

FISCAL YEAR 2017 BUDGET MESSAGE: RESPONSIBLE

Shaun A. Suhoski, Town Manager

April 5, 2016

To: Board of Selectmen
Finance and Warrant Advisory Committee
Citizens of the Town of Athol

Greetings!

In accordance with Chapter 8 of Athol's Town Charter, the Town Manager shall present the ensuing fiscal year's budget proposal to a joint session of the Board of Selectmen and Finance and Warrant Advisory Committee at least sixty days prior to the start of the spring Annual Town Meeting. I look forward to tonight's discussion.

As you recall, last year's budget was built on the premise of fiscal restraint. To balance the budget required a major shift of health insurance costs from the Town to its employees, limited wage adjustments, and reductions in hours across six Town Hall positions.

re•spon•si•ble – *adjective*

- involving important duties, decisions, etc., that you are trusted to do;
- able to be trusted to do what is right or to do the things that are expected or required.

While the economy shows modest improvement, fiscal restraint remains a core component towards building a responsible, balanced and sustainable budget for FY17. Following substantial input from the Town's financial officers – Christine Mailloux, Lisa Aldrich and Eileen Bristol – I am pleased to present a responsible, balanced and sustainable \$18.94 million operating budget for FY17 that prioritizes spending to key objectives.

FOR TODAY

The \$18,942,316 plan is 8.33 percent higher than last year's \$17,485,789 budget. Subtracting voter-approved debt service costs (roughly \$720,000), and increases to health insurance and the pension fund (nearly \$300,000), all other line items increased by 2.51 percent over FY16. The budget conforms wholly with the limitations of Proposition 2½ and has many positives:

- ✓ Adds a police officer to serve as a School Resource Officer through a proposed cost-sharing arrangement with the Athol-Royalston Regional School District (ARRSD).
- ✓ Reduces one-time subsidies for ongoing operational budgets (eg. free cash, cemetery trust) while partially restoring the annual contribution of ambulance revenue to the ambulance reserve (from zero percent in FY15-16 to five percent in FY17).
- ✓ Funds a proposed Capital Improvement Program totaling \$308,000., below the annual maintenance-of-effort desired, but, more than four times the amount allocated last fiscal year.
- ✓ Meets the requested ARRSD funding target to improve student-teacher ratios at the new Athol Community Elementary School and to initiate capital plant repairs at Athol High School.

- ✓ Makes modest allowance for union and non-union employee wage adjustments (three of four contracts at tentative agreement) with no currently projected reduction in workforce or hours.

In addition to having a responsible operating budget, the overall proposal allocates variable revenue sources such as free cash and repurposed raise articles to cover key obligations:

- ✓ Pay the second of three installments to settle a \$3.4 million liability to the USEPA for \$275,000 total (FY17 payment \$87,500).
- ✓ Reinstitute the yearly contribution towards the triennial revaluation costs at \$51,000.
- ✓ Pay one-time obligation to retiree exceeding \$50,000.
- ✓ Set-aside potential tuition costs of \$35,100 for two students to attend Franklin County Tech (a review of availability of seats at Monty Tech is ongoing).

After the above assumptions, there would remain a free cash balance estimated at \$22,518 which could be allocated to the building commissioner's fund to secure vacant buildings (eg. four elementary schools coming offline in June), or, designated to the Stabilization Fund.

[Note re: schools: the Town Manager and EDIC have already held a walk-through of the elementary schools and have other interested parties, including a developer's architect, scheduled to tour the sites in April. But, there likely remains a need to winterize and secure the structures while disposition planning and activities are completed.]

For all of its positives, the FY17 spending plan falls short on other service enhancements that would greatly benefit the community, namely,

- ✓ Expanding Library hours to Saturdays.
- ✓ Funding for two additional patrol officers to meet FWAC study recommendation of 2012.
- ✓ Enhanced staffing at DPW to improve roadway, sidewalks, parks, cemeteries and general Town aesthetics throughout its public spaces.
- ✓ Updated Capital Improvement Program guidelines and funding stream to meet annual maintenance-of-effort requirements.

In whole, I believe that the FY17 budget proposal is responsible by any definition and that it positions the Town for improved performance and services going forward.

FOR TOMORROW

To continue the remarkable progress of recent years, however, the Town must plan for the future. Towards that end, the new town planner will be tasked with assisting the Board of Planning and Community Development to complete its Master Plan Update in 2016.


Concurrently, I will direct the planner to initiate – with input from all applicable boards and committees, and the general public – a comprehensive review of the Zoning Bylaws to ensure our local land use regulations serve the dual purpose of protecting the standard of living in residential districts while removing obstacles to responsible development.






An area of focus will need to be the prime transportation and commercial corridors of Templeton Road, Main Street, South Main Street, Brookside Road, Daniel Shays Highway and South Athol Road. Portions of Route 32 (Petersham Road et. ali.) should also be examined.

Modern and effective zoning, along with a proposed unified permitting process built upon the successful model that continues to guide redevelopment at the former Fort Devens, would place Athol at the forefront of the Commonwealth's communities ready to accept private investment and job creation for years to come.

Key to advancing these initiatives, the Town Manager and Department Heads will continue to work with private-sector partners on the Town's five-point plan for sustainability (*the complete economic development component of the Five Point Plan for Sustained Success can be found on the Town's "Sunshine Page" at www.athol-ma.gov*).

Town Manager's Five Point Plan for Sustained Success
Economic Development Component



-  **Fiscal Management:** *sound "in house" fiscal policies; AA- rating*
➤ Finance Team; Board of Selectmen; Finance & Warrant Advisory Cmte.
-  **Economic Development:** *grow tax base; create jobs; tourism*
➤ Town Manager; North Quabbin Chamber of Commerce; EOHED; EDA; MassDOT
-  **Community Services:** *safe, attractive, maintained community*
➤ Police; Fire; EMS; DPW (Highways, Parks, Water and Wastewater)
-  **Community Development:** *housing, families; neighborhoods*
➤ DPD; North Quabbin Community Coalition; INQ; Parks; CDBG; Council on Aging
-  **Strong Schools = Strong Community:** *ARRSD 5-yr plan*
➤ Regional School Cmte.; Superintendent; BOS; FWAC; Town Mgr.; Community

Progress!

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The Town's finance and management officials – at the direction of the Board of Selectmen – focused heavy on the Fiscal Management component in 2014-2015, completing the Town's first set of written financial policies in October 2014 and achieving an investment-grade bond rating from Standard & Poor's (*assigned AA- stable outlook 10/29/14; affirmed 2/26/16*).

Most recently, the Town Manager has refined and advocated Athol's economic development agenda which was presented to the Board of Selectmen in January of 2016.

Related to such efforts, the state approved a "Community Compact" agreement with the Board of Selectmen that will allow Athol to participate in a nascent industrial development program through the Executive Office of Housing and Economic Development.

In sum, the FY17 budget as presented makes modest, but measurable, progress in each of the five areas outlined above.

This is only possible within an environment of collaboration and civil discourse among the Board of Selectmen, Finance and Warrant Advisory Committee, Athol-Royalston Regional School District Administration and School Committee, Town Department Heads, members of our various boards and committees, and, ultimately, the voters at Annual Town Meeting.

Thank you all for your guidance and stewardship of this wonderful community.

Onward!

Respectfully,

Shaun A. Suhoski

Town Manager