

SELECTBOARD, FINANCE COMMITTEE and CAPITAL
IMPROVEMENTS COMMITTEE MEETING NOTICE
UPSTAIRS MEETING ROOM, 1 AVENUE A, TURNERS FALLS, MA
<https://global.gotomeeting.com/join/489137093> or call [+1 \(646\) 749-3112](tel:+16467493112)
ACCESS CODE: 489-137-093 (Remote meeting room will open at 5:50PM)

WEDNESDAY, MARCH 25, 2020, 6:00 – 7:30 PM

Meeting Being Recorded

Votes May Be Taken

1. Chairs open the meeting, including announcing that the meeting is being recorded
2. Roll call and guidelines for participation (5 minutes)
3. Town Administrator's report (5 minutes)
4. Discussion: FY21 Budget (20 minutes)
 - * Approving FY21 Budget Requests as presented
 - * Options for eliminating deficit
 - * Allocations of Free Cash to reserve funds
5. Vote: Recommendations and funding sources for Anticipated Articles on the warrant for Annual and Special Town Meetings scheduled for May 2, 2020
 - Schedule I (Elected Officials), Schedule II (Appointed Officials), Schedule III (Town Operating), Schedule IV (WCPF), Airport, FCTS, GMRSD (15 minutes)
 - Capital and Non-Capital Special Articles (15 minutes)
6. Approve meeting minutes of February 12, 2020 and March 18, 2020 (5 minutes)
7. Discussion: Plan for writing Finance Committee's Report to Town Meeting (5 minutes)
8. Requests for future agendas
9. Topics not anticipated within the 48 hour posting requirements
10. Motion to Adjourn

Upcoming Finance Committee Meeting Dates (subject to change): April 1, 8, 15, 29
FY21 Budget Schedule: <https://www.montague-ma.gov/g/45/Finance-Committee>

Draft minutes incorporating agenda items and proposed votes.

The Chair opened the meeting

#1 Meeting was opened at 6:00 PM in the Upstairs Meeting Room

#2 Roll-Call

- **Finance Committee members present:** Jen Audley, Fred Bowman, Greg Garrison, Chris Menegoni, and Francia Wisniewski.
- **Finance Committee members participating remotely:** John Hanold
- **Finance Committee members absent:**
- **Selectboard members present:** Chris Boutwell, Rich Kuklewicz and Michael Nelson
- **Selectboard members participating remotely:**
- **Selectboard members absent:** Rich Kuklewicz and Michael Nelson
- **Others present:** Town Administrator Steve Ellis and Town Accountant Carolyn Olsen
- The Chair announced that the meeting is being recorded by MCTV and asked if anyone else was recording the meeting. No one else was recording the meeting. Remote participation for both members and the public was provided by **GoToMeeting**.

#3 Town Administrator's Report

#4 Discussion of FY21 Budget

A. Approving FY21 Budget Requests as presented

Known issues:

DPW discretionary fund request – The superintendent requested an allocation of \$100,000 to the DPW equipment fund; the CIC recommends \$80,000, which would bring the anticipated balance to \$100,000 at the beginning of FY21. The anticipated funding source is Taxation.

Schedule III – John Hanold's proposal for balancing the budget would reduce the Legal, Snow and Ice, and Reserve Fund budgets as described below.

Any other proposals to diverge from funding requests as presented?

B. Options for eliminating deficit:

John Hanold –

- a. Reduce Legal Budget from \$90,000 to \$85,000, saving \$5,000. Rationale: Labor negotiations are behind us.
- b. Reduce Snow & Ice Budget from \$278,050 to \$273,050, saving \$5,000. Rationale: It's a partial acceptance of Superintendent Bergeron's request, and any overrun can be handled in May 2021.
- c. Reduce Reserve Fund Budget from \$60,000 to \$50,000, saving \$10,000. Rationale: Recent years' needs have been lower, budgets are generally approved as submitted.
- d. Use \$25,000 of Free Cash towards the Town's operating budget. Rationale: Retains reduction in use of reserves, but suspends the final step of reducing reliance to zero.
- e. Use \$25,000 of Free Cash towards the GMRSD assessment. Rationale: Same as above.
- f. Reduces shortfall from \$42,762/\$62,763 to a surplus of \$27,238/\$7,238.

Jen Audley – This year only, reduce total Operating transfer to the Town Capital Stabilization Fund by the amount of the shortfall.

Rationale: The annual transfer has increased from the Financial Policy's recommendation of \$41,805 to \$125,021 due to the allocation of the Town's share of the Kearsarge Lease payments to this fund.

At the March 2020 STM we voted to establish a new revenue stream for this fund when we chose to allocate all of the cannabis excise tax revenue, estimated at \$60,000 annually, to the Town Capital Stabilization Fund

The balance of this fund now exceeds \$1 million, as it was substantially increased in FY20 by a one-time allocation of \$800,000 from Overlay Surplus.

Reduces shortfall from \$42,762/\$62,763 to \$0. Allocation to Town Capital Stabilization would be \$82,259/\$62,258 + any additional amount allocated Free Cash balance.

Discussion of Options:

Finance Committee Moved:

To fund the current deficit using the method proposed by John Hanold/Jen Audley.

Vote: In Favor 0 Opposed 0 Abstained

Selectboard Moved:

To fund the current deficit using the method proposed by John Hanold/Jen Audley.

