

MONTAGUE SELECTBOARD MEETING

VIA ZOOM

Monday, February 10, 2025

AGENDA

Join Zoom Meeting <https://us02web.zoom.us/j/83717249502>

Meeting ID: 837 1724 9502 Passcode: 466330 Dial into meeting: +1 646 558 8656

Topics may start earlier than specified, unless there is a hearing scheduled

Meeting Being Taped

Votes May Be Taken

1. 6:00PM Selectboard Chair opens the meeting, including announcing that the meeting is being recorded and roll call taken
2. 6:00 Approve Minutes: Selectboard Meeting February 3, 2025, if available
3. 6:00 Public Comment Period: Individuals will be limited to two (2) minutes each and the Selectboard will strictly adhere to time allotted for public comment
4. 6:02 **Chelsey Little, Sewer Commissioners**
 - Rich Earth Institute urine recycling program collaboration
 - Millers Falls average flow update
 - Monthly Summary for January 2025
5. 6:10 **FY26 Budget Recommendations**
6. 6:30 **Personnel Board**
 - Accept Letter of Resignation from Jo-Anne Prescott from Cemetery Commission effective January 31, 2025
 - Appoint James Simpson to Cemetery Commission effective February 11, 2025, for a 1-year term ending June 30, 2025
 - Treasurer/Collector Position: transition from elected to appointed office
7. 6:40 **Assistant Town Administrator's Business**
 - Authorize Contract with Voltrek, LLC for Electric Vehicle Charging Station network and maintenance services. Contract value is \$7,400.00 to be funded by FY25 appropriation for Charging Station electricity and network service fees
 - Strathmore Ped Bridge and Demo project updates
8. 6:50 **Town Administrator's Business**
 - Authorize Town Admin to submit comments to MassDEP on draft 401 Water Quality Certificate
 - FY24 Financial Audit Governance Letter
 - Analysis of HERO Act optional exemption clauses

Next Meeting:

- Selectboard, Monday, February 24, 2025, at 6:30PM via ZOOM.

Montague Discharge Summary January 2025

Parameter	Permit Required Limitation	Result
Flow	1.83 MGD (Average Monthly)	0.511
BOD mg/L	30 mg/L (Average Monthly Max)	15.1
BOD % Removal	>/= 85.0% (Average Monthly)	93.1%
TSS mg/L	30 mg/L (Average Monthly Max)	13.2
TSS % Removal	>/= 85.0% (Average Monthly)	95.6%
pH Low	6.0 SU (Daily)	6.42
pH High	8.3 SU (Daily)	7.50
<i>E. coli</i> (Daily)	409.0 MPN (Daily Max)	N/A
<i>E. coli</i> (Rolling)	126.0 MPN (Geomean Average)	N/A
Total Chlorine	1.0 mg/L (Daily Max)	N/A
Total Nitrogen	153 lbs/day (Average Monthly Max)	32.5

MGD=Millions of Gallons per Day (standard water/wastewater flow measurement)

BOD=Biochemical Oxygen Demand

TSS= Total Suspended Solids

pH= potential hydrogen (acid/base scale)

SU= Standard Units

mg/L= milligram per liter

MPN= Most Probable Number

lbs=unit of measure for loading calculations

*Note: Summary subject to change pending final data review and submittal to EPA/DEP

