

**ANNUAL TOWN MEETING
MAY 6, 2017
BACKGROUND INFORMATION**

Article

1. Annual Reports
2. Grants
3. Hazmat Revolving Fund
4. Elected Salaries
5. Appointed Salaries
6. Town Operating Budget-\$8,993,941
7. WPCF Operating Budget - \$2,384,214
8. Colle Operating Budget - \$97,525
9. Airport Operating Budget - \$49,925
10. FCTS Assessment - \$747,340
11. GMRSD Assessment - \$9,356,560
12. Hillcrest Electrical - \$80,000
13. Sheffield Water Heaters - \$15,000
14. Hillcrest Stage - \$22,850
15. WPCF SCADA - \$35,000
16. WPCF Feasibility Study - \$85,000
17. WPCF Capital Stabilization - \$200,000
18. WPCF Equipment - \$15,000
19. WPCF Utility Truck - \$48,500
20. WPCF Boiler - \$10,000
21. WPCF Capital Stabilization - \$50,000
22. FirstLight Tax Agreement
23. Kearsarge Solar Lease
- 24. Kearsarge Tax Agreement**

Article

25. Carnegie Air Exchange - \$5,000
26. Carnegie Roof - \$30,000
27. Library Buildings Study - \$45,000
28. Highland Park Fence - \$3,500
29. Unity Park Walkways - \$15,000
30. Sewer Lines - \$385,000
31. DPW Equipment - \$100,000
32. Dump Truck - \$76,000
33. Transfer Station Attendant
34. Group Leader for Grounds Maintenance
35. Police Equipment - \$15,000
36. IT Equipment - \$15,000
37. Town Website - \$5,000
38. Town General Stabilization - \$52,395
39. Town Capital Stabilization - \$34,930
40. FCTS Stabilization - \$23,792
41. OPEB Trust Fund - \$50,000
42. Public Records Software - \$4,500
43. CIC Membership
44. Petitioned Article – MF Comm \$1,500
45. Petitioned Article
46. Petitioned Article
47. Petitioned Article

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 three articles fall into this category.

It's worth noting that this year's approval of the hazmat revolving fund is being done by changing the Town's Bylaws, so that annual authorization will no longer be needed.

ARTICLE 4 -Fix the Salaries of Elected Officials.

This article appears regularly on the annual warrant. The salary of the Town Clerk (and Treasurer/Collector when the incumbent is elected) is linked to those of the full time appointed officials, whose wage scale is increased 1.5% for Fiscal Year 2018. The Town Clerk's recommended salary also includes a step increase to the top of the wage scale. No other changes are requested at this time.

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 a 1.5% increase on the wage scale. Other requested changes include an increase in the lower end of some ranges to reflect the increase in the state minimum wage law and a re-alignment of the range for part-time police officers to match the range for part-time dispatchers.

ARTICLE 6 - Highlights of the Town Operating Budget

Revenues/Sources:

1. The most significant change to the revenue estimates for Fiscal Year 2018 is estimated new growth (normally budgeted at \$120,000) of just over \$500,000. Eversource and National Grid had unusual and unexpected increases in personal property.
2. The amount of tax revenue reserved for abatements and exemptions remains at \$450,000. This is because the case between the Town and First Light has not yet been settled by the Appellate Tax Board, and reflects only a small part of the amount that will be due to FirstLight if they prevail.
3. State Aid estimates use the Governor's recommended amounts for both state aid and state charges. The net amount provides an increase of \$32,812.
4. Local receipts are estimated to increase \$37,000.
5. This year we are reducing our reliance on Free Cash to fund our operating budget. We have used \$250,000 for several years (\$125,000 towards the town's operating budget and \$125,000 towards the GMRSD assessment) but are only using \$200,000 for Fiscal Year 2018. This is a positive step towards a long range goal of reducing or eliminating the use of Free Cash towards our operating expenses, as it is not fiscally prudent to depend on reserves to fund operating expenses.

