

TO: Kathleen Ramsay, Town Manager
Infrastructure Committee
Selectboard

FROM: Daniel R. Werner, Director of Public Works Planning

DATE: October 30, 2018

RE: FY19-20 Capital Improvement Plan (CIP) and Use of Local Options Tax Revenues (LOTR)

The proposed FY19-20 Capital Improvement Plan Budget (as of Oct. 18 second draft version) is at \$1,337,021. This is \$331,119 above the FY18-19 approved budget.

This FY19-20 Capital Improvement Plan Budget begins to address some important needs of the Town that have been postponed for some time, largely a byproduct of the trade-offs required over several years by the Selectboard's commitment to maintain a level-funded budget and voter sentiment to avoid an increase in property taxes. The use of surplus Local Options Tax Revenues (LOTR) (aka, the Cross Street Bridge Reserve Fund surplus) is an excellent way to support the CIP Budget.

At Town Meeting in 2018, as you recall, Middlebury voters authorized the Selectboard to apply \$57,484 from Reserve Fund to offset increased spending in the FY19 Capital Budget. The Infrastructure Committee's list of priorities in 2018 includes: a recommendation for earmarking a portion of surplus LOTR to fund capital improvement projects in the FY19-20 capital budget; a recommendation for decommissioning the old wastewater treatment facility and construction of a storage facility; and a Creek Road solution. The proposed FY19-20 budget begins to address these priorities with an \$85,000 set-aside for the storage facility and a \$40,000 set-aside for Creek Road.

Another long-desired project for the Town is improvements to the Court Street-Charles-Monroe intersection. The Town received a Municipal Planning Grant in 2014 to develop, review, and select a preferred alternative to reconfigure this intersection. The Project will provide better mobility, and improve safety and connectivity for all modes of transportation. Townspeople participated extensively in the development of this project. The Selectboard has accepted the consultant's report and endorsed the re-alignment and four (4)-way signalization of the intersection. A sum of \$50,000 has been ear-marked in the draft capital budget for this project.

Surplus LOTR could also be used to leverage grants in VTrans' Better Roads and Culvert Grants Programs for two (2) large culvert replacements in Cady Road. The proposed set-aside in this CIP Budget of \$50,000 as a combined grant match could return approximately \$200,000 to the Town towards these projects.

Any or all of these projects are excellent candidates for consideration as the Infrastructure Committee develops its proposal for an FY19-20 budget year allocation of surplus LOTR.