DOC	FY2026 BUDGET SUMMARY	29,974,717	FY24 Budget	FY25 Budget	FY26 Requested	FY26 BOS	Source Taxation	Free Cash	Available Funds	Sewer Fees	Airport Fees
		Excess Capacity			Level Services (1,149,544)	Recommend (1,094,528)					
SOURCES											
	NET LEVY		21,596,879	22,222,502	23,138,216	23,193,232	23,193,232				
	STATE AID (NET OF CHARGES)		1,914,986	2,085,265	2,202,926	2,202,926	2,202,926				
	LOCAL RECEIPTS		1,943,490	1,859,096	1,930,969	1,930,969	1,930,969				
	FREE CASH		-	-	-	-	-				
OTHER AVAILABLE FUNDS											
	Sp Article Balances		12,099	-	-	-	-				
	Transportation Infrastructure RRA		7	-	-	-	-				
	Reserve for Excluded Debt		-	487	-	-	-				
	Overlay Surplus		-	-	-	-	-				
	Colle Receipts Reserved for Appropriation		53,250	52,250	52,250	52,250			52,250		
	Sale of Real Estate		-	26,041	23,372	23,372			23,372		
	FREE CASH FOR SPECIAL ARTICLES		2,180,701	314,000	30,000	30,000		30,000			
	TOWN CAPITAL STABILIZATION		100,000	228,500	-	-					
	TOWN STABILIZATION		-	-	-	-					
	FCTS STABILIZATION		-	-	-	-					
	GMRSD STABILIZATION		-	-	-	-					
	CWF CAPITAL STABILIZATION		-	-	-	-					
	CANNABIS IMPACT STABILIZATION		-	-	-	-					
	BORROWING IN ANTICIPATION OF GRANTS		-	-	-	-					
	TOWN BORROWING		-	836,500	-	-					
	CWF BORROWING		-	283,800	-	-					
	CWF RETAINED EARNINGS		352,364	-	13,000	13,000				13,000	
	CWF USER FEES		2,719,224	2,759,825	2,814,842	2,814,842				2,814,842	
	AIRPORT USER FEES		426,965	286,043	302,964	302,964					302,964
	TOTAL ESTIMATED SOURCES		31,299,965	30,954,309	30,508,539	30,563,555	27,327,127	30,000	75,622	2,827,842	302,964
	GENERAL FUND SOURCES - NET OF BORROWING, TFHS DEBT BALANCE, CWF, AIRPORT, COLLE				27,325,483						
			FY24 Budget	FY25 Budget	FY26 Requested	FY26 BOS					
GENERAL GOVERNMENT											
	113 TOWN MEETING		2,980	3,180	3,180	3,180					
	122 SELECTBOARD		330,581	326,230	324,662	324,662					
	131 FINANCE COMMITTEE		2,000	600	600	600					
	132 RESERVE FUND		50,000	50,000	50,000	50,000					
	135 TOWN ACCOUNTANT		90,500	93,000	95,044	98,644					
	141 ASSESSORS		189,801	186,059	180,122	180,122					
	145 TREASURER/COLLECTOR		231,048	206,965	208,335	208,335					
	151 TOWN COUNSEL		80,000	87,475	82,475	82,475					
	153 INFORMATION TECHNOLOGY		80,500	92,252	103,352	103,352					
	159 SHARED COSTS		85,907	93,499	112,430	104,930					mid year implementation of new payroll software
	161 TOWN CLERK		243,041	237,224	219,144	219,144					
	175 PLANNING		134,429	140,788	142,394	142,394					
	176 ZONING BOARD OF APPEALS		700	700	700	700					
	190 PUBLIC BLDG UTILITIES		155,932	140,050	145,000	145,000					
	197 FARMERS MARKET		1,000	5,200	5,700	5,700					
	TOTAL GENERAL GOVERNMENT		1,678,419	1,663,222	1,673,138	1,669,238					
PUBLIC SAFETY											
	211 POLICE		1,970,054	2,067,608	2,069,965	2,069,965					
	211 POLICE CRUISER		68,100	60,000	-	-					
	212 DISPATCH		395,588	410,768	410,868	410,868					
	241 BUILDING INSPECTOR		148,621	155,082	149,926	149,926					
	244 SEALER OF WEIGHTS		7,182	7,182	7,182	7,182					
	291 EMERGENCY MANAGEMENT		6,265	6,944	6,944	6,944					
	292 ANIMAL CONTROL		23,112	23,658	23,858	23,858					
	294 FOREST WARDEN		1,710	1,882	1,882	1,882					
	299 TREE WARDEN		30,285	30,474	30,474	30,474					
	TOTAL PUBLIC SAFETY		2,650,917	2,763,598	2,701,099	2,701,099					
PUBLIC WORKS											
	420 DEPT OF PUBLIC WORKS		1,747,506	1,772,006	1,823,964	1,807,964					hold off on Ave A planter maintenance budget expansi
	DPW CAPITAL LEASE		-	-	-	-					
	423 SNOW & ICE		311,250	321,250	324,750	324,750					
	433 SOLID WASTE		679,221	802,776	835,300	835,300					
	480 CHARGING STATIONS		7,380	11,980	3,000	3,000					reduced to reflect new electricity rate
	491 CEMETERIES		30,150	32,150	32,150	32,150					
	TOTAL PUBLIC WORKS		2,775,507	2,940,162	3,019,164	3,003,164					
HUMAN SERVICES											
	511 BOARD OF HEALTH		175,444	168,004	172,144	172,144					
	541 COUNCIL ON AGING		58,593	59,272	77,207	77,207					
	543 VETERANS' SERVICES		76,500	77,897	101,000	101,000					
	TOTAL HUMAN SERVICES		310,537	305,173	350,351	350,351					
CULTURE & RECREATION											
	610 LIBRARIES		503,336	518,233	549,735	526,136					no Adult Services position expansion
	630 PARKS & RECREATION		160,703	164,826	169,326	169,326					
	651 HISTORICAL COMMISSION		500	500	500	500					
	683 WAR MEMORIALS		1,600	1,600	1,600	1,600					
	TOTAL CULTURE & RECREATION		666,139	685,159	721,161	697,562					
DEBT SERVICE											
	700 DEBT SERVICE		1,154,319	1,158,857	1,160,025	1,160,025					
INTERGOVERNMENTAL											
	840 INTERGOVERNMENTAL		113,924	116,874	119,041	119,041					
MISCELLANEOUS											
	910 EMPLOYEE BENEFITS		2,490,334	2,657,083	2,927,047	2,927,047					
	945 GENERAL INSURANCE		120,600	119,600	119,600	119,600					
	TOTAL MISCELLANEOUS		2,610,934	2,776,683	3,046,647	3,046,647					
	GRAND TOTAL GENERAL FUND		11,960,696	12,409,728	12,790,626	12,747,127	12,747,127				
	GF Change		10.5%	3.8%	3.1%						
CLEAN WATER FACILITY											
	440 CLEAN WATER FACILITY		2,015,729	2,116,590	2,209,169	2,209,169					
	CWF CAPITAL OUTLAY		58,500	58,500	58,500	58,500					
	449 DPW SUBSIDIARY		84,650	85,150	85,150	85,150					
	700 CWF DEBT		483,614	478,365	485,028	485,028					
	910 CWF EMPLOYEE BENEFITS		363,631	380,719	383,183	383,183					
	TOTAL CWF		3,006,124	3,119,324	3,221,030	3,221,030	406,188			2,814,842	
	482 AIRPORT		284,915	255,238	271,625	271,625	99,396		23,372		302,964
	700 AIRPORT DEBT		101,535	102,775	99,935	99,935					
	910 AIRPORT EMPLOYEE BENEFITS		40,515	61,664	54,172	54,172					
	TOTAL AIRPORT		426,965	419,677	425,732	425,732	99,396		23,372		302,964
300 EDUCATION											
	FCTS		1,053,018	837,356	917,650	917,650					
	GMRSD		11,809,191	12,143,442	12,636,466	12,663,178	12,663,178				
	TOTAL EDUCATION		12,862,209	12,980,798	13,554,145	13,580,828	13,580,828				
	RAISE DEBT SERVICE DEFICIT										
	GRAND TOTAL		28,255,994	28,929,527	29,991,533	29,974,717	26,833,539		23,372	2,814,842	302,964

