

Cost of Community Services Study

Town of Milton, New Hampshire

September 2005

Prepared by:



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Executive Summary

Milton, 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.

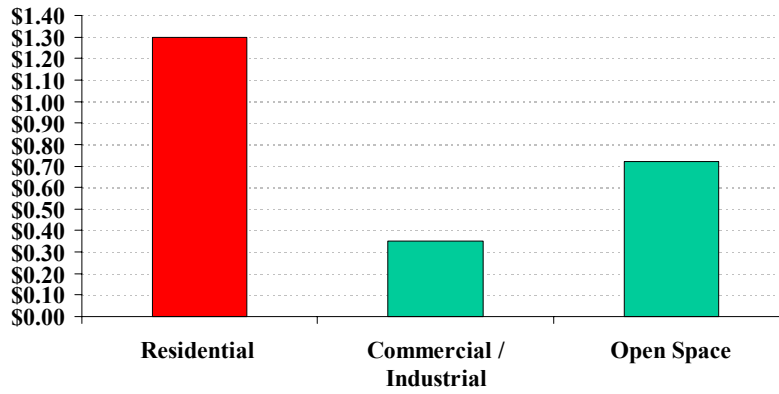
COCS studies are a “case study” approach used to determine an individual municipality’s revenues and expenses based on *existing* land uses (residential, commercial/industrial and open space). COCS studies are a “snapshot in time”; they review and analyze revenues and expenditures in a single year. The 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 2004.

In Milton, the town spends \$1.30 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 \$13,000 to provide services.

For commercial and industrial land, the town spends only \$0.35 in services for each \$1.00 in revenue. This is in keeping with other New Hampshire studies.ⁱ

For open space, Milton spends \$0.72 to provide services for each \$1.00 it receives in revenue. Clearly, open space pays its way in Milton, and some might argue subsidized the costs associated with residential development in the town.

Expenses per \$1 of Revenue by Land Use Type,
Milton, NH Tax Year 2004



Revenue : Expenditure Ratio		
Residential	C/I	Open Space
\$1.00 : \$1.30	\$1.00 : \$0.35	\$1.00 : \$0.72

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 2004, the last year for which complete records were available. Based upon discussions with Milton officials, 2004 appears to be a fairly typical year, with no significant one-time expenditures or revenues that would substantially alter the main findings.

Milton – Overview

Milton is a small town in southern New Hampshire, in a region of the state experiencing population growth. The Town of Milton is 34.3 square miles, and has a population (2000 census) of 3,910. Milton has a small town center, and is dominated by rural and semi-rural areas. Milton has a small number of restaurants, convenience stores, professional buildings and a commercial marina.

Milton Cost of Community Services Study

In April 2005, the Milton 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 conducted Cost of Community Services Studies for Mont Vernon, NH (2003) and Jaffrey, NH (2005).

INRS has spent considerable time analyzing town records, discussing revenues and expenses with Milton municipal staff, and developing the information necessary to complete this analysis. The following pages contain a summary of Milton, a review of the methodology used, and a detailed breakdown of town income and expenditures by land use type for 2004.

Cost of Community Services Methodology

This COCS study reviews activity in the Town of Milton for the year 2004. As this study was begun in the spring of 2005, 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.

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 Milton Conservation Commission and the Milton Selectmen in April 2005 to discuss this study. At that time, it was agreed that income and expense figure for the most recent complete year (2004) would be used. 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 May and August of 2005. This included multiple trips to the Milton Town Offices to review tax records and municipal reports, personal communications with town employees, detailed analysis of the 2004 Annual Report for the Town of Milton, and a similar review of the 2004 Milton School District Annual Report.

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 State of New Hampshire and the federal government to support education in Milton. 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 91.6% of the property taxes paid in 2004 came from residential, 7.0% from commercial/industrial, and 1.4% from open space.
 - The Town of Milton has roughly 317 properties or parcels enrolled in Current Use, the state’s open space taxation program. These properties have a combines assessed value of roughly \$1,320,464 (current use assessment).
 - Milton’s residential property paid roughly \$4.86 million in property taxes in 2004. Given that the town had 3,910 residents in the 2000 Census, this means that each resident in the town contributes roughly \$1,242 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 2004 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.
- **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.
- **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 2004 Milton revenues by land use type. The format closely follows the line items used by the Town of Milton treasurer in the 2004 Annual Report.

