

STAFF REPORT

AGENDA ITEM #: 18-81

COUNCIL MTG OF: June 19, 2018

FROM: Dave Caron

OFFERED BY: Dave Caron

PREPARED BY: Dave Caron

SUBJECT: Revised Appropriation and Financing – Solar Panel Installation Transfer
Station

PURPOSE

The purpose of the staff report is to seek Town Council approval of a revised (downward) appropriation for the installation of a solar panel array at the Transfer Station.

TOWN ADMINISTRATOR COMMENTS – The Council is encouraged to adopt Resolution #2018-037

BACKGROUND

The Energy and Environmental Advisory Committee (EEAC) along with the Net Zero Committee have been promoting the goal of clean energy through the installation of solar panel arrays at private residences and public facilities. Initial estimates were provided to Town Council and subsequently, an RFP was solicited in September 2017 to obtain pricing to purchase and install solar panels to be placed at the Transfer Station. At the November 21, 2017 Town Council meeting, a presentation was made regarding the economics of these proposals. The project was approved on December 19, 2017 with an estimated budget of \$300,000.00.

DISCUSSION

The project is now complete and operational. Total costs were \$282,400 minus a rebate from Eversource in the amount of \$58,812, resulting in a net cost of \$223,588. It was originally planned to seek lease-purchase financing for the net cost, however, recent changes in the financial markets no longer identify lease purchase as the preferred financing tool.

It is recommended that the net cost be financed through the DPW Capital Reserve Account over a period of ten years with an annual percentage rate of 3.0%.

FISCAL IMPACT

No adverse impact to tax rate. The original financing plan anticipated a 3% interest rate, and the final project costs will result in a minimal annual savings due to borrowing less than anticipated.

RECOMMENDED ACTION BY COUNCIL

It is recommended that the Town Council approve Resolution #2018-037.