

Cost of Community Services Study

Town of Mont Vernon, New Hampshire

Prepared by:



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Executive Summary

Mont Vernon, NH Cost of Community Services Study

A Cost of Community Services (COCS) study is a tool that can help municipal officials, planners and citizens understand the revenues and expenses associated with particular land uses. In New Hampshire communities, which are particularly dependent upon property tax revenue, this information can be helpful for decision-makers as they plan for and address land conservation and development issues.

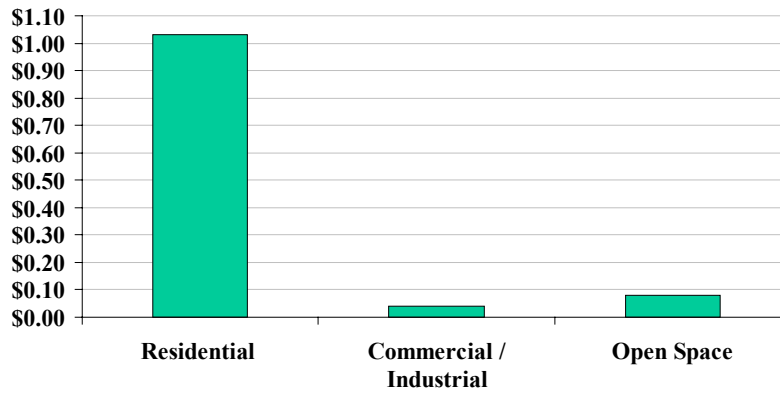
COCS studies are a “case study” approach used to determine an individual municipality’s revenues and expenses based on *existing* land uses (residential, commercial/industrial and open space). COCS studies are a “snapshot in time”; they review and analyze revenues and expenditures in a single year. The study is not speculative or predictive; it simply analyzes existing municipal activity from a new economic perspective. In this case, the analysis reviewed Tax Year 2002.

In Mont Vernon, the town spends \$1.03 for every \$1.00 it takes in from residential land use. Better put, for every \$10,000 in property tax and other revenues the town receives from residential land use, it spends \$10,300 to provide services.

For commercial and industrial land, the town spends only \$0.04 in services for each \$1.00 in revenue. This is a remarkably low figure, and is likely so low because of the very small amount of commercial / industrial land in town. While other COCS studies in other New England towns have found commercial / industrial land to have low expenses, this is a very low number and likely reflects the extremely limited role commercial / industrial land use plays in town operations. Other Cost of Community Services studies in New Hampshire have shown commercial expenditures as low as \$0.12 (Groton, 2001) and as high as \$0.94 (Fremont, 1994) for each \$1.00 in revenue.¹

For open space, Mont Vernon spends \$0.08 to provide services for each \$1.00 it receives in revenue. Clearly, open space pays its way in Mont Vernon, and some might argue subsidized the costs associated with residential development in the town.

Income to Expense Ratio by Land Use Type, Mont Vernon, NH 2002



Revenue : Expenditure Ratio		
Residential	C/I	Open Space
\$1.00 : \$1.03	\$1.00 : \$0.04	\$1.00 : \$0.08

What is a Cost of Community Services Study?

A Cost of Community Services (COCS) study is a tool that can help municipal officials, planners and citizens understand the revenues and expenses associated with particular land uses. In New Hampshire communities, which are particularly dependent upon property tax revenue, this information can be helpful for decision-makers as they plan for and address land conservation and development issues.

COCS studies are a “case study” approach used to determine an individual municipality’s revenues and expenses based on *existing* land uses. This information is used to help municipal officials and citizens address land conservation, development, sprawl and other land use issues with a shared factual basis. The COCS model does not seek to determine what current or future actions are best for a community, but rather provide information to community members to help in making these value judgments.

COCS studies are a “snapshot in time”; they review and analyze revenues and expenditures in a single year. The study is not speculative or predictive; it simply analyzes existing municipal activity from a new economic perspective. In this case, the analysis reviewed Tax Year 2002, the last year for which complete records were available. Based upon discussions with Mont Vernon officials, 2002 appears to be a fairly typical year, with no significant one-time expenditures or revenues that would substantially alter the main findings.

