

April 27, 2022

TOWN OF WINCHESTER

EXPLANATORY TEXT – SATURDAY, MAY 28, 2022 REFERENDUM VOTE

(As Authorized by the Board of Selectmen, Prepared by the Town Clerk, and Approved by the Town Attorney in Accordance with Connecticut General Statutes Section 9-369b.)

QUESTION PRESENTED: “SHALL THE TOWN OF WINCHESTER APPROPRIATE \$24,700,000 FOR COSTS RELATED TO CAPITAL PROJECTS CONSISTING OF REPAIRS AND IMPROVEMENTS TO ROADWAYS, REPAIRS AND IMPROVEMENTS TO SIDEWALKS, REPAIRS AND IMPROVEMENTS TO THE HIGHLAND LAKE DRAINAGE SYSTEM, AND THE ACQUISITION OF A FIRE VEHICLE; AND AUTHORIZE THE ISSUE OF BONDS AND NOTES TO FINANCE THE APPROPRIATION?”

EXPLANATION: A Resolution adopted by the Winchester Board of Selectmen at a meeting held April 18, 2022 shall be presented and discussed at a Special Town Meeting to be held Tuesday, May 24, 2022 in the Isabelle M. Pearson School, 2 Wetmore Avenue in Winsted. The Resolution shall be submitted under the ballot heading above to a referendum vote of both electors and non-electors on Saturday, May 28, 2022, between the hours of 8:00 AM and 8:00 PM in accordance with Sections 305, 313, 916, 1001 and 1708 of the Winchester Town Charter. Voting will take place at the Isabelle M. Pearson School, 2 Wetmore Avenue in Winsted. Absentee ballots may be obtained from the Town Clerk’s office beginning May 10, 2022. The full text of the Resolution as adopted by the Board of Selectmen is on file and available for public inspection in the Town Clerk’s office.

If approved, the Resolution will authorize \$24,700,000 total Town and State funds (estimated \$18,300,000 net of State grant money) for costs related to the following projects:

1. Roads - Repairs and improvements to various Town roadways, identified in the “Initial Selection of Roads for 5 Year Capital Plan” dated January 18, 2022 prepared by the Public Works Department consisting of milling and removal of waste materials, paving and materials, installation of manholes and drainage risers, traffic protection, including signage and police and flag personnel;
2. Sidewalks - Repairs and improvements to various sidewalks, consisting of demolition and removal of waste materials, installation of new materials and related costs;
3. Drainage - Repairs and improvements to the drainage system along Highland Lake, consisting of demolition and removal of waste materials, acquisition and installation of piping, collection basins and other materials, traffic protection, including signage and police and flag personnel and related costs;
4. Fire Apparatus - Acquisition and equipping of an aerial ladder truck or other apparatus for the Fire Department.

The Town of Winchester anticipates receiving an estimated \$6,400,000 in grants to fund, in part, the project appropriation. The amount of bonds or notes authorized to be issued shall be reduced by any grants received for the projects to the extent that such grants are not separately appropriated to pay additional project costs.

PROJECTED NET PROJECTS COST TO TOWN OF WINCHESTER TAXPAYERS:

	Roads	Sidewalks	Drainage	Fire Aerial Ladder truck	Total Project Costs
Total Estimated Gross Project Costs	\$21,700,000	\$600,000	\$1,000,000	\$1,400,000	\$24,700,000
Anticipated Grant Reimbursement	(\$6,400,000)	0	0	0	(\$6,400,000)
Total Estimated Net Project Costs	\$15,300,000	\$600,000	\$1,000,000	\$1,400,000	\$18,300,000 *

* \$18,300,000 Town funding is anticipated to be a series of bond issuances over 5 years, each with a 20-year payback period utilizing estimated interest rates from ranging from 3.0% - 3.5%.

PROJECTED MILL RATE IMPACT: The estimated annual impact on the Town's Mill Rate assumes annual growth in the taxable Grand List of .50%. Taking into consideration the Town's current mill rate of 33.54 and estimated bond issuance in accordance with the project cash flow needs, the estimated additional taxes for each \$100,000 of assessed value would be \$21 in Fiscal Year (FY) 2023, increasing to \$114 in FY 2024, \$131 in FY 2025, \$139 in FY 2026, and \$178 in FY 2027. This amount would gradually decrease thereafter by \$4 - \$5 each year to \$111 in FY 2043 and further decreasing to \$30 in FY 2046. (See Table and example tax calculation below) **Under these circumstances, the estimated average annual cost related to these projects from FY 2023 through FY 2046 is calculated to be 1.23 mills, or \$123.00 per each \$100,000 of assessed property value, which is approximately \$10 per month.**

Fiscal Year	P = Principal I = Interest	Estimated Annual Mill Rate Change	Estimated Annual Mill Rate with Proposed Bond	Estimated Total Additional Mills Needed with Proposed Bond	Estimated Additional Annual Taxes per \$100,000 Assessed Value– (see example below)
			33.54		
2022-23 (Year 1)	I	+.21	33.75	.21	\$ 21.00
2023-24 (Year 2)	P & I	+.93	34.68	1.14	\$ 114.00
2024-25	P & I	+.17	34.85	1.31	\$ 131.00
2025-26	P & I	+.08	34.93	1.39	\$ 139.00
2026-27	P & I	+.39	35.32	1.78	\$ 178.00
2027-28	P & I	(-.04)	35.28	1.74	\$ 174.00
2028-29	P & I	(-.05)	35.23	1.69	\$ 169.00
2029-30	P & I	(-.04)	35.19	1.65	\$ 165.00
2030-31	P & I	(-.05)	35.14	1.60	\$ 160.00
2031-32	P & I	(-.04)	35.10	1.56	\$ 156.00
2032-33	P & I	(-.04)	35.06	1.52	\$ 152.00
2033-34	P & I	(-.04)	35.02	1.48	\$ 148.00
2034-35	P & I	(-.05)	34.97	1.43	\$ 143.00
2035-36	P & I	(-.04)	34.93	1.39	\$ 139.00
2036-37	P & I	(-.04)	34.89	1.35	\$ 135.00
2037-38	P & I	(-.04)	34.85	1.31	\$ 131.00
2038-39	P & I	(-.04)	34.81	1.27	\$ 127.00
2039-40	P & I	(-.04)	34.77	1.23	\$ 123.00
2040-41	P & I	(-.04)	34.73	1.19	\$ 119.00
2041-42	P & I	(-.04)	34.69	1.15	\$ 115.00
2042-43	P & I	(-.04)	34.65	1.11	\$ 111.00
2043-44	P & I	(-.65)	34.00	.46	\$ 46.00
2044-45	P & I	(-.15)	33.85	.31	\$ 31.00
2045-46	P & I	(-.01)	33.84	.30	\$ 30.00
Average				1.23	\$ 123.00

Example: Current Assessed Value = \$100,000. Taxes @ current 33.54 mill rate = \$3,354. Proposed Year 1 Taxes = \$3,354 + \$21 = \$3,375. Proposed Year 2 Taxes = \$3,354 + \$114 = \$3,468.

The amounts presented above are estimates based upon estimated cash flow needs, interest rates and net grand list growth. Actual financing costs and mill rate changes may vary depending upon future events, including but not limited to, economic fluctuations and interest rate changes.
