

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING

March 25, 2015

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Meeting Date: March 25, 2015

Called to Order: 6:00 PM

Location: 1 Avenue A, Turners Falls MA

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

Selectmen Present: Mark Fairbrother, Michael Nelson and Christopher Boutwell (Mr. Boutwell arrived at 6:10 PM)

Others Present: Town Administrator Frank Abbondanzio, Town Accountant Carolyn Olsen, WPCF Superintendent Bob Trombley, Town Clerk Deb Bourbeau, John Burek, John Reynolds, Lisa Enzer and Jeff Singleton

Minutes

Finance Committee Moved:

To approve the minutes of March 18, 2015.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To approve the minutes of March 18, 2015.

Vote: 3 In Favor 0 Opposed 0 Abstained

\$385,000 to document and improve various sewer and storm water lines/drains

- This project is to inspect, clean, and slip line critical parts of the sewer and storm drain systems, especially those sections with transite pipes.
- We've lined about 1,000 feet using the two current special articles for these purposes.
- This article will allow the Town to continue this work.
- The work also includes videoing various storm drains as part of the inspection process.
- The focus is on the sanitary sewer collection system and the transite pipes.
- For Fiscal Year 2015 there are two special articles that separate the activities, and it is felt that a broader approach would work better, so the requests for Fiscal Year 2016 were combined into one article.
- This will likely be an ongoing maintenance need due to the layout of the pipes.

Finance Committee Moved:

To recommend \$385,000 to document and improve various sewer and storm water lines/drains, to be funded from Sewer Long Term Borrowing.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$385,000 to document and improve various sewer and storm water lines/drains, to be funded from Sewer Long Term Borrowing.

Vote: 2 In Favor 0 Opposed 1 Abstained

\$100,000 for WPCF Operations Building maintenance and painting**\$100,000 for WPCF Operations Building HVAC****\$100,000 for WPCF Primary Sludge Pump replacement**

- Mr. Hanold asked about the urgency on these articles. Mr. Trombley had agreed to hold off on these projects until there was a plan to earmark revenues from the sludge disposal project. Mr. Trombley suggested removing the 3 articles from the warrant if that was okay with the Sewer Commissioners.
- The CIC supports the maintenance projects in general, but has not voted on them. The CIC would like to look at a comprehensive plan and earmark the revenues from taking in outside sludge for these projects so they can be funded from those specific revenue streams. The CIC will also be touring the plant so they can see the issues and make a more informed decision, but this is not likely to happen before May 2nd.
- Mr. Naughton asked if there was a downside for delaying these projects to next year. Mr. Trombley said the concrete and steel aren't going to get any better, and the longer we delay, the more work will be needed. The HVAC system will continue to be okay until next year. Replacing the pumps is of more interest, but it is not an emergency.
- Ms. Olsen suggested removing the items from the Annual Town Meeting warrant, and putting them on the fall Special Town Meeting warrant. At that point, retained earnings will be certified, there will be time to analyze which portions of retained earnings were a result of various revenue streams, and allow the Town to appropriate from retained earnings or borrowing as seems appropriate at that time.
- It was agreed to put these articles on the fall Special Town Meeting Warrant rather than the Annual Town Meeting warrant.

\$46,000 for Town Records retention and storage

The \$46,000 is to have a company come in and assess the existing records in the Town hall attic, basement rooms and vaults, and offices and to determine what records need to be kept forever, what records need to be kept for certain periods of time, and what records can be destroyed. The company will also label and organize the storage of all records that need to be kept. A database record will be created showing the location of all stored items and a retention schedule for all records. The assessment will be for all departments in the Town Hall. This will provide a greater degree of efficiency and improve the use of storage areas.

- Ms. Kennaugh asked if climate controlled space will be created – it will not.
- Mr. Naughton asked how the vendor was selected. Ms. Bourbeau got recommendations from other Town and City Clerks. There are not many companies available, and this company was highly recommended.
- Mr. Hanold suggested it be funded from General Stabilization since it was more an issue of services rather than an item. There was a brief discussion of what the financial policies said regarding the use of the different stabilization funds.

