

ANNUAL TOWN MEETING
May 7, 2011
BACKGROUND INFORMATION

ARTICLES
1-4

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 on as a block, without a full reading by the 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 a hold will be subject to a full reading and debate. The purpose of a consent agenda is to expedite consideration of routine town meeting articles. The first four 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
- Setting the Salaries of Elected Officials

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 as well as those individual employment contracts, authorized by law, which are currently in place with the Police Chief and Town Administrator.

ARTICLE 6

Departmental Appropriation Article. This article includes the FY 2012 operating budgets of town departments, except for the Water Pollution Control Facility, Airport (both of which are enterprise funds) and the Colle Receipts Reserved for Appropriation. 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 Gill-Montague Regional School District and Franklin County Technical School District, which are addressed under Articles 10 & 11.

The budget being offered reflects the reality that, for the fourth year in succession, the Town will have to deal with cuts in its state aid associated with the "Great Recession". The Town is projecting a cut of 10% of its Lottery funds in FY 2012. During the past three years, the town has experienced state aid cuts totaling in excess of \$500,000. These were in addition to those experienced by the Gill-Montague and Franklin County

Technical School Districts. Estimated local receipts are also projected to be flat in FY 2012 as a result of economic conditions.

The amount requested under the Selectmen's Budget in Article 6 (\$7,312,292) represents a \$147,845 or 2.06% increase over FY 2011. Although none of the collective bargaining contracts have been settled, **Step Increases**, for those who are eligible, have been included in the budget. No cost of living increases are assumed or included. Notable changes in this year's budget include increases in the **Dispatch** budget (+\$25,007 or 14.4%), **Retirement Assessment** (+\$55,274 or 8.6%), **Solid Waste** (+\$12,535 or 3.2%), **Utilities** (+\$12,880 or 11.7%) **Workers Compensation** (+\$6050 or 10%), and **Regular Insurances** (+\$7,284 or 10%). Significantly, the amount budgeted for **Health Insurance** will actually decline (-\$9,000 or - 1.0%) in FY 2012.

ARTICLE 7

Enterprise Fund Operating Budget of Montague Water Pollution Control Facility. This article contains the FY 2012 budget for the Montague Wastewater Treatment Plant, 89.1% of which is funded out of sewer user fees. The balance (\$191,519 or 10.9%) 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 (\$1,760,758) represents an \$84,896 or 4.6% reduction over FY 2011. Wage/salary and benefit assumptions for the WPCF are the same as those described in Article 6 (above). Significant changes in the FY 2012 WPCF budget include: a \$36,228 or 23.2% reduction in electricity use and a \$75,000 or 30% reduction in solid waste disposal. Both of these savings are attributable to process changes at the WPCF, some of which will be made possible by the installation of new sludge handling equipment. The latter work is being implemented under a \$1 million State and Tribal Assistance Grant (STAG) which was awarded to the town by the U.S. Environmental Protection Agency.

ARTICLE 8

Colle Receipts Reserved for Appropriation. Article 8 appropriates \$90,600 for the operation and maintenance of the Colle Building, a town owned facility. The Colle Building 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 the tenants of the building.

ARTICLES 9

Airport Enterprise Fund Operating Budget. The Airport operating budget is financed through a combination of airport user fees and taxation. Under the proposed FY 2012 budget, User fees will comprise 82.1% (\$36,427) of the total airport operating budget. The remainder (\$6,164) is funded out of taxation. The ultimate goal of the Airport Commission is to

make the airport a fully self supported 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.

ARTICLE 10

Franklin County Technical School District Operating Assessment.

This article funds Montague's share of the cost of operating the Franklin County Technical School (FCTS). The amount requested (\$678,302) represents a \$50,639 or 8.1% increase over the FY 2011 assessment. Although the FCTS level funded its overall assessments to member towns, Montague's assessment rose because: (1) there were four additional Montague students attending the FCTS this year, and (2) the overall enrollment of the FCTS declined by eight students. As a result, Montague is now responsible for 15.42% of the FCTS budget, compared to 14.32% in FY 2011.

