

**SELECTMEN'S MEETING
MONDAY, JULY 14, 2008**

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Meeting was opened at 7 PM in the Upstairs Meeting Room. Present were Selectpersons Allen Ross, Pat Allen, Patricia Pruitt; Town Administrator Frank Abbondanzio, Robert Trombley, Members of the Airport Commission, Supt. Ken Rocke

Approve minutes of June 30, 2008

Pruitt made a motion to approve the minutes of June 30, 2008 afternoon meeting with corrections. Seconded by Allen. Approved. Allen – Aye, Pruitt – Abstained, Ross – Aye.

Pruitt made a motion to approve the minutes of June 30, 2008 evening meeting with corrections. Seconded by Allen. Approved. Allen – Aye, Pruitt – Abstained, Ross – Aye.

**Bob Trombley, WPCF Superintendent
CSO & Facility Upgrade**

- CSO project is moving along fairly well; Road paving is expected to be done this week (possibly pushed off to next week.); Chlorine room doors replacement should be installed this week.
- Preparing to start some work on the CSO structure at the end of Sherman Drive on Greenfield Rd.
 - The new fine bar screen has arrived; Electrical work involving the new motor control center is still ongoing; Discussion with the contractor and subs regarding the code issues and we are researching into the possibilities on whether or not we can do that work via change order and the existing contract.
 - The DEP does want me to get the Kopelman & Paige's opinion as to whether that is possible or not; I will contact them to discuss this.
 - If Kopelman & Paige says it is not a problem, the DEP is willing to help us out and sign off on any change order in increase costs.

Abbondanzio: Camp Dresser & McKee and Paul Gilbert has been working with Rep. Olver's office on the possibility of getting a State Title Assistance Grant to do additional work at the Treatment Plant. The Grant has made it through a committee and is now earmarked to be put in the Appropriations Bill to be taken up by Congress after the elections. The process will most likely not be completed until early next year; probably February. That is good news that we may be able to get those funds combined with some additional funds that we know we can have from the USDA Grant, which will enable us to tackle some of the work that had to be cut out of the project last year. In particular try to do some work that would be either revenue neutral or something that would try to save some money for the Town. For example, on the handling of our sludge, it is very expensive to try to make it into a product that is more easily transported and disposed of, so we can significantly lower the cost of doing that.

Change Order #3 – Bob Trombley

- Change Order does not involve any new work. The work that is the subject of Change Order #3 has to do with the sludge storage tanks. The plant was up-graded back in the early 80's.
- The environment in that tank because of the sludge is very corrosive, and those support beams, steel girders have over time eroded severely.
- This is an attempt for us to get in there and clean all that out, encase them in some kind of material. We believe there is a better material that is stronger and better to use, than what was specified in the original contract. The change order of \$7,916 is for the newer material, and we believe that is the way to go.

Pruitt made a motion to approve Change Order #3 to Contract 2007-1 in the amount of \$7,916.00. Seconded by Allen. Discussion followed. Approved unanimously. Allen – Aye, Pruitt – Aye, Ross – Aye.

Trombley informed the board how he went to Seabrook, NH to look at a new sludge handling process that ends up reducing the amount of sludge that is produced by destroying it. In Seabrook they are looking at reducing their sludge handling costs by 50-80 per cent. He will be having the company do a site walk and they will let us know whether or not we could realistically fit something like that physically because we are cramped up between Greenfield Rd. and the river.

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Airport Commission, Sign Grant Assurances, Turners Falls Airport

Golrick: Every project we do at the Airport is underwritten by Mass. Aeronautics Funds and Federal Aviation Funds; in terms of all of our planning and construction projects, and that helps reduce the Town's share. In order to receive those kinds of monies from both the State and Federal agencies, we are required to sign Grant Assurances. These are the State Grant Assurances and last time I was asked if this is the same document as last year. I knew that the formatting was a little different, but I haven't had a chance to completely review it. I have since reviewed it and it is the same document with slight formatting differences; what used to be at the top of page two is now at the bottom of page one; so they had some formatting issues. I was able to line up everything. This is the same Grant Assurances that we sign every year.

Pruitt made a motion that we sign the Grant Assurances as presented by the Airport Chair for Project Section AIP 3-25-0032-13. Seconded by Allen. Approved unanimously. Allen – Aye, Pruitt – Aye, Ross – Aye.

Appointments to the Airport Commission

Ross: As people are aware, the current Airport Commission has four people on it. There were five. One person was not re-appointed.

Allen: Current members are Peter Golrick, who is Chairman and Secretary; Frank Mike Sokolosky, who is Treasurer; Gary Collins, who is a Commissioner and Bryan Carroll is to be re-appointed as a Commissioner.

Ross: We voted at a prior meeting to increase the membership from five to seven. After quite some time, we have had a number of people who expressed interest and we would like to now add those members to the Airport Commission. The considerations that we have to consider are that we have to get an odd number and we would like to minimize the possibility of conflicts of interest. While there are technical ways to get two people that have financial conflicts of interest, it is cumbersome and it is susceptible to challenge and it is something that potentially that we could avoid. The most likely conflicts of interest have to do with people that actually have a contractual relationship with the Airport. That doesn't mean that we can't appoint somebody in order to have a quorum. It is desirable to be able to have four members that don't have a particular contractual relationship. So what I would like to do, since our schedule tonight is tight, is for this not to become a broad discussion of all the issues that have preceded our decision to increase the group from five to seven. Also, this is not going to be a forum where there is going to be in-depth personality discussions. The way I would like to organize this is to have the Select Board members; each of us, who have reviewed the nine letters of interest to say who they would like to vote for; their top three. If we each go around, some of those might have three votes, some of them might have two, some might have one or none. Each Select Board member could also give a short discussion about why they would support who they are voting for. I would then open it up to the audience to make a one minute, and I will limit it to one minute, discussion if they agree or disagree with any of the people that would potentially become new Airport Commission Members. Assuming that we get some people that will be voted by a majority of the Select Board, they will be appointed. If we have to run through the sequence of other people that didn't get two votes, we will repeat that process until we finish. I am going to ask our Select Board clerk to keep tabs on the clock to the extent that I am unable to do it and also how the voting is going.

