

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING

February 25, 2015

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Meeting Date: February 25, 2015

Called to Order: 6:00 PM

Location: 1 Avenue A, Turners Falls MA

Finance Committee Members Present: Michael Naughton, Lynn Reynolds and Greg Garrison. John Hanold and Sharon Kennaugh were absent.

Selectmen Present: Mark Fairbrother. Christopher Boutwell arrived at 6:53 PM. Michael Nelson was absent.

Others Present: Town Administrator Frank Abbondanzio, Town Accountant Carolyn Olsen, Director of Libraries Linda Hickman, Library Trustee Carolyn Clark, Interim Trustees David Harmon and Nancy Crowell, FCTS Superintendent James Laverty, FCTC incoming Superintendent Rick Martin, FCTS Business Manager Russ Kaubris, Montague Representative to FCTS and FCTS School Committee Chairman Richard Kuklewicz, GMRSD Director of Business Operations Joanne Blier, and GMRSD Facilities/Energy Manager Jim Huber

Minutes

Finance Committee Moved:

To approve the minutes of February 4, 2015.

Vote: 3 In Favor 0 Opposed 0 Abstained

Finance Committee Moved:

To approve the minutes of February 18, 2015.

Vote: 2 In Favor 0 Opposed 1 Abstained

Libraries Fiscal Year 2016 Budget

Additional information provided:

- Ms. Hickman noted that she submitted a revised budget with a slightly lower total. Over 2/3 of this budget is wage driven, and the implementation of the new salary scale increased the budget almost 3%.
- In the past some basic bills like electricity and fuel oil were paid from State Aid at the end of the fiscal year when the operating budget ran out of money.
- Mr. Naughton noted that money is tight, but that shouldn't stop people from asking for what they need. Mr. Naughton asked if the request is an adequate budget. Ms. Hickman said yes, and noted that the Library never requests transfers from the reserve fund, but moves expenses to State Aid when needed.
- The Friends of the Library have been re-established, are meeting monthly, and are applying for non-profit status so they can apply for grants and do fund-raising.
- There was a slight reduction in circulation and programs while staff was transitioning. Two 30-year employees retired, and there were vacancies until the positions were filled.
- Mr. Garrison asked about access to the computers at the libraries. There are 4 regular workstations and one laptop available. Ms. Hickman keeps a log of use, but did not have the numbers available. A wide variety of patrons take advantage

of the public terminals. A recent technology grant has provided funding for 3 laptops and some notebooks.

Previously sent questions and answers, with answers underlined.

1. Your Narrative provides some statistics at the end; could you expand that to cover the full fiscal years 2013 - 1014 and first half of 2015? Whatever expansion is possible would be appreciated — the question has to do with the trends.

I have provided more recent usage statistics. The Children's program statistics are for calendar year 2014. The attached circulation figures show the long term effects of reduced staff and seasonal variations. While I held two of the three full time positions for four months, we cut down on public programs and book, audio book, and DVD ordering was disrupted. Once ordering resumed, there was a longstanding backlog. This is no longer an issue, but took quite a while to resolve. When the newest books were not always available, some patrons went elsewhere. Circulation is back on track in the branches, and getting better in Turners. Cutting any staff hours now would further hurt usage. By having more part timers at the circulation desk, the Children's Librarian and I are able to plan, implement new programs, and apply for and manage more grants. The technology grant is a wonderful example.

Also, we now circulate more DVDs than books in both Turners Falls and Millers Falls. In Turners Falls, circulating DVDs takes about five times longer than checking out a book due to security precautions. While our circulation has decreased somewhat since Sue retired, we are still much busier than we were when the last staff position was added approximately 15 years ago. Our jobs have also become much more complex.

Circulation Statistics

Location	Millers	Mont	Turners	Total	Millers	Mont	Turners	Total
Month	Falls	Center	Falls	2013	Falls	Center	Falls	2014
Jan	872	1284	7746	9902	717	1000	6531	8248
Feb	741	1163	7292	9196	646	854	5890	7390
Mar	744	1445	7476	9665	807	1325	6516	8648
Apr	939	1555	7088	9582	959	1383	6295	8637
May	669	1295	7045	9009	807	1279	5990	8076
Jun	688	1160	6268	8116	741	1248	5330	7319
Jul	840	1451	7871	10162	870	1275	7081	9226
Aug	761	1266	7128	9155	638	1219	6100	7957
Sep	746	1176	6832	8754	1041	1352	6174	8567
Oct	1049	1149	6873	9071	1147	1218	6179	8544
Nov	859	943	6362	8164	796	1129	5764	7689
Dec	<u>766</u>	<u>1027</u>	<u>6512</u>	<u>8305</u>	<u>1114</u>	<u>1176</u>	<u>6385</u>	<u>8675</u>
Annual	9674	14914	84493	109081	10283	14458	74235	98976

