

TOWN OF VERNON



**Explanatory Text**

*For Referendum Questions on Bridge Replacement Projects*

The Town Council has approved the placement of two (2) bond ordinance questions that will appear on the ballot at a referendum to be held on November 4, 2008. The voting will take place between the hours of 6:00 A.M. and 8:00 P.M.

The ballot headings for approval or disapproval of the ordinances will be:

1. "SHALL THE TOWN OF VERNON APPROPRIATE \$1,182,000 FOR THE REPLACEMENT OF THE PHOENIX STREET BRIDGE AND AUTHORIZE THE ISSUANCE OF BONDS AND NOTES IN THE SAME AMOUNT TO FINANCE SAID APPROPRIATION?"

YES \_\_\_\_\_ NO \_\_\_\_\_

2. "SHALL THE TOWN OF VERNON APPROPRIATE \$3,320,000 FOR THE REPLACEMENT OF THE MAIN STREET BRIDGE AND AUTHORIZE THE ISSUANCE OF BONDS AND NOTES IN THE SAME AMOUNT TO FINANCE SAID APPROPRIATION?"

YES \_\_\_\_\_ NO \_\_\_\_\_

Voters approving an ordinance will vote "Yes" and those opposing an ordinance will vote "No."

Electors of the Town shall vote at the following polling places:

District 1	Northeast School	69 East Street
District 2	Center 375	375 Hartford Turnpike (Route 30)
District 3	Rockville High School	70 Loveland Hill Road
District 4	Skinner Road School	90 Skinner Road
District 5	Lake Street School	201 Lake Street
District 6	Vernon Center Middle School	777 Hartford Turnpike (Route 30)

Persons who are *non-electors*, that are qualified to vote in town meetings, shall vote at:

Vernon Town Hall      14 Park Place, Vernon, Connecticut

Absentee ballots will be available at the Town Clerk's office.

**PROPOSED BRIDGE REPLACEMENT PROJECTS - DESCRIPTIONS**

**PHOENIX STREET BRIDGE** (Estimated Project Cost: \$1,182,000)

The Estimated Net Impact to Vernon Taxpayers, after deducting grants and other funding, is \$385,362, as detailed on the following pages.

Design and construction of replacement bridge for the Phoenix Bridge over the Tankerhoosen River. The project will include removal of the existing Phoenix Street Bridge; installation of a pre-cast concrete arch bridge with associated headwalls and wingwalls; application of waterproofing membrane to the new bridge and of a bituminous wearing surface; modifications and improvements to roadway approaches as appropriate, including but not limited to the installation of upgraded metal beam rail system; improvements to the channel and the channel embankments; land and/or easement acquisitions as required for the project; and modifications to municipally owned utilities as appropriate.

**MAIN STREET BRIDGE** (Estimated Project Cost: \$3,320,000)

The Estimated Net Impact to Vernon Taxpayers, after deducting the federal bridge grant, is \$722,800, as detailed on the following pages.

Design and construction of replacement bridge for the Main Street Bridge over the Tankerhoosen River. The project will include removal of the existing Main Street Bridge; installation of a pre-stressed concrete box beam deck unit style bridge or a steel through truss supporting a cast-in-place concrete deck style bridge, as determined by the Town Engineer; installation of appropriate superstructure supports and of a metal bridge rail with concrete end blocks; installation of appropriate substructure; installation of architectural treatments as appropriate; construction of a sidewalk along the north side of the new bridge; improvements to abutments and channel banks as required; modifications and improvements to roadway approaches as appropriate, including but not limited to the installation of upgraded metal beam rail system; land and/or easement acquisitions as required for the project; and relocation of existing gas main.

