



Peter B. Webster
Town Manager

MEMORANDUM

TO: Board of Selectmen

FROM: Peter B. Webster, Town Manager

DATE: Jan. 6, 2011

SUBJECT: Information for the Selectboard

Continuing Budget Meetings and Discussions

It has been a few weeks since our last Selectboard meeting and budget session (way back on Dec 8th and 15th), but I've since held a meeting of all Department Heads, including our Town Treasurer and a member of the Finance Committee, to discuss and explore further potential opportunities to trim the budget. The proposed budget is a lean one, with the exception of salary and health insurance increases that are, frankly, unavoidable. I say unavoidable because the Town employees have made significant sacrifices over the past two budgets—they've had their salaries frozen in FY11, have made increased contributions to their health insurance as well, and saw merit pay increases done away with. Other than those proposed increases in the FY12 budget, there are no discretionary increases, no new programs in any department—it is a flat budget reflecting the belt tightening we are all experiencing in our own personal budgets. The budget does result, again, in either a decreased municipal tax rate from previous rates, or a flat tax rate from FY11, and at the same time will achieve a more than fully funded Undesignated Fund at 16% (current guidelines are that we keep this fund between 8% and 15% of our annual budget). This is an accomplishment not to be understated—since FY07 (municipal tax rate of 0.4790), we have been able to provide the desired level of services over the past five years, while funding numerous designated funds for various capital expenses, and actually decrease the tax rate to a possible 0.4588, a reduction of 4.2% from FY07. I think this is all the more remarkable during a time where the Grand List has been relatively stagnant, rising only about 3% over those five years. Few, if any, other towns

can point to such a municipal tax rate record during a time of rapidly rising expenses—the 5-year average of the CPI was about a **2.3% increase per year** during that timeframe.

I truly believe this is a responsible budget, one in which we as a town are spending within our means to provide the services our residents have been demanding and have come to expect.

ZeroSort/Transfer Station Tour for Town of Weathersfield

Jim Mullen, Town Manager from Weathersfield, brought 5 of his people up to spend an hour learning about how our Transfer Station operates, and specifically to learn about our ZeroSort operation. This group included Tom Kennedy who heads up the Regional Planning Agency from Windham County. They were all most impressed with our operation, how it is laid out, with Kennedy stating he felt it was the best-run transfer station he'd ever seen. Kudos should go to Andy for gradually making changes and improvements over the years to our facility that is so widely used by our residents. The latest figures we have on the recycling percentages, due to the ZeroSort system, is that we are now recycling 2.0 pounds for every 1.0 pound of trash that is sent to the landfill. Our hope and goal is to reach a 3:1 ratio in the coming year.

I have also mentioned to you my plan on proposing a new windshield sticker policy to better control the flow of solid waste. Currently, we sell a sticker for \$1 that has no expiration. This leads to out-of-town garbage coming in due to vehicles being sold out of town, and we know this has become a larger problem in recent years. My proposal is to sell an annual sticker for \$10 (2nd vehicle sticker might be \$5), color coded, renewing each July 1 so as not to overburden the Town Clerk's Office when dog tags are issued January through April 1. As the costs for disposal rise, we need to do a better job of policing our own Transfer Station ("flow control") and covering for our own MSW expenses. At a future meeting of your Board I'll have a formal policy revision for your review and possible approval, to perhaps be implemented this coming July 1st.

Photovoltaic Solar Project

On December 30th I held a public bid opening of four bids for the proposed PV project up at our Public Works facility. The four bids were from Kingsbury Companies in Waitsfield, with a high bid of \$1,588,719 for a 180kW system, to Peck Solar with a bid of \$1,035,000, and Prudent Living at \$987,412, and the low bid of \$807,687 from ReKnew Energy. In the RFP we had requested two bids, one for a 180 kW system and one for a 250 kW system, and it is not clear yet which may make the most sense for the Town.

I met the next day, Friday the 31st, with a few members of the Energy Committee to qualify the bids, making sure they had complied with our RFP, and then again

met on the 6th of January to do a more extensive analysis/comparison of the four bids. You will hear in much greater detail the results of those bids and how the recommended bid plays out over a 25-year spreadsheet. The Norwich Energy Committee is still in possession of \$220,000 in grants for the construction of this project, which may, and I emphasize may make this financially attractive, although that is yet to be determined. If the numbers work, there will be a series of public forums prior to any Town vote on this complicated project. The NEC has invested countless hours into this effort over the past year and a half, and will not make a recommendation to move forward unless it is clearly viable financially. They will meet with the Finance Committee on the 18th, assuming the numbers are favorable, then come before your Board hoping to have an article placed on the Town Meeting Warning.

Miscellaneous

- We are replacing the rail fencing at the rear of Tracy Hall, as it has rotted out over the years, and we'll be going with a more durable plastic fencing that should last decades.
- I pulled together a group of 8 or 10 residents, Andy Hodgdon and some from your Board to discuss the pros and cons of replacing the second grader. What I thought was a very good and enlightening give-and-take of the issues to be weighed in this decision took place. As you know, we have a designated fund for that replacement requiring Selectboard approval for any withdrawals and there have been some concerns raised by some about the actual need and economics involved with that second grader.
- We are having a public bid opening of the Town-wide reappraisal on Friday at 3 pm. Hopefully we will have several quality proposals.