Mont Vernon – Overview

Mont Vernon is a small town in southern New Hampshire, in a region of the state experiencing population growth. The Town of Mont Vernon is 16.8 square miles, and has a population (2000 census) of 2,034. Mont Vernon has a small town center, and is dominated by rural and semi-rural areas. Mont Vernon has one general store and very little else in the way of commercial or industrial activity.

Mont Vernon Cost of Community Services Study

In August 2003, the Mont Vernon Conservation Commission contracted with Innovative Natural Resource Solutions LLC (INRS) to conduct a Cost of Community Services study. INRS and its staff have significant experience in land conservation issues, and conducted the first COCS study in New Hampshire in 1993ⁱⁱ.

INRS has spent considerable time analyzing town records, discussing revenues and expenses with Mont Vernon municipal staff, and developing the information necessary to complete this analysis. The following pages contain a summary of Mont Vernon, a review of the methodology used, and a detailed breakdown of town income and expenditures by land use type for 2002.

Cost of Community Services Methodology

This COCS study reviews activity in the Town of Mont Vernon for the year 2002. As this study was begun in late summer of 2003, this was the most recent year of tax records available, and is intended to provide information in as current a manner as possible.

The COCS methodology breaks land use down into three categories:

- **Residential** – all single and multi-family residences and apartment buildings, including farmhouses, residences attached to other kinds of business, and rental units;
- **Commercial & Industrial** – all privately owned buildings and land associated with business purposes, the manufacture of goods or the provision (with the exception of agriculture and forest industries), and utility-owned property;
- **Open Space** – all privately owned land that is devoted to agriculture, forestry or open space, as well as wetlands, are considered open space. For purposes of this study, open space is defined as land enrolled in or clearly eligible for enrollment in New Hampshire's current use program.

For the purposes of this study, the any revenues and expenses associated with publicly owned land, most notably the New Boston Air Station, were not considered. This COCS study addresses revenue and expenses associated with privately held land in Mont Vernon, and the results should be interpreted with this in mind.

In a COCS study, there are five basic steps:

- Meet with local officials to determine the terms and parameters of the study,
- Collection of data by use of annual town reports, town tax information, personal interviews and other research;
- Allocate all tax revenues by land use category: residential, commercial / industrial and open space;
- Allocate expenditures by land use category; and
- Analyze and report data.

Terms and Parameters of the Study

Eric Kingsley of Innovative Natural Resource Solutions LLC (INRS) met with the Mont Vernon Conservation Commission in August 2003 to discuss this study. At that time, it was agreed that income and expense figure for the most recent complete year (2002) would be used, and that the study would not address the impacts of federal ownership of Mont Vernon associated with the New Boston Air Station, as that is something the Town has little influence over. On August 18, 2003, Mont Vernon Selectman Peter Savage sent a letter to S.P.A.C.E., an organization that provided partial funding for this study, indicating support for this study being conducted. Eric Kingsley of INRS is responsible for all data collection and analysis associated with this research.

Collection of Data

Data collection for this analysis was conducted between August and December of 2003. This included multiple trips to the Mont Vernon Town Officesⁱⁱⁱ to review tax records and municipal reports, personal communications with town employees, detailed analysis of the 2002 Annual Report for the Town of Mont Vernon, and a review of the SAU 39 budget and allocations online.

Analysis of Tax Revenue by Land Use Category

The following information or assumptions were used to allocate revenue by land use category:

- **School Revenue** (non property tax) – This is revenue from the federal government for support of education, as well as school building aid and kindergarten aid from the State of New Hampshire. This revenue is provided for the use of town residents (students), and as such is classified entirely as residential.
- **Property Tax** – based upon a detailed review of property tax revenue received from every taxable property town, INRS determined that 99.6% of the property taxes paid in 2002 came from residential, 1.0% from commercial/industrial, and 0.4% from open space. These same ratios were assumed for past-due property taxes from 2001, 1997, 1996 and associated interest.
 - It is important to note that Mont Vernon has very little property considered commercial / industrial for purposes of this study. Taxable commercial / industrial property in Mont Vernon includes utility property (poles and substation), the town’s general store (only the non-residential portion), land and buildings associated with a lumber company, and a paving company.
 - The Town of Mont Vernon has roughly 225 properties or parcels enrolled in Current Use, the state’s open space taxation program. These properties have a combined assessed value of roughly \$540,000.00 (current use assessment), and paid a combined \$15,000 to the town in 2002. By assessed value, 74% of the town’s open space is forest, 24% farmland, and 1% is categorized as “unproductive” (wetlands, mountaintops, or other economically unproductive land).
 - Mont Vernon’s residential property paid roughly \$3.85 million in property taxes in 2002. Given that the town had 2,034 residents in the 2000 Census, this means that each resident in the town contributes roughly \$1,925 in property taxes to the operation of the municipal and educational expenses of the town.
- **Yield (Timber) Tax and Land Use Change Tax** – These taxes, which are for the harvesting of timber and the removal of land from current use, respectively, are designed to “recapture” forgone revenue associated with open space. As such, 100% of each of these taxes for 2002 and past years (with associated interest and penalties) is assigned as “open space” revenue.
- **Other taxes** – For other taxes, a “fall back” percentage was used, which assumes that revenues came in proportion to property taxes. The exception was the

