

**SELECTMEN'S MEETING
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
MONDAY, November 21, 2016**

Meeting was opened at 7:00 PM in the Upstairs Meeting Room. Present were Selectpersons Chris Boutwell, Michael Nelson (absent) Rich Kuklewicz, Town Administrator Frank Abbondanzio and Executive Assistant Wendy Bogusz. Also present: Steven Ellis

Approve Selectmen minutes of November 1 and 7, 2016

Boutwell makes the motion to approve the minutes of November 1, 2016, seconded by Kuklewicz approved.

Boutwell – Aye, Kuklewicz - Aye

Boutwell makes the motion to approve the minutes of November 7, 2016, seconded by Kuklewicz approved.

Boutwell – Aye, Kuklewicz – Aye

Public Comment Period: Individuals will be limited to two (2) minutes each and the Board of Selectmen will strictly adhere to time allotted for public comment

None

Karen Tonelli, Director of Assessing, Assessors Paul Emery, Barbara Kuklewicz, FY2017 Tax Classification Hearing

Kuklewicz reads newspaper notice into the record

Tonelli: RESIDENTIAL FACTOR: The Board of Selectmen, at a public hearing, annually vote on the issue of selecting a residential factor which will determine the percentages of the tax burden for each class of property for the fiscal year. If a factor of 1 is chosen, it will result in a uniform allocation among all classes. If a factor of less than one is chosen, the burden will be greater on CIP (Commercial, Industrial and Personal Property) parcels. Please note that all chapter land is considered commercial.

- A Residential factor of 1 would yield a single tax rate of \$19.30 per thousand of value. (tax levy: \$15,946,837/Value: \$826,261,031 = 0.0193 x 1000 = single tax rate of \$19.30 for all classes of property.
- Since 1983, Montague has selected a factor of less than 1 thereby shifting more of the tax burden onto the CIP properties.
- The maximum allowable shift factor for the Town of Montague is 1.50%
- Last year's average Single Family Residence assessment was \$181,850 which resulted in an average annual tax bill of \$3,202.00.
- For the past 3 years, Montague has chosen a factor between .864 - .870 which results in a shift of 1.30% - 1.31% to .87% to CIP properties.
- FY16 .870218 = Shift 1.30%; FY15 .866354 = Shift 1.31%, FY14 .864692 = Shift 1.31%

In choosing a split tax rate, the Board of Selectmen has many options which will determine the tax rates for the various classes of properties. The attached table lists options in increments of 2% from 1 to 1.50%. A few key options are listed below.

• If the maximum allowable shift of 1.50% were chosen, the estimated rates and average tax bills for FY2017 would be as follows: Residential Rate: \$14.92; Avg. Residential: \$2,881.05; CIP Rate: \$28.95;

Avg. Commercial: \$4,403.29; Avg. Industrial: \$6,122.92 (not incl. First Light)

• If the same shift used last year of 1.30% were chosen, the estimated rates and average tax bills for FY2017 would be as follows: Residential Rate: \$16.67; Avg. Residential \$3,218.97; CIP Rate: \$25.09;

Avg. Commercial \$3,816.19; Avg. Industrial: \$5,306.50 (not incl. First Light)

The result of using this shift would be a decrease of \$.094 in the residential rate and decrease of \$1.21 in the CIP rate. The average residential and commercial tax bill would increase by \$16.00. The average industrial tax bill would increase by \$311.00. This is a result of the increase in average assessments.

• A shift of 1.20 would result in the similar residential tax rate that was used last year (\$17.55). However, this shift would significantly reduce the CIP rate by over \$3.00 to \$23.16 resulting in an increase in taxes for the average annual residential single family house.

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Prior vs. Current Year Statistics

FY16 Rates: \$17.61 (Residential); \$26.30 (Commercial, Industrial & Personal Property)

Last year it was voted to shift the tax burden from the residential properties to the CIP properties by 1.30%.

FY16 Residential % of all classes of taxable property: 60.74 %

FY16 CIP % of all classes of taxable property: 39.26%

FY17 Residential % of all classes of taxable property: 68.78 %

FY17 CIP % of all classes of taxable property: 31.22%

	FY16	FY17	Difference
Total Appropriations:	\$ 21,373,854	\$ 22,311,826	\$ 937,972
Total Receipts:	\$ 6,068,485	\$ 6,364,989	\$ 296,504
Total Levy:	\$ 15,305,369	\$ 15,946,837	\$ 641,468
Total Town Valuation:	\$756,413,618	\$826,261,031	\$69,847,413*

*This amount represents an increase of approximately \$69.8 million (or 9.2%) which is attributed to a substantial increase in the valuation of the hydro-electric facility as well as to new growth (i.e. new homes, garages, decks, etc). A significant investment made by Eversource for their poles/wires resulted in \$5 million in new growth. FY2017 was a recertification year for Montague and, as such, the Department of Revenue mandated that an appraisal of the hydro-electric facilities be done. This work was conducted by George K. Lagassa, PhD. His opinion of value increased the assessment by an additional \$17.5 million. Additionally, an active market for residential sales has resulted in increases in real estate values in town. On average, residential house values increased approximately 6.7%. The average increase in commercial and industrial properties was approx. 8%.

