

TOWN OF MONTAGUE FY2021 ANNUAL BUDGET



FINANCE COMMITTEE REPORT TO
TOWN MEETING
MONTAGUE, MASSACHUSETTS
June 13, 2020, 8:30 AM
TURNERS FALLS HIGH SCHOOL



TOWN OF MONTAGUE
Finance Committee
One Avenue A
Turners Falls, Massachusetts 01376
413 863-3200 ext. 121

May 20, 2020

Dear Town Meeting Members:

The report that follows provides context for the budget we propose for the fiscal year beginning on July 1, 2020. As a consequence of the COVID-19 pandemic, Montague has shortened the Warrant for its Annual Town Meeting, and so, while many elements of the budget will be discussed and voted at Annual Town Meeting, some requests that were originally recommended have been deferred for future action.

Budget development for Fiscal Year 2021 started at the end of the 2019 calendar year, when the Town Administrator instructed department heads to prepare their requests. The Selectboard and Finance Committee began their process with a review of the FY20 budget and revenue projections for FY21. (Those documents and others documenting the budget development process are available on www.montague-ma.gov.)

Departments submitted budgets and special article requests in December 2019. The Finance Committee and Selectboard reviewed those requests as well as budgets from the Gill-Montague Regional School District and the Franklin County Technical School. This review included written correspondence with department heads and presentations at Finance Committee meetings in January, February, and March 2020. The Capital Improvements Committee undertook initial evaluation of most special article requests, and they offered their recommendations to us on March 18, 2020.

We are grateful to the many staff members and citizens who have worked with us through this annual budget season in preparation for this year's Annual Town Meeting; as always, our Town and its residents benefit greatly from their diligence and care.

Respectfully,
Your Finance Committee:

Jennifer Audley, Chair
Gregory Garrison

John Hanold, Vice Chair
Christopher Menegoni

Frederic Bowman
Francia Wisnewski

FINANCE COMMITTEE REPORT TO TOWN MEETING

Fiscal Year 2021

In accordance with the bylaws of the Town, the Montague Finance Committee has investigated the cost of maintenance and expenditures of the different departments of the Town and here recommend in detail the amounts to be appropriated for each department for the ensuing year. We have also considered articles in Town warrants requiring the appropriation of money. We propose a balanced budget of \$26,138,916 to provide municipal services during Fiscal Year 2021 (FY21).

This report opens with contextual and historical information about the Town's financial situation, followed by information about Motions the Town Meeting will be asked to consider. This report presents the entire budget proposed for Town Meeting action, although at our Annual Town Meeting you will only be asked to consider Motions that support the operation of the Town and special articles that were identified as essential to fund at the beginning of the fiscal year. This approach defers the allocation of \$662,771 until the fall, at which point the state's FY21 budget should be available, and we will know more about the implications of the COVID-19 pandemic for Montague.

Further detail on the development of the FY21 budget is available on the Town's website at www.montague-ma.gov. The Annual Budget Information section includes a glossary of the terms that are bold-faced, revenue estimates for FY21, Montague's Financial Management Policies, line item budgets for all Town departments, FY21 budget presentations from two school districts, our Capital Improvements Committee's annual report, and other resources.

INTRODUCTION

This budget strives to provide effective municipal programs and services to Montague's residents while assuring a financially sustainable future. Our **Revenue** estimates reflect our expectations for tax collections, local receipts, and state aid in various forms. While these estimates were made prior to the COVID-19 pandemic, our initial analysis of potential impacts and areas of vulnerability led us to conclude that the best course of action for the Town is to move forward with this plan, understanding that when we have more information we may decide to make adjustments.

As has been the case in recent years, town departments were asked to submit "level services" budgets, and for the most part they succeeded in finding ways to do so while containing costs. Realistic revenue estimates, increased payments on debt, and negotiated increases in personnel costs constrain the Town's ability to fund innovations, but we have tried to support strategic efforts to improve the delivery of services and programs where possible.

FUNDING GOALS

As in previous years, the Finance Committee pursued three general goals while developing this budget for FY21. The first is to fund annual needs (both departmental operating budgets and *recurring* Special Articles) from non-Reserve sources, and to avoid using Reserves for *nonrecurring* projects estimated to cost less than \$25,000. We accomplished this goal this year, using a combination of **Taxation** and **Free Cash**. Our ability to do so is a sign of our improving fiscal health.

The second goal is to fund the assessment of the Gill-Montague Regional School District (GMRSD) according to the method described in the Compact for Funding Education, which was ratified in 2009 and reaffirmed in 2019. The original agreement was based on a model where Montague allocates 48.5% of its general revenues as the Affordable Assessment, and that percentage has been used ever since. The district's FY21 request matches that figure, and we recommend funding it.

The third goal is to follow the Town's Financial Management Policies, adopted by the Selectboard in 2014, which provide guidelines for capital spending, debt financing, and appropriations to various stabilization accounts. Bond rating agencies encourage towns to follow such guidelines, and we expect that the Town's commitment to doing so will result in favorable interest rates on future debt. While the policies we have in place have served us well to date, we believe Montague's financial circumstances have now changed sufficiently to merit a review, which may lead us to recommend updates to these policies in the future.

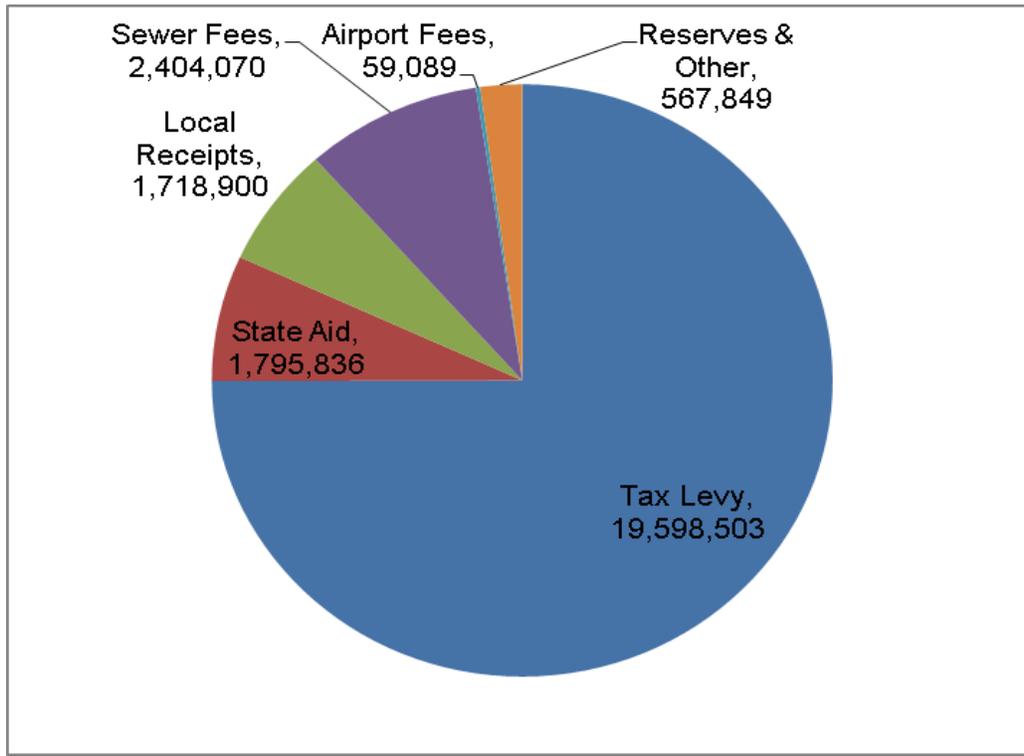
Two additional accomplishments that warrant noting this year: 1) the FY20 tax rate, set in November 2019, preserved \$300,000 in **Excess Capacity** for Montague. This year is the first in recent memory where our financial position allowed us to provide this form of tax relief to property owners. 2) After making gradual reductions for several years, the use of Free Cash for the Town's departmental operating budget *and* the GMRSD assessment was avoided in the FY21 budget.

Revenues

The Town's revenue is derived primarily from five sources: Property Taxes, State Aid, Local Receipts, Enterprise Fund (WPCF and Airport) revenues, and Reserves (principally Free Cash or Stabilization Funds). A summary table with revenue and expense comparisons to FY19 and FY20 is included later in this report.

(Please note that when "Taxation" is named as a funding source in the Motions, it includes the combination of property taxes, state aid, and local receipts.)

The following chart illustrates the proportion of revenues received from each source.