Mont Vernon Cost of Community Services Study, Tax Year 2002

- purchase of a fire-truck, which was allocated according to actual incident responses in 2002 (see discussion of “Fire Department” in Expenses section.)
- **Motor Vehicle Permits** – Motor vehicle permits were estimated by the Town Clerk’s office for this study, based upon historic registration patterns.
 - **Other Revenue from the Town Clerk** – for other revenue from the Town Clerk’s office, items associated with residents in the town (for example marriage licenses) were allocated 100% to residential, and all other revenue was allocated using the fallback percentage.
 - **State of New Hampshire** – Shared revenue from the State of New Hampshire was allocated based upon vehicle registration percentages, as discussed above. Other monies from the State were allocated 100% to residential, because these funds are associated with population.
 - **All Other Sources** – For all other sources, determinations were made about what revenue could be logically associated with particular land use types (for example building permits as residential revenues or current use recording fees as open space revenues). For revenues not particular to a land use, the fall-back percentages were used.

The following pages carry a detailed, line by-line analysis of 2002 Mont Vernon revenues by land use type. The format closely follows the line items used by the Town of Mont Vernon treasurer in the 2002 Annual Report.

Mont Vernon Cost of Community Services Study, Tax Year 2002

Mont Vernon Revenue, 2002, By Land Use Type

(See Mont Vernon 2002 Town Report, pages 21 & 22; Mont Vernon 2002 School Report page 8)

	Residential	C/I	Open - CU
School Revenue (non property tax)	\$ 382,638	\$ -	\$ -
Tax Collector			
Property Tax 2002	\$ 3,636,180	\$ 35,086	\$ 14,189
Property Tax 2001	\$ 172,820	\$ 1,668	\$ 674
Property Tax 1997	\$ 10,718	\$ 103	\$ 42
Property Tax 1996	\$ 4,553	\$ 44	\$ 18
Property Tax Interest	\$ 18,129	\$ 175	\$ 71
Yield (Timber) Tax 2002	\$ -	\$ -	\$ 18,903
Yield (Timber) Tax 2001	\$ -	\$ -	\$ 2,096
Yield (Timber) Tax Interest	\$ -	\$ -	\$ 63
Land Use Tax 2002	\$ -	\$ -	\$ 102,579
Land Use Tax 2001	\$ -	\$ -	\$ 7,368
Land Use Interest & Penalties	\$ -	\$ -	\$ 2,541
Tax Sale Redemptions	\$ 43,586	\$ 421	\$ 170
Interest & Cost of Redemptions	\$ 178,691	\$ 1,724	\$ 697
Miscellaneous Taxes	\$ 9,124	\$ 88	\$ 36
Town Clerk			
Motor Vehicle Permits	\$ 328,759	\$ 17	\$ 8,473
Dog Licenses & Penalties	\$ 4,794	\$ -	\$ -
Marriage Licenses	\$ 450	\$ -	\$ -
UCC Fees	\$ 362	\$ -	\$ -
Vital Statistics	\$ 414	\$ -	\$ -
Mail-In Registration Fees	\$ 348	\$ 3	\$ 1
Filing Fees	\$ 32	\$ 0	\$ 0
Miscellaneous	\$ 349	\$ 3	\$ 1
State of New Hampshire			
Shared Revenue	\$ 19,530	\$ 1	\$ 503
Highway Block Grant	\$ 67,974	\$ -	\$ -
Rooms & Meals Tax	\$ 60,713	\$ -	\$ -
All Other Sources			
Police Department	\$ 8,836	\$ -	\$ -
Article 14-2002 COPS	\$ 11,310	\$ -	\$ -
Trustee of Trust Funds - Fire Truck	\$ 83,907	\$ -	\$ 2,240
Junk Yard Permits	\$ 25	\$ -	\$ -
Landfill Permits	\$ 1,079	\$ -	\$ -
Rent of Town Property	\$ 850	\$ -	\$ -
Building Permits	\$ 9,599	\$ -	\$ -
Driveway Permits	\$ 330	\$ -	\$ -
Historic District Fees	\$ 314	\$ -	\$ -
Planning Board Fees	\$ 9,430	\$ -	\$ -
ZBA Fees	\$ 600	\$ -	\$ -

