

**SELECTMEN'S MEETING
MONDAY, MARCH 17, 2008**

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#13-08,14-08

Meeting opened at 7:00 PM in the Upstairs Meeting Room. Present were Selectpersons Patricia Allen, Patricia Pruitt and Allen Ross. Town Administrator Frank Abbondanzio, Finance Committee members, John Hanold, Chairman, Jeff Singleton, Lynn Reynolds, Marge Levenson. Several town citizens, staff members (see attendance sheet for list of attendees)

Meeting opened at 7:00 pm. No minutes available this week

Allen: We're going to talk about the state of our budget. Recession, gas, food are not Montague's problem, it's the world's. The forecast for next year does not look much better. We need to get ourselves into a position to deal with the next few years. This has been a team effort. The entire staff has been helpful. The budget increase is projected to be \$1.4 million short. Town is \$470,000 short. There are no extravagant increases from last year. Revenues are expected to be flat. Our decisions affect Gill's budget too. Last year we had to use a large amount of reserves to meet budget requirements. In order to meet this year's shortfall, we would have to use a larger amount.

Hanold: Goes over hand out titled "*Analysis of Town of Montague Current Budget Shortfall*".

- Airport and WPCF revenue equals expenses

- State aid is not expected to change. Local receipts don't change much from year to year. The stabilization balance will only last another year or two.

- 40% town, 60% school. General proportion is not going to change.

Hanold goes over page 2 of his handout (Preliminary efforts to address shortfall) Most stringent approach would not use any more reserves or money, we are going to cut expenses. This would cut services the Town is used to having. The second approach would be to increase the use of reserves. We don't want to reduce the level of services, and we don't want to go back to taxpayers and ask for more revenue. This is close to the position Gill is in. The third alternative would not be cutting services, and we don't want to use our savings; therefore, we would go to voters for prop. 2-1/2 override. If we don't make the cuts, it would be a very significant override. Fourth alternative is pieces of each. Nothing has been put in specifically for an override. Town functions would have to be cut back or eliminated. Cutbacks are fairly significant and would affect town life. Want to hear from town people, as to what they would like us to do?

Question regarding landfill, the Board will be setting up a committee, and again asks for input.

Question whether it would be better to hire an officer than pay overtime. What are the drawbacks?

Chief Zukowski: It costs approximately \$50,000 per employee with benefits and salaries. The overtime is going up from \$114,000 to \$117,000. Discussion followed and will be looked at further.

James Massoni, Precinct 4, Suggests selling Strathmore mill.

Allen: Won't get much for it, since it would take a lot of money to fix it up. The benefits lie in future tax revenues.

John Hanold: Police station not contributing to this budget shortfall. It is not being funded through the tax levy. Won't be on line until next fiscal year 2010. No town reserves have been set for that yet. It is too early to tell if they will come in or under budget. It will affect our taxes in a couple of years.

Art Gilmore, Precinct 2: Suggests a landfill. Money would be available for new Highway Dept., Library and Senior Center. More cuts will severely affect Town. Highway Dept. is working with a minimum staff. Every Town office is asked to work for five villages. Recommends prop. 2-1/2 override, but only if School Dept. considers hard tactics. Suggests school consolidation and parking meters on Avenue A.

Carol Shields, Randall Road: What is the \$98,000 budget of Park & Recreation Dept. for? \$4,000 is for operating expenses, and the rest of the money is staff costs. A substantial part of the Parks & Recreation

**SELECTMEN'S MEETING
MONDAY, MARCH 17, 2008**

10

function is covered by user fees. Suggests an "Adopt-A-Park" program for some of the smaller parks by townspeople, who would then be responsible for mowing and maintaining the park.

Dean Letourneau, Precinct 4: In 2005 we had a debt exclusion vote for the treatment plant of \$5,700,000 which is still costing the taxpayers. For example, the Police Dept. is going to cost about \$97.00 per person and the Treatment Plant is about \$97.00, so that is money coming out of taxpayers wallets.

