

**SPECIAL TOWN MEETING  
JANUARY 6, 2011  
BACKGROUND INFORMATION**

**ARTICLE 1. Supplementary Appropriation for the FY 2011 Gill-Montague Regional School District Assessment.** This article would appropriate the sum of \$171,281 to supplement the funding needed to finance the FY 2011 Gill-Montague Regional School District assessment. Voters from the towns of Montague and Gill voted at a District Meeting held on November 18, 2010 to approve a budget that would result in an assessment of \$7,401,608 for the Town of Montague. As the Town only appropriated the sum of \$7,230,327 for this purpose at the Annual Town Meeting held on June 5, 2010, a shortfall of \$171,281 currently exists in the available appropriation. Article 1 will address this shortfall. It will be funded \$129,436 from Education Stabilization Fund and \$41,845 from Town Stabilization.

**ARTICLE 2. Adjustment of Funding Sources for FY 2011 General Operating Budget Appropriation.** Article #6 of the June 5, 2010 Annual Town Meeting was the Town's general operating budget, which includes debt service. We need to adjust the total funding sources because in FY 2010, the town raised the excluded debt for the taxpayer share of the Combined Sewer Overflow project and for short term interest for the Public Safety Facility. The actual expenditures for these items were less than the amounts appropriated and raised as part of the tax levy. For FY 2011, the amount of excluded debt on the tax recap is being reduced by the amount raised but not spent in FY 2010. The Mass. Department of Revenue requires that the additional tax dollars received in FY 2010 be shown separately on the FY 2010 balance sheet as "Fund Balance Reserved for Excluded Debt", and then be specifically appropriated as a source of funding for the FY 2011 Town Operating Budget. This is simply a bookkeeping item required by the DOR.

**ARTICLE 3. Creation of New Economic Opportunity Area at the Montague Industrial Park.** Article 3 would result in the creation of a new economic opportunity area at the Montague Industrial Park. The new EOA would be named the Mayhew Steel Economic Opportunity Area (EOA); and it would be carved out of the existing "Montague Industrial Park and Environs EOA". This action is necessary because Mayhew Steel is currently expanding its plant at the Industrial Park and is seeking approval of a certified project and tax increment financing (TIF) agreement for its expansion project (Article 4, below). Certified projects can only occur within an approved EOA. Under current State statute, an economic

opportunity area can only have a shelf life of 20 years. The existing EOA is scheduled to expire before the completion of the new, 10 year TIF that Mayhew Steel is proposing in Article 4. Hence there is a need to create a new economic opportunity area at the Industrial Park.

**ARTICLE 4.**

**Approval of Mayhew Steel Tax Increment Financing Agreement.**

Article 4 would approve Mayhew Steel's application for designation as a certified project in the newly created "Mayhew Steel Economic Opportunity Area", and further approve the Tax Increment Financing Agreement as negotiated by the Board of Selectmen. Mayhew is currently implementing a \$2.1 million expansion (33,600 square feet) at the Industrial Park which will result in the creation of 20 new positions over the next 10 years, ten of which will be created immediately. The average wages for jobs being created or retained is \$12.00 to \$24.00 per hour. The TIF agreement, which must also be approved by the Turners Falls Fire District, is a ten year agreement that grants tax exemptions totaling 14% of the tax that would otherwise be collected during the course of the agreement. With current assessed values, the expansion would result in the generation, over ten years, a total of \$376,350 in town and district taxes, of which \$52,690 would be exempted.

**ARTICLE 5.**

**Payment of Unpaid Bills from Prior Years.** Article 5 would appropriate the sum of \$2,860.46 for the purpose of paying prior year bills of the Building Department, General Insurance and Verizon.

**ARTICLE 6.**

**Acceptance of Gift of Land Located on Gunn Road.** Article 6 would authorize the Board of Selectmen to accept the gift of land, shown on the Town Assessors Map as Map 51, Parcel 26, a parcel totaling 3,397 sq. ft. in dimension, located on Gunn Road in Montague Center. The current owner of the property, Mr. James Mizaur, has asked the town to accept title to this property thereby saving the expense of advertising, Land Court fees and the legal fees involved in the process of tax taking. He will also pay any outstanding taxes owed to the town once the title has been successfully reassigned. As the property has no current value to the owner, he would otherwise allow it to be taken through the tax title foreclosure process.

**ARTICLE 7. Appropriation of Funds from Sewer Enterprise Fund Retained Earnings for FY 2010 Sewer Budget.** Article 7 would appropriate the sum of \$60,000 from the Sewer Enterprise Fund Retained Earnings account for the purpose of stabilizing the FY 2011 sewer user rates.

**ARTICLE 8. Amend the Water Supply Protection District (Section 9 of the Montague Zoning By-Laws) to Include Hannegan Brook Well Recharge Area.** Article 8 would amend the Water Supply Protection District (Section 9 of the Montague Zoning By-Laws) to include the aquifer recharge area surrounding the backup source for the Turners Falls Water District, known as Hannegan Brook Well.

**ARTICLE 9. Supplement the FY 2011 Appropriation of the Montague Water Pollution Control Facility.** Article 9 would appropriate the sum of \$35,000 to cover unanticipated expenses associated with an evaluation of the town's Inter-Municipal Sewer Agreement with the Town of Erving. These funds are being used to assess the town's options with respect to continuation of the agreement, now that the town has been informed that it will be looking at a significant increase in its annual assessment (as much as \$230,000/year) for treating Millers Falls waste. The Town of Erving recently completed \$6 million in improvements at their WPCF, and plans to pass on nearly ½ of all capital costs to the Town of Montague. The Town of Montague was not given the opportunity to participate in any of the planning of these improvements, as the agreement requires. The engineering and legal costs that Article 9 will fund will make it possible for the town to review its legal options, and its future plans for treating Millers Falls waste, including its possible treatment at the Montague WPCF. Although this alternative would require a capital investment on the part of Montague (i.e. for a sewer pumping costs and force main sewer line), the cost of this alternative may be considerably less than the cost of remaining a party to the Inter-Municipal Sewer Agreement with Erving.

**ARTICLE 10. Termination of the Erving Inter-Municipal Sewer Agreement.** Article 10 is being offered as a contingency, in the event that negotiations with the Town of Erving, regarding potential assessment cost increases, do not prove to be productive.