



Shaun A. Suhoski, Town Manager
Email: ssuhoski@townofathol.org

Heather J. Brissette, Administrative Asst.
Email: selectmen@townofathol.org

MEMORANDUM

TO: Athol Board of Selectmen
FR: Shaun A. Suhoski, Town Manager
RE: Town Manager’s Report
DT: February 2, 2016

Dear Board: Please see the following update for your meeting tonight.

Water and Sewer Rate Recommendations: It has already been three years since the water and sewer rates have been adjusted. While recognizing that the Board seeks to shield consumers from price increases, at this point the retained earnings for the sewer department have dwindled to dangerous levels while the water department only finished with a \$5,000 net surplus in FY15 because the department was short-handed for ten months.

The materials presented to you tonight include the proposed budgets for each enterprise, estimated usage (billable per 100 cubic feet) and the corresponding rate impacts. Please note that the budgets for water and sewer departments have grown at less than one and two percent, respectively, but that usage (conservation measures including by one major industrial consumer) has dropped by 3.0 to 3.3 million gallons thus reducing collected revenue.

Compounding the matter is the failure to adjust rates on an annual basis. Because rates have not changed for three consecutive years, at this time, it is recommended that the Board adopt the following water and sewer use charges for fiscal year 2017:

<u>Utility</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>% change</u>	<u>3-yr avg.</u>
Water Division	\$3.77 per 100 ft. ³	\$4.20 per 100 ft. ³	11.41%	3.8%
Sewer Division	\$5.56 per 100 ft. ³	\$6.53 per 100 ft. ³	17.45%	5.8%

None of us here are pleased that the rates need to increase. It is simply a matter of cost versus expense and the Town cannot afford to “skip” another year, especially in the sewer division.

One alternative on the attached documentation includes an option to increase the base account fee from \$25 per year to \$50 per year (regardless of usage). This would allow the Board to adopt a water rate of \$3.92 and a sewer rate of \$6.22. The impacts on the “average” consumer are shown on the attached documentation.

Appointments: During the past week or two the Town has been fortunate to have some folks step up to fill a few vacant committee posts and I have appointed the following:

<u>Name</u>	<u>Board/Committee</u>	<u>Term Expires</u>
Arthur C. Herk	Council on Aging	May 1, 2016
Steve Willis	Energy Committee	May 1, 2016
William Aucoin	Energy Committee	May 1, 2016

I am hopeful each of these individuals will wish to continue beyond filling the initial terms ending on May 1.



FEMA / MEMA Reimbursement Contract Signed: I have executed the grant agreement that will allow the Town to receive \$45,683.30 in federal disaster reimbursement for the January 28-29 snowstorm in 2015.

The outstanding efforts of Fire Chief John Duguay, Deputy Chief Jeff Parker, Accountant Christine Mailloux, Asst. Accountant Kala Fisher, DPW clerk Diana Cooley and all other staff who tracked or compiled data and assisted with this filing is greatly appreciated.

Surplus Ambulance Retrieved: Our high bidder from Texas retrieved the old ambulance this week after making payment of \$6,360. Previously, the Town received nearly \$14,000 in bids for surplus property for a total over \$20,000. It is worth another “thank you” to **Diana Cooley** for managing the Municibid process.



South Athol Road Demolition Bids: Draft bid documents have been prepared for the removal of the fire damaged structure and asbestos-containing material at 2275 South Athol Road. This property was the scene of a fatal fire about a year ago. The Building Commissioner has deemed the site a public safety hazard and, after repeated attempts to have the estate and/or the bank holding the mortgage, remove the remaining debris the task now falls to the Town.

The process was delayed as MassDEP determined that there was asbestos within the debris thus increasing the costs of site clearance. I expect the bid documents to be released within the next few days and work to be complete within 60 days weather permitting. The Town will add the costs of demolition to its growing tax title lien and will eventually recoup the costs.

Miscellaneous Items:

- Attended Mass. Municipal Association annual meeting in Boston.
- Held Finance Team meeting to review FY17 initial revenue estimates.
- Began review of Director of Planning and Development candidates (**seek BOS designee for preliminary interview team**).
- Met with Diana Schindler and Kevin Kennedy from town of Orange to refine joint “Route 2 Work” program currently under development.
- Revised Athol Five-Point Sustainability Plan, Economic Development Component, for future funding proposals.

BOS action