Proposed Sanford Bond
Question 1:
$6.2 Million for Road Improvements

WHAT is this bond about?

♦ Current funding for road work is not keeping pace with the rate of deterioration of our roads.

♦ To tackle this problem, this program combines a $6.5 Million bond with an increase in the annual road budget amount from $1.4 Million to $4 Million to enable the City to catch up with necessary road work and reduce future maintenance costs.

♦ This “ramp up” will allow the City to accomplish 5.5 years of work in a Single Year. Over the entire five years, over 50 miles of roads in Sanford will be repaired.

♦ This will result in immediate improvements in roads that can be seen and used by all — and create a positive first impression of our community that attracts businesses and residents.

♦ The $6.2 M Bond & CIP increase matches the 5 year Road Program that has been surveyed and engineered, and coordinates with Utilities for the most efficient and cost-effective work possible.

♦ This work will tie in with ongoing efforts in the downtown and elsewhere to create economic growth: LED Smart Streetlights; a downtown Planning Partnership Initiative with MaineDOT; and multiple Municipal Partnership Initiatives.

♦ This combination of bond and increased CIP has a lower impact on tax rates than either a large bond or a simple budget increase would.

WHY is this bond needed?

♦ Sanford’s charter says at least 2% of the budget should be spent on capital allocations for transportation infrastructure improvements each year. We have been spending this minimum, but it is not enough to keep up with deterioration of the roads.

♦ Instead of one large bond, this program combines a smaller bond, with a gradual budget increase to $4 Million in the Capital Program to enable the City to catch up with necessary road work.

♦ This will then allow a focus on maintenance and upkeep instead of re-building — which will lower future road costs.

HOW would this bond affect my taxes?

♦ Taxes going to Roads would increase from 0.9 mils to 1.6 mils for the next 16 years — adding .70 per $1000 of value — DOUBLING the roadwork capacity for the next 16 years.
What is the Tax Impact of All Bonds Combined?

A 16-Year Fiscal Analysis was developed to examine the long-term fiscal impacts of the three proposed Bonds as well as an increased Capital Improvements Program to invest in City and School Infrastructure now to produce long-term benefits in the future. The Program in the Analysis is;

- **Roads**: Bond $6.2 million in 2020 for 10 years and then increase the CIP annual funding from $1.4 M/yr to $4.0 M/yr over the next five years and then maintain $4.0 M/yr thereafter.
- **Fire Department Land**: Bond $1.0 million for 10 years to acquire a South Sanford Site
- **School Renovation and Construction**: Bond $9.99 million in 2020 for 20 years to complete the Pre-K thru 8 elementary and middle school facilities
- **Parks and Recreation**: Achieve the 5-Year Plan to restore and improve all Sanford Parks Facilities by funding $350,000 each of the next 6 years and then $150,000/yr thereafter
- **LED Street Light Conversion**: Lease-purchase new LED Street lights with the electrical savings paying for the purchase/installation and annualized maintenance, anticipated $100,000/yr savings after 6 years

Fiscal Analysis Model uses the following assumptions based upon current historical averages;

- City Operational and CIP Budget sustainable growth rates are 4% per annum
- School Operational and CIP Budget sustainable growth rates are 4% per annum
- City and School Non-Property Tax Revenue growth rates of 3% per annum
- Municipal Valuation growth rate of 4.73% per annum
- Major Project Est. of Airport Solar added as $60.3 M valuation as personnel property depreciating at 3.33% per annum under a Tax Increment Finance District to be used to offset future Debt Service
- No New Growth is Projected beyond current levels, yet the City does expect to have gains stemming from the increased level of investment in public infrastructure and an increased quality of place/life

**Graph of the increased level of Tax Effort for approval of all Program Bonds and Capital Program compared to the 2019 Tax Bill - Summary**

<table>
<thead>
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<th>16 Year Estimates vs FY19/20 Taxes</th>
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Cumulative increase in first 6-years and average followed by anticipated reduction comparing to tax year 2019 with the average per year based upon the Fiscal Planning Tool and Assumptions as listed.
Proposed Sanford Bond
Question 3:

$9.99 Million for School Renovations

WHAT is this bond about?

♦ Sanford was awarded $43 Million from the State of Maine to consolidate and renovate its elementary and middle schools and the old high school to improve facilities for all Pre-K-8 students in Sanford.

♦ The projects went out to bid in 2017. Costs of materials and labor have increased by 25% since then, meaning the State award won’t go as far as was originally intended.

♦ These increases are outside local control and are affecting construction projects throughout the state and region.

♦ More extensive asbestos was found in the old high school than expected, which has extended the time and expense for that project.

♦ This bond will allow the construction projects to be completed, meaning that Sanford will have improved facilities for every student in the community for decades to come.

WHY is this bond needed? Isn’t the State supposed to pay for the renovations?

♦ The State is paying $43 Million, the amount originally budgeted for the projects in 2017.

♦ Increased materials and labor costs are affecting ALL construction projects throughout the state and region. This means the original budget will fall short of the amount needed to complete the projects.

♦ The School District is able to get $1.39 Million of the bond amount from the State’s School Revolving Renovation Fund with no interest and with the state paying 65% of the cost.

♦ The community is committed to finishing these projects. Without this bond, the nearly $10 million shortfall will come out of the School Department’s regular budget, which would likely mean higher taxes and additional costs due to delays.

HOW would this bond affect my taxes?

♦ The impact on the Mil rate would be an average of .31 per $1000 of valuation over 16 years.
A 16-Year Fiscal Analysis was developed to examine the long-term fiscal impacts of the three proposed Bonds as well as an increased Capital Improvements Program to invest in City and School Infrastructure now to produce long-term benefits in the future. The Program in the Analysis is:

- **Roads**: Bond $6.2 million in 2020 for 10 years and then increase the CIP annual funding from $1.4 M/yr to $4.0 M/yr over the next five years and then maintain $4.0 M/yr thereafter.
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Fiscal Analysis Model uses the following assumptions based upon current historical averages:

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Proposed Sanford Bond

Question 2:

$1 Million: Fire Station Land Purchase

WHAT is this bond about?

♦ In order to maintain its ISO rating and continue to provide outstanding protection to the lives and property of Sanford and Springvale residents, Sanford will need to convert from its former 3 fire stations to 2 stations.

♦ To maintain the Fire Department’s excellent response times throughout the community, the stations must be located in very specific areas along the Rt. 109 corridor.

♦ Because this land is quickly being bought and developed, this bond will allow the purchase of the appropriate parcels while they are still available.

WHY is this bond needed?

♦ In 2014, a fire summit identified necessary improvements to Sanford’s Fire Department, including changing the type and amount of equipment, the type and number of staff, and converting from 3 fire stations to 2 stations.

♦ In 2016 a study looked at these options, concluding that converting from 3 stations to 2 will lower the long-term cost to the City by reducing maintenance costs.

♦ In 2018 a full feasibility study confirmed this was the best approach, but the locations of the 2 remaining fire stations must shift south in order to maintain Sanford’s excellent ISO rating and ensure minimum response times to fire events.

HOW would this bond affect my taxes?

♦ This bond would be for $1 Million dollars over 10 years. Any money not spent on the land will pay bond principal.

♦ The impact on the Mil rate would be an average of .03 per $1000 of valuation over 16 years.
What is the Tax Impact of All Bonds Combined?

A 16-Year Fiscal Analysis was developed to examine the long-term fiscal impacts of the three proposed Bonds as well as an increased Capital Improvements Program to invest in City and School Infrastructure now to produce long-term benefits in the future. The Program in the Analysis is;

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