Children's Programming Statistics:

- Highlights - 2014 was another year of transitions. At the beginning of 2014, Ms. Hickman began the search for a new Children's Librarian. Since November, 2013 she had the unenviable task of serving as both Library Director and Children's Librarian. To make this more manageable, some of the children's programming was curtailed, especially outreach programs. Children's Programming Assistant Ruth O'Mara continued to help fill in the gaps as much as possible. In addition, volunteers assisted with the preparation and execution of some programs. Once the new Children's Librarian, Angela Rovatti-Leonard, was hired in late March, programming was gradually restored as she became acclimated to the position.
- Due to another challenge, greatly reduced outside funding, library staff has had to become more creative with our program offerings and fundraising efforts. Retired Franklin County Technical School science teacher Jim Klaiber was once again hired to teach Hands-On Science for homeschoolers for part of the year. Attendance has remained strong, even slightly increasing this year. Attendance at the Monday Evening Story Times at the Montague Center Library has increased. Monthly self-directed programming in the Carnegie Children's room has been very popular.
- Story Time (formerly known as Preschool Story Hour) - 48 sessions held at the Turners Falls Carnegie Library (TF) total attendance (ta) 782
- Music and Movement with Laurie Davidson and Tom Carroll funded by Town of Montague and CFCE grant
 - 18 sessions at TF- ta 978
 - 15 sessions at MF- ta 586
 - 17 sessions at MC- ta 833
 - 50 Music and Movement sessions- ta 2397
- Monday Evening Story Time at Montague Center Library - 23 sessions - ta 106
- After School Programs (Library Club) at Millers Falls Library - 44 (year round) sessions - ta 405
- Class and Group Visits for special programs not funded by outside sources- 6 sessions- ta 89 (Razzle Dazzle and Meadowsweet School)
- Saturday Programs held at Carnegie Library not funded by outside sources
Programs held included arts and crafts and seasonal parties
 - Valentine's Party- ta-105
 - Welcome Party- ta- 11
 - Spring Card-Making- ta-33
 - Halloween Party- ta-140
 - International Games Day- ta-5
 - Gingerbread Party- ta-103
 - 6 Saturday programs held- ta 397
- Other Programs (aimed at Teens & Tweens) held at Carnegie Library not funded by outside sources
 - Teen Craft Night- ta-4
 - Jewelry Gifts with Ami Podlenski- ta-3
 - Zombie Fest- ta-5
 - 3 Tween and Teen Programs, ta 12

- Summer and other vacation programs not funded by other sources
Magic Show with Ed Popielarczyk- Summer Reading Program Kick-off- 69
No Strings Marionette Company Puppet Show- 112
Lego Lady, Jean Daley, 3 sessions- ta- 53 (TF-22, MF-16, MC-15)
5 Summer Programs not funded by outside sources- ta- 234
Summer Reading Program (self-directed reading program) 246 children participated

138 programs not funded primarily by outside sources, total attendance 4,668

Programs funded by a combination of library and outside sources

Home School Hands-On Science and Social Studies Programs - funded by a combination of library funds and by the CFCE. 15 sessions at Turners Falls Library – ta 228

Programs primarily funded by outside sources

Montague Cultural Council funded programs

- Tom Ricardi, Live Birds of Prey – 150
 - Ami Podelnski, Jewelry-Making in July series - 45
- 2 Montague Center Cultural Council Funded Programs- ta 195

CFCE Grant Funded Programs at Carnegie Library with dawn Marvin Ward

- Animals with Mobile Homes- 17
- Bears- 25

2 CFCE funded programs- ta 32

Donation Funded

Trick-or-Treat at Montague Center Library- ta-500

5 Programs funded by primarily funded by outside sources- ta- 727

5 programs primarily funded by outside sources, total attendance 727

139 programs primarily funded by the Montague Public Libraries, total attendance 4668

