

# Additional information about the Bowdoinham Public Works Project

## WHY DON'T WE JUST FIX THE FACILITY WE HAVE?

The current Public Works property is deeply inadequate in a variety of ways. Investing any additional taxpayer money in sustaining that facility is not advisable. Issues with the current property and facility include:

- Most of the current property is within the Flood Plain and Shoreland Zone. Any new construction or substantial improvement would be required to meet the current Shoreland Zoning and Floodplain Management standards. These standards could require the building to be moved, elevated, and “flood-proofed” which would be at a much higher cost than regular construction.
- The few acres that are not in the Flood Plain or Shoreland Zone are approximately 1,800 feet from Rt. 24. Building in that area would require constructing a road at a high cost. This space is also not large enough to contain the Public Works operation.
- The current facility cannot accommodate the town’s equipment and is not an adequate workplace for our town employees. It was acquired in 1998 for a “temporary” Public Works garage. It is important to house the town’s equipment inside to protect against the elements and allow for proper maintenance.
- The concrete pad that holds the winter sand/salt mixture needs replacing at an estimated cost of \$70,000.
- The winter sand/salt mixture is stored outside leading to risk of contamination to groundwater.
- The facility is located in the village close to residences.
- The current structure that is used for the Public Works garage is structurally deficient as described in an independent engineer’s report commissioned by the Town in 2010. It is cost-prohibitive to repair the existing garage and the engineer recommends replacing the structure.

## WHAT ARE THE COSTS AND HOW WILL THEY BE FUNDED?

- The Town received bids from six construction companies for the Project ranging from \$2.2 - \$2.43 million.
- In addition, a 10% contingency will be budgeted for any potential change orders and \$40,000 for construction engineering and testing for a total project cost of \$2.5 - \$2.7 million.
- The Select Board is asking for approval from the Town to borrow up to \$2.6 million for the Project over a period of up to 30 years.

- The estimated annual payment is \$180,000 with the first payment due in Fiscal Year 2020 (approximately January 2020). An interest-only payment on the “construction” loan would be due in February 2019 and paid by use of the Undesignated Fund Balance and have no effect on property taxes.
- To help reduce the impact on the taxpayer, the Town can use funds from the Undesignated Fund Balance for the first few years. This could reduce the annual payment from taxes to \$100,000 per year. After the first few years, the Town will be paying off other loans and these funds can then be used to help pay the Public Works Facility loan.

## RECOMMENDATION

The Select Board, Finance Advisory Committee and Town Manager recommend the Town move forward with the construction of the new Public Works Facility. The Special Town Meeting to request approval for funding is March 28<sup>th</sup> at 6:00 p.m. at Town Hall.