FY2026 BUDGET SUMMARY		FY24	FY25	FY26	FY26	Source	Free Cash	Available	Sewer	Airport
29,974,717		Budget	Budget	Requested	BOS	Taxation		Funds	Fees	Fees
Excess Capacity				Level Services	Recommend					
				(1,149,544)	(1,094,528)					
PLUS SPECIAL ARTICLES/NEW REQUESTS		FY24	FY25	FY26	FY26					
Policy: Taxation transfer to FCTS Stabilization										
SPECIAL ARTICLES										
Operating Appropriation to OPEB		50,000	50,000	50,000	50,000	50,000				
Add'l Appropriation to OPEB										
Operating Appropriation to CI Stab		47,099	46,761	49,664	49,664	49,664				
Operating Appropriation to Town Gen Stab		37,388	-	74,496	-	-				
Add'l Approp to Town GSF to meet minimum				(47,148)						
Add'l Approp to FCTS Stab per policy		21,940	-	-	-	-				
50% Kearsarge Lease - 49.5 % to GM Stab		41,339	34,323	38,718	38,718	38,718				
50% Kearsarge Lease - 51.5 % to Town Cap Stab		43,896	36,446	41,113	41,113	41,113				
50% Kearsarge Lease - 51.5 % to Town Cap Stab		43,896	36,446	41,113	41,113	41,113				
Add'l to Town Cap Stab										
Add to CWF Capital Stabilization Fund										
Add to Conservation Fund		10,000	10,000	10,000	10,000	10,000				
Smith VoTech Tuition and Transportation		36,000	36,000	59,000	59,000	59,000				
DPW Discretionary based on balance end of March		70,592	64,218	40,000	15,000	15,000				top off account at \$75K instead of 100K
Network Equipment				20,000	20,000		20,000			
Library Accessibility/Upgrades				10,000	10,000		10,000			
Colle RRA		53,250	52,250	52,250	52,250			52,250		
Add'l amts for Pay & Class Implementation				200,000	200,000	187,000				13,000
Overlay Surplus to OPEB		250,000	-	-	-	-				
Free Cash to Reserves		2,000,000	-	-	-	-				
Total Special Articles		3,298,085	2,069,646	639,206	586,858	491,608	30,000	52,250	13,000	-
TOTAL ESTIMATED USES		31,554,079	30,999,173	30,630,739	30,561,575	27,325,147	30,000	75,622	2,827,842	302,964
SUMMARY										
TOTAL ESTIMATED SOURCES		31,299,965	30,954,309	30,508,539	30,563,555	27,327,127	30,000	75,622	2,827,842	302,964
TOTAL ESTIMATED USES		(31,554,079)	(30,999,173)	(30,630,739)	(30,561,575)	(27,325,147)	(30,000)	(75,622)	(2,827,842)	(302,964)
ESTIMATED SHORTFALL		(254,114)	(44,864)	(122,200)	1,980	1,980	-	-	-	-

February 5, 2025

Town of Montague Selectboard
c/o Wendy Bogusz
1 Avenue A
Turners Falls, MA 01376

Dear Select-board,

I am writing to inform you of my resignation from the Montague Cemetery Commission effective January 31, 2025.

I am saddened by having to do this but my health challenges have made it a requirement. I will miss all the wonderful people I have worked with and wish them only the best in the much needed work and dedication they provide.

