



Committee on Finance and the Northampton City Council

*Councilor David A. Murphy, Chair
Councilor Maureen T. Carney
Councilor Marianne L. LaBarge
Councilor Gina-Louise Sciarra*

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

Meeting Date: March 7, 2019

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. Approval Of Minutes From The Previous Meeting**

A. Minutes Of February 21, 2019

Documents:

[02-21-2019_finance committee minutes.pdf](#)

4. Financial Orders

A. 19.009 An Order To Establish Water And Sewer Rates For FY2020

Process note: Per the Administrative Code, Part 1 Administrative Organization, Chapter 6 Public Works Division: "The department makes annual recommendations to the Mayor for water and sewer rates, which shall be subject to the approval of the City Council."

Documents:

[19.009 dpw recommendation on water-sewer rates.pdf](#)

[19.009 an order to establish water and sewer rates for fy2020.pdf](#)

5. New Business

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

6. Adjourn

Contact: D. Murphy @ david.murphy8@comcast.net
or 413-586-5461



Committee on Finance and the Northampton City Council

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

Meeting Date: February 21, 2019

Note: The Finance Committee Meeting took place during the City Council Meeting as announced. The City Council Meeting began at 7 p.m.

1. **Meeting Called To Order:** At 9:08 p.m. Councilor Murphy called the meeting to order.
2. **Roll Call:** Present were committee members David Murphy, Maureen Carney, Marianne LaBarge & Gina-Louise Sciarra. Also present from the City Council were Bill Dwight, Jim Nash, Ryan O'Donnell, Dennis Bidwell, and Alisa Klein.
3. **Approval Of Minutes From The Previous Meeting**
 - A. **Minutes of February 7, 2019**

Councilor Carney moved to approve the minutes of February 7, 2019. Councilor Sciarra seconded. The motion passed 4:0 by voice vote.
4. **Financial Orders**
 - A. **19.002 An Order To Purchase, Declare Surplus And Donate Land On Easthampton Road To Massachusetts Audubon Society For Conservation Purposes**

Councilor Murphy read the text of the order.

Councilor LaBarge moved to forward the order with a positive recommendation. Councilor Sciarra seconded.

The order and map are pretty self-explanatory, Mayor Narkewicz presented. This is a key parcel Mass Audubon Arcadia Wildlife Sanctuary would like to see added to its conservation lands. The city has a homeowner willing to sell it to them for \$1.

In response to a question from Councilor Murphy, Mayor Narkewicz confirmed that the land is presently in tax title. It is very low-value land and not developable, he added.

City Council Committee on Finance Meeting Minutes for February 21, 2019

The motion passed unanimously by voice vote with 4 Yes, 0 No.

B. 19.004 An Order To Reprogram Memorial Hall Repairs Surplus To Senior Center Repairs

Councilor Murphy read the text of the order.

Councilor LaBarge moved to forward the order with a positive recommendation. Councilor Sciarra seconded.

The order involves tailings from the Memorial Hall project, Mayor Narkewicz explained. City Services wants to address some issues with the siding and trim on the Senior Center. There have been some signs of rot and water-related damage down near the base of the building.

The motion passed unanimously 4:0 by voice vote.

C. 19.005 An Order For FY2019 Budget Transfers

Councilor Murphy read the text of the order.

Councilor LaBarge moved to forward the order to the full City Council with a positive recommendation. Councilor Sciarra seconded.

The transfers are to address some end-of-year budget issues, Mayor Narkewicz reported. On the Fire/Rescue side, the department had an unanticipated repair to the ladder truck and a blown turbo on Engine One which caused the normal maintenance budget to be exceeded. On the public safety side, dispatchers had an unexpected repair to the Keltron monitoring system. The department also had some software licensing fees and there was some initial miscommunication about which budget these needed to reside in. With regard to modest transfers for Travel and Staff Development, unfortunately, the Western Massachusetts training center closed, so the city has had to send dispatchers further east for training, raising their travel expenses.

The motion passed unanimously 4:0 by voice vote.

D. 19.007 An Order For FY2019 Budget Transfers

Councilor Murphy read the text of the order. These were the transfers spoken of in Executive Session, he noted. The order calls for the transfer of \$123,422 from Salary Reserve to various departmental budgets.

Councilor LaBarge moved to forward the order to the full City Council with a positive recommendation. Councilor Sciarra seconded.

There being no discussion, Councilor Murphy called the motion to a vote, and it passed unanimously 4:0 by voice vote.

5. New Business

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

None.

6. **Adjourn:** There being no other business, Councilor Carney moved to adjourn. Councilor Sciarra seconded. The motion was approved on a voice vote of 4 Yes, 0 No. The meeting was adjourned at 9:18 p.m.

*Contact: D. Murphy @ david.murphy8@comcast.net
or 413-586-5461*



**CITY OF NORTHAMPTON, MASSACHUSETTS
DEPARTMENT OF PUBLIC WORKS**

**125 Locust Street
Northampton, MA 01060**

**413-587-1570
Fax 413-587-1576**

Donna LaScaleia
Director

Memorandum

To: Mayor David Narkewicz
From: Donna LaScaleia, Director of Public Works
Date: February 19, 2019
Re: FY20 Water and Sewer Rates

The Department of Public Works (DPW) has forecast and analyzed personnel and operating expenses, capital expenses and proposed capital projects inclusive of existing and anticipated debt service in the water and sewer enterprises as part of the FY20 budgeting process. Our analysis and subsequent recommendations are predicated upon a commitment to ensuring consistent and appropriate investments in infrastructure, maintaining adequate stabilization balances and establishing long term rate stability.

