



## Road Program Financed with Bonds

Municipality: Upper Brookville

County: Nassau County

Population: Less than 5,000

Type: Village

### 2017 Local Government Achievement Award

Village Hall: (516) 624-7715

Upper Brookville previously delayed rebuilding and resurfacing roads until they were close to the end of their useful life and the only solution was costly reconstruction.

In July 2016, the Board of Upper Brookville resolved to (a) repave the rest of the village's roads at a cost of \$2.3 million over two years, and (b) issue 15-year bonds to cover the cost. Issuing bonds would finance the repaving of all needy roads while lowering the annual road expense from \$450,000 to \$200,000 per year.

The road project is innovative because it combines low cost construction materials with sound road science and abundant bargain rate financing to bring great value to residents.

In effect, a municipality can have longer lasting, smoother riding roads and by using readily available financing, lower property taxes at the same time.

Great value can be generated in future tax savings by engaging in proactive road maintenance. Roughly \$1 spent in time will save \$4 later in reconstruction.

Costs included legal fees (\$7,500), audited financials (\$10,000), financial advisory and placement (\$7,500) and rating agency fees (\$11,000). All road related expenses will be capitalized with the road cost and financed with the bonds. Bonds will be repaid in 15 years. When the roads wear out in 20 years, the village can finance their reconstruction again with new bonds.

Once the roads are returned to good condition we will plan regular maintenance such as seal coating over the next few years to extend their lifespan. We have also instituted a Garbage Disposal District (GDD) designed to (a) reduce the number of heavy trash trucks that travel the village roads and (b) increase the percentage of smaller, lighter trash trucks to reduce pavement damage.

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[2017 Local Government Achievement Award](#) | **Village Trash District**

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The village's new Garbage Disposal District (GDD) is a unique variation on single hauler village trash collection. It was designed to lower the cost of collection, reduce taxes and improve property values over time, and improve the environment and quality of life in the village. It also significantly reduces the cost of future road repaving. The GDD was patterned after a similar program in a nearby village adopted a few years earlier.

We had seven licensed haulers in the village. Pick-ups were very inefficient because the haulers skipped homes as they went from customer to customer. Some residents saw multiple trucks on their streets six days a week. The pickups were also noisy, the haulers damaged property and they did not recycle. The diesel fumes from seven haulers also polluted the air.

Improvements include increased recycling, fewer potholes, less property damage, improved safety, fewer trash pickups, fewer trash trucks, less congestion on roads, reduced collection noise, better overall control, and reduced diesel emissions.

Residents have the option to "opt out" of joining the GDD. Thereafter, residents may opt in or out (a) each year or (b) earlier if they sell their homes. If they don't elect to opt out, they are automatically enrolled in the GDD. The GDD charges a flat rate for each home. The first year monthly rate is \$43.95. Combined with a \$1.05 administrative fee to cover setup costs.

Assuming 80% of our residents join the GDD, the total savings should be over \$280,000/year. Extending road life by 5 years could save the village roughly \$1 million in road maintenance expense over the next 20 years.

The program cost \$11,000 and there were approximately \$8,000 in legal costs associated with writing and adopting the law, managing the bid process and later amending and filing the law to reflect the terms of the winning bid. We had to create billing software to administer the district, which cost approximately \$2,500. There were also postage and printing costs associated with informing 550 residents. These costs will be recovered from the participants in their monthly fees.