



December 30, 2015

Honorable Selectboard;

Please accept this as an abridged accounting of recent activities of the Town Administrator on your behalf and related to various projects and initiatives.

FY 2015 Budget; The budget process continues. I have met with all, but three departments (Health, Conservation, Building) and expect all by the January 8, some departments several times. I have also had several conversations with the Superintendent Young who is going through his budget process. Early indications are the School Department will be slightly over the 1% parameter for increases, but much of that will come from CBA increases and other staffing.

Another change to the budget matrix will be introducing the Redevelopment Authority (RDA) as a separate standalone department. I believe this is an appropriate step to afford the authority the autonomy necessary to move forward their mission. It will allow the RDA to make fluid decisions on expenditures as they move into a different role. They have primarily been in an active planning role and will now move to an engine to move the plan forward. An argument may be made shouldn't we wait for the plan to be approved, I would argue the advantages to having the funds available to make things happen is clearly more important than handicapping the outcome of the vote. If the voters deny the plan, then the funds would go back to the General Fund.

We will also be consolidating all "telephone" costs into IT and managing the contracts out of the IT Department. I believe this will be a much more efficient approach and will produce savings through consolidation and closer monitoring. We are continuing with some of the consolidations we started last year, which seem to be proving out. Hopefully lower gas prices and newer more fuel efficient vehicles will add to the "penny pinching" savings concept. I know you have heard it before and I appreciate the support you have shown for the concept, but the only way we can continue to be cost effective is resist the temptation to hire without full review and only as a final alternative.

We will also see some increases due to borrowing with the largest portion coming from excluded debt (overrides) as per usual. The short term debt will increase by approximately \$150,000 as planned, although it will have to be offset by growth, reductions or new sources of revenue. The revenue picture remains fluid, local revenues there is no expectation of any substantial increase or decrease, state aid will likely remain a mystery until the first week of February and we will continue to identify other revenue opportunities which will positively impact the budget.

License Renewal; As we draw closer to the 2016 the licenses which we issue on a calendar basis are stream out of Town Hall. The cooperation of the licensees has been greatly appreciated, as we utilize

ViewPermt for this issuance. The foundation laid by Laura Krutzler has been critical to the task, but in her absence many people have stepped up to assist. Chief among them is James Doolittle the IT Coordinator. He has been professional, responsive and patient with both external applicants and internal users (or attempt-to-users in some cases). Even I have dipped into the ViewPermit processing, while not an expert, I certainly can see how this can be a tool to strengthen our service to licensees and the public.

Jamie and I have had the occasion to physically deliver license to businesses when it helped the client or we were unable to print the permit/license expeditiously. One of the safety features of this system is we cannot print until we get paid. This has already assisted when a client thought their office had sent a check, but in fact had not.

We have identified some inconsistencies in issuance, where some licenses are required for a business and a seemingly similar business is not required to have the same license. I hope to convene a meeting after the first of the year to discuss license, permits and the various interpretations of requirements. It will also be worthwhile to discuss fees, enforcement and penalties at that time, as well. Having a larger part in the process has caused me to wonder about various things ...like why is a Milk Permit \$2? Knowing, cooperation will continue amongst all parties, I am confident we will make even greater strides in the 2016 in making this product and process a solid tool for South Hadley.

Hampshire County Health Insurance Trust Rates FY 2017; As mentioned in my previous report the HCHIT Director Joe Shea recommended a 8.5% increase in rates. While I respect and appreciate why he was making the recommendation, I made a motion to subsidize the premiums with funds from the reserve fund balance. This motion lessened the impact to our budget but still would be a substantial 6.8% increase to the town as the employer and the employees for their share.

Though this increase may require \$3 million or slightly more to be used from the Trust's reserves, the balance would still be very healthy, at over \$20 million. I also made the point while the claims experience had been trending in a negative direction over 18 months, it has rebounded in the last 7 months. It only showing a loss in one of the last seven months. This rate must be ratified at the January meeting of the Insurance Advisory Committee (IAC). I have heard some rumblings there are IAC representatives who may ask for a larger subsidy, which I may support if it is reasonable and based on a compelling argument and sound thought

Police Union Negotiations; As you are aware the Collective Bargaining Agreement with the police union will expire at the close of the fiscal year (16). On January 5 we will begin to discuss with union leadership a successor agreement. I am hopeful the negotiations will be quick and equitable to all parties. I would like to have an agreement prior to the expiration.

Third Quarter Tax Bills; Third Quarter Bills, sometimes referred to as "actuals" as they fully reflect the tax rate voted on at the December 1 tax hearing went out a week earlier than the historic norm. This does not affect the due date. The Collector's Office readied itself for larger than normal traffic for the holiday in-between week, at this writing the rush has not materialized, but I am thankful we prepared.

Payroll and Benefit Office Repairs: The P&B Office is back to normal, it ended up there was about \$5,200 of damage. It made sense for us to file a claim, which we have, even with the deductible (\$2,500) we will still defray costs.

The carpet, ceiling and desks were all determined by the adjuster to be significantly damaged and in need of replacement. All the work has been completed and we have installed some second hand desks and life is back to normal, for now, in that office.

PVPC/CDBG; Grant activity has begun, the NHN van is being procured, 6 of the 15 applicants for home repair have been “qualified” for South Hadley, one Granby resident has been qualified. The Newton Manor ADA project is out to bid. I am hopefully these projects will benefit the resident recipients fully by spring.

Pioneer Valley Planning Commission will continue to be the contact agency for these projects and will monitor them to ensure the participants meet federal guidelines. There is one “emergency” repair being done in South Hadley, according to PVPC reports.

Ice Storm; The storm hit at a difficult time of day. There seems to be some public expectation if a storm comes in at 7AM or midnight it will all be cleared up by noon. It cannot be discounted how the type, timing and intensity of a storm plays a part in how the DPW approaches fighting the storm. This one with little (but heavy snow) and significant icing and re-icing calls for more sand. It also cause the operator to keep plows lower and is more likely to uncover defects like loose pavement or cause damage to berms or curbs.

Superintendent Reidy did a good job clearing major roads and worked on secondary and tertiary streets as staffing was available. As per usual there were impatient residents who did not agree their street was not primary to traffic, some who live on unaccepted ways did not want to listen to the fact their streets would be last and only made passable for emergency vehicles, as is the state standard. I am not sure these events cause people to be good listeners, but we try to deliver accurate information. We will however not be verbally abused or subjected to vulgarity laced tirades, once that occurs the conversation is over.

Skating Rink at Beachgrounds; For the third year in a row, the Parks Crew will be opening the well-received ice rink at the Beachgrounds January 28 through February 22. The kind of “ice” we like entertains many families and provides a great winter exercise venue. I encourage everyone to consider lacing the skates up and getting out there for some fresh air. Thank you Superintendent Jim Reidy, Bill Simard and the crew!

Please accept my wish for a healthy and successful 2016 for you and all of South Hadley.

Respectfully submitted,

Michael J. Sullivan

Town Administrator, South Hadley