

TOWN OF MONTAGUE FY2025 ANNUAL BUDGET



FINANCE COMMITTEE REPORT TO
TOWN MEETING
MONTAGUE, MASSACHUSETTS

May 4, 2024, 9:00 AM

**TURNERS FALLS HIGH SCHOOL THEATER
PRE-TOWN MEETING 8:00-8:45 CAFETERIA**



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

April 3, 2024

Dear Town Meeting Members:

One of the Finance Committee's responsibilities is to report to Town Meeting about the annual budget being proposed for the upcoming fiscal year. This booklet includes information and explanation of major elements of the proposed budget, as well as background on each of the motions you will be asked to vote on. If you would like more details, you can find materials related to this year's budget development process on the Town's website at www.montague-ma.gov/p/374/Annual-Budget-Information, and of course if you have questions, any of us would be happy to speak with you.

The budget we are presenting to you is the result of a collaborative process that started in 2023, when departments and committees were asked to prepare requests for anticipated capital and operating needs in their areas for Fiscal Year 2025. The Capital Improvements Committee started reviewing capital requests for FY2025 in October, and department heads who were proposing significant staffing changes presented proposals to the Selectboard (acting as the Personnel Board) in December and January.

The Finance Committee and Selectboard had all of the initial operating budget and special article requests in hand by mid-December 2023, and preliminary revenue projections were in place in January 2024. We reviewed the requests, invited public input, gathered information through written correspondence, researched and asked questions, and discussed our concerns at public meetings in February and March.

The operating budget proposed for the Town was refined by this process, and our input also helped influence decisions about the special articles that would ultimately appear on the Annual Town Meeting Warrant. When we reconvened with the Selectboard in mid-March, we received the Capital Improvements Committee's report and recommendations and then worked together to settle on a final budget to propose to you. We look forward to hearing what you think of it in May!

Respectfully, Your Finance Committee:

Francia Wisnewski (Chair), Dorinda Bell-Upp (Vice Chair), Fred Bowman (Clerk), Gregory Garrison, John Hanold, Christopher Menegoni, and Jennifer Waryas

FINANCE COMMITTEE REPORT TO TOWN MEETING

Fiscal Year 2025

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 throughout the year. We propose a balanced budget of \$30,999,173 to provide municipal services during Fiscal Year 2025 (FY25).

Further detail on the development of the FY25 budget is available on the Town's website at www.montague-ma.gov/p/374/Annual-Budget-Information. The "Annual Budget Information" section includes a glossary of the terms that are bold-faced in this report, revenue estimates for FY25, Montague's Financial Management Policies, line-item budget requests for all town departments, budget narratives, 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.

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. Special Town Meeting in March added the position of Sexton (funding within the Cemeteries Budget), but no other new positions are requested.

Montague's financial situation has stabilized in recent years, with an improved bond rating and increasing levels of reserves across most accounts. This year we have begun discussing the option of using long-term debt for larger capital expenses, and we feel encouraged by efforts to engage in longer-term planning that will ultimately help us make more strategic financial decisions. The Town's new Five Year Capital Plan, which is updated annually, will be critical to that strategic decision-making process.

We are grateful to everyone who has worked with us throughout this annual budget season.

FUNDING GOALS

The Finance Committee pursued several goals while developing this budget:

1. To fund annual needs (both departmental operating budgets and recurring Special Articles) from recurring non-Reserve sources, and to avoid using **Reserves** for nonrecurring projects estimated to cost less than \$25,000. We accomplished this goal

again this year, using a combination of **Taxation** and **Free Cash**. Our continued ability to fund the Town's departmental operating budget and the GMRSD assessment using only taxation is a sign of our ongoing fiscal health.

2. 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 agreement was based on a model where Montague allocates 48.5% of defined revenues as the "Affordable Assessment," and that percentage has been used ever since. The district's FY25 request matches that figure, and we recommend funding it.
3. To follow the Town's Financial Management Policies, which provide guidelines for capital spending, debt financing, and appropriations to various stabilization accounts. Bond rating agencies encourage towns to establish and follow such guidelines, and the Town's commitment to doing so resulted in favorable interest rates on debt issued in FY2022.

These policies include both identifying capital projects of more than \$25,000 that might be eligible for financing through long-term debt and having annual non-excluded debt service costs of at least 5% of the Prior Year's General Operating Revenue. Our ratio of non-excluded debt service for FY25 is only 0.16%. Those two factors, along with the large requests for capital items and the inability of our reserves to maintain these levels of funding, lead the Selectboard and Finance Committee to recommend long-term debt for four of this year's special articles. Not everyone was in favor of this, with the minority either preferring to reserve the use of debt for more expensive infrastructure needs or simply to use the Town Capital Stabilization Fund first to avoid interest costs. The majority of both bodies felt that using long-term debt for these items was appropriate. Having certain levels of debt service within the operating budget is considered sound practice as it illustrates a community's ability to maintain infrastructure and capital assets within its regular revenues. Additionally, using the Town's Capital Stabilization Fund for all of the recommended requests this year would have used over half of the current balance and there is no expected decrease in the need for capital purchases in coming years.

Some notable accomplishments from this year:

- The CIC completed the FY24 Five-Year Capital Plan and the FY25 updated plan, available at https://montague-ma.gov/files/Final_FY25_5_Year_Capital_Plan_Montague.pdf. This is a comprehensive five-year capital plan that offers a strategic outlook on the Town's future needs which provides a detailed projection of the necessary capital improvements, equipment purchases, and infrastructure requirements over the next five years.

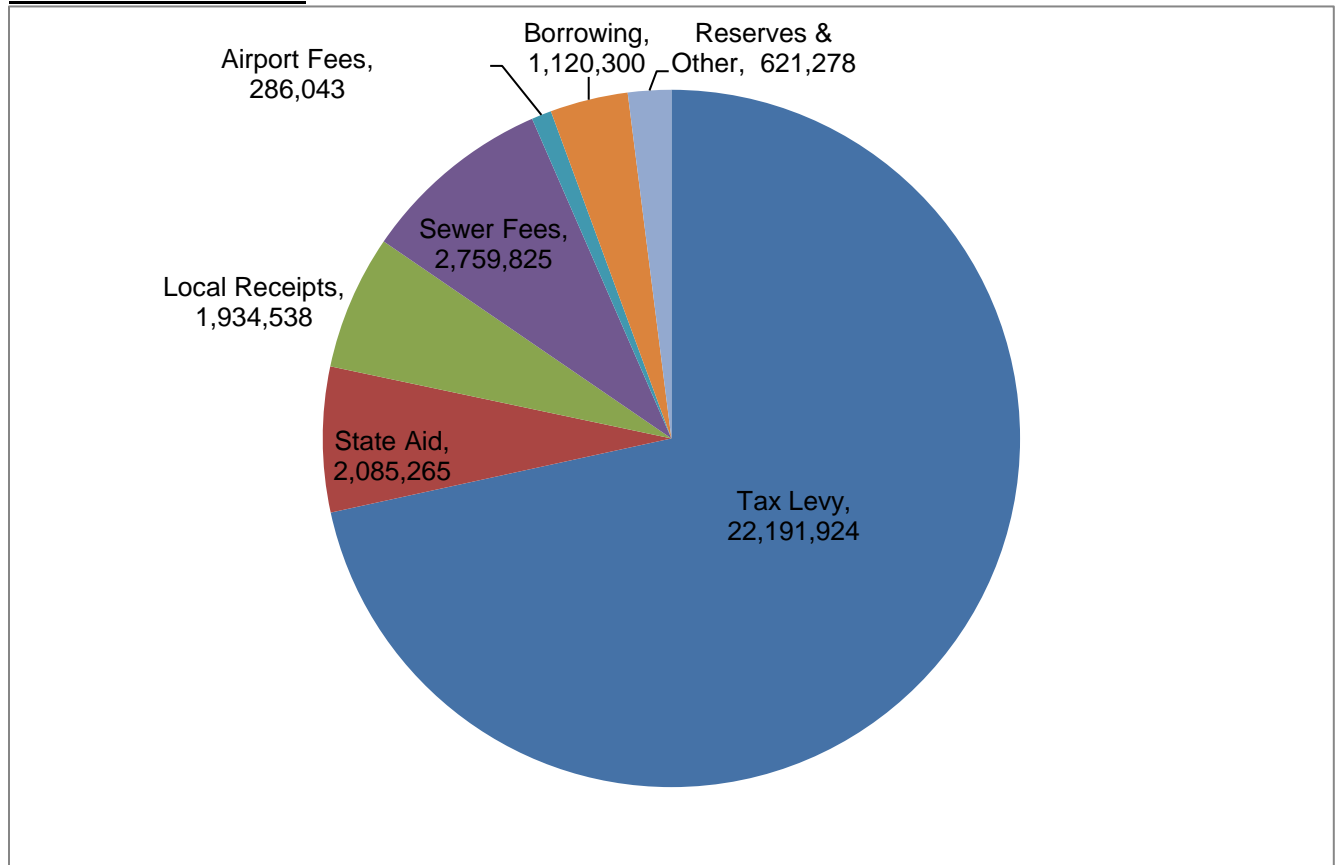
- The FY24 tax rate, set in December 2023, preserved \$1.2M in **Excess Capacity** for Montague, and the **Revenue** estimate for FY25 assumes Excess Capacity will be held at over \$1.1M. Montague’s ability to raise revenue sufficient for its needs without taxing to the annual levy limit is an indicator of fiscal health and provides a reserve for possible future revenue reductions or capital needs.