Water Enterprise:

The City operates, maintains and improves 160 miles of water lines, including two transmission mains that carry drinking water from Whately to the City limits. The City also operates, maintains and improves a 6.5 million gallon per day Water Treatment Plant, three active surface drinking water reservoirs and dams, 2 active wells, 2 pump stations, the 200,000 gallon Audubon Road storage tank, a corrosion control facility and over 3,000 acres of watershed land. All operations are closely monitored and regulated by the Environmental Protection Agency and the Massachusetts Department of Environmental Protection.

In FY18 and FY19, DPW administered \$1,423,881 in design and construction for waterline replacement on Chesterfield Road, Hatfield Street, Audubon Road, Day Avenue, North Farms Road, North Maple Street, Hinckley Street and Damon Road. We have requested \$2,875,000 through the FY2020-FY2024 Capital Improvement Plan (CIP) to continue waterline replacement in locations identified in the 2013 Water Asset Management Plan. We have also requested \$20,450,000 to fund Dam and Spillway Repairs, Transmission Main Relocation and improvements to the Leeds High Pressure System, with the understanding that these projects will be long duration and require extensive permitting and design work before construction is possible. The City received a state grant in October of 2018 for \$250,000, which will partially fund design for Dam and Spillway Repairs.

FY18 debt service in the enterprise was \$2,013,196, representing 29.35% of total revenue. This debt service is the result of a \$25,853,996 bond issuance for the construction of the Water Treatment Plant in 2006 and it does not clear the debt schedule until FY2028. The current water stabilization balance is \$1,955,596, and in prior years, funds have been expended from stabilization to support capital investment. The amount of existing debt service does not allow for the assumption of additional debt to support

remediating currently known infrastructure deficiencies, and therefore the scale of necessary work to correct those deficiencies will require higher revenue support.

Based on an analysis of usage for the past 66 months, we estimate that the proposed rate increases¹ would provide an additional \$161,784 in annual revenue. DPW will also be implementing a modest increase to quarterly fixed meter fees that will provide an additional estimated \$60,000 in annual revenue. This new revenue will be used either to fund as cash or to create debt capacity to fund through borrowing the major capital projects outlined in the CIP.

Sewer Enterprise:

The City operates, maintains and improves more than 110 miles of sewer lines, seven pump stations and a 15 million gallon per day Wastewater Treatment Plant (WWTP). All operations are closely monitored and regulated by the Environmental Protection Agency and the Massachusetts Department of Environmental Protection.

In FY18 and FY19, DPW administered \$510,962 in design and construction for sewer replacement on Audubon Road, Day Avenue, Hinckley Street and Damon Road. We have requested \$2,150,000 for sewer line replacement through FY2024.

In FY18 and FY19 at the WWTP, projects were completed to replace critical sludge pumps and to convert the Plant's effluent disinfection process from chlorine gas to sodium hypochlorite. These projects together represented a capital investment of \$1,063,627, funded through borrowing in prior years. As required by Massachusetts General Law, the City has retained an Owner's Project Manager and Designer for the next phase of upgrades, primarily focused on upgrading the Plant's electrical infrastructure and aeration processes. Contracts for these services total \$1,662,111. Through the CIP, we have requested \$22,000,000 over the next five years for construction of these and other upgrades, and based on planning level estimates from the 2015 Comprehensive Wastewater Management Plan, we anticipate an additional \$65,000,000 in needed funds to support future capital plans beyond FY2024 for both treatment and collection. We currently have a balance of \$10,109,715 in sewer enterprise stabilization, and we anticipate using \$8,500,000 of this balance to partially cover capital construction costs in excess of \$15,000,000 in FY20-FY22. Additional funding for construction will be through the Clean Water State Revolving Fund.

The scale of proposed upgrades will require higher revenue support. Based on an analysis of usage for the past 66 months, we estimate that the proposed rate increase² would provide an additional \$156,436 in annual revenue for the enterprise. This new revenue will be used either to fund as cash or to create debt capacity to fund through borrowing the major capital projects outlined in the CIP.

¹ Tier 1 consumption, meter ≤ 1 "': FY20 proposed rate for 0-16 Ccf is \$4.51 per Ccf, an increase of 2.5% over the FY19 rate.

Tier 2 consumption, meter ≤ 1 "': FY20 proposed rate for >16 Ccf is \$6.09 per Ccf, an increase of 2.5% over the FY19 rate.

Meter >1"': FY20 proposed rate for all consumption is \$5.99 per Ccf, an increase of 2.5% over the FY19 rate.

² Non-metered based on 80% metered water consumption: FY20 proposed rate is \$7.86 per Ccf, an increase of 2.5% over the FY19 rate.

Metered: FY20 proposed rate is \$7.86 per Ccf, an increase of 2.5% over the FY19 rate.

City of Northampton

MASSACHUSETTS

In the City Council, February 21, 2019

Upon the Recommendation of the Mayor

O-19.009 AN ORDER
TO ESTABLISH WATER AND SEWER RATES FOR FY2020

Ordered, that:

Effective July 1, 2018, the per 100 cubic foot (CCF) rates for water and sewer are as follows:

WATER

Customers with 1” meter or smaller

Tier 1 consumption: 0 – 16 CCF \$4.51 per CCF (FY19 rate \$4.40 per CCF)

Tier 2 consumption: >16 CCF \$6.09 per CCF (FY19 rate \$5.94 per CCF)

Customers with meter larger than 1”

All consumption \$5.99 per CCF (FY19 rate \$5.84 per CCF)

SEWER

Non-metered

\$7.86 per CCF based on 80% of metered water consumption (FY19 rate \$7.67)

Metered

\$7.86 per CCF (FY19 rate \$7.67)