ARTICLE 11

Gill-Montague Regional School District Assessment. Article 11 funds Montague's share of the cost of operating the Gill Montague Regional School District (GMRSD). The District has requested an assessment from Montague of \$7,576,183, which represents an increase of \$175,115 or 2.4% from FY 2011. The Finance Committee recommends that Town Meeting approve this assessment request because it is consistent with the spending plan outlined in the "Compact for Funding Education: Gill-Montague Regional School District". This agreement was adopted by the Boards of Selectmen and Finance Committees of Montague and Gill, the GMRSD, and was also endorsed by our Legislative Representatives (Senator Rosenberg and Representative Kulik) and the MA Department of Elementary and Secondary Education (DESE). The proposed appropriation represents an amount that is slightly higher than what the Finance Committee considers an "affordable assessment" for the town. In spite of the increase to the town, GMRSD managed to level fund their total expenses for the second year in a row. This was an extraordinary feat, which actually required a significant cut in programming because other costs increased. Like the Town, the District is projecting a significant cut in FY 2012 state aid revenues, which resulted in the increased assessment.

ARTICLE 12

Sheffield School Entrance Ramp. Article 12 would appropriate \$9,000 to install an ADA entrance ramp at the Sheffield School. Over the past several years, the town has made an effort to address handicap accessibility issues at town buildings. This particular need was identified in a Transition Plan prepared for the town by Landesign Inc. in 2001. This article is recommended by the Capital Improvements Committee.

ARTICLE 13

Sheffield School Repair to Steps. This article would appropriate \$7,000 to repair the steps to the Sheffield School Auditorium. The steps have lifted up and pulled away from the building likely cause is weather related.

The gap that this separation has produced has temporarily been filled, but the immediate safety concerns and possible continue separation requires a permanent solution. This article is recommended by the Capital Improvements Committee.

ARTICLE 14

Repairs to Sheffield School Parking Lot. This article would appropriate \$3,000 to repair the Sheffield School Parking Lot. The faculty parking lot and bus parking for Sheffield is unpaved and becomes easily flooded and muddy. The GMRSD moved this project to its top priority in their FY 2012 capital requests. Upon discussion with the DPW Superintendent and Building Inspector, the Capital Improvements Committee determined that a more comprehensive plan be developed that accounts for drainage, parking and access points. The Committee recommended that, as an interim measure, the DPW be provided an additional \$3,000 for construction materials needed to make temporary improvements to the lot including grading and bringing in gravel to fill the low spots. The Capital Improvements Committee will reconsider the original GMRSD request for permanent repair when presented with a more comprehensive plan for the parking lot.

ARTICLE 15

Reroofing of the Operations Building at the Water Pollution Control Facility. Article 15 would appropriate \$50,000 from the Sewer Retained Earning Account to reroof the Operations Building at the WPCF. The roof leaks in multiple places. The total cost of the project is \$130,000, but after discussion with the WPCF Superintendent the Capital Improvements Committee determined that the project could be partially funded with \$80,000 of the remainder of the CSO/WPCF Facility Upgrade. This project is recommended by the Capital Improvements Committee.

ARTICLE 16

Pump Station Survey for the WPCF. Article 16 would appropriate \$20,000 to conduct a survey of the WPCF pump stations. The purpose of this survey is to assess their present condition, to evaluate what work needs to be done to upgrade them, and to address new technologies in confined space reduction issues. The Capital Improvements Committee recommends this article.

ARTICLE 17

Legal Expenses to Negotiate Cable Contract Renewal. This article would appropriate \$8,000 to fund attorney costs for negotiations to renew the cable contract with COMCAST, which will be undertaken by the Montague Cable Committee. This contract is scheduled to expire on August 24, 2013. Involvement by a specialized cable attorney is critical to achieving the maximum benefit for the town, including commitments to upgrade infrastructure and to provide a revenue stream in support of local access cable television.