Revenues

Massachusetts General Law requires municipalities to prepare an annual budget that balances revenues with expenditures. The revenue side of our budget is derived primarily from five sources: Property Taxes, State Aid, Local Receipts, Enterprise Fund (Clean Water Facility [CWF] and Airport) revenues, and Reserves (principally Free Cash or Stabilization Funds). A summary table with revenue and expense comparisons to FY24 and FY25 is on page 9 of this report.

The following chart illustrates the proportion of revenues expected from each source. Please note that later on, in the Motions, when **“Taxation”** is named as a funding source, **it includes the combination of property taxes, state aid, and local receipts.**

REVENUE HIGHLIGHTS



Property Taxes Net levy revenue is estimated to be 2.86% higher than FY24. The proposed budget assumes that property will be taxed to a level of \$1.1M below the **Levy Limit**. The Tax Levy includes revenue from local taxes on residential, commercial, industrial, and personal property.

The Tax Levy also includes **New Growth**, which is estimated at \$75,000. While in recent years Montague has benefitted several times from unanticipated New Growth, we have been advised to estimate only the more historically normal levels of residential growth, since personal property new growth – attributable largely to utility companies – is both volatile and unknown until the fall.

Many residents have seen significant increases in their property tax bills over the last few years. While the underlying force is the increase in approved spending by town meeting, not everyone understands the difference between tax rates, property values, approved spending, and final tax bills. As shown in the chart below, while the average single family home’s tax bill has increased 21% since FY2019, the tax rate has actually decreased 8% while the assessed values of single-family home values risen by 32%. The average tax bill increase has a much stronger correlation to the total levy than to the actual tax rate or home value.

	FY19	FY24	Change	%
Residential Tax Rate	17.13	15.70	-1.43	-8.35%
Average Single-Family Home Value	202,563	268,197	65,634	32.40%
Average Single-Family Home Taxes	3,470	4,211	741	21.35%
Total Tax Levy	17,933,112	21,907,526	3,9474,414	22.16%

State Aid The budget projections use the Governor’s state aid figures, which provide a 1.6% increase over FY24. State Aid comprises about 9% of our planned revenue, so Montague should be able to adapt to any changes that occur.

Local Receipts The local receipts estimate is notably lower than the FY24 estimate primarily due to motor vehicle excise revenues not meeting the prior estimate.

	FY23 Estimated	FY24 Estimated	FY25 Estimated	% of Total
Local Receipts				
Excise/Meal Taxes	\$801,000	\$956,500	\$871,000	45.0%
Penalties & Fines	\$144,000	\$159,000	\$147,000	7.6%
Charges for Trash Disposal	\$263,000	\$283,000	\$304,000	15.7%
Rental - 50% Kearsarge	\$84,728	\$86,235	\$70,769	3.7%
SRO Reimbursements	\$142,000	\$127,500	\$142,000	7.3%
All Other	<u>\$374,548</u>	<u>\$414,765</u>	<u>\$399,769</u>	20.7%
	\$1,809,276	\$2,027,000	\$1,934,538	100.0%

Reserves include **Free Cash, Stabilization Funds**, and other miscellaneous funds. The proposed budget for FY25 uses \$314,000 of Free Cash for regular Special Articles and leaves a balance of \$21,286 to be carried over to next year.

We are recommending the use of \$228,500 from the Town Capital Stabilization Fund for Special Articles this year. The background on the motions includes an explanation of the funding source recommendations for particular articles.

Airport and Sewer Revenues Unlike most Town services, the Airport and the Clean Water Facility are **Enterprise Funds**. These operations collect fees from those who use their services along with other revenues, and that income is dedicated to funding their operations.

As you are aware from the article at the March 14, 2024 Special Town Meeting, Airport revenues did not meet their goal for FY24 because of the delay of the solar project. This continues to be an issue for FY25 and will require some Town funding. A grant funds much of the debt service, and the remaining balance of the Pioneer property debt service will be funded from Town Sale of Real Estate. While the Airport continues to pursue both this solar project and other revenue opportunities, it is likely that continued assistance from the general fund will be needed for a few more years.

At the CWF, sewer revenues include residential and industrial sewer bills and septage fees. The revenue proportion has moved toward residential users since the closure of the last paper mill in Montague. The Town also pays a user fee to the CWF to cover the cost of treating Inflow and Infiltration (I & I) in the system.

Education Revenue

Although it does not directly affect 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. The Gill-Montague Regional School District (GMRSD) has met the Affordable Assessment target, and the Franklin County Technical School's assessment has dropped dramatically due to a decrease in enrollment of Montague students.

American Rescue Plan Act (APRA)

This act provides funding for Town needs that do not appear in the budget. The provisions of this act (ARPA) provided supplemental funds in FY21 through FY23 totaling over \$2.4M. These funds must be allocated by December 31, 2024 and fully spent by December 31, 2025 and are being allocated to non-recurring expenditures within the scope of the Act. They are noted here because they have enabled over \$1.1M of critical investments in capital needs in the CWF, \$455K for town buildings, \$400K for a Vactor Truck, and \$361K for other capital and non-capital needs leaving about \$120K still to be allocated.

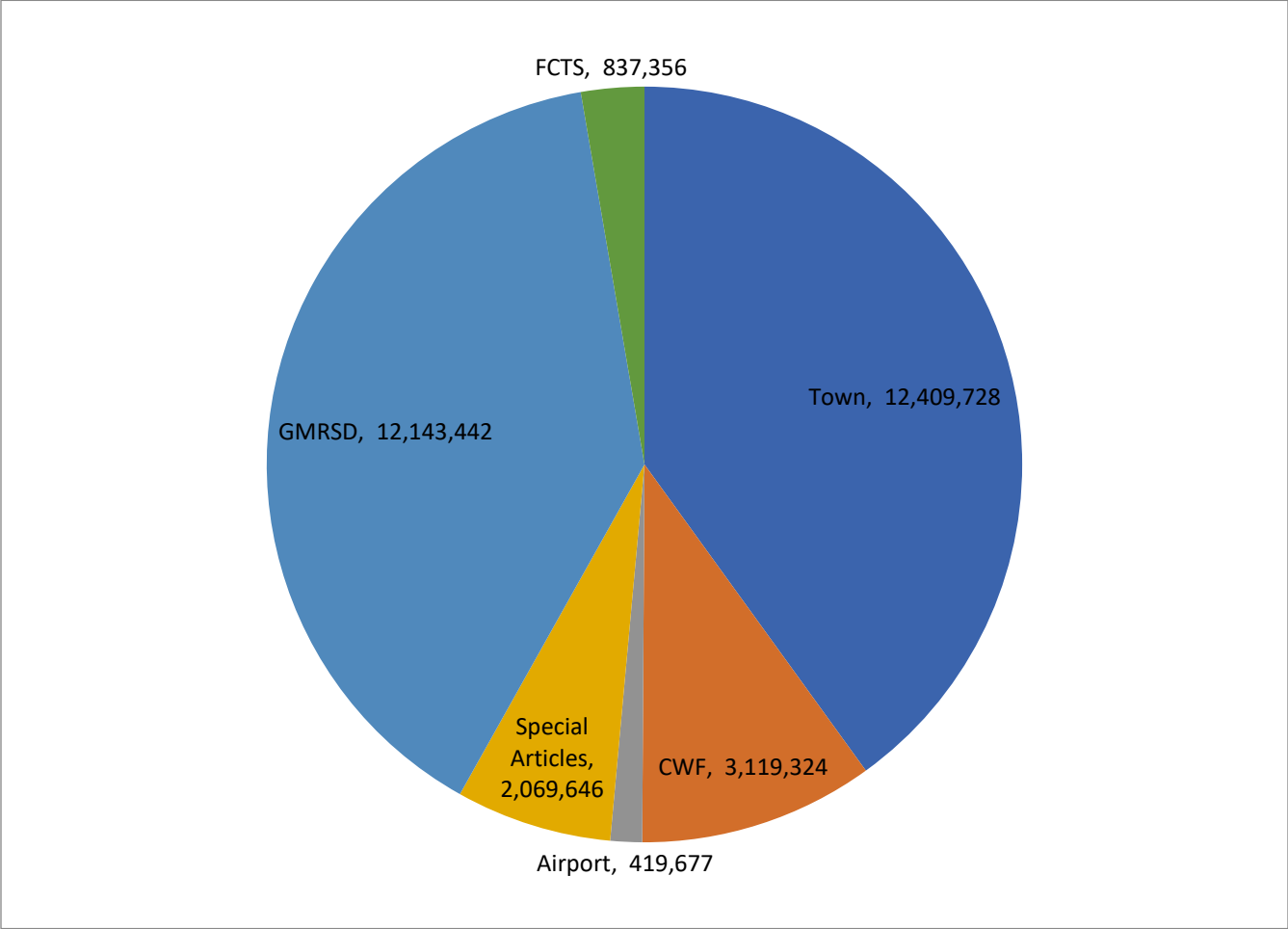
Expenditures

Expenditures are grouped into four basic categories: Town Operating, Education, Enterprise Funds, and Special Articles. Education (GMRSD + FCTS) takes the largest share, at 42%, followed by Town Operating at 40%, Enterprise Funds at 11%, and Special Articles at 7%. A summary table with revenue and expense comparisons to FY24 and FY25 is on page 9 of this report.