It has been my pleasure to have been a part of this committed group who care for our area ancestors' resting places. They do it with much devotion, respect, and love.

The town of Montague is fortunate to have these passionate volunteers doing this work for our community.

Sincerely,



Jo-Ann Prescott
1 Clark Ave
Turners Falls

January 21, 2025

Town of Montague Selectboard
c/o Wendy Bogusz
1 Avenue A
Turners Falls, MA 01376

Dear Selectboard,

My name is Jamie Simpson and I am writing you to announce my intent to join the Montague Cemetery Commission.

I have always found peace and respite in cemeteries: green spaces where our bodies can rest after passing through this life. As I travel further through my own time on this earth, I recognize cemeteries as sacred and essential to our communities, both for the dead and the living: places to mourn and celebrate, to rest, reflect and remember. Everyone deserves to have and have access to these sacred spaces, and I'd like to help as I can to ensure they remain so for generations to come.

I wish to participate in serving on the Montague Cemetery Commission.

Thank you for your consideration.

Sincerely,

Jamie (James) Simpson
55 11th Street
Montague, MA 01376-1030

February 4, 2025

Town of Montague Selectboard
c/o Wendy Bogusz
1 Avenue A
Turners Falls, MA 01376

Dear Members of the Selectboard,

With the resignation of Montague Cemetery Commission member, Jo-Anne Prescott, we have a vacancy on our 5 member commission.

I am writing to recommend the appointment of Jamie Simpson to the Montague Cemetery Commission. Jamie has been a volunteer with the commission for the past 10 months. He is reliable, consistent and dedicated to the work and mission of the commission. He will be a valuable contributor to our efforts.

Sincerely,

Judith Lorei
Chair, Montague Cemetery Commission

Name: SIMPSON, JAMES

MONTAGUE APPOINTED OFFICIAL

NAME: JAMES SIMPSON

DATE: February 10, 2025

COMMITTEE: Cemetery Commission

TERM: 1 Year

TERM EXPIRATION: 6-20-2025

SELECTBOARD, TOWN OF MONTAGUE

TERM STARTS: 2-11-25

Richard Kuklewicz

Matt Lord

Chris Boutwell

James Simpson personally appeared and made oath that he/she would faithfully and impartially perform his/her duty as a member of the Cemetery Commission according to the foregoing appointment.

Received _____ and entered in the records of the Town of Montague.

MONTAGUE TOWN CLERK

This is to acknowledge that I have received a copy of Chapter 30A, Sections 18 - 25, of the General Laws, the Open Meeting law.

APPOINTED OFFICIAL

***If you choose to resign from your appointed position during your term, you must notify the Town Clerk in writing before such action takes effect.



Created by:

Ellen Ruddy
Manager of Customer Success
280 Merrimack St. SE 554
Lawrence, MA 01843
(978) 529-3901
eruddy@voltrek.com

Prepared for:

Chris Nolan
Assistant Town Administrator
Town of Montague
1 Avenue A Turners Falls Massachusetts
RE: Town of Montague Network & Assure Renewal
2025 3ys.
Town of Montague ORG ID: ORG20219

Voltrek is an Orion Energy Systems Company, specializing in planning, installing, and servicing commercial charging station projects. We have been in business for 14 years and offer a full scope of turnkey services to meet your EV Charger needs. Voltrek is on the Commonwealth of Massachusetts OSD contract VEH102.

Scope

Voltrek is pleased to provide the following quote to renew current subscriptions that will expire on 2/12/2025. Current Station and EXP details are listed in the table below. This 5-year renewal will make your new expiration date 2/12/2028 for both Network Services and Assure on your 2 stations.

Station list and Warranty Exp Dates

Display Name	Model	Location	# of Ports	Station S/N	Network EXP	Assure EXP
MONTAGUE / SECOND ST	CT4020	34 2nd St	2	233041160193	2/12/25	2/12/25
MONTAGUE / SIXTH ST	CT4020	33 6 St	2	230741029545	2/12/25	2/12/25

Item	Price	Qty.	Subtotal
CPCLD-COMMERCIAL-REN-3 3 yr Prepaid Renewal of Commercial Cloud Plan subscription with all existing station management features. Pricing is Per Port	\$1,040.00	4	\$4,160.00
CT4000-ASSURE-REN-3 3 yr Prepaid Renewal of ChargePoint Assure for CT4000 stations. Includes Parts and Labor Warranty. Pricing is per station.	\$1,620.00	2	\$3,240.00

Subtotal \$7,400.00

Taxes to be Calculated Upon Invoice \$0.00

Total \$7,400.00

Terms

1. Absolute Total of this renewal is Network Term + Assure Term
2. All invoices are: Net 30 days or prepaid.
3. Prices do not include tax where applicable.
4. Purchaser confirms that the shipping and billing information provided in the Quotation is accurate for Voltrek's shipping and invoicing purposes.
5. Customer to be invoiced at time of shipment.
6. Quote is valid for 90 days.