REVENUE HIGHLIGHTS

Property Taxes Net levy revenue is estimated 6.8% higher than FY20. The proposed budget assumes that property will be taxed to a level \$300,000 below the **Levy Limit**, and it includes \$471,391 in excluded debt service from bonding issued for the Dept. of Public Works garage. The disputed valuations of one utility’s properties have been settled, and the Assessors have reduced the annual contribution to Overlay accordingly. (A significant amount of the Overlay Reserve accumulated in past years was released and added to town reserves earlier in FY20.) The estimate of **New Growth** has returned to more historically normal levels. We are projecting about \$250,000 in New Growth for FY21 compared to final New Growth of \$564,663 for FY20.

State Aid We followed past practice of using the Governor’s budget (also called “House 1”) for estimates for State Aid, as those were the figures available at the time. These predicted an increase of 4.7% over FY20. The State’s FY21 budget process has since been delayed by the pandemic, but reputable forecasts now project a decrease in overall revenues for the State next year and a recovery timeline that will extend beyond FY21. However, because State Aid comprises less than 8% of our planned revenue, Montague should be able to adapt to any changes that occur.

Local Receipts We have projected Local Receipts at 5.1% above FY20. The categories of Local

Receipts are shown below. (Please note that this category includes a mix of revenue types.) Our practice has been to estimate local receipts conservatively, which should help buffer potential shortfalls in this area. Sources that have already been heavily impacted by COVID-19 (eg retail cannabis excise tax, lodging, meals tax, gambling) play a minimal role in this revenue source for our town.

	FY2019	FY2020	FY2021	% of Total
<u>Local Receipts</u>	<u>Actuals</u>	<u>Estimated</u>	<u>Estimated</u>	
Excise Taxes	823,341	726,000	701,000	40.78%
Meals Tax	53,850	30,000	55,000	3.20%
Penalties and Fines	179,696	115,000	137,000	7.97%
Charges for Trash Disposal	248,504	233,000	238,000	13.85%
Rental - 50% of Kearsarge	155,922	158,792	161,586	9.40%
Other Charges for Service	85,879	51,760	59,760	3.48%
Licenses & Permits	184,765	136,000	149,000	8.67%
Reimbursement for SRO	114,055	99,024	124,207	7.22%
Miscellaneous Recurring	131,421	86,500	93,347	5.43%
Misc. Non-Recurring	(54,184)			
	1,923,249	1,636,076	1,718,900	

Reserves can include **Free Cash, Stabilization Funds**, and other miscellaneous funds. The Finance Committee has completed the gradual elimination of the use of Free Cash to fund the Town Operating budget and GMRSD assessment. We have recommended using \$217,260 of Free Cash for Special Articles, and \$254,000 of Free Cash as a one-time addition to several Stabilization Funds, but are deferring action on many of those recommendations until later in the fiscal year.

Airport and Sewer User Fees Unlike most Town services, the Airport and the Water Pollution Control Facility (WPCF) are **Enterprise Funds**. These operations are funded from fees collected from those who use their services.

Airport user fees include Payments in Lieu of Taxes and rentals/leases of hangars and other property. In FY21, the airport will require a minimal amount of support from the taxpayers.

At the WPCF, sewer user fees include residential and industrial sewer bills and septage fees. The Town also pays a user fee to the WPCF to cover the cost of treating Inflow and Infiltration (I&I) in the system.

Education Revenue

Although it does not figure directly into the Town’s budget, Chapter 70 and Chapter 71 State Aid to local school districts is an important element of their funding, distinct from the Town’s

assessment contributions. Passage of the Student Opportunity Act in FY20 and changes to the school aid formula for FY21 resulted in a significant increase for GMRSD and FCTS. Since then, the outlook for school aid in FY21 has been complicated by the coronavirus pandemic.

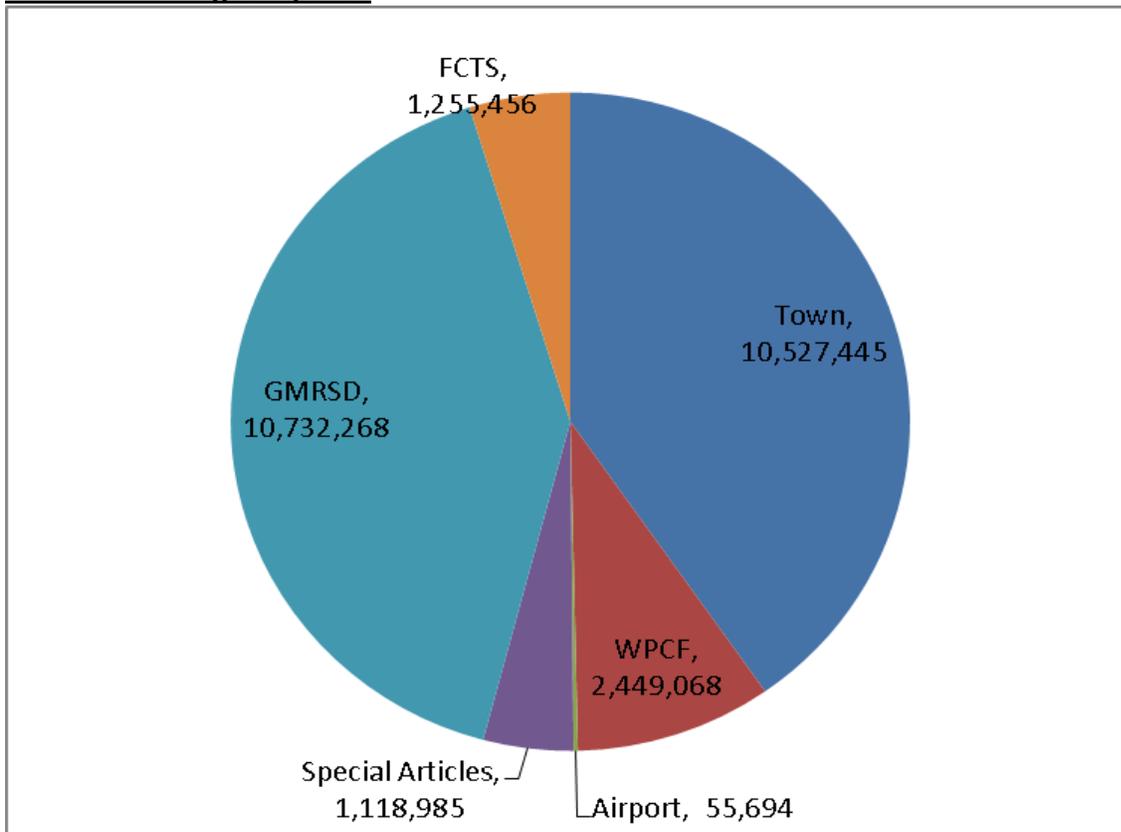
Cannabis Excise Tax Revenue

Revenue from cannabis sales is not included in the proposed budget. At its March 5, 2020 Special Town Meeting, the Town decided to allocate excise tax revenue from retail cannabis sales to the Town Capital Stabilization Fund for the foreseeable future, or until the cannabis market stabilizes. Consideration of allocation of FY20 collections will be made at a later Special Town Meeting.

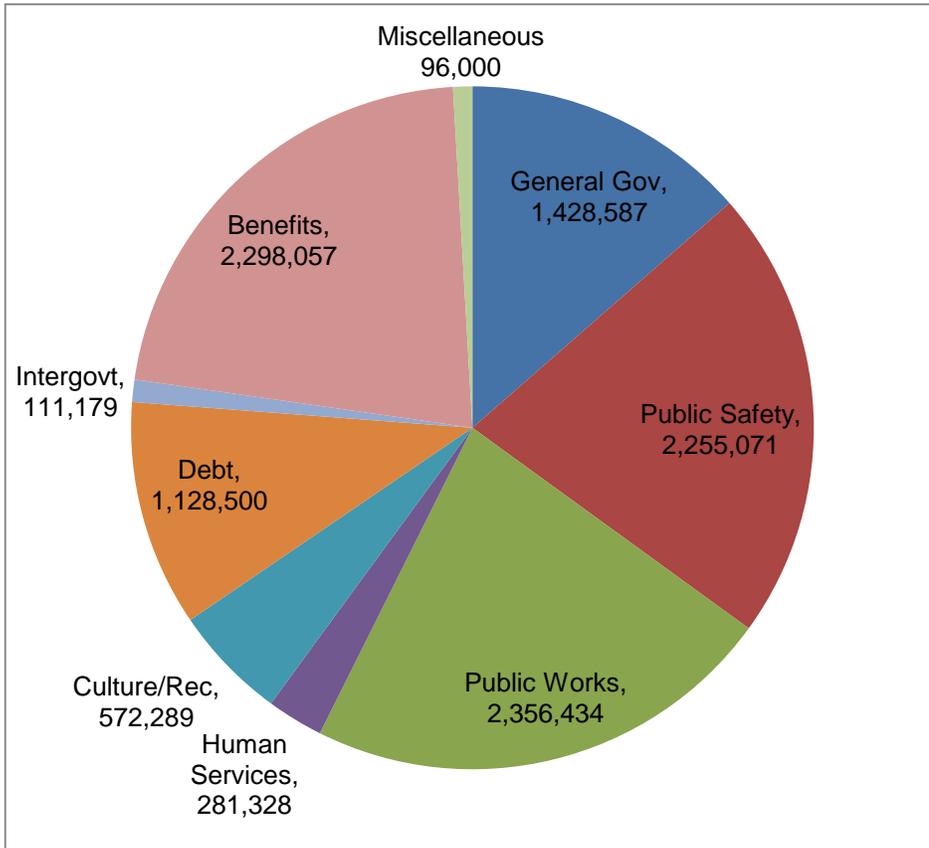
Expenditures

Expenditures are grouped into four basic categories: Town Operating, Education, Enterprise Funds, and Special Articles. Education (GMRSD + FCTS) takes the largest share, at 46%, followed by Town Operating at 40%, Enterprise Funds (WPCF + Airport) at 10%, and Special Articles at 4%. A summary table with revenue and expense comparisons to FY19 and FY20 is included on page 10 of this report.