Finance Committee Moved:

To recommend \$46,000 for the preservation and storage of town records, to be funded from the Town Capital Stabilization Fund.

Vote: 4 In Favor 1 Opposed 0 Abstained

Note: The opposing vote preferred another funding source.

Selectmen Moved:

To recommend \$46,000 for the preservation and storage of town records, to be funded from the Town Capital Stabilization Fund.

Vote: 3 In Favor 0 Opposed 0 Abstained

\$215,600 for Broadband service

The CIC met on the 18th to look at additional information and review the request from the Broadband Committee to do a pole survey. A pole survey involves having the companies that own the poles examine each pole and determine whether each pole has the capacity for an additional cable. The intention is to bring the cable to the Montague Center Fire District. What they want to do is very reasonable, and it is requested to be fast tracked with the intention of getting some of the funding reimbursed from MA Broadband Institute (MBI). The CIC is generally in favor of the project itself, but is concerned about the funding. The CIC did not vote on this project because of the large number of unknowns.

- Lisa Enzer, at large member of the Broadband Committee, addressed the group. The meeting with Rep Kulik's assistant will take place next week. The pole survey also included a make-ready provision, which takes about a year. The money, once allocated through MBI, must be used in 3 years or it reverts to MBI.
- Mr. Hanold asked if it was reasonable to summarize that with town funding, the pole survey could be done faster, which would increase the probability of reimbursement by MBI. Ms. Enzer said there's a really good chance that we will know what the reimbursement status is by town meeting.
- Mr. Garrison said two things have to happen. First is the pole survey, and then doing the build-out, including a link between the Montague Center Fire District and the Turners Falls Fire District.
- Mr. Abbondanzio said we need to be aware of the total cost is around \$380,000 because of the second phase.
- Ms. Enzer stated that the Town will need to have the pole survey done eventually, and it makes sense to do it when there is reimbursement available.

Finance Committee Moved:

To recommend \$215,600 for broadband service extension, to be funded from Long-Term Borrowing.

Vote: 3 In Favor 0 Opposed 2 Abstained

Selectmen Moved:

To recommend \$215,600 for broadband service extension, to be funded from Long-Term Borrowing.

Vote: 2 In Favor 0 Opposed 1 Abstained

\$42,600 for Montague's share of a one ton truck with plow and sander for the Gill-Montague Regional School District (GMRSD)

The CIC voted not to recommend this article because they felt it should be an operating expense as part of the GMRSD budget.

Finance Committee Moved:

To recommend \$42,600 for Montague's share of a one ton truck with plow and sander, to be funded from the Town Capital Stabilization Fund.

Vote: 0 In Favor 5 Opposed 0 Abstained

Selectmen Moved:

To recommend \$42,600 for Montague's share of a one ton truck with plow and sander, to be funded from the Town Capital Stabilization Fund.

Vote: In Favor 3 Opposed 0 Abstained

\$41,309 for Montague's share of a utility trailer for the GMRSD

The CIC voted not to recommend this article because they felt it should be an operating expense as part of the GMRSD budget.

Finance Committee Moved:

To recommend \$41,309 for Montague's share of a utility trailer for the GMRSD, to be funded from the Town Capital Stabilization Fund. Vote: In Favor

5 Opposed 0 Abstained

Selectmen Moved:

To recommend \$41,309 for Montague's share of a utility trailer for the GMRSD, to be funded from the Town Capital Stabilization Fund. Vote: In Favor

3 Opposed 0 Abstained

\$1,116,764 to replace windows for the Sheffield School's gym and auditorium

This project has been approved by the Massachusetts School Building Assistance program, with a 76% reimbursement of eligible costs. The expected final cost to the town is \$200,000. The CIC asked the Energy Committee to review this project before the CIC made a decision. The Energy Committee is in favor of this project, and the CIC voted to recommend it.