Allen: Should we perhaps re-appoint, if we intend to, Brian Carroll first, so that that is out of the way?

Allen made a motion to re-appoint Brian Carroll to the Airport Commission recognizing that he is a non-resident. Seconded by Pruitt. Approved unanimously. Allen – Aye, Pruitt – Aye, Ross – Aye.

Discussion about the appointment term for Brian Carroll and other new appointments to the Board

Ross explains the process he would like used for selecting new members to the Airport Commission.

Ross: I think the following people would be appropriate: I would recommend David Brule: He lives in Erving, MA., he spent much of his lifetime in Montague, he does not have a conflict, he has been on the Erving Planning Board, he has been on the Erving Conservation Commission since 1982, he also has significant mediation experience, and he seems like a very sensible, mature, interested person. My second recommendation is Richard Keith LaRiviere: He lives in Orange, MA, he also does not have a conflict, he does not own a plane, he does not

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lease or rent space at the Turners Falls Airport, he has significant Airport experience, he is a pilot, he has been very active in the past in the management of the Orange Airport, and the various developmental capacities. He also has extensive experience as a parachutist and instructor, he has been on the Assessor's Board at Orange. My third recommendation would be a Montague resident; Rodney Herzig, who does have a hangar. He would have to recuse himself from hangar related negotiations, he has been a spokesman for the Committee to Save the Airport. At the meetings I have attended, and there have been a number of them, he is sensible, reasonable, well informed and I think is a good spokesman for the pilots. Those are my three recommendations.

Allen: I would put Mark Fairbrother on even though I know that he shoots himself in the foot often, but I feel that his experience both with the Airport Commission and with the Conservation Commission are very important and helpful to the Airport. I would put Richard Keith LaRiviere for reasons that you have said. Neither one of them actually have conflicts. I would put Malcolm Clark because he has shown a great deal of interest and knowledge as well. He has rather unique experiences that nobody else has relating to the Airport that would be highly beneficial.

Pruitt: I would nominate David Brule, for all the reasons that Dr. Ross mentioned. I think one of the strongest things he brings is that the experience in mediation and sort of a balanced and objective to view things in general. I also agree with the choice we all have of Mr. LaRiviere. His experience is wide and very pertinent to aid the Airport, and I think he would be a very good addition there. My first choice for the third one would be Mr. Herzig also. I think that he has a familiarity with the reality of the Airport Commission without having developed any negative attitudes towards that Commission and I think that is a strength that he can bring. Although he has a hangar there he is aware that he would have to recuse himself on financial matters. He has no problem with that and would do that readily. My fourth choice if I had one would be Mr. Tom Waidlich just because he is interested and I think, as a young person, he might be a surprisingly good choice even though he doesn't have the width of experience in the Airport that some of the other candidates have. He also does not have a conflict. He is a member of the Franklin County Flying Club.

Ross: Actually it is a conflict. He would have to recuse himself from negotiations; just like the current members. Even though they share the lease arrangements, and I checked that. The current Board is very aware that that is a problem. Why don't I open it to the audience, again, I am going to be strict on the time allocations. I think potentially we have three people with two votes.

Jean Golrick: I think the process belongs to the Select Board. Speakers are not a good idea. It is your choice.

Discussion about how many out-of-towners could be on the Commission. The minutes of March 10, 2008 indicated no more than two on the Commission at any given time. Lengthy discussion was held.

Ross made a motion to retract the Select Board vote that limits the number of out-of-towners that can be appointed by the Select Board to the Airport Commission; we retract the number from two to no limitation. Seconded by Pruitt for discussion. Ross – Aye, Pruitt – Aye, Allen – Nay. Two Ayes, one Nay.

Allen: Looking through John Stark's letter, there is so much depth and knowledge of what he could bring, and also kind of coming from the western part of the county, I would wonder if you would want to look at him again.

Ross: I have spoken with John Stark. I have met him. He is obviously a very talented person. I personally voted for a Turners Falls resident, because I thought he is also talented and can bring local presence.

Allen made a motion that Rod Herzig be our three-year candidate and recognize that he is a hangar owner. Seconded by Pruitt, approved unanimously. Allen – Aye, Pruitt – Aye, Ross – Aye.

Ross made a motion to appoint David Brule to an Airport Commissioner position for a two-year term. Seconded by Pruitt. Approved with two Ayes and one Nay. Pruitt – Aye, Ross – Aye, Allen – Nay.

Ross: The new Airport Commissioners are: Keith LaRiviere, David Brule and Rod Herzig. Thank you all.

