



## Report of the Town Manager

### February 13, 2017

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#### 1. Financial Updates-

- a. With the \$1.154 million deficit bond reduction payment to be made in March, Winchendon has a balance of \$1,734,548 remaining on the deficit borrowing. The total amount borrowed in FY15 was \$3,533,000.

The annual bond payment has also been reduced to reflect the principal reduction. Below are the projected bond payments for FY2017 through FY2022. You will notice that the interest payments beginning in FY19 are expected to rise sharply. The Town's financial advisor is expecting rates to rise in the future. The FY18 rate is .75% and future rates are estimated at 3.0%. The borrowing will be going to the market in the near future so a more firm rate for FY19 will be known then.

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Principal</b>	\$355,500	\$216,819	\$216,819	\$216,819	\$216,819	\$216,819
<b>Interest</b>	\$17,750	\$20,250	\$52,036	\$45,532	\$39,027	\$32,523

#### 2. Personnel Updates-

- a. I have allowed Chief Smith to apply for a SAFER grant. This is a federal grant used to increase firefighter staffing. This is a three year grant and would pay 75% of the cost of a firefighter for years one and two of the grant and 50% for year three. Chief Smith will be applying to fund four new positions, one firefighter per shift. If the grant is awarded the Town is not required to accept it. Chief Smith understands that FY18 budget limitations may impact the ability to accept the grant.

#### 3. Project Updates-

- a. The contractor for the Library Accessibility Project was on site Monday to begin planning the construction project. A construction start date has not been determined.
- b. Representatives from Onyx Energy were at the former landfill on Tuesday to do some sample borings to determine the appropriate depth for the solar array footings. Onyx indicated they are still on track for a July 1<sup>st</sup> startup.

#### 4. Miscellaneous Updates -

- a. As part of the Redevelopment Authority, I have had a number of conversations with the Board Chair David Connor regarding the existing line of credit. Currently the balance is \$163,935. Colonial Cooperative Bank is requesting the line of credit be closed and a loan established. The Redevelopment Authority is paying approximately \$7,200 annually in interest on the line of credit. I have suggested the line of credit be paid off and a new line be established under updated terms with the bank. The Redevelopment Authority would use some of the funds received from Cumberland Farms to pay off the line of credit. As the Board is aware, the funds from Cumberland Farms has been earmarked for the construction of an addition at the Fire Department. Since the addition isn't in the immediate plans, the Redevelopment Authority could use those funds to pay off the debt. In the near future, the Redevelopment Authority is planning on auctioning off some of their current property. Those funds could go toward replenishing the Fire Department addition.