15 programs funded by a combination of sources, total attendance 228

158 total programs held at the Montague Public Libraries, in nearby Peskeomskut Park.

total attendance – 5623

Outreach Programs

Classroom/School Visits- included Hillcrest School, G St. and Central St. Parent Child Development Centers, Sheffield School 32 Classes visited – ta 75

32 Outreach programs- total attendance 752

2. The recent staff increase, and your desire to rely on Town appropriations for operating needs, result in a 6.5% increase over Fiscal Year 2015 which is well beyond

our expectations (~2.5% over three-year average). Would you and your Trustees consider revising your request closer to the lower benchmark (preserving, of course, the internal Media guideline)? This may require delaying your progress toward funding operating costs solely from Town funds. We strongly agree that State Aid should go toward programmatic enhancements, rather than fuel and basic supplies, but you may be able to slow the expansion of some offerings. Part Time staffing, Utilities, Computer R & M, and Recreation Programs seem to be the areas of most flexibility.

I have provided a revised budget request. I trimmed off around \$3,500, notably from programming, office supplies, and computer R & M. The last category is deceptively named. It is primarily our CWMARs assessment. That pays for our circulation system, networking, delivery system, and most of our internet connections. Last year's assessment for that item alone was \$11,775, which is what I reduced the request to. Our utility bills are not very flexible. We keep the branch libraries at 55 degrees, except for the two days they are open. We are not expanding our offerings in any way with the budget request. We are simply trying to more realistically fund our level services.

Franklin County Technical School Fiscal Year 2016 Budget

- The presentation from the recent School Committee hearing was provided and reviewed.
- Assessment figures are not yet available because they are predicated by minimum contributions as set by the Governor. These figures are expected to be available next week.
- This year's 9C cuts did not affect the district because they never increased their revenue budget.
- Tuition from non-member towns can no longer be supported at prior year levels.
- E&D is at the lowest level in 17 years. This limits the amount available to reduce town assessments, and makes it more difficult to borrow money at good rates.
- Net impact is that a 5% increase in total town assessments is needed to balance the Fiscal Year 2016 budget.
- Mr. Laverty noted that almost \$700,000 has been cut from the Fiscal Year 2016 budget requests. Cuts were made in all categories to create the existing \$10.2 million budget.
- The population of high school age students in Franklin County has dropped dramatically in recent years.
- The student capacity at the FCTS is currently around 556.
- Upcoming capital projects:
 - The roof, installed in 1995, is leaking. Because the roof is only 19 years old, it is not eligible for the Massachusetts School Building Assistance (MSBA) accelerated repair program. The decking and insulation and decking are in good shape. Putting down material and coating would provide an additional 15 years of life at a cost of about \$800,000. Replacing the roof would cost about \$4 million. Assuming a 75% state reimbursement, the cost to the towns for the replacement

would be \$1 million. The district is going forward with a cost estimate for the roof repair project.

- The district submitted a project to the MBSA accelerated repair program for the replacement of the buildings's original windows and doors. A project manager and architect were assigned, and they submitted a budget of \$2.1 million to replace all doors and window. The district was granted a 73.89% reimbursement rate, which leaves the cost to member towns at about \$550,000. The MSBA program requires approval by towns before the project can be approved. Because the \$550,000 will be borrowed, the district is required to hold and pay for simultaneous elections in all member towns to approve the debt. At this point they are looking at a June election date. There will be no impact to the budget until Fiscal Year 2017. This is first time in 40 years FCTS has asked for a capital project of this size.
- Parking lots also original to building and need to be replaced.
- Athletic track is also in tough shape and needs work.
- The district is considering leasing 10 acres for a solar facility, with lease payments to fund one of the projects. Mr. Abbondanzio suggested they check with the Airport, as potential glare could be an issue for pilots.
- Mr. Kaubris noted that a 1% assessment increase generates approximately \$500,000 of revenue.
- Mr. Naughton observed that:
 - 5% overall assessment increase will be hard for member towns to sustain.
 - Tuition for non-member towns and the appropriation of E & D are projected at lower amounts because previous amounts too high to sustain. Does the district see the Fiscal Year 2016 numbers as a benchmark for what future amounts will be? The amounts will depend on the future student population.
 - The State Legislature has a commission looking into the foundation budget calculation – has the district provided the state with any information? The administrative staff belongs to various associations that provided position papers to the commission.
 - On expense side, insurance and retirement costs increasing. Will this trend continue? Mr. Kaubris said that retirement costs are increasing due to recent staff increases. Health insurance costs are increasing because when someone retires, both the retiree and the new employee receive health insurance. Since retirees are healthier and living longer than in the past, there are more people on the plan. Mr. Kaubris also noted that this has been offset by level health insurance rates in recent years, although there is a modest increase in retiree insurance rates for Fiscal Year 2016. The administration is looking at possible changes to the benefit plans, with current employees and retirees being grandfathered in to the current plan. Currently employees and retirees contribute 25% to their health insurance.
 - Mr. Kaubris noted that the non-employee insurance category includes estimates for unemployment costs that are expected due to upcoming layoffs. The FCTS pays this cost directly when it is incurred.