Total Town Budget Expense



Town Operating Budget Allocation:



The categories on the pie chart above correspond to lines on Schedule III, which is addressed in Article 6. Additional detail on Schedule III requests for FY21 is provided in the background information that accompanies Article 6 later in this report.

Debt Service – In January 2020, the Town issued a larger, second bond relating to the Department of Public Works building project, and re-bonded certain existing borrowings to reduce total longterm interest payments. The FY21 budget includes \$1,128,500 in payments on Town debt, a 27% increase over FY20. Exclusive of debt service, the Town operating budget increase is \$307,896 (3.33%) in FY21.

Wages & Benefits – Collective bargaining agreements were reached with all unions, with increases for the first of three years (FY20) funded at the October 2019 Special Town Meeting. The second of two planned additional step increases for the Treasurer-Tax Collector is included, and new stipends have been added to compensate for duties beyond the scope of job descriptions in the Police and Planning Departments.

Equipment (“Discretionary”) Funds – The IT, Police, and WPCF accounts were eliminated this year. Those departments adjusted their operating budget requests accordingly. The DPW is requesting an allocation to its equipment fund in FY21. Information about FY20 uses and remaining balances of discretionary accounts are in another handout.

Reorganization and Other Changes within Departments – Several departments have made strategic adjustments to staffing patterns without significantly increasing their budgets:

- The *Selectboard’s* Executive Assistant will resume working full-time in FY21 and will add some new human resource duties to her workload.
- The *Health Department* increased its Administrative Assistant’s role to full-time and contracted with a part-time Nurse, but elected not to fill the Health Inspector position this year.
- The *Planning Department* no longer shares an Administrative Assistant with the Health Department, and the part-time Cultural Coordinator’s role has expanded. Article 5 seeks to incorporate the duties of the Administrative Assistant and the Cultural Coordinator with additional duties to create the position of Assistant Planner.

The Department of Public Works FY21 budget request assumes that the DPW will move to its new, consolidated facility this year.

WPCF – The facility operated under interim leadership for much of FY20, and progress on some upgrades and projects was delayed as a result. Department of Environmental Protection orders also played a role in informing decisions about the allocation of staff time and funds this year. The costs associated with maintaining and upgrading WCPF infrastructure are considerable; the special article requests for several much-needed equipment replacements in FY21 are just a beginning. Please refer to the Capital Improvement Committee’s report for more information about the challenges that lie ahead.

The WPCF is now running as a conventional treatment plant and relying more heavily on residential user fees to fund its operations because revenue from industrial user fees has declined. When developing its FY21 operating budget, the WPCF prioritized minimizing rate increases for sewer users.

Education – Montague’s assessment to Gill-Montague Regional School District rose 4.9% from FY20 to FY21, while our assessment to the Franklin County Technical School rose 15.7%. The FCTS assessment is correlated to the number of Montague resident students who attend the school; that number has increased for several years in a row. The increase in Montague students attending the Franklin County Technical School has not changed GMRSD program requirements or operating costs. The GMRSD assessment helps to fund the operation of five schools serving about 1000 students from pre-school to 12th grade, as well as tuition, special

education services, and school choice payments for many Montague resident students who are not enrolled at GMRSD schools.

Capital needs related to school buildings, declining enrollment at Turners Falls High School, increasing Montague enrollment at Franklin County Technical School, and potential opportunities to collaborate with neighboring districts will be important topics for us to consider in the future. The Motions on Articles #10 and #11 include more information about the assessments from GMRSD and FCTS, and GMRSD has provided more detailed background information, as well.

CONCLUSION

There is a great deal of uncertainty about the economic outlook for Massachusetts, the United States, and the world right now. We are clearly heading into difficult times for many people, businesses, schools, and communities, and the Town of Montague will be affected in FY21 and beyond. However, it will be a while longer before we understand the scope and nature of the pandemic's impact well enough to make informed decisions.

We believe this report fairly represents the status of events as of May 20, 2020. The Town's fiscal condition is relatively healthy, and the Reserve funds we have funded diligently are a resource we can draw on if necessary. The commitment and resourcefulness of our Town employees continues to be a source of strength, and we urge you to support their efforts to ensure that the Town's operations and programs will continue to meet our needs.

The increasing age of our buildings and equipment, including those at the Water Pollution Control Facility, continues to be a concern. While we have seen some expansion of revenue sources for the Town Capital Stabilization Fund such as the Kearsarge property lease and retail cannabis sales, they do not come close to addressing the scope of our infrastructure needs.

We will continue to work with the Selectboard and Capital Improvements Committee to formulate and follow a clear plan to manage the Town's assets in a responsible manner. As always, we invite both general comments and specific questions from residents and Town Meeting members.

Respectfully submitted:

Jennifer Audley, Chair
Gregory Garrison

John Hanold, Vice Chair
Christopher Menegoni

Frederic Bowman
Francia Wisnewski

HISTORICAL BUDGET SUMMARY

REVENUES	FY19	FY20	FY21	
Net Tax Levy	17,367,361	18,354,210	19,598,503	6.78%
State Aid	1,34,123	1,715,218	1,795,836	4.70%
Local Receipts	1,611,474	1,636,076	1,718,900	5.06%
Other Available	53,465	0	16,307	
Reserved Receipts	247,375	95,400	79,750	-16.40%
Free Cash	355,000	470,044	471,792	0.37%
Borrowing	521,000	0	0	
Airport Fees	36,096	46,984	59,089	25.76%
Sewer User Fees	1,862,231	2,230,727	2,404,070	7.77%
Total Revenues	23,677,125	24,548,659	26,144,247	6.50%
EXPENSES				
General Government	1,327,973	1,359,065	1,428,587	5.12%
Public Safety	2,124,166	2,351,815	2,391,019	1.67%
Public Works	2,088,609	2,212,486	2,356,434	6.51%
Human Services	291,414	142,631	145,380	1.93%
Culture & Recreation	534,462	552,319	572,289	3.62%
Debt Service	629,774	888,793	1,128,500	26.97%
Intergovernmental	101,036	104,608	111,179	6.28%
Employee Benefits	2,211,404	2,227,951	2,298,057	3.15%
General Insurance	91,000	93,275	96,000	2.92%
WPCF	2,017,231	2,305,419	2,449,068	6.23%
AIRPORT	51,039	53,290	55,694	4.51%
FCTS Assessment	974,338	1,085,007	1,255,456	15.71%
GMRSD Assessment	9,811,160	10,229,737	10,732,268	4.91%
Special Articles	1,420,206	1,009,120	1,118,985	10.89%
Total Expenses	23,673,992	24,615,516	26,138,917	6.21%

SUMMARY OF ARTICLES

Please note: This list includes all articles originally recommended for the Annual Town Meeting. **Numbered** Articles are still on the **Annual Town Meeting warrant** and **Lettered** Articles are slated to appear on a fall **Special Town Meeting warrant**.