Notes on Expenditures/Uses:

1. The requested total Town Operating Budget has an increase of \$240,745 (2.75%) from FY2017. The largest increase in amount (\$119,000) is in Employee Benefits (see #13 below), the largest percent increase (52.56%) is in IT (see #5 below). The largest decrease in amount (\$30,500) and the largest percentage decrease (18.6%) are both in Veterans Benefits (See #12 below).

2. Two union contracts have been settled for Fiscal Years 2017-2019 and those contracts include a 1.5% wage increase for Fiscal Year 2018. Budgeted wages also reflect step increases for employees not already on the top step. The budget includes step increases only (no 1.5% wage increase) for employees whose contract has not been settled.
3. The **Selectmen's** budget (#122) shows a reduction from FY2017 because the FY2017 budget included expenses for the retirement of long-time Administrator Frank Abbondanzio.
4. The **Town Counsel** budget (#151) shows a significant increase in labor counsel costs. It was discovered that the legal firm has been under-billing the town for several years, and while past amounts due have been written off, the full billing of hours in addition to the first rate increase in several years have resulted in a budgeted increase of \$28,000. The town is pursuing options to reduce our reliance on counsel for labor issues.
5. The **IT** budget (#155) has increased about \$18,000. \$8,000 is for the IT consultant because more work is being (and will be done). The major projects for the current year (that may extend into FY2018) include creation of reciprocal off-site backups between the Town Hall and the WPCF, installation of permit software, and installation of a new Town Hall phone system. Two other change for FY2018 are \$4,000 for one-time costs to set up town e-mail accounts for selected town board/committee members, and \$4,650 for miscellaneous expenses such as equipment and supplies with an individual dollar value of less than \$400. These items are things like cables, UPSs, and small repair/replacement parts. This is intended to reserve the equipment account (Article 36) for larger ticket items such as individual workstations, file servers, warranty extensions and backup hardware and software.
6. As a result of the new phone system and the resultant change in how the town is billed for phone service, phone service for all departments (other than cell-phone and pagers) is now included in the **Shared** (#159) budget. The estimated cost for FY2018 is \$9,000, and these telephone expenses have been eliminated in the department budgets.
7. The **Town Clerk's** budget (#161) is lower in FY2018 because FY2017 had an unusually high number of elections.
8. The **Animal Control** budget (#292) includes \$7,500 as Montague's share of a new vehicle to be purchased in FY2018.
9. The **DPW** budget (#420) increased a little over \$50,000. About \$32,000 was from contractual wage increases for 20 employees, and \$18,000 was for expense increases.
10. The **Cemeteries** budget (#491) includes \$3,000 to replace signs at town cemeteries.
11. For FY2017, The **Council on Aging** budget (#541) included additional funding to make improvements at the senior center including painting both the interior and exterior, refinishing the floors, and updating lighting. For FY2018, the request includes money to fix some windows that have been painted shut and to install some mini-split units for heating and air conditioning.

12. The **Veterans** budget (#543) has decreased as a result of changes in the population of veterans in Montague.
13. Of the \$120,000 increase in **Employee Benefits** (#910), approximately \$40,000 is the increase in the retirement assessment, and \$74,000 is in Health Insurance. FY2018 is the first year in many that there is an increase in the health insurance rates.

ARTICLE 7 - Highlights of the WPCF Operating Budget

1. This budget was created assuming a 3% increase in sewer rates for FY2018.
2. Wages have actually decreased due to staff turnover and the elimination of a part-time office position.
3. Debt service is increasing by over \$65,000 as the FY2018 is the first year of debt service payments for the pump station replacement project.
4. Employee benefits are increasing as a result of the health insurance rate increase.

ARTICLE 8 - Colle Building Budget

There is a slight decrease for FY2018 reflecting lower debt service costs. Also, the FY2017 budget included \$3,000 to reimburse the town for a Reserve Fund Transfer.

ARTICLE 9 - Airport Budget

The very modest increase in this budget is almost entirely due to wage increases.

