

Middlebury Fire Department Facilities Renovations and Additions

Total Project Cost: \$4,875,000

The proposed bond amount for the fire facilities improvement projects is \$4,875,000: \$250,000 approved for design of the facilities in September 2011 and \$4,625,000 for construction of the facilities, which the voters will consider by Australian ballot at this year's Town Meeting in March.

Property Tax Impact

If the construction bond vote is approved in March, a twenty year bond will be issued to finance the project. Estimating an interest rate of 3.452%, provided by the Vermont Municipal Bond Bank in January, the average payment over the life of the loan is \$326,670 or 4.5 cents on the tax rate, resulting in an average annual cost of \$90 on a property valued at \$200,000. The average annual cost and tax impact was calculated using a \$7,200,000 Grand List and assuming no growth in the Grand List, hopefully a conservative estimate.

	Payment	Tax Rate	Annual Tax for \$200,000 Property
Average Payment Over Life of the Loan	\$326,670	\$0.045	\$90
Year 1 (FY2013) Interest Only	\$126,188	\$0.0175	\$35
Year 2 (FY2014) Highest Payment Year Principal & Interest	\$402,001	\$0.056	\$112
Year 20 (FY2033) Lowest Payment Year with Principal & Interest Paid – Last Payment	\$245,568	\$0.034	\$68