

**Town of Enfield
Public Hearing
Enfield Community Building
Thursday, March 4, 2010
6:00 p.m.**

Present: Town Supervisor Roy Barriere, Town Councilperson Chris Hern, Town Councilperson Jean Owens, Town Councilperson Debbie Teeter, Town Highway Superintendent Barry Rollins, Town Clerk Alice Linton, Guy Krogh, attorney for the Town of Enfield, Chuck Feiszli of Resource Associates engineering firm and Jeffrey R. Smith of Municipal Solutions, Inc., municipal financial advisor
Excused: Town Councilperson Stephanie Gaynor

Supervisor Barriere opened the public hearing by leading the assemblage in the Pledge of Allegiance to the Flag.

A public hearing to review the financial impact to include bonding of a proposed project to construct a highway garage and materials and equipment storage site upon town land near the intersection of Bostwick Road and Enfield Main Road, tax map #14-2.2.8 was held Thursday, March 4, 2010 at 6:00 p.m. at the Enfield Community Building, 182 Enfield Main Road, Ithaca, New York with Supervisor Barriere presiding.

Supervisor Barriere read the notice of the public hearing published in the Ithaca Journal. He asked that questions and comments be related to the bond resolution.

Motion made by Supervisor Barriere, seconded by Councilperson Owens to open the public hearing.
Vote: Councilperson Hern aye, Councilperson Owens aye, Councilperson Teeter aye, Supervisor Barriere, aye.

Questions from community members present were asked and responses given.

What will be the cost of the project and how much will be bonded? Supervisor Barriere answered 1.1 million is expected to be bonded with the total project estimated at 1.6 million.

How was this figure obtained? Guy Krogh responded there are charts on material costs relied on by engineers and estimators in the construction field and yes, you can get caught by unexpected high prices. In that case, the town would have to come back and change the amount of the bond if they didn't have a way to fund it, or they would have to use some other funding vehicle. If the bond resolution is adopted and goes through the estoppel period, then that means the town is authorized to spend up to that amount. They cannot spend any more than that amount and they can spend nothing or a portion of that amount if they choose. Usually short term funding, a bond anticipation note (BAN), which can usually only run for 5 years is used, after which time you would serialize the bonds and take it to market. But at all times the BAN and anything that's taken to the bond market must be equal to or less than the amount authorized by the bond resolution. If that number is exceeded, the town board must come back at a public hearing or give an official notice in some way, to make up the difference and make sure they're authorized to expend that additional amount.

What if the bids come in way over the amount bonded? Chuck Feiszli responded that then the project would not be built as planned. The estimates are based on past experience, tables, estimating books and

talking to the people that build these kind of buildings. There are also alternatives built into the bid so that there are ways to decrease the cost by eliminating certain items, such as certain amounts of paving, etc. to get it back within the authorized amount if the board felt it was worthwhile to do that. The building is bare bones, it's a pole barn.

What is the interest rate of this bonding? Guy Krogh responded we won't know until we go to market. Indicative rates right now for short term BAN rates generally are running 1.5 to 3.5 percent depending on bond rating and the size of the project and what bank you go to. When you go to bond it will be a percentage point or two higher because it will be a longer term liability which entails more risk to the investor. Right now for this size, assuming the town can qualify somewhere in the A rating, we could expect in the current market, that the bond rate would be between 4.5 and 5 percent.

Jeff Smith responded to this question that right now we're in a very good environment for the bond market. He expects 15 year terms would be about 3.6 percent and 20 years just a little under 4 percent. What will need to be decided is how long we want to go, but 15-20 years is definitely doable.

How would payment work? Principal would be paid annually and interest is semi-annual.

Is there any idea of what those payments would be? Jeff Smith responded, if we were to borrow one million for 15 years, the first year payment would be about \$100,000 and it would go down each year by a couple thousand dollars, because more principal is paid up front and the amount of interest goes down.

Will this building be handicapped accessible? Chuck Feiszli responded yes, that is required by code.

Why don't we say we will have a referendum on this bond issue and take it to the voters? Supervisor Barriere responded we could, but it would cost more money.

Guy Krogh responded that if there is a referendum, either mandatory or permissive, the board would have to weigh what the cost variable is of the two. The process would take about 90 days.

Is there a way to make the building more energy efficient? Could the number of doors be cut back? Chuck Feiszli responded changes can be made, the plan we now have is what the committee came up with.

Was a cinderblock building considered? Chuck Feiszli responded it was considered, but would cost more money.

What is the anticipated useful life of the building? Jeff Smith responded that under the local finance law, fifteen years is all we are authorized to borrow for this type of a building. The building should last much longer.

Did anyone figure out what it would cost to improve the building that we already have? Councilperson Owens responded that since 1993 several engineers have taken a look at the building and the problem was the fact that it is on only $\frac{3}{4}$ of an acre and also since it is a block building it is very difficult to expand. The cost for expanding the block building really could cost more than new construction. It was also felt that taking the building out of Enfield Center would be less of a safety problem than where the building is now located.

How much has been figured in for overruns? Chuck Feiszli responded it is a little more than 10 percent.

Why has the total figure varied from 1.8 million to 1.6 million? Chuck Feiszli responded that at one time there were several other structures besides the highway garage included – a salt storage structure and a structure to hold the spreading machines.

So are we now including the salt storage shed? Chuck Feiszli stated that the shed is included, but if the bids come in too high, the shed will be taken out.

What dates were the figures considered for going to bid? Chuck Feiszli responded the numbers were figured last fall for bidding this spring.

How much interest will be paid over the life of this project? Jeff Smith responded that interest over the 15 year period at a rate of 3.5 percent would be \$319,625 and the estimated tax rate impact would be 66 cents per thousand for the first year. The assessed valuations will need to be verified, but that is an estimate. The 66 cents per thousand does not factor in using any of the funds that have been set aside by the town for this project. After the first year, the interest will go down about \$2,000 per year.

Are we paying a fee to have a municipal financial advisor? Jeff Smith responded, yes there would be a fee for this work and there is a bond counsel fee. A rough estimate would be \$38,000 of the project would be for bond ratings, legal bond counsel, legal advertising, printing of the bonds, etc. These fees are included in the budget.

What is the total cost of the garage itself? Chuck Feiszli responded \$687,000, but there is also site work, finished office area, septic system, well, fence around the building, a road, and specialties.

Will there be any impact on the highway budget over the years? Guy Krogh responded there should be no impact.

What will be increased upkeep expenses? Supervisor Barriere responded the upkeep should be less than on the old building. Jeff Smith added that some of the reserve funds we have now could be kept in a reserve account for future roof repairs, etc.

What kind of heat will be used? Chuck Feiszli responded it will be radiant floor heat with propane.

Supervisor Barriere moved to close the public hearing at 7:05 p.m. Motion seconded by Councilperson Hern.

Vote: Councilperson Hern aye, Councilperson Owens aye, Councilperson Teeter aye, Supervisor Barriere, aye.

At this time a workshop was held for the Town Board and highway superintendent to work with Chuck Feiszli to go over some of the fine tuning of the project. The public was welcome to stay. The workshop adjourned at 8:30 p.m.

Respectfully submitted,

Alice Linton
Town Clerk