

**ANNUAL TOWN MEETING
MAY 3, 2014
BACKGROUND INFORMATION**

**ARTICLES
1-3**

Consent Agenda for More Routine Articles

This year the Town Moderator is continuing a practice introduced a couple of years ago, in which articles that have traditionally evoked little discussion or debate on town meeting floor will be voted as a block, without a full reading by the Town Moderator. Town meeting members will, however, be permitted to put a hold on any or all of these consent articles, in which case the article subject to the hold will be subject to a full reading and debate. The purpose of the consent agenda is to expedite consideration of routine town meeting articles. The first five articles fall into this category.

Consent agenda articles include:

- Receipt of annual reports
- Authority to apply for, receive and expend grants
- Annual authorization of hazmat revolving fund

ARTICLE 4

Fix the Salaries of Elected Officials. This article appears regularly on the annual warrant. The recommended wage increases for the Town Clerk and Treasurer/Tax Collector are comparable to increases provided to other full-time employees. Both the Board of Selectmen and the Finance Committee recommend step increases allowed under the new salary schedule including a 1% cost of living raise.

ARTICLE 5

Fix the Salaries of Appointed Officials. This article appears regularly on the annual warrant. Recommended salary ranges for full-time appointed officials reflect the implementation of existing collective bargaining agreements, individual employment contracts authorized by law (i.e. Town Administrator, Police Chief), stipends and wage/salary ranges established by the Personnel Board for various part-time employees.

ARTICLE 6

Departmental Appropriation Article. This article includes the FY 2015 operating budget for the town departments, except for the Water Pollution Control Facility, the Colle Building, which is funded through receipts reserved for appropriation, and the Airport. Budgets for these items are shown in Articles 7, 8 and 9 respectively. It also does not include funds required to meet the town's assessments to the Franklin County Technical School District and the Gill-Montague Regional School District which are addressed in Articles 10 and 12.

Conservative revenue assumptions continued to drive the budget preparation process this year, although the health of the state economy is certainly trending in a positive direction. The FY 2015 budget was prepared with the expectation that unrestricted state aid will be increased by 2.7% as proposed in a resolution adopted by both houses of the State Legislature. Property taxes are assumed to increase by the allowable 2 ½ percent plus an estimated, modest amount of new

growth (\$120,000). The revenue estimates also assume that the Franklin County Technical School will reimburse all of the cost of a new school resource police officer. These costs will total \$75,645. All other revenue categories are essentially level funded with the FY 2014 number.

The amount requested under the Selectmen's budget in Article 6 (\$8,136,058) represents a \$276,345 or 3.52% increase over FY 2014. This total does not reflect a final settlement of all union contracts. The town has settled with the IBPO but is still in negotiation with the TOMEA and UE unions. It should be pointed out that the increase does include a \$75,645 in expenditure associated with the funding of the FCTS School Resource Officer, all of the costs of which are reimbursed. If total spending is adjusted to account for this expense, the budget would actually increase by \$200,700 or 2.6%. **Personnel Costs** account for \$162,473 or 58.8% of the total increase. Wages and salaries in the Town Clerk's Office will increase by \$14,900. A large portion of this increase is attributable to the part time staffing required to man the voting stations at extra elections planned for FY 2015. Personnel increases in the Police and Dispatch departments alone account for \$119,301 or 73.4% of all currently known increases in personnel. Approximately \$50,000 of this total is for the wages of the FCTS School Resource Officer. The remainder is attributable to the implementation of the new pay and classification schedule, and training requirements. Funding of **step increases**, for those employees who are eligible, including those employees who are members of unions that have not as yet settled account for the balance of the increased personnel costs.