ARTICLE 18 **Funding for Information Technology Equipment, Parts, Accessories etc.** Article 18 would appropriate the sum of \$8,200 to fund information technology equipment, parts, accessories, software and installation.

ARTICLE 19 **DPW Discretionary Appropriation.** Article 19 would appropriate \$50,000 to fund the DPW Equipment Account. The purpose of this account is to provide the DPW Superintendent with the ability to fund purchases and 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. After review of the current inventory of DPW vehicles and their replacement schedule, the Capital Improvements Committee concluded that no other major equipment purchases are expected FY 2012, and recommended the appropriation of \$50,000. The DPW had initially requested \$100,000.

ARTICLE 20 **Lease Payments for Two DPW Dump Trucks.** Article 20 would appropriate \$54,411 to fund the third year of a five-year lease on two dump trucks. The two trucks are both 6 wheel dumps with plow. One of the vehicles is also equipped with a sander. The Capital Improvements Committee recommends funding of this article.

ARTICLE 21 **Purchase Street Sweeper for the DPW.** Article 21 would appropriate \$222,951 to purchase a street sweeper, to be funded from the Stabilization Fund. The current sweeper was purchased in 1997 and has had increasing maintenance issues. It may not be able to meet the demands placed on it in the upcoming season. The sweeper's failure would not only mean that streets would not get cleaned but that greater quantities of road sand would be washed into storm drains leading to greater long term problems. The Capital Improvements Committee has recommended a five year lease that would cost \$49,442 per year; however the Finance Committee is proposing an outright purchase to save interest costs.

ARTICLE 22 **Adopt Paragraph 3 of Section 101 of Chapter 32 of the Massachusetts General Laws.** This article would increase the level of retirement benefits paid to surviving spouses of retirees who retired with accidental disabilities prior to November 7, 1996. Currently there are three options available to retirement system members upon retirement. One of those alternatives - Option C - provides for payment of 2/3 of the current benefit to a surviving spouse. Prior to 11/7/96, accidental disability retirees could not choose Option C. Section 101 currently allows the survivors of those retirees to receive \$6,000 per year. A new local option allows us to increase the benefit to \$9,000 per year. There are currently no survivors receiving the benefit, but there are two retirees whose surviving spouses would be affected.

ARTICLE 23

Increase Retirement COLA Base from \$12,000 to \$18,000. Adoption of Article 23 would enable the Retirement System to increase the base amount of retirement income subject to an annual Cost of Living Adjustment (COLA) from its present level of \$12,000 to \$18,000. Unlike Social Security and most other states, Massachusetts only allows the cost of living adjustment (COLA's) to apply to the first \$12,000 of the annual pension. This means that the dollar amount of a 2% COLA is \$240 for both the retiree receiving \$12,000 per year and the retiree receiving \$24,000. This has a dramatic cumulative decrease in the value of a pension of \$12,000. The Montague Retirement System is requesting to increase the "base" from \$12,000 to \$18,000. Since the increased costs have to be incorporated into the funding schedule, we are not asking for a COLA on the total pension amount. Using an example of a 3% COLA, the maximum additional benefit for any retiree would be \$180 per year, or less than 50 cents a day. In order to pay for the additional COLA, the Montague Retirement System is proposing to extend our funding schedule to 2021. The appropriation for Fiscal Year 2012 would remain the same, with the additional cost beginning in Fiscal Year 2013. The estimated increase for the Town in FY 2013 is \$25,000, with \$23,000 in the Town budget, and \$2,000 in the WPCF budget. Please see the supplemental information at the end of this report which demonstrates the financial impact of the COLA base on retirement benefits.