Vote: In Favor 0 Opposed 0 Abstained

#4B Allocations of Free Cash to Reserves

It is expected that there will be \$267,260 of Free Cash available at the end of the budget approval and funding options. This is usually appropriated into one or more reserve accounts, specifically the Town General Stabilization Fund, Town Capital Stabilization Fund, GMRSD Stabilization Fund, FCTS Stabilization Fund or the OPEB Trust Fund. The Town could also choose to appropriate it into the WPCF Capital Stabilization Fund. *(Note to minute taker – if more than one fund is chosen, the decision of actual allocation may wait until the funding of articles is decided.)*

Finance Committee Moved:

To appropriate any remaining Free Cash to the Town General Stabilization Fund/ Town Capital Stabilization Fund/GMRSD Stabilization Fund/FCTS Stabilization Fund/OPEB Trust Fund/ WPCF Capital Stabilization Fund.

Vote: In Favor 0 Opposed 0 Abstained

Selectboard Moved:

To appropriate any remaining Free Cash to the Town General Stabilization Fund/ Town Capital Stabilization Fund/GMRSD Stabilization Fund/FCTS Stabilization Fund/OPEB Trust Fund/ WPCF Capital Stabilization Fund.

Vote: In Favor 0 Opposed 0 Abstained

#5 Vote Recommendations and Funding Sources for Anticipated Articles on the warrant for the Special and Annual Town Meetings scheduled for May 2, 2020.

STM BEFORE ANNUAL

Finance Committee Moved:

To recommend \$51,000 to supplement Article #7 of the March 5, 2020 Special Town Meeting, which appropriated \$75,000 for the removal of the WPCF oil tank and vault and replacement of the oil tank, to be funded from Sewer Retained Earnings/Sewer User Fees.

Vote: In Favor Opposed Abstained

Selectboard Moved:

To recommend \$51,000 to supplement Article #7 of the March 5, 2020 Special Town Meeting, which appropriated \$75,000 for the removal of the WPCF oil tank and vault and replacement of the oil tank, to be funded from Sewer Retained Earnings/Sewer User Fees.

Vote: In Favor Opposed Abstained

ANNUAL TOWN MEETING

Schedules I and II

SCHEDULE I Elected Officials

<u>TITLE</u>	<u>FY20 BUDGET</u>	<u>FY21 REQUEST</u>	<u>FY21 RECOMMEND</u>
MODERATOR	370	370	370
SELECTBOARD			
Chairman	2,355	2,355	2,355
Second/Third Members	2,140	2,140	2,140
BOARD OF ASSESSOR			
Chairman	1,765	1,765	1,765
Second/Third Members	1,605	1,605	1,605
TREASURER/COLLECTOR	64,985*	68,963**	68,963
*G-5			
**G-7			
TOWN CLERK	73,905	75,014*	75,014
*G-11			
BOARD OF REGISTRARS			
Town Clerk	840	840	840
TREE WARDEN	1,575	1,575	1,575
BOARD OF HEALTH			
Chairman	1,765	1,765	1,765
Second/Third Members	1,605	1,605	1,605

Finance Committee recommends Voted 0-0

Selectboard recommend Voted 0-0

SCHEDULE II Appointed Officials

<u>TITLE</u>	<u>FY20 BUDGET</u>	<u>FY21 REQUEST</u>	<u>FY21 RECOMMEND</u>
<u>ANNUAL STIPENDS</u>			
BOARD OF REGISTRARS (3)	525	525	525
EMERGENCY MGMT DIRECTOR	5,765	5,765	5,765
ANIMAL INSPECTOR	1,575	1,575	1,575

BARN INSPECTOR	1,050	1,050	1,050
IT COORDINATOR	2,100	2,100	2,100
MEDIC COORDINATOR		4,000	4,000
POLICE IT ADMINISTRATOR	3,000	3,000	3,000
FOREST WARDEN	1,710	1,710	1,710
<u>RATES PER INSPECTION</u>			
ASST. BUILDING INSPECTOR	35.00	35.00	35.00
GAS INSPECTOR	35.00	35.00	35.00
PLUMBING INSPECTOR	35.00	35.00	35.00
ELECTRICAL INSPECTOR	35.00	35.00	35.00

<u>HOURLY RATES</u>	<u>Ranges/hr.</u>	<u>Ranges/hr.</u>	<u>Ranges/hr.</u>
EXTRA CLERICAL	12.00-13.75	12.75-14.50	12.75-14.50
ELECTION WORKERS	12.00-14.75	12.75-15.50	12.75-15.50
SUMMER HIGHWAY	12.00-14.75	12.75-14.75	12.75-14.75
SNOW PLOW DRIVERS	15.00-25.00	15.00-25.00	15.00-25.00
PART TIME POLICE OFFICERS	17.00-21.00	17.00-21.00	17.00-21.00
PART TIME DISPATCHERS	17.00-21.00	17.00-21.00	17.00-21.00
PARKS & RECREATION	12.00-20.00	12.75-20.00	12.75-20.00
AIRPORT INTERN	12.00-14.25	12.75-15.00	12.75-15.00

Note: Minimum Wage is \$12.75 as of 1/1/20 and goes to \$13.50/hr 1/1/2021

SCHEDULE II
Appointed Officials

NON-UNION EMPLOYEES NOT SHOWN ABOVE

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

Informational Only: Fiscal Year 2021 budgeted wages –

TOWN ADMINISTRATOR	115,934	DPW SUPERINTENDENT	95,813
TOWN ACCOUNTANT	75,014	DIRECTOR OF HEALTH	67,610

TREAS/TAX COLLECTOR	68,963	LIBRARY DIRECTOR	71,748
CHIEF OF POLICE*	113,435	WPCF SUPERINTENDENT	83,841
EXECUTIVE ASSISTANT	28.02	POLICE LIEUTENANT	40.36
POLICE CUSTODIAN	17.22		

*includes add'l 20% educational incentive pay

Finance Committee recommends Voted 0-0

Selectboard recommends Voted 0-0

Schedule III Town Operating Budget

Finance Committee Moved:

To recommend \$10,527,445/\$10,507,445 (John Hanold's #s) for general government budgets, broken down as follows, to be funded with \$25,000 from Free Cash, \$47.30 from Transportation Infrastructure Funds, and \$10,527,397.70/\$10,482,397.70 from Taxation.

