

**City of Gardiner  
 Combined Service Center Evaluation  
 Calculation of Estimated Payback Period without Tax Revenue  
 VSK 9/15/05**

	<b>Scenario I</b>
Capital Savings (PW facility sales)	\$ 237,500
Capital Savings (GWD facility sales)	\$ 120,000
Capital Savings (GWD pipe yard)	\$ 10,000
Capital Savings (equipment)	\$ 75,000
Capital Savings Subtotal	\$ 442,500

Capital Expense (new office building)	\$ 260,000
Capital Expense (heated shed/garage)	\$ 220,000
Capital Expense (unheated shed/garage)	\$ 175,000
Capital Expense (fuel tank)	\$ 8,500
Capital Expense (misc. sitework)	\$ 90,000
Action Plan for Joint Admin.	\$ 7,000
Eng., Arch., Legal, etc.	\$ 75,000
Contingency	\$ 75,000
Capital Expense Subtotal	\$ 910,500

<b>Net Capital Expense ("one time")</b>	<b>\$ 468,000</b>
MDF Regionalization Grant Amount	\$ 110,000
<b>Net Capital Expense (with MDF Grant)</b>	<b>\$ 358,000</b>

**Annual Debt Payment @ 4.5% 20 years**      \$      27,168

Annual Equipment Renewal Savings	\$ 33,000
Annual Building Ops. Savings (utils, insur, plowing)	\$ 5,000
Added Annual Vehicle Costs (fuel/maint./deprec.)	\$ (9,000)
Billing/Financing Savings	\$ 10,037
Misc Consolidation Savings	\$ 1,000
Real Estate Tax Revenue	\$ -
Personal Property & Excise Tax Revenue	\$ -
Depreciation of New Facilities	\$ (13,100)
Deduct for GWD Difference	\$ (3,180)

**Net Annual Operating Savings**      **\$ 23,857**

**Net Annual Cash Flow**      \$      (3,411)

**5 Year Annual Savings (Pres. Worth @ i=4.5%)**      **\$ 104,732**

**Net 5 Year Savings (Pres. Worth)** **\$ (253,268)**

**10 Year Annual Savings (Pres. Worth @ i=4.5%)** **\$ 188,780**

**Net 10 Year Savings (Pres. Worth)** **\$ (169,220)**

**15 Year Annual Savings (Pres. Worth @ i=4.5%)** **\$ 256,224**

**Net 15 Year Savings (Pres. Worth)** **\$ (101,776)**

**20 Year Annual Savings (Pres. Worth @ i=4.5%)** **\$ 310,332**

**Net 20 Year Savings (Pres. Worth)** **\$ (47,668)**

**Payback Period Based on Annual Savings** **26 Years**

**Additional Annual Savings for 5 yr Payback** **\$ 57,692**

**Reduction in Capital Expense for 5 yr Payback** **\$ 253,267**