

Report of the Acting Town Manager

August 10, 2015

1. Financial Updates-

- a. FY15 General Government Budget** – As of my last report, the only remaining issue with the FY15 budget lay with the School Department and a shortfall of \$17,000 that we were working with to close the books. I'm happy to report that that matter has been resolved by transfers within the School Department. Also, we had estimated our snow and ice deficit to be about \$17,000. In the end this amount has been finalized at \$27,000 as an item was not properly booked several months ago. And finally, there is the issue of the health insurance trust fund deficit which will require borrowing through the deficit legislation, or use of stabilization funds.

With all of that stated, we are now conducting the more technical closing of the books through MUNIS so that they are ready for review by our independent auditors and the DOR. That closing is currently on schedule.

I believe we made much progress in getting all of FY15 finished in relatively good condition especially given the concerns and issues of the past number of months.

- b. FY16 General Government Budget-** Our attention is now primarily focused upon FY16. We have instituted controls on spending and are looking for expenditure savings and reductions, and revenue increases for the year. All of these steps are necessary as our situation in FY16 has become more difficult with our current level of information which indicates a budgetary problem of about \$320,000. The following are the issues requiring attention:

- School Transportation: I was unaware that the bid/contract for transportation services came in about \$155,000 more than budgeted. Apparently, this shortfall was known at Town Meeting but a decision was made to proceed at the budgeted figure with an expectation that savings could be realized via route adjustments and efficiencies. We are expecting a report from the School business managers to eliminate this gap.
- Snow and Ice Deficit: \$27,000
- Miscalculation of Proposition 2 ½ levy: It has been identified that the budgeted revenue anticipates about \$63,000 more than the Town is legally able to levy without an override.
- E911: The budgeted revenue also includes a grant amount of about \$74,000. These funds have been estimated for the prior two years and not received. Apparently, there are some administrative issues that need to be resolved. The prior years' monies are a hit upon our Free Cash. The use of the funds in FY16 are being rejected by the DOR. Accordingly, we must adjust the budget recognizing this change.
- Planning and Development: As previously reported, we did not receive CDBG funding for this year. And, another project that had been anticipated to provide grant monies to support planning administrative support has fallen through. In order to support this essential office which provides staffing of our planning and development efforts, and support to a number of departments, we will need to assemble about \$40,000 to get through the remainder of the year. Additionally, we need to improve the manner in which we budget for this office/department.

All told these budget issues total about \$359,000. We expect the school transportation matter to be resolved as described. Our efforts are to identify other expenditure reductions and/or transfers, and revenues in order to achieve the needed balanced budget. I hope to have more information on these issues over the next month.

- 2. Health Insurance-** I placed a vote on the BOS agenda for this meeting to begin the process of re-visiting the health insurance program issue through adoption of the relatively new Municipal Health Insurance Reform statute. I realize there wasn't much information for the Board and the employee groups on the matter. I apologize

for that as I was simply trying to get the ball rolling. I have prepared a separate memo with attachments to hopefully add more understanding of what we are trying to achieve. The adoption vote is covered elsewhere on your agenda.

3. Personnel Updates- There are several personnel matters worthy of noting:

- a. Police Department:** The Police Chief has provided me with his 30 day notice to retire. I will be appointing Lt. David Walsh as Acting Chief effective August 28th
- b. DPW:** I have taken several actions within the DPW
 - **Director:** I have appointed Al Gallant to be DPW Director for a year with the possibility of fully permanent beyond that and reserving the possibility of such action before such time.
 - **WWTP Operator:** David Letendre has been shifted from Highway operator to WWTP operator to address identified deficiencies within Wastewater staffing.
 - **Cemetery Operator:** Leonard Tenney has been shifted from an operator at Water and Highway to an operator at the Cemetery.
 - **Highway Operator:** I have signed off on two new hires as Highway operators to fill vacancies and allow scheduled projects to proceed. These new employees are Joshua Kliskey and Shawn St. Pierre.

4. DOR Report-The DOR report meeting has been postponed to August 24th.

5. Brandywine Farms- The Board has an agenda item on the meeting with Brandywine Farms. I received a letter on August 6th from Brandywine outlining some of the issues that they will likely address with the Board (attached). Most notable is a proposal regarding sewer service in the area of the Brandywine project. On its face this type of infrastructure project is certainly desirable and worthy of support however, there are issues with regards to our wastewater plant's capacity which I need to review. Brandywine is also looking at issues of historic preservation. Related to both of these issues Brandywine has offered staff support to the Town in the form of an intern from Umass. In all of these matters I would like to have a more lengthy discussion with Brandywine and relevant staff. I would ask that the Board refer the matter to me upon receiving the presentation on Monday night.