

On the ballot this Election* is a proposition that asks this question:

Would you pay a **little** more in taxes to help pay for a new highway garage?

Your Town Board asks you to vote "**YES**" to this proposition.

The following slides explain: (1) why the Town Board wants to replace the existing garage with a new one, (2) how much it will cost to build, and (3) how much it will cost taxpayers.

* Early voting is October 23 to October 31. Election Day is November 2, 2021.

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The Existing Garage

- >50 years old
- Dilapidated - sketchy wiring, leaky roof, mold, poor insulation, inefficient heating, poor air exchange, uncertain well and septic
- Undersized - inadequate height (<21'), inadequate sq footage (~5000 sf)
- No private office space
- Inadequate storage and workspace
- Assemblyman Salka: "worst shape of any garage I have seen"

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Repair - Not a Viable Option

- \$550K
- Borrow at ~2.2%, 10 years
- Pay \$62K/year in loan payments
- Set aside \$50K/year for new building (\$62K + \$50K* = **\$112K/year**)
- Tax impact will be equal to greater than a new building
- Lose \$700K grant forever
- Cost of new building will continue to increase
 - *At \$50K/y, it would take 14 years to save \$700K
 - *At \$50K/y, we would have ~\$1.0M in twenty years

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Repair - Not a Viable Option

- Kicks the can down the road
- After repairs:
 - old building
 - undersized facility w/ inadequate storage and workspace
 - will require further repairs
 - limited lifetime (20 years?)
- New Building will cost even more 10 to 20 years from now
- **We will have repeated the same mistake we made 10 years ago!**

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Build

Highway Committee:

- Nancy Martin-Mathewson
- Brian Ryther
- Tom Riso
- Jim Denekamp
- Don Smith
- Ed Lentz
- Considered repairs to existing garage
- Considered various design options
- Preliminary Sketch Plan by Principle Design & Engineering
- Consulted with others (town residents, town and county Hwy Supers)
- Numerous public meetings
- Toured other garages; consulted other Hwy Supers
- Preliminary design plans by Delaware Engineering
- Design plans and budget reviewed and approved by USDA architects

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The New Garage

- ~\$2.75 M
- 6 bays
- 9800 sq ft
- >21' height (needed to fully raise and secure truck beds)
- life expectancy: 50+ yrs
- potential for "green" HVAC
- potential to use existing garage as salt shed

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Where the Money Comes From:

- Grant: \$700,000
- Town: \$75,000
- Loan: \$1,981,000

Loan Terms:

- \$1,981,000
- Low Interest Rate: 2.25%
- Long Term: 25 years
- Loan Repayments: \$105K per yr

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How Do We Pay \$105K/y?

Proposal:

- Small increases in real property taxes for three years:
 - Normal Tax Increase = 2% per year
 - Additional tax increase = 1% for first three years

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Gen & Hwy Town Tax Increases 2022 to 2031

- With a 1% increase for each of the first 3 years, the new garage will on average cost the taxpayer whose property is assessed at:

- \$ 50,000: ~\$ 9/year
- \$100,000: ~\$17/year
- \$150,000: ~\$26/year
- \$200,000: ~\$34/year
- \$250,000: ~\$43/year
- \$300,000: ~\$51/year
- \$350,000: ~\$60/year
- \$400,000: ~\$68/year

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Referendum:

Maximum Amount Town Can Borrow is Capped at \$2.7M

“Shall the resolution of the Town Board of the Town of New Lisbon in the County of Otsego, State of New York entitled, “BOND RESOLUTION OF THE TOWN OF NEW LISBON, OTSEGO COUNTY, NEW YORK, ADOPTED JULY 13, 2021, AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF A HIGHWAY GARAGE, INCLUDING GRADING AND IMPROVEMENT OF THE SITE, ORIGINAL FURNISHINGS, EQUIPMENT, MACHINERY, OR APPARATUS REQUIRED FOR THE PURPOSE FOR WHICH SUCH BUILDING WILL BE USED, STATING THE ESTIMATED MAXIMUM COST OF SAID ACQUISITION AND CONSTRUCTION, TOGETHER WITH CERTAIN COSTS PRELIMINARY AND INCIDENTAL THERETO IS \$2,756,000, APPROPRIATING SAID SUM THEREFOR AND AUTHORIZING THE APPLICATION OF \$75,000 OF THE MONIES IN THE GENERAL FUND AND THE ISSUANCE OF UP TO \$2,681,000 SERIAL BONDS OF THE TOWN TO FINANCE SAID APPROPRIATION”, be approved?”

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Referendum - Summarized In Plain English

Do you approve of the Town taking out a “construction loan” to pay for construction of a new Town Highway Garage, with the understanding that:

- 1) the Town will put \$75,000 of Town funds towards the project,
- 2) \$700,000 will be paid for by USDA, and
- 3) the remaining debt (\$2 Million) will be paid back (like a mortgage) over 25 years at a cost of approximately \$105,000 per year?

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Revised Timeline

In Progress: Arrange interim financing, process paperwork (non-binding)

November 2, 2021: Referendum (early voting starts October 23)

November 3, 2021: Initiate preparation of Bid Package

Winter 2022: Send Bid Package to USDA

Spring 2022: Obtain USDA approval; send out Bid Package

Spring 2022: Receive bids

Summer 2022: Select contractor

Spring 2023: Break ground

Summer 2023: Completion

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