NAME:

DATE:

SIGNATURE:

Thank you for your business

Sincerely,

Ellen Ruddy
Manager of Customer Success
280 Merrimack St. SE 554
Lawrence, MA 01843
(978) 529-3901
eruddy@voltrek.com

NEW Invoice and Payment Remittance Address:

Orion Energy Systems, Inc.

DBA Voltrek

Attn: Credit Department (for payments)

Attn: AP (for Invoices)

2210 Woodland Drive Manitowoc, WI 54220

Billing Info:

Billing Contact Name (This can be a person or a billing department):

Walter Ramsey

Billing Email:

assistant.townadmin@montague-ma.gov

Billing Phone:

(413)863-3200

Bill to Address:

Town of Montague

1 Avenue A

Turners Falls

Massachusetts

01376

Will you be issuing a PO?

Do you have special Billing Instructions? (EX: upload to a third party system etc.)?

Are you Tax Exempt

I have verified the above information is correct?



February 4, 2025

To the Select Board
Town of Montague, Massachusetts

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Montague, Massachusetts (the Town) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and OMB Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. Professional standards require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and OMB Uniform Guidance

As stated in our engagement letter dated May 20, 2024, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the Town's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the Town's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Town's compliance with those requirements.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to RSI, which supplements the basic financial statements, was to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We also communicate any internal control related matters that are required to be communicated under professional standards.

We have identified management override of controls as a significant risk of material misstatement as part of our audit planning.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2024. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Town's financial statements were:

- Fair value of investments.
- Estimated lives and depreciation methods for depreciable assets.
- Net pension liability and related deferred outflows and inflows, and allocation.
- Net OPEB liability and related deferred outflows and inflows, and allocation.

Management's estimate of the above are based on various criteria. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We noted that disclosures related to the net pension liability and related deferred outflows and inflows, as well as the net OPEB liability and related deferred outflows and inflows are sensitive disclosures affecting the Town's financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Independence

During the year ended June 30, 2024, we were engaged to prepare the government-wide financial statements by consolidating various funds into governmental activities and business-type activities, converting to the modified accrual and accrual basis of accounting, and recording all long-term assets, long-term liabilities, and net position classifications based on information from the Town's accounting records. In addition, we assisted with the allocation of employee benefits on the Statement of Activities, allocation of net pension liability and net OPEB liability by opinion unit, and helped prepare the Data Collection Form (DCF). We reviewed the nature of the requested work, our role and management's role and determined that our independence would not be impaired, in fact or appearance.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There was a material misstatement related to capital asset expenditures in the airport enterprise fund, corrected by management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. There were reclassification adjustments that were made in connection with converting to the modified accrual and accrual basis of accounting. These reclassification adjustments were provided to us.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 4, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle in the Town's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

The following issue was noted during the audit –

Material Weakness in Internal Control Over Financial Reporting

We have also issued our report on internal control over financial reporting dated January 30, 2025, which included the following finding reported as a material weakness in internal controls:

Finding: Correction of an Error - Capital Asset and Unearned Revenue Restatement

Criteria: The Town is responsible for establishing and maintaining effective internal controls over financial reporting to ensure accurate and complete financial statements. The Governmental Accounting Standards Board (GASB) provides the relevant standards for accounting and financial reporting of capital assets.

Condition: During the audit for the fiscal year ended June 30, 2024, the Town determined that an \$885,078 construction in progress asset reported in the prior year in the airport enterprise fund and business-type activities was not a town-owned asset. As a result, the beginning net position and capital assets balances were materially misstated. In addition, revenues received by the Town related to this project were in excess of expenses by \$391,390 and therefore should have been reported as unearned revenues.

Cause: The error occurred due to weaknesses in the Town's internal controls over the recognition and reporting of capital assets and recognizing revenues when expenses occur.

Effect: The misstatement resulted in an overstatement of nonoperating revenues and understatement of capital assets in the prior fiscal year. The correction of this error required a restatement of the Town's beginning net position as of July 1, 2023, as follows:

	Reporting Units Affected by Restatements of Beginning Balances	
	Fund Basis	Government-Wide
	Airport Enterprise Fund	Business-Type Activities
06/30/23, as previously reported	\$ 8,951,777	\$ 14,017,687
Error corrections	(1,276,468)	(1,276,468)
06/30/23, as restated	\$ 7,675,309	\$ 12,741,219

Recommendation: We recommend that the Town strengthen its internal controls over financial reporting by implementing the following measures:

1. Develop and implement detailed procedures for the proper classification and capitalization of capital assets, ensuring compliance with GASB standards.
2. Perform periodic reviews and reconciliations of capital asset records to identify and correct any discrepancies in a timely manner.
3. Review revenues and grant agreements and ensure that revenues are recognized when eligibility requirements are met.