*Boutwell makes the motion to use the same shift as last year of 1.30%, the estimated rates and average tax bills for FY2017 would be as follows: Residential Rate: \$16.67; CIP Rate: \$25.09, Seconded by Kuklewicz, approved.
Boutwell – Aye, Kuklewicz - Aye*

Open Space Discount

This option allows a discount of up to 25% of land that is maintained in a natural condition. Since there is currently no land classified as Open Space in Montague, this exemption is not recommended by the Board of Assessors.

Boutwell make the motion to not to allow a discount of up to 25% of land that is maintained in a natural condition. Seconded by Kuklewicz, approved. Boutwell – Aye, Kuklewicz

Bogusz points out that motions cannot be in the negative so the Board needs to revoke.

Boutwell makes the motion to rescind the motion not to allow a discount of up to 25% of land that is maintained in a natural condition. Seconded by Kuklewicz, approved. Boutwell – Aye, Kuklewicz

Boutwell makes the motion to allow a discount of up to 25% of land that is maintained in a natural condition. Seconded by Kuklewicz, NOT approved. Boutwell – Nay, Kuklewicz - Nay

Residential Exemption

This option allows a discount to property that is the principal residence of a taxpayer. The discount cannot exceed 20% of the average assessed value of residential properties. This option would increase the residential rate and shift the burden to multi-family and second home owners. Currently only 14 of 351 communities in Massachusetts have adopted this exemption. Since Montague does not have a large second home owner base, this exemption would not be recommended by Board of Assessors.

Boutwell makes the motion to allow a discount to property that is the principal residence of a taxpayer. Seconded by Kuklewicz. NOT approved. Boutwell – Nay, Kuklewicz - Nay

Small Commercial Exemption

This option allows for a 10% discount to certain commercial properties that meet criteria established by the state. It is important to note that the owner of the property (not the actual business owner) benefits from this exemption and is not required to pass any savings to the qualified business. The tax burden is redistributed to the non-qualifying

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commercial property owners in the form of a higher tax rate. This exemption is not recommended by the Board of Assessors.

Boutwell makes the motion to allow a 10% discount to certain commercial properties that meet criteria established by the state. Seconded by Kuklewicz, NOT approved. Boutwell – Nay, Kuklewicz – Nay

Lastly, the Board of Assessors is required to notify the Board of Selectmen that the excess levy capacity for FY2017 is \$2,863.10. This figure represents the difference between the levy limit and the amount actually levied. This amount signifies that the Town of Montague is levying up to its limit.

Tonelli gives a brief update on how First Light has contested their FY15 and FY16 assessments and she's anticipating they will file for FY17. We have received notice that a status conference was held by ours and their lawyers and a hearing date has been set for the beginning of June and we have to exchange appraisals in April. Erving was encouraged to settle their case in mediation.

Boutwell makes the motion to request the Board of Assessors correspond with the Town's attorney to draft a letter to the energy company and come back before the board for review. Seconded by Kuklewicz, approved unanimously. Boutwell – Aye, Kuklewicz - Aye

**Personnel Board and Bob McDonald, WPCF Superintendent
Request wage increase for current staff members of the WPCF**

McDonald: One of the items on my list when I started was to look into the pay and classification of the WPCF employee salaries. The amount of money being brought in by the process is substantial and its important to keep current staff intact. The treatment plant and staff have the ability to reduce some of the financial strain on the sewer budget. This can only be accomplished with tremendous effort and dedication of time by the staff to ensure the success of the "Montague Process". A large part of the success of this Montague Process can be attributed to the staff's knowledge and ability to make process control changes while staying within our permit limits. I do not know of any wastewater operator, including myself, that would be confident in running this Process without the current staff. As you know, the treatment plant and staff have the ability to reduce some of the financial strain on the sewer budget. This can only be accomplished with tremendous effort and dedication of time by the staff to ensure the success of the "Montague Process". A large part of the success of this Montague Process can be attributed to the staff's knowledge and ability to make process control changes while staying within our permit limits. I do not know of any wastewater operator, including myself, that would be confident in running this Process without the current staff. McDonald goes over what he is proposing for new grades

Abbondanzio: Endorses the increases in concept. We need to reopen the labor contracts with UE and TOMEA. Bob has gone through each position and assigned a number. I need to review them to see that I agree before this goes forward to the Unions. I don't see a problem with them being in line with the Pay & Classification schedule.

Kuklewicz: Suspects there will be challenges setting up a common date for a meeting with everyone and doesn't want to drag this out any longer. I endorse this in principal. Wants the employees to know we are serious in continuing the discussion and feels a date should be set to show this. Would like Frank to have the evaluations and where the employees fit on the Pay and Classification schedule ready for the December 5, 2016 meeting. Also would like to see that increases become effective the first week in December, this shows the Board is working in good faith. We need to get the process back up and running so we can begin the study and understand the process.