Mont Vernon Cost of Community Services Study, Tax Year 2002

	Residential	C/I	Open - CU
Bicentennial Fee	\$ 8,710	\$ -	\$ -
Current Use Recording Fee	\$ -	\$ -	\$ 220
Town Histories	\$ 126	\$ -	\$ -
Recreation	\$ 1,324	\$ -	\$ -
Tax Overpayments	\$ 5,820	\$ 56	\$ 23
Insurance Refunds	\$ 3,506	\$ 34	\$ 14
Cable Fees	\$ 11,916	\$ -	\$ -
Misc. Revenue	\$ 2,760	\$ 27	\$ 11
Copies, Postage, Etc.	\$ 569	\$ 5	\$ 2
Road Bond	\$ 77,197	\$ 4	\$ 1,990
Library Cleaning	\$ 1,530	\$ -	\$ -
Interest - Citizen NOW	\$ 361	\$ 3	\$ 1
Interest - Citizen Investment	\$ 16,932	\$ 163	\$ 66
Interest NHPD Investment	\$ 791	\$ 8	\$ 3
Total	\$ 5,197,988	\$ 39,634	\$ 162,996

Analysis of Expenses by Land Use Category

- **General Government** – For expenses associated with general government, the Office of the Selectmen, the Tax Collector, the Town Clerk, Town Hall and the McCollom Building, Revaluation of Property, Planning & Zoning, Legal, Organization Dues, Insurance and Trust Fund Administration, the fall-back percentage was used. These functions of government are not associated with particular land use types, and as such are best treated as applying to all land use types in proportion to revenues. (Exceptions to the breakout listed above were made when expenses were clearly associated exclusively with residential use, such as marriage licenses and vital records.)
- **Educational Expenses** – By far the largest expense item for Mont Vernon is education, either for the Mont Vernon School District or for high school students. As the education is provided for residents of the town, all expenses associated with education are classified as residential expense.
- **Residential Expenses** – Expense associated exclusively with residents in the town include elections & registrations, ADA compliance for town buildings, civil defense, street lighting, public welfare, the health department, the library, recreational activities, and patriotic expenses.
- **Fire Department** – Expenses for the fire department and the fire house were allocated based upon incident responses in 2002, as listed in the Mont Vernon Annual Report. Of the 77 incidents the Mont Vernon responded to in 2002, 2 were open space related (brush fires), the remainder with residential in nature. Accordingly, 2.6% of all fire department expenses were assigned to open space, the remainder to residential.
- **Police Department** – Expenses for the police department were allocated based upon incident responses in 2002, as listed in the Town of Mont Vernon Annual Report. Of 891 incidents, seven were associated with open space use (1 illegal dumping and 6 off-highway recreational vehicle calls), and none were associated with commercial/industrial property. Accordingly, 0.4% of all police department expenses were assigned to open space, the remainder to residential.
- **Public Works and Highway Expenses** – Expenses for the Public Works Department and other highway expenses were allocated based upon vehicle registrations, as estimated by the Town Clerk's office. For purposes of this analysis, it was assumed that all vehicles registered in town traveled roughly the same amount annual on town roads and contributed equally to wear and tear on town roads.
- **Conservation Commission** – As the purpose of the Conservation Commission is to contribute to the environmental conservation of Mont Vernon, all expenses associated with the Conservation Commission were allocated to open space.

The following pages carry a detailed, line by-line analysis of 2002 Mont Vernon expenses by land use type. The format closely follows the line items used by the Town of Mont Vernon in the 2002 Annual Report.

