

**MONTAGUE SELECTBOARD and FINANCE COMMITTEE MEETING**

**VIA ZOOM**

**Monday, November 28, 2022**

**AGENDA**

**Join Zoom Meeting** <https://us02web.zoom.us/j/85773213696>

**Meeting ID:**      **Password:**      **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. 6:30 PM      Selectboard Chair opens the meeting, including announcing that the meeting is being recorded and roll call taken
2. 6:30      Approve minutes of November 14 and 21, 2022 (if available)
3. 6:31      Liquor License Hearing
  - Brick and Feather Brewery, Inc., Lawrence D. George II as manager has applied for an alteration of Premises at 78 11<sup>th</sup> Street, Turners Falls. The proposed alteration would be to add an outdoor seating area approx. 40' x 10' directly in front of the building to be bordered by planters and chains and includes 5 tables with 14 chairs
4. 6:38      Public Comment Period: Individuals will be limited to two (2) minutes each and the Selectboard will strictly adhere to time allotted for public comment
5. 6:40      Planner and Conservation Agent Hiring (Jen Audley)
  - Consider recommended finalists, Maureen Pollock and Angela Wheeler
  - Discuss Next Steps
6. 6:55      Finance Committee
  - Adoption of Financial Policies related to Annual Budget Process, Capital Planning, Financial Reserves (Francina Wisnewski, Jen Audley)
  - [Review of FY21 Audit Report, Update on Development of FY22 Audit Report](#)
  - Montague Retirement Board request authorization for one-time Retiree COLA allowance of 5% (rather than 3% limit) on first \$18,000 of pension payment
7. 7:15      Walter Ramsey, Assistant Town Administrator
  - Request from Ja'Duke for off-site signage to Theater. Consider request and discuss potential policy for tourist oriented signage
  - Framework and timeline for issuance of Request for Proposals for development of between 5 and 12 units of housing at First Street municipal lot (Assessors Map 4 Lot 31)
  - Update on Avenue A Streetscape Project
  - Update on Schedule for FRTA paving of Sandy Lane
8. 7:30      Town Administrator's Business
  - MIIA Grant Award Announcement
  - Request authorization to submit DEP Sewage Notification Assistance Grant Application
  - Update on Tax Classification hearing Process and Date
  - Request to Transfer \$2,000 from Community Development Discretionary Unallocated account to Community Development Downtown Beautification account
  - Topics not anticipated in the 48 hour posting

**OTHER:**

**Next Meeting:** Selectboard, Monday, December 5, 2022 at 6:30 PM via ZOOM

**Recorder:**

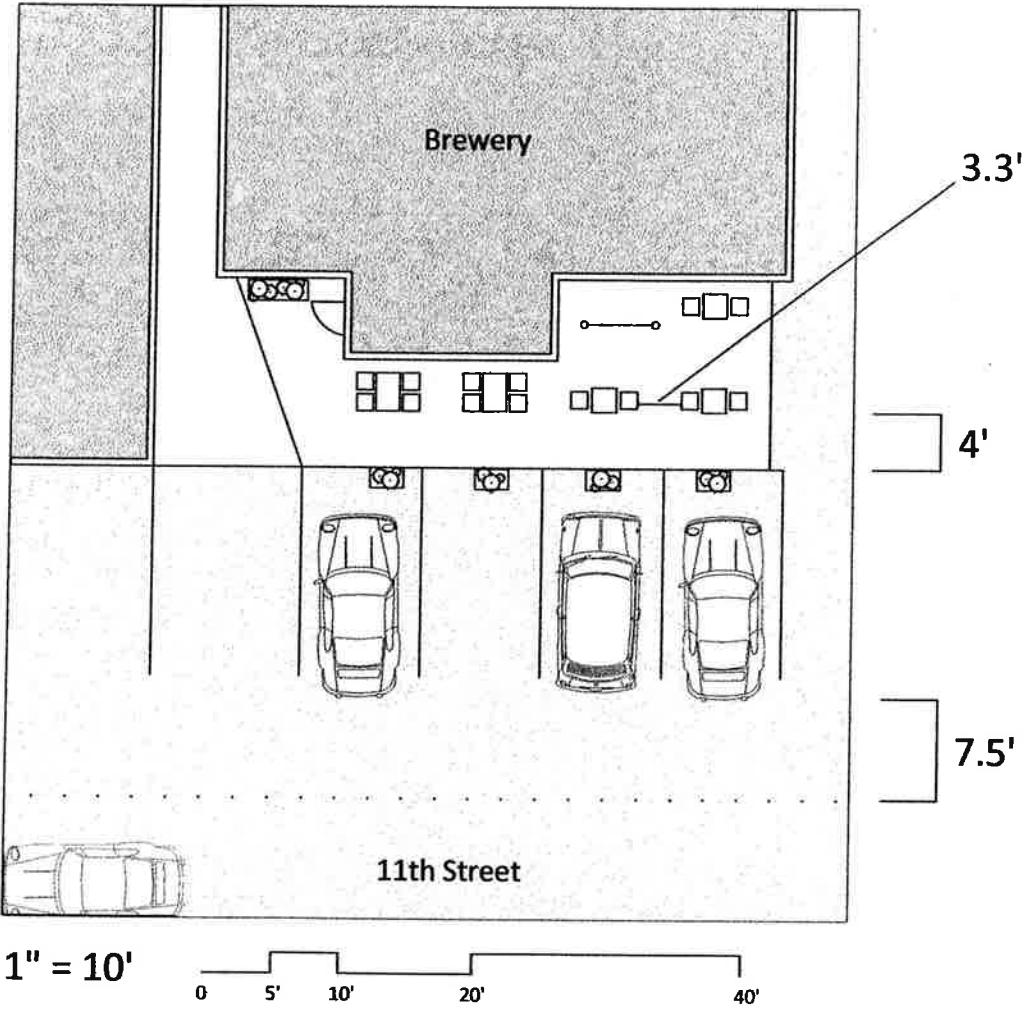
Please publish the following as a legal notice on **Thursday, November 17, 2022.**

**PUBLIC HEARING**

In accordance with the provisions of Chapter 138, Mass. General Laws, as amended, the Inhabitants of the Town of Montague are hereby notified that Brick & Feather Brewery, Inc., Lawrence D. George, II as manager, with a Pouring Permit, Farmer Brewery License (Malt Beverages Only) has applied for an alteration of Premises at 78 11<sup>th</sup> Street, Turners Falls, MA. The proposed alteration would be to add an outdoor seating area approximately 40' x 10' directly in front of the building to be bordered by planters and chains and includes 5 tables with 14 chairs. The current public area is approximately 1,200 sq. ft. "retail area" and excluding the office and storage area. The retail area consists of a front entrance and an emergency exit located on side of building; 3 additional emergency exits located in the rear of building. Estimated maximum capacity is 50 persons.

Date and place of hearing: Monday, November 28, 2022, at 6:31 P.M. via Zoom, link found on Selectboard meeting agenda at: <https://www.montague-ma.gov/d/8860/Selectboard-Meeting>

Montague License Commissioners



## **A-1 Annual Budget Process (10.1922)**

### **PURPOSE**

The purpose of this policy is to state the principles to be followed in the formulation of the recommended annual budget, describe the process and procedures that culminate in the adoption of the annual budget, and identify the parties responsible for preparing and presenting the budget.

### **APPLICABILITY**

This policy applies to the Finance Committee, the Selectboard, the Town Administrator, Assistant Town Administrator, the Town Accountant, the Director of Assessing, the Capital Improvements Committee (CIC), and Town Meeting.

The Town's annual operating budget (see definition below) is developed through a collaborative process that involves the Town Administrator and Financial Management Team (Accountant, Treasurer and Director of Assessing), the Selectboard, the Finance Committee, and the Capital Improvements Committee.

### **DEFINITIONS**

**Annual Budget** - comprised of requests for funding for general fund operations, enterprise fund operations, non-capital special article requests, and capital projects. The fiscal year for the Town's annual budget begins on July 1, and is named according to the calendar year in which it concludes, e.g. the annual budget for FY2023 starts July 1, 2022 and ends June 30, 2023.

