



Shaun A. Suhoski, *Town Manager*
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MEMORANDUM

TO: Athol Board of Selectmen
FR: Shaun A. Suhoski, Town Manager
RE: Town Manager Report
DT: December 15, 2015

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

School and DIF Bonding: Attached please find estimated 20- and 25-year amortization schedules for the \$7.0 million elementary school debt-excluded bond and a 20-year schedule for the \$1.9 million (after \$1M MassWorks grant) DIF financed water line and booster station expansion projects. These will be bid to retire temporary notes in March 2016.

Based upon all available information, it appears that a standard 20-year term for both the school building project, and water infrastructure project, will be the most manageable in terms of tax rate impact (estimated increase of \$1.30 per thousand), annual debt service payments and a **savings of \$929,600 in estimated additional interest costs** over a 25-year term for the school.

As a reminder, the water line extension is not a debt exclusion that increases the tax rate. Rather, the 20-year term recommended will allow the new growth from the Market Basket building alone to cover principal and interest for the entire cost of the infrastructure expansion. All new property tax growth associated with the Marshall's, Maurice's, Foot Department and future buildings will become new growth for the Town available for appropriation.

I am also attaching a schedule for bonding this previously authorized debt. All Town Meeting and Board of Selectmen votes have already been taken, however, the Board's signatures will be required in early March to finalize the issuance.

We are also finalizing updated information for a bond rating review in January 2016. I will copy the Board on the updated economic development report. My hope is that our rating and outlook remain stable, though the Town will make an argument that its outlook be improved from stable to positive.

FY17 Budget – Proposition 2 ½ Levy Limit: As the Finance Team has been working on the bond issues, and with requested FY17 budgets due in early January, I request to hold off on further

discussion of the proposed revenue and expense for fiscal 2017 until a meeting in January when we have more information available.

Miscellaneous Items:

- Conducted Department Head and Development Review Group meetings.
- Met with DPW Superintendent and engineer regarding concept approaches towards repairing the “five points” intersection and retaining walls at Chestnut Hill Road, Crescent Street, Silver Lake Road, etc.
- Met with National Grid / Guardian Energy to discuss potential lighting improvements in Town Hall, COA building and DPW barn.
- Chaired MRPC Brownfields Subcommittee meeting.
- Joined DPW Supt. and Cemetery and Parks foreman at annual meeting for volunteer of Alan E. Rich Environmental Park.
- Meeting with Finance Team and bond advisor.
- Participated in Special Town Meeting.
- Ongoing discussions with Town Accountant and ClearGov regarding improved budget interface for Town Web site.
- Met with task force including local lender, non-profits and others regarding potential housing project grant.
- Conducted meeting to discuss North Quabbin Regional Animal Control project on Thrower Road including Athol Chief Anderson, Orange Town Administrator, Orange Police Chief, Orange Community Development Director, Royalston Selectboard member Chris Long, regional ACO Jenn Arsenault, assistance ACOs, staff from Franklin Tech.
- Held ground rules session with DPW union as kick-off to contract negotiations.