ARTICLE 10 - Franklin County Technical School Assessment

The Tech School Assessment of \$747,340 is \$88,000 higher than the current year. The increase is due to a higher per-pupil cost which is a result of decreasing state aid and the reduced use of available reserves to offset assessments.

ARTICLE 11 - Gill-Montague Regional School District Assessment

The district's request came in at the Affordable Assessment amount, which is calculated as 48.5% of available operating revenues plus excluded debt for GMRSD projects.

ARTICLE 12 – Hillcrest Electrical Work

\$80,000 is requested to upgrade the electrical service and panels at the Hillcrest Elementary School. The current service is original to the building (1955) and is out of compliance with the current electrical code. Replacement breakers for this box are not available. This is a serious safety hazard that needs to be addressed. There are 12000 volts coming in to this panel and it is in a sub-basement room that has flooded to above the panel level in the past. The project includes tunneling from the pole outside in to the building. The new ducting will include a second, empty conduit for future expansion.

ARTICLE 13 – Sheffield Water Heaters

\$15,000 is requested to replace two water heaters, both of which are original to the 1988 renovation and are in need of replacement. Drains are frozen, making it impossible to flush units. The district has experienced repeated issues with the heating mechanism on the kitchen domestic water heater, which requires a restart a couple of times per week. The GMRSD looked at high efficiency models from four vendors and considered whether a single replacement unit or two separate units would be best. Two units are strongly preferred because they can install a bypass that would ensure both hot water circuits remain served in the event that one unit fails.

ARTICLE 14 – Increase Article #8 of the 9/29/16 STM (Hillcrest Stage)

The bids to renovate the Hillcrest stage area to add classroom space came in higher than the amount appropriated due to two things had changed since quotes were requested. The first was a change in the placement of the ramp, which must now be removable. The second change is that the stage must be extended by a foot to allow for the turning radius for wheelchairs. An additional \$22,850 is needed to accept the lowest bid and proceed with the project before the bids expire. The funding will come from the unused balance of Article #23 of the 9/13/12 STM, which was for the Sheffield boiler, and about \$5,500 of Article #22 of the 5/3/14 ATM that will not be needed for the security improvements.

ARTICLE 15 – WPCF SCADA, etc.

\$35,000 is needed to move the variable frequency drive (VFDs) for the return activated sludge (RAS) and waste activated sludge (WAS) pumps to the main electrical panel in order to connect them to the Supervisory Control and Data Acquisition (SCADA) system. This project also includes automating the influent valves for better flow control and completing the SCADA system connection for alarms and pump controls.

ARTICLE 16 – WPCF Feasibility Study

This engineering study would be a complementary component of the current Montague Process Pilot Study, to be funded by a State grant, and would focus on the plant's final clarifier and raw influent bypass line. The study would determine whether or not running an additional sewer line to the wet weather tank, before the head works, would help control flows during rain events. This will help us to properly manage effluent water discharge in a controlled manner and we expect it to be a necessary upgrade after the pilot study is completed.

ARTICLE 17 – Increase the WPCF Capital Stabilization Fund

We estimate the net revenue to be received from taking in and treating sludge from other communities during FY2018 will be \$200,000. This article will reserve that estimated net revenue for future capital projects so that rate increases for future debt will be minimized.

ARTICLE 18 - WPCF Discretionary Account

\$15,000 would be raised from Sewer User Fees to fund a WPCF vehicle and equipment account similar to discretionary accounts already in existing in the DPW and Police Department. This

fund will be used to purchase and equip and make major repairs to WPCF vehicles and equipment, including any incidental and related costs.

ARTICLE 19 – WPCF Utility Vehicle

The WPCF needs to replace the existing 2002 Dodge Dakota that has severe rot and will not pass inspection. The new utility truck is expected to cost \$48,500 and will be used mainly by the Lead Mechanic. The vehicle will have a welder/generator mounted on it along with an air compressor and will carry tools to make on-site repairs throughout town. This is expected to reduce subcontracting expenses for routine repairs. The truck will also have a plow.

