

Town of Montague
Special Town Meeting
October 13, 2020

Background Information

Article 1 – Revised FY2021 Operating Budget

In light of the economic impacts of COVID-19, the Town expects to see modestly lower revenues in FY2021. Although Free Cash could be used to fill this gap, an adjustment to operating expenses was the preferred approach. A review of budgets identified areas in which reductions could safely be made without an adverse impact on services. Also, in two cases, slight increases are needed.

Following are the proposed changes in departmental appropriations, based on recent cost trends and/or new informational available since the start of FY21.

151	Town Counsel	(\$10,000)	Reflects decreasing expense trend
155	Information Technology	4,000	Reflects consultant bid process result
159	Shared Costs	2,000	Added phone costs – new DPW bldg
190	Public Bldg. Utilities	(35,000)	Reflects decreasing expense trend
543	Veterans’ Services	(10,000)	Reflects in-year FY21 cost estimates
910	Employee Benefits	(60,000)	Reflects actual FY21 rates and use
Total Change		(\$109,000)	

Article 2 - Council on Aging Roof

The existing roof of the Gill-Montague Council on Aging building, located at 62 5th St in Turners Falls, is near the end of its life expectancy. Missing and deteriorated shingles are widely evident. Both asphalt and standing seam metal roofs were considered, and the asphalt option was thought to be the wisest choice. Replacing the roof before it fails will allow the Town to avoid costly repairs to the structure and interior finishes.

Depending upon bid results, this amount may include an allowance for necessary exterior repairs. Note that reconstruction of the building’s chimney—a necessary precursor to repair of the roof, funded at the June 2020 Annual Town Meeting—is already complete.

Article 3 – Montague Center Park Survey

In June 2019 the Montague Center Park Improvement Committee completed a Master Plan for redevelopment of this park, which comprises several parcels, some with unclear boundaries. The Master Plan included a recommendation that a professional survey of the park boundaries be performed in support of future redevelopment work.

Article 4 – Shea Theater Fire Suppression System

Operating costs of the theater are the responsibility of the tenants, but the structural needs are the responsibility of the Town. This amount covers improvements identified during a periodic inspection of the theater.

Article 5 – Appropriation of Bond Premium

This is a procedural requirement resulting from a bond issued by the Town in January 2020. State laws (M.G.L chap.44, sec.20) require that this small amount of premium be appropriated to the project.

Article 6 – Cable-related Equipment for MCTV

This is a recurring appropriation of funds that the Town receives from Comcast for the benefit of our PEG Access Provider, Montague Community Television (MCTV) for capital expenses. These funds come directly from the utility and must be appropriated for this purpose. The appropriation has no impact on Town finances.

Article 7 – Special Purpose Fund Appropriations

Annually the Town appropriates funds from Taxation to augment its special purpose funds, in accordance with its financial policies and established practices. These are usually made at the Annual Town Meeting, but were deferred this year to allow time for the effects of the pandemic on the FY21 Budget to become clearer.

The originally intended appropriations remain feasible and the sources of the appropriations are presented below. Appropriations from taxation may reflect a set percentage of the Town’s prior year gross operating revenue (PYGOR), revenue from long-term leases, or other established conventions. The Town also enjoyed a strong Free Cash balance at the close of FY20, which enabled additional allocations that will improve the Town’s long term financial position and resilience.

Special Purpose Fund	Total Appropriation	Source	
		Taxation	Free Cash
Town General Stabilization	61,507	61,507	
Town Capital Stabilization	200,259	82,259	118,000
OPEB Trust Fund	118,000	50,000	68,000
GMRSD Stabilization	39,185	39,185	
FCTS Stabilization	68,000		68,000
Total	486,951	232,951	254,000

Article 8 – Cannabis Revenue: Appropriations to Special Purpose Stabilization Funds

On March 5, 2020, Special Town Meeting voted to accept the fourth paragraph of Massachusetts General Laws Chapter 40, Section 5B, which allows the dedication, without further appropriation, of a percentage of particular fees, charges or receipts to a stabilization fund established under Massachusetts General Laws Chapter 40, Section 5B; effective for the Fiscal year beginning July 1, 2020.

Further, Town Meeting voted to dedicate 100% of Cannabis retail sales revenue and 100% of Cannabis impact fee revenue to the Town Capital Stabilization Fund and Town Cannabis Impact Fee Stabilization Fund, respectively. As this change took effect on July 1, 2020, revenues collected in FY20 were left unspent and later certified as part of the Town's FY21 Free Cash.