The Selectmen called their meeting to order at 7:35 PM

Minutes

Selectmen Moved

To approve the minutes of February 4, 2015.

Vote: 2 In Favor 0 Opposed 0 Abstained

Capital Improvements Committee Fiscal Year 2016 Budget

Summary:

<u>Requested</u>	<u>Description</u>	<u>Recommended by CIC</u>
100,000	DPW Equipment	75,000
43,325	DPW Lease- payment #3	43,325
120,000	Sheffield Boiler #1	120,000*
25,000	Sheffield Boiler #2 Burner	25,000*
288,000	Auditorium/Gym Windows/Doors	no vote
49,500	GMRSD Utility Tractor	no vote
48,000	GMRSD One-Ton Truck	no vote
100,000	WPCF Ops Bldg Repairs	no vote
100,000	WPCF Upgrade Sludge Pump #1	no vote
376,036	WPCF HVAC Upgrades	no vote
385,000	WPCF Pipe Cleaning/Lining	no vote
46,000	Records Storage/Retention	46,000

*contingent on Energy Committee Review

- Mr. Garrison felt process was rushed a bit this year.
 - There was not a lot of background information provided this year.
 - He would like to consider having more time before the final CIC presentation to the Finance Committee next year.
 - It was suggested that next year's process would include an interim report at this point in the process so everyone knows what's been requested, followed by a final report a few weeks later.
- In future years, CIC may consider further reduction of recommendation for DPW discretionary, depending on condition of the fleet.
- DPW facility is not conducive to providing regular maintenance. A reoccurring theme is the condition of town facilities. There is a pressing need to address the DPW facility, as it creates an unnecessary liability for the Town unless brought up to standards. Current estimates range from \$ 4.9-\$8.2 million. Location is still a major hurdle.
- The GMRSD requests were not expected. A major concern with boiler replacements and repairs was that one was just repaired a few years ago. This year's requests include replacing burners in both boilers with more efficient models. Suggests that the Energy Committee be brought in to look at burner options.
- Regarding the request for the replacement of the one-ton truck, there was discussion about who does the plowing for the GMRSD. There were times that the Town plowed, and others when the District was responsible. This year Town has not done

any plowing this year. This truck is mostly used by the grounds department. In considering this, since it is a joint decision by Gill and Montague, there was a question as to how to proceed. Ms. Blier will do a status check with Gill.