Mont Vernon Cost of Community Services Study, Tax Year 2002

Mont Vernon Revenue, 2002, By Land Use Type

(See Mont Vernon 2002 Town Report, pages 82 - 88; Mont Vernon 2002 School Report page 8)

	Residential	C/I	Open - CU
General Government			
Selectmen Chair	\$ 1,184	\$ 11	\$ 5
Selectmen #2	\$ 987	\$ 10	\$ 4
Selectmen #3	\$ 987	\$ 10	\$ 4
Tax Collector	\$ 5,377	\$ 52	\$ 21
Town Clerk	\$ 4,817	\$ 46	\$ 19
Treasurer	\$ 1,332	\$ 13	\$ 5
Health Officer	\$ 100	\$ -	\$ -
Auditors	\$ 197	\$ 2	\$ 1
Deputy Town Clerk	\$ 4,880	\$ 47	\$ 19
Deputy Tax Collector	\$ 319	\$ 3	\$ 1
FICA / Medicate	\$ 1,544	\$ 15	\$ 6
Town Officer's Expenses			
* Selectman			
Office Salaries	\$ 31,173	\$ 301	\$ 122
FICA / Medicare	\$ 2,323	\$ 22	\$ 9
Health Insurance	\$ 8,283	\$ 80	\$ 32
Retirement	\$ 1,108	\$ 11	\$ 4
Supplies, Misc	\$ 1,207	\$ 12	\$ 5
Printing and Advertising	\$ 2,633	\$ 25	\$ 10
Postage	\$ 640	\$ 6	\$ 2
Dues, Fees & Workshops	\$ 493	\$ 5	\$ 2
Phone	\$ 967	\$ 9	\$ 4
Equipment Service Contracts	\$ 503	\$ 5	\$ 2
Microfilming	\$ -	\$ -	\$ -
Computer	\$ -	\$ -	\$ -
* Tax Collector			
Recording Fees	\$ 677	\$ 7	\$ 3
Supplies, Misc. Expenses	\$ 779	\$ 8	\$ 3
Convention	\$ 51	\$ 0	\$ 0
Postage	\$ 1,123	\$ 11	\$ 4
Dues and Fees	\$ 478	\$ 5	\$ 2
Computer (software)	\$ 2,393	\$ 23	\$ 9
* Town Clerk			
Marriage Licenses	\$ 380	\$ -	\$ -
Supplies and Copier Maintenance	\$ 612	\$ 6	\$ 2
Convention and Seminars	\$ 83	\$ 1	\$ 0
Postage Fees and Refunds	\$ 941	\$ 9	\$ 4
Dues & Fees	\$ 20	\$ 0	\$ 0
Telephone	\$ 506	\$ 5	\$ 2
Dog Expense	\$ 1,331	\$ -	\$ -
Vital Records	\$ 241	\$ -	\$ -
Computer	\$ -	\$ -	\$ -

Mont Vernon Cost of Community Services Study, Tax Year 2002

	Residential	C/I	Open - CU
Election & Registration			
Salaries	\$ 2,188	\$ -	\$ -
Moderator	\$ 200	\$ -	\$ -
Supplies / Printing	\$ 217	\$ -	\$ -
Advertising	\$ 179	\$ -	\$ -
Postage	\$ -	\$ -	\$ -
Town Buildings			
ADA Compliance	\$ 45,227	\$ -	\$ -
* Town Hall			
Fuel	\$ 1,796	\$ 17	\$ 7
Electricity	\$ 2,503	\$ 24	\$ 10
Repairs & Maintenance	\$ 2,618	\$ 25	\$ 10
Furnace	\$ -	\$ -	\$ -
* McCollom Building			
Electricity	\$ 1,320	\$ 13	\$ 5
Fuel	\$ 2,185	\$ 21	\$ 9
Repairs & Maintenance	\$ 1,398	\$ 13	\$ 5
* Fire House			
Electricity	\$ 1,244	\$ -	\$ 33
Fuel	\$ 2,875	\$ -	\$ 77
Repairs and Maintenance	\$ 2,175	\$ -	\$ 58
Revaluation of Property			
Assessing	\$ 8,939	\$ 86	\$ 35
Map	\$ 1,342	\$ 13	\$ 5
Planning & Zoning			
Master Plan	\$ -	\$ -	\$ -
Building Inspector Fees	\$ 7,355	\$ -	\$ -
Supplies	\$ 717	\$ 7	\$ 3
Advertising & Printing	\$ 2,206	\$ 21	\$ 9
Recording Fees	\$ 574	\$ 6	\$ 2
Postage	\$ 537	\$ 5	\$ 2
Administrative Assistant	\$ 2,924	\$ 28	\$ 11
FICA / Medicare	\$ 755	\$ 7	\$ 3
Dues & Seminars	\$ -	\$ -	\$ -
Impact Fee Cost	\$ -	\$ -	\$ -
Legal Expenses			
Counsel Fees	\$ 8,563	\$ 83	\$ 33
Legal Books	\$ 256	\$ 2	\$ 1