Abbondanzio: Completed "Analysis of Debt" for the next 20 years or so. There are minor increases as the CSO Project started on line. There are four different bond issues, so it doesn't all hit at once. The big impact on the operating budget for the Police Station Project and the remaining parts of the CSO Project is in 2011, and there will be a significant increase. It goes up about \$400,000 a year and then it gradually goes down over the course of the bond issues.

Frank Sokolosky, Precinct 3: Would like to know where the School Committee is going to draw their lines in the sand?

Mary Kociela: At this point we still haven't restored many of the cuts over the last several years. We have been labeled as under performing by the Dept. of Education. The school has to make a presentation to the State about where they are right now. The school is doing all they can with consolidations.

Ken Roche: Shortfall in budget is 5.49%. Budget is in line with other schools. State aid has increased less than one per cent per year over the last ten years. The problem is because State Aid has fallen, and that is why your assessment is increasing. The \$900,000 shortfall is Montague's share. To make that amount of cut on the Montague side would result in us cutting \$1,050,000. from the school budget, which would be devastating. We are going to the State Board of Education next week saying that this situation has to be solved on the state level. The budget we are working with is a level services budget. Joining GIC is saving approximately \$400,000. Our 8th graders had an amazing jump in their MCAS math scores this last year - 25% made it into the two highest groups.

Greg Garrison: You are giving us numbers-\$500,000. I know there is an increase in fuel, and utilities, etc. Some things that we cannot control. What are the costs? What percentage of the \$500,000 is fuel, what percentage is utilities, what percentage is upkeep, what percentage is wages, what percentage is healthcare, what percentage is pension costs, etc. If we had this information, it might help us, to help you make decisions. Have we explored all the options?

Abbondanzio: Contracts are all up this year. Right now there is a 2% step only built into the contract; each step is worth about \$30,000. If there is any cost of living added into the process of Collective Bargaining, that would add \$30,000 for each percentage that we negotiate. We just now are getting into the negotiating process. The previous contracts were worth about 2% Step, plus 3% COLAS. On the expense side: Energy costs, about \$34,000. There are approx. \$160,000 increases in expense costs. \$116,000 (72%) is for solid waste collections, snow and ice and veterans benefits. Employees benefits \$158,000 9.5% (health insurance and pension costs.) Debt service is going up \$110,000. (about a 40% increase)..

Bob Sojka: Very concerned by the school proposals and he will not support an increase in school budget.

Mike Naughton: Asks if any of Frank's suggestions were used, and will we be back next year?

John Hanold: We are likely to be more troubled a year from now.

Jeff Singleton: Recommends that we join GIC.

Discussion followed regarding Gill-Montague School District cannot support the \$17,000,000 school district that takes up 5-6% of the yearly budget increase, without significant State Aid.

Ralph Kimball: 75 yr old, owns home in Turners - Works three part-time jobs. Lives within his means. How much more can the Town expect out of the retirees? Didn't hear any comments from anyone?

**SELECTMEN'S MEETING
MONDAY, MARCH 17, 2008**

10

Ross: Yes, that is one of the frustrations that we have to deal with. I see this as a struggle as to how to deal with the pain until we do develop revenue sources that can help reverse this trend.

Phone Call: How can young adults become more involved in the Town? Would volunteering by students save the Town money?

Allen: Yes they can. We'll try to figure out a plan – "Adopt A Park" is one consideration

Pruitt: Young people could help with cleaning the parks. Possibly getting on a Committee here in Town; they could check with the Town Hall. There is a River Culture Program which is always desperate for volunteers and a big thing they are doing this year is a Block Party. We need lots of people to do lots of different things. They should get in touch with the Town Administrator's Office and obtain some information.

Phone Call: Would there be any savings towards merging both the Turners Falls Fire and Montague Center Fire into the Town Budget, it would eliminate some redundancies?

Allen: It's unfortunate the Districts aren't here, because that certainly is an interesting question, and something that people have wondered about for 40 years.

John: Merging the Fire Districts might be economical for the Town taxpayers, but it doesn't affect the budget shortfall that we are dealing with here. It would not reduce or change the school side or the town side. It would have an effect on the Fire District levy in some manner or another. It is one of these things that maybe worth looking at as parallel effort, but it is not part of tonight's issue.

