

**Policy Establishing a Methodology for  
Calculation of Projected Valuation  
[Adopted October 19, 2016]**

When presenting the estimated tax rate computation during the budget process, an estimated town wide valuation is to be provided for the purposes of discussing any modification to the tax rate as impacted by the proposed total net budget for the upcoming fiscal year.

For the purpose of providing an estimated valuation, an average of the past 10 years of growth shall be calculated using a compound annual growth rate formula\*. Two values for the estimated valuation shall be provided; one illustrating a pessimistic scenario, using 50% of the ten year average for the growth as previously calculated, and another representing an optimistic scenario, using 150% of the ten year average. In the event of a full town-wide revaluation it may be necessary to make appropriate adjustments to the methodology.

This policy shall in no way impinge upon the independence of the Office of the Tax Assessor.

\*CAGR =  $(EV / BV)^{(1 / n)} - 1$

EV = Ending Value

BV = Beginning Value

n = number of years

The values used are the Total Property Valuation assessed for the given year.