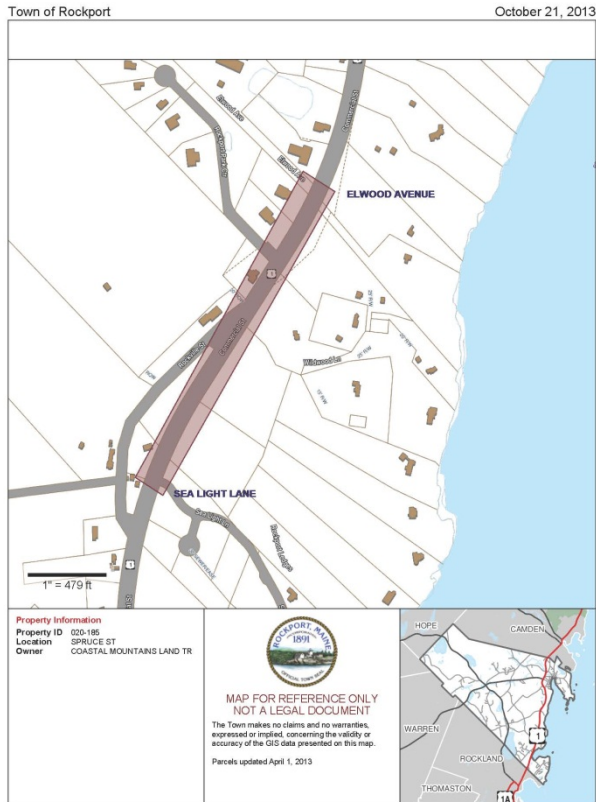


Northern U S Route 1 Sewer Expansion 2014

Town of Rockport



Total Rockport Outstanding Debt

MMBB TIF	\$280,000.00		
MMBB Sand & Salt Bldg.	\$150,000.00		
Camden Treatment Plant	\$64,571.00		
Rawson Ave Pump Station	\$64,636.00	\$559,207.00	Total Town Debt
Five Town CSD	\$3,472,750.00		
MSAD 28	\$6,876,049.00	\$10,348,799.00	Town Schools Debt
	\$10,908,006.00	\$10,908,006.00	7.55% Percentage of Allowable Debt
Note: Maximum Debt Allowed:	\$144,570,000.00		

WARRANT ARTICLE - Proposed Sewer Extension

Article 5. Shall the Town of Rockport authorize the Select Board to undertake a sewer extension project on the northern section of U. S. Route 1 within the Town of Rockport and to finance the Project by issuing Bonds through the Maine Bond Bank's Clean Water State Revolving Fund program in an amount not to exceed \$889,667, which bonds may be made callable?

Select Board Recommendation:	5-0-0
Budget Committee Recommendation:	7-0-0

TOWN OF ROCKPORT TREASURER'S FINANCIAL STATEMENT

Total Town Indebtedness	
Bonds outstanding and unpaid:	\$ 10,908,006
Bonds Authorized and Unissued:	\$ -
Bonds to be Issued if this Article is Approved:	\$ 889,667
Total Indebtedness	\$ 11,797,673

Cost of the Bonds

At an estimates interest rate of 2.0% for a term of twenty (20) years, the estimated costs of issue the Bonds will be:

Principal	\$889,667
Estimated Interest	\$186,829
Estimated Fees	\$80,515
Total Debt Service	\$1,157,011

The validity of the Bonds and of the voters' ratification of the Bonds may not be affected by any errors in the estimate of the cost of the Bonds. If the actual amount of the total debt service for the bond issue varies from the estimate, the ratification by the electors is nevertheless conclusive and the validity of the obligation is not affected by reason of the variance.

Richard C. Bates, Treasurer
Town of Rockport

Sewer Extension Northern US Route 1



20 Year MMBB Bond –
Approximately \$56,000 per year...

Proposed extension from
Elwood Avenue to Sea Light Lane...

Town of Rockport

101 Main St.
P O Box 10
Rockport, ME 04856
Phone: 207.236.9648
Fax: 207.230.0112
<http://rockport.town.me.us>



Commercial Street Sewer Bond Issue

Town Office Phone:
207.236.9648

VOTER INFORMATION FOR THE COMMERCIAL STREET SEWER BOND ISSUE

Background

In the 1980s, the Town of Rockport addressed a serious environmental issue. Many homes and businesses were discharging their sewage directly into Penobscot Bay, both into Rockport Harbor and into Clam Cove. Under state and federal mandates, the town constructed a wastewater collection system (the sewer) in two parts - one to service Rockport Village and surrounding areas, and another to service the Glen Cove portion of town. Agreements were secured with Camden (for the Village system) and Rockland (for the Glen Cove system) to send the collected waste water to their treatment plants, which meant that Rockport did not have to construct its own treatment plant.

