

Board of Selectmen

Dover Community Center Frequently Asked Questions

On June 3rd, 2023, the Town will hold a Special Town Meeting to determine if the community will vote to approve additional funding of \$6.6 million for the Community Center project. This Document is intended to answer questions frequently heard from residents to better inform the community before the scheduled meeting. We also recommend that residents review the June 1, 2021, FAQ document. That document can be found on the Town website and by clicking on this link: <https://www.doverma.gov/DocumentCenter/View/1613/060121-FAQs-Community-Center-Building-Committee?bidId=>

- 1) **What is the estimated tax impact **per year** of borrowing **an additional \$6.6m**?**
Interest rate is not known, estimated @ 3.5% (the tax impact may be further mitigated by using both a Green Community Grant and federal ARPA funds).

Home Assessed Value	2025	2030	2035	2044	Avg. per Year
\$750,000	137	126	112	88	\$114
\$1,250,000	228	210	187	147	\$189
\$1,750,000	319	294	262	206	\$265
\$2,250,000	410	378	337	264	\$341
\$2,750,000	501	461	412	323	\$417

- 2) **What is the actual tax impact of borrowing the original \$18,850,000 @ 1.8% interest in 2021, per year?**

These figures include the planned use of \$4,000,000 of cash reserves over a 12-year period to mitigate the tax impact on residents.

Home Assessed Value	2025	2030	2035	2042	Avg. per Year
\$750,000	183	238	249	216	\$227
\$1,250,000	305	397	415	361	\$378
\$1,750,000	428	555	581	505	\$529
\$2,250,000	550	714	747	649	\$680
\$2,750,000	672	873	913	794	\$831

3) What is the total cost of \$25.4m borrowings to Dover households?

These numbers include *estimates*.

Home Assessed Value	2025	2030	2035	2042/4	Avg. per Year
\$750,000	320	364	361	304	\$341
\$1,250,000	533	607	602	508	\$567
\$1,750,000	747	849	843	711	\$794
\$2,250,000	960	1092	1084	913	\$1,021
\$2,750,000	1173	1334	1325	1117	\$1,248

4) What are the options if Article 1 is defeated?

Article 1 asks the Town to appropriate an additional \$6.6m to the project for construction beginning in July 2023. If defeated at the Town Meeting (2/3rd vote required), the Selectmen would look for alternate ways to develop a Community Center for Town residents. ***This approach would mean significant project delay.***

One option would be to investigate renovating the 1910 Caryl Facility staying within the budget approved in June 2021. Renovating the 1910 Caryl facility would mean:

- ascertaining if the work already done by the architects to renovate Caryl can be leveraged in this new effort.
- determining if approved monies could legally be used for this project or whether a new vote is required by Town Meeting.
- the design would be modified to stay within the budget.
- that the space would be sufficient to meet most community needs, programs, and services.

The second option would revisit developing a new facility. The Selectmen, to the extent possible, would also try to leverage all the work done by our current architects but modified to stay within the remaining budget. Approximately \$2,000,000 has been expended for architectural and project management costs ***Here again the project would face significant delay.***

5) If article 1 is voted down what happens to the \$18.8m already borrowed?

The appropriated money could be repurposed for other Town financing needs including capital budget items, road repair, the Hale Reservation Conservation Restriction and other Town projects. Repurposing the money would require Town Meeting approval.

6) What kind of analysis and research has been done leading up to the decision that none of the free cash can be used for this project?

Cash reserves are used primarily to stabilize the tax rate and smooth unanticipated cost spikes in the budget. The Selectmen and Town Administrator take a strong conservative position on Town

expenditures, which has allowed the Town to retain its AAA bond rating and meet all our financial obligations. When deciding how to fund projects, Town Administration follows best practices, such as only borrowing for long-lived assets and matching expenses to the useful life of a capital asset. The Town tends to use cash reserves for less expensive assets with a shorter useful life and also keeps cash reserves for emergencies or other unforeseen events. The Town utilizes an asset management service to ensure we understand likely future maintenance costs. We use similar management systems for vehicle and mechanical equipment replacement.

The community has other pending expenditures that may require borrowing and/or the use of cash reserves. The Selectmen want to ensure that all community interests are given an equal opportunity to benefit from the Town's strong financial position. Thus, the Selectmen chose to forego additional cash reserve allocations to the Community Center project.

7) Are we using any free cash to mitigate the \$6.6m borrowing?

Currently, the Selectmen anticipate using a Green Community Grant and ARPA funds to mitigate some of the additional costs of the \$6.6 borrowing to taxpayers. In 2021, the Selectmen recommended that \$4,000,000 of "free cash" be used over 12 years to moderate the tax impact of the \$18,850,000 borrowing approved at the June 2021 STM. These annual allocations of "free cash" require Town Meeting approval.

8) What would it cost to tear down the entire building complex?

The current estimate to tear down the building complex is \$1 - \$1.4 million.

9) Has the design or footprint of the building changed, has it got bigger or smaller?

The design, footprint and size of the Community Center building has not changed since the Special Town meeting in 2021.

10) Why are we voting on staffing now if the Community Center won't be available until September 2024 (Article 3)?

To ensure a smooth opening of the Community Center, management and operational staff need to begin working together and planning by March 2024. This early onboarding and planning process is the best way to ensure success. The cost of these new hires, a Community Center Director and two custodians, should be provided for so that we have the monies required to hire the staff when needed. We would look to hire the Community Center Director in March, adding 4 months' salary in FY24 and the custodians in May or June.

11) What are the required voting options for this project?

At the **June 3**, 10 a.m. Special Town Meeting a 2/3rds YES vote is required to pass Article 1 to fund the \$6.6m increased cost. A 2/3rds YES vote is also required to pass Article 2, a \$174,000 request by Park and Recreation for an outdoor recreation court and swing area at the Community Center.

On **June 12** there will be a special election vote to approve raising taxes to fund the additional debt. A majority vote is required for approval.