Mont Vernon Cost of Community Services Study, Tax Year 2002

	Residential	C/I	Open - CU
Advertising & Regional			
NHMA Dues	\$ 1,257	\$ 12	\$ 5
NRPC Dues	\$ 1,341	\$ 13	\$ 5
NHGFOA	\$ -	\$ -	\$ -
Insurance			
NHMA - PLIT	\$ 14,287	\$ 138	\$ 56
NHMA - Unemployment	\$ 83	\$ 1	\$ 0
NHMA - Workers Comp	\$ 8,963	\$ 86	\$ 35
Civil Defense			
Communication Center	\$ 28,638	\$ -	\$ -
Trustees of the Trust Fund			
Bookkeeper Salary	\$ 1,579	\$ 15	\$ 6
FICA / Medicare	\$ 120	\$ 1	\$ 0
Copying State Reports	\$ -	\$ -	\$ -
Supplies	\$ 24	\$ 0	\$ 0
Financial Services	\$ -	\$ -	\$ -
Postage	\$ 19	\$ 0	\$ 0
Box Rentals	\$ 59	\$ 1	\$ 0
Police Department			
Salary Chief	\$ 53,484	\$ -	\$ 215
Salary - Secretary	\$ 7,519	\$ -	\$ 30
Salary - Full-time officer	\$ 46,666	\$ -	\$ 187
Overtime	\$ 9,475	\$ -	\$ 38
Salary - part timers	\$ 21,870	\$ -	\$ 88
FICA / Medicare	\$ 3,905	\$ -	\$ 16
Health Insurance	\$ 24,029	\$ -	\$ 97
Retirement	\$ 5,574	\$ -	\$ 22
Uniforms	\$ 5,353	\$ -	\$ 21
Printing	\$ 590	\$ -	\$ 2
Training	\$ 2,466	\$ -	\$ 10
Telephone	\$ 2,728	\$ -	\$ 11
Dog Control	\$ 120	\$ -	\$ -
Photography	\$ 526	\$ -	\$ 2
Radio / Radar	\$ 335	\$ -	\$ 1
Cruiser Lease Payment	\$ 13,635	\$ -	\$ 55
Cruiser Repair & Maintenance	\$ 4,917	\$ -	\$ 20
Cruiser Fuel	\$ 2,722	\$ -	\$ 11
Computer	\$ 2,867	\$ -	\$ 12
Office Supplies	\$ 1,676	\$ -	\$ 7

