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MEMORANDUM

TO: Athol Board of Selectmen
FR: Shaun A. Suhoski, Town Manager
RE: Town Manager's Report
DT: July 5, 2016

Dear Board: Please see the following update:

Request to Pay Off Receivership Costs to Montachusett Enterprise Corp.: The Board may recall meeting with Glenn Eaton, Executive Director, and John Barrett, General Counsel, for the Montachusett Enterprise Corp. (MEC) relative to a request for the Town to waive outstanding taxes on the property at 1768 Main Street.

This property, which MEC undertook at the request of Town officials and the Vacant and Abandoned Building Committee, has turned into a financial albatross for the non-profit.

Currently, the MEC has received Court approval to dissolve its official Receivership as there appears to be zero ability to extract the receiver's investment of \$12,363.22 and the town's outstanding tax arrears of \$17,892.75 from the value of the property. This was verified when a public auction conducted by Berman Auctioneers and Appraisers in March 2015 failed to yield any bids, despite the attendance and interest of an abutting business property owner.

It was after the failed auction that MEC approached the Board about seeking abatement of taxes, however, the discussion between the Board of Selectmen, Board of Assessors and MEC resulted in a determination that the process of abatement could – in fact – benefit the underlying, tax-delinquent property owner.

As background information, please see the attached table with bulleted updates on all eight original receiverships with MEC.

The request before the Board today is a public policy decision.

Will the Board of Selectmen utilize recycled HomeCorps grant funds – generated by MEC's conclusion of two other receiverships – to pay off the \$12,363.22 total receivership costs associated with 1768 Main Street?

A financial "hit" of over \$12,000 could have severe impacts on a small non-profit. The benefit to the Town of ensuring the stability and continuation of the MEC will result in further reimbursements to the Town as the balance of the properties are cleared and closed-out.

Therefore, I recommend that the Board of Selectmen utilize a portion of the \$35,914.38 in grant program income that MEC has returned to the town to pay off the receiver's costs for 1768 Main Street.

As for 1768 Main Street, the property owner has apparently reneged on tax payment arrangements and this property is in the tax title portfolio of Atty. Ron Berenson for potential auction to recoup some tax arrears and return property to tax roll.

Miscellaneous Items:

- Arranged second site visit by architect from national non-profit developer to tour Riverbend and Ellen Bigelow schools (Jim Meehan and Eric Smith met on site).
- Attended the annual volunteer appreciation luncheon at Senior Center and told a hilarious joke about snakes.
- Attended and testified in day-long Civil Service Commission hearing.
- Met with Supt. of Public Works Doug Walsh, and Director of Planning and Development Eric Smith, to review upcoming objectives and priority projects.
- Visited Lake Ellis beach and boat ramp area and spoke with staff concerning operations.
- Interviewed three new candidates for Treasurer/Collector position along with Principal Assessor Lisa Aldrich and interim Treasurer/Collector Barbara Barry.