Victoria Nelson, Precinct 5: I want to respond to the 30% of us who are living on practically nothing. Basically I want to make a plug for keeping the Council of Aging and the Senior Center, because it is not only a very economical life-saver, but an emotional one and a social one. 30% is a large number and when the baby boomers start retiring, it is going to increase to a substantial number of people.

Chris Sawyer-Laucanno, Precinct 5: Healthcare split is way out of whack with reality. Another suggestion is to turn the thermostat down. The Energy and Dependence and Security Act of 2007, which just got signed very reluctantly by our President on Dec. 31, 2007 has set aside ninety million dollars in grants for municipalities to up-grade and retro-fit and go green with technology. There is a Bill that moved through the House in Massachusetts which is now onto the Senate, which is also providing significant money for municipalities to up-grade their heating/cooling windows, that kind of thing. We have to be first in line, talking to Senators John Olver, Kerry and Kennedy and of course our local representatives Kulick and Rosenberg, who are both signatories and sponsors of the Energy Bill that is going through. It is time to start a revolution, and I suggest that basically Montague decide this year to try to persuade other towns in Franklin County to withhold money for some of the SPED unfunded mandates; particularly the out of districts costs which are astronomical. It is not against SPED kids I think every kid deserves a great education, but I don't think that Montague should have to be paying so much for out of district placements. It's time to just say NO.

Ken Roche: We have reduced out of district placements from about 26 to about 16 in a little over a year and a half, and we have not placed students out of district in some time now. We are delivering what we believe to be better education services in the district. This is a requirement of the State even though it is not funded by them.

Alice Armen: Supports maintaining the Montague Center Library, and agrees that cutting a really used, really popular branch of the library, that is so cheap and gets such a huge bang for it, is unthinkable, when you think of how many seniors use it, how many little kids use it, how many parents use it and how valued it is. As we are in a recession, heading into a depression probably, which isn't just our Town. Everyone in the country is dealing with this. Something as a library which is so cheap to run, we are going to need it and want it, and we are going to use it in these tough times.

**SELECTMEN'S MEETING
MONDAY, MARCH 17, 2008**

10

Joe Janikas: With regard to the retirement expense payments. Based on the climate of Wall Street, it looks like the investment income for the retirement system is obviously going to drop. I am concerned over the next five years as to what the impact will be on the Town of Montague, with their contributions to the system. I wonder if the Retirement Board discussed perhaps increasing the assessment to current employees.

Question answered by Town Accountant which could not be heard due to all the back ground noise. Basically anything after \$30,000. they are already paying into the system.

___Allen, Precinct 1: Regarding 2024 which that number makes us laugh. Our future starts with our children and I know the struggle that people who are working everyday and people who are retired, but we have to take a stand and if that stand means going to the Federal Government or to the State Level, or working on a local level to get more income for our Town, we have to do that. If we take out \$35,000 cost for libraries, or the \$97,000 for the parks, we are talking about affecting the children who are now one and three years old who in 2024 maybe 18 or 20 years old. They need those services now for their childhood development, that we as working parents can't afford to buy. We rely on the services for the children to develop them and make them the future workers that we will need to run the Town, pay the taxes. They are not going to be productive citizens we need them to be if we don't school them and park them and library them now. We have to stand up for that.

Leslie Cromack, Precinct 1: Glad to see the wonderful turnout tonight. We have a reality here to face. The increase in the Town revenue in the cost of a year is approximately \$400,000. This is the money we have to work with. A prudent money manager will sit down and decide how much income he is going to have in the course of the coming year. Once this is determined, he will then say OK how do I adequately fund all of this, how do I allocate this money to my need. Unfortunately the Federal Government, the State and the Town does not work that way. We gather up our budget requests from here and there and everywhere and then we sit down and say how can we fund this. We have come to the point where we can't, along with many other towns. There is no way that we can fund the budget requests that we have. We can't begin to meet the request that the School Dept. has. It is impossible. Our people who work so diligently here to solve these problems are dealing with an impossible task. They cannot fund these adequately either on the Town side or the school side. The cuts in the things that need to be done are devastating; not only to the Town, but to the school. We all realize that. Obviously, the State is not living up to their State Aid obligations nor is the Federal Government. However, they aren't going to in the near future. We must take the drastic steps that are needed to get our budgets under control, live within our means here in this Town, because there is no magic pot of gold coming over the hill to help us in the very near future. Devastating as it is, it must be done.