ARTICLE 24

Funding for Pre-Development Costs for Turnpike Road Industrial Development. Article 24 would appropriate the sum of \$58,000 for pre-development work and site engineering for solar generation and industrial development on municipal land off Turnpike Road. The site includes the former town landfill, burn dump, and adjacent land formerly designated as a potential regional landfill location. The proposed project would be funded by a transfer of funds previously set-aside for the purpose of developing an industrial park on the Montague Plains. The latter project is no longer feasible because the property is no longer designated by Northeast Utilities as surplus. The company has chosen instead to reserve the Montague Plains site for "future business needs" of its own. The town-owned Turnpike Road property is now being considered by the Town as an alternate site for an industrial park which would include a solar focus. The pre-development study would focus on both the identification of potential industrial development sites and on the layout of sites that are favorable for the development of solar. The study would be used to market the site for solar development, at a time when there are significant tax incentives available to developers. The availability of solar and potentially cheaper energy on the site could then be used as an incentive for industries to locate in the industrial park.

ARTICLE 25 **Funding for Purchases of Police Equipment.** Article 25 would appropriate \$20,000 to purchase police equipment such as bullet-proof vests, tasers, computers, firearms, radios or similar items. Please see supplemental information at the end of this report.

ARTICLE 26 **Petitioned Article Asking that the Board of Selectmen be Prevented from Spending Taxation or Free Cash on the Strathmore Mill Complex.** By Article 25, the petitioners seek to “Stop the Selectboard from using any taxation money or free cash for the Strathmore Mill Complex effective 10 days after the Town Meeting”.

ARTICLE 27 **Article Seeking Authority to Petition the State Legislature for the Purpose of Amending the Town of Montague’s “Representative Town Government Act” by Changing the Procedure for Determining the Number of Voting Precincts, the Number and Term of Town Meeting Representatives, and Minimum Requirements Expected of Elected Members.**

(Town meeting members are strongly urged to read the handouts that have been provided by the Town Clerk, which contain a detailed explanation of this warrant article.)

ARTICLE 28 **Petitioned Article that Authorizes the Creation of a Committee to Study the Topic of Redistricting.** This article would authorize the creation of a study committee that would (1) determine how many precincts shall exist in the Town, and (2) determine whether the makeup of the town meeting should be changed. This committee would be established within one month of the passage of the town meeting article; and would return to Town Meeting on or before November 20, 2011 with recommendations based upon their findings.

ARTICLE 29 **Amendment of the Town’s Unregistered Motor Vehicle By-Law.** Article 29 would amend Article VI of the Montague By-Laws (section entitled “Unregistered Motor Vehicles”) by striking the entire section and replacing it with the language contained in the warrant article. The revised language is clearly within the intent of the original by-law, but seeks to provide clarity and ease of interpretation both by residents and enforcement authorities. The new by-law would also enable the enforcement authorities to enforce the by-law either through a criminal complaint or under non-criminal disposition (Chapter 40, Section 21 D), which was previously adopted by town meeting. The amendment would also enable the town to increase the applicable penalties for non-compliance under non-criminal disposition.

ARTICLE 30

Adoption of Resolution Enabling the Town to Develop and Participate in a Contract(s) for Power Supply and Other Related Services that Could Benefit Residential and Business Consumers. This article would authorize the Board of Selectmen to develop and participate in a contract(s) for power supply and other related services, independently, or in joint action with other municipalities through the Hampshire Council of Governments. The purpose of this action would be to aggregate purchases in a manner that would make it possible to reduce overall electricity rates. Participation by individual consumers would be strictly voluntary. The article would also authorize the creation of a committee, to be appointed by the Board of Selectmen, who would oversee such joint action. Please see supplemental information at the end of this report.

SUPPLEMENTAL INFORMATION FOR ARTICLE #23

**MONTAGUE RETIREMENT SYSTEM
ACTUAL COLA INCREASES PER BENEFITS RECEIVED**

ANNUAL BENEFIT	COLA BASE				
	\$12,000		\$18,000		
	COLA	EFFECTIVE COLA	COLA AMOUNT	EFFECTIVE COLA	COLA AMOUNT
\$6,400	3.0%	3.0%	\$192	3.0%	\$192
\$12,000	3.0%	3.0%	\$360	3.0%	\$360
\$15,369	3.0%	2.3%	\$360	3.0%	\$461
\$18,000	3.0%	2.0%	\$360	3.0%	\$540
\$22,849	3.0%	1.6%	\$360	2.4%	\$540
\$24,331	3.0%	1.5%	\$360	2.2%	\$540
\$34,612	3.0%	1.0%	\$360	1.6%	\$540
\$40,234	3.0%	0.9%	\$360	1.3%	\$540