Restriction on Use

This information is intended solely for the information and use of those charged with governance and management of the Town and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Marcum LLP

Marcum LLP
Greenfield, MA



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

Marcum LLP
Accountants & Advisors
101 Munson Street, Suite 120
Greenfield, MA 01301

This representation letter is provided in connection with your audit of the financial statements of the Town of Montague, Massachusetts (the Town), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2024 (except for the Montague Contributory Retirement System, which is as of and for the year ended December 31, 2023), and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 20, 2024 including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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Page 2

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
8. The effects of uncorrected misstatements and disclosures are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
9. We have reviewed and approved the various journal entries (adjusting and reclassifying) that were proposed by you for recording in our books and records and reflected in the financial statement.
10. We have reviewed, approved, and taken responsibility for accrual adjustments and an acknowledgment of the auditors' role in the preparation of the adjustments.
11. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
12. Guarantees, whether written or oral, under which the Town is contingently liable, if any, have been properly recorded or disclosed.
13. We have made available to you:
 - a. All information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters [and all audit or relevant monitoring reports, if any, received from funding sources].
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within Town from whom you determined it necessary to obtain audit evidence.
 - d. All minutes of the meetings of the Selectboard or summaries of actions of recent meetings for which minutes have not yet been prepared.

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Page 3

14. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
15. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
16. We have no knowledge of any fraud or suspected fraud that affects the Town and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
17. We have no knowledge of any allegations of fraud or suspected fraud affecting the Town's financial statements communicated by employees, former employees, regulators, or others.
18. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
19. There are no:
 - a. instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements
 - b. other liabilities or gain or loss contingencies that are required to be accrued or disclosed by ASC 450 "*Contingencies*"
 - c. material transactions that have not been properly recorded in the accounting records underlying the financial statements
 - d. cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements
20. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with ASC 450 "*Contingencies*". We have disclosed to you all attorneys that have been consulted concerning litigation, claims or assessments and we are not aware of any pending or threatened litigation, claims or assessments or unasserted claims that are required to be accrued or disclosed in accordance with ASC 450 "*Contingencies*".
21. We have disclosed to you the identity of the Town's related parties and all the related party relationships and transactions of which we are aware.
22. There have been no communications, whether written or oral, nor have there been inquiries from any governmental or regulatory agencies concerning noncompliance with, or deficiencies in, applicable law or financial reporting practices nor any other matters.

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Page 4

23. We have a process to track the status of audit findings and recommendations.
24. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
25. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
26. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
27. The Town has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
28. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
29. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
30. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
31. As part of your audit, you assisted with preparation of the financial statements and related notes, converting to the accrual basis of accounting based on information from our accounting records, and preparation of the Data Collection Form. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
32. The Town has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
33. The Town has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
34. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

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Page 5

35. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
36. The financial statements include all fiduciary activities required by GASBS No. 84 , as amended
37. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34 as amended.
38. All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
39. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
40. Investments are properly valued.
41. Provisions for uncollectible receivables have been properly identified and recorded.
42. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
43. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
44. Tax-exempt bonds issued have retained their tax-exempt status.
45. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
46. Deposits and investment are properly classified as to risk and are properly disclosed.
47. Capital assets are properly capitalized, reported, and, if applicable, depreciated.
48. We have appropriately disclosed the Town's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
49. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

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Page 6

50. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
51. We have approved the actuarial methods and assumptions used by the actuary for the development of the funding valuation as well as the accounting valuation for determining the net pension liability as of the December 31, 2023 measurement date. We have no knowledge or belief that such methods or assumptions are inappropriate in the circumstances. We did not give any instructions, nor cause any to be given, to the Plans' actuaries with respect to values or amounts derived, and we are not aware of any matters that have impacted the independence or objectivity of the Plans' actuaries. We have no knowledge of any excluded census data nor have we instructed the actuaries to exclude, or otherwise modify the census data applicable to each of the respective Plans. To our knowledge, the net position available for benefits of the Pension Trusts utilized to determine the net pension liability/asset is properly reported as of the measurement date of December 31, 2023.
52. We agree with the findings of specialists in evaluating the other post-employment benefits liability and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
53. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
54. We are unable to determine the possibility of a withdrawal liability in a multiple-employer benefit plan.
55. We do not plan to make frequent amendments to our pension or other postretirement benefit plans.
56. With respect to federal award programs:
 - a. We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

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Page 7

- a. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- b. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- e. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- f. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- g. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- h. We have complied with the direct and material compliance requirements, including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- i. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- j. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).

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Page 8

- k. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
 - l. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
 - m. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
 - n. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
 - o. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
 - p. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
 - q. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - r. We have charged costs to federal awards in accordance with applicable cost principles.
 - s. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
 - t. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
 - u. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
 - v. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
57. In assessing the appropriateness of the going concern basis for the entity, we have taken account of all relevant information covering a period of at least 12 months from the year end date of the financial statements.

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Page 9

- 58. As disclosed to you, we confirm the Organization has an active cyber insurance policy to help protect the Organization from a potential financial loss derived from a data breach and other cyber security issue.
- 59. Neither the Town nor any of its affiliates have held CBIZ, Inc. (CBZ) securities, including stocks, bonds, notes, options, and other securities that is material to the Town or that allows the Town to exercise significant influence over CBIZ, Inc. for the period(s) under audit through the date of this letter.