113	Town Meeting	2,090	
122	Selectmen	192,014	
131	Finance Comm	1,000	
132	Reserve Fund	60,000/	50,000
135	Town Accountant	81,934	
141	Assessors	195,422	
145	Treas/TaxColl	239,560	
151	Town Counsel	90,000/	85,000
155	Information Tech	58,100	
159	Shared Costs	72,759	
161	Town Clerk	167,001	
175	Planning	121,184	
176	ZBA	1,200	
182	MEDIC	5,000	
190	Pub Bldg Utilities	141,320	
211	Police	1,698,119	
211	Police Cruiser	53,000	
212	Dispatch	311,584	
241	Building Insp	141,444	
244	Sealer of Weights	2,750	
291	Emergency Mgmt	5,765	
292	Animal Control	20,414	
294	Forest Warden	1,710	
299	Tree Warden	20,285	
420	DPW	1,441,408	
420	Flail Lease (3/5)	24,090	
423	Snow & Ice	278,050/	273,050
433	Solid Waste	598,886	

480	Charging Stations	7,000
491	Cemeteries	7,000
511	Board of Health	135,948
541	COA	46,980
543	Vet Benefits	98,400
610	Libraries	426,950
630	Parks & Rec	143,539
691	Historical Comm	500
693	Soldiers' Memorial	1,300
700	Debt	1,128,500
840	Intergovernmental	111,179
910	Employee Benefits	2,298,057
946	General Insurance	96,000
Vote: ____ In Favor ____ Opposed ____ Abstained		

Selectboard Moved:

To recommend \$10,527,445/\$10,507,445 for the Town Operating budget, funded with \$25,000 from Free Cash, \$47.30 from Transportation Infrastructure Funds, and \$10,527,397.70/\$10,482,397.70 from Taxation.

Vote: ____ In Favor ____ Opposed ____ Abstained

Finance Committee Moved:

To recommend \$2,449,068 for the WPCF budgets, broken down as follows, and funded with \$220,559 from Taxation and \$2,228,509 from Sewer User Fees.

440	WPCF	1,585,763
700	WPCF Debt	520,551
910	WPCF Benefits	291,954
449	WPCF DPW Sub	42,800
449	DPW Sub Capital	8,000
Vote: ____ In Favor ____ Opposed ____ Abstained		

Selectboard Moved:

To recommend \$2,449,068 for the WPCF budgets, broken down as follows, and funded with \$220,559 from Taxation and \$2,228,509 from Sewer User Fees.

440	WPCF	1,585,763
700	WPCF Debt	520,551
910	WPCF Benefits	291,954
449	WPCF DPW Sub	42,800
449	DPW Sub Capital	8,000
Vote: ____ In Favor ____ Opposed ____ Abstained		

Finance Committee Moved:

To recommend \$55,694 for the Airport budget, funded with \$1,405 from Taxation and \$54,289 from Airport Revenue.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Selectboard Moved:

To recommend \$55,694 for the Airport budget, funded with \$1,405 from Taxation and \$54,289 from Airport Revenue.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Special Article Recommendations

Finance Committee Moved:

To recommend \$79,750 for the Colle budget, funded from Colle Receipts Reserved for Appropriation.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Selectboard Moved:

To recommend \$79,750 for the Colle budget, funded from Colle Receipts Reserved for Appropriation.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend \$10,732,268 for the GMRSD assessment, funded with \$25,000 from Free Cash and \$10,732,268/ \$10,707,268 from Taxation.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Selectboard Moved:

To recommend \$10,732,268 for the GMRSD assessment, funded with \$25,000 from Free Cash and \$10,732,268/ \$10,707,268 from Taxation.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend \$1,255,456 for the FCTS assessment, funded from Taxation.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Selectboard Moved:

To recommend \$1,255,456 for the FCTS assessment, funded from Taxation.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend \$16,250 for Utility Valuations, funded from Taxation.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend \$21,953 for Building Assessment Studies at Hillcrest, Sheffield/Admin, and GFMS/TFHS, funded from Taxation.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend \$20,000 for a dividing wall in the Sheffield library, to be funded from Taxation.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend \$5,000 for surveying the Montague Center park, to be funded from Taxation.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend \$4,800 to provide the town match for state and federal grants for a Wildlife Hazard Assessment Study, to be funded from Airport Retained Earnings.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend \$820.49 to provide additional funds for the Town's DPW Facility, to be funded from Reserve for Excluded Debt.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Selectboard Moved:

To recommend the following special articles and funding sources:

Utility Valuation	16,250	Taxation
GMRSD Building Assessments	21,953	Taxation
Sheffield Library Wall	20,000	Taxation
Montague Center Park Survey	5,000	Taxation
Airport Grant Local Match	4,800	Airport Retained Earnings
DPW Facility	820.49	Reserve for Excluded Debt