AVERAGE SOCIAL SECURITY COLA 1997-2011

\$6,400	2.44%	\$156.16
\$12,000	2.44%	\$292.80
\$15,369	2.44%	\$375.00
\$18,000	2.44%	\$439.20
\$22,849	2.44%	\$557.52
\$24,331	2.44%	\$593.68
\$34,612	2.44%	\$844.53
\$40,234	2.44%	\$981.71

SUPPLEMENTAL INFORMATION FOR ARTICLE #23

Cumulative Impact on Value of Pension
Using Average
Social Security
COLA 2.44%

COLA Base of \$12,000

COLA Base of \$18,000

Social Security (COLA on Entire
Amount)

Pension	COLA Base of \$12,000				COLA Base of \$18,000				Social Security (COLA on Entire Amount)			
	\$12,000	\$18,000	\$24,000	\$30,000	\$12,000	\$18,000	\$24,000	\$30,000	\$12,000	\$18,000	\$24,000	\$30,000
2010	12,000	18,000	24,000	30,000	12,000	18,000	24,000	30,000	12,000	18,000	24,000	30,000
2011	12,293	18,293	24,293	30,293	12,293	18,439	24,439	30,439	12,293	18,439	24,586	30,732
2012	12,586	18,586	24,586	30,586	12,586	18,878	24,878	30,878	12,593	18,889	25,186	31,482
2013	12,879	18,879	24,879	30,879	12,879	19,317	25,317	31,317	12,900	19,350	25,801	32,250
2014	13,172	19,172	25,172	31,172	13,172	19,756	25,756	31,756	13,215	19,822	26,431	33,037
2015	13,465	19,465	25,465	31,465	13,465	20,195	26,195	32,195	13,537	20,306	27,076	33,843
2016	13,758	19,758	25,758	31,758	13,758	20,634	26,634	32,634	13,867	20,801	27,737	34,669
2017	14,051	20,051	26,051	32,051	14,051	21,073	27,073	33,073	14,205	21,309	28,414	35,515
2018	14,344	20,344	26,344	32,344	14,344	21,512	27,512	33,512	14,552	21,829	29,107	36,382
2019	14,637	20,637	26,637	32,637	14,637	21,951	27,951	33,951	14,907	22,362	29,817	37,270
2020	14,930	20,930	26,930	32,930	14,930	22,390	28,390	34,390	15,271	22,908	30,545	38,179
2021	15,223	21,223	27,223	33,223	15,223	22,829	28,829	34,829	15,644	23,467	31,290	39,111
2022	15,516	21,516	27,516	33,516	15,516	23,268	29,268	35,268	16,026	24,040	32,053	40,065
2023	15,809	21,809	27,809	33,809	15,809	23,707	29,707	35,707	16,417	24,627	32,835	41,043
2024	16,102	22,102	28,102	34,102	16,102	24,146	30,146	36,146	16,818	25,228	33,636	42,044
2025	16,395	22,395	28,395	34,395	16,395	24,585	30,585	36,585	17,228	25,844	34,457	43,070
2026	16,688	22,688	28,688	34,688	16,688	25,024	31,024	37,024	17,648	26,475	35,298	44,121
2027	16,981	22,981	28,981	34,981	16,981	25,463	31,463	37,463	18,079	27,121	36,159	45,198
2028	17,274	23,274	29,274	35,274	17,274	25,902	31,902	37,902	18,520	27,783	37,041	46,301
2029	17,567	23,567	29,567	35,567	17,567	26,341	32,341	38,341	18,972	28,461	37,945	47,431
2030	17,860	23,860	29,860	35,860	17,860	26,780	32,780	38,780	19,435	29,155	38,871	48,588