

May 4, 2016

## Non-binding Borrowing Question Explanation

In response to the Board of Public Works' request for \$5,000,000 to reclaim and pave some Town roads that are failing, the May 8, 2014 Town Meeting voted to place before the voters the following non-binding question which appears on the May 16, 2016 ballot: *Are you in favor of borrowing \$5,000,000 for road repair and paving in the Town of Lee?*

Potential roadway miles of concern are Forrest Street (1.9 miles), Parkview and Mountain View Terraces (0.6 mile), High Street, (0.5 mile) Navin Heights (0.4 mile), Pease Terrace (0.01 mile), Circular Avenue (0.4 mile), Quarry Hill Business Park (0.4 mile) , Mandalay Road (0.6 mile), and *portions* of Summer Street (1.0 mile), Marble Street (0.7 mile), West Road (0.8 mile), Devon Road (0.9 mile), Maple Street (0.8 mile), and Golden Hill Road (0.8 mile).

Based on recent expenditures, the Superintendent of Public Works estimates that it will cost approximately \$500,000 to reclaim and pave one mile of roadway. Accordingly, allowing for a \$500,000 (10%) contingency we estimate that 9 of the above 10 miles of roadway could be reclaimed and paved. However, hard dollar bid prices will determine how many road miles are refurbished; and, the Board of Public Works will determine, subject to the approval of the Select Board, which streets will be included. The work is expected to take two or three seasons to complete.

We expect to pay \$1,694,688 in interest for a \$5,000,000, fifteen year, street construction bond. The median annual principal and interest payment would be \$462,065 or about \$0.50 on the current tax rate. For the average single family home valued this fiscal year at \$252,481, the tax increase would be \$126, or an estimated \$1,890 over the life of the loan.

Bob Nason, Town Administrator