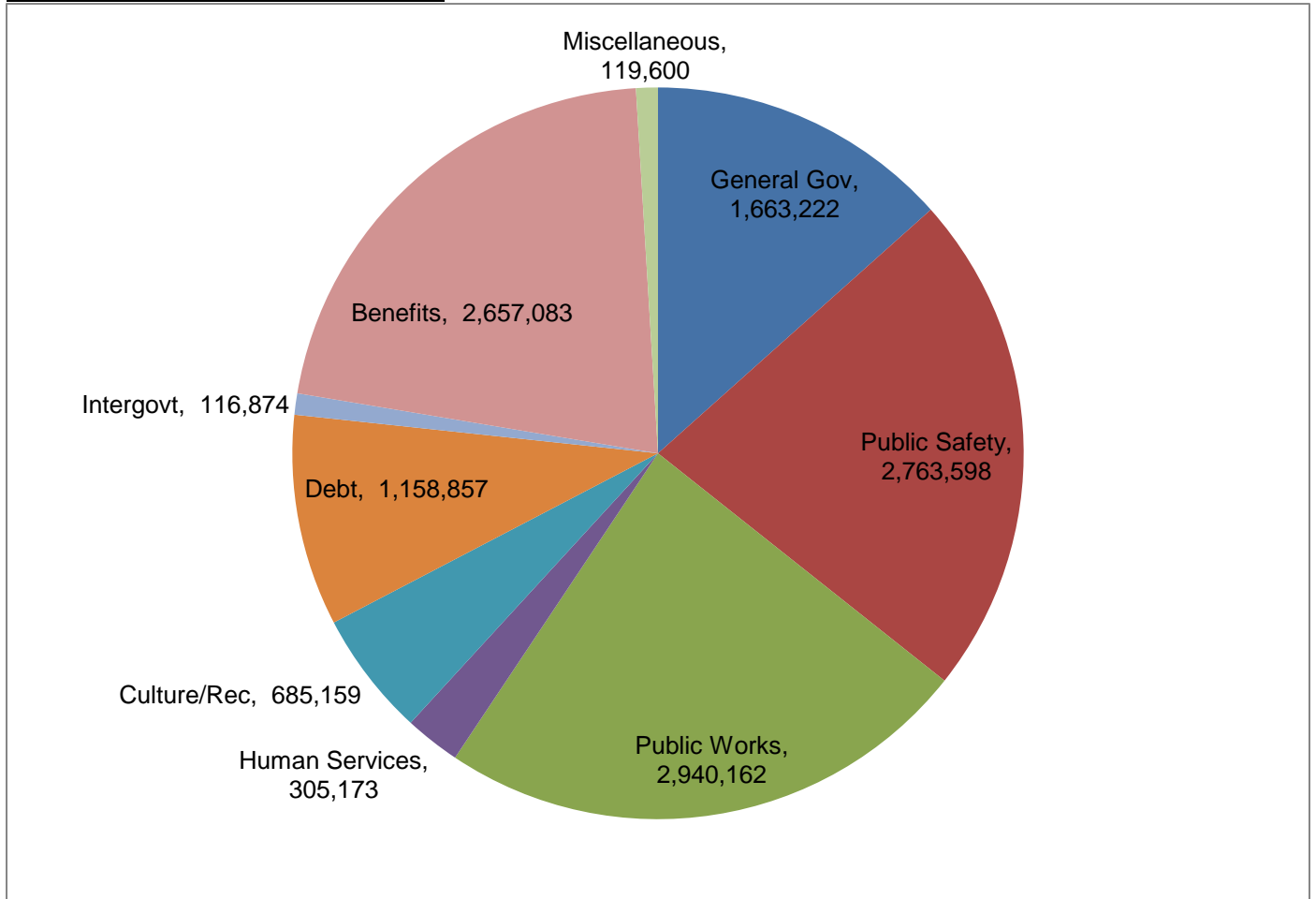
The charts on the next page show the allocations of the total appropriations being requested and the Town Operating budget.

Changes and items of note for specific budgets are noted under the relevant article's (#5-#10) background information, shown starting on page 6 of the motions.

Total Appropriations



Town Operating Budget Allocation:



The categories on the pie chart shown above correspond to lines on Schedule III, which is addressed in Article 5.

CONCLUSION

The age and condition of town-owned buildings and equipment continues to be a concern. While we have dedicated revenue sources for the Town Capital Stabilization Fund, such as the Kearsarge property lease, retail cannabis sales tax, and annual appropriations from Taxation, they do not come close to addressing the scope of our infrastructure needs.

At present the Town’s fiscal condition is relatively healthy, and the Reserve funds we have funded diligently over the years are now a resource we can draw on. Commitment and resourcefulness of our Town employees also 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.

As we look ahead, we acknowledge that future fiscal needs for the Clean Water Facility (CWF), Airport, infrastructure, and school budgets will continue to present ongoing challenges in the years to come.

We will continue to work in collaboration 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:

Francia Wisnewski (Chair), Dorinda Bell-Upp (Vice Chair), Fred Bowman (Clerk), Gregory Garrison, John Hanold, Christopher Menegoni, and Jennifer Waryas

HISTORICAL ATM BUDGET SUMMARY

REVENUES	FY23	FY24	FY25	
Net Tax Levy	20,877,816	21,570,869	22,191,924	2.9%
State Aid	1,879,826	1,914,986	2,085,265	8.9%
Local Receipts	1,809,276	2,027,000	1,934,538	-4.6%
Other Available	593,813	764,599	254,541	-66.7%
Reserved Receipts	49,950	53,250	52,737	-1.0%
Free Cash	251,242	2,180,701	314,000	-85.6%
Borrowing	0	0	1,120,300	
Airport Fees	316,015	426,965	286,043	-33.0%
Sewer User Fees	2,605,938	2,719,224	2,759,825	1.5%
Total Revenues	28,383,876	31,657,594	30,999,173	-2.1%
EXPENSES				
General Government	1,531,370	1,680,319	1,663,222	-1.0%
Public Safety	2,459,815	2,650,917	2,763,598	4.3%
Public Works	2,501,850	2,774,507	2,940,162	6.0%
Human Services	295,827	310,537	305,173	-1.7%
Culture & Recreation	604,366	666,139	685,159	2.9%
Debt Service	1,162,189	1,154,319	1,158,857	0.4%
Intergovernmental	110,647	113,924	116,874	2.6%
Employee Benefits	2,391,280	2,490,334	2,657,083	6.7%
General Insurance	119,600	120,600	119,600	-0.8%
CWF	2,872,377	3,006,124	3,119,324	3.8%
AIRPORT	316,015	426,965	419,677	-1.7%
FCTS Assessment	1,029,566	1,053,018	837,356	-20.5%
GMRSD Assessment	11,341,466	11,809,191	12,143,442	2.8%
Special Articles	1,331,498	3,398,085	2,069,646	-39.1%
Total Expenses	28,067,866	31,654,979	30,999,173	-2.1%

SUMMARY OF ARTICLES

#	TOPIC	AMOUNT <u>REQUESTED</u>	% OF <u>TOTAL</u>	<u>FUNDING SOURCE</u>
1.	Annual Reports			
2.	Accept Grants			
3.	Elected Wages			
4.	Appointed Wages			
5.	Town Operating Budget	12,409,728	40.04	Taxation
6.	CWF Operating Budget	3,119,324	10.06	Taxation/Sewer Revenue
7.	Airport Operating Budget	419,677	1.35	Tax/Sale RE/Airport Rev
8.	Colle Operating Budget	52,250	0.17	Colle
9.	FCTS Assessment	837,356	2.70	Taxation
10.	GMRSD Assessment	12,143,442	39.16	Taxation
11.	Sheffield Main Office	24,000	0.08	Free Cash
12.	Hillcrest Paving/Parking	175,500	0.57	Town Long Term Debt
13.	Smith Vocational	36,000	0.12	Taxation
14.	Quarterly Tax Billing			
15.	Assessors ATB Case	260,000	0.84	Free Cash
16.	MC Pump Station Upgrade	283,800	0.92	CWF Long Term Deb
17.	Main Branch Library Study	150,000	0.48	Town Capital Stab
18.	DPW Equipment	64,218	0.21	Taxation
19.	DPW 20 Ton Trailer	40,402	0.13	Taxation
20.	DPW 10-Wheel Dump	365,000	1.18	Town Long Term Debt
21.	Line Manholes/Sewer Pipes	78,500	0.25	Town Cap Stabilization
22.	Pave 1 st Street Alley	30,000	0.10	Free Cash
23.	Rehab Town Hall Pkg Lot	296,000	0.95	Town Long Term Debt
24.	<u>Annual Transfers to Reserves</u>			
	Conservation Trust Fund	10,000	0.03	Taxation
	Town Capital Stabilization Fund	119,653	0.39	Taxation
	OPEB Trust Fund	50,000	0.16	Taxation
	GMRSD Stabilization Fund	34,323	0.11	Taxation
25.	5-year Town Hall Printer/Copier Lease			
Total		30,999,173	100.00	

**ANNUAL TOWN MEETING
TOWN OF MONTAGUE
COMMONWEALTH OF MASSACHUSETTS
MAY 4, 2024**

MOTIONS

ARTICLE 1. Annual Reports (Selectboard Request)

MOVED: That the Town vote to receive the reports of the Officers of the Town and any committees.