**Capital Project** - a major, non-recurring expenditure that generally meets the following criteria:

- Massachusetts General Law permits the Town to issue bonds to finance the expenditure;
- Project cost is \$25,000 or greater;
- Proposed project or asset to be acquired has a useful life of 5 years or more including:
  - New public buildings, or additions to existing buildings, including land acquisition costs and equipment needed to furnish the new building or addition for the first time;
  - Alterations, renovations, or improvements to existing buildings;
  - Land acquisition and/or improvements, unrelated to public buildings, but necessary for conservation, recreation or off-street parking;
  - Major equipment acquisition, replacement or refurbishment, including but not limited to vehicles, furnishings, and information technology systems' hardware and software or other items that combined in purpose together make it a Capital Project;
  - New construction or major improvements to Town's physical infrastructure, including streets, sidewalks, stormwater drains, and the sanitary sewer system. Infrastructure improvements must extend the useful life of the infrastructure by at least ten (10) years to be appropriately classified as a Capital Project;

Feasibility studies, engineering design services, or consultant services which support and a part of a future Capital Project

Enterprise Fund - a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. Revenues and expenses of the service are segregated into a fund with financial statements separate from all other governmental activities.

General Fund - the primary fund used by a government entity. This fund is used to record all revenues and expenditures that are not associated with special-purpose funds, e.g., enterprise, capital project, grant, and revolving funds. The activities being paid for through the general fund constitute the core administrative and operational tasks of a municipality.

Gill-Montague Regional School District (GMRSD) Affordable Assessment – as a matter of policy, per the agreement captured in the 2009 Compact for Funding Education endorsed by the Administration and School Committee of the Gill-Montague Regional School District, the Selectboards and the Finance Committees of Gill and Montague, and reaffirmed by consensus of those boards in 2019, 48.5% estimated general fund revenues for the ensuing fiscal year shall be known as the “Affordable Assessment” and be allocated to support the recommended budget of the GMRSD.

For the purpose of calculating the Affordable Assessment, estimated general fund revenues for the ensuing fiscal year shall be exclusive of those revenues characterized as non-recurring and/or revenues targeted to support specific operating budget programs, e.g., veterans benefit reimbursements, solid waste fees, Council on Aging reimbursements from the Town of Gill, a portion of Kearsarge Lease Fees and School Resource Officer (SRO) reimbursements from the FCTS and the GMRSD.

Operating Budget – The plan of proposed expenditures for personnel, supplies, and other regular expenses for the coming fiscal year. Unused and unencumbered appropriation balances close at the end of the fiscal year.

Special Article – A separate appropriation for a specific purpose, which can be capital or non-capital in nature. Unless it adds to an operating budget’s appropriation, the unused balance does automatically close at the end of the year but remains until completely used, the purpose is completed, or the balance is appropriated for another purpose.

## **POLICY**

The following principles shall guide town officials in the preparation of the recommended annual operating budget for presentation to town meeting:

- As required by Massachusetts General Law (M.G.L. c.44, §31 and M.G.L. c.59, §§ 21C-23), the recommended annual operating budget shall be balanced; that is, total recommended appropriations shall be supported by estimates of revenue equal to those appropriations.
- Recommended appropriations shall be realistically budgeted and revenues shall be conservatively estimated.
- As a general rule, sources of estimated revenue shall be reasonably expected to recur annually to sustain recurring annual expenditures. The document presenting the recommended annual

budget shall include a presentation of estimated revenues and the assumptions underlying the estimates.

- The Town will seek to avoid using budgetary relief offered by statute or regulation that balances the budget at the expense of future years, such as amortizing deficits over multiple years.
- The Town will not use one-time or non-recurring revenues to balance the budget, except in the event of emergency, extraordinary or unforeseen circumstances. Should such an event necessitate the use of one-time revenues to balance the budget, the Selectboard, Town Administrator, and Finance Committee shall present along with the budget a plan to return the town to a structurally balanced budget within three years.
- The Town shall maintain reserves for emergencies and other purposes (See Financial Reserves Policy) and shall maintain liquidity sufficient to pay bills on time to preclude the need to borrow in anticipation of revenue.

## **PROCEDURES**

The following procedures shall be followed in the development and presentation of the recommended annual operating budget:

- By October 1st, the multi-year revenue and expenditure forecasting tool and financial policy guidelines have been prepared for use in the budget development process for the upcoming year. The Town Accountant and Town Administrator are responsible for keeping the forecasting tool up to date, the CIC and Assistant Town Administrator maintain the capital plan, and the Finance Committee reviews the financial management policies annually and makes recommendations for any changes to the Selectboard.
- In October, the Capital Improvements Committee (CIC), working through the Assistant Town Administrator, develops and transmits to the Town Administrator, the Selectboard and the Finance Committee a calendar identifying dates including:
  - a schedule for the submission of capital project requests by Town departments and the GMRSD for years 1 through 6 of the Capital Improvement Plan (CIP).
  - a scheduling period within which departments requesting capital projects will appear before the CIC to respond to the Committee's questions about project proposals, and to provide information and answer questions regarding the cost estimates and scope for any projects proposed for the Capital Budget (coming fiscal year).
  - a date (typically on or about January 15) by which the Assistant Town Administrator will submit to the CIC a finalized set of capital projects to comprise the coming fiscal year's Capital Budget.

- a joint meeting of the Finance Committee and CIC (typically on or about March 15), at which the CIC and Assistant Town Administrator will present and discuss the recommended Capital Budget and Six-Year Capital Improvement Plan.
- By November 1st, the Town Accountant provides department heads and committee chairs with the forms they will use to submit their budget requests for the upcoming year and the GMRSD with a preliminary estimate of the Affordable Assessment. The Town Administrator brings information about substantive changes under consideration for town services/programs to the attention of the Selectboard and Finance Committee.
- By December 15th, departmental requests for the operating budget and non-capital articles are submitted to the Town Accountant, who incorporates them into the budget workbook and distributes the workbook, the accompanying narratives, and non-capital special article requests to the Selectboard, the Finance Committee, and the Town Administrator.
- By mid-January, the Finance Committee chair, the Selectboard chair, the Town Administrator and the Town Accountant shall agree on a schedule for the remainder of the budget process and proposed dates that include, but are not limited to, the following:
  - Presentation by the Town Administrator and Town Accountant to the Selectboard and the Finance Committee on the status of the current year's budget, and for the ensuing fiscal year: a) updated estimates of revenue, b) an overview of proposed expenditures related to the operation of town departments (including information about personnel and programmatic changes), and c) anticipated capital requests
  - Reviews of departmental and committee requests (These are scheduled and hosted by the Finance Committee.)
  - A New Growth estimate, which will inform the final budget figure for use in the Annual Budget Process and calculation of the final Affordable Assessment.
  - At least one joint meeting of the Finance Committee and Selectboard, with representatives of the Town of Gill the Franklin County Technical School and the GMRSD, to review the two school districts' assessments and capital requests for the upcoming year.
  - By March 15<sup>th</sup>, a joint meeting of the Finance Committee, Selectboard and Capital Improvements Committee to receive CIC's final report on the coming fiscal year's capital projects and its recommendations, and to discuss funding sources for requests that are likely to appear on the warrant.
  - A meeting at which the Finance Committee makes recommendations for annual appropriations to Reserves and Trust Funds.
  - At least one joint meeting of the Finance Committee and the Selectboard to finalize the operating budget that will be recommended to the Annual Town Meeting and discuss other articles to be included in the Annual Town Meeting warrant.

- Dates for the opening and closing of the warrant for the Annual Town Meeting; the date when Annual Town Meeting materials will be released. These materials include the Finance Committee's report on the recommended budget for the ensuing fiscal year.
- The Annual Town Meeting, typically held on the first Saturday in May.

