



Special Town Meeting

March 8, 2010

Finances for the Proposed
New Main Library




New Library Project

Net cost budget - \$9.3M.

- Town will borrow the \$ and issue a bond.
- Proposed as Proposition 2 ½ Debt Exemption.
 - What is a Debt Exemption?
 - The exact principal and interest cost each year is raised outside of the limits of Proposition 2 ½.
 - When debt ends, the taxes end.



New Library Project

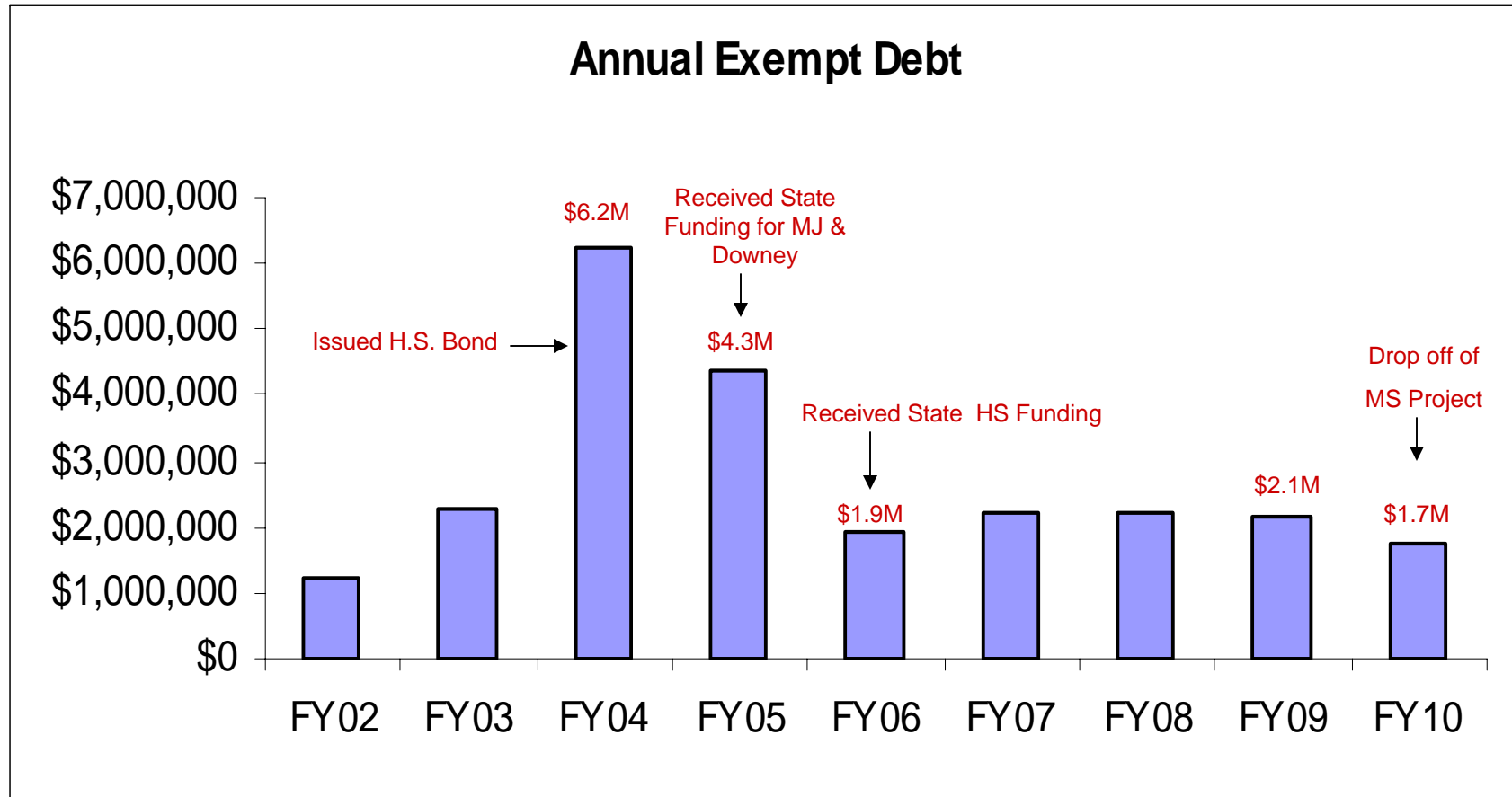


Interest	Average Annual Payment
5%	\$106
4%	\$99
3.5%	\$95

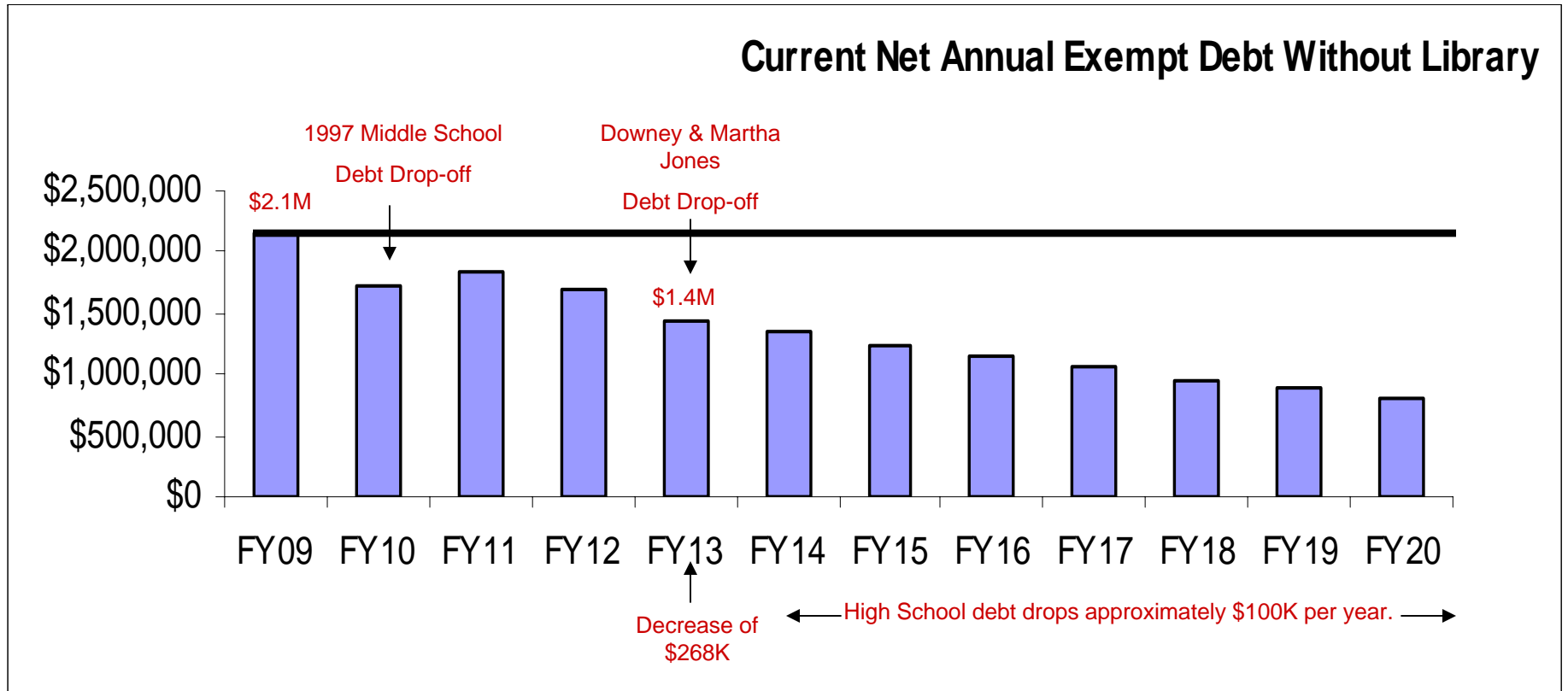
The lower the interest rate, the lower the average annual payment.

Exempt Debt – What is it?

- Principal and interest payments for projects approved outside Proposition 2 ½.
- Exact amount of debt cost, net of state school reimbursement, is raised in taxes.
- When bond ends, exempt taxes end.



