



## ***Committee on Finance and the Northampton City Council***

*Councilor David A. Murphy, Chair*

*Councilor Maureen T. Carney*

*Councilor Marianne L. LaBarge*

*Councilor James Nash*

**City Council Chambers, 212 Main Street  
Wallace J. Puchalski Municipal Building  
Northampton, MA**

Meeting Date: February 2, 2017

Note: The Finance Committee Meeting will take place during the City Council Meeting as announced. The City Council Meeting is scheduled to begin at 7:05 pm.

- 1. Meeting Called To Order**
- 2. Roll Call**
- 3. Approve Minutes Of The January 19, 2017 Meeting**

Documents:

[01-19-2017-committee\\_on\\_finance\\_minutes.pdf](#)

#### **4. Financial Orders**

##### **A. 17.245 An Order To Accept M.G.L. C. 44 S. 53F <sup>3</sup>/<sub>4</sub>**

Documents:

[17.245\\_rrr\\_cable\\_capital.pdf](#)

##### **B. 17.248 To Rescind A Previously Approved Council Order Due To Error Within The Document**

Documents:

[17.248\\_rescind\\_14.342\\_lumberyard\\_order.pdf](#)

##### **C. 17.249 Revised Order To Appropriate CPC Funds For The Lumberyard Affordable Housing Project**

Documents:

[17.249\\_lumberyard\\_clean.pdf](#)

[17.249\\_lumberyard\\_line-out.pdf](#)

**5. Committee Study Request - Referred By City Council On 1/19/2017**

Documents:

[csr-finance-2017.pdf](#)

**6. New Business**

*-Reserved for topics that the Chair did not reasonably anticipate would be discussed.*

**7. Adjourn**

*Prepared by:*

*P. Powers, Administrative Assistant to the City Council*

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## **Committee on Finance and the Northampton City Council**

*Councilor David A. Murphy, Chair  
Councilor Maureen T. Carney  
Councilor Marianne L. LaBarge  
Councilor James Nash*

**City Council Chambers, 212 Main Street  
Wallace J. Puchalski Municipal Building  
Northampton, MA**

Meeting Date: January 19, 2017

Note: The Finance Committee Meeting took place during the City Council Meeting as announced.

- 1. Meeting Called To Order: At 11:00 pm Councilor Murphy called the meeting together.**
- 2. Roll Call:** On a roll call the following committee members were present: Councilor Murphy, Councilor Carney, Councilor LaBarge and Councilor Nash. Also present from the City Council were the following councilors: Councilor Sciarra, O'Donnell, Bidwell, Dwight, and Klein.
- 3. Approve Minutes Of January 5, 2017 Meeting:**

Councilor LaBarge moved to approve the minutes; Councilor Carney moved the motion. The motion was approved on a voice vote of 4 Yes, 0 No.

#### **4. Financial Orders**

##### **A. 17.237 An Order To Transfer Free Cash To Capital Stabilization And Stabilization Funds**

Councilor LaBarge moved to return the order back to the full City Council with a positive recommendation; Councilor Carney moved the motion. The motion was approved on a voice vote of 4 Yes, 0 No.

Mayor Narkewicz explained that at the end of December, the Department of Revenue certified the undesignated fund balance (free cash). Now that the funds are available to the City, some of the funds will be allocated to various stabilization funds. The Mayor reminded the committee that there has been a planned effort to build up reserves over the last 3 – 4 years in case of emergency. He notes that the reserves for

enterprise funds are used to fund large projects, to cover debt service, etc. In May the City's Standard and Poor's rating was upgraded to AAA it was because the City had built such healthy reserves. Some of the reserves that are being transferred will be used to fund the capital budget, emergencies (like funding snow and ice accounts), etc.

**B. 17.238 An Order To Transfer Water And Sewer Retained Earnings Into Stabilization Funds For Water And Sewer**

Councilor LaBarge moved to return the order back to the full City Council with a positive recommendation; Councilor Carney moved the motion. The motion was approved on a voice vote of 4 Yes, 0 No.

**C. 17.239 An Order To Authorize The Creation Of A Stormwater And Flood Control Stabilization Fund And Transfer Free Cash Into The Fund**

Councilor LaBarge moved to return the order back to the full City Council with a positive recommendation; Councilor Carney moved the motion. The motion was approved on a voice vote of 4 Yes, 0 No.