Background: This article appears regularly in the annual warrant and allows the receipt of reports.

Selectboard Recommends 3-0

ARTICLE 2. Accept Grants (Selectboard Request)

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.

Background: This article appears regularly in the annual warrant and allows the acceptance of grants.

Selectboard Recommends 3-0

ARTICLE 3. Wages for Elected Officials (Selectboard Request)

MOVED: That the Town vote to fix the salaries of all elected officials as required by law for the fiscal year beginning July 1, 2024, as set forth in Schedule I, Elected Officials.

**SCHEDULE I
Elected Officials**

<u>TITLE</u>	<u>FY24 BUDGET</u>	<u>FY25 REQUEST</u>	<u>FY25 RECOMMEND</u>
MODERATOR	500	500	500
SELECTBOARD			
Chairman	2,355	2,640	2,640
Second/Third Members	2,140	2,400	2,400

**SCHEDULE I
Elected Officials**

<u>TITLE</u>	<u>FY24 BUDGET</u>	<u>FY25 REQUEST</u>	<u>FY25 RECOMMEND</u>
BOARD OF ASSESSOR			
Chairman	1,765	1,980	1,980
Second/Third Members	1,605	1,800	1,800
TAX COLLECTOR/TREASURER	78,423*	82,394**	82,394
*Step 9			
**Step 10			
TREE WARDEN	1,575	1,764	1,764
BOARD OF HEALTH			
Chairman	1,765	1,980	1,980
Second/Third Members	1,605	1,800	1,800

Background: This article appears regularly in the annual warrant. While the Treasurer/Collector is still an elected official until the end of her term, her proposed salary is aligned with the pay scales of full-time appointed officials. All stipends were reviewed by the Finance Committee and Selectboard prior to the FY25 budget process. Details of this analysis are included in the mailing packet as a separate document.

Selectboard Recommends 3-0
Finance Committee Recommends 7-0

ARTICLE 4. Wages for Appointed Officials (Selectboard Request)

MOVED: That the Town vote to fix the salaries of all appointed officials as required by law for the fiscal year beginning July 1, 2024, as set forth in Schedule II, Appointed Officials.

**SCHEDULE II
Appointed Officials**

<u>TITLE</u>	<u>FY24 BUDGET</u>	<u>FY25 REQUEST</u>	<u>FY25 RECOMMEND</u>
<u>ANNUAL STIPENDS</u>			
BOARD OF REGISTRARS (3)	625	625	625
BOARD OF REGISTRARS Town Clerk	900	900	900

**SCHEDULE II
Appointed Officials**

<u>TITLE</u>	<u>FY24 BUDGET</u>	<u>FY25 REQUEST</u>	<u>FY25 RECOMMEND</u>
<u>ANNUAL STIPENDS</u>			
EMERGENCY MGMT DIRECTOR	5,765	6,444	6,444
ANIMAL INSPECTOR	1,575	1,764	1,764
BARN INSPECTOR	1,050	1,400	1,400
IT COORDINATOR	2,100	2,352	2,352
POLICE IT ADMINISTRATOR	3,000	6,000	6,000
FOREST WARDEN	1,710	1,882	1,882
HEARING OFFICER	2,500	2,500	2,500
FARMERS MARKET MANAGER	4,000	4,000	4,000
<u>RATES PER INSPECTION</u>			
ASST. BUILDING INSPECTOR	35.00	45.00	45.00
GAS INSPECTOR	35.00	45.00	45.00
PLUMBING INSPECTOR	35.00	45.00	45.00
ELECTRICAL INSPECTOR	35.00	45.00	45.00
SEXTON/PER BURIAL	100.00	100.00	100.00
<u>HOURLY RATES</u>			
EXTRA CLERICAL	<u>Ranges/hr.</u> 15.00-16.75	<u>Ranges/hr.</u> 15.00-18.75	<u>Ranges/hr.</u> 15.00-18.75
ELECTION WORKERS	15.00-17.75	15.00-19.75	15.00-19.75
SUMMER HIGHWAY	15.00-16.75	15.00-18.75	15.00-18.75
SNOW PLOW DRIVERS	15.00-25.00	15.00-27.00	15.00-27.00
PART TIME POLICE OFFICERS	25.00-28.00	29.00-35.00	29.00-35.00
PART TIME DISPATCHERS	22.00-25.00	22.00-27.00	22.00-27.00
PARKS & RECREATION	15.00-21.50	15.00-24.25	15.00-24.25
AIRPORT INTERN	15.00-16.00	15.00-18.75	15.00-18.75
<u>SHIFT DIFFERENTIALS</u>			
<u>PART TIME POLICE OFFICERS</u>			
SECOND SHIFT		1.00	1.00
THIRD SHIFT		1.25	1.25

**SCHEDULE II
Appointed Officials**

<u>TITLE</u>	<u>FY24 BUDGET</u>	<u>FY25 REQUEST</u>	<u>FY25 RECOMMEND</u>
SHIFT DIFFERENTIALS			
<u>PART TIME DISPATCHERS</u>			
SECOND SHIFT		0.75	0.75
THIRD SHIFT		1.00	1.00
<u>PART TIME CLERICAL/LIBRARIES</u>		0.75	0.75

NON-UNION EMPLOYEES NOT SHOWN ABOVE (placed on NAGE Scale)

	<u>Grade</u>	<u>Range FY2024</u>		<u>Range FY2025</u>	
<u>SALARIED</u>		Start	End	Start	End
TOWN ADMINISTRATOR	J	100,946	124,233	103,470	127,339
ASSISTANT TOWN ADMIN	I	91,770	112,940	94,064	115,764
TOWN ACCOUNTANT	G	65,636	80,384	67,277	82,394
TAX COLLECTOR/TREASURER	G	65,636	80,384	67,277	82,394
TOWN CLERK	G	65,636	80,384	67,277	82,394
CHIEF OF POLICE	I	91,770	112,940	94,064	115,764
DPW SUPERINTENDENT	H	83,428	102,672	85,514	105,239
DIRECTOR OF HEALTH	G	65,636	80,384	67,277	82,394
LIBRARY DIRECTOR	G	65,636	80,384	67,277	82,394
CWF SUPERINTENDENT	H	83,428	102,672	85,514	105,239
<u>HOURLY</u>					
EXECUTIVE ASSISTANT	E	24.40	30.02	25.01	30.77
POLICE LIEUTENANT	G+8.5%	40.11	44.50	40.95	45.44
POLICE CUSTODIAN	A	16.35	20.12	16.76	20.62

Informational Only: Fiscal Year 2025 budgeted wages –

TOWN ADMINISTRATOR	108,710	EXECUTIVE ASSISTANT	30.77
ASSISTANT TOWN ADMIN	103,828	DPW SUPERINTENDENT	105,239
TOWN ACCOUNTANT	82,394	DIRECTOR OF HEALTH	74,261
TAX COLLECTOR/TREAS*	82,394	LIBRARY DIRECTOR	82,394
TOWN CLERK	76,646	CWF SUPERINTENDENT	105,239
CHIEF OF POLICE**	132,905	POLICE LIEUTENANT	45.44
POLICE CUSTODIAN	20.62		

*The Tax Collector/Treasurer's term ends May 16, 2025 after which it becomes an appointed position. This is why the salary is shown in both Schedules I and II.

**includes additional 20% police educational incentive pay

Background: This article appears regularly in the annual warrant. Changes for FY25 are:

1. Eligible step increases in addition to any cost-of-living increases included in the NAGE union contract for “Non-Union Employees Not Shown Above.”
2. While the shift differentials are not new, Counsel recommended that they be included here for transparency.
3. See separate handout for rationale for remaining stipend increases.

Selectboard Recommends 3-0
Finance Committee Recommends 7-0

ARTICLE 5. Town Operating Budget (Selectboard Request)

MOVED: That the Town vote to appropriate the sum of \$12,409,728 for the maintenance of the several departments of the Town, said sum to be allocated in accordance with Schedule III, Budget, and for any other necessary charges, with \$487.42 to be raised from Fund Balance Reserved for Excluded Debt and \$12,409,240.58 to be raised from Taxation.