Total **Expenses** for the general fund will increase by \$73,850 or 2.8% in FY 2015. Notable changes in this budget include the following: **General Government Public Utilities** (+\$4,130), **Public Works** (+\$22,000) spread throughout the budget including increases in various **Repairs and Maintenance Accounts** (+\$5,500), **Gasoline** (+\$4,000), **Diesel** (+\$2,000), **Public Works Supplies** (+\$2,000), and **Parts and Accessories** (+\$4,000), **Public Safety** (+\$7,074) mainly driven by a (+\$2,734) or 21.3% increases in police liability insurance owing to greater than normal Section 111F (injured on duty) claims and increased **Gasoline** (\$+4,000) costs and dispatch budgets associated with new training requirements and overtime coverage, **Human Services** (+\$21,268) mostly due to a \$20,000 increase in **Veteran's Benefits** costs, 75% of which is reimbursed by the State on the Cherry Sheet. **Recreation and Culture** (+\$8,531) mainly reflecting increased costs of Subscriptions and Books (+\$2,000) and Media Acquisitions (+\$3,000) in the Libraries; **Debt** (+\$18,266); and **Intergovernmental** (+\$6,101), primarily due to increases in assessments from the Franklin Regional Council of Governments and Franklin County Solid Waste Management District.

Employee Benefits will increase by a total of \$43,022 or 2.3% over FY 2014. **Pension Costs** increase by \$5,752 or .007%. **Health Insurance** costs increase by \$26,000. All of the increase is attributable to the addition on staffing and not to increased premiums. This is the seventh year in succession that the town's health provider, Hampshire Health Insurance Group, has delivered premium increases that are well below the state average. The remaining increases are distributed throughout the employee benefits budget.

ARTICLE 7

Enterprise Fund Operating Budget of Montague Water Pollution Control Facility. This article contains the FY 2015 budget for the Montague Water Pollution Control Facility, 90.76% of which is funded out of sewer user fees. The balance (\$200,000 or 9.242%) is funded out of taxation and reflects the cost of treating infiltration and inflow at both the Montague WPCF and Town of Erving WWTP.

The amount requested in the Selectmen's Budget (\$2,122,370) represents a \$87,827 or 4.32% increase over FY 2014. It should be pointed out that the FY 2014 appropriation number used in the year to year comparison does include one-time operational costs totaling about \$80,000 associated with the implementation of the Millers Falls Road/Industrial Boulevard Sewer Emergency. If these costs were not included, the FY 2014 budget, to which the FY 2015 budget is compared, would be much lower and the actual increase in the FY 2015 WPCF budget would be \$167,827 or 8.6%. The WPCF is to be commended for keeping the level of the budget increase as low as this despite a 28% increase in debt service associated with sewer emergency work in 2013 and the addition of two new staff positions, needed to meet a new requirement of the Mass. Department of Environmental Protection. The department was able to mitigate the impact of these unavoidable increases in cost through the implementation of innovative process changes that resulted in significant cost savings. The **Operations and Maintenance** budget for the WPCF will decrease by \$31,675 or 2.2% over FY 2014. Once again, however, if we adjust for the one time costs in FY 2014, the operations and maintenance budget would actually increase by \$48,325 or 4.8% over the actual FY 2014 O&M spending of \$999,699. **Personnel:** Personnel costs increase by \$56,104 or 15.83% in the proposed budget. Growth of this budget is driven by the same personnel assumptions described with regard to the Town personnel in Article 6 including the fact that the majority of plant personnel are members of unions that have not yet settled their FY 2015 contracts. The Water Pollution Control budget also includes funding for two additional staff people which together add \$46,161 to the operating budget. This does not include the cost of benefits which are addressed below. On the **Expense** side, spending is driven by several factors. There is a significant increase in the cost of electricity (+\$47,534) or 30.3%. Other notable changes in the budget include increases in Building Repairs and Maintenance (+\$5,000), Grounds Repairs and Maintenance (+\$5,000), Other Professional and Technical (+\$5,000), Millers Falls Assessment (+\$18,632) and several other, smaller increases distributed throughout the budget. Much of the growth in the operating budget, however, will be offset by significant reductions in spending in other line items. These include: Solid Waste Disposal (-\$90,000), Chemicals (-\$12,000) and the Reserve Fund (-\$5,121). The **Highway Subsidiary**, which funds maintenance of the sewer collection system by the DPW, is level funded at the FY 2014 appropriation of \$54,959. **WPCF Debt** costs would increase by \$100,206 or 27.8% FY 2015. This is due primarily to a new debt service requirement associated with the \$1.7 million in emergency sewer improvements implemented on Millers Falls Road and Industrial Boulevard. Finally, **Employee Benefits** will increase by \$19,236 or 10.4%. The increase required by the WPCF reflects the addition of two new staff positions and the consequent increase in pension, health and life insurance.