**REFERENCES**

M.G.L. c. 44, §31

M.G.L. c.59, §§ 21C-23

Town of Montague – Capital Planning policy

Town of Montague – Revenue and Expenditure Forecasting policy

Town of Montague – Financial Reserves policy

**ADOPTED BY:**

**DATE ADOPTED:**



## **A-2 Capital Planning (For SB Review)**

### **PURPOSE**

Capital assets are fundamental to the functioning of any municipality. The presence and condition of such assets will naturally enable or restrict the ability of the community to operate and prosper. Capital planning, therefore, is essential to the near- and long-term success of the community. The purpose of this policy is to define an annual capital planning process to identify the need for the acquisition of new capital assets, the repair or replacement of existing assets, and the proposed financing of each.

### **APPLICABILITY**

This policy applies to all town departments, boards, and committees that maintain an inventory of capital assets; to the Capital Improvement Committee (CIC) with responsibility for creating an annual Capital Improvement Plan; to the Finance Committee with responsibility to review and take positions on capital projects proposed for funding and for integrating CIC recommendations into the recommended annual budget; to the Town Administrator or his/her designee in providing support to the CIC in developing the annual Capital Improvement Plan; and, the Selectboard in its role to review and take positions on capital projects proposed for funding. Further, it is relevant to the Gill-Montague Regional School District, which operates in Town-owned buildings that are under its care.

Regarding the CIC, in 1978, the Town of Montague, through an amendment to Town By-Laws, established the CIC to conduct long-term capital planning. Specifically, its charge was “to conduct an annual review of the capital improvements program of the Town as well as proposals for the construction of municipal buildings and acquisition of property, to make recommendations to the Town Meeting regarding the above, and to prepare an annual report”.

### **DEFINITIONS**

**Annual Budget:** comprised of requests for funding for general fund operations, enterprise fund operations and capital projects.

**Available Funds:** balances available for expenditure established through previous appropriations (e.g., stabilization funds or overlay surplus) or from a Fund’s positive operating results at fiscal year-end (e.g. free cash or retained earnings).

**Capital Asset:** Any municipally owned facility, road, bridge, sidewalk, utility infrastructure, property, park, installed feature, vehicle, or equipment valued at or above \$25,000.

**Capital Improvement Plan:** a 6-year plan prepared annually as part of the annual budget process which is comprised of the Capital Budget proposed for consideration for funding in the upcoming fiscal year (year 1 of the Plan), and years 2-6 including capital projects identified as candidates for funding in future fiscal years.

**Capital Project:** a major, non-recurring expenditure that generally meets the following criteria:

- Massachusetts General Law permits the Town to issue bonds to finance the expenditure;
- Project cost is \$25,000 or greater;

- Proposed project or asset to be acquired has a useful life of 5 years or more including:
  - New public buildings, or additions to existing buildings, including land acquisition costs and equipment needed to furnish the new building or addition for the first time;
  - Alterations, renovations, or improvements to existing buildings;
  - Land acquisition and/or improvements, unrelated to public buildings, but necessary for conservation, recreation, or off-street parking;
  - Major equipment acquisition, replacement, or refurbishment, including but not limited to vehicles, furnishings, and information technology systems' hardware and software or other items that combined in purpose together make it a Capital Project;
  - New construction or major improvements to Town's physical infrastructure, including streets, sidewalks, stormwater drains, and the sanitary sewer system. Infrastructure improvements must extend the useful life of the infrastructure by at least ten (10) years to be appropriately classified as a Capital Project;
  - Feasibility studies, engineering design services, or consultant services which support and are a part of a future Capital Project.

Prior Year General Operating Revenue (PYGOR): a formulation used in the annual budget process for a variety of purposes in developing the proposed General Fund operating budget for the upcoming fiscal year. It is a function of General Fund revenues of the prior fiscal year and defined as follows:

- Property tax of the prior fiscal year as billed (Page 1, Item Id. - Tax Rate Recapitulation Sheet of the prior fiscal year) less:
  - Excluded Debt (Form DE-1 - Tax Rate Recapitulation Sheet of the prior fiscal year)
  - Allowance for Abatements and Exemptions (Page 2, Item II.d - Tax Rate Recapitulation Sheet of the prior fiscal year)

**Plus**

- Total Prior Year actual General Fund revenue less:
  - prior year property tax revenue collected (real and personal property taxes and revenue from tax liens and tax possessions)
  - local receipts deemed non-recurring or designated for a particular purpose

## **POLICY**

The following shall be the policy of the Town:

- To maintain its physical assets by providing funding in the annual operating budget to protect its capital investments and minimize future maintenance and replacement costs.

- To pursue a program of preventive maintenance as a cost-effective approach to protecting its capital investments and maximizing the useful life of its capital assets capital including the procurement of outside services where Town staff capacity or expertise appears insufficient to perform such preventative maintenance.
- To endeavor to provide and preserve the infrastructure and equipment needed for achieving the highest levels of public services and quality of life possible by annually developing a six-year Capital Improvement Plan to ensure adequate investment in the Town's capital assets.
- The following shall be considered in the identification of financing of capital:
  - Town Budgeted General Operating Revenues, Enterprise Fund revenues, Available Funds, (e.g., Special Purpose Stabilization Funds, Free Cash, Retained Earnings and Overlay Surplus), and grant funds from the federal and state governments.
  - Long-term debt shall be considered an appropriate funding source for capital requests whose costs cannot be accommodated within the annual operating budget without adversely affecting the financing of services.
  - The target for spending from General Fund operating revenue in the annual Capital Budget – to finance debt service on projects proposed for funding with debt and those proposed for funding with cash (pay-as-you-go projects) - shall be equal to a minimum of 6 to 8% of the Prior Year's General Fund operating revenue (PYGOR). The 6% to 8% shall be comprised of the following:
    - 2% of the Prior Year's General Fund operating revenue shall be targeted for building improvements and equipment repair or replacement on a pay-as-you-go basis.
    - 4% to 6% of PYGOR shall be targeted to fund debt service on non-excluded debt-financed projects.
  - If in any year funds needed for the Capital Budget recommended to Town Meeting are below the minimum target of 6% of the Prior Year's General Fund Operating Revenue, the difference in revenue allocated for this purpose shall be appropriated into a capital stabilization fund to offset the costs of future capital projects. For the purpose of this policy, the value of excluded debt may be considered when considering the minimum target of 6% of PYGOR.
  - The term for which debt is issued shall comply with the limits in Massachusetts General Law. Notwithstanding these limits, debt maturities should be equal to or less than the useful life of the asset being financed.
  - To the extent practicable, assets with short useful lives that are replaced regularly, e.g., police cruisers, shall be funded in the operating budget.

## PROCEDURES

- The CIC shall have responsibility for coordinating the development of the annual Capital Improvement Plan, to be delivered on a timeline that supports the Annual Budget Process. The CIC shall create the form on which capital project requests are submitted. On or about October 1st, the CIC shall develop and transmit to the Town Administrator, Selectboard, and Finance Committee a calendar identifying dates in the development of the plan including:
  - a schedule for the submission of capital project requests by Town departments and the GMRSD for years 1 through 6 of the Capital Improvement Plan (CIP).
  - a scheduling period within which departments requesting capital projects will appear before the CIC to respond to the Committee's questions about project proposals, and to provide information and answer questions regarding the cost estimates and scope for any projects proposed for the Capital Budget (Year 1 of the CIP).
  - a date (typically on or about January 15) by which the Town Administrator will submit to the CIC a finalized set of capital projects to comprise the Capital Improvement Plan. Projects proposed for the Capital Budget shall comply with the requirements of the CIC capital project request form.
  - a joint meeting of the Finance Committee and CIC (typically on or about March 15), at which the CIC and Town Administrator or their designee will present and discuss the recommended Capital Improvement Plan.
- The Capital Improvement Plan shall include:
  - projects recommended for funding in the upcoming fiscal year (the Capital Budget)
  - identify prospective sources of funding for projects in the Capital Budget (see the Town's Financial Reserves and Debt Management Policies)
  - Current debt service and projected annual debt service based on projects in the Capital Budget identified as candidates for debt financing.
  - A list of requested projects by department with estimated costs and indication of departmental priority for years 2 through 6 of the Capital Improvement Plan
- Only projects that have gone through the annual capital planning process will be considered for funding unless required by an emergency, which may be determined based on hazard to public safety, potential damage to people or property, regulatory requirement, grant availability, or other factors. Emergency requests will be submitted to the Town Administrator or their designee, in a form prescribed by the Town Administrator, for review and consideration. If the Town Administrator deems the request constitutes an emergency, he/she shall transmit the request, including a recommendation of the source of funding, to the CIC, the Finance Committee and the Selectboard for consideration.

