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Derry Establishes Tax Rate at \$26.03

Chief Financial Officer Susan Hickey reports that the NH Department of Revenue has set the Town of Derry's preliminary 2018 tax rate at \$26.03. The rate is \$2.83 lower than in 2017. Tax bills will be mailed during the week of November 12 with an expected due date of December 17, 2018.

Property taxes are assessed to cover the cost of county, town and education services. The decrease in the rate is a result of the update in assessed valuations; whenever property assessments in the Town drop below 90% of market value, the Town is required by law to update the assessments. Looking at tax rate changes based upon the property assessments prior to the update, the rate for the Town would have increased 0.8%, School would have increased 1.0% and County would have increased by 2.3%.

The chart below shows the 2018 tax rate as compared with the 2017 tax rate.

Tax Rate	2017	2018
Town Services	\$ 8.44	\$ 7.60
Local School	\$17.14	\$15.43
State Education	\$ 2.23	\$ 2.04
Rockingham County	<u>\$ 1.05</u>	<u>\$ 0.96</u>
Total	\$28.86	\$26.03

The appropriation for Town services funds police, fire, emergency medical services, public works, recreation, public libraries, public health, welfare, planning, code enforcement, the transfer station, water, wastewater, community access TV, and government administration. Public Works services include the purchase, maintenance and replacement of roads, parks, bridges, dams, vehicles, equipment, land, and buildings. Revenues raised by service fees, permits, and grants reduce the amount that is needed to be raised by taxation. Public water and wastewater systems are funded by user fees. Community access television is funded by Comcast franchise fees.

The School District funds support the education of approximately 3,400 students in Pre-School - Grade 8 providing both general and special education services. Additionally, the district currently pays tuition for 1,700 students to attend Pinkerton Academy for grades 9 - 12. This year the School District budget was impacted by an increase in costs for health insurance rates, New Hampshire Retirement System rates and Pinkerton Academy tuition.

The revised net taxable assessed valuation of the Town of Derry for 2018 is \$3,173,547,641 compared to \$2,810,913,612 for 2017, or an increase of 12.9%.