Appoint Christian Smith-Ahearn, Laborer, UE Grade B, Step 1, \$16.53/hour, 40 hours/week, effective 11/21/16

Boutwell makes the motion to appoint Christian Smith-Ahearn, WPCF Laborer, UE Grade B, Step 1, \$16.53/hour, 40 hours/week, effective 11/21/16. Seconded by Kuklewicz, approved unanimously. Boutwell – Aye, Kuklewicz – Aye

**Personnel Board and Chief Charles Dodge
Request to offer Bryce Molnar Conditional Offer of Employment as Reserve Officer**

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Boutwell makes the motion to offer Bryce Molnar a Conditional Offer of Employment as Reserve Officer effective 11/22/16. Seconded by Kuklewicz, approved. Boutwell – Aye, Kuklewicz - Aye

Personnel Board

Change title of Montague Pipeline Liaison to the Montague Energy Policies (Policy) Liaison

Boutwell makes the motion to change the title for Ariel Elan from Montague Pipeline Liaison to the Montague Energy Policy Liaison until 6/30/17. Seconded by Kuklewicz, approved. Boutwell – Aye, Kuklewicz – Aye

Appoint Ariel Elan to Montague Energy Committee until 6/30/17

Boutwell makes the motion to appoint Ariel Elan to the Montague Energy Committee until 6/30/17. Seconded by Kuklewicz, approved. Boutwell – Aye, Kuklewicz – Aye

Town Administrators Report

Request by National Water Main Cleaning Co, to extend contract by 18 weeks to allow for delivery of permanent stop logs

Boutwell makes the motion to approve the Request by National Water Main Cleaning Co, to extend contract by 18 weeks until March 21, 2017 to allow for delivery of permanent stop logs. Seconded by Kuklewicz, approved unanimously. Boutwell – Aye, Kuklewicz – Aye

Execute Service Agreement and Order Form with Online Solutions, LLC (CitizenServe) for software program (code enforcement, permitting, planning and zoning, business licensing, food licenses and citizens access pages) \$28,100 1st year, each additional year \$16,500

Boutwell makes the motion to Execute the Service Agreement and Order Form with Online Solutions, LLC (CitizenServe) for software program (code enforcement, permitting, planning and zoning, business licensing, food licenses and citizens access pages) \$28,100 1st year, each additional year \$16,500. Seconded by Kuklewicz, approved. Boutwell – Aye, Kuklewicz - Aye

Execute Contract and Scope of Services for FY17 Local Cultural Council Funds (\$4,700)

Boutwell makes the motion to execute the contract and scope of services for FY17 Local Cultural Council Funds in the amount of \$4,700. Seconded by Kuklewicz approved. Boutwell – Aye, Kuklewicz – Aye

Program Income Hearing, Current Balance: 14,980.92, Request to spend \$10,000 for Unsafe/Unhealthy Buildings, New Balance: \$4,980.92

Boutwell makes the motion to approve the request to spend \$10,000 for unsafe/unhealthy buildings from program income, new balance will be \$4,980.92. Seconded by Kuklewicz, approved. Boutwell – Aye, Kuklewicz – Aye.

Topics not anticipated in the 48 hour posting requirements

Douglas Bilodeau, Douglas Auctioneers gives update on the property sale of 2 New Street, Millers Falls. Building sold to Tammy Berard in the amount of \$24,150, gives paperwork to the Board to sign

Boutwell makes the motion to sign the document from Douglas Auctioneers titled Agreement to Purchase Real Estate at Sale by Auction for 2 new street in Millers falls. Seconded by Kuklewicz. Boutwell – Aye, Kuklewicz - Aye

New Trash stickers are available in the Treasurers office

Next meeting will be held on Monday, December 5, 2016

Boutwell makes the motion to adjourn the meeting at 8:24 PM. Seconded by Kuklewicz approved. Boutwell – aye, Kuklewicz - Aye

List of Documents and Exhibits:

- 2017 Tax Classification Presentation, 11/21/16
- Memo to Board re: Salary Adjustments

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- Appointment: Christian Smith-Ahearn, Laborer, UE Grade B, Step 1, \$16.53/hour, 40 hours/week, effective 11/21/16
- Request from Chief Charles Dodge to offer Bryce Molnar Conditional Offer of Employment as Reserve Officer
- Request from Ariel Elan to change title of Montague Pipeline Liaison to the Montague Energy Policies Liaison
- Appoint Ariel Elan to Montague Energy Committee until 6/30/17
- National Water Main Cleaning Co,request to extend contract by 18 weeks to allow for delivery of permanent stop logs
- Service Agreement and Order Form with Online Solutions, LLC (CitizenServe) for software program (code enforcement, permitting, planning and zoning, business licensing, food licenses and citizens access pages) \$28,100 1st year, each additional year \$16,500
- Contract and Scope of Services for FY17 Local Cultural Council Funds (\$4,700)
- Program Income Hearing, Current Balance: 14,980.92, Request to spend \$10,000 for Unsafe/Unhealthy Buildings, New Balance: \$4,980.92
- Douglas Auctioneers: 2 New Street, Millers Falls, Price Breakdown to buyer, purchase contract