value for all homestead exemptions granted	4(a)	94,486,400		
		(must match MVR Page 1, line 14f)		
(b) Homestead exemption reimbursement value	4(b)	59,054,000		
		(line 4(a) multiplied by 0.625)		
5. (a) Total exempt value of all BETE qualified property	5(a)	13,896,500		
		(must match MVR Page 2, line 15c)		
(b) BETE exemption reimbursement value	5(b)	6,948,250		
		(line 5(a) multiplied by 0.5)		
Municipalities with significant personal property & equipment may qualify for more than 50% reimbursement. Contact MRS for the Enhanced Calculator Form.			DO NOT QUALIFY	
6. Total valuation base (Line 3 plus line 4(b) plus line 5(b))	6	2,372,604,750		

ASSESSMENTS

7. County tax	7	\$1,435,970.00		
8. Municipal appropriation	8	\$23,913,399.00		
9. TIF financing plan amount	9	\$571,120.00		
		(must match MVR Page 2, line 16c + 16d)		
10. Local education appropriation (Local share/contribution) (Adjusted to Municipal Fiscal Year)	10	\$22,081,146.00		
11. Total assessments (Add lines 7 through 10)	11	\$48,001,635.00		

ALLOWABLE DEDUCTIONS

12. Anticipated state municipal revenue sharing	12	\$950,000.00		
13. Other revenues: (All other revenues that have been formally appropriated to be used to reduce the commitment such as excise tax revenue, tree growth reimbursement, trust fund or bank interest income, appropriated surplus revenue, etc. (Do not include any homestead or BETE reimbursement))	13	\$12,388,550.00		
14. Total deductions (Line 12 plus line 13)	14	\$13,338,550.00		
15. Net to be raised by local property tax rate (Line 11 minus line 14)	15	\$34,663,085.00		

16.	\$34,663,085.00 <small>(Amount from line 15)</small>	x	1.05	=	\$36,396,239.25	Maximum Allowable Tax
17.	\$34,663,085.00 <small>(Amount from line 15)</small>	÷	2,372,604,750 <small>(Amount from line 6)</small>	=	0.014610	Minimum Tax Rate
18.	\$36,396,239.25 <small>(Amount from line 16)</small>	÷	2,372,604,750 <small>(Amount from line 6)</small>	=	0.015340	Maximum Tax Rate
19.	2,306,602,500 <small>(Amount from line 3)</small>	x	0.014630 <small>(Selected Rate)</small>	=	\$33,745,594.58 <small>(Enter on MVR Page 1, line 13)</small>	Tax for Commitment
20.	\$34,663,085.00 <small>(Amount from line 15)</small>	x	0.05	=	\$1,733,154.25	Maximum Overlay
21.	59,054,000 <small>(Amount from line 4b)</small>	x	0.014630 <small>(Selected Rate)</small>	=	\$863,960.02 <small>(Enter on line 8, Assessment Warrant)</small>	Homestead Reimbursement
22.	6,948,250 <small>(Amount from line 5b)</small>	x	0.014630 <small>(Selected Rate)</small>	=	\$101,652.90 <small>(Enter on line 9, Assessment Warrant)</small>	BETE Reimbursement
23.	\$34,711,207.49 <small>(Line 19 plus lines 21 and 22)</small>	-	\$34,663,085.00 <small>(Amount from line 15)</small>	=	\$48,122.49 <small>(Enter on line 5, Assessment Warrant)</small>	Overlay

(If Line 23 exceeds Line 20 select a lower tax rate.)

Results from this completed form should be used to prepare the Municipal Tax Assessment Warrant, Certificate of Assessment to Municipal Treasurer and Municipal Valuation Return.

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2. Total taxable valuation of personal property	2	30,503,000	(must match MVR Page 1, line 10)
3. Total taxable valuation of real estate and personal property (Line 1 plus line 2)	3	2,306,602,500	(must match MVR Page 1, line 11)
4. (a) Total exempt value for all homestead exemptions granted	4(a)	94,486,400	(must match MVR Page 1, line 14f)
(b) Homestead exemption reimbursement value	4(b)	59,054,000	(line 4(a) multiplied by 0.625)
5. (a) Total exempt value of all BETE qualified property	5(a)	13,896,500	(must match MVR Page 2, line 15c)
(b) BETE exemption reimbursement value	5(b)	6,948,250	(line 5(a) multiplied by 0.5)
Municipalities with significant personal property & equipment may qualify for more than 50% reimbursement. Contact MRS for the Enhanced Calculator Form.			
6. Total valuation base (Line 3 plus line 4(b) plus line 5(b))	6	2,372,604,750	

