

Board of Finance Minutes
Special Meeting
Tuesday, September 3, 2013
Town Hall - 6:30 pm

Members present: Robert Tarlov, Robert Esteve, Thomas Kane, William Curran, Art Shilosky. John Ringo attended by phone.

Nonmembers present: Maggie Cosgrove

Meeting called to order at 6:32

Motion by Esteve and seconded by Shilosky to approve the graphs and charts labeled as Exhibit A for use on the web site and at information presentations; and those labeled as Exhibit B for use at the information presentation only. Motion passed 6 – 0

Motion to adjourn by Kane and second by Shilosky. Meeting adjourned at 6:52.

Submitted by,

Robert Tarlov

RECEIVED
COLCHESTER, CT
2013 SEP -5 AM 9:00
Maggie Cosgrove
MAGGIE A. BRAY
TOWN CLERK

Exhibit A

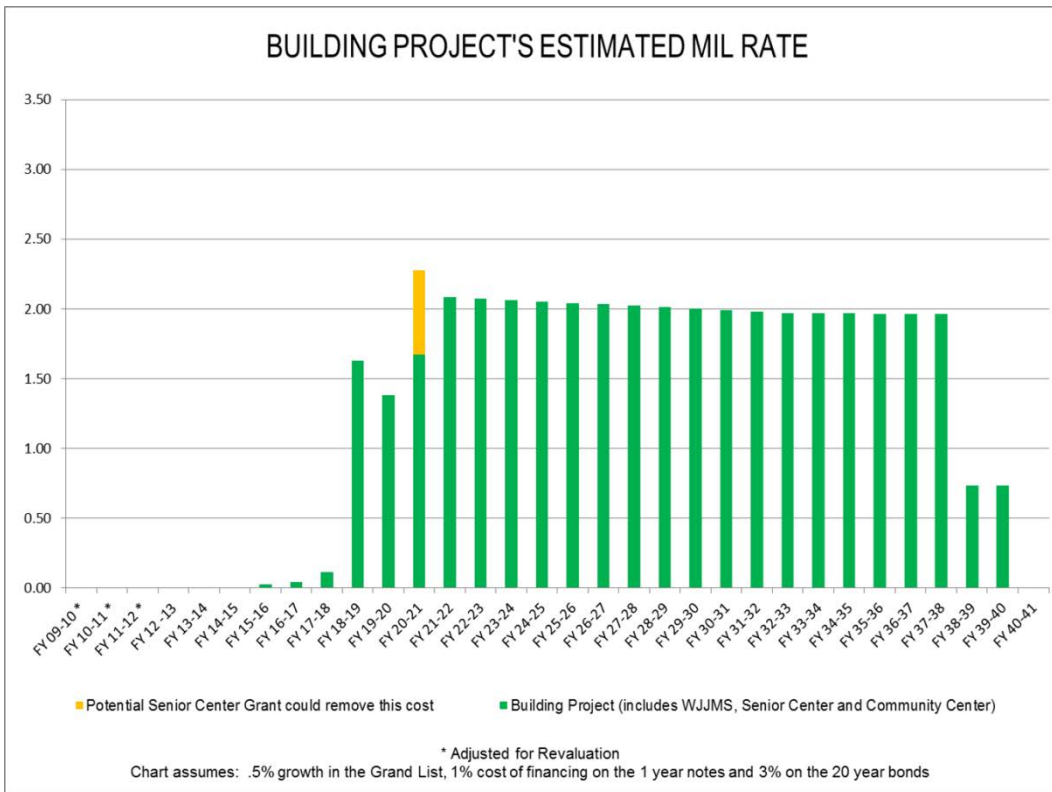
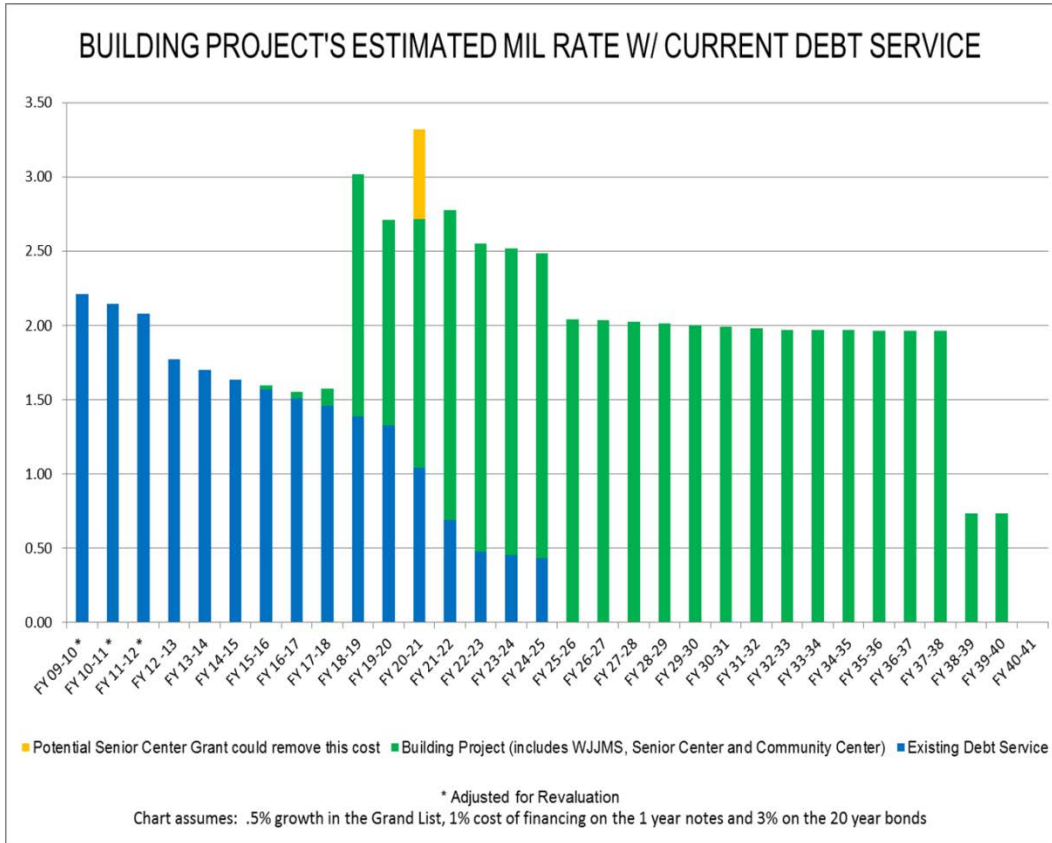


