Capital Improvement Plan for Paved Roads and Funding Suggestions

SHARON SELECTBOARD
INFORMATION MEETING
OCTOBER 24, 2019
Tonight’s Agenda

- Why we are here
- History of Maintaining Paved Roads
- Plan for 2020
- Working with Pomfret
- Estimated Costs
- Selectboard Recommendation
- VOTE
Why are we here?

- The condition of the paved roads in Sharon continues to deteriorate
- We have done some recent paving:
  - Beaver Meadow (Shim and Overlay, 2016)
  - Rte 132 (Shim and Overlay, 2018—Mosher Lane to Strafford Town Line)
  - River Road (reclaim, Shim, Overlay, Crack Seal, 2016)
We Need to Act!

- Selectboard and Citizens believe something needs to be done
  - More wear on Road Crew and Equipment
  - Pavement in poor condition is very difficult to patch
  - Difficulty driving, walking, cycling on uneven, deteriorating road surfaces
  - Delaying the work will likely increase costs
Before Tropical Storm Irene, the Sharon Selectboard developed a Capital Improvement Plan for Paved Roads

August, 2011: Irene visited

2014: Selectboard revisited CIP

2015: Last infrastructure repair due to Irene was completed

2015: Selectboard hired Hammond Engineering to assist with CIP

2015-2018: Several projects completed—Rte 132, River Road

2019: Selectboard hired Horizons Engineering, plan revamped, discussions w Pomfret

It is time for Action!
Plan for 2020

- Our proposal is to complete the following work next year:
  - Drainage improvements, Reclaim and Pave (4”) Howe Hill from River Road to Pomfret Town Line
  - New Culverts and Shim and Overlay River Road (bridge to Howe Hill)
  - New Culverts, Reclaim and Pave Fay Brook Road
  - Reclaim and Pave Broad Brook Road
  - Shim and Overlay Quimby Mountain Road
The Town of Pomfret intends to pave their side of Howe Hill Road at the same time.

We have had several meetings w Pomfret, discussing working together.

Estimated savings working w Pomfret would be about $65,000.
## Estimated Costs

### HIGHWAY BUDGET PROJECTED TRANSFERS OUT TO HIGHWAY INFRASTRUCTURE RESERVE WITH $1.1 MILLION BOND DEBT SERVICE

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget FY2020 (Current Year)</th>
<th>Budget FY2021</th>
<th>Budget FY2022</th>
<th>Budget FY2023</th>
<th>Budget FY2024</th>
<th>Budget FY2025</th>
<th>Budget FY2026</th>
<th>Budget FY2027</th>
<th>Budget FY2028</th>
<th>Budget FY2029</th>
<th>Budget FY2030</th>
<th>Budget FY2031</th>
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</thead>
<tbody>
<tr>
<td>HWY Budget Transfer Out to Infrastructure Reserves</td>
<td>115,000</td>
<td>98,338</td>
<td>528</td>
<td>5,029</td>
<td>11,561</td>
<td>18,123</td>
<td>24,715</td>
<td>31,369</td>
<td>38,121</td>
<td>44,969</td>
<td>51,913</td>
<td>53,955</td>
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<tr>
<td>HWY Budget Bond Debt Service Transfer Out to Infrastructure Reserves</td>
<td>-</td>
<td>21,662</td>
<td>126,473</td>
<td>124,971</td>
<td>123,439</td>
<td>121,877</td>
<td>120,285</td>
<td>118,631</td>
<td>116,879</td>
<td>115,031</td>
<td>113,087</td>
<td>111,045</td>
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<tr>
<td>Total HWY Infrastructure Transfers to Reserves</td>
<td>115,000</td>
<td>120,000</td>
<td>127,000</td>
<td>130,000</td>
<td>135,000</td>
<td>140,000</td>
<td>145,000</td>
<td>150,000</td>
<td>155,000</td>
<td>160,000</td>
<td>165,000</td>
<td>165,000</td>
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<tr>
<td>$ Amt over FY20 HWY Funds Transferred to Infrastructure Reserves</td>
<td>5,000</td>
<td>12,000</td>
<td>15,000</td>
<td>20,000</td>
<td>25,000</td>
<td>30,000</td>
<td>35,000</td>
<td>40,000</td>
<td>45,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
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<tr>
<td>$ Increase on tax rate assuming FY20 Grand List of $1,621,591</td>
<td>0.003</td>
<td>0.007</td>
<td>0.009</td>
<td>0.012</td>
<td>0.015</td>
<td>0.019</td>
<td>0.022</td>
<td>0.025</td>
<td>0.028</td>
<td>0.031</td>
<td>0.031</td>
<td>0.031</td>
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<tr>
<td>$ Estimated annual tax increase on a $200,000 assessed value property</td>
<td>6.17</td>
<td>14.80</td>
<td>18.50</td>
<td>24.67</td>
<td>30.83</td>
<td>37.00</td>
<td>43.17</td>
<td>49.33</td>
<td>55.50</td>
<td>61.67</td>
<td>61.67</td>
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</table>
How will we pay for this work?

- The Selectboard is suggesting we bond for $1.1 Million to fund the work
- Estimated rate of interest is 1.65%
- Payback period is 10 years
  - Principal=$110,000 (plus interest)
  - Annual payments range from $111,045 to $126,473
- This requires a vote which will take place on October 29
What can you do?

- Vote on October 29!
- Polls open 7AM to 7PM
- The Selectboard encourages everyone to vote YES!
Questions?
Appendix
## Cost Estimates for the 2020 & 2021 Paving Projects

<table>
<thead>
<tr>
<th>ROAD NAME</th>
<th>DESCRIPTION</th>
<th>MILES</th>
<th>PAVING ESTIMATE</th>
<th>PREPARATION ESTIMATE (culverts and ditching)</th>
<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td>Howe Hill Road</td>
<td>Reclaim, 4&quot; Overlay, Drainage</td>
<td>2.72</td>
<td>1,063,425</td>
<td>27,500</td>
<td>1,090,925</td>
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<tr>
<td>River Road (Bridge to Howe Hill)</td>
<td>1 1/2&quot; Shim &amp; Overlay, Culverts</td>
<td>0.63</td>
<td>54,747</td>
<td>20,720</td>
<td>75,467</td>
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<tr>
<td>Fay Brook Road</td>
<td>Reclaim, 4&quot; Stone, 3.5&quot; Overlay</td>
<td>0.41</td>
<td>83,435</td>
<td>25,295</td>
<td>108,730</td>
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<tr>
<td>Broad Brook Road</td>
<td>Reclaim, 4&quot; Stone, 3.5&quot; Overlay</td>
<td>0.26</td>
<td>52,910</td>
<td>12,870</td>
<td>65,780</td>
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<tr>
<td>Quimby Mountain Road</td>
<td>1 1/4&quot; Overlay</td>
<td>0.31</td>
<td>26,939</td>
<td>-</td>
<td>26,939</td>
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<tr>
<td>Engineering Costs</td>
<td></td>
<td></td>
<td>11,000</td>
<td>-</td>
<td>11,000</td>
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<tr>
<td>Legal Fees</td>
<td></td>
<td></td>
<td>1,000</td>
<td>-</td>
<td>1,000</td>
</tr>
<tr>
<td>Bond Interest (on $1.1million)</td>
<td></td>
<td></td>
<td>113,379</td>
<td>-</td>
<td>113,379</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td>1,406,835</td>
<td>86,385</td>
<td>1,493,220</td>
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