DO NOT QUALIFY

ASSESSMENTS

7. County tax	7	\$1,435,970.00
8. Municipal appropriation	8	\$23,913,399.00
9. TIF financing plan amount	9	\$571,120.00
10. Local education appropriation (Local share/contribution) (Adjusted to Municipal Fiscal Year)	10	\$22,081,146.00
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ALLOWABLE DEDUCTIONS

12. Anticipated state municipal revenue sharing	12	\$950,000.00
13. Other revenues: (All other revenues that have been formally appropriated to be used to reduce the commitment such as excise tax revenue, tree growth reimbursement, trust fund or bank interest income, appropriated surplus revenue, etc. (Do not include any homestead or BETE reimbursement))	13	\$12,388,550.00
14. Total deductions (Line 12 plus line 13)	14	\$13,338,550.00
15. Net to be raised by local property tax rate (Line 11 minus line 14)	15	\$34,663,085.00

16.	\$34,663,085.00 <small>(Amount from line 15)</small>	x	1.05	=	\$36,396,239.25	Maximum Allowable Tax
17.	\$34,663,085.00 <small>(Amount from line 15)</small>	÷	2,372,604,750 <small>(Amount from line 6)</small>	=	0.014610	Minimum Tax Rate
18.	\$36,396,239.25 <small>(Amount from line 16)</small>	÷	2,372,604,750 <small>(Amount from line 6)</small>	=	0.015340	Maximum Tax Rate
19.	2,306,602,500 <small>(Amount from line 3)</small>	x	0.014640 <small>(Selected Rate)</small>	=	\$33,768,660.60 <small>(Enter on MVR Page 1, line 13)</small>	Tax for Commitment
20.	\$34,663,085.00 <small>(Amount from line 15)</small>	x	0.05	=	\$1,733,154.25	Maximum Overlay
21.	59,054,000 <small>(Amount from line 4b)</small>	x	0.014640 <small>(Selected Rate)</small>	=	\$864,550.56 <small>(Enter on line 8, Assessment Warrant)</small>	Homestead Reimbursement
22.	6,948,250 <small>(Amount from line 5b)</small>	x	0.014640 <small>(Selected Rate)</small>	=	\$101,722.38 <small>(Enter on line 9, Assessment Warrant)</small>	BETE Reimbursement
23.	\$34,734,933.54 <small>(Line 19 plus lines 21 and 22)</small>	-	\$34,663,085.00 <small>(Amount from line 15)</small>	=	\$71,848.54 <small>(Enter on line 5, Assessment Warrant)</small>	Overlay

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(b) BETE exemption reimbursement value	5(b)	6,948,250		
		(line 5(a) multiplied by 0.5)		
Municipalities with significant personal property & equipment may qualify for more than 50% reimbursement. Contact MRS for the Enhanced Calculator Form.			DO NOT QUALIFY	
6. Total valuation base (Line 3 plus line 4(b) plus line 5(b))	6		2,372,604,750	

ASSESSMENTS

7. County tax	7	\$1,435,970.00		
8. Municipal appropriation	8	\$23,913,399.00		
9. TIF financing plan amount	9	\$571,120.00		
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16.	\$34,663,085.00 <small>(Amount from line 15)</small>	x	1.05	=	\$36,396,239.25	Maximum Allowable Tax
17.	\$34,663,085.00 <small>(Amount from line 15)</small>	÷	2,372,604,750 <small>(Amount from line 6)</small>	=	0.014610	Minimum Tax Rate
18.	\$36,396,239.25 <small>(Amount from line 16)</small>	÷	2,372,604,750 <small>(Amount from line 6)</small>	=	0.015340	Maximum Tax Rate
19.	2,306,602,500 <small>(Amount from line 3)</small>	x	0.014650 <small>(Selected Rate)</small>	=	\$33,791,726.63 <small>(Enter on MVR Page 1, line 13)</small>	Tax for Commitment
20.	\$34,663,085.00 <small>(Amount from line 15)</small>	x	0.05	=	\$1,733,154.25	Maximum Overlay
21.	59,054,000 <small>(Amount from line 4b)</small>	x	0.014650 <small>(Selected Rate)</small>	=	\$865,141.10 <small>(Enter on line 8, Assessment Warrant)</small>	Homestead Reimbursement
22.	6,948,250 <small>(Amount from line 5b)</small>	x	0.014650 <small>(Selected Rate)</small>	=	\$101,791.86 <small>(Enter on line 9, Assessment Warrant)</small>	BETE Reimbursement
23.	\$34,758,659.59 <small>(Line 19 plus lines 21 and 22)</small>	-	\$34,663,085.00 <small>(Amount from line 15)</small>	=	\$95,574.59 <small>(Enter on line 5, Assessment Warrant)</small>	Overlay

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