Finance Committee Moved:

To recommend \$1,116,764 for windows at the Sheffield School's gym and auditorium, to be funded from Debt Exclusion Long-Term Borrowing.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$1,116,764 for windows at the Sheffield School's gym and auditorium, to be funded from Debt Exclusion Long-Term Borrowing.

Vote: 3 In Favor 0 Opposed 0 Abstained

\$145,000 to replace/repair burners and boilers at the Sheffield School

The CIC previously voted to recommend this, pending approval by the Energy Committee. The Energy Committee approved it, so no other action was taken by the CIC.

Mr. Singleton stated that the Energy Committee took no votes on this project that he was aware of.

Finance Committee Moved:

To recommend \$145,000 for repairs and replacements of boilers and burners at the Sheffield School to be funded with the remaining \$18,700 in Article #23 of the September 12, 2013 Special Town Meeting and with \$126,300 from Long-Term Borrowing.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$145,000 for repairs and replacements of boilers and burners at the Sheffield School to be funded with the remaining \$18,700 in Article #23 of the September 12, 2013 Special Town Meeting and with \$126,300 from Long-Term Borrowing.

Vote: 3 In Favor 0 Opposed 0 Abstained

Discuss use of Franklin County Technical School Stabilization Fund and formalize policy

- Mr. Hanold recommends funding the entire Fiscal Year 2016 assessment from taxation, noting that our enrollment will not be outside the normal range.
- Mr. Naughton is fine paying this year's assessment out of taxation, but feels that using the 70-74 student range, at an estimated \$11,000 per student, allows for a \$50,000 annual shift, and prefers using a rolling average that will allow for a smaller amount in the annual shift. We would also need to decide whether to use a 3 year rolling average or a 5 year rolling average. If using a 5 year average, we would use about \$17,000 from the FCTS Stabilization Fund for Fiscal Year 2016.
- This discussion and decision will be scheduled for a future meeting.

Vote on Franklin County Technical School's Fiscal Year 2016 assessment (\$760,615) and funding

Finance Committee Moved:

To recommend \$760,615 for the Fiscal Year 2016 assessment from the Franklin County Technical School, to be funded from Taxation.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$760,615 for the Fiscal Year 2016 assessment from the Franklin County Technical School, to be funded from Taxation.

Vote: 3 In Favor 0 Opposed 0 Abstained

Vote on Gill-Montague Regional School District's Fiscal Year 2016 assessment (\$8,498,343) and funding

Finance Committee Moved:

To recommend \$8,498,343 for the Fiscal Year 2016 assessment from the GMRSD, to be funded by \$125,000 from Free Cash and \$8,373,343 from Taxation.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$8,498,343 for the Fiscal Year 2016 assessment from the GMRSD, to be funded by \$125,000 from Free Cash and \$8,373,343 from Taxation.

Vote: 3 In Favor 0 Opposed 0 Abstained

\$8,200 for IT equipment, supplies

Finance Committee Moved:

To recommend \$8,200 for IT equipment and supplies, to be funded from Taxation.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$8,200 for IT equipment and supplies, to be funded from Taxation.

Vote: 3 In Favor 0 Opposed 0 Abstained

\$15,000 for Police equipment purchase/repair

Finance Committee Moved:

To recommend \$15,000 for Police equipment purchase and repair, to be funded from Taxation.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$15,000 for Police equipment purchase and repair, to be funded from Taxation.

Vote: 3 In Favor 0 Opposed 0 Abstained

\$100,000 for DPW equipment purchase/repair

Finance Committee Moved:

To recommend \$75,000 for DPW equipment purchase and repair, to be funded from the Town Capital Stabilization Fund.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

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To recommend \$75,000 for DPW equipment purchase and repair, to be funded from the Town Capital Stabilization Fund.