- In prioritizing each capital request, the CIC shall determine how the project addresses the following criteria:
  - Defined Criteria/Rationale Used in Assessing Special Article Requests
  - 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 sewer pump station. New controls included in the upgrade enhance its reliability and allow the station to be monitored remotely resulting in reduced alarms and need 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. Failure of the system would result in school closure.
  - Other- Any other reason identified as relevant by the CIC. This may include considerations such as regulatory requirements or orders, environmental sustainability, community and social equity concerns, concerns related to accessibility, availability of matching grants, program efficiency or improvements, etcetera.
- Generally speaking, in consultation with the Town Administrator, within twelve months after the completion of a capital project or acquisition financed through a special article, the Town Accountant shall close out the project so any unexpended balance financed with cash or bond proceeds can be re-deployed for other purposes pursuant to Massachusetts General Law or regulation.

## REFERENCES

M.G.L. c. 41, § 106B

M.G.L. c. 44, §§ 7-8

M.G.L. c. 44, § 20

M.G.L. c. 44, § 33B

Section 6 of Article II of the By-Laws of the Town of Montague creating the Capital Improvement Committee

Division of Local Services Best Practice: Presenting and Funding Major Capital Projects

**ADOPTED BY:**

;

**DATE ADOPTED:**

## **A-5 Financial Reserves**

### **PURPOSE**

The creation and maintenance of financial reserves is a critical component of sound and prudent financial management. Reserves serve multiple functions:

- As a source of funding for selected planned future capital expenditures to reduce the need to issue debt thus avoiding interest and borrowing costs.
- As a source of funding for significant and extraordinary unforeseen expenditures.
- As a source of funding to substitute for lost revenue during a time of economic downturn thus preventing, or minimizing, cuts to municipal and educational services.
- As evidence to credit rating agencies of a municipality's strong financial management, in that the maintenance of significant reserves indicate a commitment to comprehensive long-term planning, a positive factor in credit rating determinations.

### **APPLICABILITY**

This policy pertains to short and long-range budget decision-making and applies to the Finance Committee, Capital Improvement Committee, Selectboard and Town Administrator ~~in that capacity~~ and is intended to be advisory to Town Meeting.

### **DEFINITIONS**

Colle Undesignated Fund Balance: Due to the requirements of the Federal Grants used to renovate the Colle Opera House, its activities are accounted for in a separate Receipts Reserved for Appropriation special revenue fund. As revenues exceed expenditures, the annual surplus flows into the Undesignated Fund Balance, where it is available for appropriation for additional, generally capital, expenses to maintain the building.

Enterprise Fund: Pursuant to Massachusetts General Law (M.G.L. c. 44, § 53F½), municipalities can establish enterprise funds by vote of Town Meeting to account for a utility, cable television public access, health care, recreational or transportation facility whose services are delivered on a business-type basis. Under enterprise accounting, the service's revenues and expenditures are segregated into a separate fund with its own financial statements, separate from all other governmental activities.

Finance Committee Reserve Fund: Pursuant to Massachusetts General Law (M.G.L. c. 40, § 5A), To provide for extraordinary or unforeseen expenditures in each fiscal year, a town may - at an annual or special town meeting - appropriate or transfer a sum or sums not exceeding in the aggregate five percent of the levy of the fiscal year preceding the fiscal year for which the fund is established. No direct drafts against this fund shall be made, but the Finance Committee may vote transfers from the fund. At the end of each fiscal year, any unused amount of the Reserve Fund is closed to the surplus of the general fund.

Free Cash: Represents the surplus of the general fund operating budget at the close of a fiscal year resulting from revenues realized in excess of estimates and expenditures less than appropriations plus

unused free cash resulting from the prior fiscal year. The amount of free cash must be certified by the Massachusetts Department of Revenue before it is available for appropriation by Town Meeting. Unpaid property taxes and certain deficits reduce the amount of remaining funds that can be certified as free cash.

**General Fund** - The primary fund used by a government entity. This fund is used to record all revenues and expenditures that are not associated with special-purpose funds, e.g., enterprise, capital project, grant, and revolving funds. The activities being paid for through the general fund constitute the core administrative and operational tasks of a municipality.

**Other Post Employee Benefits (OPEB)**: Other post employee benefits are benefits, other than pension distributions, paid to employees during their retirement years. The major post-employment benefit in Massachusetts is health insurance.

**Overlay Surplus**: This is the portion of overlay that is determined to be over and above what is needed to cover abatements and exemptions of property taxes in specified fiscal years. It is determined, certified, and transferred by vote of the Board of Assessors. The use of overlay surplus as a funding source is subject to appropriation by Town Meeting and can be used for any lawful purpose. Any unused balance of overlay surplus at the end of a fiscal year is closed to general fund balance and becomes part of free cash available for appropriation in the subsequent fiscal year.

**Prior Year General Operating Revenue (PYGOR)**: A calculation used in the annual budget process for a variety of purposes in developing the proposed General Fund operating budget for the upcoming fiscal year. It is a function of General Fund revenues of the prior fiscal year and defined as follows:

- Property tax of the prior fiscal year as billed (Page 1, Item Id. - Tax Rate Recapitulation Sheet of the prior fiscal year) less:
  - Excluded Debt (Form DE-1 - Tax Rate Recapitulation Sheet of the prior fiscal year)
  - Allowance for Abatements and Exemptions (Page 2, Item II.d - Tax Rate Recapitulation Sheet of the prior fiscal year)

**Plus**

- Total Prior Year actual General Fund revenue less:
  - prior year property tax revenue collected (real and personal property taxes and revenue from tax liens and tax possessions)
  - local receipts deemed non-recurring or designated for a particular purpose

**Retained Earnings** - any operating surplus (actual revenues in excess of estimates and appropriations in excess of expenses) is retained in the enterprise fund rather than closed to the General Fund at fiscal year-end. Surplus of an enterprise certified by the Massachusetts Department of Revenue, Division of Local Services as available is called "retained earnings". Use of retained earnings requires appropriation by Town Meeting.

**Stabilization Funds**: Pursuant to Massachusetts General Law (M.G.L. c. 40, § 5B), a municipality, through a vote of Town Meeting, may establish one or more stabilization funds and designate the purpose for



which each fund is established. The creation of a stabilization fund requires a majority vote of Town Meeting. Appropriation of funds into a stabilization fund is by majority vote but appropriation of funds out of a stabilization fund requires a two-thirds vote of town meeting. Any interest that is earned from the investment of stabilization fund monies accrues to the stabilization fund. There is no limit on the cumulative balance of all stabilization funds in a municipality.