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend the following special articles and funding sources:

OPEB	50,000	Taxation
Town General Stabilization	61,507	Taxation
Town Capital Stabilization	62,259 or 42,259/125,021	Taxation*
GMRSD Stabilization	39,185	Taxation

*41,805 Financial Policies Transfer plus 83,216 from town share Kearsarge lease

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Selectboard Moved:

To recommend the following special articles and funding sources:

OPEB 50,000 Taxation

Town General Stabilization 61,507 Taxation

Town Capital Stabilization 62,259 or 42,259/125,021 Taxation

GMRSD Stabilization 39,185 Taxation

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend \$50,000 for roof replacement and chimney repair at the Montague Senior Center, to be funded from Free Cash.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend \$100,000 OR \$80,000 for the DPW Discretionary Account, to be funded from Taxation.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend \$37,260 for repairs to the Millers Falls Stairs and 7th Street Walking Path, to be funded from Free Cash.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend \$100,000 for pump and blower upgrades at the Montague WPCF, to be funded from WPCF Capital Stabilization Fund.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend \$40,000 to replace a primary sludge pump at the Montague WPCF, to be funded with \$15,439.53 from the unspent balance of Article #19 of the May 7, 2016 Annual Town Meeting and \$24,560.47 from WPCF Capital Stabilization Fund/Sewer User Fees.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend \$60,000 for the Hillcrest façade and roof project, to be funded from Free Cash.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend \$60,000 for the GMRSD administration building masonry wrap and entry canopy repair, to be funded from Free Cash.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend \$60,000 to resurface the GFMS/TFHS tennis court, to be funded from Free Cash.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Selectboard Moved:

To recommend the following special articles and funding sources:

Senior Center Roof/Chimney	50,500	Free Cash
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DPW Discretionary Account	80,000	Taxation
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MF Stairs/7 th St Walking Path	37,260	Free Cash
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WPCF Pump/Blower Upgrades Stabilization	100,000	WPCF Capital
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WPCF Primary Sludge Pump	40,000	15,439.53 from #19 of the 5/7/16 ATM and 24,560.47 from WPCF Capital Stabilization
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Hillcrest Façade/Roof	60,000	Free Cash
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GMRSD Admin Masonry/Entry	60,000	Free Cash
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GFMS/TFHS Tennis Court	60,000	Free Cash
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Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Finance Committee Moved:

To recommend \$267,260 be appropriated to the (reserve of choice: OPEB, Town Cap Stab, GMRSD Stab, FCTS Stab), to be funded from Free Cash.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

Selectboard Moved:

To recommend \$267,260 be appropriated to the (reserve of choice: OPEB, Town Cap Stab, GMRSD Stab, FCTS Stab), to be funded from Free Cash.

Vote: ☐ In Favor ☐ Opposed ☐ Abstained

#6 Minutes

Need to insert draft minutes of 2/12/20

Minutes of 3/18/20 without headers

- **Finance Committee members present:** Jen Audley, Fred Bowman, Greg Garrison, Francia Wisniewski and John Hanold.
- **Finance Committee members participating remotely:** John Hanold, Jen Audley and Fred Bowman
- **Finance Committee members absent:** Chris Menegoni
- **Selectboard members present:** Chris Boutwell, Rich Kuklewicz and Michael Nelson
- **Selectboard members participating remotely:** Chris Boutwell, Rich Kuklewicz and Michael Nelson
- **Capital Improvement Committee members present:** Joshua Lively, Steve Ellis and Greg Garrison
- **Capital Improvement Committee members participating remotely:** Fred Bowman
- **Capital Improvement Committee members absent:**, Bob Obear
- **Others present:** Town Administrator Steve Ellis, Town Meeting member Ariel Elan
- The Chair announced that the meeting was being recorded by MCTV and GoToMeeting. Remote participation for both members and the public was provided by GoToMeeting, meeting ID# is 986-523-853. An archived recording of the broadcast is at <https://vimeo.com/398909224>

6:10 Call to Order Finance Committee (Jen Audley), Select Board (Rich Kuklewicz), Capital Improvements Committee (Josh Lively). Introductions made

6:14 Jen Audley informed meeting that agenda Items #4 and #6 will not be discussed tonight.

6:15 Approval of past minutes

The minutes of February 12, 2020 were not available

Finance Committee Moved:

To approve the minutes of March 4, 2020.

Vote: 5 In Favor 0 Opposed 0 Abstained

Agenda item #4 Reserve Fund Transfer Request- request rescinded

6:16 #5 Town Administrator's Report Steve Ellis-

- The town is dealing with issues brought on by Covid-19 crises. Steve Ellis spoke about the challenges presented by the Covid-19 outbreak. How town departments were working to prepare operationally, working without the buildings being accessible to the public, and addressing the health and safety concerns of town employees. Town employees remain on the job and very busy, most services continue.
- Outdoor Capital projects continue: Field House roof project will begin 3/19/20 or 3/20/20
- Complete Streets construction Project will begin in Montague Center in early spring. Contracts for project were awarded to Nunes Construction.

6:20 John Hanold of the Finance committee arrived remotely

Agenda Item #6 Town Accountant's report- no report

6:20 #7 FY21 Budget - Capital Special Article Requests and remaining Operating Budget requests - Capital Improvements Committee (CIC) recommendations and potential funding sources. Discussion led by CIC Chair Josh Lively, regarding recommendations related to FY21 Capital Article Requests. Jen Audley requested that funding sources be a part of tonight's discussion, but that decisions on the funding sources be made at the next Finance Committee meeting.