Milton Revenue, 2004, By Land Use Type

(See Milton 2004 Town Report; Milton School District 2004 School Report)

	Revenue		
	Residential	C/I	Open - CU
Taxes			
Property Tax	\$ 4,857,325	\$ 373,774	\$ 73,395
Excavation Tax	\$ -	\$ -	\$ 800
Yeild Tax	\$ -	\$ -	\$ 3,500
Boat Taxes	\$ 10,000	\$ -	\$ -
Interest & Penalties	\$ 32,050	\$ 2,466	\$ 484
	\$ -	\$ -	\$ -
License and Permits	\$ -	\$ -	\$ -
Motor Vehicle Fees	\$ 539,018	\$ 41,478	\$ 8,145
Building Permits	\$ 14,780	\$ 220	\$ -
Other Licenses, Fees	\$ 14,651	\$ 1,127	\$ 221
Intergovernmental Revenues			
Shared Revenue	\$ 27,911	\$ 2,148	\$ 422
Meals & Room Distribution	\$ 140,308	\$ -	\$ -
Highway Block Grant	\$ 102,535	\$ -	\$ -
Railroad Tax	\$ -	\$ 993	\$ -
Charges for Services			
Income from Department			
	\$ -	\$ -	\$ -
Miscellaneous Revenues	\$ -	\$ -	\$ -
Sale of Municipal Property	\$ 2,564	\$ 197	\$ 39
Interest on Investments	\$ 9,157	\$ 705	\$ 138
Other	\$ 916	\$ 70	\$ 14

Analysis of Expenses by Land Use Category

- **General Government** – For expenses associated with general government, the Town Administration, the Tax Collector / Treasurer, the Town Clerk, Town Buildings, Contingency & Bonding and Insurance & Benefits 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 a particular use.)
- **Educational Expenses** – By far the largest expense item for Milton is education. 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 the library, recreational programs and outside appropriations.
- **Fire Department** – Expenses for the fire department and the fire house were allocated based upon incident responses in 2004, as listed in the Milton Annual Report. Of the 270 incidents the Milton responded to in 2004, 44 were open space related (brush fires, illegal burns, and tractor fires, for example), 27 were business related (for example, fire alarm calls), the remainder with residential in nature. Accordingly, 15% of all fire department expenses were assigned to open space, 10% were business related, and the remainder to residential.
- **Police Department** – Expenses for the police department were allocated based upon incident responses in 2004, as listed in the Town of Milton Annual Report. Of 1,747 calls that were categorized incidents, 43 were associated with open space use (primarily off-highway recreational vehicle calls), 81 were associated with commercial/industrial property, and the remainder related to residential land use. Accordingly, 2.5% of all police department expenses were assigned to open space, 4.6% were assigned to commercial / industrial, and 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.

The following pages carry a detailed, line by-line analysis of 2004 Milton expenses by land use type. The format closely follows the line items used by the Town of Milton in the 2004 Annual Report.

Milton Cost of Community Services Study, Tax Year 2004

Milton Expenses, 2004, By Land Use Type

(See Milton 2004 Town Report; Milton School District 2004 School Report)

	Expenses		
	Residential	C/I	Open - CU
Town Administration			
Salary - Full Time	\$ 88,227	\$ 6,789	\$ 1,333
Salary - Elected	\$ 1,429	\$ 110	\$ 22
FICA	\$ 5,285	\$ 407	\$ 80
Medicare	\$ 1,282	\$ 99	\$ 19
Training	\$ 92	\$ 7	\$ 1
Legal Services	\$ 14,229	\$ 1,095	\$ 215
Registry of Deeds	\$ 902	\$ 69	\$ 14
Contract Services	\$ 11,132	\$ 857	\$ 168
Legal Notices & Ads	\$ 4,326	\$ 333	\$ 65
Professional Services	\$ 25,129	\$ 1,934	\$ 380
Street Lighting	\$ 13,305	\$ 1,024	\$ -
Telephone	\$ 13,581	\$ 1,045	\$ 205
Printing / Copies	\$ 4,187	\$ 322	\$ 63
Supplies	\$ 5,102	\$ 393	\$ 77
Postage	\$ 9,114	\$ 701	\$ 138
Equipment Maintenance	\$ 1,615	\$ 124	\$ 24
Equipment Purchase	\$ 512	\$ 39	\$ 8
Equipment Lease	\$ 3,188	\$ 245	\$ 48
Mileage - Travel	\$ 344	\$ 26	\$ 5
Membership - Dues	\$ 3,288	\$ 253	\$ 50
Employee Functions	\$ 1,722	\$ 133	\$ 26
Miscellaneous	\$ 1,847	\$ 142	\$ 28
Town Clerk			
Salary - Part Time	\$ 11,358	\$ 874	\$ 172
Salary - Elected	\$ 29,675	\$ 2,284	\$ 448
FICA	\$ 2,307	\$ 177	\$ 35
Medicare	\$ 496	\$ 38	\$ 7
Training	\$ 668	\$ 51	\$ 10
Legal Notices - Ads	\$ 203	\$ 16	\$ 3
Professional Services	\$ 5,639	\$ 434	\$ 85
Equipment Maintenance	\$ 137	\$ 11	\$ 2
Equipment Purchase	\$ 1,513	\$ 116	\$ 23
Mileage - Travel	\$ 712	\$ 55	\$ 11
Miscellaneous	\$ 331	\$ 26	\$ 5