ARTICLE 8 **Colle Receipts Reserved for Appropriation.** Article 8 appropriates \$86,738 for the operation and maintenance of the Colle Building, a town owned facility. The Colle is a discrete cost center that is currently funded from receipts reserved for appropriation, without a subsidy from taxpayers. Although not actually referred to as such, this type of account is very similar to an enterprise fund, meaning that the operation is self-funded. Colle receipts are earned from lease payments that are made by tenants of the building, which is currently 100% leased up. The FY 2015 budget for the Colle is slightly lower than that of FY 2014, reflecting a modest decline in the annual debt service requirement.

ARTICLE 9 **Airport Enterprise Fund Operating Budget.** The FY 2015 Airport operating budget (\$45,512) represents a \$2,203 or 5.1% increase over FY 2014. The budget is financed through a combination of airport user fees and taxation. Under the proposed FY 2015 budget, user fees (including use of Retained Earnings) will comprise 79.5% (\$36,165) of the total airport operating budget. The remainder (\$9,347) is funded out of taxation. The ultimate goal of the Airport Commission is to make the airport a fully self supporting operation. User fees are generated through PILOT fees and leasing of airport property, including a residence that is located on the corner of Millers Falls Road and West Mineral Road. This year's budget increase includes a modest increase in the Airport Manager's salary reflecting the implementation of the pay and classification study.

ARTICLE 10 **Franklin County Technical School District Assessment.** This article funds Montague's share of the cost of operating the Franklin County Technical School (FCTS). It also includes Montague's capital assessment. The amount requested (\$682,601) represents a \$49,058 or 7.2% reduction over FY 2014. Montague's assessment declined because there were six fewer Montague students attending FCTS this year. This caused Montague's share of district spending to fall from 15.47% to 14.08%.

ARTICLE 11 **Appropriate funds into Franklin County Technical School Stabilization Fund.** This article appropriates \$49,058 into the Franklin County Technical School Stabilization Fund. This amount is equivalent to the FY 2015 reduction in Montague's FCTS assessment, consistent with the Finance Committee policy. This is in recognition of the fact that the Tech School assessments are volatile since they depend upon the number of Montague students enrolled from one year to the next. By building up the stabilization, the town puts itself in a position where it is able to fund sudden increases in enrollments and assessments in subsequent years.

ARTICLE 12 **Gill-Montague Regional School District Assessment.** Article 12 funds Montague's share of the cost of operating the Gill Montague Regional School District (GMRSD). This year the District approved a budget of \$17,488,823 (local funds), which represents a \$552,930 or 3.3% increase. The District has requested an assessment of \$8,293,458. This represents an increase of \$442,854 or 5.64% from FY 2014. This increase meets the criteria of an affordable assessment.

ARTICLE 13 **Update Assessor Computer Software.** This article would appropriate \$9,500 out of taxation to fund the upgrading of the Assessor's Computer Software to AssessPro 5.0. This software provides for complete audit history changes, with

any changes being brought forward to future years. This will eliminate the duplication of data entry for the Preliminary Bills. The application will run on the terminal server and the Assessors will be able to provide access to the assessing data to all departments.

ARTICLE 14 **Funding for Information Technology, Equipment, Parts, Accessories etc.**
Article 14 would appropriate the sum of \$8,200 to fund information technology equipment, parts, accessories, software and installation.

ARTICLE 15 **Appropriate funds to inspect and clean sewer lines.** Article 15 would appropriate \$75,000 from sewer user fees and available funds to finance the inspection and cleaning of sewers and sand removal from the Canal Street sewer drain line. This initiative was precipitated by a sewer emergency in 2013 which resulted in the collapse of major lines on Millers Falls Road and Industrial Boulevard. The collapse raised concerns that there may be other asbestos concrete pipes that are in poor condition and in danger of failure. The objective of the study is to identify lines that should be lined as a means of ensuring their longevity and avoiding costly replacement. The removal of sand from a drain line that runs under the canal to the Connecticut River is viewed as a possible way to reduce the amount of infiltration and inflow that is treated at the WPCF, for which Town taxpayers must pay a surcharge.