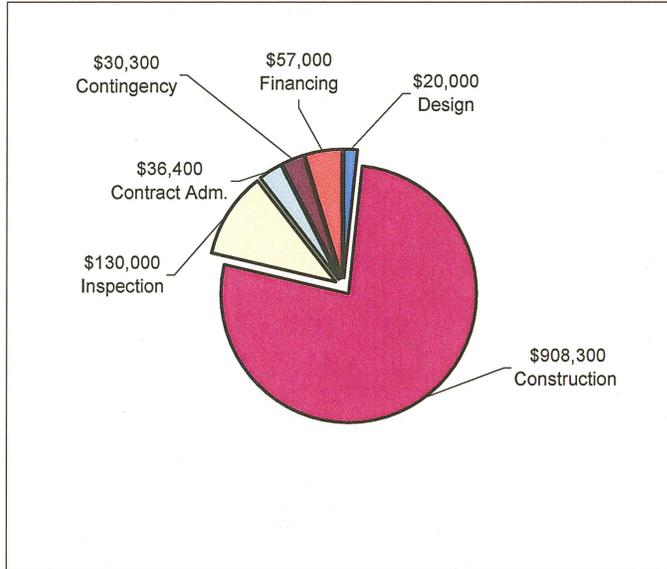
As approved by the Town Council, the two (2) bond ordinance questions comprise appropriations and authorizations in an aggregate amount not to exceed \$4,502,000 for the replacement of the Phoenix Street Bridge and Main Street Bridge as summarized in this text. Although the total appropriation and bond authorization is for \$4,502,000, the Town expects to bond for only those costs not paid for by state and federal grants.

Estimated project costs / estimated grants and other funding are disclosed on the following pages.

**PHOENIX STREET BRIDGE REPLACEMENT**

**COST ESTIMATES**

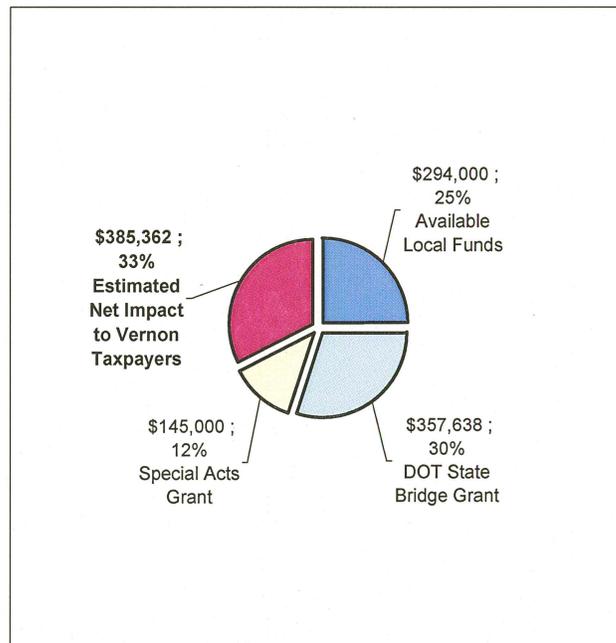
Preliminary Engineering / Design	\$ 20,000
Construction Costs	908,300
Construction Inspection	130,000
Contract Administration	36,400
Contingency	30,300
*Financing Costs	57,000
<b>Total Cost Estimates</b>	<b><u>\$ 1,182,000</u></b>



\* Includes short-term interest of \$14,000; and other financing costs of \$43,000.