## POLICY

The following table summarizes elements of the policies and procedures that follow.

| Reserve Funds and Target Thresholds    |   |   |   |
|--|---|---|---|
| Name of Fund                           | Purpose   | Funding Target  | Primary Source of Funding   |
| <b>General Town Reserves</b>           |   |   |   |
| Cannabis Impact Fee Stabilization Fund | to finance the mitigation of impacts resulting from the operation of licensed cannabis establishments                                     | No target per se; fund serves as repository for impact fees collected.                      | Cannabis Impact Fees, <b>which are negotiated as part of each business's host community agreement.</b>  |
| FCTS Stabilization Fund                | to mitigate the impact on town's operating budget from spikes in the Town's share of operating and/or capital costs generated by the FCTS | defined by ongoing estimates of projected enrollment as a primary driver of operating costs | Taxation  |
| Finance Committee Reserve Fund         | to fund extraordinary or unforeseen expenses  | TBD Annually  | Estimated General Fund Revenue  |
| Free Cash                              | to fund emergency expenses, non-recurring operating expenses, or capital expenses   | 3% of PYGOR   | Surplus from General Fund operations at each financial year-end   |
| General Stabilization Fund             | to cover projected revenue shortfalls due to economic downturn as a means to maintain services  | 5% of PYGOR   | 0.3% of PYGOR from the tax levy if funding is below target plus other sources, e.g., free cash, overlay surplus, and one-time revenues, if available to accelerate progress towards funding target. |
|  |   |   |   |

| <b>Reserve Funds and Target Thresholds</b>  |  |  |  |
|---|--|--|--|
| <b>Name of Fund</b>                         | <b>Purpose</b>   | <b>Funding Target</b>  | <b>Primary Source of Funding</b>   |
| <b>General Town Reserves</b>                |  |  |  |
| GMRSD Stabilization Fund                    | to mitigate the impact on town's operating budget from spikes in the Town's share of capital and/or costs generated by the GMRSD | the fund is supported by a portion of the Town's Kearsarge lease revenue | Kearsarge lease payments   |
| Overlay Surplus                             | acts as an additional funding source for appropriation when there is a balance in the account                                    | none   | balances of Overlay for Abatements and Exemptions when amounts are no longer needed for the intended purpose.              |
| Town Capital Improvement Stabilization Fund | to finance future capital costs on a pay-as-you-go basis or to underwrite debt service for capital projects                      | function of spending targets reflected in capital plan                   | 0.2% of estimated annual GF revenue net of revenues targeted for specific purposes plus revenue from cannabis retail sales |
| <b>Enterprise Funds</b>                     |  |  |  |
| Airport Retained Earnings                   | to serve as working capital, fund emergency expenses, non-recurring operating expense, or capital                                | 5% of PYEFR  | Airport revenues   |
| Airport Capital Stabilization Fund          | to finance future capital costs on a pay-as-you-go basis or to underwrite debt service for capital projects                      | function of spending targets reflected in capital plan                   | Airport revenues   |
| WPCF Capital Stabilization Fund             | to finance future capital costs on a pay-as-you-go basis or to underwrite debt service for capital projects                      | function of spending targets reflected in capital plan                   | Sewer revenues   |
|   |  |  |  |

| Reserve Funds and Target Thresholds |   |  |  |
|-------------------------------------|---|--|--|
| Name of Fund                        | Purpose   | Funding Target   | Primary Source of Funding  |
| <b>Enterprise Funds</b>             |   |  |  |
| WPCF Retained Earnings              | to serve as working capital, fund emergency expenses, non-recurring operating expense, or capital | 5% of PYEFR  | Sewer revenues   |
| <b>Other Reserves</b>               |   |  |  |
| Colle Undesignated Fund Balance     | to finance capital maintenance of the Colle Opera House   | function of spending targets reflected in capital plan | Colle rental fees  |
| <b>Sale of Real Estate</b>          | Can be used for any purpose for which the town can borrow for 5+ years.                           | none   | Proceeds from sale of town owned real estate (excluding sale of tax possessions) |

It shall be the general policy of the Town to:

- Maintain reserves to provide the capacity to respond to the costs of unanticipated and extraordinary events, significant reductions in annual revenue streams due to economic disruption, and to provide a source of available funds for future capital expenditures.
- Maintain and manage multiple types of reserves, including stabilization funds, free cash, retained earnings, and overlay surplus.
- Maintain overall General Fund reserves including the Town's combined stabilization funds (General, Capital, GMRSD, FCTS and Cannabis Impact Fee) and free cash between 5% and 10% of the Town's Prior Year General Operating Revenue.

The following policies shall govern the administration of the following reserves.

- **Finance Committee Reserve Fund** - Annually, the annual operating budget recommendation shall include an appropriation into the Finance Committee Reserve Fund. Every year, the Finance Committee shall review the history of Finance Committee transfers to determine if the annual appropriation into the Finance Committee Reserve is adequate.
- **Free Cash** - In the development of the proposed annual general fund operating budget, the Town shall strive to estimate revenue and recommend appropriations at a level that will generate free cash at fiscal year-end equal to approximately 3% of the Town's Prior Year General Operating Revenue. As a general rule, the use of free cash equal to the 3% threshold will be limited to non-recurring operating or capital budget expenditures and extraordinary or

unforeseen costs that cannot be financed from the Finance Committee Reserve Fund or through transfers between line items in the operating budget.

It shall be the policy of the Town to avoid the use of free cash to support the operating budget, except under extraordinary or unusual circumstances. Further, to the extent practicable, any amounts of free cash certified in excess of 3% of the Town's Prior Year General Operating Revenue shall be appropriated to one or more of the Town's stabilization funds and/or to offset unfunded liabilities, e.g. other post-employment benefits (OPEB).

- **General Stabilization Fund** - The Town shall maintain a general stabilization fund whose primary purpose is to replace declines in general fund revenue due to economic downturn. The target level of the fund shall be 5% of the Prior Year's General Fund Operating Revenue, an amount estimated to support the operating budget through three years of economic downturn. The Town shall strive to annually appropriate to the general stabilization fund 35% of certified free cash in excess of 3% of the Prior Year's General Fund Operating Revenue (see above) until the target minimum balance is met.

Once the target level of the fund is reached, if any use of the fund reduces the balance below the target level, a plan for replenishment of the Fund shall be developed per the procedure described below.

In fiscal years when no appropriation into the General Stabilization Fund is required because it is at its target, funding sources historically targeted for this purpose but not needed will be re-directed to funding of the Town's OPEB liability.

- **Special Purpose Stabilization Fund(s)** – The Town shall maintain one or more specialized Stabilization Funds to finance future needs. Sources of appropriations into special purpose stabilization funds shall include some combination of taxation, available funds (including but not limited to free cash and overlay surplus), and other term-limited or potentially inconsistent revenue sources. Such Stabilization Funds shall include but not be limited to the following.

- **Capital Stabilization Fund(s)** - to finance selected future capital needs as identified through the Town's annual capital planning process on a pay-as-you-go basis or to subsidize debt service of large capital projects, (e.g., municipal or school construction) to mitigate the impact on taxpayers. Use of a Capital Stabilization Fund(s) to finance projects on a pay-as-you-go basis can serve to preserve the Town's debt capacity for major capital projects.

The Town will strive to appropriate 0.2% of the Town's Prior Year's General Fund Operating Revenue into a Capital Stabilization fund(s) annually.

- **Non-Capital Stabilization Funds:**
  - **Cannabis Impact Fee Stabilization Fund** – to finance the mitigation of impacts resulting from the operation of licensed cannabis establishments

- GMRSD Stabilization Fund – to mitigate the impact on the Town's operating budget from spikes in the Town's share of capital and/or costs generated by the GMRSD.
- Franklin County Technical School (FCTS) Stabilization Fund – to mitigate the impact on the Town's operating budget from spikes in the Town's share of operating and/or capital costs generated by the FCTS
- **Overlay Surplus** - Overlay surplus shall be reserved for non-recurring costs such as direct capital expenditures, contributions to the general stabilization fund or a special purpose stabilization fund, or to finance unfunded liabilities, e.g., OPEB.
- **Retained Earnings** - In the development of the proposed annual budget for its Enterprise Funds, the Town shall strive to estimate revenue and recommend appropriations at a level that will generate retained earnings at fiscal year-end equal to approximately 5% of the operating budget. The rationale for this level of retained earnings is as follows:
  - To cover potential revenue shortfalls in any given fiscal year
  - To finance unanticipated, extraordinary expenditures not provided for in the adopted annual budget
  - To provide cash flow for the fund to preclude the use of the Town's ~~pooled~~ cash to fund enterprise fund operations that would have a negative impact on general fund interest income.
  - To provide a funding source to enable rate stabilization

In addition, the Town shall consider - consistent with guidance from the Department of Revenue (DLS Departmental Procedure Manual: Enterprise Funds) - adding to Enterprise Fund budgets a line-item ("budget surplus") whose unexpended balance at fiscal year-end would accrue to retained earnings and be available to finance selected future capital needs as identified through the Town's annual capital planning process. These amounts could accumulate as unappropriated retained earnings until a capital or other need arises or could be appropriated annually into a Special Purpose Stabilization Fund created to fund capital projects.