Milton Cost of Community Services Study, Tax Year 2004

	Expenses		
	Residential	C/I	Open - CU
Treasurer / Tax Collector			
Salary - Part Time	\$ 1,124	\$ 86	\$ 17
Salary - Elected	\$ 23,276	\$ 1,791	\$ 352
FICA	\$ 1,615	\$ 124	\$ 24
Medicare	\$ 378	\$ 29	\$ 6
Training	\$ 167	\$ 13	\$ 3
Registry of Deeds	\$ 4,043	\$ 311	\$ 61
Mileage - Travel	\$ 1,865	\$ 144	\$ 28
Miscellaneous	\$ 33	\$ 3	\$ 0
Assessing			
Professional Services	\$ 55,211	\$ 1,826	\$ 8,152
Contract Assessor	\$ 37,998	\$ 1,147	\$ 5,595
Insurance & Benefits			
Health Insurance	\$ 156,944	\$ 12,077	\$ 2,371
Dental Insurance	\$ 8,901	\$ 685	\$ 134
Retirement - Deferred Compensation	\$ 12,143	\$ 934	\$ 183
Unemployment Insurance	\$ 6,163	\$ 474	\$ 93
Workers Compensation	\$ 16,381	\$ 1,261	\$ 248
Property and Liability Insurance	\$ 37,736	\$ 2,904	\$ 570
Government Buildings			
Salary - Full Time	\$ 43,825	\$ 3,372	\$ 662
FICA	\$ 2,612	\$ 201	\$ 39
Medicare	\$ 611	\$ 47	\$ 9
Contract Services	\$ 3,185	\$ 245	\$ 48
Professional Services	\$ 82	\$ 6	\$ 1
Electric	\$ 6,869	\$ 529	\$ 104
Heat	\$ 4,061	\$ 313	\$ 61
Water	\$ 971	\$ 75	\$ 15
Sewer	\$ 789	\$ 61	\$ 12
Building Maintenance	\$ 11,208	\$ 862	\$ 169
Property Rental	\$ 2,198	\$ 169	\$ 33
Equipment Maintenance	\$ 1,332	\$ 103	\$ 20
Equipment Purchase	\$ 3,589	\$ 276	\$ 54
Equipment Lease	\$ 314	\$ 24	\$ 5
Miscellaneous	\$ 76	\$ 6	\$ 1