**Schedule III
Town Operating Budget**

DEPT NO.	BUDGET FY24	REQUEST FY25	SELECTBOARD	\$ Increase	% Increase
			FIN COMM RECOMMEND FY25		
GENERAL GOVERNMENT					
113	TOWN MEETING	2,980	3,180	3,180	200 6.71%
122	SELECTBOARD	330,581	326,230	326,230	(4,351) -1.32%
131	FINANCE COMMITTEE	2,000	600	600	(1,400) -70.00%
132	RESERVE FUND	50,000	50,000	50,000	- 0.00%
135	TOWN ACCOUNTANT	90,500	93,000	93,000	2,500 2.76%
141	ASSESSORS	189,801	186,059	186,059	(3,742) -1.97%
145	TREASURER/COLLECTOR	231,048	206,965	206,965	(24,083) -10.42%
151	TOWN COUNSEL	80,000	87,475	87,475	7,475 9.34%
155	INFORMATION TECHNOLOGY	80,500	92,252	92,252	11,752 14.60%
159	SHARED COSTS	85,907	93,499	93,499	7,592 8.84%
161	TOWN CLERK	243,041	237,224	237,224	(5,817) -2.39%
175	PLANNING	134,429	140,788	140,788	6,359 4.73%
176	ZONING BOARD OF APPEALS	700	700	700	- 0.00%
190	PUBLIC BLDG UTILITIES	155,932	140,050	140,050	(15,882) -10.19%
197	FARMERS MARKET	5,000	5,200	5,200	200 4.00%
	TOTAL GENERAL GOVT	1,682,419	1,663,222	1,663,222	(19,197) -1.14%

**Schedule III
Town Operating Budget**

DEPT NO.		BUDGET FY24	REQUEST FY25	SELECTBOARD FIN COMM RECOMMEND FY25	\$ Increase	% Increase
	PUBLIC SAFETY					
211	POLICE	1,970,054	2,067,608	2,067,608	97,554	4.95%
211	POLICE CRUISER	68,100	60,000	60,000	(8,100)	-11.89%
212	DISPATCH	395,588	410,768	410,768	15,180	3.84%
241	BUILDING INSPECTOR	148,621	155,082	155,082	6,461	4.35%
244	SEALER OF WEIGHTS	7,182	7,182	7,182	-	0.00%
291	EMERGENCY MANAGEMENT	6,265	6,944	6,944	679	10.84%
292	ANIMAL CONTROL	23,112	23,658	23,658	546	2.36%
294	FOREST WARDEN	1,710	1,882	1,882	172	10.06%
299	TREE WARDEN	30,285	30,474	30,474	189	0.62%
	TOTAL PUBLIC SAFETY	2,650,917	2,763,598	2,763,598	112,681	4.25%
	PUBLIC WORKS					
420	DEPT OF PUBLIC WORKS	1,747,506	1,772,006	1,772,006	24,500	1.40%
423	SNOW & ICE	311,250	321,250	321,250	10,000	3.21%
433	SOLID WASTE	679,221	802,776	802,776	123,555	18.19%
480	CHARGING STATIONS	7,380	11,980	11,980	4,600	62.33%
491	CEMETERIES	30,150	32,150	32,150	2,000	6.63%
	TOTAL PUBLIC WORKS	2,815,507	2,940,162	2,940,162	124,655	4.43%
	HUMAN SERVICES					
511	BOARD OF HEALTH	175,444	168,004	168,004	(7,440)	-4.24%
541	COUNCIL ON AGING	58,593	59,272	59,272	679	1.16%
543	VETERANS' SERVICES	76,500	77,897	77,897	1,397	1.83%
	TOTAL HUMAN SERVICES	310,537	305,173	305,173	(5,364)	-1.73%
	CULTURE & RECREATION					
610	LIBRARIES	503,336	518,233	518,233	14,897	2.96%
630	PARKS & RECREATION	160,703	164,826	164,826	4,123	2.57%
691	HISTORICAL COMMISSION	500	500	500	-	0.00%
693	WAR MEMORIALS	1,600	1,600	1,600	-	0.00%
	TOTAL CULTURE/RECREATION	666,139	685,159	685,159	19,020	2.86%
	DEBT SERVICE					
700	DEBT SERVICE	1,154,319	1,158,857	1,158,857	4,538	0.39%

**Schedule III
Town Operating Budget**

DEPT NO.		BUDGET FY24	REQUEST FY25	SELECTBOARD	\$ Increase	% Increase
				FIN COMM RECOMMEND FY25		
840	INTERGOVERNMENTAL MISCELLANEOUS	113,924	116,874	116,874	2,950	2.59%
910	EMPLOYEE BENEFITS	2,490,334	2,657,083	2,657,083	166,749	6.70%
946	GENERAL INSURANCE	120,600	119,600	119,600	(1,000)	-0.83%
	TOTAL MISCELLANEOUS	2,610,934	2,776,683	2,776,683	165,749	6.35%
TOTAL TOWN BUDGET		12,004,696	12,409,728	12,409,728	405,032	3.37%

Background: Schedule III includes the FY25 requests from all non-enterprise Town departments. All requests have been recommended. An original request for a second Collections System employee was not supported by the Selectboard and Finance Committee and the request was withdrawn.

The Town Operating Budget request for FY25 is 3.37% higher than the previous year. Many of the increases are personnel related, including contractual wage increases and an 8% health insurance increase. The largest individual increase is for trash collection.

In the **General Government** category, the most notable changes are:

1. The Treasurer/Tax Collector’s office has chosen not to fill their vacant position. This savings is partially offset by the expense of outsourcing the printing and mailing of tax bills.
2. The Information Technology contract for FY25 services will increase by \$10K. This partially reflects the better understanding of the Town’s needs by the vendor.
3. The Public Utilities budget has been reduced to reflect actual costs.

In the **Public Safety** category, the largest increases are the contractual wage increases for staff.

In **Public Works**, the largest cost increase is the new contract for trash/recycling pickup.

In **Culture and Recreation**, increases are almost entirely wage related.

Wages & Benefits – All union contracts include a 2.5% COLA for FY25. There is also an 8% increase in health insurance rates for FY25.

The only budget increase (other than contractual wage increases) that is greater than \$15,000 and 10%, and its cause are:

1. The new contract for trash and recycling removal has increased those line items by \$105,500 or 27.8%. The Selectboard made the decision to go with a new vendor due to the ongoing issues of customer dissatisfaction with the current vendor.

Comment: The Finance Committee’s abstention was based on not having given enough attention to the details to reach a conclusion.

Selectboard Recommends 3-0
Finance Committee Recommends 4-0-1

ARTICLE 6. Clean Water Facility Budget (Sewer Commissioners Request)

MOVED: That the Town vote to appropriate the sum of \$3,119,324 for the purpose of operating the Clean Water Facility and associated pumping stations, said sum to be allocated in accordance with Schedule IV, CWF Budget, with \$359,499 to be raised from Taxation and \$2,759,825 to be raised from Sewer Revenue.

**Schedule IV
Clean Water Facility Budget**

DEPT NO.	BUDGET FY24	REQUEST FY25	SELECTBOARD	\$ Increase	% Incr	
			FIN COMM RECOMMEND FY25			
CLEAN WATER FACILITY						
440	Wages & Expenses	2,015,729	2,116,590	2,116,590	100,861	5.00%
440	Capital Outlay	58,500	58,500	58,500	-	0.00%
700	Debt Service	483,614	478,365	478,365	(5,249)	-1.09%
910	Employee Benefits	363,631	380,719	380,719	17,088	4.70%
	SUBTOTAL CWF	2,921,474	3,034,174	3,034,174	112,700	3.86%
DPW SUBSIDIARY						
449	Wages & Expenses	84,650	85,150	85,150	500	0.59%
	SUBTOTAL DPW SUBSIDIARY	84,650	85,150	85,150	500	0.59%
	TOTAL CWF	3,006,124	3,119,324	3,119,324	113,200	3.77%

Background: The largest individual increase was \$39,668 added to the regular \$55,000 budget amount for overage charges payable to Erving for treating Millers Falls flow. This provides the actual overage charge due in FY25 for the excess flow treated in FY23. The overage charge is primarily due to excessive inflow and infiltration, which is being more aggressively pursued now that the DPW has a Collection System Lead Operator who can focus on this issue. Some areas of major inflow and infiltration have already been identified and others are currently being investigated.

Comment: The Finance Committee’s abstention was based on not having given enough attention to the details to reach a conclusion.

Selectboard Recommends 3-0
 Finance Committee Recommends 4-0-1

ARTICLE 7. Airport Budget (Airport Commission Request)

MOVED: That the Town vote to appropriate the sum of \$419,677 for the purpose of operating the Turners Falls Airport, said sum to be allocated in accordance with Schedule V, Airport Budget, with \$26,041 to be raised from Town Sale of Real Estate, \$107,593 to be raised from Taxation, and \$286,043 to be raised from Airport Revenue.

**Schedule V
 Airport Budget**

DEPT NO.	BUDGET FY24	REQUEST FY25	SELECTBOARD FIN COMM	\$ Increase	% Increase	
			RECOMMEND FY25			
AIRPORT						
482	Wages & Expenses	274,915	255,238	255,238	(19,677)	-7.16%
482	Capital Outlay/Local Share	10,000	-	-	(10,000)	
700	Debt Service	101,535	102,775	102,775	1,240	1.22%
910	Employee Benefits	40,515	61,664	61,664	21,149	52.20%
TOTAL AIRPORT		426,965	419,677	419,677	(7,288)	-1.71%

Background: As discussed at length during the March 14, 2024 Special Town Meeting (STM), there is a major revenue shortfall due to the delay in implementation of the solar project. Much like we did at the STM for FY24, this revenue shortfall will be funded by both Town Sale of Real Estate, which covers the Pioneer Debt Service not already funded by a FAA grant, and Taxation.

Selectboard Recommends 3-0
 Finance Committee Recommends 5-0

ARTICLE 8. Colle Budget (Selectboard Request)

MOVED: That the Town vote to appropriate the sum of \$52,250 for the purpose of funding the operations and maintenance 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 segregated to pay for all the normal building maintenance including some utilities and general repairs. The debt service from the renovation was paid off in FY23. Colle Receipts Reserved for Appropriations has a current balance of \$245,628.