#	<u>TOPIC</u>	<u>AMOUNT REQUESTED</u>	<u>% OF TOTAL</u>	<u>FUNDING SOURCE</u>
1.	Annual Reports			
2.	Accept Grants			
3.	Elected Salaries			
4.	Appointed Salaries			
5.	New Position-Assistant Planner			
6.	Town Operating Budget	10,527,445	40.27	Taxation
7.	WPCF Operating Budget	2,449,068	9.37	Taxation/SUF*
8.	Colle Operating Budget	79,750	0.31	Colle RRA**
9.	Airport Operating Budget	55,694	0.21	Taxation/Airport Rev
10.	FCTS Assessment	1,255,456	4.80	Taxation
11.	GMRSD Assessment	10,732,268	41.06	Taxation
12.	Utility Valuation	16,250	0.06	Taxation
13.	<u>GMRSD Articles</u>			
	GMRSD Admin Entry Canopy	10,000	0.04	Free Cash
	Hillcrest Roof	10,000	0.04	Free Cash
	GMRSD Building Studies	21,953	0.08	Taxation
14.	<u>WPCF Articles</u>			
	WPCF Tank Removal	51,000	0.20	WPCF Ret Earnings
	WPCF Fine Bubble Diffuser	100,000	0.38	WPCF Capital Stabil
	WPCF Sludge Pump	40,000	0.15	WPCF Capital Stabil
15.	<u>Town Articles</u>			
	DPW Equipment	80,000	0.31	Taxation
	Council on Aging Chimney	10,000	0.04	Free Cash
	Repair Walking Paths	37,260	0.14	Free Cash
16.	Transfer DPW Building			
17.	Transfer Town Hall Annex			
18.	Public Walkway (petition)			
Postponed to Fall Special Town Meeting				
A.	Sheffield Library Wall	20,000	0.08	Taxation
B.	Hillcrest Facade	50,000	0.19	Free Cash
C.	High School Tennis Courts	60,000	0.23	Free Cash
D.	Senior Center Roof	40,000	0.15	Free Cash

E.	Montague Center Park Survey	5,000	0.02	Taxation
F.	DPW Bond Premium	821	0.00	Res-Excluded Debt
G.	GMRSD Stabilization	39,185	0.15	Taxation
H.	Town General Stabilization	61,507	0.24	Taxation
I.	Town Capital Stabilization	200,259	0.77	Taxation/Free Cash
J.	OPEB Trust Fund	118,000	0.45	Taxation/Free Cash
K.	FCTS Stabilization Fund	68,000	0.26	Free Cash
L.	Liquor License Petition			
M.	Liquor License Quota Petition			
Total		26,138,916	100.00	

*Sewer User Fees **Colle Receipts Reserved for Appropriation

**2020 ANNUAL TOWN MEETING
TOWN OF MONTAGUE
COMMONWEALTH OF MASSACHUSETTS
JUNE 13, 2020 AT 8:30 AM
TURNERS FALLS HIGH SCHOOL
MOTIONS**

with Background, Comments & Recommendations

Please note: The first section contains numbered articles that will be considered at Annual Town Meeting. The second section contains articles that have been deferred for consideration at a future Special Town Meeting.

ARTICLE 1 – Annual Reports

MOVED: That the Town vote to receive and act upon the reports of the Officers of the Town and to receive the report of any committees and act thereon.

ARTICLE 2 – Accept Grants

MOVED: That the Town vote to authorize the Selectboard, or other Town departments with the approval of the Selectboard, to apply for and accept grants from the Federal Government, Commonwealth of Massachusetts, or any other source, and to expend the same for purposes received without further appropriation.

ARTICLE 3 – Fix the Salaries of Elected Officials

MOVED: That the Town vote to fix the salaries of all elected officials as required by law for the fiscal year beginning July 1, 2020, as set forth in Schedule I, Elected Officials.

**SCHEDULE I
Elected Officials**

<u>TITLE</u>	<u>FY20 BUDGET</u>	<u>FY21 REQUEST</u>	<u>FY21 RECOMMEND</u>
MODERATOR	370	370	370
SELECTBOARD			
Chairman	2,355	2,355	2,355
Second/Third Members	2,140	2,140	2,140

**SCHEDULE I
Elected Officials**

<u>TITLE</u>	<u>FY20 BUDGET</u>	<u>FY21 REQUEST</u>	<u>FY21 RECOMMEND</u>
BOARD OF ASSESSORS			
Chairman	1,765	1,765	1,765
Second/Third Members	1,605	1,605	1,605
TREASURER/COLLECTOR	64,985*	68,963**	68,963
*G-5 **G-7			
TOWN CLERK	73,905	75,014*	75,014
*G-11			
BOARD OF REGISTRARS			
Town Clerk	840	840	840
TREE WARDEN	1,575	1,575	1,575
BOARD OF HEALTH			
Chairman	1,765	1,765	1,765
Second/Third Members	1,605	1,605	1,605

Background: This article appears regularly on the annual warrant. While the Town Clerk and Treasurer/Collector are elected officials, their salaries correlate to the pay scales of full-time appointed officials. The Treasurer/Tax Collector and Town Clerk FY21 wages include a 1.5% increase in alignment with the NAGE union increases negotiated in FY20. The Treasurer/Tax Collector wages also include an additional step increase as discussed in last year's budget. The remaining stipends reflect last year's comprehensive review and are not expected to increase again until FY2025.

Finance Committee Recommends 6-0
Selectboard Recommends 2-0

ARTICLE 4 – Fix the Salaries of Appointed Officials.

MOVED: That the Town vote to fix the salaries of all appointed officials as required by law for the fiscal year beginning July 1, 2020, as set forth in Schedule II, Appointed Officials.

**SCHEDULE II
Appointed Officials**

<u>TITLE</u>	<u>FY20 BUDGET</u>	<u>FY21 REQUEST</u>	<u>FY21 RECOMMEND</u>
<u>ANNUAL STIPENDS</u>			
BOARD OF REGISTRARS (3)	525	525	525
EMERGENCY MGMT DIRECTOR	5,765	5,765	5,765
ANIMAL INSPECTOR	1,575	1,575	1,575
BARN INSPECTOR	1,050	1,050	1,050
IT COORDINATOR	2,100	2,100	2,100
MEDIC COORDINATOR	0	4,000	4,000
POLICE IT ADMINISTRATOR	3,000	3,000	3,000
FOREST WARDEN	1,710	1,710	1,710
<u>RATES PER INSPECTION</u>			
ASST. BUILDING INSPECTOR	35.00	35.00	35.00
GAS INSPECTOR	35.00	35.00	35.00
PLUMBING INSPECTOR	35.00	35.00	35.00
ELECTRICAL INSPECTOR	35.00	35.00	35.00
<u>HOURLY RATES</u>			
EXTRA CLERICAL	<u>Ranges/hr.</u> 12.00-13.75	<u>Ranges/hr.</u> 12.00-13.75	<u>Ranges/hr.</u> 12.00-13.75
ELECTION WORKERS	12.00-14.75	12.75-15.50	12.75-15.50
SUMMER HIGHWAY	12.00-14.75	12.75-14.75	12.75-14.75
SNOW PLOW DRIVERS	15.00-25.00	15.00-25.00	15.00-25.00
PART TIME POLICE OFFICERS	17.00-21.00	17.00-21.00	17.00-21.00
PART TIME DISPATCHERS	17.00-21.00	17.00-21.00	17.00-21.00
PARKS & RECREATION	12.00-20.00	12.75-20.00	12.75-20.00
AIRPORT INTERN	12.00-14.25	12.75-15.00	12.75-15.00

NON-UNION EMPLOYEES NOT SHOWN ABOVE

	<u>Grade</u>	<u>Range FY2020</u>		<u>Range FY2021</u>	
		Start	End	Start	End
<u>SALARIED</u>					
TOWN ADMINISTRATOR	J	92,811	114,221	94,203	115,934
TOWN ACCOUNTANT	G	60,346	73,905	61,251	75,014
CHIEF OF POLICE	I	84,373	103,837	85,639	105,395
DPW SUPERINTENDENT	H	76,703	94,397	77,854	95,813
DIRECTOR OF HEALTH	G	60,346	73,905	61,251	75,014
LIBRARY DIRECTOR	G	60,346	73,905	61,251	75,014
WPCF SUPERINTENDENT	H	76,703	94,397	77,854	95,813
<u>HOURLY</u>					
EXECUTIVE ASSISTANT	E	22.43	27.61	22.77	28.02
POLICE LIEUTENANT	G+8.5%	36.59	40.60	37.29	41.37
POLICE CUSTODIAN	A	15.03	18.50	15.26	18.78

Background: This article appears regularly on the annual warrant. Two positions have been added: Police IT Administrator (approved at March 2020 Special Town Meeting) and Montague Economic Development and Industrial Corporation (MEDIC) Coordinator. The scope and complexity of anticipated development activities that will involve the MEDIC in the future merit a coordinator.

The remaining Annual Stipends and Rates per Inspection were reviewed last year and are not expected to increase until FY2025. Hourly rates reflect planned increases in the state minimum wage. Wages for “Non-Union Employees Not Shown Above” reflect a 1.5% increase in alignment with the NAGE union and eligible step increases.

Finance Committee Recommends 6-0
Selectboard Recommends 2-0

ARTICLE 5: New Position-Assistant Planner

MOVED: That the Town vote to amend the classification plan to add the position of Assistant Planner at Grade D as per a Memorandum of Agreement between the Town of Montague and the National Association of Government Employees (NAGE).