- The proposal to replace doors and windows in the Sheffield auditorium and gym also lead to a lot of discussion. There were questions of whether the Energy Committee had reviewed the project and how energy savings would flow back to the Town.
- The Town would do the borrowing for the Sheffield school project because the Town owns the building. This would involve short-term borrowing during the construction phase, but the Town would be able to submit reimbursement requests to the state once \$50,000 was spent. The final long-term debt would be issued after the project was completed. A time-line and cash flow was provided to CIC. The estimated final cost to Montague is a maximum of \$288,000. Town meeting would have to approve the entire \$1.2 million project, and if the debt is to be excluded, the exclusion must be approved as a ballot question on the annual Town Election Warrant. The CIC wants the Energy Committee to review the project before the CIC issues a final recommendation, and wants a discussion of where money from energy savings would go. The application to the MSBA was made on February 14, 2014. The MSBA is meeting on March 26, 2015, and if the project is approved then town has a limited amount of time to approve the expenditure and debt. Mr. Huber clarified that the request to the MSBA includes replacing original windows from the 1930s. The consultants have estimated that the energy savings will recover the cost in about 20 years, with average annual energy savings of \$20,000, which Ms. Blier thinks may be a bit optimistic. Ms. Blier would like to redirect any energy savings to education.
- The Sheffield Boiler #1 and its burner need to be replaced, as well as the burner in Boiler #2. The GMRSD thought about including boiler replacement in the MSBA project, but the original engineer proposed converting the entire gym and auditorium from steam heat to forced hot water heat. The MSBA will not deal with anything outside of the boiler room, therefore they could not include the boiler and burner items in this MSBA request.
- Mr. Garrison will try to attend next Energy Committee meeting and present all of the relevant proposals.
- The WPCF presented the same items from last year. Several things need to happen. No current situations impair the operations of the building but do affect the work environment and need for maintenance. They are improvements that would impact work efficiency and the work environment. The CIC also discussed future debt service costs, and are concerned about building up the WPCF Capital Stabilization Fund with retained earnings, rather than using most of retained earnings to reduce sewer rates. The CIC suggests a 3% rate increase and putting retained earnings into the WPCF Capital Stabilization Fund.
- Ms. Reynolds is concerned about work environment issues and would like to see proactive action rather than reactions. CIC did not recommend any of these projects because at this point it would require additional borrowing, and they would prefer to see these items funded from the WPCF Capital Stabilization Fund. Mr. Abbondanzio said that the Town's goal in last few years was to keep rates stable, especially given the impact on local industry. But as a result, additional revenues generated by the

plant did not go into stabilization fund, and retained earnings used to reduce rates rather than fund future capital projects. Mr. Fairbrother said that the Selectmen made it clear that the continuation of reduced sewer rates happening for the last year, and that there would be rate increases starting the next year.

- The CIC did not discuss the rehabilitation of the storm drains and work on sewer lines, but noted that this needs to be done. Mr. Abbondanzio noted that these items are included in the Town Administrator's budget. The CIC would like to reconvene, get more information on the WPCF requests, and then vote on these items.
- The CIC met with Town Clerk on the Records Retention and Storage. This is a combination of the identification of which current records need to be kept, and then organizing and indexing records that need to be kept. Mr. Garrison said that this is a very good thing to do. Mr. Abbondanzio said someone from the state looked through everything in the early 1980s and there were very few documents identified as being historically important. There will be a future request for clean and climate-controlled storage areas for documents that need to be stored. There is also a possibility that there will be a way to digitally store many documents in the future.
- The CIC anticipates using the new Town Capital Stabilization Fund to fund the items they have recommended. Mr. Abbondanzio suggested combining some projects for a small debt issue.
- Mr. Naughton asked how town clerk request relates to last year's request. It doesn't. Mr. Naughton asked why, what alternatives she looked at, etc. Mr. Garrison said that Ms. Bourbeau has a good idea of what she wants, but no clear idea of what she needs, in part at least because we not sure what records we have, and which we need to preserve. Ms. Olsen noted that Ms. Bourbeau is on the Senior Center Committee and has mentioned including a vault in the new space for records retention.

Topics not anticipated within in the 48 hour posting requirements

Mr. Abbondanzio said that the pipes at Montague Center School burst. The heat went out, and the alarm system did not notify the town. There was minimal damage.

Selectmen adjourned at 8:36 PM

Meeting adjourned at 8:48 PM

Next Meetings:

March 4, 2015	GMRSD, Selectmen and Legal budgets, Retirement 101
March 11, 2015	Airport, Town Administrator's Budget, Final Schedules I and II
March 18, 2015	Vote Budgets with sources of funding,

List of Documents and Exhibits

- Minutes for February 4, 2015
- Minutes for February 18, 2015
- Franklin County Tech School Budget Presentation
- CIC Report to Finance Committee (attached)

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING

February 25, 2015

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To: Gill-Montague Regional School Committee
From: Montague Finance Committee
Date: February 18, 2015

Cc: Gill Selectboard
Michael Sullivan, Superintendent

Dear Members of the School Committee:

We join the Gill Selectboard in supporting the Compact for Funding Education (aka “the Compact”). We share their belief that it has played a vital part in ending the budget stalemates that were the norm a few short years ago, replacing them with overwhelming town support for district assessment requests. While the timeline in the original Table B extended only through FY2015, the Compact itself has no expiration date, and our understanding is that it will remain in effect unless and until its member parties agree to terminate it. At this time, we continue to believe that it is both a useful and a necessary document.

