



January 15, 2016

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.

Hampshire County Health Insurance Trust (HCHIT) FY 17 Rates; The good news is the dental rates will not change (the town does not contribute), the bad news is the cost for health insurance will rise by 6.8% (the town contributes heavily). The Insurance Advisory Committee of HCHIT met on January 13, the HCHIT director recommended an 8.5% increase, I made a motion to increase by 6.8% for reasons I have covered in previous TA Reports, and my motion prevailed. The surprise always is for me the number of community officials and representatives who argue for higher rates. I reminded them the money in the "trust" is the taxpayers and employees of the member towns.

Due efforts to lower the number of employees overall we will be able to absorb some of the cost without raising the appropriation for the Health Insurance line item. It will still cause a \$90K, increase in the line item from FY 15, but will still be below FY 11 high. The actual expenditure approximately will increase by \$225, depending on the total number of employees and possible employee changes to plans at open enrollment.

The cost of each PPO family plan will cost the Town of South Hadley over \$17,000 annually, the average plan cost is around \$12,000 annually. It does not take much math to see how when the rate is applied to 300 or more employees it takes off like a rocket. I do not have to remind the Selectboard these cost need to be added to salary, retirement and other employee expenditures make adding staff difficult. Less staff does cause work shifting and higher demands on employees, it may in some cases even cause us to cut or reduce service levels, but in the end we must do what we have to do.

An employee who is receiving a salary of forty thousand may realistically cost the town over well over sixty thousand in actual costs to the taxpayer. I have to continue to say we need to react slowly when adding or adjusting staffing. Continuing to have workforce which can do more and is learning new methods is essential, it has been demonstrated to be effective in a number of situations as of late.

IPG Methane Gas Recapture Project; I met with Sandra Gillis and Jim Malandrous on Wednesday January 6 to convey your *use it or lose it* directive in relationship to the methane pipe project. They heard it loud and clear. They demonstrated and explained some of the obstacles and what steps they were taking to get around those misfortunes. They made it clear the South Hadley Conservation Commission and the ConsCom Administrator were not adding to the challenges and were a pleasure to work with, it has been other environmental/wildlife sign-offs which were difficult to obtain. IPS feels

they are very near the finish line in respect to these hurdles and expect to start construction in the spring of 2016.

I have requested they start to pay the \$5,000 agreed upon premium to the Town of South Hadley beginning July 1, 2016 regardless of where the project is at and they take over the mandatory monitoring as outlined in the agreement. This will coincide with the finalizing of the Advance extended agreement on the vegetation plan for the landfill. The added revenue will buffer some of the loss in Landfill Revenues in respect to not increasing the Trash Fee for 2016.

Siemens/Lochinvar; I am happy to report we our thermostats (Eco-bee) and heating system (Lochinvar) are sing from the same hymnal now. Jim Weglinski (Siemens) was here with me well into the evening on Wednesday telling way more about how the circuitry was being changed to bring peace between the thermostat and the boiler in Town Hall and bring efficiency and comfort to all. Not to mention lower costs.

We now have the ability to look at temperature trends, bring the building to “unoccupied” mode for days not in use and comply with manufacturer warrantees for both Eco-bee and Lochinvar. The system does integrate the outdoor system now which in itself will give greater efficiency. I know so little about heating systems and hope to remain so.

River to Range Project; All the parties met in my office last week to discuss our Recreational Trails Grant application for 2016, the Town Planner, ConsCom Director, representatives various agencies and Chris Curtis from PVPC who is guiding the grant process and submittal. The application will be submitted the first week of February.

What was learned last year as the application was not funded is being applied to strengthening the grant for this year. You may recall this grant last year included accessible trail just off of the bottom of Ferry Street with a bridge over the brook. The parking lot was suggested as to be to large (20 spaces), so there will be a change to reduce the lot to an area for up to four handicap spaces and five other spaces. This year’s application will be presented as a “Phase”, which Phase 1 will concentrate on funding a final design and installing just the accessible trail around the hay field. Phase 2 (2017, hopefully) will be the bridge and accessible observation area on the other side of the brook.

This year there was a significant archeological review and on-site study done to ensure any work would not disturb native gathering areas and artifacts. This service was performed by UMASS and for anyone interested I can supply the report for some light reading. Suffice to say the report was consistent with previous studies near or at this site. There is evidence of native activity and steps have and will be taken to protect those areas and artifacts.

The grant will look for the SB to increase the local match from \$18 to \$25K and ask MHC to match that contribution. The grant will seek and additional \$100K from the Recreational Trails Program.

Legal News; I have supplied you with the rulings on the Opalenik suit which were , again favorable for the Town Of South Hadley dismissing any wrong doing on the part of the Town Of South Hadley, Town of Hadley or any of its police officers. That came in the same week where an arbiter clearly stated the “Town” has the right to contract work in respect to a grievance brought by the Clerical Union. This was not a surprise and was on point with our position. I respect the right of the union to bring these actions, but unfortunately it causes, discomfort amongst staff, cost the “Town” money to defend and generally is

a distraction to all. I always hope there will be a new collective perspective to employee relations and great understanding we are all here to serve the municipality.

Professional Development Day: Our quarterly PD Day is today, we will be covering issues from welcoming new employees to how to be healthier (I will try to listen). I really appreciate the SB support on this important team building exercise and opportunity to communicate in a group a clear message.

A number of communities have adopted this practice and I appreciate Jennifer Wolowicz (Asst. Town Administrator) role in making this happen. The next PD Day in April will cover the burgeoning Alzheimer's Awareness project which many departments participate in organizing along with support from Carol Constance at Loomis Communities, it is very exciting.

Budget FY 17; The draft "expense" budget will be available for February 1st, I cannot be more expressive the budget is still very much in **DRAFT** form and subject to change. It is highly reliant on trends which we only have data on two quarters in FY 16 for expenses or revenues. Speaking of revenues as is always the case we are awaiting information from the state government on their local aid projections.

If "lottery" sales are still part of the equation it should be headed in a good direction after the recent jackpot frenzy. Beyond the "dream tax" things are looking good for the Commonwealth and locally we can only hope that means good things for South Hadley. I am sure we will find out more at the MMA Conference next week about how the state will slice the pie.

Thank you for your support! I wish everyone success for this weekends "Bag the Community" food drive.

Respectfully submitted,

Michael J Sullivan

Town Administrator, South Hadley