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Nancy Aubrey, Patch Resident. Bridge near the old Railroad Salvage Building

Aubrey represents a group of people from the Patch who want to know what is going on with the bridge. She obtained a petition about two months ago, and got about 50-75 signatures at that time. She is requesting that another bridge be opened; whether it is the Bailey bridge that is there or the old bridge to be fixed; whichever, as one bridge is not feasible. Cars are sometimes double-parked and it is difficult to get in and out of the bridge that we do have open on 11th Street. It is not good for emergencies; we need two bridges. We have always had two bridges.

Ross: The Select Board really shares your frustrations. I think a number of us have expressed extreme frustration with our ability to push the treatment of the Railroad Salvage property along so that in fact the debris gets cleaned up, and creates no hazard for that roadway.

David Jensen: We are due back in Court to review Mr. Kosuda's progress on the 22nd. He has had an order, an Agreement of the Parties, it was called. We have negotiated with him twice and he got two extensions in order to do this work. I just reviewed the things and I spoke to our Attorney today. Mr. Kosuda has failed on every single one of them. It is now time, and I discussed this with our Attorney too. Our original request, I believe it was three months ago was to take the building out of Mr. Kosuda's hands and have somebody else manage the property, and that he would pay for any repairs, structural analysis, and demolition that had to happen. The Court reluctantly gave Mr. Kosuda two chances to do it himself. He did a little bit the first time. He engaged a contractor, who fixed up the fence. He put up barbed wire around it and there it stopped. He has six conditions to be done by July 22nd. He has done none of them. There is now very strong evidence proven to the Court appointed mediator and probably to the Judge that Mr. Kosuda is incapable. Whatever his personal motives are, he is just plain incapable of doing anything constructive to this building, even anything remedial. So, at this point, he is not in arrears in his taxes. He is paid up. All his contractors are paid. There is no lien on his building. The Court is our only recourse at this point. Hopefully they can be effective.

It is requested that residents show up for the next hearing at the Housing Court in Springfield on 7/22/08 to show their support.

Jeanne Golrick: As you are all aware, I am a member of the Montague Energy Group. I don't know how well you are aware that there is a problem when you talk about accessing a second bridge. We usually have a second access, but the access that I suspect or possibly don't want to happen is the one that you most likely will pick. There are two bridges that come out of the Patch on the south end of the Patch; one of them a newer bridge which was temporary and an older bridge. Discussion continued regarding the bridge. Suggests that the older bridge be rehabbed.

Ross: Please put your interests in having some changes on bridge structure in writing to the Select Board to the Town, so we know exactly what you are talking about.

Discussion followed regarding the rules and regulations of a town taking over the property. Not sure if a poorly maintained property qualifies for town take over.

Abbondanzio: It is more of an issue of what the town would own, and the liability of it. If we took it by eminent domain, and took on the liability of tearing it down, I think the cost would be about three quarters of a million dollars.

Discussion

Ross: There is a question about opening another bridge access. I think it should be considered by our Town Planner and the Highway Dept. That is a multi-year project. It might be a very good idea.

Crystal Spring Investments, LLC, Change in the Membership for an all Alcohol License

Tammy Berard and Ed Tolzdorf, One of our partners is getting out of the LLC and Tammy is going to take his place.

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Pruitt made a motion to approve the Change of Membership for Crystal Spring Investments, LLC adding Tammy Berard to the application, and removing Mark Jackson. Seconded by Allen. Approved unanimously. Allen – Aye, Pruitt – Aye, Ross – Aye.

License to Place a Sign or Object in the Right-of-Way, Lisa Davol, Turners Falls Riverculture

Pruitt made a motion to allow Riverculture to hang a banner for the Block Party across Avenue A from July 16, 2008 through August 11, 2008. This follows the guidelines established by the Building Commissioner regarding the sign codes. Seconded by Allen. Approved unanimously. Allen – Aye, Pruitt – Aye, Ross – Aye.

Lisa stated they would like the parade route for the Block Party to be from the parking lot of the Discovery Center or behind the Cumby's building, starting there and ending at the Peskeomspkut Park, starting at 3 PM.

Discussion followed regarding line up of the parade. Pat Allen suggested running the parade route by the Police Chief first. Get his signature, form and times, and we will undoubtedly say yes.

Town Administrator's Report

Property recently auctioned by Douglas auctioneers (Richardson Road)

Ross: I got an update from Dan Laroche, Town Planner today who has looked into some details. I think we can talk both about Richardson Road and Greenfield Road. My understanding from the discussion and this submission here from Dan Laroche is that the property on Richardson Road has some interest for conservation purposes. He strongly suggested that it was not in the best interest of the Town to allow its sale. That is my sense in speaking with him.

Pruitt made a motion to empower Dan or Frank to find out from the current high bidder his interest in possibly transferring the land to the Franklin Land Trust and if that is not the case, that property stay with the Town. Seconded by Allen. Approved unanimously. Allen – Aye, Pruitt – Aye, Ross – Aye.

Douglas Bilodeau: The Greenfield Road one was not coming up for another couple of weeks.

Ross: I think we will need that time. There is a communication with our Planner and Planning Engineer for the straightening of Greenfield Road and apparently there is sense from the engineer that there is going to be a slope easement that will be necessary as part of that process. I think what I was hearing from Dan Laroche would be that they would want to not sell that until that easement was completed, which given highway construction times might be a couple of years.

Pruitt made a motion to remove Lot 28 on Map 26 off Greenfield Road from sale at this time. Seconded by Allen. Approved unanimously. Allen – Aye, Pruitt – Aye, Ross – Aye.