Jean Golrick, Precinct 2: Since the Town is a corporate entity municipality is it indeed not possible to have a contract with employees? The advantage of contracting is that it would give Towns the opportunity to renew a contract every single year and decide up or down, take bids. It would also, hopefully, minimize some of the employee costs that are continually being forced upon us; the health, the benefits, the whatever, etc. etc. So, couldn't the Town operate in the same way, and say this year we can afford to pay this or buy a new police cruiser or a new dump truck; put out a bid and do it on a contract basis. Even the employees should be hired on a contract basis. It is a whole new idea, but it has lots of benefits for the Town and we would be saving money and be getting control of what services and opportunities this Town would have.

Allen: That is an interesting thought.

Tom Bergeron: Everything that we buy at the DPW is on a contract. Our fuel , gravel, paving, trucks are all contracted. The only thing that are not contracted are the employees. Police buy their cruisers under contract. So everything we buy is put out to bid by the Franklin County Council of Governments. Volunteerism is great!! If we get a volunteerto mow the fields, that is something that we have to think about simply because the Town could not provide lawn mowers, shovels, etc. If any of the volunteers were using Town equipment and they got injured, then the Town is going to be liable for injuries, so that is something else to consider. The softball leagues like to have their fields mowed at a certain length, certain

**SELECTMEN'S MEETING
MONDAY, MARCH 17, 2008**

10

height, certain time. We do have several volunteer groups that pick up trash on the sides of the road, which is great. We do pick up the bags and dispose of them, simply because it is a help to us and to the community. We do also utilize the prisoners for painting and stuff like that, which is free. Even when I get free summer help, OSHA regulations state that if they are 14 or 15, they can run a rake and pick up trash; 16 or 17- they can run a weed whacker; 17 and up to 18, they can actually push a lawn mower; 18 yrs. old, they can drive a truck or tractor; so even that is regulated.

Allen: The first volunteer we need is a lawyer to cover our liability issues.

Phone Call: What about prisoners to do ground work and road work? You said that we do utilize that service.

Abbondanzio: The prisoners do walk along side the road and pick up the trash. They actually painted the Shea last year. They did the Police Station last year. They did the Town Hall. We have utilized the free prisoners work quite a bit. The Tech School has even used some of their kids in their Agricultural Department to prune our trees, out on the Avenue.

Phone Call: Supt. Roche- What about having students go back to the school in their own town and eliminate school choice?

Roche: School choice is set by State Law, so if a student wants to choice out, to leave our district and to go to school in another district, and that other district will accept them, we have no say over it. Our approach to this is to restore services and make our schools more attractive. Right now we are losing half a million dollars a year to students leaving our district for other schools. We sincerely believe that if we get a budget we have asked for, that students will start to come back to the district, and every student who comes back will bring \$5,000. with them. The rate of students leaving our district has been accelerating and I believe it is connected to the cuts we have had to make in the schools these last few years. I also believe that we can turn that around this year and start to keep students here who would have choiced out and maybe start to attract students from other districts. In fact the School Committee, last Tuesday night, voted to allow school choice for this coming year so that all the families will know that they can apply and if we have openings we can take students back in.

Marge Levensen: Everybody knows that the so-called cuts presented tonight with suggestions have been supported by some people and not by others. Most people value the Town's services that we provide for our citizens, and what the employees provide to us. That is clear that no one seems to want to in any way impact negatively on our staff or our programs. So where does that leave us? We have a state in recession, and a country, frankly on the brink of a depression. As a member of the Finance Committee is there anyway that we can come up with a plan to work with other members of Franklin County to somehow petition our State Legislators to say enough is enough. The problem is we are blaming ourselves, which is blaming the victim. I don't want to play the game of cutting DPW vs. the Town Clerk's Office; to me it is not realistic, don't want to do it I would rather take extra money out of the reserves and so to the State House. I am asking if our community, like what we have in Town; they want to preserve it. They want to make sure that the kids have good libraries, schools and good streets. It is incumbent upon us, as Finance members, SelectBoard members to work with other towns and literally come up with a plan. Create a tool, frankly if we get back to these people within three weeks or a month, say this is what we have drafted. We want you to know this. It is not our fault. This is what we are trying to do for the Town. That is what I would like to see happen as a result of this meeting.