Josh Lively reviewed the introduction to the CIC committee's report on FY 2020 year requests.

From the report:

The Capital Improvements Committee has been meeting frequently since November 1st with department heads to evaluate capital needs as outlined by Special Article Requests submitted. The Special Article Request forms that were adopted and implemented a few years ago continue to serve as the backdrop for outlining and presenting the capital needs of each department. This year's report of recommendations uses the same approach to evaluation developed last year. The grading system remains relatively the same, one notable exception being the removal of the grade highly recommended in order to prevent confusion.

This year the CIC was initially approached with twenty one special article requests. All but three of these were capital in nature. Over the course of several months the department heads were brought in for discussion. As a result of these discussions, and as pertinent information became available, some of the original twenty one requests were split into multiple requests, combined into single requests, altered, withdrawn or otherwise modified. This report represents the final state of the special requests, and the CIC's recommendations resulting from the discussion and investigation into said requests.

I. Approach to Evaluation of Requested Articles

Defined Criteria/Rationale

Public Safety: Does the capital improvement rectify a safety concern or otherwise prevent a potential public safety issue?

example: Installing the new front porch/egress stairs at the senior center. The old porch egress had stairs with risers that were inches higher than what is allowed by building code, resulting in the potential of a dangerous fall.

Cost Avoidance: Will the capital improvement save the town financially?

example: Replacing the controls at Denton Street pump station. New equipment can be monitored remotely resulting in less occasions of having to send crew out to check on the system.

Service Interruption: Does the capital improvement prevent an interruption in services?

example: Replacing the building management system and components at TFHS. Without upgrading and replacing the hardware and software the school would be vulnerable to losing its ability to operate the equipment necessary to control classroom temperatures. The original equipment is obsolete and no longer supported by the service provider

Other- Any other reason identified and relevant.

Grading System

Recommend: Given appropriate budget space, the committee believes that the capital improvement should be funded, although they may not be as urgent as projects graded.

Recommend with reservations: The committee would normally recommend the capital improvement, except the request form is incomplete, lacks a professional estimate, or doesn't address or account for the long term needs and concerns of the town.

Does not recommend: The committee does not recommend moving forward with the capital improvement as presented. This may be due to the nature or timing of the project, the quality of quote or other information submitted in support of the article, or other reasons.

Recommendations on Requested Articles ***Summary of Submissions and Recommendations***

A. Articles Recommended for Consideration at Annual Town Meeting

1. WPCF Oil Tank and Vault Removal/Replacement - \$51,000 (to supplement previously approved \$75,000 at Special Town Meeting on March 5th, 2020)

This article would be on a Special Town Meeting warrant scheduled to take place on the same day as the Annual Town Meeting. (STM would happen first.)

The WPCF recently decommissioned the underground oil tank and concrete vault which served the heating system for the administrative building due to apparent leakage believed to be contained within the vault. New above ground oil tanks are in place and the Town is working actively with DEP to accomplish removal of the tank and vault, as well as any necessary remediation.

Additional Comments by Josh Lively - The first bid came in higher than expected. This money is needed to bridge the gap between what Town Meeting previously approved for the project.
Capital Improvements Committee grade: Recommend

Other: Environmental: Although the oil spill is believed to be contained to the concrete vault, it is very important to remove the tank and vault now and search for and remediate any potential problems. The proximity to the river calls for immediate rectification of the situation.

Cost Avoidance: If the vault and tank were to be left untouched the Town would have to assume responsibility for whatever penalties and fines the DEP may impose.

Funding sources: *WPCF Capital Stabilization or Retained Earnings*

2. Council on Aging Replacement of Council on Aging Roof - \$50,000 (\$35,000 based on estimate, \$15,000 contingency, including \$7,000 for upper chimney repair)

Replace the existing roof on the Council on Aging building. The existing roof is near the end of its life expectancy, with missing shingles evident. Both asphalt and standing seam metal were considered and the asphalt option is ultimately thought to be wisest choice at this time. A quote of \$35,000 was received to replace the roofing. Later it was determined that the chimney which serves the boiler is in need of replacement from the roofline up. A second estimate for chimney replacement was received at a cost of \$7,000. A total contingency of \$15,000, including the chimney work, is recommended to supplement the base cost.

*Capital Improvements Committee grade: **Recommend***

Cost Avoidance: Replacing the roofing before it fails will allow the Town to avoid costly repairs to the roof structure, as well as repairs to the interior finishes, which will arise as a result of inevitable water damage.

Funding sources: *Free Cash or Town Capital Stabilization*

3. DPW Discretionary Fund - \$80,000

Provide accessible funding for the DPW superintendent to fund purchases of and/or major repairs to DPW vehicles and equipment. Addresses unforeseen expenditures where timeline is of importance. Historically granted to DPW superintendent.

Capital Improvements Committee grade: Recommend

Additional Discussion: John Hanold asked about any forecasted repairs and/or purchases that the DPW is considering. The known potential purchases are: Replacing a 1 Ton Dump truck (which is unsafe due to lack of heating, and has a blown head gasket, a trailer for the mini excavator, a John Deere tractor for Park and Recs (this is factored into the current year's budget). Also noted by Jen Audley was that the D.P.W. has reported that they may ask for \$100,000 instead of \$80,000 (C.I.C. made its recommendation for \$80,000)

Service Interruption: Should a vehicle or large piece of equipment fail (without this appropriation) it is quite possible that said equipment could remain out of service, while the Town identifies a method to appropriate funding to repair or replace.