**D. 17.240 An Order To Authorize The Creation Of A Solid Waste Stabilization Fund And To Transfer Free Cash Into That Fund**

Councilor LaBarge moved to return the order back to the full City Council with a positive recommendation; Councilor Carney moved the motion. The motion was approved on a voice vote of 4 Yes, 0 No.

Councilor O'Donnell questioned why money was being placed into an account since the landfill was being phased out. Mayor Narkewicz indicated that money is being taken from the account and creating a stabilization fund. Part of the issue is that the City needs to provide to D.E.P a financial assurance mechanism which requires showing the D.E.P. that there is a plan and a revenue stream over the next twenty plus years to be able to maintain the landfill cap, inspections, etc. The money was sitting in a retained earnings fund; it is intended that the money will be moved to a stabilization fund. Councilor Murphy indicated that spending any of the money in the account will require City Council approval.

**E. 17.242 An Order To Authorize The Appropriation Of Free Cash To NPS McKinney Vento Transportation Fund And Integrated Municipal Data System Capital Project Fund**

Councilor LaBarge moved to return the order back to the full City Council with a positive recommendation; Councilor Bidwell moved the motion. The motion was approved on a voice vote of 4 Yes, 0 No.

Mayor Narkewicz explained that this order comes before Council every year. The City receives the funding, but it is generally after the close of the budget year. The order also includes a capital project that was funded in the FY17 capital budget. An estimate is used as part of the budgeting process; during the procurement process then the final price is determined. In this case, the final price was more than what was budgeted.

Councilor Klein asked about the amount of money received for bus homeless students; she wondered if it was a flat fee that the Schools received. Mayor Narkewicz indicated that the money is a reimbursement for per-student transportation services. The Schools are not reimbursed at the 100% level.

#### **5. Financial Update**

##### Second Quarter Financial for FY2017

Finance Director Susan Wright explained that the City's revenues are on track with the budgeted plan. There are no surprises. There are also no areas of concern in the areas of expenditures. The four enterprise funds are as planned.

Councilor Bidwell asked about hotel and meal tax revenues. Director Wright indicated that when comparing the first two quarters of last year to the first two quarters of this year, the amounts are pretty much the same.

Councilor Klein asked about the PILOT which showed revenues above 100%. Mayor Narkewicz explained that this is not the voluntary PILOT program that was recently launched, but revenue from PILOT agreements that were previously in place. Director Wright indicated that the ones on the report are billed in January as a one lump sum after the tax rate is set. Since the budgeted amount reflects the planned amounts at the ½ year rate, the percentages are misleading for this line item.

Councilor Dwight indicated that during public comment a point was made that the actual projections for meals tax don't reflect what is actually happening with the restaurants. Mayor Narkewicz indicated that the budgeted amount is typically not 100% of the amount that was received in the prior year.

#### **6. Committee Study Request - Referred By City Council 1/19/2017**

Due to the late hour Councilor LaBarge moved to postpone the Committee Study Request; Councilor Carney seconded the motion. The motion was approved on a voice vote of 4 Yes, 0 No.

#### **7. New Business**

None

8. **Adjourn:** At 11:23 Councilor LaBarge moved to adjourn the meeting; Councilor Carney seconded the motion. The motion was approved on a voice vote of 4 Yes, 0 No.

***Prepared by: P. Powers, Administrative Assistant to the City Council***

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**City of Northampton**  
MASSACHUSETTS

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**In City Council**

February 2, 2017

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Upon recommendation of the Mayor

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**17.245**

**An Order**

**To accept M.G.L. C. 44 s. 53F <sup>3</sup>/<sub>4</sub>**

**Ordered, that**

In accordance with M.G.L. C. 44 s. 53F <sup>3</sup>/<sub>4</sub>, the City of Northampton hereby accepts the provisions of s. 53F <sup>3</sup>/<sub>4</sub> establishing a separate revenue account to be known as the PEG Access and Cable Related Fund, into which shall be deposited funds received in connection with the ten-year Cable Television Renewal License commencing as of April 4, 2016, with the fund beginning in FY2017.

**City of Northampton**  
**MASSACHUSETTS**

*In City Council, February 2, 2017*

*Upon the recommendation of the Community Preservation Committee*

17.248

An Order

*To rescind a previously approved council order due to error within the document*

***Ordered, that***

WHEREAS, that the City Council Order dated December 18, 2014 stated that “\$300,000 be appropriated from the Community Preservation Act funding to Valley Community Development Corporation for the Lumberyard Affordable Housing Project for creation of 60 affordable housing units.” That reference to the number of housing units was incorrect, but was provided correctly elsewhere in the Order.

