

TOWN OF ATHOL: FY19 BUDGET MESSAGE

Shaun A. Suhoski, Town Manager

April 3, 2018

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.

In fiscal 2016 we built a budget based upon fiscal **restraint** which included reductions in hours for current staff, a shift of health insurance premium costs from the town to its employees and limited wage adjustments.

re•solve – *transitive verb*

- To deal with successfully; to clear up.
- To reach a firm decision about.

- Merriam-Webster

Fiscal 2017 was a budget premised upon making **responsible** decisions was advanced and approved in a year that saw the Town's finances begin to improve based upon conservative budgeting and improving revenues. Last year, the budget plan sought to **restore** key services, bolster the Town's reserves for the future while also providing a measure of tax rate relief.

For fiscal 2019 – while not necessarily looking to continue with words beginning in “r” – I am presenting a \$19.14 million budget proposal that demonstrates **resolve** in the face of many competing demands for increased resources.

Working closely with the Town's finance officers – Christine Mailloux, Lisa Aldrich and Tammy Collier – I am pleased to offer an operating budget that covers: (1) additional costs for dispatch and police, (2) increased support for education, (3) improved operational and successional capacity in public works, and (4) higher retirement, health insurance and direct veterans' benefits costs. These areas alone comprise 92.4 percent of the total \$762,000 increase in operational spending over FY18.

HIGHLIGHTS OF FY19 PROPOSAL

Because of the payoff of debt associated with the library expansion, the \$19,138,836 budget actually decreased by 0.85 percent from FY18. However, to better compare “apples to apples” I have added lines in the budget summary sheet to illustrate operational costs less debt service. For fiscal 2019, actual operations are proposed to grow by 4.52 percent to meet the obligations stated above and to maintain all current services. Primary takeaways are that the FY19 plan will:

- ✓ Continue funding fifth full-time public safety dispatcher added in FY18 as a result of consolidating police, fire and EMS dispatch functions at the police department (sixth position on hold).
- ✓ Restore historic command structure funding at the police department allowing for three sergeants and one lieutenant (no added staff).

- ✓ Refrain from gimmick-play subsidies to the operating budget (eg. free cash, cemetery trust fund).
- ✓ Enhance support of education through increased funding to Athol-Royalston RSD and Monty Tech.
- ✓ Fund reclassified Assistant Superintendent of Public Works to improve day-to-day operational management and provide potential succession planning.

In addition to having a responsible operating budget, the overall proposal would allocate the Town's \$460,642 certified fund balance (so-called "free cash") to:

- ✓ Meet baseline capital funding policy with a total of \$295,206 contribution to the Capital Improvement Program.
- ✓ Allocate up to \$56,936 to the Stabilization Fund which will result in a reserve balance of roughly \$833,000 or 5.7 percent against the prior year general fund operating budget (fiscal policy calls for 5% to 7% in reserves).
- ✓ Replenish funds to demolish and clear buildings that are unsafe, dangerous or a threat to human health with \$50,000.
- ✓ Provide annual \$48,500 contribution to Assessing Department for periodic revaluation costs.

In summary, I believe the FY19 budget proposal meets the Town's obligations of services to residents while maintaining a conservative and responsible fiscal posture.

LOOKING AHEAD

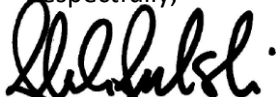
If we are to continue the remarkable progress of recent years, the Town must plan for the future with both short- and longer-term vision.

In the coming months, I will work with elected and appointed officials to advance the development of a solar facility at the capped landfill with lease revenues targeted towards transfer station capital needs, the capital stabilization fund and environmental monitoring of the landfill. Working with the Board of Selectmen, I will seek to develop a process that allows the Town to select the best proposals for any recreational marijuana licenses, and, with the EDIC will strive to recruit a quality developer for a hotel that will generate jobs, property tax and room excise revenue to meet growing demands for service.

Planning efforts should include a targeted review of the Zoning Bylaws to ensure our land use regulations serve the dual purpose of protecting the standard of living while removing obstacles to responsible development along prime transportation corridors. Longer-term, I am convinced that an additional Route 2 exit interchange at South Athol Road must be studied and pursued if feasible.

Athol's success is the result of collaboration among the Board of Selectmen, Finance and Warrant Advisory Committee, Athol-Royalston Regional School District, municipal staff, local boards and committees, and, ultimately, the participants at Annual Town Meeting. I thank you all for your guidance and support as we continue to move an agenda of progress forward.

Respectfully,



Shaun A. Suhoski
Town Manager