Background: This position will encompass and expand the responsibilities of the Cultural Coordinator, including an enhanced economic/community development objective, project management responsibilities, and support for committees under the Planning and Conservation umbrella, including facilitating regulatory processes. Rolling the Cultural Coordinator and Planning Clerk positions into the expanded duties of an

Assistant Planner position provides a cost-saving efficiency that sustainably and appropriately staffs the Planning and Conservation Department at two full-time employees.

Finance Committee Recommends 6-0
 Selectboard Recommends 2-0

ARTICLE 6 – Town Operating Budget

MOVED: That the Town vote to appropriate the sum of \$10,527,455 for the maintenance of the several departments of the Town, said sums to be allocated in accordance with Schedule III, Town Operating Budget, and for any other necessary charges, with \$47.30 to be raised from Transportation Infrastructure Fund Receipts Reserved for Appropriation and \$10,527,397.70 to be raised from Taxation.

**SCHEDULE III
 Town Operating Budget**

DEPT NO.	BUDGET FY20	REQUEST FY21	SELECTBOARD	\$ Increase	% Increase	
			FIN COMM RECOMMEND FY21			
GENERAL GOVERNMENT						
113	TOWN MEETING	2,070	2,090	2,090	20	0.97%
122	SELECT BOARD	184,489	192,014	192,014	7,525	4.08%
131	FINANCE COMMITTEE	680	1,000	1,000	320	47.06%
132	RESERVE FUND	60,000	60,000	60,000	-	0.00%
135	TOWN ACCOUNTANT	81,680	81,934	81,934	254	0.31%
141	ASSESSORS	189,278	195,422	195,422	6,144	3.25%
145	TREASURER/COLLECTOR	224,914	239,560	239,560	14,646	6.51%
151	TOWN COUNSEL	98,000	90,000	90,000	(8,000)	-8.16%
155	INFORMATION TECHNOLOGY	46,000	58,100	58,100	12,100	26.30%
159	SHARED COSTS	65,659	72,759	72,759	7,100	10.81%
161	TOWN CLERK	159,223	167,001	167,001	7,778	4.88%
175	PLANNING	125,302	121,187	121,187	(4,115)	-3.28%
176	ZONING BOARD OF APPEALS	1,200	1,200	1,200	-	0.00%
182	MEDIC	1,000	5,000	5,000	4,000	400.00%
190	PUBLIC BLDG UTILITIES	119,570	141,320	141,320	21,750	18.19%
	TOTAL GENERAL GOVT	1,359,065	1,428,587	1,428,587	69,522	5.12%

SELECTBOARD
FIN COMM

DEPT NO.	BUDGET	REQUEST FY20	RECOMMEND FY21	\$ FY21	% Increase	Increase
PUBLIC SAFETY						
211	POLICE	1,652,537	1,698,119	1,698,119	45,582	2.76%
211	POLICE CRUISER	51,600	53,000	53,000	1,400	2.71%
212	DISPATCH	312,299	311,584	311,584	(715)	-0.23%
241	BUILDING INSPECTOR	140,080	141,444	141,444	1,364	0.97%
244	SEALER OF WEIGHTS	2,750	2,750	2,750	-	0.00%
291	EMERGENCY MANAGEMENT	5,765	5,765	5,765	-	0.00%
292	ANIMAL CONTROL	20,057	20,414	20,414	357	1.78%
294	FOREST WARDEN	1,710	1,710	1,710	-	0.00%
299	TREE WARDEN	18,285	20,285	20,285	2,000	10.94%
	TOTAL PUBLIC SAFETY	2,205,083	2,255,071	2,255,071	49,988	2.27%
PUBLIC WORKS						
420	DEPT OF PUBLIC WORKS	1,407,163	1,441,408	1,441,408	34,245	2.43%
420	FLAIL LEASE #2/5	24,090	24,090	24,090	-	0.00%
423	SNOW & ICE	254,250	278,050	278,050	23,800	9.36%
433	SOLID WASTE	519,983	598,886	598,886	78,903	15.17%
480	CHARGING STATIONS		7,000	7,000	7,000	
491	CEMETERIES	7,000	7,000	7,000	-	0.00%
	TOTAL PUBLIC WORKS	2,212,486	2,356,434	2,356,434	143,948	6.51%
HUMAN SERVICES						
511	BOARD OF HEALTH	146,732	135,948	135,948	(10,784)	-7.35%
541	COUNCIL ON AGING	46,031	46,980	46,980	949	2.06%
543	VETERANS' SERVICES	96,600	98,400	98,400	1,800	1.86%
	TOTAL HUMAN SERVICES	289,363	281,328	281,328	(8,035)	-2.78%
CULTURE & RECREATION						
610	LIBRARIES	411,071	426,950	426,950	15,879	3.86%
630	PARKS & RECREATION	139,448	143,539	143,539	4,091	2.93%
691	HISTORICAL COMMISSION	500	500	500	-	0.00%
693	WAR MEMORIALS	1,300	1,300	1,300	-	0.00%
	TOTAL CULTURE/RECREATION	552,319	572,289	572,289	19,970	3.62%

DEPT NO.		BUDGET FY20	REQUEST FY21	SELECTBOARD	\$ Increase	% Increase
				FIN COMM RECOMMEND FY21		
	DEBT SERVICE					
700	DEBT SERVICE	888,793	1,128,500	1,128,500	239,707	26.97%
	INTERGOVERNMENTAL					
840	INTERGOVERNMENTAL	104,608	111,179	111,179	6,571	6.28%
	MISCELLANEOUS					
910	EMPLOYEE BENEFITS	2,227,951	2,298,057	2,298,057	70,106	3.15%
946	GENERAL INSURANCE	93,275	96,000	96,000	2,725	2.92%
	TOTAL MISCELLANEOUS	2,321,226	2,394,057	2,394,057	72,831	3.14%
	TOTAL TOWN BUDGET	9,932,943	10,527,445	10,527,445	594,502	5.99%

Background: Schedule III includes the FY21 requests from all Town departments. In the course of reviewing this year's requests, the Selectboard and Finance Committee suggested some adjustments or reworked estimates, which were incorporated into Schedule III before recommendations were voted. Therefore, the amounts requested match the recommended amounts.

The Town Operating Budget request for FY21 is 6.0% higher than the previous year. 40.3% of that increase (\$239,000) is caused by additional Debt Service (additional borrowing for the new DPW facility).

Other significant increases include additional costs for Solid Waste disposal (\$78,903, due mainly to a new recycling contract) and Snow & Ice (\$23,800, due mainly to contractual obligations).

Employee Benefits rose by \$70,000, due primarily to higher Retirement costs. Health Insurance costs were nearly flat.

The increase in the Town Clerk's budget reflects the number of scheduled elections in FY21.

The Police Department typically incorporates a replacement vehicle in its annual budget. The request for FY21 reflects the cost of replacing a cruiser with a hybrid-fuel vehicle. Lower fuel costs over the vehicle's life are expected.

The Planning and Health Departments reduced their requests as a consequence of reorganization.

Finance Committee Recommends 6-0
 Selectboard Recommends 2-0

ARTICLE 7 – Water Pollution Control Facility (WPCF) Operating Budget

MOVED: That the Town vote to appropriate the sum of \$2,449,068 for the purpose of operating the Water Pollution Control Facility and associated pumping stations, said sums to be allocated in accordance with Schedule IV, WPCF Budget, with \$220,559 to be raised from Taxation and \$2,228,509 to be raised from Sewer User Fees.

**SCHEDULE IV
 WPCF Budget**

DEPT NO.	BUDGET FY20	REQUEST FY21	SELECTBOARD	\$ Increase	% Increase
			FIN COMM RECOMMEND FY21		
WATER POLLUTION CONTROL					
440	Wages & Expenses	1,571,754	1,585,763	1,585,763	14,009 0.9%
700	Debt Service	533,163	520,551	520,551	(12,612) (2.4%)
910	Employee Benefits	279,702	291,954	291,954	12,252 4.4%
	SUBTOTAL WPCF	2,384,619	2,398,268	2,398,268	13,649
DPW SUBSIDIARY					
449	Wages & Expenses	42,800	42,800	42,800	0 0.00%
	Capital Outlay	8,000	8,000	8,000	0 0.00%
	SUBTOTAL DPW SUBSIDIARY	50,800	50,800	50,800	0
	TOTAL WPCF	2,435,419	2,449,068	2,449,068	13,649 0.6%

Background: The WPCF’s total FY21 budget request (including Special Articles) is \$2,640,068, of which about 84.41% is funded by user fees (residential and industrial sewer bills and septage fees), 7.23% is funded from the available funds (WPCF Capital Stabilization Fund, Retained Earnings, and the balance of a special article), and 8.35% from Taxation (which represents the approximate cost of treating inflow and infiltration [I&I] into the system from non-metered sources).