## PROCEDURES

The following procedures are adopted pursuant to this policy.

- **Finance Committee Reserve Fund** - requests of the Finance Committee for Reserve Fund transfers shall be based on requests from department heads submitted to the Town Accountant for initial review, who will then bring those requests to the Finance Committee for review and approval, with input from the Town Accountant and Town Administrator.
- **General Stabilization Fund** - Pursuant to the policy governing the General Stabilization Fund, if use of the Fund results in a balance that falls below the target of 5% of the Prior Year's General Fund Operating Revenue, the Town Administrator, in consultation with the Selectboard shall

develop a plan for transmittal to and consideration by the Finance Committee to bring the balance of the Fund back to its target level.

- **Overlay Surplus** - Pursuant to the policy governing the use of overlay surplus, the Selectboard shall periodically request that the Board of Assessors conduct an analysis of the overlay to determine the amount, if any, that can be declared overlay surplus. The analysis shall consider the following:

- Current cumulative balance in the overlay accounts of all fiscal years after reconciling with the Town Accountant's records
- Balance of property tax receivables, which represents the total real and personal property taxes still outstanding for all levy years
- Estimated amount of potential abatements, including any cases subject to State Appellate Tax Board hearings or other litigation

Upon determining any excess in the overlay account, the Board of Assessors shall present the analysis to the Selectboard for its review. If the Selectboard determines that the excess is needed to support proposed spending, it shall, pursuant to Massachusetts General Laws (M.G.L. c. 59, § 25), formally request that the Board of Assessors convene to consider a vote to transfer overlay to overlay surplus within 10 days of such request. Notification of that vote shall be made to the Selectboard, Town Administrator, Town Accountant, and Finance Committee.

- **Appropriations from Reserves** - The overall level of financial reserves is critical to maintaining the Town's bond rating and ensuring sufficient funds to manage unanticipated needs. Funds shall be recommended for appropriation from reserves only after an initial review, by the Town Administrator and/or Town Accountant, and their presentation to the Selectboard and Finance Committee. Consideration of the use of reserves shall include an assessment of whether the balance of relevant reserve accounts after their proposed use are adequate to offset potential downturns in revenue sources and provide sufficient cash balance for daily financial needs.

## REFERENCES

M.G.L. c. 40, § 6

M.G.L. c. 40, § 5A

M.G.L. c. 40, § 5B

M.G.L. c. 59, § 25

M.G.L. c. 44, § 53F½

DLS Best Practices: Free Cash and Special Purpose Stabilization Funds

DLS Departmental Procedure Manual: Enterprise Funds

DLS Informational Guideline Releases 17-20: Stabilization Funds and 17-23: Overlay and Overlay Surplus

**Government Finance Officers Association Best Practices: Fund Balance Guidelines for the General Fund and Working Capital Targets for Enterprise Funds**

**ADOPTED BY:**

**DATE ADOPTED:**

6c

# PERAC

PERAC MEMO #29/2022

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

JOHN W. PARSONS, ESQ., *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

## MEMORANDUM

TO: All Retirement Boards

FROM: John W. Parsons, Esq., Executive Director

RE: 5% Local COLA option

DATE: November 18, 2022

On November 16, 2022, the Governor signed Chapter 269 of the Acts of 2022 into law. This act provides the local retirement systems with a local option to increase the Cost of Living Adjustment ("COLA") for Fiscal Year 2023 to up to 5 percent on the base amount specified pursuant to G.L. c. 32, § 103. The approval of the increase can occur at any time during the fiscal year and will take effect as of July 1, 2022.

The local approval mechanism is different than traditional COLA increases and COLA base increases. In order for a system to adopt a COLA increase pursuant to this act, **the retirement board must vote for the increased amount and then it must also receive local approval.**

For purposes of this act, local approval means:

- In a city, the mayor must recommend the increase to the city council and the council must vote in favor.
- In a city having a Plan D or Plan E charter, the city manager must recommend the increase to the city council and the council must vote in favor.
- In a town, the chief executive officer<sup>1</sup> - the select board in nearly all cases - must vote in favor to accept the increase rather than the town meeting as is the case for COLA base increases.
- In a district, or other political subdivision, the governing board, commission or committee must vote in favor to accept the COLA increase.

<sup>1</sup> As defined in G.L. c. 4, § 7, "chief executive officer", when used in connection with the operation of municipal governments shall include the mayor in a city and the select board in a town unless some other municipal office is designated to be the chief executive officer under the provisions of a local charter.





MEMORANDUM - Page Two

TO: All Retirement Boards  
FROM: John W. Parsons, Esq., Executive Director  
RE: 5% Local COLA option  
DATE: November 18, 2022

- In a regional system, two-thirds of the cities and towns within the system must approve the increase. This is done in the same fashion as stated above for municipalities: in a city, by the city council upon recommendation by the mayor or, in a city with a Plan D or Plan E charter, the city manager; or, in a town, by approval of the chief executive officer (likely the select board) as defined by G.L. c. 4, § 7.
- In a county, the county commissioners, who normally do not have a role in COLAs nor COLA base increases, must vote to accept **and** two-thirds of the cities and towns within the system must approve the increase in the same manner as stated above for regional systems.

Though many local systems are comprised of multiple units such as housing authorities and districts, the two-thirds language only applies to regional and county systems as the approval specified in the statute only refers to cities and towns as voting political subdivisions.

Section 2 of the act provides that a COLA increase pursuant to this act is retroactive to July 1, 2022. Any COLA increase, in addition to any COLA previously adopted for FY 23, will become part of the fixed amount of a retirees' retirement allowance in the same manner as all COLAs granted pursuant to section 103.

PERAC has already received questions about estimating the cost of the enhanced COLA. PERAC Actuary John Boorack has provided the following formula for a conservative full-cost estimate, not a one-year estimate, to assist boards in their planning:

$$(0.2) \times (\text{COLA base}) \times (\# \text{ of retirees/beneficiaries})$$

If you have any questions about this memo, please contact PERAC's General Counsel, Judith Corrigan, at (617) 591-8904 or at [judith.a.corrigan@mass.gov](mailto:judith.a.corrigan@mass.gov).

**Approval requested for one-time additional 2% COLA for Montague Retirement System retirees.**

Current statute allows local retirement boards to approve annual COLA increases to retirees with a limit of 3%. It must be noted that this COLA only applies to the “base”, which is \$18,000 for our system. This means the maximum COLA adjustment each year for any retiree is \$540, even if a pension is \$70,000. (For a \$50,000 pension, the effective COLA would be 0.1%).

Given the extraordinary inflation for 2022, the state legislature has authorized individual retirement systems to approve a one-time increase of 2%, for a total COLA of 5%, which would be retroactive to July 1, 2022. The additional 2% COLA would provide an additional \$360 to all retirees receiving at least \$18,000 (a total COLA of \$900).

The Montague Retirement Board voted unanimously to grant this accommodation to its members on November 22, 2022. Once approved by that Board, the additional COLA must also be approved by the Montague Selectboard (see PERAC Memo #29-2022). While the Montague Retirement System includes the non-teaching employees of the GMRSD, the TFFD, and the Montague Housing Authority, since they are simply additional members of the Town’s retirement system, the Town has ultimate authority (via either the Selectboard or Town Meeting) when local approval is needed beyond that of the retirement system.

The estimated additional total cost to the system for this year is \$41,538. of which \$20,561.58 would be for Town retirees. That being said, due to the way retirement systems are funded, there is not an additional cost for FY23. The additional estimated cumulative costs would be included in the next actuarial valuation, which is scheduled for 2022. A conservative total cost for all members of the system is \$597,600. While there is no simple, accurate way to determine the actual cost to the Town, I’ve shown an absolute worst case estimate below.

The Town comprises approximately 50% of the total retirement system, so the Town’s maximum share of the total cumulative cost would be \$298,800. There are currently 7 years left in the funding schedule, which brings it to \$42,686 per year. While double the first-year cost, this amount includes what is necessary to fund the additional 2022 COLA for all future year benefits.