ARTICLE 20 – WPCF Boiler

\$10,000 is needed to replace a failing boiler in the WPCF Operations Building.

ARTICLE 21 - Increase the WPCF Capital Stabilization Fund

This article is similar to Article 17, except that instead of appropriating net revenue from the Montague Process, it will transfer \$50,000 of existing Retained Earnings to the WPCF Capital Stabilization Fund to be used for future capital needs.

ARTICLE 22 – Tax Agreement with FirstLight

This article would allow the Selectmen and Assessors to negotiate and approve an agreement for payment in lieu of taxes.

ARTICLE 23 - Ground Lease with Kearsarge

This article asks voters to authorize a lease agreement for up to 25 years to allow for a privately owned and maintained 5.9997 Megawatt solar facility on land owned by the Town of Montague on and around the former landfill area. The area to be leased is approximately 34 acres and consists of up to three separate arrays on the landfill, the burn dump, and an array west of the gravel pit. Kearsarge Solar LLC was selected by the Board of Selectmen through a competitive request for proposals process to develop this solar project. The system has been designed for compatibility with future development of proposed light industrial uses at Sandy Lane. In addition to lease revenues, the town anticipates entering into a tax agreement (See Article 24). The solar project is subject to Special Permit and Site Plan Approval from the Montague Planning Board and a landfill post-closure use permit from Massachusetts Department of Environmental Protection. It is anticipated that Kearsarge Solar LLC will apply for a building permit in the summer of 2017.

ARTICLE 24 - Tax Agreement with Kearsarge

This article would allow the Selectmen and Assessors to negotiate and approve an agreement for payment in lieu of taxes.

ARTICLE 25 – Air Exchange Ventilation System for Carnegie

For some time now, the Carnegie library has been experienced deteriorating air quality, which has affected employee health. \$5,000 would purchase and install a ventilation system that would provide fresh air to the library's HVAC system. This system has been recommended by a state air quality inspector and should significantly improve the air quality.

ARTICLE 26 – Carnegie Roof

Article 23 of last year's ATM appropriated \$14,000 to repair two bump-out roofs and flashing. This year's request of \$30,000 would replace the failed membrane roofing on the ledges around the Carnegie Library, replace and repaint rotten sub-roofing and trim boards, and replicate, install, and repaint rotten decorative trim.

ARTICLE 27 – Libraries' Buildings Study

This study was triggered by air quality issues in the Carnegie library. All employees working 20 or more hours a week have complained of respiratory issues. In looking at that problem it was discovered that there are many intertwined issues at all three library buildings. There is a need to not only identify all of the issues, but determine the priorities and the best order in which to do the work. An architect with historical building experience will provide this information, which will also make us more competitive for grants. The architect will also provide necessary technical drawings for grant applications. The result will be a tiered study we can use as guidance on how to best spend town money most effectively and efficiently to maintain these buildings.

ARTICLE 28 – Highland Park Fence

\$3,500 is requested to install about 150 feet of 4 foot high chain link fencing in the southwest area of Highland Park. The fence will function as a border, which will properly define the park from private property. Pictures of the work requested can be found on the Town's website, www.montague.net. Select the Parks and Recreation department, scroll down to Additional Pages and select Strategic Plan, then select Articles 29 and 30 (this information was put on the website before the articles were re-numbered).

ARTICLE 29 – Unity Park Walkways

The playground walkways at Unity Park need to be re-sealed and painted to maintain physical and aesthetic integrity. Unity Park is the most heavily used outdoor recreation area in Montague, and this is a scheduled maintenance item that should be addressed every five years to prevent deterioration of the pavement. Pictures of the work requested can be found on the Town's website, www.montague.net. Select the Parks and Recreation department, scroll down to Additional Pages and select Strategic Plan, then select Articles 29 and 30.