Sign License to Enter and Use Real Property with Ted and Alice Armen

Pruitt made a motion to approve the license for the use of the garden, Lot 123 on Assessor's Map 43, for Ted and Alice Armen, for this year for \$10.00. Seconded by Allen. Approved unanimously. Allen – Aye, Pruitt – Aye, Ross – Aye.

Sign First Amendment to Agreement with Allied Waste Services of Springfield

Abbondanzio: Have First Amendment to our contract with Allied Waste for the trash collection. You will notice in the Contract outlining what the provisions were and it didn't specify the end date which is June 30, 2009. The waste representative announced that they have a "Giving Program" that provides educational scholarships. They have already apparently contacted the District about that and they have also contacted the Recreation Department to help out with a program down there. They give out scholarships for needy people who can't afford some of the programming. They will also sponsor a program for the Town somewhere in the \$500-\$1,000 range; Labor Day Parade, whatever. They will be getting back to us and letting us know exactly how we pick that project. They also do a gift to the Police and Fire as well. Four small gift programs that they do.

Pruitt made a motion to approve the First Amendment to the Agreement entered on the 13th day of July 2008 saying that the initial period of this Agreement shall be for the time period from February 5, 2007 through July 1, 2009. Seconded by Allen. Approved unanimously. Allen – Aye, Pruitt – Aye, Ross – Aye.

- **Franklin Regional Planning Board Appointment**

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Allen asked if anyone else is interested in serving on this Board. Discussion followed and it was suggested that our Town Planner Dan might be a good candidate. Nothing definite was decided.

Letter and \$200 Gift from Anne and Bob Weaver (Taxpayer in Town)

The Weavers sent in this \$200 Gift because they felt the Town needed the money since the override failed. Carolyn Olsen is setting up a Special Gift Account in case anybody else in Town is interested in giving.

Need to appoint Tom Bergeron as the Trench Permit Granting Authority

Pruitt made a motion to appoint Supt. Tom Bergeron as a Trench Master and that we set-up guidelines and a fee structure for trenches. Seconded by Allen. Approved unanimously. Allen – Aye, Pruitt – Aye, Ross – Aye.

Letter from Dan Laroche, Town Planner and Conservation Agent, Re: Beaugesne Property requesting support from the Select Board to protect this 8-acre piece of property

Letter is on file in the Selectmen's Office
Pruitt made a motion that the Select Board send a formal letter of support to the Fisheries and Wildlife Board supporting the transfer of the Rodney Beaugesne property. Seconded by Allen. Approved unanimously. Allen – Aye, Pruitt – Aye, Ross – Aye.

Letter addressed to the State Auditor

Abbondanzio: This letter is addressed to the State Auditor, Joseph DeNucci and officially it is a request for determination that the one-twelfth budget that has been sent down to the Town from the Department of Elementary and Secondary Education for the Gill/Montague School District represents an unfunded mandate and therefore is unlawful. We have also contacted Town Counsel and they are working on developing a response to us receiving a one-twelfth budget to determine what the Town's options are with respect to that budget. The Towns of Montague and Gill are both considering sponsoring this letter. I think tonight, the Select Board in Gill is taking up this letter to decide whether they want to get behind it, and sign onto it. On Wednesday night, the Finance Committee and Select board, here in Montague, will meet in joint session and I assume that this will also be a topic of discussion. Basically I guess the crux of the letter is that the one-twelfth budget would require that the total budget for the Gill/Montague Regional School District would increase by roughly four per cent. In order to meet that budget, the assessments to the two Towns would increase by an average of about ten per cent. I think in the case of Montague it is about 8.4% and in the case of Gill, I think it was 13%. The assessments in real dollars on the Montague side we are looking at roughly a \$600,000 increase and one of the points that we made that this represents about 150% of all new revenues that would be realized by the Town in a given year, without a proposition 2-1/2 override. I think that for the Town of Gill, it was represented in an increase of about \$174,500 over the fiscal '08 budget and that was even more dramatic increase. So it would require the use of 262% of all the new revenues that Gill would expect in fiscal 2009. I know when the turn-around plan was submitted to the State, this argument was in fact made by the Superintendent of the Gill/Montague School District to the State that the Town was in fact doing it's part. I think some of the same data was used to back up that fact. I guess the point that we are trying to make though, is if we are in fact having to live with the four per cent increase and the assessments that resulted from that, that we could potentially be putting both Towns at risk of going into bankruptcy. The options that are open to the Towns are not great without a proposition 2-1/2 override. In the case of Montague, our option is to use a lot of reserves and then pay for it either in the following fiscal year by forcing massive cuts on the municipal side or to make massive cuts in the current year FY2009, just to meet the assessment. Our feeling was that it was unacceptable because it was also inconsistent with the message we were getting from the State in terms of what is appropriate for the level of State Aid. Chapter 78, to the Gill/Montague School District has basically only been level funded for the last three years and once again this year, it is less than a one per cent increase. One of the arguments we made was that it seemed to be a little inconsistent that we were saying that it was sufficient that the District could live with an increase in their State Aid, if it were less than one per cent, and again that was due to declining enrollments. The argument was that if you have declining enrollment, then you don't need as much money. At the same time, the State Agency would be telling us that sufficiency would be defined in terms of a four per cent increase in the budget. The two don't really add up and there is a significant difference between them. We try to make that argument as well. The concern was that the District budget process, as established in the State Law of Chapter 71, Section 16B, was basically it was undermining the role of Town Meeting even the District Meeting. The Town Meeting basically has a chance to vote the Gill/Montague district assessment, and they do that twice. If you can't come to an agreement on the budget, it gets referred onto a District Meeting between the two Towns. As a result of that meeting, we still couldn't come up with a budget, technically the District could take it to another District Meeting and on and on.