**FUNDING ESTIMATES**

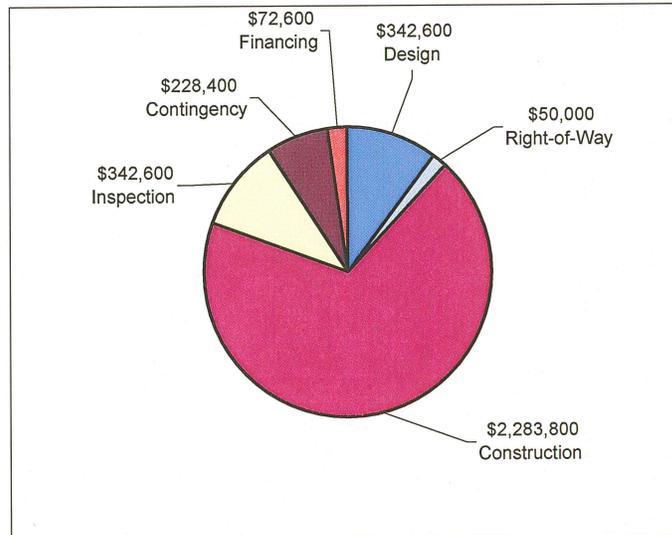
<b>Total Cost Estimates:</b>	<b>\$ 1,182,000</b>
<i>Less - Grants and Other Funding:</i>	
Available Local Funds [The Town appropriated this amount in 2004]	\$ 294,000
DOT State Bridge Grant	357,638
Special Acts Grant	145,000
<b>Subtotal of Grants and Other Funding</b>	<b>\$ 796,638</b>
<b>Estimated Net Impact to Vernon Taxpayers</b>	<b><u>\$ 385,362</u></b>



**MAIN STREET BRIDGE REPLACEMENT**

**COST ESTIMATES**

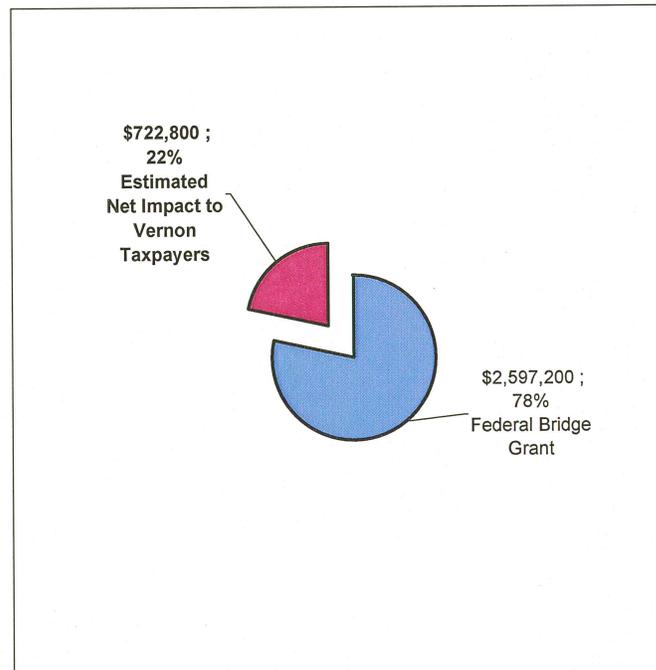
Preliminary Engineering / Design	\$ 342,600
Right-of-Way Costs	50,000
Construction Costs	2,283,800
Construction Inspection	342,600
Contingency	228,400
*Financing Costs	72,600
<b>Total Cost Estimates</b>	<b><u>\$ 3,320,000</u></b>



\* Includes short-term interest of \$26,800; and other financing costs of \$45,800.

**FUNDING ESTIMATES**

<b>Total Cost Estimates</b>	<b>\$ 3,320,000</b>
Less: Federal Bridge Grant	2,597,200
<b>Estimated Net Impact to Vernon Taxpayers</b>	<b><u>\$ 722,800</u></b>



### FINANCIAL OBJECTIVES

- Anticipated State / Federal grants and other funding is estimated at 67.4% for the Phoenix Street Bridge Replacement project; and 78.23% for the Main Street Bridge Replacement project. Such funding from the State of Connecticut and Federal Government will decrease the amount needed to borrow.
- Phase-in borrowing.
- Utilize a series of note and bond issues to coincide with project timelines.
- Capitalize short-term interest and issuance costs.
- Combine borrowings with other debt issues.