Mont Vernon Cost of Community Services Study, Tax Year 2002

	Residential	C/I	Open - CU
Fire Department			
Payroll	\$ 9,443	\$ -	\$ 252
FICA / Medicare	\$ 723	\$ -	\$ 19
Supplies	\$ 1,522	\$ -	\$ 41
Diesel	\$ 65	\$ -	\$ 2
Gasoline	\$ 47	\$ -	\$ 1
Training	\$ 670	\$ -	\$ 18
Fire Prevention	\$ 397	\$ -	\$ 11
HazMat	\$ 804	\$ -	\$ 21
Dues & Publications	\$ 249	\$ -	\$ 7
Telephone	\$ 363	\$ -	\$ 10
Forest Fires	\$ -	\$ -	\$ -
Protective Gear	\$ 2,566	\$ -	\$ 69
Radio Repair / Purchase	\$ 2,556	\$ -	\$ 68
R&M 1961 International	\$ 612	\$ -	\$ 16
R&M #2 '80 Int.	\$ 3,731	\$ -	\$ 100
R&M #3 '01 Int.	\$ 409	\$ -	\$ 11
R&M Tanker '72 Int.	\$ 563	\$ -	\$ 15
R&M '52 Dodge	\$ 280	\$ -	\$ 7
R&M #1 Sutphen	\$ 1,825	\$ -	\$ 49
Truck Equipment	\$ 1,877	\$ -	\$ 50
Public Works & Highways			
Salary - Director	\$ 35,454	\$ 2	\$ 914
Labor	\$ 43,473	\$ 2	\$ 1,120
Part-time Wages	\$ 16,067	\$ 1	\$ 414
Overtime Wages	\$ 15,657	\$ 1	\$ 404
FICA / Medicare	\$ 8,830	\$ 0	\$ 228
Health Insurance	\$ 27,992	\$ 1	\$ 721
Retirement	\$ 3,960	\$ 0	\$ 102
Uniforms	\$ 1,286	\$ 0	\$ 33
Truck Lease	\$ 28,126	\$ 1	\$ 725
Hired Equip. Snow Plowing	\$ 7,435	\$ 0	\$ 192
Sand & Salt	\$ 23,490	\$ 1	\$ 605
Gravel	\$ 18,857	\$ 1	\$ 486
Cold Patch	\$ 644	\$ 0	\$ 17
Cemetery	\$ 1,937	\$ -	\$ -
Mowing - Roadside	\$ 2,328	\$ 0	\$ 60
Tarring & Sealing	\$ 63,566	\$ 3	\$ 1,638
Grounds Maintenance	\$ 3,236	\$ 0	\$ 83
Pavement Marking	\$ 1,630	\$ 0	\$ 42

Mont Vernon Cost of Community Services Study, Tax Year 2002

	Residential	C/I	Open - CU
Highway General			
Gas & Diesel	\$ 7,255	\$ 0	\$ 187
Supplies	\$ 10,211	\$ 1	\$ 263
Tires	\$ 1,088	\$ 0	\$ 28
R&M '61 Fire Truck	\$ -	\$ -	\$ -
R&M '99 Int.	\$ 1,856	\$ 0	\$ 48
R&M '95 Int.	\$ 11,596	\$ 1	\$ 299
R&M Grader	\$ 5,769	\$ 0	\$ 149
R&M Loader	\$ 2,894	\$ 0	\$ 75
R&M Pickup	\$ 960	\$ 0	\$ 25
R&M Backhoe	\$ 3,954	\$ 0	\$ 102
R&M Other	\$ -	\$ -	\$ -
Radios	\$ 713	\$ 0	\$ 18
Telephone	\$ 965	\$ 0	\$ 25
Signs	\$ 1,665	\$ 0	\$ 43
Misc	\$ 1,067	\$ 0	\$ 28
Street Lighting	\$ 3,737	\$ -	\$ -
Town Dump			
SRLD Charges	\$ 73,892	\$ -	\$ -
Site Maintenance	\$ 14,202	\$ -	\$ -
FICA / Medicare	\$ 1,304	\$ -	\$ -
Nashua Regional Solid Waste	\$ 2,030	\$ -	\$ -
Misc	\$ 2,417	\$ -	\$ -
Water & Potty	\$ 975	\$ -	\$ -
Public Welfare			
Rent	\$ 7,101	\$ -	\$ -
Heat	\$ 794	\$ -	\$ -
Food	\$ 25	\$ -	\$ -
Utilities	\$ 630	\$ -	\$ -
Misc	\$ 25	\$ -	\$ -
Welfare Officer's Expense	\$ 30	\$ -	\$ -
Health Department	\$ -	\$ -	\$ -
Ambulance	\$ 17,000	\$ -	\$ -
Health Officer's Expenses	\$ -	\$ -	\$ -
Other	\$ 4,065	\$ -	\$ -
Library			
Library Appropriation	\$ 8,080	\$ -	\$ -
Library Payroll	\$ 27,258	\$ -	\$ -
Library Cleaning	\$ 1,600	\$ -	\$ -
FICA / Medicare	\$ 2,151	\$ -	\$ -