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Unfortunately there is an end to that process on December 1st. If no budget has been established for the District at that point, the State has the right to step in and impose the one-twelfth budget as they have defined it. In that case, as I said, the role of Town Meeting would pretty much be insignificant. We were questioning if that was consistent with laws governing the function of Town Meeting. I think that is where our Town Counsel is going to try to weigh in. Some of the questions that we came up with were:

- 1) Is the process that was established under Chapter 71, 16B inconsistent with other municipal finance laws, including those governing the calls and duties of the appropriating authority, Town Meeting?
- 2) Under the budget and process for Regional School Districts what incentive does the District have to accept the budget as voted by Town Meetings or the District Meetings; if the State Department of Education can override this decision and impose it's budget numbers upon the Town and attach their local aid if necessary?
- 3) Of the criteria by the Mass. Department of Education to arrive at a budget amount sufficient for the operation of the District, arbitrary and capricious and inconsistent with the existing State Aid Policy?
- 4) Is the one-twelfth budget, with it's mandated budget increases in excess of the two and a half per cent without a commensurate increase with State Aid inconsistent with proposition two and a half and therefore an unfunded mandate? Have we returned to the days when School Districts could count on a four per cent increase in their budget regardless of the community's ability to pay? We make a strong point and this is very, very important. The Town of Montague is consistently ranked in the lowest ten per cent in the State in terms of both per capita income and equalized valuation per capita. It has only been able to meet the school assessments in recent years by a dangerous reliance on non-renewable reserves and by cutting municipal services. As I said, our attempts to secure passage of the Prop 2-1/2% override have been unsuccessful due to the economic distress in the community, and in the absence of an override and the availability of reserves to sustain assessment increases of the amount requested, the only option open to the Town will be to cut essential services. Gill is in even in worse shape, since there are no reserves to cover the differences and overrides have met with similar results.

Finally, if in fact the budget is delayed until December 1st, the Towns will not be able to set their tax rate, will not be able to start taking income in, and as a result of that will have to borrow in anticipation of taxes to meet these cash flow problems, including to pay the District's quarterly assessments, and that will be an additional expense. These are the problems that we have defined. Our feeling is that the budget as currently proposed by the State Department of Education is not going to be feasible to either the Towns of Montague or Gill.

Allen: I think it is an excellent letter and we probably should have sent it off two years ago before we reached this point, but now it is so obvious that the numbers are crazy, they don't work. People from other states that I've talked to said, wait a minute you have prop. 2-1/2. The State doesn't have to live under that, but we do. We can't do it. I would say right now that we should not be even beginning to pay what they are telling us. We should continue as we are until such time as we get it straightened out.

Ross: I think the letter is clear, the documentation is unquestionable. A lot of it has been similar to the presentation that the School Committee made to the State Education Department, and I think the situation we are in just represents exactly where we didn't want to be. We are trying to have a fairly decent Town that is doing it's best to have it's renaissance, ends up, by no choice of our own, having a budget fight with the School Department, and they didn't want to have it with us, because all of us are supportive of an appropriate educational system, which we know takes money. So, the argument is not, as I see it, although I think there is some debate, that the schools don't need the funding in general, just like we need funding for all the Town's services, we are both trying to do the right thing. The way the State has evolved in terms of funding Town projects, they end up encouraging departmental fights internecine struggles, internecine fights and it is ridiculous. Just like our Police Department had to go for a full court press to try and fund a construction project that they absolutely needed. Now people are wondering, maybe I shouldn't have done that because we need this.

Allen: I think we should have a little chart that shows that as we go through with this kind of increase, exactly what we will have to cut this year and then project to next year, because this will not be built into our base. I think we will find that we can close up shop next year. Having Gill join us on this makes a lot of sense, because to me their numbers are still smaller and I think are more obvious to see what is really happening and Gill doesn't have the reserves that we theoretically could use this year to get through.

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Pruitt: I think the trouble is if we are trying to stick up for our situation, we have to talk from our point of view, so I don't think the intent of the letter is to create a anti-school attitude at all. We are just trying to say the way it looks from our side of the fence. At the same time, the sad thing about it is, we don't want the idea to come across that we are saying, as you just said, that the schools don't need what they are asking for, or they are somehow padding their budget in some way. The trouble is that there is a third party, or even two other parties that are not picking up their part of the task here and they are leaving it to the schools to cut or the Towns to cut as well as they can and don't bother us. We are all at a very serious divide here where we either give up having any hope of having well-functioning schools or we give up any hope of running the Town with any sense of progress.

Allen: I think we send this to everybody.

Pruitt: The Superintendent has been here all evening. Now we have members of the School Committee here. I just wonder how this letter reads to you. Is there a letter that you could be sending on that is the companion letter. The one-twelfth budget serves you at the moment, but on the other hand, ultimately does it serve you because it really isn't what you were asking for.

Supt. Rocke: My fear is that this letter will further divide the community.

Allen: I don't think it will anymore than it already is.