### COST TO TAXPAYERS

The estimated cost to the taxpayer is calculated with the following assumptions:

- Mill rate projections are based upon the October 1, 2008 Grand List – One mill = \$1,702,121.
- Phoenix Street Bridge Replacement – Project start: December 1, 2008 / September 30, 2009.
- Main Street Bridge Replacement – Project start: December 1, 2009 / Project completion: December 31, 2010.
- Mill rate projections are based upon the October 1, 2008 Grand List – One mill = \$1,702,121.
- For the October 1, 2009 Grand List, the final third of a three-year revaluation phase-in is incorporated.
- The Grand List is projected forward at the Town's utilizing an average growth calculation of 0.855%.
- Bond issues are based on 15 year principal amortization.
- Projected Phoenix Street Bridge Replacement bond issue date – February 15, 2010; Amount: \$390,000.
- Projected Main Street Bridge Replacement bond issue date – February 15, 2011; Amount: \$723,000.
- Total estimated project costs of \$4,502,000.
- Estimated State of Connecticut and Federal grants are \$3,099,838.
- Funds previously appropriated for the Phoenix Street Bridge Replacement - \$294,000.
- Combined estimate of grants and previously appropriated funds - \$3,393,838.
- For both projects - Net project cost for bonding purposes - \$1,108,162.
- Interest rates are estimated for each bond issue and are subject to change based upon market conditions.
- Borrowing amounts may change if State and Federal grants are not timely.
- Borrowing amounts may change if State and Federal grant eligibility projections are revised.
- Tax impact, begins in the fiscal year ending June 30, 2011.
- Tables that are presented may differ due to rounding.

**TOWN OF VERNON, CONNECTICUT – EXPLANATORY TEXT  
NOVEMBER 4, 2008 – PROPOSED BRIDGE REPLACEMENT BOND QUESTIONS**

**COST TO TAXPAYERS (continued)**

<b>ESTIMATED COST SUMMARY</b>	
Allocation for Project Costs	\$4,502,000
Less Estimated Grants and Other Funding	-3,393,838
Rounding for bonding purposes	4,838
<b>Amount Estimated for Bonding:</b>	<b>\$1,113,000</b>

It is anticipated that the projects will be funded through two bond issues as follows:

<b>Anticipated Issue Date</b>	<b>Approximate Amount</b>	<b>Estimated Interest Rate</b>
February, 2010	\$ 390,000	6.50%
February, 2011	723,000	6.50%
<b>Total of Bond Issues:</b>	<b>\$ 1,113,000</b>	

**MILL RATE IMPACT OF PROPOSED BRIDGE REPLACEMENT PROJECTS**

Between the Fiscal Years 2011 – 2026, the average annual mill rate impact is 0.052 / 5.2 cents per \$1,000 of assessed value; or by extension, \$5.20 per \$100,000 of assessed value.

**AVERAGE ANNUAL COST PER REFERENDUM QUESTION FOR BRIDGE REPLACEMENTS**

The assessed value for tax purposes is 70% of the market value. The table below depicts the average annual cost of the proposed projects by each referendum question, for a range of assessed values from \$100,000 to \$500,000.

<b>AVERAGE ANNUAL COST OF PROPOSED BRIDGE PROJECTS</b>					
Market Value	\$ 142,000	\$ 285,000	\$ 430,000	\$ 570,000	\$ 715,000
Assessed Value (70%)	\$ 100,000	\$ 200,000	\$ 300,000	\$ 400,000	\$ 500,000
Phoenix Street Bridge Replacement (\$390,000 Net)	\$ 2.00	\$ 4.00	\$ 6.00	\$ 8.00	\$ 10.00
Main Street Bridge Replacement (\$723,000 Net)	3.60	7.20	10.80	14.40	18.00
<b>TOTAL - AVERAGE ANNUAL COST:</b>	<b>\$ 5.20</b>	<b>\$ 10.40</b>	<b>\$ 15.60</b>	<b>\$ 20.80</b>	<b>\$ 26.00</b>