The construction of the two separate systems was financed with a combination of state and federal grants and by borrowing money through bonds that were to be paid back over a number of years by the users of the wastewater systems.

More Recent Years

Extensions to the original system to serve Camden Hills Regional High School and properties along Commercial Street (Rte. 1) from West St. (Rte. 90) south to Elwood Ave. were constructed between 1988 and 1989 funded in part by a Tax Increment Financing District (TIF) established for that purpose.

As the Comprehensive Plan was developed in 2003-2004, the issue of expanding the wastewater system was addressed. One of the highest priorities noted in the Comprehensive Plan is the linking of the two wastewater systems by extending the sewer system along Commercial St. from Elwood Ave (the southern terminus of the "Village" system) to South St. (the northern terminus of the Glen Cove system).

Through the last couple of years, the Select Board, acting in its capacity as Wastewater Commissioners, has identified this linkage of the systems as its highest priority with a general goal of completing the linkage within the next ten years. The Wastewater Commissioners have undertaken engineering and feasibility studies for one section of this area, from Elwood Avenue to Sea Light Lane, and have received an estimate of \$1.1 million to construct this extension in the summer of 2014. The town has received initial approval to float a bond issue to cover the cost of this extension, but the voters must approve this bond issue in order for the town to move forward.

FREQUENTLY ASKED QUESTIONS

Why should this project go forward now?

The cost of borrowing money (interest rates) is at historic lows. The construction industry is still recovering from the economic downturn, and bids for construction will likely reflect this by being lower than they might be in future years. It will likely never be cheaper to do this project than it is now.

What are the benefits to the town for this project?

This will be the first step in connecting the town's two separate wastewater systems, which when complete, will allow the town much greater flexibility in terms of pumping wastewater to Camden and Rockland. In the future, should either of those treatment plants have a reduction in their ability to accept Rockport's wastewater; the town would then be able to shift more of its wastewater to the other plant.

Also, commercial establishments in this area are currently unable to grow and employ more people because of the constraints of their current septic systems. By providing sewer service to these businesses, they will be able to continue their operations and perhaps expand. If the businesses expand, or if new commercial development occurs in this area, the additional property taxes generated will be captured by the TIF, and these funds will then become available to help with further sewer expansions in the future to ultimately connect the two wastewater systems.

Why should we do only this partial section of the linkage between the two systems?

This is a manageable construction project for one season, both in terms of cost and scope. There are businesses along this extension that are in significant need of sewer service to continue and/or expand their operations, and providing the properties along this stretch with sewer service may promote commercial development in this part of town, consistent with the Comprehensive Plan.

How much will the project cost?

The current estimate is \$1.1 million (principal and interest).

How will the project be paid for?

The voters are being asked to approve a bond issue of up to \$1.1 million to pay for the project. This means that the town will borrow the money, and it will be paid back over a 20 year period.

In addition, Maine Water will likely extend their water mains at the same time as the sewer is extended, and they will share some of the construction costs. Also, the town will be applying for grants tied to businesses in this part of town either maintaining jobs or creating new jobs as a result of the sewer extension. These factors make it possible that the actual amount required to be raised by bonds will be less than the \$1.1 million cost.

How will the bonds be repaid?

It is anticipated that the expansion of the northern section of the U S Route 1 sewer line will be paid for with the Tax Increment Financing District (TIF) revenue that has been and will continue to be set aside for this purpose. Users of the system should not see a change in their debt fee payment attributable to this expansion.

What is the impact on my taxes if the sewer does not pass by my property?

There will be no impact. Your property taxes will **not** be increased as a result of this project. Increased tax values in properties developed in the TIF District (the area of the extension) are diverted to the TIF Fund annually. The diverted taxes within the district will be used to pay down the debt each year, as long as TIF funds are available.

What will I have to pay as a sewer user?

Your bill will include charges for your actual usage of the system called the "User Fee", based on the amount of water that you use. There is also a section of the bill called the "Debt Fee" which helps to cover the payments on current debt.

What will change if I am a current sewer user?

The debt fee should remain unchanged. Within the next few years, much of the original debt to build the sewer will be paid off, and this could lead to a decrease in the debt fee. As the original debt is retired, the Wastewater Commissioners plan to use a portion of the debt fee to build a reserve account which will be used for needed repairs and upgrades to the entire system as it ages.

What if the sewer passes by my property, but I do not connect?

According to town policy, you will be required to pay the debt fee, but you will not have any usage charges. For an average single family property this fee is currently about \$164 per year.

Am I required to connect to the sewer if it passes by my property?

If you have a functioning septic system, then you do not have to connect. If your system fails in the future, though, you are required to connect, and any new buildings are required to connect.

What is the impact on my taxes if the sewer does not pass by my property?

There will be no impact. Property taxes are not used to support the wastewater system; it is funded by user and debt fees.