The system is currently 87% funded, with a fully funded date of 2030, well before the statutorily required date of 2040.

# First Street Housing RFP- 6 Detached Single Family Units



40' x 110' Lots= 4,400sqft

Special Permits Required for min lot size, frontage, and side yard setbacks

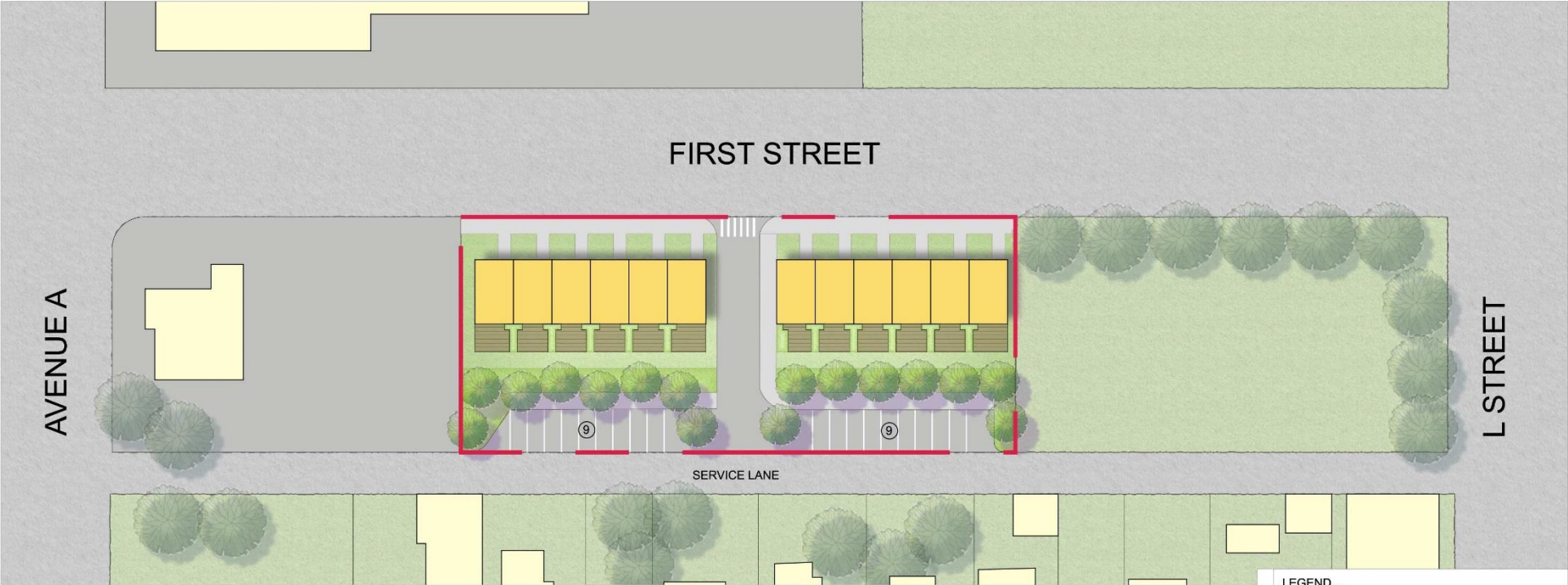
**FIRST STREET**  
CONCEPT SITE PLAN  
MONTAGUE, MA

# Habitat Homes on L and 2<sup>nd</sup> Street





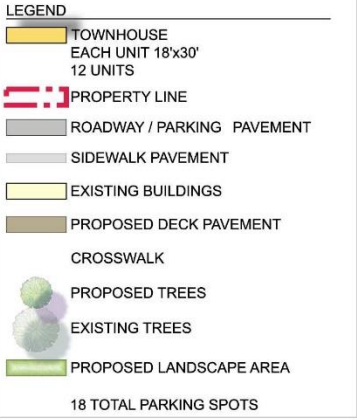
First St Housing RFP- 12 Townhouse style units



TOWNHOUSE RESIDENTIAL LAYOUT -  
1ST AND 2ND FLOOR

FIRST STREET  
CONCEPT SITE PLAN

MONTAGUE, MA



# Former Row Housing on First Street



# RFP Framework (summarized)

- 5 to 12 units of affordable housing
- Design to be compatible with the scale and character of neighborhood
- townhouse style units, duplex or single family homes may be considered
- Developer responsible for meeting affordability compliance and reporting
- Developer responsible for all financing and site construction
- Development may be phased
- Town to sell property for nominal fee

8A

November 10, 2022

Dear Member,

Congratulations on your MIIA grant award. We are confident that your grant award will assist in your community's ongoing risk management efforts.

The FY23 grant criteria focused on property, cyber and safety with respect to your municipality's loss experience. We appreciate all your efforts as you deal with the challenges protecting employees and municipal assets.

Thank you for consulting with your Risk Manager to assure that your grant submission met the program guidelines and the needs of your municipality. We did our best to satisfy all of your requests however, working within our \$1,000,000 grant budget, with over \$1,500,000 in member requests, not all requests could be fully funded. We will be refining the FY24 grant process.

Attached to this award letter, is a grant status report detailing the grant(s) submitted by your municipality and for those item(s) approved, the funding that has been provided. Those items not funded will also be listed.

If you have been awarded funding for equipment you requested on a FY23 "Equipment Options" form(s): [https://www.emiia.org/files/2023\\_risk\\_management\\_grant\\_equipment\\_options\\_7-7-22.pdf](https://www.emiia.org/files/2023_risk_management_grant_equipment_options_7-7-22.pdf), which includes Confined Space Equipment, Ladders, Thermographic Cameras, Trenching/ Excavation Equipment and Work Zone Safety Equipment requests, MIIA will order, pay and have the equipment delivered to you.

If you were awarded either trench/shoring, confined space or lockout/tagout equipment, per Massachusetts Department of Labor Standards (DLS) requirements, please develop and submit to Kimlee Lindgren ([klindgren@mma.org](mailto:klindgren@mma.org)) a written standard operating procedure (SOP) for each. Also, per DLS requirements please include in your submittal documentation verification of employee(s) training on your awarded equipment.

If you need assistance in developing the SOP you may consult the DLS Worker Safety and Health Program website at <https://www.mass.gov/service-details/safety-programs-for-the-public-sector> and/or your MIIA Risk Manager.



By submitting your grant invoice(s) as soon as possible, you will provide the maximum benefits to your employees, municipal operations and your community. If at all possible we prefer that you submit vendor invoice(s), with vendor's W9 for payment instead of requests for reimbursement. Please note that projects, services, and purchases must be completed and invoices submitted to [miagrantinvoices@mma.org](mailto:miagrantinvoices@mma.org) by May 12, 2023.

We request with the submission of your final grant, that you send us a brief description of how this grant has benefited your risk management efforts and a corresponding picture if possible. Below is a link to a document detailing the grant submittal process for all MIIA grant award invoices.

Invoice Process: [https://www.emiia.org/files/invoice\\_process\\_fy23.pdf](https://www.emiia.org/files/invoice_process_fy23.pdf)

If you have any questions, please feel free to reach out to your MIIA Risk Manager, or to Ana De Carvalho, Risk Management Assistant at 774.294.6937, [adecarvalho@mma.org](mailto:adecarvalho@mma.org), or me.