Milton Cost of Community Services Study, Tax Year 2004

	Expenses		
	Residential	C/I	Open - CU
Police			
Salary - Full Time	\$ 241,620	\$ 12,059	\$ 6,402
Salary - Part Time	\$ 7,872	\$ 393	\$ 209
FICA	\$ 1,647	\$ 82	\$ 44
Medicare	\$ 3,903	\$ 195	\$ 103
Retirement - NHRS	\$ 17,889	\$ 893	\$ 474
Training	\$ 1,177	\$ 59	\$ 31
Employee Testing	\$ 67	\$ 3	\$ 2
Uniforms	\$ 3,805	\$ 190	\$ 101
Legal Services	\$ 7,897	\$ 394	\$ 209
Contract Services	\$ 15,696	\$ 783	\$ 416
Professional Services	\$ 197	\$ 10	\$ 5
Telephone	\$ 4,171	\$ 208	\$ 111
Printing / Copies	\$ 406	\$ 20	\$ 11
Supplies	\$ 2,767	\$ 138	\$ 73
Vehicle Fuel	\$ 8,084	\$ 403	\$ 214
Building Maintenance	\$ 553	\$ 28	\$ 15
Vehicle Purchase	\$ 24,368	\$ 1,216	\$ 646
Equipment Maintenance	\$ 1,551	\$ 77	\$ 41
Equipment Purchase	\$ 1,506	\$ 75	\$ 40
Equipment Lease	\$ 2,419	\$ 121	\$ 64
Mileage & Travel	\$ 70	\$ 4	\$ 2
Membership & Dues	\$ 458	\$ 23	\$ 12
Miscellaneous	\$ 344	\$ 17	\$ 9
Education Incentive	\$ 1,858	\$ 93	\$ 49
Ambulance			
Salary - Full Time	\$ 32,803	\$ 4,385	\$ 6,658
Salary - Part Time	\$ 215	\$ 29	\$ 44
FICA	\$ 652	\$ 87	\$ 132
Medicare	\$ 478	\$ 64	\$ 97
Retirement - NHRS	\$ 2,672	\$ 357	\$ 542
Training	\$ 1,489	\$ 199	\$ 302
Uniforms	\$ 508	\$ 68	\$ 103
Telephone	\$ 679	\$ 91	\$ 138
Supplies	\$ 774	\$ 103	\$ 157
Diesel Fuel	\$ 872	\$ 117	\$ 177
Building Maintenance	\$ 2,487	\$ 332	\$ 505
Equipment Maintenance	\$ 391	\$ 52	\$ 79
Equipment Purchase	\$ 2,908	\$ 389	\$ 590
Miscellaneous	\$ 391	\$ 52	\$ 79

Milton Cost of Community Services Study, Tax Year 2004

	Expenses		
	Residential	C/I	Open - CU
Fire			
Salary - Full Time	\$ 29,852	\$ 3,990	\$ 6,059
FICA	\$ 1,746	\$ 233	\$ 354
Medicare	\$ 434	\$ 58	\$ 88
Training	\$ 209	\$ 28	\$ 43
Uniforms	\$ 6,359	\$ 850	\$ 1,291
Burn Permit Fees	\$ -	\$ -	\$ 636
Contract Services	\$ 3,741	\$ 500	\$ 759
Electric	\$ 4,184	\$ 559	\$ 849
Heat	\$ 2,036	\$ 272	\$ 413
Fire Hydrant Fees	\$ 3,816	\$ 510	\$ 774
Telephone	\$ 1,665	\$ 223	\$ 338
Supplies	\$ 863	\$ 115	\$ 175
Vehicle Fuel	\$ 996	\$ 133	\$ 202
Diesel Fuel	\$ 1,672	\$ 224	\$ 339
Building Maintenance	\$ 1,700	\$ 227	\$ 345
Planning & Code			
Salary - Part Time	\$ 37,130	\$ 553	\$ -
FICA	\$ 2,211	\$ 33	\$ -
Medicare	\$ 516	\$ 8	\$ -
Training	\$ 276	\$ 4	\$ -
Registry of Deeds	\$ (63)	\$ (1)	\$ -
Contract Services	\$ 829	\$ 12	\$ -
Telephone	\$ 272	\$ 4	\$ -
Printing / copies	\$ 838	\$ 12	\$ -
Supplies	\$ 632	\$ 9	\$ -
Equipment purchases	\$ 286	\$ 4	\$ -
Mileage and travel	\$ 425	\$ 6	\$ -
Membership and dues	\$ 4,348	\$ 65	\$ -