Exhibit A (continued)

**ESTIMATED ANNUAL TAXES PER \$100K of HOME MARKET VALUE
and PER 10K of ASSESSED AUTO VALUE**

To estimate the annual impact of the Building Project to your taxes, take the number below and multiply it by the market value of you home and/or assessed value of your car divided by 100,000

If your home is worth \$250,000 multiply by 2.5. If your home is worth \$180,000, multiple by 1.8. For example, for 2020 if your home is worth \$220,000 multiply 2.2 times \$97 = \$213.40

If your auto is assessed at 15,000 multiply by 1.5. If your auto is assessed at \$8,000, multiple by .8. For example, for 2020 if your auto is assessed at \$8,650 multiply .865 times \$13.83 = \$11.96

Fiscal Year Ending	Home Market Value 2 \$100,000		Auto Assessed Value 2 \$10,000	
	Annual	Average	Annual	Average
2016	\$2		\$0.28	
2017	\$3		\$0.44	
2018	\$8		\$1.12	
2019	\$114		\$16.28	
2020	\$97		\$13.83	
2021 ¹	\$117		\$16.72	
2022	\$146		\$20.87	
2023	\$145		\$20.75	
2024	\$145		\$20.65	
2025	\$144		\$20.51	
2026	\$143		\$20.43	
2027	\$142		\$20.34	
2028	\$142	\$113.37	\$20.24	\$16.20
2029	\$141		\$20.12	
2030	\$140		\$20.00	
2031	\$139		\$19.90	
2032	\$138		\$19.78	
2033	\$138		\$19.69	
2034	\$138		\$19.69	
2035	\$138		\$19.67	
2036	\$137		\$19.63	
2037	\$138		\$19.65	
2038	\$138		\$19.66	
2039	\$51		\$7.32	
2040	\$51		\$7.33	

assumes a .5% (1/2 of 1%) annual growth in the Grand List

assumes 3% @ year construction cost escalation

assumes 1% cost of financing 1 year notes and 3% on the 20 year bonds.

¹ assumes receipt of a \$750,000 grant for the Senior Center which has a mill rate value of .60 and \$42.05/\$100K

This analysis was performed by Board of Finance Chairman, Robert Tartov, based on information received from Webster Bank and Tecton Architects. As of this date the numbers have not been verified by the Town's Finance Officer.

Exhibit B

Original Worksheet Used by BOF at Beginning of Their Analysis (March 2013)

Option 1	Original Project as Scoped	Senior Center	\$	\$ 68,500,828	
		Community Center	\$		
		School	\$		
		Estimated State Reimbursement		\$	(20,640,793)
		NET		\$	47,860,035
Option 2	Scaled Back Project	Senior Center	\$ 14,606,839	\$ 56,970,470	
		Community Center			
		School	\$ 42,363,631		
		Estimated State Reimbursement		\$	(18,080,160)
		NET		\$	38,890,310
Option 3	School Project Alone - decision for balance of project construction at a later date or an alternative solution for Senior Center	School	\$	42,363,631	
		Estimated State Reimbursement		\$	(18,080,160)
		NET		\$	24,283,471
Option 4	Renovate Existing Structure as a School -	School	\$	53,450,200	
		Estimated State Reimbursement		\$	(8,231,838)
		NET		\$	45,218,362
Option 5	Renovate Existing Structure as a School over time	School	\$	53,450,200	
		Estimated State Reimbursement		\$	\$0
		NET		\$	53,450,200

No option includes the cost of issuing the debt, but would not change the conclusions reached regarding the relative cost of the options.

