

TOWN ROAD IMPROVEMENT PROJECT UPDATE

September 12, 2017

On behalf of the Town Road Improvement Project Committee, it is my pleasure to provide you with tonight's Town Road Improvement Project Plan update.

My update consists of three components:

1. A high level review of the process used to create the plan.
2. A detailed look at the outcomes and estimated costs of the plan.
3. A few thoughts on why we as a committee thing taking action now might be a good idea.

THE PROCESS

As some of you may remember, the formal journey towards the development of a Town Road Improvement Plan began back in 2015 with the completion of a road survey by then Town Board members, Dennis Duke, Denny McGann and Dennis Reuss.

The process in creating a final plan was stepped up a notch between January and March of 2017 when a seven-member, Town Board sponsored committee was formed. Its subsequent creation of a formal project plan and timeline brought focus to the milestones that had to be met in order to get a plan completed by no later than October 1st, 2017.

The critical success factor in the creation of the plan, however, was the hiring of Town and Country Engineering from Rheinlander, WI, more specifically, the completion of a formal "conditions assessment" of all 94 miles of Boulder Junction's town roads. This engineering based assessment and the addition of actual 2017 road construction costs helped to create a fact based, road-by-road reconstruction plan.

The plan we are recommending to you tonight was unanimously selected by the committee as the best option for your consideration for two major reasons:

1. It maximizes its estimated investment cost to provide the most cost effective upgrade to every mile of occupied town road, and as such, provides a direct benefit to every taxpayer.
2. It includes a methodology that will provide for their long-term maintenance using our current road maintenance and improvement budget levels. No additional funding for maintenance is anticipated at this time.

TOWN ROAD IMPROVEMENT PROJECT UPDATE
September 12, 2017

THE PLAN

As summarized in the handout provided for you,

- Places 29 miles of town roads in a five-year maintenance plan funded by the town's current operating budget. They would receive a maintenance coat of chip seal, extending their current life an additional 5 – 7 years, and possibly longer, depending upon the type, and volume of traffic they experience.
- 57 miles of road are to be placed into a formal road improvement plan with an estimated total investment cost of \$5.0 million.
- The remaining 8 miles of town roads will remain gravel, as they currently do not have anyone living on them.
- The annual principle and interest costs associated with obtaining a 20-year, \$5.0 million bond is estimated to be approximately \$337,000.
- Its addition to the town's annual operating budget is estimated to increase the tax levy by \$69 per \$100,000 of assessed valuation or an average tax increase of:
 - \$104 on an off water home value,
 - \$285 on a waterfront home value, and
 - \$222 on an overall average home value in Boulder Junction.

WHY ACTING NOW MIGHT BE IMPORTANT?

- The plan is based upon solid engineering and actual 2017 reconstruction costs.
- Borrowing costs are projected to continue to rise driven by increasing interest rates.
- Material costs are currently very competitive due to relatively low petroleum costs.
- Roads will continue to deteriorate and even the adoption of a "fix as fail" strategy (see Scenario #9) will require additional funding so a zero cost option does not appear to exist.

As I stated in my opening comments, we now have a plan. How can we as a committee answer any questions you may have?

QUESTION & ANSWER