

SOMERS RESIDENTS

NOTICE OF PUBLIC MEETING ON A \$4.27 MILLION DOLLAR BOND

On October 24 at 6:30 pm in the Town Hall Auditorium there will be a town meeting on expending \$6.194 million dollars and bonding of \$4.276 million dollars on various Capital Improvements for the Town of Somers. The purpose of this meeting will be twofold:

1. To inform Somers residents of the content and need for the Projects
2. To set a referendum date of November 5, 2013 to vote on the Projects

The Projects are as follows:

I. SCHOOL ROOFS / FIRE ALARM / GENERATOR-Authorize an appropriation of \$2,471,000 for School Roofs, Fire alarms, and Generator Improvements at the Somers Elementary and Somers High School. Authorize bond expenditures not to exceed \$1,053,000 for the approved projects. The difference between the appropriation and the bond will be offset by State grants.

II. ROAD IMPROVEMENTS- Authorize an appropriation of \$3,105,000 for improvements to Mountain Road and Somerset Lane. Authorize bond expenditures not to exceed \$2,605,000 for the approved projects. The difference between the appropriation and the bond will be offset by State grants.

III. FIRE DEPARTMENT TANKER TRUCK AND AMBULANCE -Authorize an appropriation and bond of \$565,000 for the purchase of a Tanker Truck and Ambulance for the Town of Somers. The Ambulance is to be delivered in 2016.

IV. SOMERS SENIOR SHUTTLE BUS- Authorize an appropriation and bond of \$53,000 for the purchase of a Shuttle Bus for Senior Transportation.

FIRE TRUCKS-At a prior Town Meeting an appropriation and bond of \$1,045,000 was authorized for the purchase of two Fire Trucks. These trucks were delivered in August 2013. It is the Board of Finance's intent to add this sum to the \$4,276,000 bond and bind the town with one total bond of \$5,321,000.

HOW WILL WE PAY FOR THE BOND- The total project costs will be \$7,239,000 and the bond will be \$5,321,000. The cost difference will be balanced with State grants. The bond term will be 20 years, except the Ambulance and Senior Bus will be 10 year bonds. Our current budgetary bond payments are \$1,725,693 per year. In 2015 this will decrease to \$1,367,307 per year, and continue with small decreases in subsequent years. This reduction in bond payments will be utilized to pay this new bond issue and result in bond payments below our current levels. **See the attached chart of the proposed budgetary bond payments, with and without this new proposed issue.**

Due to the low borrowing interest rates (approximately 3.5 %) your Board of Finance feels that this is an opportune time for a bond issue, and for improvements to our Town infrastructures.

A copy of the detail resolution of items I through IV is available at the Treasurers Office, 600 Main St., Somers.

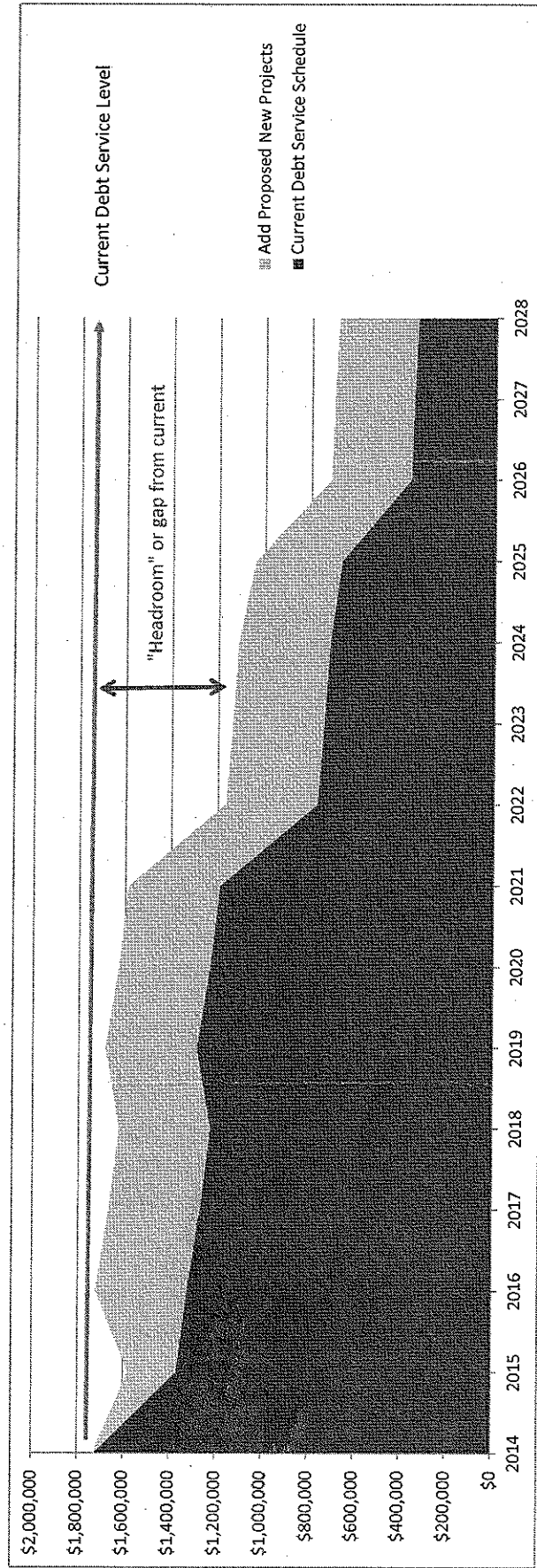
Sincerely,

Somers Board of Finance

Steve Krasinski Tom Mazzoli Michael Parker Jim Persano (Chair) Marilyn Pronovost Joseph Tolisano

Debt Service & Bonding Analysis — Level Budget Scenario

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Service											
Current Debt Service Schedule	\$1,725,693	\$1,367,307	\$1,323,678	\$1,267,308	\$1,224,895	\$1,284,771	\$1,228,579	\$1,187,821	\$768,098	\$739,288	\$715,788
Add Proposed New Projects	\$3,600	\$209,504	\$396,633	\$396,633	\$396,633	\$396,633	\$396,633	\$396,633	\$396,633	\$396,633	\$396,633
Revised Debt Service Schedule	\$1,729,293	\$1,576,811	\$1,720,311	\$1,663,941	\$1,621,528	\$1,681,404	\$1,625,212	\$1,584,454	\$1,164,671	\$1,135,921	\$1,112,421
"Headroom" or Gap from Current	N/A	-\$148,882	-\$5,382	-\$61,752	-\$104,165	-\$44,289	-\$100,481	-\$141,239	-\$561,022	-\$589,772	-\$613,272



Projects (Bond Financed Amount Only)

School Roofs & Maint. (FY15)	\$892,000
Mountain Rd Design (FY15)	\$300,000
Mountain Rd Const. (FY16)	\$2,141,000
Somerset Lane Reconst. (FY15)	\$164,000
SES & SHS Fire Alarms (FY15)	\$120,000
SES Generator (FY15)	\$41,000
Ambulance (FY16)	\$240,000
Tanker (FY15)	\$325,000
Senior Bus (FY15)	\$53,000
Total	\$4,276,000
Add Fire Trucks (FY15)	\$1,045,000
Total Financing	\$5,321,000