



MEMORANDUM

TO: Board of Selectmen

FROM: John C. Curran, Town Manager

CC: Susan Aker, Cathy O'Dea

SUBJECT: Town Manager's Report, April 24, 2017

DATE: April 22, 2017

Chapter 90 Funds

This office received a letter from Mass DOT informing the Town that the Fiscal Year 2018 Chapter 90 numbers are out pending final approval from the legislature. Unfortunately, the state has not increased Chapter 90 Funds significantly – they will total \$200 million statewide. Billerica will have \$1,297,289 incorporated into its existing 10-year Chapter 90 Contract. Last year's apportionment was \$1,286,974. The formula is based on 189 miles of roadway.

Finance Committee Meetings

The finance Committee has approved the budget and all warrant articles pertaining to all budgets. They have also approved all borrowing articles, capital and debt stabilization in time for Town Meeting. The FY2017 budget amendment article, collective bargaining articles, the revolving fund article and the petitioner's article are scheduled for Tuesday.

Press Release on Fire Department Personnel Issue

As you know, this office issued a press release last week regarding potential disciplinary action initiated against four fire department employees. This office also held one press conference for all of the major news networks to control the message as best as possible in what is undoubtedly a very difficult issue for the Town.

What took an instant to do to the reputation of the fire department will take many years to repair in that same department. We can start that process by reminding people that the great majority of fire fighters are dedicated professionals that come to work every shift and give their all to ensure the public safety of the residents is second to none. It should also be stated that this office has full confidence in the Chief and his ability to work with my office to get the department back on track after this unfortunate chain of events.

Bond Rating

S&P Global Ratings assigned its 'AA+' rating and stable outlook to the Town of Billerica, Mass.' series 2017 Chapter 70B general obligation (GO) bonds. At the same time, S&P Global Ratings affirmed its 'AA+' rating, with a stable outlook, on the town's GO debt outstanding. We also affirmed our 'SP-1+' rating on Billerica's short-term debt maturing November 2017. The short-term rating reflects their view that the town maintains a very strong capacity to pay principal and interest when the notes come due. Billerica maintains what they view as a low market risk profile because it has strong legal authority to issue long-term debt to take out the notes and is a frequent issuer that regularly provides ongoing disclosure to market participants.

The Town was rated very strong in economic status as well as management performance. They did note the increased debt ratio as a weakness and focused on the Pension and OPEB liability. However, Billerica is one of 2 communities in Massachusetts to maintain a AA+ rating with this level of a debt ratio. This is certainly a testament to the financial strength of the Town. The Town is seeking a Bond Rating from Moodys Rating Service as well. The Town will be participating in a call with Moodys on April 27th. It is necessary to get two ratings when borrowing this amount of money.

High School Project

The 90% submission of deliverables was submitted to the MSBA on April 18th. Great work by the project team to get that submitted on time. The 100% submission is due next month. SDC worked to bring the new waterline connection in from River Street on Friday, April 13, 2017, more work needs to be done to complete this task. It will be done on Thursday April 20, 2017. The water will be shut off from 8AM -12PM.