Vote: 3 In Favor 0 Opposed 0 Abstained

\$43,325 for DPW Dump Truck lease payment

Finance Committee Moved:

To recommend \$43,325 for the DPW dump truck lease payment, to be funded from the Town Capital Stabilization Fund.

Mr. Garrison made a motion to amend the funding source to Taxation

Vote: 4 In Favor 1 Opposed 0 Abstained

Amended Finance Committee Motion:

To recommend \$43,325 for the DPW dump truck lease payment, to be funded from Taxation.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$43,325 for the DPW dump truck lease payment, to be funded from Taxation.

Vote: 3 In Favor 0 Opposed 0 Abstained

\$15,000 for Montague Center School maintenance

It is currently expected that this property will be transferred to a new owner in May, but this is not likely to occur before the Annual Town Meeting. It was decided it would be prudent to keep the article on the warrant. Additionally, although this would normally be funded from Taxation, it was decided to fund it, if needed, from the Town Capital Stabilization Fund to reduce the impact on the overall budget

Finance Committee Moved:

To recommend \$15,000 for Montague School building maintenance, to be funded from the Town Capital Stabilization Fund.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$15,000 for Montague School building maintenance, to be funded from the Town Capital Stabilization Fund.

Vote: 3 In Favor 0 Opposed 0 Abstained

\$20,000 repair Shea Theater roof repair

Finance Committee Moved:

To recommend \$20,000 for Shea Theater roof repair, to be funded from Taxation.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$20,000 for Shea Theater roof repair, to be funded from Taxation.

Vote: 3 In Favor 0 Opposed 0 Abstained

\$32,632 of Taxation to Town Capital Stabilization

Finance Committee Moved:

To recommend \$32,632 be transferred to the Town Capital Stabilization fund, to be funded from Taxation.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$32,632 be transferred to the Town Capital Stabilization fund, to be funded from Taxation.

Vote: 3 In Favor 0 Opposed 0 Abstained

\$48,947 of Taxation to Stabilization (OPEB, General or Capital) or fund budget

- Ms. Olsen stated that she spoke to someone from Standard and Poor's at a recent conference and asked if such a small appropriation was enough to have a positive impact on the Town's bond rating. The answer was no. Standard and Poor's analysts would look for an annual appropriation much closer to the real cost of funding the liability.
- Mr. Abbondanzio said that both the Town's auditor and representatives from Standard and Poor's strongly urged that the Town set up an Other Post Employment Benefits (OPEB) fund and start funding the Town's liability. Mr. Abbondanzio said that while the amount was small, it would still symbolize the Town's desire and commitment to start funding this liability.
- As there is less than \$5,000 remaining of taxation capacity, this item will be dropped from the Annual Town Meeting, but will be put on the fall Special Town Meeting when it can be funded with a larger dollar amount from Free Cash.

Topics not anticipated within in the 48 hour posting requirements

Meeting adjourned at 8:10 PM

Next Meetings:

April 1, 2015 Draft Finance Committee Report to Town Meeting, Mr. Singleton and the FRTA

April 8, 2015 Re-votes as needed, revise FC report

April 15, 2015 Final votes/re-votes for recommendations, final report

List of Documents and Exhibits

- Minutes for March 18, 2015
- CIC Supplemental Report (attached below)

TOWN OF MONTAGUE

Capital Improvements Committee

One Avenue A

Turners Falls, Massachusetts 01376

The Town of Montague is an Equal Opportunity Provider and Employer

To: Montague Select Board
From: Montague Capital Improvements Committee
Date: March 25, 2015
RE: Capital Improvements Meeting Annual Report FY2016 (Supplemental)

CC: Montague Finance Committee

The Capital Improvements Committee (CIC) met on March 18th to hear an additional request from the broadband committee and to discuss requests not previously voted on.

