

# Municipal Complex Proposal: Bond Review, Tax Impacts and More

Bond amount	Term	Interest Paid	Total (bond plus interest)	Annual Payment	2023 Valuation	Increase/thousand value	Percent change from FY 2024 taxes	Taxpayer cost per day
\$16,000,000	30	\$12,827,940	\$28,827,938	\$952,062	\$629,600	1.5121	9.09%	\$1.23
\$16,000,000	20	\$6,903,383	\$22,903,383	\$1,133,878	\$629,600	1.8009	10.97%	\$1.49
\$16,000,000	15	\$4,467,850	\$20,467,850	\$1,351,016	\$629,600	2.1458	13.33%	\$1.81
\$12,000,000	30	\$9,620,954	\$21,620,954	\$714,046	\$629,600	1.1356	6.97%	\$0.95
\$12,000,000	20	\$5,117,537	\$17,117,537	\$850,408	\$629,600	1.3507	8.24%	\$1.12
\$12,000,000	15	\$3,350,877	\$15,350,877	\$1,013,261	\$629,600	1.6094	9.82%	\$1.33

Interest and payment calculations are using the most recent Maine Bond Bank bond rates (Fall 2023)

\* Voters will be asked to approve the issuance of general obligation bonds or notes in the name of the Town of Fryeburg in an aggregate principal amount NOT TO EXCEED \$16,000,000, which bonds or notes may be made callable, and to appropriate the proceeds of said bonds or notes to pay costs to construct and equip a new Municipal Complex. The vote will be taken on June 11th via a secret ballot at elections. Elections will take place at the Hastings Community Center from 8 am to 8 pm.

\* \$16,000,000 bond is the *worst case scenario* ; upon voter approval at Town Meeting, the Town will aggressively seek grants and donations. The Town has already requested \$5,000,000 from Senator Collins; however the Town needs to approve the bond in order to be eligible to receive that funding. As construction of the Municipal Complex nears completion, the Town will also be able to sell the current Town Office, Fire Station, and old Town Garage and proceeds will be able to be used of either reduce the bond or be used towards payments. Final cost to taxpayers is expected to be closer to \$10,000,000-\$12,000,000, hence the demonstration of tax payer impact with a \$12,000,000 bond.

\* Port City Architecture estimates the project to cost \$15,500,000 based on the current conceptual design. While they will employ a "Construction Manager at risk" process that enables them to get cost estimates throughout the final design process to ensure they are within the budget, we are asking for approval of bond NOT TO EXCEED \$16,000,000, out of caution. This includes final engineering, construction oversight, building construction, sitework, utilities, furniture and fixtures.

\* Throughout the planning process the Select Board/Building Committee has done its due diligence and undertaken processes to ensure that we get the best services, at the lowest cost. The commitment to continue this remains. Research shows that completing a competitive bond bid process will yield the best interest rates and provide the most amount of flexibility in the specific bond terms. The Town's financial standing and lack of debt will benefit the Town in the bond bid process.

\* The need for new facilities for the Town Office, Police Department and Fire Department is not going to diminish and will only get more urgent as time passes. CBRE Construction Cost Index noted a 4.9% increase in construction prices last year. Deferring this project will likely result in higher construction costs.