ARTICLE 16 **Line existing sewers on Millers Falls Road, Industrial Boulevard and Crescent Street in Millers Falls.** This article would appropriate \$175,000 from sewer borrowing to pay for the actual lining of existing sewers that are known to be in poor condition. Lining of the Crescent Street sewer line is also expected to result in a potentially significant reduction in infiltration and inflow to the Millers

ARTICLE 17 **Authorize borrowing to pay for the replacement of two sewer pump stations.**
This article would authorize sewer borrowing in the amount of \$3,000,000 for the purpose of replacing sewer pumping stations located at First Street in Turners Falls and Poplar Street in Montague City. This work was recommended in a study of the town's eight pumping stations that was done by the consulting firm CDM Smith. The stations were originally constructed in the 1960's; and are assumed to have nearly exhausted their useful life. The town has qualified under the State's Revolving Sewer Loan Fund which will provide financing for the construction portion of the project at a 2% interest rate. Any engineering costs will have to be financed using conventional, general obligation bond interest rate.

ARTICLE 18 **Funding for Purchase of Police Equipment.** Article 18 would appropriate \$15,000 to purchase police equipment such as firearms and accessories, computers and accessories, police cruiser equipment, department equipment and furniture, bullet-proof vests, tasers, radios or any similar items, PBT's and other breath test devices, police badges, as well as all other necessary equipment and extraordinary repairs needed to assist the police department.

ARTICLE 19 **DPW Discretionary Account Appropriation.** Article 19 would appropriate \$75,000 for the purpose of funding the DPW Discretionary Account. The purpose of this account is to enable the DPW Superintendent to fund purchases of and/or major repairs to DPW vehicles and equipment. This account addresses

unforeseen expenditures where timeliness is important, it is not possible to secure town meeting appropriation, and the magnitude of such expenditures would quickly exhaust the Finance Committee reserve fund. \$100,000 was requested by the DPW but the Capital Improvements Committee is recommending only \$75,000.

- ARTICLE 20** **Lease Payments for a Dump Truck by DPW.** This article would appropriate the sum of \$43,325 to fund the third year of a five year lease of a 2013 International dump truck by the DPW.
- ARTICLE 21** **Appropriate Funds for the Operation and Maintenance of the Montague Center School Building.** Article 21 would appropriate \$15,000 for the purpose of funding maintenance costs, security, and utility costs associated with the town ownership of the Montague Center School property. It is possible that the town may avoid the use of some or all of this appropriation if the property is sold before the end of FY 2014.
- ARTICLE 22** **Appropriate funds to make security improvements in town school buildings.** Article 22 would appropriate \$38,000 from stabilization for the purpose of making security improvement including doors at town school buildings.
- ARTICLE 23** **Creation of a Regional School District Planning Committee to evaluate expansion options.** This article would authorize, under the provisions of Chapter 71, Section 14, the creation a special committee to be known as a school district planning committee to consist of three members, including one member of the Gill-Montague School District Committee, to be appointed by the Town Moderator. The committee will explore the possibility of having the Town of Erving join the Gill-Montague Regional School District.
- ARTICLE 24** **Approval of 2014 Update to the Montague Economic Development and Industrial Corporation (EDIC) Economic Development Plan.** This article would approve a 2014 update to the Montague EDIC's Economic Development Plan, developed in accordance with the provisions of MGL Chapter 121C. The Montague EDIC is a corporation established by the Town of Montague in 1981 with powers and duties to undertake and carry out the industrial projects covered by this plan. The plan was last updated in 1999. Adoption of this plan will allow the EDIC to undertake economic development projects in three target areas: the Airport Industrial Park, the proposed Turnpike Road Industrial Park and the Turners Falls Historic-Industrial Canal area. The 2014 update reflects the new phase in MEDIC's efforts to promote economic and industrial development in Montague.
- ARTICLE 25** **Transfer care, custody, management and control of the former Montague Landfill site to the Board of Selectmen for newly planned purposes.** Article 25 would transfer the care, custody, management and control of the former Montague Landfill site to the Selectmen for the purpose of final landfill closure (i.e. the "burn dump"); industrial development (i.e. the proposed Turnpike Road Industrial Park), and general municipal purposes, including highway facilities. Previous votes of town meeting have given the Board of Selectmen care, custody, management and control of this same site for the purpose of landfill development