Exhibit B (continued)

Tax Impact on Colchester Median Price House (\$245,450) and Two Cars (\$25,000)									
Average Annual Cost ¹			First Year of Measureable Impact ¹			Highest Annual Amount ¹			
Annual Tax	Mil	Comparative Impact	Year	Annual Tax	Mil	Year	Annual Tax	Mil	
\$228.23	1.11	\$0.75	2021	\$192.59	0.98	2023	\$444.14	2.26	
School Only without the Cost for Reparations to Senior Center and Youth Center ²			plus cost to solve problems at Senior and Youth Centers			plus cost to solve problems at Senior and Youth Centers			
\$306.49	1.56	\$1	2019	\$320.33	1.63	2021	\$410.73 ³	2.27 ³	
							\$302.17	(0.60)	
School, Senior Center, Community Center, Youth Center ⁴									
Refurbish School without the Cost for Reparations to Senior Center and Youth Center		\$1.21	<p>1 Assumes .5% annual increase in the Grand List</p> <p>2 Assumes that a second referendum will be needed, delaying the project by 2 years. Accordingly, assumes 3.5% @ year construction cost escalation and additional .5% added to the 1% and 3% assumed cost of financing if the bidding occurred in 2014</p> <p>3 Could be reduced by .6 if Senior Center Grant of 750,000 (maximum) is received</p> <p>4 Assumes 3% @ year construction cost escalation and 1% cost of financing for 1 year notes and 3% on 20 year bonds</p>						
Fix School as Needed - without the Cost for Reparations to Senior Center and Youth Center		\$1.43							

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Exhibit B (continued)

ESTIMATED ANNUAL TAXES PER \$100K of HOME MARKET VALUE and 10K of ASSESSED AUTO VALUE

FYE	Home Market Value ¹ \$100,000						Auto Assessed Value ¹ \$10,000					
	Proposed Building Project ²		School Only ³		Additional Cost for Senior Center and Community Center (includes Youth Center)		Proposed Building Project ²		School Only ³		Additional Cost for Senior Center and Community Center (includes Youth Center)	
			Cost of Solutions for Senior and Youth Centers Not Included.						Cost of Solutions for Senior and Youth Centers Not Included.			
	Annual	Average	Annual	Average	Annual	Average	Annual	Average	Annual	Average	Annual	Average
2016	\$2		\$0		\$1.94		\$0.28		\$0		\$0.28	
2017	\$3		\$0		\$3.10		\$0.44		\$0		\$0.44	
2018	\$8		\$0		\$7.82		\$1.12		\$0		\$1.12	
2019	\$114		\$3		\$110.88		\$16.28		\$0		\$15.84	
2020	\$97		\$5		\$91.86		\$13.83		\$1		\$13.12	
2021 ⁴	\$117		\$69		\$48.10		\$16.72		\$10		\$6.87	
2022	\$146		\$115		\$30.74		\$20.87		\$16		\$4.39	
2023	\$145		\$158		-\$13.20		\$20.75		\$23		-\$1.89	
2024	\$145		\$102		\$42.59		\$20.65		\$15		\$6.08	
2025	\$144		\$101		\$42.08		\$20.51		\$14		\$6.01	
2026	\$143		\$101		\$42.05		\$20.43		\$14		\$6.01	
2027	\$142		\$100		\$41.92		\$20.34		\$14		\$5.99	
2028	\$142	\$109.01	\$100	\$81.17	\$41.71	\$27.83	\$20.24	\$15.57	\$14	\$11.60	\$5.96	\$3.91
2029	\$141		\$99		\$41.40		\$20.12		\$14		\$5.91	
2030	\$140		\$99		\$41.01		\$20.00		\$14		\$5.86	
2031	\$139		\$98		\$40.80		\$19.90		\$14		\$5.83	
2032	\$138		\$98		\$40.50		\$19.78		\$14		\$5.79	
2033	\$138		\$97		\$40.36		\$19.69		\$14		\$5.77	
2034	\$138		\$97		\$40.80		\$19.69		\$14		\$5.83	
2035	\$138		\$97		\$41.14		\$19.67		\$14		\$5.88	
2036	\$137		\$96		\$41.37		\$19.63		\$14		\$5.91	
2037	\$138		\$96		\$42.02		\$19.65		\$14		\$6.00	
2038	\$138		\$95		\$42.55		\$19.66		\$14		\$6.08	
2039	\$51		\$95		-\$43.38		\$7.32		\$14		-\$6.20	
2040	\$51		\$94		-\$42.81		\$7.33		\$13		-\$6.12	
2041	\$0		\$94		-\$93.68		\$0.00		\$13		-\$13.38	
2042	\$0		\$0		\$0.00		\$0.00		\$0		\$0.00	

- 1 assumes a .5% (1/2 of 1%) annual growth in the Grand List
- 2 assumes #5 @ year construction cost escalation and 1 % cost of financing 1 year notes and 3% on the 20 year bonds.
- 3 assumes that a second referendum will be needed, delaying the project by 2 years. Accordingly, assumes 3.5% @ year construction cost escalation and an additional .5% added to the 1% and 3% assumed cost of financing if the bidding occurred in 2014
- 4 assumes receipt of a \$750,000 grant for the Senior Center which has a mill rate value of .60

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