

Proposed \$5,000,000 Road Improvement Bond

The members of the East Greenwich Town Council urge a vote in favor of the proposed \$5,000,000 bond for road and sidewalk repairs and improvements.

Throughout many areas of Town, road repairs and resurfacing are needed, and now is an opportune time to address this problem. During the Great Recession, East Greenwich, like other municipalities, experienced a drastic reduction in non-tax revenue from sources such as permit and license fees. Tax revenue also declined and during this same period, the state substantially reduced state aid to municipalities. In fact, revenues have still not fully recovered. In order to hold down property taxes, Town expenditures were addressed and as a result, the roads suffered. Each year, the roads deteriorate further, making them even more expensive to repair. The traditional method of tax-based financing in each budget year for road repairs is no longer sufficient to address the Town's road repairs in a timely fashion.

However, one consequence of the recession is that interest rates on debt dropped and remain low today. That, combined with other financial factors affecting the Town, makes this an ideal time to issue bonds. Interest rates are at an historic low and will probably begin to rise in the near term. In the recent bond refinancing, the Town's net interest rate was lowered to 1.64%. Moreover, now is a good time for East Greenwich to issue these new bonds because Town debt is decreasing starting in this budget year. Older debt is reaching maturity, is being paid off and debt service costs are decreasing. In this budget year, \$9.6 million in debt is maturing. That means that debt service payments in the next budget year will decrease by \$970,000.

Posted on the Town website is the list of the roads to be addressed. The criteria for selection are discussed. Construction variables, such as unforeseen road conditions and weather, make it impractical to guarantee year by year construction for the entire length of the plan.

This proposed bond is part of a multi-phased approach that will further road improvements by securing funding for our roads now. The first phase included Middle Road, Hill and Harbor neighborhoods, and areas west of Route 2. This was funded from the proceeds of a prior road bond and from the funds appropriated in annual budgets. This proposed bond will add to, not replace, funding in the annual operating budgets for infrastructure repairs.

The funds from this bond can only be used for the purpose of repairing roads and not for any other governmental purpose. The Town's track record of utilizing bonds has been good. Other bond funded projects – the 2008 school construction, Swift Community Center renovations, the police station, Scalloptown Park – have been on time and under budget.

All taxpayers in Town will benefit from infrastructure repairs, whether or not your particular neighborhood has already been addressed because we all travel throughout Town and because

road conditions reflect on the perceived quality and desirability of the Town as a whole. Just like all taxpayers are asked to support our schools, public safety, recreation and social services, we urge all taxpayers to support these needed road repairs.

Below is a list of roads that were prioritized for road improvements. (Also, please see the map.) In deciding which roads to improve, the Town considers the following criteria: Age, classification of the road (collector versus residential), proximity to public facilities (i.e. schools), condition (potholes, drainage, etc.), utilities installation and pedestrian use.

Shippeetown Rd.

Aurora Rd.

Ann Dr.

Signal Ridge Way

Watch Hill

Fox Run

Tillinghast Rd. (Frenchtown Rd. to Middle Rd.)

South Rd. (Route 2 to Narrow Ln.)

Midland Dr.

High Hawk Dr.

Deerfield Dr.

Woodbridge Dr.

Sonnet Dr.

Sheep Farm Dr.

Asprey Dr.

Rabbit Run

Falcon Circle

Eagle Ln.

Kent Dr.

Silo Ln.

Crestridge Dr.

Hannaford Dr.

West St.

Brayton St.

Long St.

The following streets will have sidewalk repairs only:

Friendship (Cliff St. to Main St.)

Green St. (adjacent to CVS plaza)

Prospect St. (at the corner with Greene St.)

Liberty St. (Spring St. to Green St.)

Kenyon Ave. (First Ave. to Cedar Ave.)

Cedar Ave. (Cole Middle School to Middle Rd.)

Rocky Hollow Rd.