**NOW, THEREFORE BE IT ORDERED,**

That the \$159,000 appropriated from the CPA Affordable Housing Reserve (account #2344930-359933) and the \$141,000 appropriated from the CPA Budgeted Reserve (account #2344930-359930) to Valley Community Development Corporation for the Lumberyard Affordable Housing project via the December 18 2014 Order is rescinded.

**City of Northampton**  
**MASSACHUSETTS**

*In City Council, December 18, 2014*

*Upon the recommendation of the Community Preservation Committee*

17.249  
An Order

Revised Order to appropriate CPC funds for the lumberyard affordable housing project

***Ordered, that***

WHEREAS, Valley Community Development Corporation submitted an application for Community Preservation Act funding for the Northampton Lumberyard Affordable Housing Project.

WHEREAS, the project will provide 55 units of affordable rental housing. The units will be a mix of one, two and three-bedroom apartments entirely restricted to households earning 60% or less of Area Median Income.

WHEREAS, suitable affordable housing is housing type that is in demand locally and regionally.

WHEREAS, the Valley Community Development Corporation has an excellent record of creating affordable housing.

WHEREAS, Valley Community Development shall hold at least one public meeting advertised at least 15-days in advance, in addition to required City hearings, to receive public input on the design of the Project.

WHEREAS, on December 3, 2014, the Northampton Community Preservation Committee, voted unanimously to recommend that \$300,000 in Community Preservation Act funds be used to support this project.

**NOW, THEREFORE BE IT ORDERED,**

That \$300,000 be appropriated from Community Preservation Act funding to Valley Community Development Corporation for the Lumberyard Affordable Housing Project for creation of 55 affordable housing units. And, that the grantee meets the conditions approved by the Community Preservation Committee, the Mayor, and City Council.

Specifically, \$159,000 is appropriated from the CPA Affordable Housing Reserve (account #2344930-359933) and \$141,000 is appropriated from the CPA Budgeted Reserve (account #2344930-359930).

# City of Northampton

MASSACHUSETTS

*In City Council, December 18, 2014*

*Upon the recommendation of the Community Preservation Committee*

17.249

An Order

Revised Order to appropriate CPC funds for the lumberyard affordable housing project

***Ordered, that***

WHEREAS, Valley Community Development Corporation submitted an application for Community Preservation Act funding for the Northampton Lumberyard Affordable Housing Project.

WHEREAS, the project will provide ~~approximately 54~~ 55 units of affordable rental housing. The units will be a mix of one, two and three-bedroom apartments entirely restricted to households earning 60% or less of Area Median Income.

WHEREAS, suitable affordable housing is housing type that is in demand locally and regionally.

WHEREAS, the Valley Community Development Corporation has an excellent record of creating affordable housing.

WHEREAS, Valley Community Development shall hold at least one public meeting advertised at least 15-days in advance, in addition to required City hearings, to receive public input on the design of the Project.

WHEREAS, on December 3, 2014, the Northampton Community Preservation Committee, voted unanimously to recommend that \$300,000 in Community Preservation Act funds be used to support this project.

**NOW, THEREFORE BE IT ORDERED,**

That \$300,000 be appropriated from Community Preservation Act funding to Valley Community Development Corporation for the Lumberyard Affordable Housing Project for creation of ~~60~~ 55 affordable housing units. And, that the grantee meets the conditions approved by the Community Preservation Committee, the Mayor, and City Council.

Specifically, \$159,000 is appropriated from the CPA Affordable Housing Reserve (account #2344930-359933) and \$141,000 is appropriated from the CPA Budgeted Reserve (account #2344930-359930).

17.249 with line-out





**CITY COUNCIL  
NORTHAMPTON, MASSACHUSETTS**

January 19, 2017

Dear Chair Murphy and Members of the Committee on Finance,

As you know, the Charter requires the City Council to hold public hearings and to vote on both the city budget and the capital improvement program as part of the annual budget process. Unfortunately, for the last two years, these hearings have garnered little to no attendance by the public.

Because the budget is a document of central importance that the community should consider and understand, the City Council should be active in its outreach to the public as part of its responsibilities in the budget process.

Therefore pursuant Section 2.3.8 of the Council Rules, please consider this request that the Committee on Finance discuss and propose a plan to increase citizen participation and engagement in the City Council's budget hearings for fiscal year 2018, and report back to the full Council.

Sincerely,

William H. Dwight  
City Council President

Ryan R. O'Donnell  
City Council Vice President