Milton Cost of Community Services Study, Tax Year 2004

	Expenses		
	Residential	C/I	Open - CU
Public Works			
Salary - Full Time	\$ 143,120	\$ 11,013	\$ 2,163
Salary - Elected	\$ 36,910	\$ 2,840	\$ 558
FICA	\$ 10,659	\$ 820	\$ 161
Medicare	\$ 2,493	\$ 192	\$ 38
Training	\$ 168	\$ 13	\$ 3
Employee Testing	\$ 820	\$ 63	\$ 12
Uniforms	\$ 3,949	\$ 304	\$ 60
Contract Services	\$ 14,737	\$ 1,134	\$ 223
Professional Services	\$ 251	\$ 19	\$ 4
Electric	\$ 2,641	\$ 203	\$ 40
Heat	\$ 1,717	\$ 132	\$ 26
Telephone	\$ 3,158	\$ 243	\$ 48
Supplies	\$ 2,643	\$ 203	\$ 40
Operating Supplies	\$ 58,979	\$ 4,538	\$ 891
Vehicle Fuel	\$ 10,276	\$ 791	\$ 155
Diesel Fuel	\$ 3,853	\$ 297	\$ 58
Building Maintenance	\$ 380	\$ 29	\$ 6
Equipment Maintenance	\$ 19,081	\$ 1,468	\$ 288
Equipment Purchase	\$ 17,285	\$ 1,330	\$ 261
Equipment Lease	\$ 3,983	\$ 307	\$ 60
Membership & Dues	\$ 191	\$ 15	\$ 3
Miscellaneous	\$ 14	\$ 1	\$ 0
Solid Waste & Recycling			
Salary - Part Time	\$ 40,375	\$ 3,107	\$ -
FICA	\$ 1,526	\$ 117	\$ -
Medicare	\$ 357	\$ 27	\$ -
Training	\$ 153	\$ 12	\$ -
Contract Services	\$ 10,461	\$ 805	\$ -
SW - Transportation	\$ 72,772	\$ 5,600	\$ -
SW - Disposal	\$ 37,492	\$ 2,885	\$ -
SW - Rental / Recycle	\$ 74,189	\$ 5,709	\$ -
Hazardous Waste Removal	\$ 2,693	\$ 207	\$ -
Electric	\$ 305	\$ 24	\$ -
Heat	\$ 270	\$ 21	\$ -
Telephone	\$ 79	\$ 6	\$ -
Supplies	\$ 113	\$ 9	\$ -
Operating Supplies	\$ 3,641	\$ 280	\$ -
Building Maintenance	\$ 240	\$ 19	\$ -
Equipment Maintenance	\$ 320	\$ 25	\$ -
Equipment Purchase	\$ 1,553	\$ 119	\$ -

Milton Cost of Community Services Study, Tax Year 2004

	Expenses		
	Residential	C/I	Open - CU
Sanitary Sewer			
Salary - Part Time	\$ 2,186	\$ 168	\$ -
FICA	\$ 136	\$ 10	\$ -
Medicare	\$ 32	\$ 2	\$ -
Contract Services	\$ 19,659	\$ 1,513	\$ -
Legal Notices & Ads	\$ 127	\$ 10	\$ -
Electric	\$ 9,186	\$ 707	\$ -
Heat	\$ 1,202	\$ 93	\$ -
Telephone	\$ 640	\$ 49	\$ -
Supplies	\$ 2,805	\$ 216	\$ -
Postage	\$ 63	\$ 5	\$ -
Building Maintenance	\$ 97	\$ 8	\$ -
Grounds Maintenance	\$ 1,411	\$ 109	\$ -
Equipment Maintenance	\$ 2,488	\$ 191	\$ -
Equipment Purchase	\$ 490	\$ 38	\$ -
Phosphate Reduction Program	\$ 867	\$ 67	\$ -
Permits / Tests	\$ 5,944	\$ 457	\$ -
Outside Appropriations			
Homemakers of Rochester	\$ 5,000	\$ -	\$ -
Sexual Assault	\$ 800	\$ -	\$ -
AIDS Response Seacoast	\$ 500	\$ -	\$ -
Rochester Rural District VNA	\$ 7,820	\$ -	\$ -
Youth Sponsorship	\$ 3,250	\$ -	\$ -
Juvenile Diversion Program	\$ 2,500	\$ -	\$ -
Greater Wakefield Resource Center	\$ 500	\$ -	\$ -
Recreation			
Salary - Full Time	\$ -	\$ -	\$ -
Salary - Part Time	\$ -	\$ -	\$ -
FICA	\$ 3,714	\$ -	\$ -
Medicare	\$ 861	\$ -	\$ -
Training	\$ 120	\$ -	\$ -
Contract Services	\$ 1,219	\$ -	\$ -
Electric	\$ 824	\$ -	\$ -
Telephone	\$ 559	\$ -	\$ -
Supplies	\$ 1,788	\$ -	\$ -
Operating Supplies	\$ 505	\$ -	\$ -
Building Maintenance	\$ 1,384	\$ -	\$ -
Grounds Maintenance	\$ 4,445	\$ -	\$ -
Equipment Maintenance	\$ 281	\$ -	\$ -
Equipment Purchase	\$ 3,230	\$ -	\$ -
Dues / Subscription	\$ 75	\$ -	\$ -
Miscellaneous	\$ 14	\$ -	\$ -