Funding source: *Taxation*

4. Planning Department/DPW Millers Falls Stair and 7th Street Walking Path Repairs- \$37,260 (\$27,200 plus 35% contingency)

This article would provide funding to repair the traditional walking paths in the villages of Turners Falls and Millers Falls. Specifically the focus is on the walkway between 7th street and High street in Turners Falls (sometimes referred to as the “boardwalk”), and the stairs in Millers Falls leading from West Main Street to Grand Ave. The walkway from 7th to High will need repair to a failed drainage swale, replacement of a broken sidewalk block, and removal of a failed handrail. The stairs in Millers Falls will receive new handrails as well as a repairs to both the stairs themselves and repairs to the walkway leading from them. A third request for repairs to the walkway from K street to Ave A was withdrawn due to concerns over the failing retaining wall above the walkway and located at Our Lady of Czestochowa, while the Town investigates into the matter further.

Capital Improvements Committee grade: **Recommend**

Additional Discussion: John Hanold asked for clarification on which paths were being improved and about the status of paths not being improved (which include the L St. to High St. path and the Avenue A to 7th St. path). Josh Lively reported that the C.I.C was informed that the L St. to High St. path is in fair condition. Steve Ellis explained that the Avenue A to 7th St. path had some ownership/responsibility issues which need to be resolved before work can be done their (the town is responsible for the pathway, but there is a large stone retaining wall which is in poor condition alongside the path that may be the responsibility of the abutter, the Lady of Czestochowa church.)

Public Safety: These walkways are used by residents and are in need of repairs to enable safe passage. The Millers Falls stairs serve as access for Highland Park. The 7th Street to High Street walkway serves the local neighborhood as well as Hillcrest and Sheffield students walking to school from downtown.

Proposed funding source: *Free Cash*

5. WPCF Pump and Blower Upgrades- \$100,000 (\$235,000 project leveraging \$135,000 in DEP Gap II grant funding)

Replace coarse bubble diffusers with fine bubble diffusers to significantly reduce electrical costs. This upgrade would reduce electrical costs at the WPCF by up to 30%-40%, which amounts to approximately \$20,000-\$40,000 per year in reduction. By leveraging the Gap II grant funding the Town could see a full return on investment within 5 years.

Capital Improvements Committee grade: **Recommend**

Cost Avoidance: The Town must use the \$135,000 in DEP Gap II grant funding by the end of the year. The grant can only be used for certain energy conserving projects and at this time there is

no other project known which could be practically implemented. The subsidized cost coupled with the strong ROI make this project a must do.

Proposed funding source: *WPCF Capital Stabilization and/or Retained earnings*

6. WPCF Replacement of Primary Sludge Pump #2- \$40,000 (\$35,000 plus \$5,000 contingency. \$15,439.53 to come from prior appropriation of the same purpose, article 19 of 5/7/16 ATM)

Replace existing sludge pump with a new unit. The existing pump is 39 years old and has been maintained in working order far past the expected lifetime of 20 years. Existing pump requires high level of maintenance from staff and new pump technology does not require the same amount of maintenance.

*Capital Improvements Committee grade: **Recommend***

Service Interruption: Lacking a backup pump in working order, if the pumps were to fail, it would cause a disruption to the plant process and threaten the plant's ability to maintain operations and regulatory compliance.

Cost Avoidance: Replacing the primary sludge pump #2 now will reduce the time spent by staff servicing and maintaining the pump.

Proposed funding source: *WPCF Capital Stabilization and/or Retained earnings*

Jen Audley observed that the combined balance of WPCF Capital Stabilization and retained earnings might fall short of the total amount requested by the WPCF for capital articles. Will confer with Carolyn Olsen about options. Steve Ellis noted that the WPCF will be able to certify an additional \$300,000 in sewer user fees owed by Southworth, recently paid by new owner, prior to when sewer rates are set for FY21. This will replenish retained earnings and could be allocated to replenish WPCF Capital Stabilization.

7. GMRSD Hillcrest Facade repair and Roof Project- \$60,000 (\$49,500 facade repair, \$6,000 roof repairs, \$4,500 contingency)

Repair the brick facade at Hillcrest Elementary School and roof repair. The brick facade is crumbling in several areas near windows and outside corners. Bricks are cracking and mortar is deteriorating which allow water to penetrate the facade where it then freezes and causes further damage. Also there are numerous problem areas with the aging rubber roof which require significant investigation followed by repairs.

Additional discussion: These projects were described as the “first band aid” in what is expected to be a series of requests. Expect this building will need additional work in FY22.

*Capital Improvements Committee grade: **Recommend***

Public Safety: The bricks that comprise the facade are becoming loose and will soon pose a threat to public safety if left unrepaired.

Cost Avoidance: The Town can expect compounding damages to the building if repairs to the facade are not initiated soon. The goal is to stave off a roof project which would be in the million dollar range.

Proposed funding source: *Free Cash or Town Capital Stabilization*

8. GMRSD Admin Building Masonry Wrap and Entry Canopy - \$50,000 (\$40,500 Masonry Wrap, \$6,500 Canopy, \$3,000 Contingency)

Repair and clad the concrete skirt that wraps the admin building and replace rotted upper trim of the side entrance canopy of the admin building. The protective steel-reinforced concrete skirt which wraps around the admin building approximately six feet above grade is failing. Numerous sections of the skirt have large cracks and in some instances the concrete is pulling away from the building, allowing water to flow into the space, where it can freeze and cause further damage. The same issue is happening with the masonry window sills on the admin building. The loose masonry would be stabilized and then both the skirt and the sills would be wrapped in decorative aluminum and sealed to prevent further damage. This is thought to be a more economical solution to the problem rather than replacing all damaged masonry. This method also provides preventative measures which will help ensure that no more of the aging concrete can split and crack due to freezing water. The canopy which serves the side entrance of the building needs upper trim repair, some areas are rotten and are letting water penetrate the roof structure.