Selectboard Recommends 3-0
Finance Committee Recommends 5-0

ARTICLE 9. FCTS Assessment (Franklin County Technical School Request)

MOVED: That the Town vote to appropriate the sum of \$837,356 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 in the Montague Industrial Park. The FY25 assessment decreased \$215,662 (20%). Montague’s enrollment also dropped by 19 students (20%). Enrollment is expected to increase again for FY26.

Comment: The Finance Committee has an internal policy to cushion sharp changes to the assessment. It provides additions or reductions to the FCTS Stabilization Fund to stabilize the assessment’s impact on the budget. Normally the Finance Committee would recommend that \$138,222 be added to the FCTS Stabilization Fund to help smooth out future assessment increases, but has chosen to forgo that this year due to the current balance of \$297,409 in that fund.

Selectboard Recommends 3-0
Finance Committee Recommends 5-0

ARTICLE 10. GMRSD Assessment (Gill-Montague Regional School District Request)

MOVED: That the Town vote to appropriate the sum of \$12,143,442 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.

Background: The GMRSD has provided additional information in a separate document in your packet. Montague’s assessment increased by \$334,251 or 2.83% and is the Affordable Assessment amount provided to them by Montague. The Affordable

Assessment amount is based on an agreement (the “Compact for Funding Education”) to keep the local assessment “affordable,” which was forged between the district and its two sending towns over a decade ago. The Affordable Assessment is calculated as 48.5% of Montague’s available operating revenues, plus excluded debt for GMRSD capital projects.

This assessment funds the operation of five schools serving students from pre-school to 12th grade, as well as tuition, special education services, and school choice payments for some of the Montague resident students who are not enrolled at GMRSD schools.

The total GMRSD budget for FY25 is \$27,667,378. The combined assessments from Montague and Gill comprise (\$13,912,568) 50.28% 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 requesting a \$24,000 appropriation for office reconfiguration at Sheffield and a \$175,500 appropriation for paving and sidewalks at Hillcrest in Articles #11 and #12.

Comment 1: The GMRSD has again managed to build a budget around an “affordable” figure provided to them by Montague, but not without cost to their services. By approving this request, Town Meeting upholds its commitment to offer the district a significant, predetermined portion of Town revenue, while reserving the rest for other uses.

Comment 2: The “No” vote by a Finance Committee member reflects their concern that the Town is not fully supporting the GMRSD in what has been a very difficult budget year for them.

Selectboard Recommends 3-0
Finance Committee Recommends 4-1

ARTICLE 11. Reconfigure Sheffield Main Office (GMRSD Request)

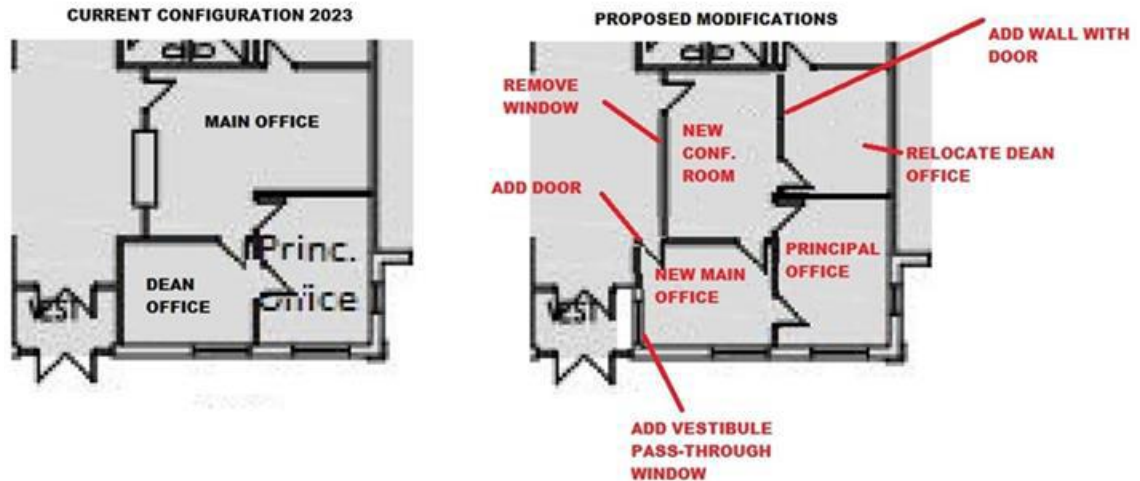
MOVED: That the Town vote to appropriate the sum of \$24,000 for the purpose of reconfiguring the Sheffield School main office, including all incidental and related costs , said sum to be raised from the Free Cash.

Background: While the Sheffield Elementary school main entrance has a double door entrance, there is no window from the reception area into that entryway. The reconfiguration would make the following changes:

- Convert the current Dean’s office into the new Main Office/ Administrative Assistant’s Office. A pass-through window would be installed in the double door

entryway and a door would be installed to the open hallway so staff can enter the main office without going through the conference room.

- A wall would be added to the current Main Office and move the Dean's office.
- A new conference room would be created when splitting the current main office with the new wall, as Sheffield administrative staff do not have a space for meetings.
- If the conference room is in use, the Dean will be able to enter their office through the copy room and the Principal can enter their office through the new main office.



Selectboard Recommends 3-0
Finance Committee Recommends 5-0

ARTICLE 12. Hillcrest Paving and Sidewalks (Gill-Montague Regional School District Request)

MOVED: That the Town vote to appropriate the sum of \$175,500 for the purpose of repairing and upgrading the Hillcrest pavement and sidewalks, including any and all incidental and related costs, and to meet this appropriation to authorize the Treasurer, with the approval of the Selectboard, to borrow said sum under General Laws Chapter 44, or any other enabling authority and to issue bonds or notes of the Town therefor; and to authorize the Selectboard to execute any such documents and/or agreements necessary to effectuate the purposes of this vote.

Background: The pavement at the Hillcrest grounds is over 20 years old and is in very poor condition, especially the sidewalks. The employees park in a dirt lot and the area is prone to flooding. The surface is degraded and uneven and is dangerous during winter months. The sidewalks need to be upgraded to meet ADA requirements. A recent building assessment identified the need for this project, and the project is listed on the Capital Plan.

This version of the project would mill and resurface the existing paved areas (as opposed to full-depth reconstruction). This choice costs about \$65,000 less but has a shorter life expectancy of 5-7 years. The Finance Committee, Selectboard and CIC feel this approach better aligns with long term plans, as the GMRSD is actively pursuing state funding for a new elementary school that would result in the closure of the Hillcrest Building.

This project will provide safer walkways and parking on school grounds, reduce liability, and facilitate ADA compliance. This addresses hazardous conditions for students, staff, and families.

Comment: The “No” vote on the Selectboard was due to preferring funding from the Town Capital Stabilization Fund rather than borrowing.

Selectboard Recommends 2-1
Finance Committee Recommends 5-0
Capital Improvements Committee Recommends 4-0

ARTICLE 13. Smith Vocational (Town Accountant Request)

MOVED: That the Town vote to appropriate the sum of \$36,000 for the purpose of providing tuition and transportation for a Montague resident attending Smith Vocational School, said sum to be raised from Taxation.

Background: A Montague resident will be attending Smith Vocational. Since the student’s program is not offered at FCTS, the Town is obligated to pay the tuition and transportation costs to Smith Vocational. The current estimate of tuition for FY25 is \$23,000, with the remaining appropriation available to pay for transportation. This will cover the student’s freshman year.

Selectboard Recommends 3-0
Finance Committee Recommends 5-0

ARTICLE 14. Change to Quarterly Tax Bills (Tax Collector Request)

MOVED: That the Town vote to accept the provisions of M.G.L. Chapter 59 Section 57C, for the purpose of establishing a quarterly tax payment system to be effective beginning July 1, 2025 (Fiscal year 2026).

Background: This request is to change the Town’s real estate tax billing from semi-annual to quarterly beginning July 1, 2025 (Fiscal year 2026). The reason for requesting this change is to improve cash flow throughout the year. Currently we receive most of the tax revenue two times a year, in October and April. However, we have large assessments that need to be paid quarterly which has caused the Town to have to borrow funds (called Revenue Anticipation Notes or RANs) in both January and July to accommodate the commitments that we have. The Tax Collector’s office feels that moving to quarterly as so many cities and towns in Massachusetts already have (of 351 cities and towns, only 66 are semi-annual) would benefit the Town of Montague. Below is a breakdown of the interest that has been paid on the RAN borrowing over the past few years (keep in mind that we have not had to borrow every year or every six-month period):

FY24 - \$2,000,000 due 4/16/24 -	Interest due - \$22,936.99 - Interest rate – 4.60%
FY22 - \$2,500,000 (July 2021) -	Interest paid - \$2,142.47 – Interest rate – 0.34%
\$2,500,000 (January 2022)	Interest paid - \$2,812.50 – Interest rate – 0.45%
FY21 - \$2,500,000 (July 2020) -	Interest paid - \$5,858.89 – Interest rate – 0.88%
\$2,000,000 (January 2021)	Interest paid - \$2,293.70 – Interest rate – 0.46%
FY20 - \$2,000,000 (August 2019)	Interest paid - \$7,586.30 – Interest rate – 1.95%
\$2,000,000 (January 2020)	Interest paid - \$8,077.81 – Interest rate – 1.62%
Total Interest - \$51,708.66	

Here is what would change:

- Bills will go out twice a year with two payment slips attached. The first mailing would be mailed by July 1st and the bill would include two installments. The first installment would be due August 1st, and the second installment would be due November 1st. The second mailing would go out by January 1st and would also include two installments. The first installment on the second mailing would be due February 1st and the second one would be due May 1st.