Milton Cost of Community Services Study, Tax Year 2004

	Expenses		
	Residential	C/I	Open - CU
Library			
Salary - Part Time	\$ 14,502	\$ -	\$ -
FICA	\$ 894	\$ -	\$ -
Medicare	\$ 209	\$ -	\$ -
Electric	\$ 787	\$ -	\$ -
Heat	\$ 1,372	\$ -	\$ -
Telephone	\$ 433	\$ -	\$ -
Supplies	\$ 1,512	\$ -	\$ -
Operating Supplies	\$ 7,831	\$ -	\$ -
Equipment Purchase	\$ 1,313	\$ -	\$ -
Miscellaneous	\$ 230	\$ -	\$ -
Contingency & Bonding			
Police Detail	\$ 14,256	\$ 1,097	\$ 215
Bond Principal	\$ 196,245	\$ 15,101	\$ 2,965
Bond Interest	\$ 1,548	\$ 119	\$ 23
Bond Interest - TANS	\$ 5,077	\$ 391	\$ 77
Contingency & Bonding	\$ 7,389	\$ 569	\$ 112
	\$ -	\$ -	\$ -
School			
All School Expenses	\$ 5,356,203	\$ -	\$ -

Milton Total Income and Expenditures by Land Use Type, 2004

Based on the analysis of revenues and expenditures above, Milton spends more on residential land use than it receives in revenues, and receives more in revenue from open space and commercial / industrial land than it spends for these land use types.

	Residential	C/I	Open Space
Income	\$ 5,751,214	\$ 424,421	\$ 87,158
Expenditures	\$ 7,493,596	\$ 148,613	\$ 62,885
Difference	\$ (1,742,382)	\$ 275,808	\$ 24,273

Milton Total Income and Expenditures by Land Use Type, Percentage, 2004

	Residential	C/I	Open Space
Income	91.83%	6.78%	1.39%
Expenditures	97.26%	1.93%	0.82%

Conclusions

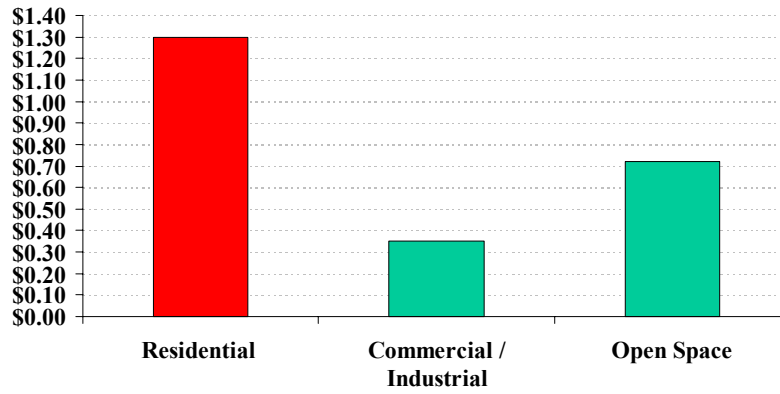
In Milton, the town spends \$1.30 for every \$1.00 it takes in from residential land use. Better put, for every \$10,000 in property tax and other revenues the town receives from residential land use, it spends \$13,000 to provide services.

For commercial and industrial land, the town spends only \$0.35 in services for each \$1.00 in revenue. Other Cost of Community Services studies in New Hampshire have shown commercial expenditures as low as \$0.04 (Mont Vernon, 2003) and as high as \$0.94 (Fremont, 1994) for each \$1.00 in revenue.ⁱⁱⁱ

For open space, Milton spends \$0.72 to provide services for each \$1.00 it receives in revenue. Clearly, open space pays its way in Milton, and some might argue subsidized the costs associated with residential development in the town.

Revenue : Expenditure Ratio		
Residential	C/I	Open Space
\$1.00 : \$1.30	\$1.00 : \$0.35	\$1.00 : \$0.72

**Expenses per \$1 of Revenue by Land Use Type,
Milton, NH Tax Year 2004**



Calculation of Ratios without Assessing Expenses

At a presentation of results from this Cost of Community Services Study on September 26, 2005, a question was raised regarding the impact of assessing and revaluation expenses on the ratios. In 2004 Milton engaged a professional assessing firm to assist with state-mandated revaluation of properties in town. Assessing expenses in 2004 included \$65,189 for professional services and \$44,740 for a contract assessor.

If these expenses are removed from the analysis, the ratio of expense decreases for all land use types, most dramatically for open space.

Revenue : Expenditure Ratio		
Residential	C/I	Open Space
\$1.00 : \$1.29	\$1.00 : \$0.34	\$1.00 : \$0.56

References

Annual Report of the Town of Milton, New Hampshire. *Town and School Reports*. 2004.

Auger, Philip A. *Does Open Space Pay?* Natural Resource Network Publication by UNH Cooperative Extension. 1995.

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

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