

**Background Information on Bond Vote
Radio Communications System
Town of Norwich**

Potential Delays in System Implementation

- Radio Communications Project Status
 - On December 7, 2012 Hanover and Norwich received proposals for the fire, police and public works radio systems upgrades.
 - The fire system includes 8 receiver locations and 7 receiver/transmitter locations. One of the locations is the New Boston Road tower.
 - The police system includes 2 receiver/transmitter locations. One of the locations is the New Boston Road tower.
 - Burlington Communications Service Center (BCS) submitted the lowest qualified proposal. Currently negotiating with BCS on implementing the systems.
 - Hanover plans to execute an agreement for the Fire portion of the system in February.
 - Proposals have been received for a five year lease-purchase agreement to fund the Norwich share of the radio communications project.
 - VTel is preparing the “Definitive Agreement” based on the Letter of Intent.
 - Current schedule is to authorize the Town Manger to execute the “Definitive Agreement”, Lease Purchase Agreement and contract with BCS on February 27, 2012.
 - VTel is scheduling a balloon test for February.
 - VTel plans to submit the documents to start the process for obtaining a “Certificate of Public Good” in February.

- Potential Delays in Implementation if Norwich Funds and Builds the Tower
 - The Bond Issue to be voted on at the March 5, 2013 is for \$275,000.
 - The current estimated cost, if Norwich builds and owns the tower, with the AFG and HSGP grants, is \$335,000. If the grants are lost the cost may increase to \$475,000.
 - The Selectboard would need to call a special Town Meeting to authorize a bond issue of \$335,000 to \$475,000.
 - To be included in the late July 2013 VMBB bond sale the application needs to be filed by May 15, 2013. The application is not normally be filed until 30 days after Town Meeting the time for a petition for reconsideration of the vote, approval so a Special Town Meeting would need to be called by April 15 2013.
 - The next VMBB bond sale is normally in December.
 - Norwich funding and building the tower may result in a delay in the improvements to the fire, police and public works radio communications systems by 12 to 18 months.

- The Capital Facilities Planning and Budgeting Committee approved the following motion at their meeting on February 7, 2013.

“A motion was made that the committee express its concern that the communications narrowbanding has placed the town's public safety communications in a critical situation and that it is urgent for the town to move forward to complete the tower in the fastest way possible.”

Norwich Costs of System Implementation

December 12, 2011 Public Forum – Estimated Norwich cost of fire, police and public works communications system was \$762,511. This was for a two-site fire and police system located at the New Boston Road location and Hayes Hill in Hanover (Etna) and a one site public works system at the New Boston Road location.

February 24, 2012 – Hanover received Assistance to Firefighters (AFG) grant for a regional fire communications system. The system has eight receiver sites and seven transmitter sites and included funds for the materials and installation of the proposed two-site Norwich fire system. The performance period for this grant is through February 23, 2013. The granting agency has advised that there will be an extension of the performance period until August 23, 2013 and, perhaps, an additional six months after August 23, 2013. In addition Hartford received a Homeland Security Grant Program (HSGP) grant for \$56,746 for the materials for the Hurricane Hill location in Hartford. The performance period for this grant is June 30, 2013.

June 20, 2012 Public Forum Estimated Norwich cost of fire, police and public works system was \$397,500. This was for an 8 receiver/7 transmitter site fire system, two-site police system at the New Boston Road location and Hayes Hill in Hanover (Etna) and a one site public works system at the New Boston Road location. The cost of fire system was paid for with the AFG grant.

July 11, 2012 – VTel indicates an interest in building the tower with shared use.

July 11, 2012 Selectboard Meeting – Estimated cost of \$247,160 for tower at New Boston Road location site and the public works system. And an estimated cost of \$439,500 if the police system was included. The bond amount of \$275,000 was based on the tower and public works system. The cost of fire system was paid for with the AFG grant.

December 7, 2012 – Received cost proposals for fire, police and public works systems.

December 24, 2012 – Received notice that an HSGP grant of \$92,370 would be awarded for the materials for a two site police system located New Boston Road and Hayes Hill (Etna). Norwich will be responsible for the installation costs. The performance period for this grant ends on June 30, 2013 and since it is Federal FY10 monies there will be no extensions.

Based on the proposals received on December 7, 2012 and subsequent negotiations with the chosen vendor the following table shows the estimated system costs for various alternatives. The costs are the Norwich costs for the fire, police and public works systems described above.

| | Estimated Cost | Bond Principal | Interest Costs | Total Costs | Term | Average Annual Cost | Increased Cost to Norwich Taxpayers |
|-----------------------------|----------------|----------------|----------------|--------------|------|---------------------|-------------------------------------|
| VTel Builds Tower | \$117,813 | \$120,000 | \$7,110 | \$127,110.37 | 5 | \$25,422 | \$0 |
| Norwich Builds Tower | | | | | | | |
| With AFG and HSGP | \$332,813 | \$335,000 | \$120,451 | \$455,451 | 20 | \$22,773 | \$328,341 |
| With AFG Grant | \$420,048 | \$425,000 | \$155,126 | \$580,126 | 20 | \$29,006 | \$453,016 |
| With No Grants | \$470,600 | \$475,000 | \$173,376 | \$648,376 | 20 | \$32,419 | \$521,266 |