The currently considered appropriations allocate those amounts from Free Cash to their intended stabilization accounts. Accordingly, the full value of FY20 cannabis sales tax revenues (\$73,652) is to be appropriated to Town Capital Stabilization, and the full value of FY20 cannabis impact fee receipts (\$35,791) is to be appropriated to the Cannabis Impact Fee Stabilization fund.

Article 9 – Reserve Fund

Each year the Town allocates \$60,000 of its general operating budget for unexpected emergency expenses. In August of 2020, an appropriation of \$50,000 was made from this fund to address the urgent need for engineering services associated with capping the Montague Burn Dump. This \$50,000 appropriation would restore the Reserve Fund to its intended level and better ensure the Town's ability to respond to other unexpected matters requiring immediate action.

Article 10 – Burn Dump Capping

The Town has an agreement with Kearsarge Solar that effectively exchanges land lease rights for the purpose of a 3 megawatt solar installation in exchange for the state-mandated capping of the former Montague Burn Dump at Sandy Lane in Turners Falls. The Town avoids approximately \$2.5M in capital expense as a result of the project, but has certain responsibilities to the project. Completion of the Burn Dump capping is a requirement of the Massachusetts DEP.

The requested appropriations for design (\$32,000) and construction (\$50,000) of a Modified Corrective Action Design plan reflect negotiated agreements with Kearsarge Solar relative to the Town's obligations to address unexpected debris areas uncovered through construction of the new landfill cap.

The Town generally uses Free Cash to fund "pay as you go" capital projects. However, the cost of design and other obligations on this warrant would leave a balance of \$430,000 in Free Cash for articles that may appear later this year and Town staff recommends preserving that balance. Capital stabilization is suggested as a source for construction. It is notable that just over \$40,000 of the revenue generated by a previous Kearsarge solar project lease (year 3 of 25) was

proposed to be allocated to capital stabilization in Article 7. This largely offsets the impact of this cost. The appropriation from stabilization requires a 2/3 majority vote of Town Meeting.

Article 11 – Prior Year Bill: Board of Health

The Board of Health very recently received a bill from September of 2017. As a prior year bill, payment requires approval by a 9/10 vote of Town Meeting.

Articles 12 and 13 – Change Annual Town Elections to the 3rd TUESDAY in May

The Town Clerk requests that the Town petition the state legislature and amend its bylaws in order to change the established day on which Annual Town Elections occur **from** the third **Monday** in May **to** the third **Tuesday** in May each year.

Article 12 would authorize the Selectboard to petition the General Court (state legislature) for special legislation allowing the Town to make this change. Article 13 would amend Montague Town Bylaws to reflect this change, subject to that special legislation.

The benefits of this change would be two-fold.

- The change would reduce voter confusion by aligning the day of our elections with state and federal election days, which are on Tuesdays.
- It would be more efficient/ convenient to have polling stations set up late in the day on Monday for a Tuesday election than it is to set them up prior to the weekend and have the location be unavailable for other uses over the weekend, or to do set up on Sunday evening, with staff on overtime.

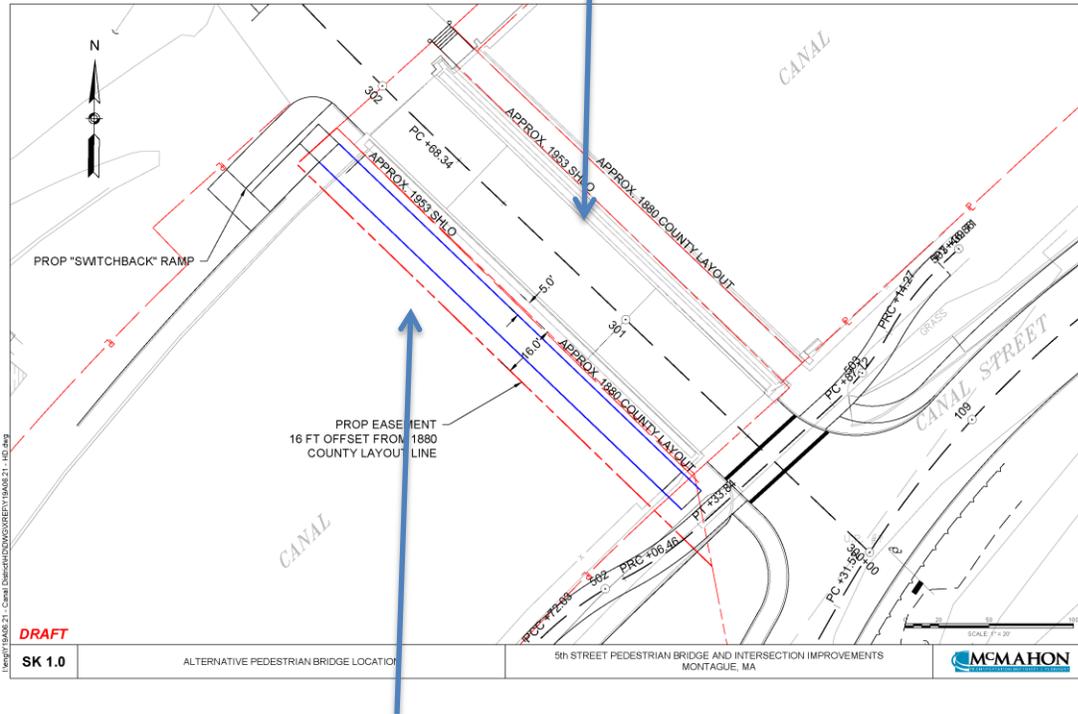
Article 14 – Authorize Acquisition or Release of Easements