The WCPF FY21 operating budget request is \$2,449,068, an increase of just under 1% over the final adjusted FY20, based on the predicted cost of running the facility with a staff of 7.5 employees. The intention is to minimize sewer user rate increases in FY21.

Debt service for the WCPF is \$520,551, a significant cost that will continue in the future, although the refinancing of outstanding bonds decreased this line by \$13,000 compared to FY20.

Finance Committee Recommends 6-0
Selectboard Recommends 2-0

ARTICLE 8 – Colle Building Budget (Selectboard Request)

MOVED: That the Town vote to appropriate the sum of \$79,750 for the purpose of funding the operations, maintenance, and debt service of the Colle Building, said sum to be raised from Colle Receipts Reserved for Appropriation.

Background: This budget is wholly funded by building lease fees, which are dedicated to the building. Appropriation of funds to the Colle Special Revenue Fund pays for all of the normal building maintenance including utilities, general repairs, and the debt service from the renovation. Custodial services are now assumed by renters, reducing costs by \$15,000.

Finance Committee Recommends 6-0
Selectboard Recommends 2-0

ARTICLE 9 – Airport Budget (Airport Commission Request)

MOVED: That the Town vote to appropriate the sum of \$55,694 for the purpose of operating the Turners Falls Airport, with \$1,405 to be raised from Taxation and \$54,289 to be raised from Airport Revenues.

Background: This budget pays for the operating costs of the Turners Falls Airport, which is run by the Airport Commission. The increase in spending will support a re-grading of the Airport Manager and an increase in intern hours for next year. The Airport is at nearly a break-even position due to revenue increases and a planned reduction in electricity expense as a result of solar panel installation. The Airport Commission has indicated that in FY22 they hope to increase the part-time Airport Manager's hours, making that role a benefitted position.

Finance Committee Recommends 6-0
Selectboard Recommends 2-0

ARTICLE 10 – Franklin County Technical School Assessment (Franklin County Technical School Request)

MOVED: That the Town vote to appropriate the sum of \$1,255,456 for the purpose of paying the Franklin County Technical School District for Montague’s share of the assessment for the yearly operation of the Franklin County Technical School, said sum to be raised from Taxation.

Background: Montague is one of 19 member towns in the Franklin County Technical School District, which operates a school currently educating 485 students in grades 9-12 on a campus in the Montague Industrial Park. The total FY21 assessment for all 19 member towns is \$6,352,087 (a 3.0% increase), and the total FY21 budget is \$12,580,385, including the second payment (\$201,620) on 15-year bonds for recent capital improvements (parking lot, roof, and windows and doors). FCTS calculates each town’s share of its annual assessment based on current year enrollment, and in fall 2019, 105 (21.7%) of the students at FCTS were Montague residents. Montague now has more students enrolled at Tech than any of the other 18 member towns. The calculated assessment per pupil for Montague is below the average for the district.

Comment: Enrollment numbers at FCTS are trending up, and Montague’s share is increasing more quickly than neighboring towns’, with an increase of 20 students for FY21. Based on the number of applications received for next year, the Administration projects that Montague will send 109 students to FCTS next school year. Our recommendation is to fund this year’s assessment from Taxation and to reserve the funds in the FCTS Stabilization Fund for use in the future. Appropriating additional funds into the FCTS Stabilization Fund at a future Special Town Meeting would increase the balance of that fund and help us pay for Montague’s assessment in a year when revenue falls short.

Finance Committee Recommends 6-0
Selectboard Recommends 2-0

ARTICLE 11 – Gill-Montague Regional School District Assessment (Gill-Montague Regional School District Request)

MOVED: That the Town vote to appropriate the sum of \$10,732,268 for the purpose of paying the Gill-Montague Regional School District for Montague’s share of the assessment for the yearly operation of the Gill-Montague Regional Schools, said sum to be raised from Taxation. (Gill-Montague Regional School District Request)

Background: The GMRSD has provided additional information in a separate document, included here as Appendix A. The district’s request matches the Affordable Assessment amount provided to them by Montague. This amount is calculated as 48.5% of Montague’s available operating revenues, plus excluded debt for GMRSD projects. The

total operating budget for the GMRSD in FY21 is \$23,695,768, an increase of \$1,152,896 or 5.1%.

The combined assessments from Montague and Gill comprise 51.7% of the district's total operating revenue. (The remainder comes from state aid and reimbursements, grants, school choice payments from sending districts, etc.)

The GMRSD is also requesting appropriations for five capital improvement projects.

Comment: The GMRSD has again managed to build a budget around an "affordable" figure provided to them by Montague, in part because that amount reflects a 4.9% increase over last year. By approving this request, Town Meeting upholds its commitment to offer the district a significant, predetermined portion of its revenue, while reserving the rest for other uses. The district has managed to "live within its means" in recent years by building budgets that focus primarily on fulfilling obligations and mandates. The state aid increase that was anticipated as a result of the passage of the Student Opportunity Act would be a significant boost for the district.

Finance Committee Recommends 6-0
Selectboard Recommends 2-0

Article 12: Utility Valuation Services (Board of Assessors Request)

MOVED: That the Town vote to appropriate the sum of \$16,250 for the purpose of hiring a contractor to provide valuation services relating to the natural gas and electric transmission/distribution utility properties located in Town, including any and all incidental and related costs, said sum to be raised from Taxation.

Background: This is the third year of a three-year plan intended to build a model that would assist the Assessing Department in establishing fair market values for all taxable personal property items sited in Montague. It has not yet been decided whether this will be an annual expense as we are waiting to determine whether, after the model has been tested, office personnel can perform this task adequately in future years. In the event we are unable to do so, and we continue to need appraisal assistance, it is expected that the expense will be much less than the three-year contracted cost.

Finance Committee Recommends 6-0
Selectboard Recommends 2-0

ARTICLE 13 – GMRSD: Admin Building Entry Canopy, Hillcrest Roof, and Building Condition Assessments (GMRSD Requests)

MOVED: That the Town vote to appropriate the sum of \$41,953 for the following school building related projects and any and all incidental and related costs, with \$20,000 to be raised from Free Cash and \$21,953 to be raised from Taxation.

1. \$10,000 to repair the canopy over the Gill Montague Regional School District Administration Building’s side entry
2. \$10,000 to repair the Hillcrest Elementary School roof
3. \$21,953 to obtain Building Condition Assessments to support capital planning for the Sheffield School, Hillcrest School, and Great Falls Middle School/Turners Falls High School Buildings

Canopy Background: The canopy which serves the side entrance of the building needs upper trim repair; some areas are rotten and are letting water penetrate the roof structure. The Town can expect further deterioration and compounding damage to the building if repairs to the roof are not initiated soon.

Comment: When the Capital Improvements Committee voted on this request, it was larger in scope and included additional work on the exterior of the building. The dissenting votes were related to that aspect of the project. The Finance Committee and Selectboard elected to limit their support for this request to an appropriation dedicated solely to the canopy repair. (See the CIC report for further detail on the original request.)

Capital Improvements Committee Recommends 3-2
Finance Committee Recommends 6-0
Selectboard Recommends 2-0

Hillcrest Roof Background: The roof of the building has a few problem areas, causing water leakage into the building and office spaces. Much of the roof has a long life still ahead of it, a contractor would repair the problem areas where some past vandalism created holes in the membrane, as well as fix where the membrane meets the metal roof edge and the gaps are creating leaks. The Town can expect compounding damages to the building if repairs to the facade are not initiated soon. The goal is to stave off a roof project which would be in the million-dollar range.

Capital Improvements Committee Recommends 5-0
Finance Committee Recommends 6-0
Selectboard Recommends 2-0

Building Condition Assessments Background: These would supplement the district’s capital plan with an official facility assessment study of the buildings owned and leased by the school district to help create an action plan for required repairs and improvements. The intent is to provide both GMRSD and the Town with a 15-year action plan that will address any required repairs identified or undertake any improvements that will extend the useful life of the buildings. Achieving a better understanding of the current state of the school buildings and their various components and systems will enable the Town and the School District to make repairs and improvements in a timely fashion and hopefully prevent small issues from becoming larger ones.

Capital Improvements Committee Recommends 5-0

Finance Committee Recommends 6-0

Selectboard Recommends 2-0

ARTICLE 14 –WPCF Oil Tank Removal, Fine Bubble Diffusers and Primary Sludge Pump (WPCF Requests)

MOVED: That the Town vote to appropriate the sum of \$191,000 for the purpose of the following WPCF projects and any and all incidental and related costs, with \$51,000 to be raised from WPCF Retained Earnings, \$100,000 to be raised from WPCF Capital Stabilization Fund, \$15,439.53 to be raised from the unexpended balance of Article #19 of the May 7, 2016 Annual Town Meeting, and \$24,560.47 to be raised from WPCF Capital Stabilization Fund.