Supt. Rocke: I would like to explain what we did, when we went to the State Board of Education, and what I did when we wrote the turn-around plan which is to paint a very clear picture of Town assessments doubling the rate of increase of our budget because of the lack of State Funding. We were very conscious of the state of the Towns, and we were very careful to describe that situation to everybody who would listen, and in our turn-around plan in our letters, what we asked for was an increase in State Funding. We did not say the Towns had not been doing their part. What distresses me about the letter is that I am not hearing the support for the schools in the letter and I am not hearing acknowledgment of the extraordinary measures that the School District has taken this last year to control costs and increase revenues, starting with getting into the Group Insurance Commission, closing a school which is a very difficult process and assertively going after school choice students to increase revenues. I think if we are going to be effective in Boston, as a community, what we say has to be balanced and we feel that what we have presented to the State was very balanced. In fact, the numbers that you are quoting back to us tonight are from my report that was showing the extraordinary burden has been shifted to the backs of the Towns from the State. As I read the letter, it is not saying that the State should fund what they require the schools to do. It is saying that the school budget should be reduced to levels that the Towns can afford. I think that scenario is a scenario that is going to be very damaging to the community if it comes to pass and if it is granted. May I ask a couple of questions to fill in some numbers in my own understanding of the situation? The first question is what is the total reserve that the Town of Montague estimated as of July 1st, and I understand that there are four categories; correct me if I am wrong: free cash, stabilization, overlay and excess overlay? Because the picture that has been described is that those reserves are being eaten up very quickly. I think that if we had a shared knowledge of that, it would be helpful. Also, is it the case that the Town is going to go into bankruptcy this year for funding of the one-twelfth budget at the level it has been ordered by the Commissioner, or is this a scenario that you have heard or see happening two or three years down the road? The second question is what is the increase of the Town Departments this last year? Are they in effect, level services increases in the four to six per cent range, which is the school budget that we have proposed or is it in fact in the zero to one per cent range which is the kind of budget we would end up with, if we were restricted to a one-twelfth all together? If you could give us that kind of information, it would help us determine what is equitable and what is fair, and what is the urgency of the situation from the Town's side.

Allen: Maybe while you are asking us that, we could ask you that when we generate approximately \$400,000 each year in new revenues, how do you see us funding \$700-\$900,000?

Supt. Rocke: That is what we have been saying to the State; that it is an intolerable situation. We are trying to understand the fiscal situation of the Town and the budget that was passed at the Town Meeting and at what level the Town Departments were funded at, that is all.

Ross: I think those numbers have come out in a variety of forums.

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Abbondanzio: I will start first on the reserve side. Free cash is one of the reserves that we use. Typically, we use about \$350,000 in free cash towards the balancing of the budget. This year we had to take that free cash number down to zero, which means as we closed out fiscal 2008, we were not able to carry forward any free cash into the new year. Typically the way free cash is built up, is from any free cash that we haven't used up at the time we close out at Town Meeting, and any turn backs that you get as departments spend less than they had appropriated, or you get more revenues from the State than you thought you were going to get. Neither one of those cases is going to produce a whole lot of new revenue. Judging from the number of reserve fund transfers at the end of the year, close out budgets; the budgets were so tight that we were not able to turn back much of anything into the free cash for certification which takes place on July 1st, 2008, when books close out. We don't actually see a number until probably somewhere in late August or early September. That is the big one. Unfortunately, as I said because we typically built about \$350,000 in free cash into our budget, next year we have already built it into our budget for fiscal year 2010. So if we get our free cash certified as of July 1, 2008, and we have less than that, immediately we would have to plan on making cuts in fiscal 2010, which is a year down the road. If we only got \$350,000 in free cash certified, that would be just enough to cover the fiscal year 2010 budget. Unfortunately we already know that the energy budget is going to be in a deficit towards the end of the year. Obviously we are all facing issues with the rapid increase in energy. Typically that would be funded out of free cash if we had it available, and we would use that during the year to face those kinds of unforeseen circumstances. So we are entering the year not having that kind of start. The other reserve that we typically can rely on and generally we like to do it is to fund capital projects or stabilization funds. We have taken the stabilization funds down to next to nothing. We typically use that to fund types of projects that are non-recurring. That is the prudent way of using the stabilization fund. I know that we have taken that down to probably somewhere in the \$100,000 range, I believe. I know there has been a lot of talk about there being money in excess overlay and that if it is not used for any types of abatements or whatever, it is turned back into an overlay surplus. That number, which roughly is in excess of a million dollars—if we were to use that this year and fund the budget of the school assessment, we would have to come up with that same amount of money in fiscal 2010, which is the next fiscal year. We would not have the reserves to draw on to do that. That is the big concern. To use that funding in one fall swoop like that and that is why when I did my five-year plan for the Town, I recommended that that money be drawn down over a five year period in small increments so that we didn't do exactly that, because if you do that you basically do set up the situation where you could put the Town into bankruptcy. If you spend it all at once and then the next year you don't have the money to spend, and you don't have any more State Aid, and you have a limit on your property taxes because of prop. 2-1/2., then you will be making massive cuts and you'll be talking about elimination of whole programs. Programs that the town residents have already indicated at Town Meeting, and elsewhere, that they don't want to see totally eliminated or even cut to a large degree at all. So that is the situation that we are in. It is a question of forcing us into bankruptcy in probably a year's time.

Supt. Rocke: So, a million –one hundred thousand, that is the total reserve.

Abbondanzio: I don't know the exact figure offhand. It is somewhere about that. I do know that

Ross: What is the total reserves; some free cash, some general reserves, and then the overlay reserve?

