



Peter B. Webster
Town Manager

MEMORANDUM

TO: Board of Selectmen

FROM: Peter B. Webster, Town Manager

DATE: August 19, 2011

SUBJECT: Information for the Selectboard

Transportation Enhancement Grant

Phil Dechert and I held a public hearing last Tuesday, a required stipulation of the transportation enhancement grant I mentioned in my report to you back on May 19th. We had previously met with Steve Voigt, CEO of King Arthur Flour, who is supportive of the concept and wrote a nice letter of support. Deadline for applications was Friday, Aug. 19th. In conjunction with Lucy Gibson and the Transportation Committee, it was decided to apply for about \$35,000 for the scoping portion of a bike/pedestrian trail that would connect Norwich with Hartford, primarily focusing on the section of Rt. 5 South and incorporating the KAF trail that connects to the Dresden fields. This grant would just give us funding to do some further planning, laying out the best route, and does not commit us or other property owners to anything at this point. The goal is to connect with a path that Hartford is also planning, that would give access to the Farmers Market, the Dresden fields, down to the Dothan Brook School area where the existing bike/ped trail ends.

FY 13 Budget

Even though we might only be 7 weeks into this year's new budget, I have been spending some time on considering next year's budget and what we might be able to achieve. I am hopeful we will be able to reduce our municipal tax rate by over a penny for next year, possibly down from the current \$0.4588/\$100 to

\$0.4400/\$100, a 4.1% drop, and am working with Department Heads towards that goal. Rates are at historic lows for borrowing, and I'd like to incorporate a loan at a 2.0-2.25% interest rate into a 3-year paving schedule to avoid future price increases for asphalt and get more competitive bidding for next season's paving schedule. I have previously sent you information on current loan rates and amortization schedules. Obviously these rates can't be locked in until about 30 days prior to next July when our new budget kicks in, but I think this is an attractive way of avoiding future commodity price increases. I think one of the strong suggestions coming out of the DPW Committee will be to get back on track with the paving recommendations from the MARCON report, and my plans for a three-year paving program should help in that regard. I'm thinking of an annualized paving budget of \$450,000/year for that three year cycle (this increased paving budget would make a 4% reduction in our tax rate very unlikely, however).

I have been working with Jill Kearney and Roberta on employing the new budget template that has been suggested, and you should have a first draft of this particular budget's highlights in that new format.

Tax Collections

Last Friday was the due date for the first installment of property taxes. \$7,280,313 was due, and all but \$206,452 was collected, roughly 2.8% uncollected. This is pretty much in line with past years' history, actually slightly better. Over \$4,000,000 came in during those last hectic 4 days, which does put quite a strain on Roberta's office operations. But this is nothing different from prior years. Interest due notices have already gone out in this week's mail.

Truck Bids

We opened the truck, dump body and plow bids on Friday, after your Board approved the withdrawal of up to \$150,000 from the Highway Designated Equipment Fund at your last meeting, to replace Truck #8. We have received only one bid from Freightliner in Lebanon, for \$85,282 for cab and chassis, less \$15,000 trade-in, for a net of \$70,282. They also quoted a lease/purchase for five years at 4.06% interest. Andy and my preference is to purchase.

We had two bids on the dump body and plow—Tenco at \$58,946 and H.P.Fairfield at \$68,425. If we went with the lower bid, the total for cab/chassis, dump body and plow would be \$129,228, a lower price than we had been budgeting and anticipated.

Miscellaneous

- Recent meetings—the Energy Committee has met with a local solar provider and is looking at a program to encourage Norwich homeowners to invest in PV for their residences. Current incentives for a \$25,000 system (a 5 kW capacity) amount to over \$11,000 between State and Federal, for such a sized system. If enough homeowners were to invest, a rate of \$5.00 per watt for the installation would become cash flow positive for the homeowner in Year 2. The Energy Committee remains an active group looking for opportunities to conserve energy for our residents. There will be public workshops on this topic to inform and educate our citizens to these opportunities for energy savings. This is exactly the type of investment encouraged by the PACE program, of which we should hear more from Margaret at Wednesday's meeting.
- I locked in our propane prices for the coming heating season, through our current supplier Rymes, at \$2.149/gallon. We are waiting on the volatile oil pricing prior to making a decision on locking in fuel oil, if in fact we even do try and get a fixed price.