Sincerely,

Lin Chabra  
MIIA  
Senior Risk Management Manager  
[lchabra@mma.org](mailto:lchabra@mma.org)  
(617) 838-5941



## MIIA Grant Statement

### Montague

Grand Total:            \$9,565.74            \$6,523.81

| Grant ID | Department              | Category                                     | Purpose   | Status | Requested Amt | Awarded Amt |
|----------|-------------------------|--|---|--------|---------------|-------------|
| RM 134   | Montague<br>Selectboard | Fall protection and fall arrest<br>equipment | \$6523.81 Transfer Station Guardrail (180 linear ft)<br>\$3041.93 Self Retracting Lifelines (2) | Yes    | \$9,565.74    | \$6,523.81  |

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Commonwealth of Massachusetts  
Executive Office of Energy & Environmental Affairs

## Department of Environmental Protection

One Winter Street Boston, MA 02108 • 617-292-5500

Charles D. Baker  
Governor

Karyn E. Polito  
Lieutenant Governor

Bethany A. Card  
Secretary

Martin Suuberg  
Commissioner

### **NOTICE OF GRANT OPPORTUNITY** **SEWAGE NOTIFICATION ASSISTANCE 2022-2023 GRANT PROGRAM**

**Summary of Grant Opportunity:** The Massachusetts Department of Environmental Protection (MassDEP or the Department) seeks proposals from Massachusetts regional or municipal wastewater utilities or systems that meet the definition of "Permittee" and are subject to 314 CMR 16.00, for innovative projects that will assist them in meeting the requirements of MassDEP's recently promulgated Sewage Notification Regulations at 314 CMR 16.00 (the "Regulations"). The purpose of this grant program is to assist Permittees with expanding their efforts to meet the Sewage Notification regulatory requirements, which were promulgated to Promote Public Awareness of Sewage Pollution. Only projects that meet specific requirements of the Regulation will be considered for funding.

**Grant Opportunity Application and Requirements:** The Sewage Notification Assistance Grant Program document was issued on November 8, 2022, and is posted on MassDEP's website at the following link:

<https://www.mass.gov/info-details/grants-financial-assistance-watersheds-water-quality#sewage-notification-assistance-grant-program->

**Environmental Justice:** MassDEP is committed to advancing equity, diversity, and environmental justice (EJ)<sup>1</sup> through its public investments. The agency seeks to prioritize the direction of these resources to benefit EJ communities and to address environmental inequities. To that end, MassDEP grant and funding programs include criteria and evaluation parameters that emphasize equity, diversity and environmental justice, consistent with each program's statutory authority and source of funding. Preference will be given to projects that provide direct benefit to environmental justice populations.

<sup>1</sup> "Environmental justice is based on the principle that all people have a right to be protected from environmental hazards and to live in and enjoy a clean and healthful environment regardless of race, color, national origin, income, or English language proficiency. Environmental justice is the equal protection and meaningful involvement of all people and communities with respect to the development, implementation, and enforcement of energy, climate change, and environmental laws, regulations, and policies and the equitable distribution of energy and environmental benefits and burdens." See Environmental Justice Policy of the Executive Office of Energy and Environmental Affairs (updated June 24, 2021): <https://www.mass.gov/doc/environmental-justice-policy6242021-update/download>.

This information is available in alternate format. Contact Glynis Bugg at 617-348-4040.

TTY# MassRelay Service 1-800-439-2370

MassDEP Website: [www.mass.gov/dep](http://www.mass.gov/dep)

Printed on Recycled Paper

Information on which communities are classified as environmental justice populations can be found at <https://www.mass.gov/info-details/environmental-justice-populations-in-massachusetts>.

**Eligible Entities:** Eligible Applicants are regional or municipal wastewater utilities that meet the regulatory definition of “Permittee” and are subject to 314 CMR 16.00

**Eligible Projects:** Eligible Projects will result in non-operational expenditures, capital investments, planning projects, or installation of equipment that will help Sewage Notification permittees to meet one or more requirement(s) of 314 CMR 16.00. Eligible Projects must also provide a shared benefit to Permittee and its environmental justice populations (if present in the Permittee’s jurisdiction).

Examples of Eligible Projects include, but are not limited to:

- Signage at public access points or at CSO outfalls;
- Services to design and/or implement a public notification system for subscribers to receive emails/text message notifications of CSO activation which will be hosted and supported/operated by the municipal or regional utility beyond the grant funding cycle;
- Consultant services for design or improvement of a website that will be hosted and supported/operated by the municipal or regional utility beyond the grant funding cycle;
- Purchase/installation of meters or costs for renting meters<sup>2</sup>;
- Purchase/installation of other equipment including a one-time software or sensor installation used to detect/determine discharges and/or measuring volume (i.e., computer models);
- Services of metering companies (i.e., processing metering data);
- Consultant services for developing final CSO notification plans;
- Consultant services for modeling or of CSO events; or
- Translation services.

Examples of projects that are not eligible for funding include, but are not limited to:

- Salary for existing or new municipal or contracted employees involved in work related to 314 CMR 16.00;
- Funding for the Operation and maintenance of sewer systems; or
- Funding for the Operation of assets associated with metering or detecting discharges.

NOTE TO APPLICANTS regarding Eligible Projects: Both projects that were initiated on or after July 1, 2022, and Proposed Projects that have not yet been initiated by the Permittee are eligible for this grant

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<sup>2</sup> A meter is defined as a device or equipment installed in outfalls, CSO regulator structures, tide gates, or the sewer system intended to detect, quantify, or communicate a discharge of wastewater to the environment, including but not limited to depth monitoring equipment, flow monitoring equipment, or inclinometers. Definition taken from: <https://www.mass.gov/doc/frequently-asked-questions-on-314-cmr-1600-notification-requirements-to-promote-public-awareness-of-sewage-pollution/download>

program, and funding will support work activities for any phase(s) of a project, from initial project planning through project implementation, if the work funded by this program is conducted during the contract period and is completed by June 30, 2023. All Applicants must provide a feasible timeline for completion of the project prior to this deadline. For projects that have been previously initiated on or after July 1, 2022, the Applicant must provide documentation in the Grant Application to support reimbursement of previously incurred costs (in addition to any additional project costs for work to be completed by June 30, 2023).

**Funding Availability:** The total funding currently available for projects through this Grant Program is up to \$600,000. Grant Awards may range from \$10,000 to \$600,000 per applicant, although the MassDEP review committee reserves the right, in its discretion, to grant smaller awards to proposals of exceptional merit. If there are remaining unspent capital funds available from other Department projects during the period between the announcement of this grant opportunity and the announcement of the grant awards, the Department will consider allocating supplemental funds to this grant solicitation. If any supplemental funds become available, additional projects may be funded. Applicants must only propose project scopes with timelines that can be completed between July 1, 2022, and June 30, 2023. In its discretion, MassDEP reserves the right to increase or eliminate the total funding amount available for this Grant Program based upon funding availability and/or other factors.

**Grant Application Process:** The Sewage Notification Assistance Grant Program document on MassDEP's website contains a grant application form, a procurement schedule describing the steps of the application process, all project proposal and qualification requirements, and a specific format for responding to this Grant Opportunity.

**Bidders' Conference:** A Bidders' Conference using Teams will be held on Wednesday November 16, 2022, at 1 P.M. To obtain the meeting link information or the Teams link please contact Nicole Galambos via email at [Nicole.Galambos@mass.gov](mailto:Nicole.Galambos@mass.gov) with "FY 2023 Sewage Notification Assistance Grant Bidder's Conference Details" in the email subject line.

**Evaluation Criteria:** The evaluation criteria components for MassDEP's review and scoring of proposals are as specified in the Sewage Notification Grant Program Document.

**Application Deadline:** Applications are due electronically by 5:00 P.M. on Wednesday, November 30, 2022.

**Match and Other Obligations:** Applicants are not required to provide matching funds. However, applicants are encouraged to identify other known sources of funding for a Proposed Project on the Application Form, from both secured and anticipated sources, which may make the Application more competitive during review and evaluation by MassDEP.

**Additional Information:** for additional information regarding the Sewage Notification Grant Program, please refer to the MassDEP website link:

<https://www.mass.gov/info-details/grants-financial-assistance-watersheds-water-quality#sewage-notification-assistance-grant-program->

# Community Development Discretionary Account

## Transfer Request

Allocation from 225-5-184-5200 (CD Unallocated)

Authorization to transfer \$2,000

from CD Discretionary Unallocated (225-5-184-5200)

to CD Downtown Beautification (225-5-184-5233)

Request Date: November 28, 2022

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Selectboard Chair

### **Balances before transfer**

CD Discretionary Unallocated: \$33,947.64

CD Downtown Beautification: \$648.52

### **Balances post transfer**

CD Discretionary Unallocated: \$31,947.64

CD Downtown Beautification: \$2,648.52