1. \$51,000 to increase the appropriation made pursuant to Article 7 of the March 5, 2020 Special Town Meeting, which appropriated \$75,000 to remove and dispose of an existing oil tank and vault
2. \$100,000 to replace coarse bubble diffusers at the Montague WPCF with fine bubble diffusers or similar energy saving technology
3. \$40,000 to replace a primary sludge pump at the Montague WPCF, including purchasing and equipping a new pump, removal and disposal of the existing pump, design and installation services

Oil Tank Background: The WPCF recently decommissioned the underground oil tank and concrete vault which served the heating system for the administrative building due to apparent leakage believed to be contained within the vault. New above ground oil tanks are in place and the Town is working actively with DEP to accomplish removal of the old tank and vault, as well as any necessary remediation. Although the oil spill is believed to be contained to the concrete vault, it is very important to remove the tank and vault now and search for and remediate any potential problems. The proximity to the river calls for immediate rectification of the situation. If the vault and tank were to be left

untouched the Town would have to assume responsibility for whatever penalties and fines the DEP may impose. Special Town Meeting appropriated \$75,000 but the actual bids received were much higher, resulting in this request for an additional \$51,000.

Capital Improvements Committee Recommends 5-0
Finance Committee Recommends 6-0
Selectboard Recommends 2-0

Fine Bubble Diffuser Background: Replacing coarse bubble diffusers with fine bubble diffusers would significantly reduce electrical costs by approximately \$30,000 per year. The cost would be partially funded by \$135,000 in DEP Gap II grant funding that must be used by the end of FY2021. The grant can only be used for certain energy conserving projects and at this time there is no other known project which could be practically implemented. By leveraging DEP Gap II grant funding the Town could see a full return on investment within 5 years. The subsidized cost coupled with the strong Return On Investment make this project a must do.

Capital Improvements Committee Recommends 5-0
Finance Committee Recommends 6-0
Selectboard Recommends 2-0

Sludge Pump Background: The existing pump is 39 years old and has been maintained in working order far past the expected lifetime of 20 years. The existing pump requires a high level of maintenance from staff and new pump technology does not require the same amount of maintenance. Lacking a backup pump in working order, if the pumps were to fail, it would cause a disruption to the plant process and threaten the plant's ability to maintain operations and regulatory compliance.

Capital Improvements Committee Recommends 5-0
Finance Committee Recommends 6-0
Selectboard Recommends 2-0

ARTICLE 15 – DPW Equipment Account, Council on Aging Chimney, and Repair Walking Paths
(DPW, COA, and Planning Department Requests)

MOVED: That the Town vote to appropriate the sum of \$127,260 for the following Town projects and any and all incidental and related costs, with \$80,000 to be raised from Taxation and \$47,260 to be raised from Free Cash.

1. \$80,000 to purchase, equip and make major repairs to DPW vehicles and equipment

2. \$10,000 to replace the Council on Aging chimney
3. \$37,260 to repair traditional walking paths in the villages of Millers Falls and Turners Falls, including but not limited to repair or replacement of the existing public stairway leading from the Millers Falls Village Center to Highland Park and the existing public walkway running from 7th Street to High Street, near its intersection with Avenue B

DPW Discretionary Background: This fund provides flexibility for the DPW Superintendent in making purchasing decisions and repairs to major equipment. It also allows him to take advantage of time-sensitive opportunities when appropriate. Purchases from this fund are reviewed by the Town Administrator and the Selectboard. The practice has been to start each fiscal year with a balance of \$100,000 in the account. By the end of June 2020, the balance in the account is expected to be about \$20,000.

Comment: The superintendent requested \$100,000 to be added to the account, but the CIC recommended bringing the balance up to \$100,000 instead, and a majority of the Finance Committee and Selectboard concurred.

Capital Improvements Committee Recommends 5-0
Finance Committee Recommends 5-1
Selectboard Recommends 2-0

COA Chimney Background: When looking into replacing the roof, it was determined that the chimney which serves the boiler is in need of replacement from the roofline up. An estimate for chimney replacement was received at a cost of \$7,000. A total contingency of \$3,000 is recommended to supplement the base cost.

Capital Improvements Committee Recommends 5-0
Finance Committee Recommends 6-0
Selectboard Recommends 2-0

Walkway Repair Background: These walkways are used by residents and are in need of repairs to enable safe passage. The Millers Falls stairs serve as access for Highland Park. This article would spend \$17,400 to repair the stairs themselves and repairs to the walkway leading from them, as well as to replace handrails. The 7th Street to High Street walkway serves the local neighborhood including students walking to school from downtown. \$9,800 would be allocated to repair the failed drainage swale, replace a broken sidewalk block, and remove the failed rail. The additional funds provide for contingencies.

Capital Improvements Committee Recommends 5-0
Finance Committee Recommends 7-0
Selectboard Recommends 2-0

ARTICLE 16 Transfer Care, Custody, and Control of 500 Ave A

MOVED: That the Town vote to transfer care, custody and control of the land and/or building commonly known as the former DPW Garage, located at 500 Avenue A, Turners Falls, and shown as Assessors' Parcel ID 05-0-127, from the Selectboard for general municipal purposes to Selectboard for general municipal purposes and for the purpose of conveyance and lease; and to authorize the Selectboard to sell or lease, transfer or convey all or any portion of such land and/or building for such sum and upon such conditions determined by the Selectboard to be in the best interests of the Town, pursuant to G.L. c. 30B, and to authorize the Selectboard to execute any and all instruments, including deeds, leases or other agreements and take all other actions necessary or appropriate to effectuate the vote taken hereunder.

Background: The Selectboard currently have custody of this property for general municipal purposes. This article would allow the Selectboard to sell or lease the current DPW building after the DPW moves into their new facility.

ARTICLE 17 Transfer Care, Custody, and Control of Town Hall Annex

MOVED: That the Town vote to transfer care, custody and control of the land and/or building commonly known as the Town Hall Annex, located at 1 Avenue A, Turners Falls, and shown as Assessors' Parcel ID 04-0-0004, from the Selectboard for general municipal purposes to the Selectboard for general municipal purposes and for the purpose of conveyance and lease; and to authorize the Selectboard to sell or lease, transfer or convey all or any portion of such land and/or building for such sum and upon such conditions determined by the Selectboard to be in the best interests of the Town, pursuant to G.L. c. 30B, and to authorize the Selectboard to execute any and all instruments, including deeds, leases or other agreements and take all other actions necessary or appropriate to effectuate the vote taken hereunder.

Background: The Selectboard currently have custody of this property for general municipal purposes. This article would allow the Selectboard to lease the Town Hall annex after the DPW moves into their new facility.

Article 18 Fix Walking Paths (Petitioned Article)

MOVED: We are writing to request that funds be appropriated to facilitate the repair of the public stairway leading from the Millers Falls Village Center to Highland Park. While many people continue to use the stairs they are in a sorry state and could cause someone harm if not addressed. Several of the concrete stairs are crumbling and the railings are rusted and broken. We feel that this is an important connector between the village center and the park and we hope that fixing the stairs would increase the use of the park by residents of the village center. Please repair the stairs so that we can use them safely. (Petitioned Article)

Background: A petition was submitted to the Selectboard last fall requesting that repairs be made to the walking paths. That request was honored in ATM Article #15 above.

This Concludes the Annual Town Meeting Warrant.

The following articles were originally recommended for approval as part of the total FY2020 budget, but have been postponed. They are included here to provide a complete view of the FY2020 budget and to provide detailed information in advance of a fall Special Town Meeting.

Article A - Hillcrest façade (GMRSD request)

MOVED: That the Town vote to appropriate the sum of \$50,000 for the purpose of repairing the Hillcrest Elementary School façade, including any and all incidental and related costs, said sum to be raised from Free Cash.

Background: The exterior of the Hillcrest Elementary School building is beginning to have significant issues that need to be corrected for the continued use of the building and safety of the occupants. The brick façade is crumbling in several areas near windows and outside corners. The bricks that comprise the facade are becoming loose and will pose a threat to public safety if left unrepaired. All compromised brick needs to be re-secured to the building and pointed.

Capital Improvements Committee Recommends 5-0

Finance Committee Recommends 6-0

Selectboard Recommends 2-0

Article B - Sheffield Library Wall (GMRSD Request)

MOVED: That the Town vote to appropriate the sum of \$20,000 for the purpose of building a wall in the Sheffield Library to provide additional private instructional space or other uses, including any and all incidental and related costs, said sum to be raised from Taxation.

Background: The large library space is being underutilized and a dividing wall is proposed to create much-needed instructional space. Electrical and Fire Alarm/Egress modifications will be needed to complete the project and those costs are included in the request. The new private instructional space would be a 46 by 23 foot room. This would seem to be an affordable way to expand the instructional space within the building envelope. The rest of the room would remain library space.