ARTICLE 30- Sewer Lines

This project is to inspect, clean, and slip line critical parts of the sewer and storm drain systems, especially those sections with transite pipes and is a continuation of work done under two articles

approved at two prior town meetings. The work includes videoing various storm drains as part of the inspection process and will likely be an ongoing maintenance need due to the layout of the pipes. In the last 12 months the town has inspected and lined over 1,000 feet of pipe, bringing the total length completed up to about 3 miles.

ARTICLE 31 - DPW Equipment 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 and the Selectmen, Finance Committee and Capital Improvements Committee all recommend the full amount, as the current discretionary account balance is expected to be fully used by the end of June. Uses of the appropriations in FY2017 include purchases of a plow, snow blower, and two trucks (one of which was a required emergency replacement) as well as \$8,000 in vehicle repairs. The DPW Superintendent plans to use the remaining balance of \$28,000 to replace a ten wheel dump body that has rusted out. Plans for the new appropriation include replacing the cables on the wing plow and replacing a truck body.

ARTICLE 32 – One Ton Dump Truck with Plow

\$76,000 is requested to purchase a Ford 550 4-wheel drive (4WD) vehicle with hydraulics and a dump body. This truck replaces the 2005 one-ton diesel, which has a failing motor. There is no need to purchase a new sander bed as the DPW can re-use the old one. The 4WD ability will allow access to areas of Millers Falls and Wendell Mountain. The new vehicle will have a gas engine rather than diesel, because diesel engines have been problematic due to the amount of time the vehicle sits idle over the course of the year.

ARTICLE 33 – Transfer Station Attendant

The full-time employee who acted as the Transfer Station Attendant two days a week retired. In order to provide more efficient use of current staff and pay an appropriate wage for the work, it was decided to hire a separate part-time employee as a Transfer Station Attendant. Since the work is no longer part of other overall duties, a separate job classification is required. The position has been classified in Grade A, with an hourly range of \$14.24 to \$17.52 for Fiscal Year 2018.

ARTICLE 34 – Group Leader of Grounds Maintenance

The Fiscal Year 2017 addition of a third groundskeeper has been very successful. Now with three employees, the DPW Superintendent needs one of the employees to be the formal leader. This position will not have any major supervisory abilities, but will provide leadership in determining work flow. The position has been classified in Grade D.

ARTICLE 35 – Police Equipment Account

The purpose of this account is to enable the Police Chief to fund purchases of and/or major repairs to police vehicles and equipment. This account addresses unforeseen expenditures where timeliness is important, and it is not possible to secure town meeting appropriation, and the magnitude of such expenditures could quickly exhaust the Finance Committee Reserve Fund. Expenditures in FY2017 include \$8,500 for body armor, \$4,500 for computer equipment, \$7,000 for vehicle repairs, and the balance for the replacement of a damaged cruiser not fully covered by the insurance reimbursement.

ARTICLE 36 – IT Equipment Account

With the move of small expenses to the IT budget (#155), this account will cover only the major expenses. For FY2018, \$15,000 is requested for 5 warranty extensions (including one for a server), 6 workstation replacements, various software updates, and an additional backup unit.

ARTICLE 37 – New Town Website

The current town website has proven to have several issues, including a limited number of authorized users, limited space in some areas, and difficulty in using some features. An example of the difficulty with the current website is that when adding updated information and forms to a webpage, documents that were easily attached or uploaded before are now unable to be added. This is incredibly frustrating and time-consuming to fix or work around. Since few staff use the website regularly except for simple things like posting minutes and meeting, the lack of “user-friendliness” is particularly inefficient, as it leads to multiple employees spending time to try to figure out how to make something work. \$5,000 is requested to purchase new software, installation, and transfer of data. The new website will be more user friendly for both staff and the public.