Abbondanzio: That is the overlay – Yes that is what I said. It is just in excess of a million dollars. The point I am trying to make is that we are in the predicament that we are in this year, the current fiscal year 2009, because last October, when we went to a District Meeting, we used \$300,000 in free cash to fund an additional amount of assessment for the District. That is a fact. That \$300,000 which became built into the base and that was \$300,000 more than the free cash I already mentioned, the \$350,000, that we had to make up this year. So, going into this year's budget we had to make up \$650,000 and that put us behind the eight ball right away. We made cuts on the Town side. If you look at the budget, less debt, I think we are looking at increases that were probably in that one per cent range that you were talking about and not in the three, four, five or whatever, because we were faced with the same kinds of cuts as a result. Any new revenues that we had were basically canceling out because we had to make up for reserves that we used last year, and that is exactly the same situation that we will be in next year if we use large amount of the excess overlay.

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Supt. Ken Rocke: You talk about the depletion of reserves in one year from July 1st last year to July 1st this year. How much have the reserves in Montague gone down?

Abbondanzio: If you look at all the reserves we used to fund the 2008 budget, it was about 1.2 million dollars. I would say that is the most that we have ever used in reserves.

Supt. Rocke: In total amount, so it went down over a million dollars in one year.

Abbondanzio: Yes, between stabilization, free cash, excess overlay reserve money.

Supt. Rocke: You are saying also that your Town budgets are funded at the one per cent level.

Abbondanzio: I am saying that in the end after Town Meeting finished and as a result of the failure of the override. We had a basket override and some stuff got put back, but there were cuts made at Town Meeting floor and that if you were to remove the increase in debt this year which was in excess of \$110,000. The number actually ended up with a budget increase in the one per cent range, something like that.

Supt. Rocke: I don't mean to belabor the point, I am just asking like Police, Fire, roads; are their budgets are in the neighborhood of one per cent?

Abbondanzio: That is how the final budget ended up coming out. We basically started out with the budget process with pretty much level funding any expenses except for the health insurance and that ended up being cut on Town Meeting floor. The increase we need for fuel will not be enough. That is a service increase by over \$100,000. We deal with it the same as what the District does in terms of counting the increase as a less debt. About three years ago, I think that the District felt that the increase included large increase in debt service due to the school project, and said it really wasn't fair to count that in the total number. That is how we get down to that one per cent.

Supt. Rocke: Is there a way that this letter could be more reflective of the brutality of the situation of the schools in Town, and serve as an advocacy tool asking the State to increase funding to the schools and not put the Towns in this situation?

Allen: I think you already tried that. I guess my own feeling is that we reached a point where we need to say stop.

Supt. Rocke: Something is going to crash and burn. If the situation is forced, the Town will suffer greatly or the schools will suffer greatly, if we stop advocating for some help from Boston. I think it is the voices of the Towns that led to the GIC Legislation. Our direct voice which has lead to the fact that we are still in the pot hole game for this coming year. We are not leaving any option unexplored for increased funding.

Allen: You have tried the moderate, reasonable, let's talk common sense approach with the State, and as far as we can see they are not paying any attention.

Ross: My thought is that the clarity of this letter is written from the Town side. I don't think there is anything in here that says the school budget is not an appropriate, educational budget for all the reasons that you made very eloquently. The town needs the similar stuff. I don't think this letter will bring people's attention to the fact that in fact things are lean all the way around. I know that in your public presentations, you talked about the Town being a poor Town and not having funding, and you didn't want to take stuff from the Town's budget, but in fact that is what happened. In fact, the way State education things are funded, the Department of Education can limit the Town's budget. We can't call the Highway Department and say give us more Chapter 90 funds. We can't do that. We don't have a focused thing. I see this letter going to a whole variety of targets. I would like to potentially feel that the collaboration effort at all those meetings that we jointly shared, and hoped we would come to a collaborative effort as this protest. Just like your trips to Boston were a clear explanation of what you needed, this is what we need. I would be willing to work together to do a sequence of follow-ups to this in your budget, because I am not sure where this is going to go. This is a shout, we can't do this. We have building collapsing. We do get our roads cleaned, most of the time. I don't see this as an end to working together as things become more confrontation

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orientated, and I think they are going to. We have talked at Town Meeting about cutting Senior Citizens, cutting every department. We are talking about less people on the beats. We have nice things happening downtown. If we don't have policemen available to monitor that, it won't work.

Allen: When we were first looking at what we might have to cut, we proposed all these scenarios, just so we would know what we were talking about, if we needed to make cuts. We noticed that in all seven of those scenarios, that if we took all of them together and that included cutting Parks and Rec., Senior Center, Council on Aging, five clerks, the nurse, the animal control officer, etc., etc., we got to about six hundred and some thousand dollars and that was cutting everything. At that time I thought we would pick one of these categories and look at it, and it just turned out at the bottom that none of them added up to much all by themselves. So this seven hundred and twelve thousand or whatever it is; if it isn't this year then it is definitely next year. We could theoretically write something in here, a phrase saying this has nothing to do with how we feel what the schools need from their side, but from the Town side, we can't afford it.

Supt. Rocke: I just feel that we have been advocating for the Town and the schools. We made a heroic effort to do so.

Ross: The final comment pathway of your lobbying is to an organization that can only increase the school budget at the expense of the Town. That is not what you created.

Supt. Rocke: Why isn't the letter also saying that the State should step up and fund the needs of the Districts that it declares to be under-performing, and not ask the Towns to fund all of those improvements. That is my concern. It is saying reduce it rather than fund it.

Allen: I would like to try this approach. I don't think we are going to get anywhere.