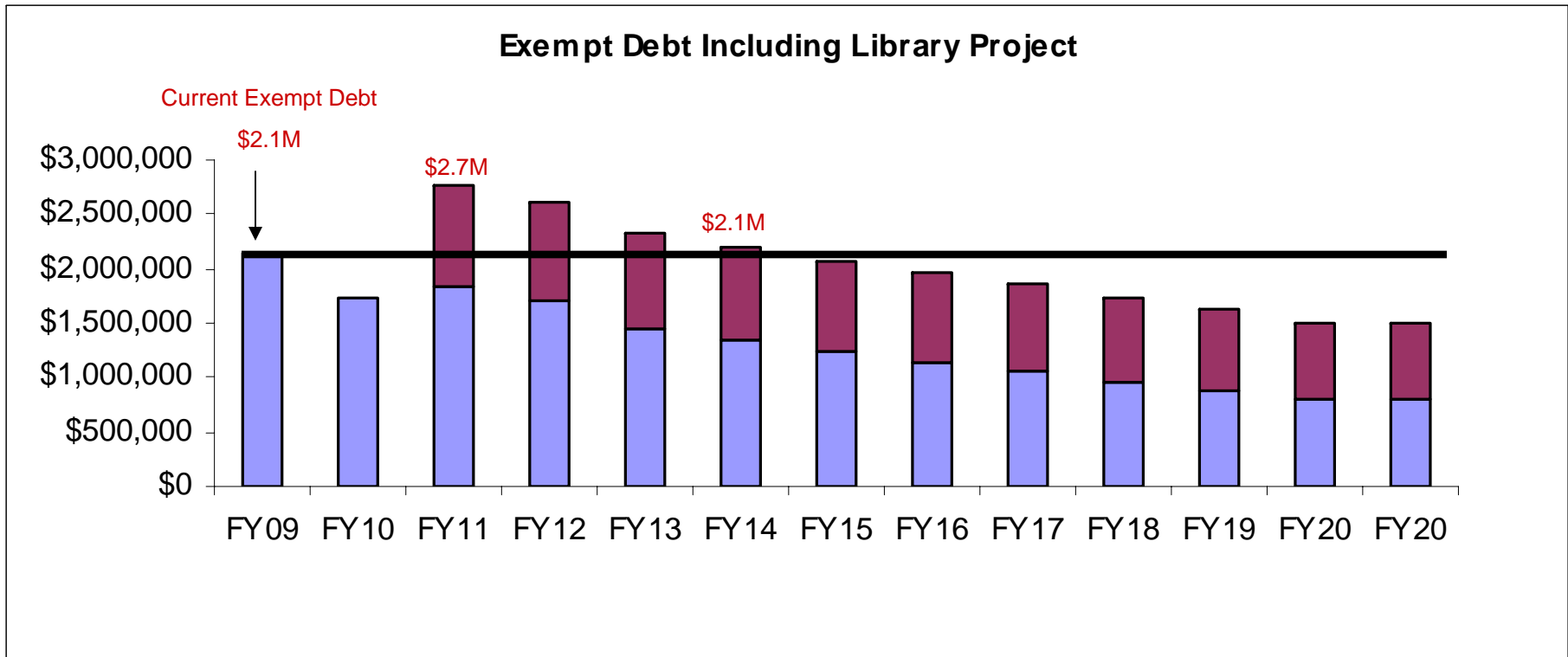
Exempt Debt – Next Few Years



Current Exempt Debt Projects:

- Downey School construction – ends in FY12.
- Martha Jones School construction – ends in FY12.
- High School construction – ends in FY2023.

Exempt Debt – With Library Project



Current Exempt Debt



Library project debt – 20 year bond at 5%

New Library Project - Summary

Override Costs

	Total Cost of Project to Homeowner Over 20 Years	Average Annual Cost to Homeowner	Approximate Increase on Current Tax Bill
Approximate Amount Per \$100,000 of Home Value	\$400	\$19.92	1.5%
Approximate Amount Per Average (\$532,000) Home	\$2,127	\$106	1.5%

FY11 Tax Bill Without Override

	FY10	FY11	\$ Change	% Change
Approximate Amount Per \$100,000 of Home Value	\$1,307	\$1,343	\$36	2.74%
Approximate Amount Per Average (\$532,000) Home	\$6,958	\$7,149	\$191	2.74%

