



Report of the Town Manager January 23, 2017

1. Financial Updates-

- a. The tri-Board meeting has been rescheduled to February 13th. At that meeting Town Accountant Bill Schlosstein will provide the Board with an update on the Fiscal Year 2017 budget six months through the fiscal year. In addition the Town Manager will present the FY18 Capital Improvement Plan.
- b. Budgets were distributed to Department Heads on Monday, January 23rd. Department heads need to submit their budget requests to me by February 17th.
- c. The Town was notified by DOR that Winchendon will be allowed to keep an additional \$100,000 from Free Cash to be applied to the FY17 Snow and Ice budget. These funds would need to be transferred at the spring Special Town Meeting.
- d. As you may know, Verizon has been in litigation with several Massachusetts communities for many years regarding their property valuation. The Commissioner of Revenue must annually issue to telephone companies and Boards of Assessors, fair cash valuations of taxable telephone personal property. G.L. c. 59, § 39. Telephone companies and Boards of Assessors have the right to file appeals with the Appellate Tax Board (“ATB”) claiming that the Commissioner’s certified values are “substantially too high or substantially too low.” Appeals relating to Verizon’s FY2010-FY2016 central valuations are scheduled for hearing and final disposition before the ATB. Any reduction in value ordered by the ATB, once finalized through any further court appeals, would require a refund, plus 8% interest, by each affected municipality. As the result of negotiations between Verizon and a group of assessors, a tentative structure exists for the settlement of all pending Verizon petitions for fiscal years 2010 through 2017. The overriding goal of the negotiators in seeking a resolution was to terminate pending litigation and ensure, to the extent possible, a cessation of litigation for a number of future years regarding the fair cash valuation of the company’s taxable personal property. The potential resolution includes:
 - An agreed upon depreciation methodology for the valuation of Verizon’s property for FY2018 through FY2022;
 - The elimination of methodology appeals for FY2018 through FY2022;
 - A 7% no interest refund by municipalities for years from FY2010 through FY2016 for which Verizon has a pending appeal against a municipality; and
 - No refunds by any participating municipality for the FY2017 central valuations.

For Winchendon the expected no interest refund for FY2010 through FY2016 would be \$11,023. The estimated valuation projection under the Proposed Schedule for FY2018 would result in a tax increase (decrease) of \$(4,118). This would be a .04%

reduction to the total tax levy. The estimated adjustment in tax dollars and the percentage of the total tax levy were calculated based on FY2016 tax rates.

Knowing Verizon was appealing the assessments the Assessing Office established an Overlay reserve to address any possible settlement costs. The amount currently set aside for Verizon is \$29,463. Assessor Harald Scheid supports the recommended settlement as the funds necessary to refund Verizon are available.

I have attached a copy of the DOR memo to his report for additional information.

- e. Water shutoff notices will be mailed on Monday, January 23rd. Public Works will begin shutting water services off February 7th.

2. Personnel Updates-

- a. The Firefighter union has requested to begin collective bargaining on a successor collective bargaining agreement. Their current agreement expires June 30, 2017.

3. Project Updates-

- a. Advertising for bids to make repairs to the High Street Bridge will occur at the end of January. The bid document requires the repairs to be completed by July 1st. Estimated cost of repairs is \$130,000 and will be paid for out of Chapter 90 funds.
- b. The replacement of the Town Hall furnace has begun. The new furnaces have been installed but are not yet online. The tanks have been delivered and are in place. The remaining item to be completed is some electrical work. Once the electrical work is completed over the next week the furnace will be ready to be put in service.
- c. The construction contract for the library accessibility project is nearly ready for signature. The architect is finalizing the contract now. Once I receive the contract I will send it to legal counsel for their review.
- d. Plans for the MUNIS upgrade are underway. Bill Schlosstein, Steve Haddad, Rich Ikonnnon, and I spoke to a consultant this week that will be assisting with developing a new chart of accounts. The group will be meeting with the consultant and Munis on Tuesday to finalize our upgrade plans.

What is being planned is developing a new chart of accounts for the school department to be used beginning July 1st. Both the school and town would be upgraded to Munis effective July 1st with the Town using the existing chart of accounts. The Town would move to a new chart of accounts July 1, 2018.

The rationale for going in this direction is to address the critical need first. The school chart of accounts is very problematic for them. Bill has a much better handle on the Town's accounts. We get the school up and running, work out any issues with the new account numbers and software during the next fiscal year and then change the Town account numbers in FY19.

4. Miscellaneous Updates –

- a. I spoke to a representative from the Department of Conservation and Recreation about the White's Mill Pond dam. An onsite meeting is being scheduled in the next couple of weeks with the dam owners, Town and DCR. I will keep the Board informed about the meeting date and the results.