The Broadband Committee sought support from the CIC for a funding request to conduct a pole survey. The pole survey is a necessary step to prepare for a fiber connection to the firehouse in Montague Center. Without this connection 154 houses in the south end of Town will not be able to connect broadband. The effected residents and the Broadband Committee assert that the lack of this connection is a detriment to the area. They sited anecdotal evidence that the lack of broadband results in decreased property values- which impacts home resale values- and difficulty in meeting educational requirements for their children.

The pole survey is estimated to cost \$215,600. The Broadband Committee will be submitting this request to the Annual Town Meeting. The intent is to complete the pole survey prior to securing monies from the Massachusetts Broadband Institute (MBI). The committee has not been able to secure a commitment from the MBI for the reimbursement. They anticipate that an upcoming meeting with Representative Kulick and the MBI will better clarify the reimbursement issue before Town Meeting.

The CIC recognizes the benefit of having all homes in Montague connected to high-speed Internet services. This adds value to the community and expands educational opportunities. The CIC supports the actions of the Broadband Committee to connect the remaining 154 homes in the southern district of the town. The CIC could not support the funding request. The CIC is concerned that, without a written reimbursement guarantee from the MBI, the Town may become the sole funding source for this expansion.

No votes were taken on the matter.

The CIC met with Robert Trombley of the Water Pollution Control Facility (WPCF). The CIC reviewed the funding request of \$380,000 for the cleaning of two drains that run

from J Street in Turners falls under the canal to 10th street on the "Patch". This funding request also includes transite line inspection and relining.

The two drains are approximately 36" X 60" and run below the canal. Both of the drain lines are significantly clogged. Cleaning the drain line will assist in moving excess storm waters from downtown Turners Falls to the CT River. In times of heavy storm runoff the manhole covers in Turners Falls can float off their mounts. It is believed the cleaning of at least one of these passages will alleviate this issue and aid in moving excess storm runoff to the CT River.

The committee also was reminded of the risk the Town faces with the remaining transite sewer pipes in Town. The intent of the DPW and WPCF is to locate, inspect and reline the remaining lines in the Town. The relining process is done using the InsituMain system. The InsituMain System is a cured-in-place pipe (CIPP) product with a non-disruptive installation process.

The CIC recommends that the transite inspection and relining be the priority of the requested funds with any remaining funds being used to clear one or both of the plugged drain lines.

The CIC voted unanimously to support this funding request.

The CIC also discussed the future projects that have been requested by the WPCF. The committee agrees that these projects cannot be delayed indefinitely. This would lead to system failures that could result in greater costs to the Town. The committee urged that capital account funding be prioritized to assist in the payment of the requested projects. It was discussed that the additional revenues from thickened sludge contracts be first allocated to the WPCF Capital Stabilization Fund until a predetermined balance is met, with the remainder going to retained earnings. The CIC agreed to meet at the WPCF on either March 29th or April 6th 2015 to review the requested projects and to take a tour of the plant operations.

The CIC revisited an earlier request of the GMRSD for the replacement of windows and doors under the MSBA Accelerated Repair Program. The total cost of the request is \$1,116,764 with the Town being reimbursed \$815,868. The committee had previously requested that the Montague Energy Committee review this request before the CIC voted on it. The committee heard from the Town Administrator that the Energy Committee voted unanimously for the project. The CIC did not receive any direct notification from the Energy Committee.

The CIC voted unanimously to support the project and the funding request.

The GMRSD had previously presented a request for the repair of the #1 boiler and the replacement of the two boiler burners. This request was also forwarded to the Energy Committee for review. Town Administer stated that the Energy Committee approved the

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request but could not offer any information in the type of burners that had been recommended. It was believed that the Energy Committee was still reviewing the burners. The CIC did not receive any communication directly from the Energy Committee.

There were no votes taken on the request due to lack of information.

The GMRSD also requested that the Town support the purchase of a new tractor and one-ton truck. The CIC did not believe that these should be capital requests made to the Town, but that they should be included as part of the GMRSD operating budget.

The committee voted unanimously NOT to approve the requests.

Respectfully submitted,

Gregory Garrison, Chairman
Capital Improvements Committee