Capital Improvements Committee grade: **Recommend with Reservations**. Reservations reflect uncertainty regarding long term adhesion of the lower edges of the flashing to the building. The CIC believes this project can be a cost effective approach to a necessary project but requests that the GMRSD allows the CIC to review and have input to the bid specifications before procurement.

Cost Avoidance: The Town can expect further deterioration and compounding damage to the building if repairs to the masonry and roof are not initiated soon.

Proposed funding source: *Free Cash or Town Capital Stabilization*

9. GMRSD Sheffield Dividing Wall- \$20,000 (NON-Capital Request)

Divide the large library in Sheffield into two rooms to provide more instructional space. The large library is being underutilized and a dividing wall is proposed to create much needed space. Electrical and Fire Alarm/Egress modifications will be needed to complete the project and those costs are included in the request. The new private instructional space would be a 46 foot by 23 foot room. The remaining room would remain library space.

Additional discussion: Question raised by Rich Kuklewicz regarding why this isn't being paid for by the school. Steve Ellis named the Colle Building, the town-owned Hillcrest and Sheffield/Central Office school buildings and the Shea Theater as examples of town-owned building that are leased by non-town entities and suggested that the public use of / access to the building factor into decision about which entity bears the cost of building improvements.

Capital Improvements Committee grade: **Recommend**

Other: With the current library being underutilized and Sheffield being as full as it is, this would seem to be an affordable way to expand the instructional space within the building envelope.

Proposed funding source: *Taxation*

10. GMRSD TFHS/GFMS Tennis Court Resurfacing- \$60,000

Resurface all tennis courts at the TFHS so they are smooth, solid playing surfaces.

Approximately 400 feet of cracks will be repaired followed by the application of three coats of filler/primer and a final surface coat. New posts are to be installed on the doubles court. The MIAA has advised that the defects in the court will become an issue in future seasons and may jeopardize the tennis team's ability to host home matches.

*Capital Improvements Committee grade: **Recommend***

Additional Discussion: Question (1) asked by Jen Audley regarding whether or not the school should be including this in their budget, as it is a recurring maintenance cost. Greg Garrison spoke to this issue- The condition of the tennis court reflects deferred maintenance, with routine care by the school there should not be the need for future requests of this magnitude. It was also noted that the new property manager at the school seems well qualified to stay on top of maintenance and has worked well with the town.

Question 2 about the Town of Gill's portion (%). The article will be changed to reflect the proportional cost sharing. The new amount for Montague to be \$55,620 (and for Gill to be \$4,380).

Service Interruption: Without the repair and resurfacing of the tennis courts the MIAA will exclude TFHS from hosting tennis matches, jeopardizing the continuation of the team

Cost Avoidance: Left untreated, the tennis courts may face more serious repair interventions like re -milling or replacement

Proposed funding source: *Free Cash or Town Capital Stabilization or GMRSD Stabilization*

11. GMRSD Building Assessment- \$21,953 (\$7,500 each for Sheffield, Hillcrest. TFHS \$6,953 - 92.7%)

Supplement the districts capital plan with an official facility assessment study of the buildings owned and leased by the school district to help create an action plan for required repairs and improvements. The intent is to provide both GMRSD and the Town with a 15 year action plan that will address any required repairs identified or undertake any improvements that will extend the useful life of the buildings.

*Capital Improvements Committee grade: **Recommend***

Cost avoidance: Achieving a better understanding of the current state of the school buildings and their various components and systems will enable the Town and the School District to make repairs and improvements in a timely fashion and hopefully prevent small issues from becoming larger ones.

Proposed funding source: *Taxation*

7:30 Withdrawn Articles

- **Library**

Carnegie Basement Rehab- \$110,000

No certainty of scope of project until architectural study is completed

- **Library**

Montague Center Window Replacement- \$160,000

Uncertainty as to whether this is the required solution. Alternative ideas are being considered.

- **Selectboard**

Town Hall Carpeting- \$25,000

Withdrawn due to asbestos tile being found under carpet.

- **WPCF**

Montague Center Pump Station Rehab- \$150,000)

Project may require an engineering assessment. Multi-dimensional project not fully scoped as of yet.

- **WPCF**

Septage System Upgrade- \$150,000

Project benefits the treatment process but has no clear ROI.

- **WPCF**

Disinfection System Upgrade- \$250,000

DEP requires action to be taken to bring the system into compliance. Need engineering specs and cost estimate.

- **WPCF**

Main Sewer Line Replacement-(line from TF, CSO related) \$500,000

Need updated quote. Project requires debt and may best be done as a larger and integrated upgrade.

- **WPCF**

Primary Effluent Pump Replacement- \$600,000

Need updated quote. Project requires debt and may best better as a larger, integrated upgrade.

- **GMRSD**

Tractor- \$48,000

GMRSD supporting through operating budget

- **GMRSD**

Hillcrest Bathroom Plumbing Upgrades- \$100,000

Need quote for comprehensive project complete with specs.