Town of Montague, Massachusetts

DocuSigned by:
 Signature: Walter Ramsey
3474CB43BD0B4C0...

Title: Town Administrator

Date: 1/29/2025

Signed by:
 Signature: Angelic Desroches
375BC77EC4BD4EA

Title: Town Accountant

**TOWN OF MONTAGUE
PROPOSED ADJUSTING JOURNAL ENTRIES (PAJE)
FISCAL YEAR 2024 AUDIT**

Note: Accounts in blue font - generic account numbers used

Account	Description	Opinion Unit	Debit	Credit
Proposed Journal Entries JE # 6				
Add Collector's account cash to GL				
001-2-607-0000-000	Deferred Rev Real Estate	GF	185,345.00	
1040	Cash	GF, GW	185,345.00	
1210-000-1220	Real estate receivables	GF, GW		185,345.00
4000	Property tax revenue	GF		185,345.00
Total			<u>370,690.00</u>	<u>370,690.00</u>
Proposed Journal Entries JE # 18				
Record current year accrued interest on long term debt				
5810	Debt service - Interest		57,816.00	
2223	Accrued interest payable			57,816.00
Total		Sewer, BTA	<u>57,816.00</u>	<u>57,816.00</u>
Proposed Journal Entries JE # 16				
Record current year accrued interest on long term debt				
5810	Debt service - Interest		5,622.00	
2223	Accrued interest payable			5,622.00
Total		Airport, BTA	<u>5,622.00</u>	<u>5,622.00</u>
Proposed Journal Entries JE # 27				
Reclass current year lease receivable interest revenue to correct revenue account				
AA10-A-AA10-A4	Public works revenue		107,425.00	
AA10-D-AA10-D5	Investment income			107,425.00
Total		GW	<u>107,425.00</u>	<u>107,425.00</u>

Hero Act Exemption Clauses
Cost Analysis

town chooses rate up to 100%
↓

8C

MGL c 59 §5 Clause 22J

Clause	# applicants	Statutory Amt	Total	Reimbursed	20%	60%	80%	100%
22a-f	37	\$400	\$14,800	8325	17,760	23,680	26,640	29,600
22C	3	\$1,500	\$4,500	3975	5,400	7,200	8,100	9,000
22D (spouse)	5	\$23,056	\$23,056	23056	23,056	23,056	23,056	23,056
22E	20	\$1,000	\$19,500	16500	24,000	32,000	36,000	40,000
	65		\$61,856	\$51,856	\$70,216	\$85,936	\$93,796	\$101,656
Add'l cost:					\$18,360	\$34,080	\$41,940	\$49,800

MGL c 59 §5 Clause 22I

This clause increases veterans exemption by a COLA amount determined annually by the DOR and based on CPI.
i.e. if the CPI increases 4% then the clause 22 exempted amount of \$400 would increase to \$416.00



DLS

DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

Geoffrey E. Snyder
Commissioner of Revenue

Sean R. Cronin
Senior Deputy Commissioner

Bulletin

BUL-2024-5

RECENT LEGISLATION

TO: Local Officials

FROM: Kenneth Woodland, Chief, Municipal Finance Law Bureau

DATE: August 2024

SUBJECT: An Act Honoring, Empowering and Recognizing Our Servicemembers and Veterans (“HERO” Act) Chapter 178 of the Acts 2024.

To keep you informed of legislative developments, the Division of Local Services (“Division”) periodically publishes a **BULLETIN** summarizing new laws that affect municipal budgets and local tax assessment, administration and collection. Each issue usually contains a cumulative summary of session laws enacted to that time and indicates whether the Division has issued any further implementation guidelines. This edition of the **BULLETIN** instead focuses on a recent legislative change affecting municipal finance found in Chapter 178 of the Acts 2024 (hereinafter “Act”), entitled An Act Honoring, Empowering and Recognizing Our Servicemembers and Veterans (“HERO” Act).

These changes provide two new local options that increase certain veteran exemption amounts and changes how to determine eligibility for the motor vehicle exemption for a veteran with a 100% disability rating or is unemployable due to their service-connected disability.

1. Generally, what are the municipal finance related provisions in the “HERO” Act?

Section 23 adds two new veteran property tax exemption clauses, Clauses 22I and 22J, to General Laws, c. 59, §5, which is the statute that establishes local property tax exemptions for individuals and organizations. Additionally, Section 24 changes how eligibility for the motor vehicle exemption for a veteran with a service-connected disability is established under G.L. c. 60A, § 1.

2. When do these provisions go into effect?

As the Act contained a preamble, the Act's effective date is the date it was signed by the Governor – August 8, 2024. However, for exemptions allowed under G.L. c. 59, § 5, the exemption qualifying date is generally July 1. Changes in property tax exemption laws will generally apply prospectively as of the next qualification date after the effective date of the amendments. As such, municipalities will be able to adopt Clauses 22I and 22J, as described herein, for Fiscal Year 2026.

Conversely, the change under G.L. c. 60A, § 1 is effective presently for calendar year 2024 excises.

