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The forum dedicated to helping you better understand your government

*This week's question: **“ My assessment seems fair, now what? ”***

In the previous article we discussed the first step in our budget process – getting all the various departments to estimate their operating costs for the coming year. Once that occurs the Town Board gets involved to review the budget requests. The Board typically discusses the budget with each department head to determine if any changes are required.

Once discussions are complete a “Tentative Budget” is then created. Other expenses are then added such as debt payments, insurances, etc. The monies needed to pay all this come from revenues, fund balances, and taxes. The amount of tax dollars to be collected is what remains after subtracting any revenues (town fees, state aid, etc) and any fund balance from the total budgeted expenses. Once the amount to be raised by taxes is known, the assessed values now come into play. The total tax dollars to be raised are then divided by the total value of all assessments minus all exemptions. The result is the tax rate. It is still tentative at this time.

So, contrary to rumors that “if the town needs more money it just raises assessments”, the opposite is true. Assessments are finalized long before the budget is determined. Likewise, compiling the budget requirements is devoid of any knowledge of the assessments.

The process above results in a picture of the new budget. This is now where the real work begins for the Town. Keeping tax rates as low as possible while complying with limits set by law, often means going back to the chopping block with the budget. This involves determining where cuts can be made, prioritizing needs, etc. – all while trying to maintain necessary services.

Once the budget is put through this process, the road to budget adoption begins with the presentation of the Tentative Budget to the Town Board early in September. Once the budget is approved and becomes final, the final tax rate can be determined. It is this rate, along with your final assessment which was determined in July, that results in your tax bill.

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Please submit questions to aac@townofnewstead.com