and closure and industrial development. Article 25 will give the Selectmen expanded authority to dispose of property at this site for the newly intended purposes: closing the burn dump, developing a new industrial park and developing highway facilities including a proposed new town garage.

ARTICLE 26 **Authorize the appropriation of up to \$400,000 for the purpose of developing a Skatepark at Unity Park.** Article 26 would authorize the borrowing of up to \$400,000 for the construction of a skatepark facility at Unity Park. The appropriation assumes that the Town will apply for and be successful in winning a Parkland Acquisitions and Renovations for Communities (PARC) Grant from the State Division of Conservation Services which would reimburse all or a percentage of the cost. The proponents of the project believe that the \$400,000 estimated cost is extremely conservative and they feel it will come in at a much lower price. They are also engaged in fund raising activities for the project that are expected to pay for approximately \$25-30,000 of the estimated cost. The town is currently eligible for a reimbursement rate of 68% of project costs under the PARC Grant program.

ARTICLE 27 **Provide funds to evaluate permanent record retention and storage needs for town hall and departments.** This article would appropriate \$2,000 for the purposed of hiring a consultant to evaluate records preservation and storage needs and options of town departments.

ARTICLE 28 **Accept deed to property in lieu of tax payment.** Article 28 would authorize the acceptance of a deed to property under MGL Chapter 60, Section 77C. The parcel in question is approximately one half acre in size, and it is located on Dry Hill Road in Montague Center (Assessor Map 44, Lot 30.) It would only be acquired if found to be free of liens or encumbrances other than town liens. The property would be held in the care, custody and management and control of the Board of Selectmen for municipal purposes.

ARTICLE 29 **Accept MGL Chapter 138, Section 33B.** This is a local option under the liquor license laws. If the town accepts it, the Board of Selectmen will be able to authorize on-premises liquor license holder to sell alcoholic beverages between the hours of 10:00 a.m. and 12:00 noon on Sundays, the last Monday in May and on Christmas Day or on the day following when said day occurs on a Sunday. The article was placed on the warrant by the Board of Selectmen because two on-premises vendors (Equis in Millers Falls and the Shady Glen Restaurant) had requested permission to do this.

ARTICLE 30 **Appropriate funds for the funding of wages and salaries in the Town of Montague Employee Association union for FY 2015.** This article would appropriate the sum of \$62,724 for the purpose of funding the estimated FY 2015 cost of wages and salaries of employees in the TOMEA union as a result of a union contract settlement. It is recognized that these numbers are only planning estimates and could change as a result of the negotiation process.

ARTICLE 31 **Appropriate funds for the funding of wages and salaries in the United Electrical Workers Union (Local 274) for FY 2015.** This article would appropriate the sum of \$44,469 for the purpose of funding the estimated FY 2015 cost of wages and salaries of employees in the UE union as a result of a union

contract settlement. It is recognized that these numbers are only planning estimates and could change as a result of the negotiation process.

ARTICLE 32

Renew solid waste collection and disposal contract with Allied Waste/Republic Services. Article 32 would renew the town's solid waste collection and disposal agreement with Allied Waste/Republic Services for three years with a two year option. The new agreement is a very attractive proposal that includes significant savings to the town. In the first year of the contract the cost of picking up trash and recycling will be level funded. In subsequent years it will increase with the cost of living. Trash disposal charges will be significantly less than what the town has paid in recent years and represent a savings of about \$30,000 per year. Allied/Republic has also offered other benefits including a continued annual (\$3,500) donation to community programs including River Culture and the Skate Park.