3. How does a municipality implement these changes?

Clauses 22I and 22J are local options that must be accepted by a city or town to apply in that municipality. Acceptance requires a vote of the legislative body (town meeting, town council or city council) subject to the municipality's charter. G.L. c. 4, § 4. No local action is needed for the change under G.L. c. 60A, § 1 to go into effect.

4. What would be the impact of Clause 22I?

Clause 22I, if accepted, would increase the amount of the tax exemption granted to veterans on their domiciles under Clause 22, Clause 22A, Clause 22B, Clause 22C, Clause 22E and Clause 22F annually by a cost-of-living adjustment (COLA) determined by the Department of Revenue (DOR) based on the consumer price index (CPI). This would work like the annual COLA adjustment determined by DOR that is already a local option for certain exemption amounts and financial means standards. See G.L. c. 59, § 5, Clauses 17E, 17F and 41D.

For example, if a Clause 22 recipient will receive a \$400 exemption and the community accepts this option, and the CPI increases by 5%, the total exemption amount would increase to \$420.

5. What would be the impact of Clause 22J?

Clause 22J, if accepted, provides an additional exemption up to 100% of the amount of the tax exemption granted to veterans on their domiciles under Clause 22, Clause 22A, Clause 22B, Clause 22C, Clause 22E and Clause 22F. This would work like the optional additional exemption that is already a local option under G.L. c. 59, § 5C½ for all persons granted exemptions on their domiciles as veterans, seniors, blind persons, and surviving spouses. Clause 22J will not apply in a year in which the city or town already uses G.L. c. 59, § 5C½ to grant an additional exemption to all persons granted exemptions. It is an option for cities and towns that do not use that general additional exemption to be able to just grant one for persons granted veteran exemptions. As with the general additional exemption, the application of the Clause 22J additional exemption cannot reduce the tax owed below what the taxpayer would owe on 10% of the current assessed valuation of the domicile. However, unlike the general additional exemption, the exemption granted to veterans can result in the taxpayer paying less than the taxes paid in the preceding fiscal year. To implement, the city or town must vote to accept the statute and establish the additional exemption percentage before the July 1 beginning of the fiscal year in which that percentage will first apply. The voted percentage will continue to apply in subsequent years unless and until another percentage is voted before the July 1 beginning of a later fiscal year.

6. How does the change to G.L. c. 60A, § 1 effect the veteran motor vehicle excise process?

This section changes how eligibility for the motor vehicle exemption for a veteran with a service-connected disability is established under G.L. c. 60A, § 1. Currently, the Medical Advisory Board (MAB) within the Registry of Motor Vehicles (RMV) determines that the veteran has the qualifying disability. Under the amendment, eligibility will be based on a disability determination by the U.S. Department of Veteran Affairs (VA), as is the case with other motor vehicle and property tax exemptions available to veterans. Now, a veteran will qualify for a motor vehicle exemption if the VA determines they have a 100% disability rating or deems them unemployable due to their service-connected disability.

7. What is the impact in a community that adopts both Clause 22I and 22J?

Both Clauses would operate together. For example, if a Clause 22 recipient will receive a \$400 exemption and the community accepts Clause 22I, and the CPI increases by 5%, the total exemption amount would increase to \$420. If the community further accepts Clause 22J (or G.L. c. 59, § 5C½) and increases by the maximum 100% the amount of the tax exemption granted to veterans, in this example, the total exemption will increase to \$840.

8. Do any of these provisions effect the state reimbursement?

As Clauses 22I and 22J are local options that must be accepted by a city or town to apply in that municipality, there is no additional state reimbursement for the cost of the additional exemptions.

Conversely, the veteran exemptions granted pursuant to the new provisions in G.L. c. 60A, § 1 will be fully reimbursed by the Commonwealth.

**SAMPLE ACCEPTANCE VOTES
(Consult with municipal counsel)**

ADJUSTED EXEMPTION AMOUNT CLAUSE 22I

VOTED: That the city/town accept General Laws Chapter 59, Section 5, Clause 22I, which authorizes an annual increase in the amount of the exemption granted under General Laws Chapter 59, Section 5, Clause 22, Clause 22A, Clause 22B, Clause 22C, Clause 22E and Clause 22F by the percentage increase in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index (CPI) for the previous year as determined by the Commissioner of Revenue, to be effective for applicable exemptions granted for any fiscal year beginning on or after July 1, _____.

OPTIONAL ADDITIONAL VETERAN EXEMPTION CLAUSE 22J

VOTED: That the city/town accept General Laws Chapter 59, Section 5, Clause 22J, which authorizes an annual increase in the amount of the exemption granted under General Laws Chapter 59, Section 5, Clause 22, Clause 22A, Clause 22B, Clause 22C, Clause 22E and Clause 22F by [insert percentage increase up to 100% e.g., 50%, 70%, 100%] of the personal exemption amount, subject to the conditions in Clause 22J, to be effective for applicable exemptions granted for any fiscal year beginning on or after July 1, _____.