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Good afternoon all:

Traffic/lane closure/monitoring/paving/stripping update: here's the latest info and schedule I've just gleaned from Chris Barker and RSG. School reopens next Wednesday, so the final full-blown monitoring (with a number of RSG people out there, photos being taken of queues, and video being taken from the I-91 over pass) will occur Thursday the 27<sup>th</sup>, from 3:30 until 6:30, to capture the school traffic. Paving of the final course may occur as soon as the week of Aug. 31-Sept 4, but I'll qualify that by saying it may not happen until a couple weeks later. If it does occur that week, the striping will probably go down the following week. So decisions will have to have been made by that earlier date, if the paving occurs that early. RSG will do their final report and assessment by the first week in September, and a meeting of all the minds will be scheduled shortly thereafter to get everyone's input. At this point I see no reason for AOT to conclude that this experiment has failed, but there may be some further adjustments to the striping based on input and observations we've all made. I will let you know when that last meeting is scheduled and encourage as many of you to attend as possible.

Budget thoughts (FY2011). I'm terribly disappointed I have a conflict for next Wednesday's important SB meeting and the discussion of the goals for the FY 11 budget. My thoughts are quite simple—I will work diligently with department heads to present the two budgets you've recommended—one being a 5% reduction in spending from this year's budget, the other being the minimum budget necessary to provide the current level of spending. I also understand your goal of no municipal tax increase, which may be the most difficult one to reach, when one factors in decreasing revenues. Obviously I cannot control the revenue side of the budget. One thing that would help would be to follow the recommendation of our outside auditor and the Finance Committee and remove (this year it amounts to \$175,000) the grant line from highway paving. We probably won't have this next year, and it would show as a decrease in spending of that amount. We will also benefit from the disappearance of \$62,000 in principal and interest that we've been paying on the highway equipment loan the past five years. That loan will have been paid off. Also, there's about \$17,000 for an emergency generator that won't appear in next year's budget. We have some \$67,000 in a sidewalk fund that could be re-allocated, re-directed to offset the budget crunch we're in. I won't be a member of ICMA, won't go to next year's ICMA conference; that will save about \$2000. We can freeze salaries of all employees, then require an involuntary 1 day every 4 weeks unpaid furlough, thus achieving a 5% reduction in all salaries. We can totally eliminate all paving expense next year as two Finance Committee members want to do, and ignore the MarCon report of two years ago that lays out a prudent re-paving schedule of \$425,000 for next year and then increases by 5% each year for the following five years to FY2016. All these issues we can debate going forward, and it won't be very pleasant. We may lose some good people as we fall behind the median salaries of other towns, but all these efforts to reach a 5% cut can be/will be examined.

Keep in mind that to reach this year's municipal tax rate cut, we took \$231,000 out of our undesignated fund, leaving about \$597,000, or 15% of our annual budget. Next year, we'd be reducing that fund down to around the 9-10% level if we were to take a similar amount out to maintain the tax rate. So the goal of a level tax rate may well be our most difficult challenge, even if I'm able to find \$200,000 in cuts.

Brief Town Manager's Report: Monday I spent most of the day plowing through 150+ emails and messages. Met with the Fire Department that evening to discuss equipment needs. You may remember that I'd cautioned Chief Leinoff on going a bit slower on the purchase of a used aerial, as I was hearing some opposition from other members of the Department. I'd suggested to Steve he assemble an equipment committee of 3 or 4 of his most knowledgeable officers to get a consensus on the right apparatus for the town, the most cost-effective piece we could invest in. They did, and the

vote was 6 out of 7 (Steve disagreeing) to go in another direction; namely, to purchase a used multi-purpose vehicle known as a 'Quint' that could handle five different functions. This will enable the department to retire Engine 3 (a 1989 vintage piece) and Ladder 1, a 1979 vintage apparatus. Used Quints go in the range of \$300,000 or so, and that fund currently stands at \$233,687, without the addition of this year's \$65,000 that needs to be transferred in. We will be discussing their future vehicle needs, but I let them know in no uncertain terms that these designated funds for Police, Fire and Highway are going to be closely scrutinized in this upcoming budget.

Tuesday I met briefly w/ Ed about some residents' curbing concerns near the green and the sidewalk that should be going in the next two weeks. I sat in on the Mascoma Bank depositions of Dennis Kaufman and Steve Wheelock (both gentlemen acquitted themselves very well I might add), met with Neil for about an hour's debriefing of the week I missed, sat in on a 2 ½ hr. Finance Committee meeting, and then briefly met with the Conservation Committee to discuss the Source to the Sea Ct. River clean up that I had proposed to them.

Wednesday I met with the Richards Group (local insurance company) to discuss the possibility of saving money on health insurance and property/casualty insurance for the town. Met with Chris Barker from AOT on the paving schedule and to go over the specifics of the next week or two.

Thursday and Friday have been spent in discussions with residents, walk-ins and telephone about various issues. Steve Usle stopped by to inquire if you'd made a decision about my being involved with Leadership Upper Valley—they need to know by next week. You wanted to know what my weekly commitments are, and they are minimal—Rotary is every Wednesday, but I try to make 3 out of every 4 monthly meetings. I have no other set-in-stone daily or weekly commitments that would preclude me from dedicating one day per month for nine months to attend this leadership program. I believe Len Cadwallader and Steve were both going to approach some of you about the value of this course.

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