Capital Improvements Committee Recommends 5-0
Finance Committee Recommends 6-0
Selectboard Recommends 2-0

Article C - GMRSD: Resurface TFHS Tennis Courts (GMRSD Request)

MOVED: That the Town vote to appropriate the sum of \$60,000 for the purpose of resurfacing the Turners Falls High School tennis courts, including any and all incidental and related costs, said sum to be raised from Free Cash.

Background: All of the tennis courts at the TFHS need to be resurfaced so they are smooth, solid playing surfaces. Approximately 400 feet of cracks will be repaired followed by the application of three coats of filler/primer and a final surface coat. New posts are to be installed on the doubles court. Left untreated, the tennis courts may require more serious repair interventions such as re-milling or replacement. The MIAA has advised that the defects in the court will become an issue in future seasons and may jeopardize the tennis team's ability to host home matches, which in turn would jeopardize the continuation of the team.

Capital Improvements Committee Recommends 5-0
Finance Committee Recommends 6-0
Selectboard Recommends 2-0

Article D - COA Roof (Council on Aging Request)

MOVED: That the Town vote to appropriate the sum of \$40,000 for the purpose of replacing the Council on Aging roof, including any and all incidental and related costs, said sum to be raised from Free Cash.

Background: The existing roof is near the end of its life expectancy, with missing shingles evident. Both asphalt and standing seam metal roofs were considered, and the asphalt option was ultimately thought to be the wisest choice at this time. A quote of \$35,000 was received to replace the roofing. A total contingency of \$5,000 is recommended to supplement the base cost. Replacing the roofing before it fails will allow the Town to avoid costly repairs to the roof structure, as well as repairs to the interior finishes, which will arise as a result of inevitable water damage.

Capital Improvements Committee Recommends 5-0
Finance Committee Recommends 6-0
Selectboard Recommends 2-0

Article E - Montague Center Park Survey (Parks & Recreation Commission Request)

MOVED: That the Town vote to appropriate the sum of \$5,000 for the purpose of hiring professionals to survey the parcels comprising Montague Center Park in support of its future redevelopment, said sum to be raised from Taxation.

Background: In conjunction with the Parks & Recreation Department, the Montague Center Park Improvement Committee completed the Master Plan Phase of the project under the facilitation of the Conway School of Landscape Design (CSLD) in June of 2019. As a result of said Master Plan, CSLD recommended that the park be re-surveyed to ensure that boundary lines are more clearly defined before improvements are made. At the time of this writing, the Parks and Recreation Department has requested quotes from several surveying agencies but has not yet received any responses.

Finance Committee Recommends 6-0
Selectboard Recommends 2-0

Article F - Appropriation of Bond Premiums (Town Accountant's request)

MOVED: That the Town vote to appropriate the sum of \$820.49, which represents the net premium paid to the Town upon the sale of the Town's \$5,785,000 DPW Facility Bonds dated January 22, 2020, to pay costs of the DPW facility, authorized by the vote of the Town passed March 29, 2018, and to reduce the amount authorized to be borrowed for such project by such amount, as set forth in M.G.L. c. 44, §20 or any other applicable law, said sum to be raised from Reserve for Excluded Debt.

Background: State laws (M.G.L. c. 44, §20) on borrowing require this small amount of premium be appropriated to the project.

Finance Committee Recommends 6-0
Selectboard Recommends 2-0

Article G - GMRSD Stabilization Fund (Finance Committee Request)

MOVED: That the Town vote to appropriate the sum of \$39,185 for the purpose of increasing the GMRSD Stabilization Fund, said sum to be raised from Taxation.

Background: This represents the agreement to use a specific percentage of the annual Kearsarge lease payment towards the GMRSD Stabilization Fund.

The FY21 Kearsarge lease payment of \$161,516 to Montague is allocated as follows:

- *50% for operating expenses.* This is included in calculated available revenues for the Affordable Assessment. These revenues are allocated 51.5 % to the town and 48.5% to the GMRSD. The share for GMRSD is included in the Affordable Assessment, and the Town share is appropriated to the Town Capital Stabilization Fund.
- *50% for capital expenses.* 48.5 % of this amount is this appropriation to the GMRSD Stabilization Fund. The Town's 51.5% share is appropriated to the Town Capital Stabilization Fund.

The balance in this fund prior to this appropriation is \$77,134.

Finance Committee Recommends 6-0
Selectboard Recommends 2-0

Article H - Town General Stabilization Fund (Finance Committee Request)

MOVED: That the Town vote to appropriate the sum of \$61,507 for the purpose of increasing the Town General Stabilization Fund, said sum to be raised from Taxation.

Background: Since the creation of the Town Capital Stabilization Fund, the Town General Stabilization Fund is intended to be used in the event of a significant drop in State Aid or other revenue sources, whereas the Town Capital Stabilization Fund is intended for capital expenditures. The Town's Financial and Management Policies and Objectives direct that an annual appropriation of 0.3% of prior year gross operating revenues (PYGOR) should be made from Taxation to this fund. This article meets that requirement.

The fund balance prior to this appropriation is \$1,063,507.

Finance Committee Recommends 6-0
Selectboard Recommends 2-0

Article I - Town Capital Stabilization Fund (Finance Committee Request)

MOVED: That the Town vote to appropriate the sum of \$200,259 for the purpose of increasing the Town Capital Stabilization Fund, with \$82,259 to be raised from Taxation and \$118,000 to be raised from Free Cash.

Background: The Town’s Financial Management Policies and Objectives direct that an annual appropriation of 0.2% of PYGOR be made to this fund. For FY2021 that amount is \$41,805. Additionally, the Selectboard and Finance Committee have recommended setting aside 51.5% of the annual Kearsarge lease payments for future capital needs. For FY2021 that amount is \$83,216. The total requirement would have been \$125,021, but the Finance Committee and Selectboard made the decision to reduce this amount for FY2021 by \$42,762 to balance the budget and then to allocate the remaining balance in Free Cash (\$204,000), which is not to be used for normal operating expenses, equally between this fund, the OPEB trust fund, and the FCTS Stabilization Fund, with an additional \$50,000 allocated to the Capital Stabilization Fund in expectation of funding a capital expense whose appropriation was delayed.

0.2% PYGOR	41,805
51.5% Kearsarge	83,216
Balance budget	(42,762)
Free cash for Article	50,000
1/3 avail Free Cash	<u>68,000</u>
Total appropriation	200,259

The balance in this fund prior to this appropriation is \$1,101,372.

Finance Committee Recommends 6-0
Selectboard Recommends 2-0

Article J - OPEB Trust Fund (Finance Committee Request)

MOVED: That the Town vote to appropriate the sum of \$118,000 for the purpose of increasing the Town OPEB Trust Fund, with \$50,000 to be raised from Taxation and \$68,000 to be raised from Free Cash.

Background: Montague currently pays for its other post-retirement benefits (OPEB), primarily retiree health insurance, on a pay-as-you-go basis. This means we simply pay the bills as they occur, but make no provision to fund the post-employment costs of current employees. This appropriation of funds into the OPEB Trust is viewed as a symbolic gesture showing that Montague recognizes its obligation and is beginning to address it. This year’s appropriation includes the customary contribution of \$50,000, plus \$68,000 of Available Free Cash.

The Town’s long term plan is to address the OPEB unfunded liability more aggressively after the Town’s unfunded pension liability has been “fully funded” (currently expected to occur in FY2033). At that time the money currently appropriated to fund the unfunded pension liability will be available for use, on an annual basis, to more

rigorously fund the unfunded OPEB liability, although there may not be a formal funding schedule in place.

The balance in this fund prior to this appropriation is \$541,827.

Finance Committee Recommends 6-0
Selectboard Recommends 2-0

Article K - FCTS Stabilization Fund (Finance Committee Request)

MOVED: That the Town vote to appropriate the sum of \$68,000 for the purpose of increasing the FCTS Stabilization Fund, said sum to be raised from Free Cash.

Background: Montague's enrollment in the FCTS continues to increase, and this fund may be used to offset some of the future assessment increases. The Finance Committee uses a formula, adopted in 2015, to determine when funds should be transferred into or out of the FCTS Stabilization Fund. Depending on projections of enrollment and current costs per pupil, money should be moved to the FCTS Stabilization Fund when the calculated assessment is higher than the actual assessment, and when the calculated assessment is lower than the actual assessment some of the balance should be used for the current budget. While this calculation would indicate the use of funds this year, the expected increase in next year's assessment convinced the committee to add a portion of available Free Cash to the Fund.

The balance in this fund prior to this appropriation is \$97,676.

Finance Committee Recommends 6-0
Selectboard Recommends 2-0

Article L - 112 Ave A Liquor License

Article M - Expand Town's Quota of Liquor Licenses