

CHANGE IN PRELIMINARY AND TENTATIVE ASSESSMENTS TO THE COMMUNITIES IN THE RSU

MAY 6, 2009

We want to inform you that there have been some changes to the preliminary and tentative community assessments for Windham and Raymond. The Regional School Unit # 14 Board of Directors was presented with a spreadsheet that outlined our preliminary and tentative projections relating to tax assessments to the two communities based on the proposed operating budget of \$38,442,859.

On further review by our legal team, the lawyers have advised us that the law requires that miscellaneous funds (revenue) be used to reduce the amount that has to be raised as additional local funds. The effect of this action is that the miscellaneous revenues (\$712,625) will reduce the amount of money that needs to be divided up by the cost share formula with the result that the benefit accrues to the Windham and Raymond communities in the same percentages as derived from the cost sharing formula; e.g., Windham at 55.4341% and Raymond at 44.5659%. The effect of this change is that the previously communicated additional tax commitments “flip-flop.” This is due to the fact that (rough percentages) the W 55%/R 45% applies instead of the W 78%/R 22%. Additionally, the State is requiring that we identify the Federal “stimulus” funds (\$1,042,200) separately and the new spreadsheet addresses this. Lastly, Raymond does not have “Raymond Local Debt” (\$15,629) and this has been removed from the calculation for Raymond above the gray bar. Likewise, Windham has a small correction in its “Windham Local Debt” adjusted downward and corrected.

Clearly, it is not our role to calculate tax rates. However, folks always want us to provide them with preliminary and tentative calculations knowing that it is up to Town leadership to set tax rates. Our preliminary and tentative calculations indicate that that the Windham tax rate increase could be 3.2% at .22345 per mil (\$22.35 annually on a \$100K house) and that the Raymond tax rate increase could be 3.5% at .27956 per mil (\$27.96 annually on a \$100K house).

We need to caution you that these calculations are very much subject to change as new information emerges from the various revenue sources – the two Towns, the State and Federal governments, and any other factors that may make adjustments necessary.

Please feel free to contact Donn Davis, Assistant Superintendent of Schools, should you have any questions. Thank you.