David Daigneault: When talking about cutting services, I automatically think about cutting jobs. In that case, every contract in Town side is up for negotiation right now, I don't know where it is at with the schools. I would think that the Unions would look around at each other and say maybe this is the year to not to push for any increase whatsoever, and try to maintain job solidarity. Solidarity so that we don't lose positions, so that we can continue to deliver the services that we are trying to deliver to our community, without socking it to the tax payers any further. In the regular job market out there- when your employer runs out of the ability to raise your wages, they negotiate from that basis, and I really think that the Town should listen to the retirees, who are saying that they cannot afford any more increases. Also, I think If you

**SELECTMEN'S MEETING
MONDAY, MARCH 17, 2008**

10

are thinking about cutting services including things like the library, I want to speak up for the library branch in Millers Falls, which I think is as important if not more important than the branch library in Montague Center to the Village of Millers Falls. In terms of the Town Nurse and the Senior Center, among the very few services that we concretely provide for the seniors in our community, they should be safe and not on the table right now.

Mrs. Shields: If the School Department goes to the State House and says no we can no longer provide for mandated criteria that the state has put forth without funding. They originally said they were going to fund it, they were going to fund bus transportation; all of these have been held back. At what point can the Towns say no we aren't going to implement and continue with these mandates if there is no funding. The opposite side of that is of course, we know, that we pay town taxes, we pay state taxes and we pay federal taxes. So, it is either coming out of our right pocket or our left pocket. It still comes out of our pockets. The question is, how do we again as consumers, as residents of our Town, get control of how our money is spent. The other question is in regards to the curbside recycling pickup. Again, that seems like a small amount of money, but is this a \$39,000 budget?. How much money does that bring into the Town for what we recycle? And does it pay for itself?

Allen: It doesn't quite pay for itself.

Tom: Overall, we get about \$24,000 per year for the products (cardboard, plastic bottles) that we take down to Springfield. The cost comes from having two trucks; having two employees to run those trucks, having to pay fees for weighing the trucks, once a day, every day that we recycle, the fuel that we run. So we are looking at total curbside pickup costs runs about \$59,000, almost \$69,000 a year. We would have to lease a truck, which right now, is running about \$23,000 for five years, because every six or seven years we need to replace the trucks. So I have suggested for the last couple of years of eliminating recycling and reducing costs of the curb site pickup. It would actually save the Town about \$67,000, almost \$68,000 a year, if we did not have curb site pickup, had everything brought up to the Transfer Station. We have two trucks that can only haul so much. Right now our trucks fill them on Tues., Wed., and Thurs., they are filled to capacity. If we went every other week, then we are looking at more trucks.

Allen: Thank you very much Ashley who has been running in with all of our messages. Also, thanks to Alicia Wells.

We won't take any more questions tonight, but if you want to send them in, we certainly want to hear about them. We need Town Meeting members from every precinct, so people who are here, if you are not a Town Meeting member, you could be, and then you could get to vote on these things too.

Pruitt: I am very struck by the comments for the library branches, and for the senior center and I am also very struck that we haven't had any declarations for the importance of the school and the services it provides to the children and parents of this community. I just would like to say it is on the same level of importance as the libraries; in fact, libraries and schools are a made in heaven pair. They augment each other and they are both essential to community life and the well being of the future generations in the Town. So, it is expensive to run the schools. None of you is here expecting that next year the cost of living in Montague will be zero; we don't expect to live for free in this Town or any other town. Modern life has become prohibitively expensive especially when we have the kind of management at the top that we have, and I am not talking about the Montague SelectBoard, I am talking about the very top. I would like to say, let us not forget the importance of the schools and the challenges that the school and the School Committee face. I think they have made some important decisions in the last year. I think they have taken some very forward moving steps in going with health insurance to the State Insurance Plan; just like the Town, they are undergoing an energy audit. That is an important step. Over the next few years, there have to be some transformations in the way we are running our institutions in this Town. Transformations in terms of what we use for energy, in the way we deliver services to our students and to our citizens, and there has to be transformations in the kind of effort, we as citizens put out. Young people are asking us here, can they volunteer – are you asking yourself what can you do to help the Town here. I know many of you do things at the Senior Center or you do things at the school or the libraries. You may need to think about what more can you do. Maybe are you willing to take your trash up to the Transfer Station; instead of having it picked

