

## **TAX IMPACT**

The following is a breakdown of the estimated year-to-year financing schedule for the **Town and Public Safety Communication System Project**. The purchase and installation cost estimates are based on the bid price provided by Motorola Solutions, Inc., the Town's selected vendor. The tax impact for the project was reviewed by the Board of Finance, taking into account certain assumptions as outlined in the footnotes below.

All estimates are based on the best information available. The actual cost may vary and may not reconcile across or down depending on a number of factors including but not limited to rounding, annual operating budgets, growth in grand list, interest rates for bonded debt and the scheduling of bond issues.

### **TOTAL ESTIMATED PROJECT COSTS:**

#### **DESCRIPTION:**

Purchase & Installation Cost (to appear on referendum ballot and funded through bonds and notes; used to calculate tax impact) <sup>1</sup>	\$3,890,000
Add: Soft costs (attorney's fees, bonding fees, etc., funded through existing appropriations)	+ \$220,000
Add: Interest on debt	+ \$1,229,620

**TOTAL ESTIMATED PROJECT                      \$5,339,620**

#### **FOOTNOTES:**

1. Financing Assumptions: Project anticipated to be financed with a \$3,890,000 15-year bond and note issue payable FY 2019/2020 through 2033/2034. Bond interest rate projected to be 3.96%. Estimated interest costs are not included in the referendum question.
2. Home Value Assessment adjusted in revaluation years.
3. All property is assessed at a uniform rate of 70% of present true and actual value in the year of the revaluation per Title 12, Section 12-623, Subsection 2, of Connecticut State Statutes. Vehicle value estimate at \$31,000 (assumes 2 vehicles/household).
4. Underlying Assumptions: Grand List estimated at a 0.25% to 0.75% increase in non-revaluation years, revaluations years estimated at a 0.25% to 0.50% Grand List increase due to market appreciation, per Assessor. Fluctuations in costs due to debt service structure.

### **TAX IMPACT IN DOLLARS<sup>1</sup>:**

Estimated Market Value of Home:	\$350,000 <sup>2</sup>
Taxable Assessment:	\$267,180 <sup>3</sup>

<b>FISCAL YEAR</b>	<b>COST<sup>4</sup></b>
2019-20 <sup>2</sup>	\$ 26.56
2020-21	\$ 26.43
2021-22	\$ 26.23
2022-23	\$ 26.03
2023-24	\$ 25.91
2024-25 <sup>2</sup>	\$ 25.91
2025-26	\$ 25.78
2026-27	\$ 25.71
2027-28	\$ 25.65
2028-29	\$ 25.58
2029-30 <sup>2</sup>	\$ 25.58
2030-31	\$ 25.52
2031-32	\$ 25.46
2032-33	\$ 24.90
2033-34	\$ 24.84
<b>TOTAL</b>	<b>\$386.09</b>

### **BOARD OF FINANCE**

Thomas Harrison, Chairman	Dean Hamilton
Ken Birk	Katrina Marin
Margaret Bratton	Michael Oleyer
Catherine Durdan	

### **SAMPLE QUESTION SIMILAR TO WHAT MAY APPEAR ON THE VOTING MACHINES IF A REFERENDUM DATE IS SET:**

*"Shall the Town of Avon appropriate \$3,890,000 for costs related to the Town and Public Safety Communication System Replacement Project, and authorize the issuance of bonds and notes in the same amount to finance the appropriation?"*