In December 2019 the Town received notice of the award of a \$2.16M grant to replace the 5th Street pedestrian bridge, which connects pedestrian traffic with properties in the historic Turners Falls Canal District. Engineering for the project determined that an ADA accessible bridge cannot be inserted in the original location, as it would encroach substantially upon the entryway to Canal Road, adjacent to the entrance to the former Southworth Mill. Relocation would require a new easement from FirstLight Power and approval from the Federal Energy Regulatory Commission.

This article would allow the Town to exchange, acquire, or relinquish easements associated with the proposed new bridge site, on the downstream side of the existing 5th Street vehicle bridge, and include the release of Town easements for utilities over the former Strathmore pedestrian footbridge at the head of Third Street. It may also allow the Town to acquire additional easements. These may include, but not necessarily be limited to, allowing a new bridge in the location of the old Strathmore pedestrian bridge (to the extent that may be desired in the future) and ensuring that the Town can relocate utilities formerly placed on the Strathmore pedestrian bridge to Canal Road.

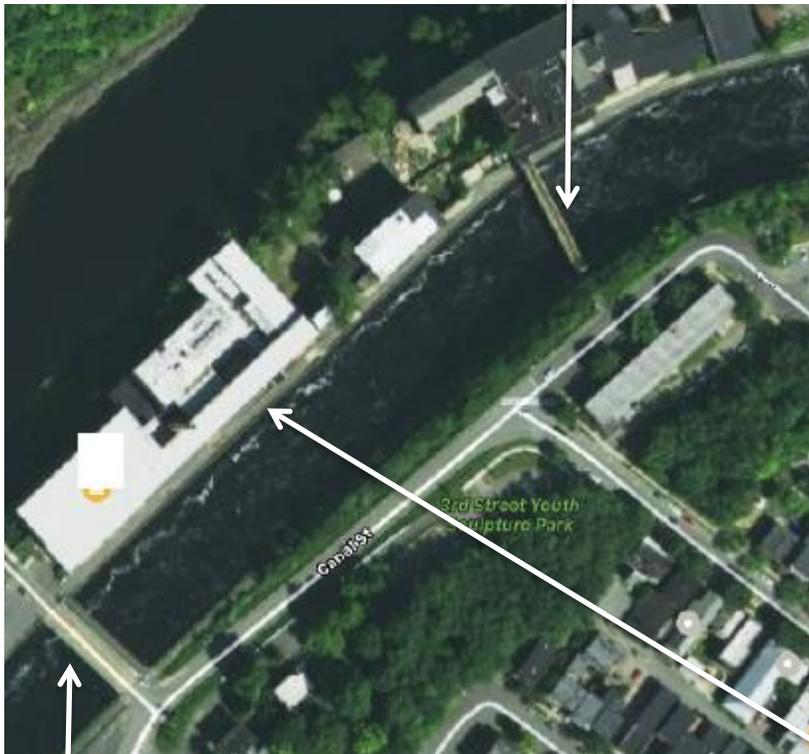
Passage of the article is required in order to realize the promise of the \$2.16M grant for the new 5th St. pedestrian bridge. The changed location of the new pedestrian bridge appears on the following page.

Location of the existing, condemned 5th St pedestrian bridge, to be removed



Proposed location of the new ADA compliant 5th St pedestrian bridge

Location of existing Strathmore pedestrian bridge



Proposed new 5th St pedestrian bridge