

Madison Investment Plan (MIP)

Long-term financial plan to strategically ensure adequate funding for future capital needs, and stabilize the financial impact on the mill rate

- Goals:
 - Segregate Capital Budgeting from Operational Budgeting
 - Capital Budgeting includes Annual Capital Budget AND Debt Service
 - Operational Budget should not be impacted by Capital budget, vice versa
 - Incorporate additional Debt Service into Budget
 - \$105m in Debt Service
 - Continue to fund Capital Improvement Program Projects
 - \$30m in five year Capital Expenditure Plan
 - Annual Capital Funding goal of .5% increase annually
 - Stabilization Mill Rate impact, goal <2% increase annually

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- Steps needed to meet Goals:
 - Build up Capital Improvement Program Fund Balances
 - Utilize Surplus in undesignated General Fund, Fund Balance (Current \$11m+)
 - **\$3.5m into CNRE (\$2.3m from Island sale)**
 - Short-term increase in Annual Capital Budget
 - 2022-2023 Additional \$750k budgeted
 - 2023-2024 Additional \$650k to be budgeted
 - 2024-2025 forward reductions to absorb debt service
 - Grant research to reduce Town funding
- Assumptions for projections:
 - Operating Budget annual increase of 2.5%
 - Phase out use of Fund Balance for Mill Rate within 5 years
 - Grand List increase of 1.03%, based on last five years average

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Projected Total Capital Budget

| FYE | Projected Debt Service | Projected Year over year | Projected MIP Annual Capital Budget | Projected Year over year | Projected Year over year TOTAL CAPITAL BUDGET |
|-----------|------------------------|--------------------------|-------------------------------------|--------------------------|---|
| 2022-2023 | \$3,008,363 | -\$343,550 | 4,565,885 | 1,025,781 | 682,231 |
| 2023-2024 | \$2,712,410 | -\$295,953 | 5,358,302 | 792,417 | 496,464 |
| 2024-2025 | \$3,484,883 | \$772,473 | 5,161,991 | -196,311 | 576,162 |
| 2025-2026 | \$4,399,548 | \$914,666 | 4,841,991 | -319,999 | 594,666 |
| 2026-2027 | \$5,359,826 | \$960,278 | 4,373,340 | -468,651 | 491,627 |
| 2027-2028 | \$7,067,783 | \$1,707,956 | 3,206,082 | -1,167,258 | 540,698 |
| 2028-2029 | \$8,187,939 | \$1,120,156 | 2,661,765 | -544,318 | 575,839 |
| 2029-2030 | \$8,911,108 | \$723,169 | 2,521,368 | -140,397 | 582,772 |
| 2030-2031 | \$8,505,320 | -\$405,788 | 3,460,009 | 938,641 | 532,854 |
| 2031-2032 | \$8,162,589 | -\$342,731 | 4,277,809 | 817,800 | 475,069 |

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Projected Mill Rate

NO IMPLEMENTATION OF MIP

| FYE | Projected Mill Rate | Projected Mill Rate Year over year increase | Projected % Year over year increase | Projected tax, \$500k Appraised Value | Projected Tax Year over year increase |
|-----------|---------------------|---|-------------------------------------|---------------------------------------|---------------------------------------|
| 2022-2023 | 29.41 | .56 | 1.94% | \$10,294 | \$196 |
| 2023-2024 | 29.53 | .12 | .41% | \$10,336 | \$42 |
| 2024-2025 | 30.22 | .69 | 2.34% | \$10,577 | \$242 |
| 2025-2026 | 30.96 | .74 | 2.45% | \$10,836 | \$259 |
| 2026-2027 | 31.75 | .79 | 2.55% | \$11,113 | \$277 |
| 2027-2028 | 32.76 | 1.01 | 3.18% | \$11,466 | \$354 |
| 2028-2029 | 33.58 | .82 | 2.50% | \$11,753 | \$287 |
| 2029-2030 | 34.26 | .68 | 2.03% | \$11,991 | \$238 |
| 2030-2031 | 34.59 | .33 | .96% | \$12,107 | \$116 |
| 2031-2032 | 34.95 | .36 | 1.04% | \$12,233 | \$126 |

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IMPLEMENTATION OF MIP

| FYE | Projected Mill Rate | Projected Mill Rate Year over year increase | Projected % Year over year increase | Projected tax, \$500k Appraised Value | Projected Tax Year over year increase |
|-----------|---------------------|---|-------------------------------------|---------------------------------------|---------------------------------------|
| 2022-2023 | 29.41 | .56 | 1.94% | \$10,294 | \$196 |
| 2023-2024 | 29.99 | .58 | 1.97% | \$10,497 | \$203 |
| 2024-2025 | 30.57 | .58 | 1.93% | \$10,700 | \$203 |
| 2025-2026 | 31.17 | .60 | 1.96% | \$10,910 | \$210 |
| 2026-2027 | 31.77 | .60 | 1.92% | \$11,120 | \$210 |
| 2027-2028 | 32.39 | .62 | 1.95% | \$11,337 | \$217 |
| 2028-2029 | 33.01 | .62 | 1.91% | \$11,554 | \$217 |
| 2029-2030 | 33.61 | .60 | 1.82% | \$11,764 | \$210 |
| 2030-2031 | 34.19 | .58 | 1.73% | \$11,967 | \$203 |
| 2031-2032 | 34.76 | .57 | 1.67% | \$12,166 | \$200 |

MIP - Mill Rate Impact

Projected