Additional Comments Relative to Withdrawn WPCF Articles

The capital improvements committee met with members of the Water Pollution Control Facility (WPCF) on several occasions. During those meetings a number of plant improvement requests were presented by the administrators of the WPCF. The requested improvements will allow the plant to meet its regulatory requirements, reduce maintenance costs and keep the plant operating efficiently. These improvements total over 1.7 million dollars. During this cycle the capital improvements committee only recommended three separate projects totaling \$275,000. This leaves 1.5 million in unaddressed capital needs.

The WPCF remains one of the town's greatest challenges. Its services are used by the majority of the town's residents and all of the businesses. Many of the requested improvements have been pushed back year over year and are reaching the point where no option will be left but to complete them. Although the CIC role is to review, deliberate and select for recommendation capital improvement request — we always do so under the parameters of available funds. With the WPCF we are aware that the funds are not there.

The plant is currently carrying debt that is 30% of its operating expense. For every \$50,000 in increased operating expense, sewer user rates will have to be increased 2% - 3%. Although sewer user fees are escalating in many neighboring towns, Montague's is still currently one of the highest. Further increasing the fees will only have a negative effect on future growth. These fiscal realities make addressing these issues even more difficult.

Members of the committee felt it was important to highlight our concerns regarding the WPCF in our annual report to the finance committee. We believe that the failure to start seeking solutions outside of standard sewer rate fees and debt for the WPCF could result in fines, costly actions and rapidly increasing sewer user fees.

7:35 Discussion: Capital Planning process, steps, and timeline

Josh Lively spoke about The CIC plans for the next year, which include: Updating the capital plan with information from building assessments, etc., and the CIC doing building assessments of some town-owned buildings. This will require holding some CIC meetings "on site" at town-owned building.

7:45 Capital Improvement Committee adjourned by Josh Lively

7:45 Schedule III Budget review of: 840 Intergovernmental, 910 Employee Benefits 946 General Insurance, and 228-183 Colle

No comments or discussion on said items

7:47 Estimated FY21 Expenditures preliminary total; Options for balancing

Jen Audley noted that according to the latest budget file provided by Town Accountant, Estimated Uses for FY21 total \$23,156,002, which is \$42,763 more than Estimated Revenue. Options for balancing were discussed on March 4; committee members should submit any additional proposals through Carolyn Olsen and prepare to make a decision on March 25.

7:49 #8 Topics and Actions Planned for late March and April

The current budget calendar shows voting on Schedules I and II, policy actions, and final recommendations to balance operating budgets next week on March 25th. Jen Audley proposed that the committee aim to vote its recommendations on Schedule III, Schedule IV, Airport, GMRSD, FCTS and on special articles on March 25th, as this would finalize the FY21 budget that will be proposed to Town Meeting and leave the Finance Committee to focus on creating its Report to Town Meeting in April. There was

general support for this proposal. John Hanold suggested that “non-controversial” items should be easy to dispatch on March 25.

7:51 #9 Requests for future agendas

John Hanold brought up the possibility of Departments needing more money in FY20 in order to meet social isolation requirements (due to Covid-19 crises). Rich Kuklewicz felt they may need to be looking into improving technology. Steve Ellis described efforts underway to support more town staff working remotely and noted that there may also be impacts on revenue (personal, business and town). This general topic will be discussed at future meetings, but no specific items added at this time.

8:00 #10 Topics not anticipated within the 48 hour posting requirements

A) Jen Audley encourages people to submit comments on MA Bill H4572 which will address challenges in town governance resulting from COVID-19. Hearing scheduled for 03/19/2020 from 12:01 PM-12:02 PM. Send comments to Becca Rausch (senate chair of Joint Municipalities and Regional Government Committee).

B) Steve Ellis spoke about a new Covid19 page on the Town Website which provides links about economic assistance and services for residents.

Upcoming Finance Committee Meeting Dates March 25; April 1, 8, and 15

8:05 Motion to Adjourn - Jen Audley for Finance Committee, Rich Kuklewicz for Select Board

List of Documents and Exhibits:

- Minutes of March 4, 2020
- Capital Improvements Committee Report
- Budget Requests from departments on agenda
- FY21 Budget Schedule
- Meeting materials packet is here: https://www.montague-ma.gov/files/Finance_Committee_2020-03-18_Packet.pdf

Respectfully submitted by David Harmon

Finance Committee Moved:

To approve the minutes of February 12, 2020.

Vote: ___ In Favor 0 Opposed 0 Abstained

Finance Committee Moved:

To approve the minutes of March 18, 2020.

Vote: ___ In Favor 0 Opposed 0 Abstained

Selectboard Moved:

To approve the minutes of February 12, 2020.

Vote: ___ In Favor 0 Opposed 0 Abstained

Selectboard Moved:

To approve the minutes of March 18, 2020.

Vote: ___ In Favor 0 Opposed 0 Abstained

Capital Improvements Committee Moved:

To approve the minutes of March 18, 2020.

Vote: ___ In Favor 0 Opposed 0 Abstained

#7 Plan for Writing Finance Committee Report to Town Meeting

The remaining three weeks will be used for creating and approving the Finance Committee Report to Town Meeting.

#8 Requests for future agendas

#9 Topics not anticipated within the 48 hour posting requirements

#10 Motion to Adjourn

Upcoming Finance Committee Meeting Dates April 1, 8, and 15

List of Documents and Exhibits:

- Minutes of February 12, 2020
- Minutes of March 18, 2020

Respectfully submitted by David Harmon