

TOWN MANAGER**Kenneth E. Walto**

The past year saw significant progress being made on the library/senior center project. Eleven sites were considered and four studied in depth. The site of the former Dalton High School was the most viable location. At any of the four primary sites, the 40,000 square foot project was estimated to cost about \$10,000,000. A draft feasibility study was presented to the town in March.

There was clear sentiment to save the high school among those attending the meeting. That option constructs a new library and renovates the First Street wing of the school for the Senior Center and other offices. The Glennon Avenue wing would be demolished for parking. Since renovations will add about 10% more to the project's cost, the Select Board decided to put the question to a vote of the town. At the Annual Election in May, the town voted to save the school. That vote was advisory. The Select Board subsequently voted to proceed with renovations after the feasibility study was completed in September.

Also in March, the town approved borrowing \$700,000 to proceed with final design. At a Special Town Meeting in June, the town formally voted to accept the feasibility study and authorize the Library Trustees to apply for grants to fund the project. The feasibility study contract with Hill Architects was amended to proceed with a "schematic design" in order to apply to the Massachusetts Board of Library Commissioners for a construction grant. That application, with the additional design work, was nearly complete by the end of the year. Submission of the grant application was scheduled for February of 2005.

2004 was also a year of continuing fiscal difficulty. The budget adopted by the town in May forecast a drop of 1.6 % (\$64,780) in Revenues against a projected 7.1% increase (\$738,075) in Operating Expenses. The decline in revenues was largely due to a drop in state aid of \$71,377 (6.2%). Despite holding the town's operating departments to a 2% increase, there were large unavoidable cost increases for such items as Insurance, Retirement, and Vocational Education. Total town Operating Expenses increased by \$313,126 or 6.7%. The School District expenses were up 7.5%, a \$424,949 increase.

The town managed to stay under its Proposition 2 1/ 2levy limit by utilizing a total of \$1.7 million in reserves, free cash and other state reimbursements. Nonetheless, the budget required a tax rate increase of 70 cents. The average homeowner saw a tax increase of 9.7% or \$250 per year. The budget left the town only \$105,600 under its tax levy limit. It seems likely that the coming fiscal year will require either a vote to override the tax levy limit or cuts in services.

The Select Board adopted a \$20,932,000 five-year capital plan in June for Police, Parks/Cemeteries, Highway/Sewers and General Government capital expenses. Approximately sixty percent of the twenty million of projected expenses is expected to come from state and federal sources for the reconstruction of Housatonic and South Streets, the library/senior center project, and the creation of an industrial park.

In June, the town approved funding for the current year of the Capital Plan; \$138,600 of five-year debt and \$35,800 in reserve funds was authorized and appropriated. This was a significant reduction from the prior year due to budgetary constraints. All funding for the town's share of the Capital Budget is

derived from reserves so as not to impact the tax rate.

The plans to reconstruct Housatonic and South streets are approaching completion. The MassHighway Department held a "25% design stage hearing" on Housatonic Street in May after having held a similar hearing for South Street the previous year. It is expected that the South Street project will be underway in 2007.

In other significant efforts, the Berkshire Regional Planning Commission continued its planning assistance to the town with special efforts on behalf of economic development and storm water management projects; a test web site was on the internet thanks to the efforts of the Web Site Committee and volunteer Webmaster Louise Frankenberg; and Health Agent, Ed Fahey assumed new responsibility as Emergency Management Coordinator.

The town and school district completed a first full year of the COPS in Schools program. Through the superior efforts of recently retired Police Chief Dan Filiault, the town was awarded a \$250,000 Federal Grant for the program. Two police officers were hired to replace two who have been placed full time at Nessacus Middle School and Wahconah High School. Dan retired in September 2004 and will be missed as both friend and colleague

I thank the town's employees whose continued dedication and cooperation is evident in the smoothly functioning municipal government. Likewise, I thank the volunteers on the town's many boards and commissions who labor without compensation for love of the community.

I want to especially thank the Select Board for its continued support. The Town Manager form of government cannot work well without the close and continuing collaboration of the Select Board and Town Manager. I also thank the Select Board/Town Manager secretarial staff who continually perform "above and beyond the call of duty." I have heard it said that competent secretaries really run the world. That is no less true of our town government.