Mont Vernon Cost of Community Services Study, Tax Year 2002

	Residential	C/I	Open - CU
Recreation			
Misc	\$ 227	\$ 2	\$ 1
T-Ball	\$ 549	\$ -	\$ -
Summer	\$ 877	\$ -	\$ -
Lamson	\$ -	\$ -	\$ 496
Mayday	\$ 1,294	\$ -	\$ -
Christmas	\$ 400	\$ -	\$ -
Patriotic Purposes	\$ 381	\$ -	\$ -
Conservation Commission	\$ -	\$ -	\$ 675
Interest - Long-Term Bonds & Notes	\$ 629	\$ 6	\$ 2
	\$ -	\$ -	\$ -
School Budget			
Mont Vernon Share - SAU 39	\$ 1,581,559	\$ -	\$ -
Mont Vernon School District	\$ 2,763,982	\$ -	\$ -
Grand Total	\$ 5,347,663	\$ 1,425	\$ 12,592

Mont Vernon Total Income and Expenditures by Land Use Type, 2002

Based on the analysis of revenues and expenditures above, Mont Vernon spends more on residential land use than it receives in revenues, and receives more in revenue from open space and the town’s limited commercial / industrial land than it spends for these land use types. Interestingly, the revenues in excess of cost for open space are roughly equivalent to the costs in excess of revenues for residential land use.

	Residential	C/I	Open Space
Income	\$ 5,197,988	\$ 39,634	\$ 162,996
Expenditures	\$ 5,347,663	\$ 1,425	\$ 12,592
Difference	\$ (149,675)	\$ 38,209	\$ 150,404

Mont Vernon Total Income and Expenditures by Land Use Type, Percentage, 2002

	Residential	C/I	Open Space
Income	96.25%	0.73%	3.02%
Expenditures	99.74%	0.03%	0.23%

Conclusions

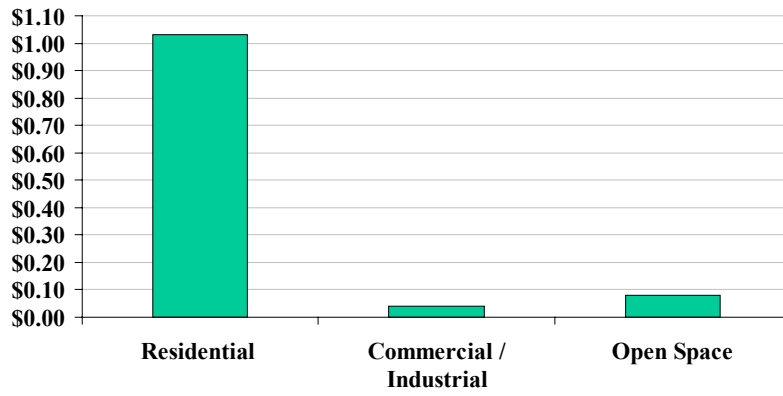
In Mont Vernon, the town spends \$1.03 for every \$1.00 it takes in from residential land use. Better put, for every \$10,000 in property tax and other revenues the town receives from residential land use, it spends \$10,300 to provide services.

For commercial and industrial land, the town spends only \$0.04 in services for each \$1.00 in revenue. This is a remarkably low figure, and is likely so low because of the very small amount of commercial / industrial land in town. While other COCS studies in other New England towns have found commercial / industrial land to have low expenses, this is a very low number and likely reflects the extremely limited role commercial / industrial land use plays in town operations. Other Cost of Community Services studies in New Hampshire have shown commercial expenditures as low as \$0.12 (Groton, 2001) and as high as \$0.94 (Fremont, 1994) for each \$1.00 in revenue.^{iv}

For open space, Mont Vernon spends \$0.08 to provide services for each \$1.00 it receives in revenue. Clearly, open space pays its way in Mont Vernon, and some might argue subsidized the costs associated with residential development in the town.

Revenue : Expenditure Ratio		
Residential	C/I	Open Space
\$1.00 : \$1.03	\$1.00 : \$0.04	\$1.00 : \$0.08

Income to Expense Ratio by Land Use Type, Mont Vernon, NH 2002



References

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Endnotes

ⁱ Freedgood, Julia. *Cost of Community Services: Making the Case for Conservation*. American Farmland Trust. 2002.

ⁱⁱ Annett, Shayne, Rick Cooksey and Eric Kingsley. *Cost of Community Services / Fiscal Impact Analysis, City of Dover*. December 1993.

ⁱⁱⁱ Research conducted at Mont Vernon Town Offices September 4, 2003; September 11, 2003; September 23, 2003; November 11, 2003; and December 17, 2003.

^{iv} Freedgood, Julia. *Cost of Community Services: Making the Case for Conservation*. American Farmland Trust. 2002.