

## **COST - Frequently Asked Questions**

### **1. What will be the impact of this project on my annual property taxes?**

Building new Town Offices and a Library is a significant undertaking. Initial funding for the project will come from the Municipal Building Fund, the Library Capital Campaign and a bond from the Vermont Bond Bank. The Municipal Building Fund is a 'savings account' that the voters established to save towards this project over the past 3 years. There is currently \$100,000 in this fund. The Library Capital Campaign is a way for people interested in this project to directly donate to it. The bulk of the monies will come from a 20 year bond with a 2.5% interest rate from the Vermont Bond Bank. This bond will be written for \$1,700,000.

Monkton is in a good financial position to take on the new long term bond debt. In 2020 we will pay off the 2018 Western Star Dump Truck and in 2021, the first year of principal payments on the bond, we will have paid off the last capital building project, the Fire Station addition. In addition, the plan is to sell/lease the existing Town Office and Library. Not only will this help pay for the new building, but it could provide inexpensive office space for businesses looking to move to Monkton. There is also the possibility of grant funding. And since we will no longer be 'saving' for the new building via payments to the Municipal Building Fund, there will be more tax revenue available to pay down the bond. While all of these initiatives will reduce the overall impact, the majority of the monies to service the loan will come from an increase in Municipal property taxes.

Estimating the exact impact on property taxes is difficult, but considering only the bond payment itself in 2021, the payment will be \$117,970. This would increase the tax rate by 4.6 cents on the dollar resulting in an increase of \$46 for every \$100,000 of assessed value. Given the average assessed property/home value of \$260,000 in Monkton, this would result in an average increase of \$119 in property taxes. How much of this you would actually pay depends on the amount of property tax adjustment you receive from the State which is dependent on household income. Seventy percent of Monkton residents receive a property tax adjustment.

However, we have been putting \$40,000 a year into the Municipal Building Fund that would no longer be needed and we will have paid off the Fire Station addition which was another \$15,600 a year. The net result could be a tax increase as low as 2.4 cents on the tax dollar resulting in an increase of \$24 for every \$100,000 of assessed value or an average increase of \$62 in property taxes.

### **2. Could we reduce costs if community members donated their time or services to the construction?**

The Building Committee is recommending hiring a Construction Manager instead of bidding the project as a whole. This will allow individual components of the construction process to be bid out separately allowing local contractors an opportunity to participate in the project. In addition there are several tasks that have been identified as likely volunteer opportunities, such as patio construction, landscaping and outdoor facilities

**3. What will be done with the existing town hall and library buildings?**

Once construction is completed, the Building Committee recommends the community sells the existing buildings will be sold or leased. These buildings will provide an opportunity for businesses to locate in Monkton.

According to an appraisal of the town hall, its indicated market value is \$51,300. The quality of construction is average, heat is provided by an oil furnace and the condition is good. Water and limited septic are supplied by easement from the Russell Library property. The highest and best use of the property is proposed to be a conversion to shop, studio or office use with limited septic capability.

The Russell Memorial Library's indicated market value is \$ 65,000. A drilled well and on-site septic are shared with the Town Hall property. The quality of construction is average, heat is electric baseboard and the condition is good. The highest and best use of the property is proposed to be a conversion to a residence, shop, studio or office use. To read the full appraisal, go to:

<http://monktonvt.com/wp-content/uploads/2012/02/Appraisal-Summary-Monkton-Town-Hall-and-Library-Nov-2017.pdf>

Selling the existing facilities is the recommendation by the Building Committee to reduce the total cost of the project, however the Selectboard will handle the management of selling these town own buildings through a public process.

**4. Is there grant funding available to help cover some of the costs?**

Potential grants have been researched from a variety of agencies and programs including the Agency for Commerce and Community Development (ACCD), USDA – RD Community Facilities program, Vermont Community Development Program (VCDP), Vermont Department of Libraries and the Vermont Department of Buildings and General Services. It was determined that these agencies and programs fund projects dealing with renovation, for increasing handicap access, or for last gap funding with a matching financial fund. Private grant opportunities were researched through the Foundation Center, a directory of private foundations. The private foundations focused on grants for programming related to the arts, education, children and social justice. While grant funding for new construction has not yet been found, research into grant opportunities continues. If you have information regarding grant funding for new municipal construction, please contact Melanie Cote at [cotem@ymail.com](mailto:cotem@ymail.com) or 425-4441.

**5. How will projected operating costs of the new building compare to our current costs for the two buildings?**

The town hall's 2019 cost for kerosene heat was \$2965 and electricity cost was \$1373. The library's 2019 electric and heating costs were \$1,289.

The cost of operating the new building will vary depending on the actual usage of the building on an annual basis. Consolidating the functions of two separate buildings into one is inherently more efficient particularly given the level of sustainability the proposed building will achieve.

**6. What about Mt. Abe? What happens if they have another bond vote?**

Before talking about Mt. Abe it is important to recognize that the Town of Monkton has paid off all of its long term debts. This includes both the Firehouse addition in 2001 and most recently the Firehouse addition in 2015. As a result, Monkton is well positioned to take on this additional debt that a bond represents.

The Mt. Abe Unified School District (MAUSD) has been conducting a number of outreach events in each of the 5 towns to access community involvement and commitment to their local schools. Going forward, MAUSD will continue to present communities with a number of scenarios for developing a long term facilities plan for our district. While MAUSD has built small repairs in their yearly budget, there have been no decisions made regarding a path going forward. We do note that to some extent school spending per pupil has a soft cap and this is a disincentive for expensive projects.

The short answer then is we don't know what MAUSD will do in the next several years. The last bond proposal from MAUSD in 2017 for \$35,000,000 was projected to have tax impact of \$87.60/\$100,000 of assessed value.

If you would like to learn more about the MAUSD community engagement and next steps in the process, please go to: <http://www.mausd.org/school-boards/community-engagement-committee>