Consent Agenda – A consent agenda (a single vote for multiple articles) will be requested for Articles 38-41

ARTICLE 38 – Increase General Stabilization Fund

With the creation of the Town Capital Stabilization Fund, the Town General Stabilization Fund is intended to be used only when State Aid drops significantly, leaving the Town Capital Stabilization Fund available for capital expenditures. The reality is that this fund is also used when monies aren't available in the Town Capital Stabilization Fund. The Town's Financial Management Policies and Objectives include annually appropriating 0.3% of the prior year's general operating revenues (PYGOR) to the Town's General Stabilization Funds part of operating budget funded from taxation. The PYGOR includes the net tax levy less excluded debt, state aid and local receipts and excludes one-time revenues. The general operating revenue for FY2016 was \$17,464,931, and 0.3% of that amount is \$52,395. This calculation for an annual appropriation should occur until the General Stabilization Fund is at its minimum recommended balance. The fund has a current balance of approximately \$778,825 (which will increase to \$831,220, and its minimum recommended balance is \$873,250.

ARTICLE 39 – Increase Town Capital Stabilization Fund

As with Article 38, the Town’s Financial Management Policies and Objectives include annually appropriating 0.2% of the prior year’s general operating revenues (PYGOR) to the Town’s Capital Stabilization Fund as part of the operating budget funded from taxation. This year’s minimum appropriation is \$34,390. Our policies also recommend that this balance not dip below \$25,000. Once the Town General Stabilization Fund is restored to its minimum balance, it is expected that excess Free Cash will be appropriated into this fund to be saved for future capital items.

ARTICLE 40 - Increase the Franklin County Technical School Stabilization Fund

This fund was created to stabilize the impact of large changes in the FCTS assessment. Our recent practice is to determine an “expected” assessment based on the three-year average enrollment times the current per pupil cost. The difference between the actual and expected, less \$10,000, is either added to the FCTS Stabilization fund (if the actual assessment is lower than the “expected” assessment) or is drawn from the Fund to partially fund the actual assessment (if the actual assessment is higher than the “expected” assessment). This year the calculation results in \$23,792 being added to this fund.

ARTICLE 41 – Increase the OPEB Trust Fund

An annual appropriation into the OPEB (Other Post-Employment Benefits) Account has been recommended by the town’s auditors and the bond underwriter, Standard and Poor. Like most other communities in Massachusetts, Montague currently pays for its post-retirement benefits, primarily retiree health insurance, on a pay-as-you-go basis. According to our latest actuarial study, the Town’s OPEB obligation as of June 30, 2016 was \$5,320,000 (an increase of \$510,000 from June 30, 2015) and our annual OPEB cost was \$1,170,000 (an increase of \$30,000 from 2015). The appropriation of funds into the trust is largely viewed as a symbolic gesture showing that the town recognizes its obligation and is beginning to address it, but having the funds set aside and invested in the State’s Pension Reserves Investment Trust has the added benefit of accruing significant investment income. The Town’s long term plan is to address the OPEB unfunded liability in the same way that it is currently addressing the Town’s unfunded pension liability. Once the Town’s pension fund is “fully funded” (currently expected to occur in FY2030) the money currently appropriated to fund the unfunded pension liability will be freed up for use, on annual basis, to fund the unfunded OPEB liability.

ARTICLE 42 – Public Records Software

The advent of the new Public Records law, while a boon to those looking for information, has created a logistical nightmare for those who administer it. The new law requires centralized tracking of all requests, which is both cumbersome and inefficient to do with spreadsheets. \$4,500 will provide for purchase, installation, and training for a software package that will fulfill all of the tracking, reminders, and follow-up requirements.

ARTICLE 43 – Reduce Capital Improvements Committee Membership

Our current town by-laws require six members for the CIC. One member is appointed by and from the Planning Board, and the other five are appointed by the Moderator. Finding the “other five” members has been difficult, so the CIC is requesting that the membership be reduced.

ARTICLE 44 – Millers Falls Community Building

Petitioned Article

ARTICLE 45 – Resolution to Limit the Influence of Money in Politics

Petitioned Article

ARTICLE 46 – Complete the Municipal Light Plant Process

Petitioned Article

ARTICLE 47 – Establish Policy for Responding to Civil Immigration Detainer Requests

Petitioned Article