Supt. Rocke: Since we are having a very frank conversation, I think this as written will have a de-stabilizing effect on the District that we work extremely hard for a year to stabilize the public perception of, and the contrast of the Towns and school both have to advocate for their point of view, and I have suggested the same thing myself. I think that at the end of the day for anything that you ask the State to do, the Towns have to ask for what is good for the Towns and the school has to ask for what is good for the school. But on the way of getting to that point, I think it is really important to show a kind of unity of the community and the kind of a sharing of the problem from top to bottom.

Ross: I don't have a problem emphasizing the point that you make, because I think it is a realistic point to the extent that your interpretation is right, but I don't think you are reading into what was actually said on the second page, the first complete paragraph down. It clearly talks about the minimal level of funding per student. That is the description of how you get in schools with declining enrollments, the amount per pupil is a lot less than schools with increasing enrollment, and you describe how that has affected your budget extremely negatively and under-performing schools specifically get compromised by that. That is included in this. Now, you could read it and I think inappropriately say that it is not an argument for increasing funding, but I think it is; understanding that we need more funding. Maybe it could be phrased in a stronger way.

Supt. Rocke: I think a little bit of an acknowledgment of some massive cuts that have been made in the school system over the course of the last five years would be helpful. Most of those cuts took place before I came on board. Twenty five or twenty six faculty were laid off in one year because of the decrease in State Funding.

Allen: Maybe it is going back to what you said Al. Do you want to send a companion letter?

Supt. Rocke: We don't want to write your letter. I was just a little distressed that it is not recognizing the value, the efforts and the situation of the schools, because it doesn't mention what the effect upon the schools would be, if your request was granted. It doesn't touch that territory.

Timmie Smith: I hope when I am writing this that I would see something about that we support our schools. There are the basis of our community, and we have supported them historically. I think Ken's turn around plan said

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Chapter 70 over seven or ten years, increased by 0.43 per cent and our assessment increased by double digits. We have given historically well above the minimum contribution. We support our schools, but we can't spread 2-1/2 that thin. Can you step up to the plate further and help us?

Pruitt: If we say that we don't think the State has the money and we say that we don't have the money and the schools are worried about facing the loss of the little bit of the ground they regained recently, then what are we going to gain by sending a letter that we don't believe will be responded to because there is no money. It seems like we are all talking to the wrong end here. What is it that the schools can provide to students that the Towns can support that the State Funding has available will cover, and the Feds who are absent almost altogether from this picture?

Allen: I thought part of Frank's cover letter, when he sent this out, referred to thinking that we needed to re-address Chapter 71, Section B, or was it another one?

Abbondanzio: Chapter 71 60B is the district law that governs the 1/12 budget.

Allen: Remember your cover said we needed to look at that because some of the issues is Prop 2-1/2 doesn't cover it even if we were talking 4%.

Pruitt: There isn't a petition going out against Prop 2-1/2, there isn't anything going out to raise the income tax to help fund our schools. I am persuaded that it isn't a bad idea for the town to present itself as supporting its own damn school system. Proof is how ever much money we have put forward in the past. If your really asking for the amount that we pay every year to be even less than the 1/12 budget, is that what we are really asking for? Do we have some idea in mind of what a reasonable level of funding would be that a town could support.

Allen: I think what we are trying to get to is just structural gap, is to get them to recognize that all the mechanisms they've put in place, whether it is prop 2-1/2 that the towns have to live under but the state doesn't have to plus everything else.

Pruitt: I guess I'm persuaded that we're not asking for what we really want.

Allen: I guess I thought this was the opening salvo and that we were basically asking Help, Stop, Look, Somebody has to start paying attention here and it is not business as usual.

Pruitt: I think I've heard you say before the public schools aren't getting what they need to be fully functioning schools in the 21st century and what in the way is giving them 1/12 or 1/10 if it isn't adequate to them doing the job they are supposed to be doing? Its hard, they've asked for money, we've asked for more money, we never get more money or just enough to think there is going to be more money. We don't think that way anymore, we pretty much know there is no more money. We are caught in a totally conflicted situation, you have a Governor who seems pro education and is doing all sorts of things in policy land but he doesn't have any more money to send out here, apparently.

Allen: I personally think we need to send a really strong opening salvo and I think we need to send it wherever we can, and I'm sure we aren't the only town. We need to get more Towns to join in to get the State to wake up.

Rocke: I think we have to be careful what we wish for in terms of school funding. I understand completely what you are saying about the difficult position the Town is being put in by the Commissioners budget, but the alternative from the schools side is equally devastating and that is the problem. If it becomes a tug of war over whether or not the commissioner has the authority to set a minimum bump in the budget then either the school or the town will lose.

Allen: But if each year you come in with a \$700,000 to \$1,000,000 increase and we generate \$400,000...

Rocke: I understand, let me put it a little bit differently, I would guess that the idea of the 1/12th budget is so that you can continue business as usual, but it doesn't take into account inflation, so if the commissioner were to grant a

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strict 1/12th budget we know what level service budgets are, that would be a 4% - 6%, that would be a cut in the school yearly of 4% - 6%.

Further discussion about the budget

Ross thinks that each party think about what the next merger will be, and that everyone should be working together on this to have an impact

Rocke: Invites everyone to the next school committee meeting on July 29.

Pruitt made a motion to go into Executive Session for Collective Bargaining at 9:40 PM and will come out only to adjourn the regular meeting. Seconded by Allen. Approved unanimously.

Allen – Aye, Pruitt – Aye, Ross – Aye.