Here is what would not change:

- The Town will still follow the preliminary billing system where the first two quarters billed will be 50% of the prior year’s net tax on the property (i.e., if 2024 annual taxes are a total of \$5,000 then the preliminary tax would be \$2,500 and now divided into two installments of \$1,250 each). Adjustments in the net tax due can also be made in the event of property destruction (fire) or new construction which can affect preliminary bills. Final tax bills would be the second billing after the tax rate is set and assessments are updated. Final tax bills are also where any exemptions are applied by the Assessor’s office.

- The Tax Collector’s office will notify the companies that compile and pay taxes through escrow for many banks. However, it is recommended that you notify your mortgage company that the schedule is changing beginning July 1, 2025, and moving to quarterly due dates.

Selectboard Recommends 3-0
Finance Committee Recommends 5-0

ARTICLE 15. Assessors Legal and Expert Witness (Board of Assessors Request)

MOVED: That the Town vote to appropriate the sum of \$260,000 for the purpose of paying for legal fees and valuation expert testimony before the Appellate Tax Board, including any and all incidental and related costs, said sum to be raised from Free Cash.

Background: We are expecting three years of challenges to our values by FirstLight at the Appellate Tax Board (ATB) in December. There is a significant difference between the values as determined by the Board of Assessors and what we understand FirstLight is presenting as their values. The Town cannot reasonably agree to what we understand to be FirstLight’s version of their values. We are confident of our expert appraiser’s values, but it is going to cost a lot to present our case at the ATB, both in legal fees and expert testimony. This is a very high stakes matter for the Town, and the expense of defending our values is significantly less than the tax impact of FirstLight’s proposed reduction in value.

Selectboard Recommends 3-0
Finance Committee Recommends 5-0

ARTICLE 16. Upgrade Montague Center Pump Station (Clean Water Facility Request)

MOVED: That the Town vote to appropriate the sum of \$283,800 for the purpose of upgrading the Montague Center Pump Station, including any and all incidental and related costs, and to meet this appropriation to authorize the Treasurer, with the approval of the Selectboard, to borrow said sum under General Laws Chapter 44, or any other enabling authority and to issue bonds or notes of the Town therefor; and to authorize the Selectboard to execute any such documents and/or agreements necessary to effectuate the purposes of this vote. Although this borrowing shall constitute a pledge of the Town’s full faith and credit, the intent is that any such borrowing shall be repaid in the first instance from sewer rates and charges.

Background: The Montague Center Pump Station is the Town’s largest-capacity sewage-collection station. The station and its components date back to its original installation in 1982. A 2012 assessment of Montague’s eight pump stations noted several important maintenance and safety concerns for this station. Twelve years later, the Selectboard,

Finance Committee and Capital Improvements Committee (CIC) strongly agree that this project should not be delayed.

The CIC discussed alternatives and agreed that rehabilitation, as proposed, is the preferred approach. A new pump station would be a multi-million-dollar project with similar performance results. The overall structure of the 1982 pump station is sound, so a completely new station is not necessarily needed.

The project would be managed in-house, with the Clean Water Facility acting as general contractor and avoiding the need for engineering costs. The CIC agrees that the project scope is attainable with this approach to construction management.

This is an overdue rehabilitation of one of eight municipal pump stations. Loss of service to the Town's largest-volume pump station would be a substantial and costly environmental disaster. Additionally, this article will remediate confined-space entry that is a risk to operator safety.

Comment: The "No" vote on the Selectboard was due to preferring funding from the Town Capital Stabilization Fund rather than borrowing.

Selectboard Recommends 2-1
Finance Committee Recommends 5-0
Capital Improvements Committee Recommends 4-0

ARTICLE 17. Main Branch Library Study (Library Request)

MOVED: That the Town vote to appropriate the sum of \$150,000 for the purpose of funding the planning and design phase of the Massachusetts Public Library Construction Program, including any and all incidental and related costs, said sum to be raised from the Town Capital Stabilization Fund.

Background: The current main library is undersized and not accessible to all members of the community. The CIC's Capital Plan anticipates the need to study the possibility of expanding the Carnegie or constructing a new main branch library.

The Massachusetts Board of Library Commissioners requires municipalities applying for state construction funding to appropriate \$150,000 for the planning and design phase of the Massachusetts Public Library Construction Program. **Should the Town fail to be accepted into the state construction program, these funds will not be used.**

During the planning and design phase of the project, the Library Director, the Trustees' Building Committee, and a special Community Building Committee will work with an architect on design options for both an expansion of the existing Carnegie Library and for a new main library, which would be located at 38 Avenue A. Public comment will be sought and a ballot initiative will be voted on at a future Town Meeting. Based on Montague's community need, the Town is eligible to have 52-77% of eligible construction costs covered by the state program. The program only opens every 7 to 10 years and the grant match may not be as favorable in the future. Montague is well positioned to take advantage of the program in this current round. The result would be a code-compliant, appropriately designed modern facility that meets current community needs.

Selectboard Recommends 3-0
Finance Committee Recommends 5-0
Capital Improvements Committee Recommends 4-0

ARTICLE 18. DPW Equipment Account (Department of Public Works Request)

MOVED: That the Town vote to appropriate the sum of \$64,218 for the purpose of purchasing, equipping, and making major repairs to DPW vehicles and equipment, including all incidental and related costs, said sum to be raised from Taxation.

Background: This fund provides available year-round funding for the Department of Public Works (DPW) superintendent to purchase and/or make major repairs to DPW vehicles and equipment. Expenditures from this fund are governed by a policy adopted in 2022. That policy requires Selectboard approval for any expenditure exceeding \$25,000. The policy also indicates that the fund should be replenished at Annual Town Meeting to a total of \$100,000 for the coming fiscal year, based on the amount in the fund as of March 1.

Based on a balance of \$35,782 in the DPW discretionary account as of March 1, this appropriation is expected to return the total DPW discretionary fund balance to approximately \$100,000.

The DPW vehicle/equipment inventory is current and in good condition. In the past year, the DPW used the fund to replace an old tractor that had become unrepairable for \$41,000.

Selectboard Recommends 3-0
Finance Committee Recommends 5-0
Capital Improvements Committee Recommends 4-0

ARTICLE 19. DPW 20-Ton Trailer (Department of Public Works Request)

MOVED: That the Town vote to appropriate the sum of \$40,402 for the purpose of purchasing and equipping a 20-ton trailer for the DPW, including all incidental and related costs, said sum to be raised from Taxation.

Background: The new trailer will replace a 1987 10-ton trailer. The CIC finds that the trailer is due for replacement. The steel is fatigued and the trailer itself is not ideally suited to the use of modern equipment. The new trailer will have longer ramps and a tilting bed that will make loading safer. The new trailer will be wider to accommodate current equipment loading needs. The new trailer will allow DPW to haul two pieces of equipment at once, which translates to increased productivity.

Comment: This is an item that could have been purchased from the DPW Equipment article but there were insufficient funds available.

Selectboard Recommends 3-0
Finance Committee Recommends 5-0
Capital Improvements Committee Recommends 4-0

ARTICLE 20. DPW 10-Wheel Dump Truck (Department of Public Works Request)

MOVED: That the Town vote to appropriate the sum of \$365,000 for the purpose of purchasing and equipping a ten-wheel dump truck, including plow, sander, and all incidental and related costs, and to meet this appropriation to authorize the Treasurer, with the approval of the Selectboard, to borrow said sum under General Laws Chapter 44, or any other enabling authority and to issue bonds or notes of the Town therefor; and to authorize the Selectboard to execute any such documents and/or agreements necessary to effectuate the purposes of this vote.

Background: This truck will be a 2025 Western Star 10-wheeled dump truck with plow sander and wing plow. It will retire the 2002 dump truck that was planned for replacement in FY25 in the Capital Plan. The 2002 dump truck was irreparably sidelined this past winter. The current vehicle does not start or perform consistently and is a maintenance burden. The vehicle is currently out-of-service. The larger truck will allow the DPW to take on more projects “in-house”, allowing for more efficient winter maintenance, avoiding contracted hauling costs, and increasing productivity through reduced trips. The cost differential between the 6-wheeler and the 10-wheeler (\$35,000) is not money worth saving, given the significant and sustained productivity gains the larger truck will provide. The DPW facility can adequately house the larger truck.

The DPW already has one 10-wheel dump truck that is scheduled for replacement next year due to age and wear.

Comment: The “No” vote on the Selectboard was due to preferring funding from the Town Capital Stabilization Fund rather than borrowing.

Selectboard Recommends 2-1
Finance Committee Recommends 5-0
Capital Improvements Committee Recommends 4-0

ARTICLE 21. Line Sewer Manholes and Sewer Pipes (Department of Public Works Request)

MOVED: That the Town vote to appropriate the sum of \$78,500 for the purpose of lining sewer manholes and relining sewer pipes, including all incidental and related costs, said sum to be raised from the Town Capital Stabilization Fund.