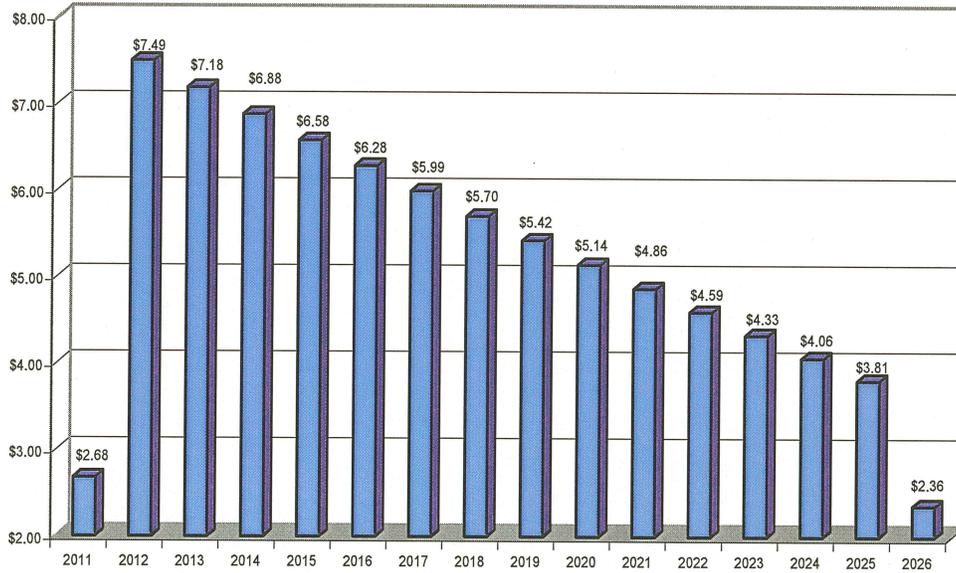
\*\*Totals differ due to rounding.

**TOWN OF VERNON, CONNECTICUT – EXPLANATORY TEXT**  
**NOVEMBER 4, 2008 – PROPOSED BRIDGE REPLACEMENT BOND QUESTIONS**

The tax impact is scheduled to begin in FY 2011, for the Phoenix Street Bridge Replacement; and increases in FY 2012, for the Main Street Bridge Replacement. Thereafter, the debt service declines as shown in the table below:

Estimated Project Debt Service Both Bridges		Estimated Mill Rate Impact
Year	Principal & Interest	per \$1,000
2010	-	0.00
2011	\$ 51,350	0.027
2012	144,855	0.075
2013	140,032	0.072
2014	135,209	0.069
2015	130,386	0.066
2016	125,563	0.063
2017	120,740	0.060
2018	115,917	0.057
2019	111,094	0.054
2020	106,271	0.051
2021	101,448	0.049
2022	96,625	0.046
2023	91,802	0.043
2024	86,979	0.041
2025	82,156	0.038
2026	51,333	0.024
<b>TOTALS</b>	<b>\$ 1,691,760</b>	<b>Average: 0.052</b>
Principal	\$1,113,000	
Interest	\$578,760	

FOR BOTH BRIDGE REPLACEMENT PROJECTS  
ESTIMATED ANNUAL MILL RATE IMPACT PER \$100,000 OF ASSESSED VALUE



**TOWN OF VERNON, CONNECTICUT – EXPLANATORY TEXT**  
**NOVEMBER 4, 2008 – PROPOSED BRIDGE REPLACEMENT BOND QUESTIONS**

*This explanatory text has been authorized by the Town Council and prepared in accordance with the Connecticut General Statutes, Section 9-369b(a), and is not intended to advocate either the approval or disapproval of the referendum questions.*

Additional information on the Bridge Replacement referendum questions are available:

- In the Town Clerk's office at 14 Park Place.
- By calling the Town Engineer, Terry McCarthy at (860) 870-3663. For information related to financing of the projects, contact James Luddecke, Finance Officer and Treasurer, Town of Vernon, (860) 870-3690.
- The explanatory text and copies of the bond ordinances will also be placed on the Town of Vernon web site at [www.vernon-ct.gov/](http://www.vernon-ct.gov/).