**SELECTMEN'S MEETING
MONDAY, MARCH 17, 2008**

10

up, if that would save a certain number of thousands of dollars to the Town, and hopefully, by extension, to you. So there are a lot of places where we have had a free ride in terms of having things work by professionals without meeting our particular input necessarily. We are past that. It is going to take more from each of us to make a Town work well as a Town and a school work well as a school.

Ross: It is great that people have come in this great number, and the intensity of the crowd, and the intensity of the participants is a reflection of a real acknowledgment that we are all very frustrated with the situation that we are in. I think that the kind of background that could we take a more confrontational approach and make a demand from the State. There is certainly a number of us here who have had a history of doing that. I am not sure that that is likely to succeed at this time. I think that we are unfortunately in a situation where we have to accommodate our resources that we have that have been so clearly laid out by a number of people, with what we can spend our money for. I certainly share what Patricia said about it is not us vs. the school, we are all in this and it is all intertwined. I think it is also totally not grim. I do think we have resources that this Town can count on. I do not think, and I know that some people are going to wince at this that as serious override not should be taken off the table, because that is going to be eminently necessary this year, or certainly in the near future. It is going to be an unfortunate reality. The landfill seems like, potentially, if done well, with the right product, a limited intrusion to the Town, that it can provide an income stream that will help solve our problems. I don't think it should be used for the regular budget to pay wages, but it can help give us some more time. We also have to seriously look at a judicious, careful use of the reserve fund to help get us through the next two years. I am not making any guarantees that it is going to solve our problems, but if we carefully do those things, we can potentially have an income stream and keep most of our town services for the next two to three years. We can survive this challenge, but we have to look at more permanent income streams. We have to look at consolidation things. There is a whole bunch of stuff that we can creatively do. It is going to be difficult, but we have to be smart about it, because there is a lot of talent here. It is going to be a tight year. We are going to have to do some cutting. The schools are going to have to do some cutting. They are going to cut stuff that would really help educate a certain segment of kids, but we are going to have to cut stuff that is going to be missed by certain members of our community, but if we do it carefully, we will all suffer some, but we can get through it. We have a chance of coming through this at least with our Town reasonably in tact.

Allen: We have three other volunteers from the high school: Diana Normanden, Matt Belanger and Colton McClay have been very helpful tonight.

John Hanold: In looking at the tail end of the sheet, that dealt with the Parks & Rec. and Council on Aging and the Library branches, these are examples of things that would be eligible for elimination if we did not find another way to pay for them. This is not a settled decision, but it is an example of what alternatives we have. I hope that we will continue to hear ideas that can be sent in to the Board of Selectmen, Finance Committee or any department heads in Town and bear in mind that although many of us, in our private lives, are contending with increases in fuel costs, health insurance, these are exactly the same thing that the Town is having to deal with in trying to provide the services. So, hold open in your minds, the possibilities of cuts and how deep, if it will take the override of proposition 2-1/2 to preserve the services, and what level of reserve use we could afford that is not going to dig a deeper hole for us in the future years. Take all these thoughts away with you and we would like to continue hearing from you.

Lynn Reynolds: We want to keep our Town. We don't want to wind up like Randolph or Wendell. I want to echo what everybody else has said. Really look deeply to yourselves as to what we all can do. We need to develop our plan and do it carefully. It's a two step process. We have to get through this year and we have to have our long term plan.

Allen: The Town Clerk's Office is open on Tuesday, March 18th to get your Town Meeting application papers. Thank you for being with us tonight.