Background: There are hundreds of sewer manholes and over 63 miles of sewer pipe in Montague. Significant portions of the sewer collection system are 60 to 100 years old. Some lines are asbestos pipes and are beginning to seep water. There are also lines that need relining because they are clay pipes that have become infiltrated with roots – consequently leaking water into the sewer system. This is causing the Clean Water Facility (CWF) to re-process clean water, increasing overall system costs. Reduced inflow and infiltration (I & I) in the Millers Falls system will directly translate to cost avoidance through reduced “overage” charges from Erving. For other improvements, the reduction in inflow and infiltration will be less direct, but those upgrades will reduce treatment costs at the Clean Water Facility.

Five (5) sewer manholes have been identified through recent studies and DPW inspections to be substantial contributors of infiltration into the municipal sewer collections system. The DPW proposes to use an industry standard re-lining to rehabilitate the manholes and reduced infiltration.

The DPW has also identified a 360 -foot section of asbestos pipe along Millers Falls Road that is in urgent need of re-lining. Re-lining asbestos pipe is significantly cheaper than replacing it.

The Town is required under its (NPDES) permit to proactively address inflow and infiltration (I & I) issues and make preventative repairs to its Sewer Collection System. Less I & I will also reduce "overage fees" from Erving and reduce treatment expense at the Montague Clean Water Facility.

The Town may work with an engineer to review the bid specifications. The implementation work will go out to bid to qualified contractors.

The CIC anticipates that more relining will be required in future years to get caught up. The Town is currently scoping out a larger re-lining project that may be a candidate for bonding.

Selectboard Recommends 3-0
Finance Committee Recommends 5-0
Capital Improvements Committee Recommends 4-0

ARTICLE 22. Pave 1st Street Alley (Department of Public Works Request)

MOVED: That the Town vote to appropriate the sum of \$30,000 for the purpose of paving the First Street alley, including all incidental and related costs, said sum to be raised from Free Cash.

Background: The condition of most of our alleyways is poor to fair. Alleys have been traditionally undermaintained because they are not eligible for state Chapter 90 funds (traditionally the source for funding pavement projects). The alleys are important for public safety and sanitation. DPW proposes to start with the First Street Alley and do others as funding allows. It is timely to start with First Street to align with the planned 5-unit affordable housing development on First Street which abuts the alley.

The DPW intends to conduct the paving “in-house” using DPW equipment and labor.

Selectboard Recommends 3-0
Finance Committee Recommends 5-0
Capital Improvements Committee Recommends 4-0

ARTICLE 23. Rehabilitate Town Hall Parking Lot (Department of Public Works Request)

MOVED: That the Town vote to appropriate the sum of \$296,000 for the purpose of rehabilitating the public parking lot at One Avenue A, including any and all incidental and related costs, and to meet this appropriation to authorize the Treasurer, with the approval of the Selectboard, to borrow said sum under General Laws Chapter 44, or any other enabling authority and to issue bonds or notes of the Town therefor; and to authorize the Selectboard to execute any such documents and/or agreements necessary to effectuate the purposes of this vote.

Background: The pavement at the Town Hall Parking Lot is in poor condition. It has not been repaved in over 20 years. In this project:

- The blue “butler building” as well as the red “shed” attached to the Annex would be removed to make additional space available for overflow parking.
- The parking lot entrance off First Street would be better defined and safer with the inclusion of curbing and a vegetated buffer.
- The newly paved lot would be properly painted and marked with code-compliant signage.

The project will be administered by the DPW.

- The bulk of the work will be contracted out to a paving contractor.
- The structure demolitions will be contracted.
- The DPW will set the new and replacement curbing in advance of the paving contractor.

The CIC feels this project is timely because the planned loss of the First Street parking lot for the purpose of developing affordable housing will modestly increase parking demand on the Town Hall lot. In addition to securing a safe parking and walking surface for all residents who have business at Town Hall, this project will allow the Town to remove the surplus butler building, to repurpose that space, and open sightlines to the treasured downtown riverfront.

Parking lots are not a state Chapter 90 eligible expense.

This project will ensure a code-compliant, ADA-compliant parking lot and will make a safer entrance/egress onto First Street. A new lot will be easier and safer to plow. In addition, the Town will avoid deferred maintenance costs to the blue butler building and the red shed attached to town hall.

Comment: The “No” vote on the Selectboard was due to preferring funding from the Town Capital Stabilization Fund rather than borrowing.

Selectboard Recommends 2-1
 Finance Committee Recommends 5-0
 Capital Improvements Committee Recommends 4-0

ARTICLE 24. Transfers to Reserves (Finance Committee Request)

MOVED: That the Town vote to appropriate the following sums for the purpose of increasing the special purpose funds set forth below, said sums to be raised from Taxation.

Fund	Amount (\$)
Henry Waidlich Conservation Trust Fund	10,000
Town Capital Stabilization Fund	119,653
GMRS D Stabilization Fund	34,323
OPEB Trust Fund	50,000
Total:	213,976

Background: These are annual transfers to reserves from taxation per our financial policies. This year we added the transfer to the Henry Waidlich Conservation Trust Fund to streamline the warrant.

- The Conservation Commission is requesting to supplement the existing balance of \$27,129 in the Henry Waidlich Conservation Fund with an additional \$10,000. The fund is used to leverage the protection of priority farmland and other open space as identified in the current Open Space and Recreation Plan.
 - Town Meeting has supported the Henry Waidlich Conservation Trust Fund for over 40 years. The fund is dedicated to the purpose of protecting important land and resources in Montague. It is stewarded by the Conservation Commission. Expenditures from this fund have helped protect over 500 acres of the Town’s most important agricultural properties from development since 1989. Since 2000, the Town has leveraged \$16 of funding from outside sources for every dollar contributed by the Henry Waidlich Conservation Fund.
 - The fund was last used in 2020 to purchase an Agriculture Preservation Restriction on 36 acres of prime farmland off Old Greenfield Road. In that instance the fund’s investment of \$32,500 leveraged \$392,500 from the Massachusetts Department of Agriculture and Franklin Land Trust to protect high priority farmland with an iconic tobacco barn.
 - The availability of these funds allows the Conservation Commission to be nimble and responsive to sometime rapidly moving real-estate opportunities. The fund accepts donations and bequests.
- The **Town General Stabilization Fund** is intended to be used only in times of drastic revenue shortfalls. The policy is to have an annual appropriation of 0.3%

of the prior year's general operating revenue (PYGOR), but also to keep a minimum balance of 5% of PYGOR. While .03% of PYGOR is \$70,142, the current balance is above the minimum so no appropriation is required this year.

- The **Town Capital Stabilization Fund**, while still funded from taxation, has a slightly more complicated calculation. We start with 0.2% of PYGOR (\$46,761) as the base amount. Then we add part of the Kearsarge lease payment. The total lease payment is first evenly split between capital and operating. The operating half is included in the available revenues for the Affordable Assessment, but the Town percentage of that (51.5% or \$36,446) is allocated to the Town Capital Stabilization Fund. The capital half is split by the same allocation, with 51.5% (\$36,446) going to the Town Capital Stabilization Fund and 48.5% (\$34,323) going to the GMRSD Stabilization Fund. The total appropriation to the Town Capital Stabilization Fund is therefore $\$46,761 + \$36,446 + \$36,446 = \$119,693$. This fund is used for capital projects. The balance as of March 31st was \$2,237,446.
- The **GMRSD Stabilization Fund** is funded by a portion of the annual Kearsarge Lease payment as described above. This fund is used for capital items for the GMRSD, and the balance as of March 31st was \$132,237.
- The **FCTS Stabilization Fund** is used to smooth out large fluctuations in the annual assessment due to large changes in enrollment. An expected assessment is calculated based on a three year (FY21-FY23) average student enrollment multiplied by the current year (FY23) per-pupil cost. If the actual assessment is larger than that by more than \$10,000, the difference is funded from this fund. If the actual assessment is lower than the estimated assessment by more than \$10,000, the "savings" is put here to fund future increases. This was not done this year due to the current balance of \$297,409.
- The practice in recent years has been to add \$50,000 of taxation to the Other Post Employment Benefits (**OPEB**) **Trust Fund**. This fund was established to begin funding for the future health insurance cost of current employees after they retire. Funding this liability is not currently required, but it is the prudent thing to do. This appropriation of funds into the OPEB Trust is viewed both as mostly symbolic gesture showing that Montague recognizes its obligation (appreciated by bond rating agencies) and is beginning to address it, although the amount is well below what would be needed if we were actively funding the liability.

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 FY33). 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. However, even that will probably not be enough to meet the annual OPEB funding needs.

The balance in this as of March 31st was \$1,283,754 (the FY24 appropriation of \$800,000 has not yet been transferred.) The current unfunded liability is \$10,944,731.

Selectboard Recommends 3-0
Finance Committee Recommends 4-1

ARTICLE 25. Five-Year Town Hall Copier Lease (Selectboard Request)

MOVED: That the Town vote to authorize the Selectboard to enter into a five (5) year lease agreement for a printer/copier in accordance with the provisions of M.G.L. c.44, §21C, said sum to be included in the Shared Services departmental budget.

Selectboard Recommends 3-0

Background: State statute dictates that towns can't enter into a contract with greater than a three-year term without Town Meeting approval. In past procurements for town hall copier leases, staff identified that a five-year lease term would provide a more advantageous bid than a three-year term. This article is intended to allow the Town this flexibility.

Notes and Questions