Of course changes may be needed from time to time, and we agree with the Gill Selectboard that the Compact itself provides an appropriate framework for negotiating and implementing those changes. In our view, the underlying principle of the Compact is that “we’re all in this together”; we believe that shared belief is crucial for both district and town sustainability, and we strongly support it going forward.

We sincerely hope that the school district joins us in this support, and that we can continue to work together to provide adequate and sustainable funding for education into the future.

Sincerely,

Montague Selectboard

Montague Finance Committee

To: Montague Select Board
From: Montague Capital Improvements Committee
Date: February 25, 2015
RE: Capital Improvements Meeting Annual Report FY2016

CC: Montague Finance Committee

The Capital Improvements Committee (CIC) met on three occasions to review the revenue and budget requests from the town departments for FY 2016.

The following is an overview of the request made of the CIC and the CIC recommendations to the Finance Committee. Also included in this report are the departments' capital projects schedules through 2018.

Department of Public Works (DPW):

Tom Bergeron presented the following requests to the CIC:

1. New and used equipment purchase and large repair (NUEPLR) request: \$100,000

This request is for a continuing appropriation for the DPW to manage equipment purchases and pay for large maintenance repairs. In FY 2015 the CIC recommended funding the NUEPLR at \$75,000. This fund has a carry-over balance of 31,947.29 as of February 26, 2015. The current status of the fleet was reported to be good. The fleet is in better shape than prior years due to planned rotational replacement and purchase flexibility. No major repairs are anticipated but cannot be ruled out.

2. Annual lease payment on an International dump truck: \$43,325

This is a five year lease ending in FY 2017.

FY 2016 CIC recommendations for the Montague DPW:

NUEPLR fund	\$75,000
Lease payment	<u>\$43,325</u>
Total DPW	\$118,325

The CIC and the DPW continue to have talks on the stalled design of the new DPW garage. It is recognized that the current facility is inadequate. A consistent concern that is expressed is that the general condition of the facility has the potential to become a liability to the Town if it directly impacts worker safety. We recommend that a renewed focus be given this project. Continued delay could expose the Town to unnecessary liability.

Gill Montague Regional School District (GMRSD):

Joanne Blier and Jim Huber from the GMRSD met with the CIC on February 4, 2015. They presented five requests to the CIC.

1. Sheffield Boiler #1: \$120,000

The #1 boiler in the Sheffield school has failed. This boiler was repaired in 2011. It saw extensive use in 2013-2014 while boiler #2 was down and deliberations on its replacement were made. At the end of those deliberations boiler parts were replaced and essentially boiler #2 was rebuilt in 2014. Now Boiler #1 is down and Boiler #2 is carrying the full load of this heating season. Since we have already explored the replacement issue of these boilers with a new system and found that this course was too cost prohibitive, the CIC recommends replacing/rebuilding boiler #1 and the burner. The existing burner is at least 20+ years old and new, more efficient burners are available. The estimated amount for repair and burner replacement is \$120,000.

2. Sheffield Boiler #2's Burner: \$25,000

The GMRSD has also requested the burner on boiler #2 be replaced with a more energy efficient burner. This replacement would essentially rebuild both boilers.

Town meeting requested previously that the Energy Committee be involved when an energy system is being reviewed for replacement or repair. The CIC agrees and asks that these requests be brought to them.

The CIC recommends funding these two items contingent on a review by the Energy Committee and their approval.

3. Replace Sheffield Auditorium Windows and Doors: \$1,200,000 /Town Share \$288,000

The GMRD submitted a Statement of Interest to the Massachusetts School Building Authority (MSBA) on February 14, 2015 for the replacement of the windows and doors in the Sheffield auditorium and gym. The project was accepted by the MSBA. The entire cost of the requested improvements is \$1,200,000 of which the Town will be reimbursed 76% by the MSBA. The Town's obligation would be \$288,000. There was no clear understanding exactly how the Town would be reimbursed nor if Town Meeting would have to approve of the full \$1,200,000.

There were many unanswered questions in this proposal. Of greatest concern was how the energy savings from this project were to be redirected back to the Town.

There was not a clear agreement from the GMRSD if the energy savings would be passed back to the Town to offset the cost of the project or if the district intended on holding those savings to absorb future costs in the district. We were also not aware if the Energy Committee had reviewed the request or the materials to be used in the project so a true evaluation of the energy benefits could be determined.

I received a number of files detailing the project from Joanne Blier on February 12, 2015, including the scope of the work, cost estimates, timetables and scoring letter. The timetable has the MSBA approving the project on March 25th with the Town Meeting voting on the proposal May 2, 2015.

Since the CIC did not receive the documents for review prior to our submission to the Finance Committee, we cannot make a recommendation on the project. As the chair, I would recommend that the project first be reviewed by the Energy Committee, after which the CIC will convene and review the entire project along with the Energy Committee's recommendations.

4. Replacement of Utility Tractor: \$49,500

The tractor replacement would allow for a larger mowing gang to be used to mow the property in a more timely fashion. This is a reasonable request.

5. Replacement of One-Ton Plow Truck: \$48,000

The plow truck is said to be in poor condition and in need of replacement. Mr. Huber did show the CIC pictures of the rust and repairs.

These two replacements would have to be approved by both Gill and Montague. The CIC is not aware that Gill has approved either of the replacements. No votes were taken on these requests.

FY 2016 CIC recommendations for the GMRSD:

Sheffield Boiler #1 and Burner	\$120,000
Sheffield Boiler #2's Burner	<u>\$25,000</u>
Total GMRSD	\$145,000

Water Pollution Control Facility (WPCF)

Bob Trombley of the Montague WPCF presented three requests to the CIC on January 28, 2015. These were the same requests made to the CIC in 2014. Two additional requests are shown below, but were not presented to the CIC.

1. Repairs to Operations Building: \$100,000

The building repairs are to fix gaps in the mortar, repair electrical wiring and make other general facility repairs.

2. Upgrade to Primary Sludge Pump: \$100,000

The upgrade to the primary sludge pump is to improve efficiency and to eliminate leakage. The leakage creates a challenging work environment for the WPCF employees that have to work in that pump room.

3. HVAC upgrades: \$376,036

The request for heating and ventilation repairs will be reviewed for possible ESCO funding. This is a long process and may take a couple of years but it is considered the best alternative.

Mr. Trombley said that these three projects were not critical and are offered as placeholders for future requests. He cautioned that continuing deferment of repairs will only lead to more expensive repairs in the future.

4. Rehabilitate 1868 Storm Drain: \$250,000

5. Line, Clean, Inspect & GIS Drains: \$135,000

The CIC neglected to discuss or take action on the additional sewer cleaning and sewer lining requests from the WPCF. We were aware of these requests but they were not included in the Capital Projects Schedule. We are aware of these from earlier discussions and the committee supports them but no vote was taken.

An extensive discussion was undertaken regarding the WFPC's debt capacity and the new debt that would begin in 2017. Town Meeting voted to setup a separate WPCF stabilization fund with \$100,000 from retained earnings on October 29, 2014. Most of the remaining retained earnings were used to stabilize the sewer rates. The CIC and the Town Administrator agree that the stabilization fund should be the source of funding for the aforementioned projects. Without a fiscal commitment to the stabilization fund, the projects requested by the WPCF were not supported. We were in agreement that additional sewer borrowing should not be the funding mechanism for the requested projects. In discussions with the Town Administrator the WPCF must commit to funding the stabilization account with its available retained earnings, which will allow the WPCF to make the requested improvements. This will have to be done in conjunction with scheduled annual increases to the sewer user fees.

The CIC did not vote on any WPCF requests.

Town Clerk

1. Records Retention and Storage: \$46,000

On February 4, 2015, the CIC met with the Town Clerk to discuss her request for records retention and storage. The Town Clerk has received a proposal that would allow for the disposal of outdated records, organization of existing records and a complete catalog of those retained records. The cost for this service would be \$46,000. There was some additional discussion on creating a fire proof and climate controlled storage area but no formal request was made.

FY 2016 CIC recommendations for the Town Clerk:

Records Retention and Storage: \$46,000

Other Departments

The CIC did not receive any FY 2016 requests from the following departments:

Montague Police	Public Library	Parks and Recreation
Senior Center	Town Administration	

SUMMARY

FY 2016 CIC recommendations

NUEPLR fund	\$75,000
Lease payment	43,325
Sheffield Boiler #1 and Burner	120,000
Sheffield Boiler #2's Burner	25,000
Records Retention and Storage	<u>46,000</u>
Total Recommendations	\$309,325

Please feel free to contact me with questions or clarifications prior to our joint meeting on February 25th.

Respectfully,

Gregory Garrison
Capital Improvements Committee Chairman