



Committee on Finance and the Northampton City Council

*Councilor Gina-Louise Sciarra, Chair
Councilor Marianne LaBarge, Vice Chair
Councilor Michael J. Quinlan, Jr.
Councilor John Thorpe*

On-line Zoom Meeting

Meeting Date: July 9, 2020

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 9:07 p.m., Councilor Sciarra called the meeting to order.
2. **Roll Call:** Present were committee members Gina-Louise Sciarra (Chair), Marianne LaBarge (Vice-Chair), Michael J. Quinlan, Jr. and John Thorpe. Also present from the City Council were William H. Dwight, Alex Jarrett, Karen Foster, Rachel Maiore and Jim Nash.
3. **Approval of Minutes of June 18, 2020**
Councilor LaBarge moved to approve the minutes of June 18, 2020. Councilor Sciarra seconded. The motion passed unanimously 4:0 by roll call vote.
4. **Financial Orders**
 - A. **20.083 An Order to Approve Issuance of Refunding Bonds**
Councilor Sciarra read the order.

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

This is language that has been prepared by the city's bond counsel, Mayor Narkewicz explained. The city issues municipal bonds to pay for debt on capital projects and other expenditures and has a potential opportunity to refinance some of that debt. This was last done in 2015. At that time, they had some bonds that were eligible for this refunding process and were able to realize substantial savings. Obviously, they have a lower rate environment right now so bond counsel has advised that they should prepare themselves to be ready in September if rates remain favorable to go through that process again. This language authorizes the city to do that. The council took a similar vote in 2015 but there have been some changes in language and laws since that time. He is asking for two readings to allow bond counsel to prepare and lay the ground work. For bonds that would become eligible in the fall for this refunding, they believe they could potentially save about \$230,000 in interest payments over a nine-year period. He would appreciate the positive recommendation of the Finance Committee.

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Councilor Thorpe asked if this is happening now because there's been a decline in interest rates.

Definitely, Mayor Narkewicz confirmed. They're seeing that interest rates are low right now. They don't know if that environment will continue and what it will look like in September but they want to be prepared.

Councilor Thorpe expressed his understanding that a refunding bond is a bond that retires another bond before it matures.

Mayor Narkewicz said he believes that's an accurate description. Every bond has a callable period during which it can be refunded, he clarified.

Councilor Quinlan noted that the order says 'at one time or from time to time.' He wondered if the order has a shelf life. He asked if it is something voted on every year or if it is permanently in place once voted.

Language similar to this was voted on in 2015, Mayor Narkewicz shared. Some Mass. General Laws have changed since then so bond counsel, out of an abundance of caution, advised that they should come back and pass another order. Unless and until there is some other change, it would probably allow them to refinance again going forward

The motion passed 4:0 by roll call vote.

B. 20.087 An Order to Approve Spending to Complete the Northview Subdivision

Councilor Sciarra read the order.

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

Councilors actually heard someone in public comment make reference to this project, Mayor Narkewicz reminded. It is a performance bond on the public utilities that were part of the subdivision requirement. He deferred to Office of Planning and Sustainability Director Wayne Feiden for further information.

This was a failed subdivision, Director Feiden explained. It doesn't happen often but it certainly happens from time to time. The developer failed, and the development is left holding five lots. Florence Savings Bank holds a mortgage. The development has several permits: a Site Plan Approval, subdivision permit and stormwater permit. The performance guarantee just has to do with the stormwater permit. Every time it rains, the site erodes so it is necessary to take prompt action to stabilize the site.

State law creates pretty strict rules for this process. The city had to release certain funds at different stages. In addition to the financial performance guarantee, the city also hold covenants on two lots. Northampton goes above and beyond the protections most other communities impose. They hope there's enough money to do everything in the project. What actually has to be done is to stabilize the site.

Councilor LaBarge commented that her ward had something similar to this 15 years ago at Avis Circle. They had serious problems there with the surveying of some properties not being completed. For Avis Circle, as a city councilor, she asked the Planning Board not to release the letter of credit until all the surveys were completed and the boundaries were in place. She's going to support this 100%.

He's worked through three recessions in his time in Northampton, and every recession they've had some failures, Director Feiden related. They are in a much better position than the recession two recessions ago because at that time they had bank failures, so projects potentially could have lost both the bank and the developer.

Councilor Foster said she had a chance to meet with the residents of Northview Tuesday night. They spent about an hour showing her around. Of course, she will support this but she has some questions. The letter read during public comment was actually signed by 22 residents from Northview. They have been working really hard both to mitigate storm water run-off on their own and pull together as a group to find solutions. She understands homeowners will have an association once all the lots are sold. But since the lots are not all sold and the developer has filed for the state equivalency of bankruptcy, what recourse if any do homeowners have now to move forward in forming that association? She asked.

It is a private contractual agreement that the city is not a party to, Director Feiden said. Five lots are still owned by Sturbridge Development. Florence Savings Bank has mortgages on them, and there's a lot of value in those lots. There are two models; the developer can release those lots allowing homeowners to form an association or, at some point, the lots can go forward and be developed and sold.

With the city holding covenants on those lots, does that mean the city could potentially bring in more income to fund the improvements needed on the property? Councilor Foster asked.

There are five permits on the property and they all have some thresholds in terms of when the city releases them, so the city has some leverage in that the building department won't issue certificates of occupancy until the permits are satisfied. Also, as stated, the city holds covenants on two lots. There are a lot of, frankly, leverage points in the process going forward, Director Feiden advised. They are limited by state law as to what they can do but they are going to look at all the leverage points.

She hears the concern that the lack of improvement on the private lots is contributing to the difficulty with storm water run-off in that much of the sediment and silt clogging the system is coming from the vacant lots, Councilor Foster continued. She asked if the city has the ability to shore up the lots sitting empty.

There are two issues, Director Feiden said. At this point, the city has no right to go onto the property as it is privately-owned. The owners may actually beg them to go onto the property since the value of their lots is going down every day. Second, the money the city has is specifically intended to guarantee compliance with the subdivision permit; not compliance with storm water or site plan approval permits. If they use these limited funds, they may be leaving other money on the table. The city would like the owner of the lots or the mortgage holder to invest in stabilizing the lots. The city has \$280,000 as a financial performance guarantee. If they start using those funds to stabilize the lots, they're going to have less money to do other work that's needed. They're obviously working with their legal counsel. "We are not just going to spend money and let the property owner off the hook."

Councilor Foster asked if MassDevelopment is totally out of the picture.

As far as he knows, they're out of it, Director Feiden responded. Neighbors have told him MassDevelopment has a recapture agreement providing that it can take over lots that fail. The city doesn't hold any performance guarantee with them. There is some erosion coming off the northeasterly corner on property MassDevelopment still owns, which is a very small contributing factor. Other than that, as far as he knows they're off the hook.

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Councilor Foster expressed her understanding that Director Feiden is identifying storm water improvements and shoring up the vacant lots as the priority for the \$280,000 available. She asked if he anticipates there will be money left to do the other work.

A year ago, the developer's engineer presented cost estimates to the city for the cost of finishing the project. DPW engineers reviewed it and thought they were realistic, so, a year ago, the city thought it was enough money, Mr. Feiden said. One of the big unknowns is what's happened underground. There is a large drainage facility underground protected by a silt sock. If silt has made it through the silt sock and damaged the sill and it has to be dug up, it starts becoming more expensive. That's really the wildcard.

The residents who live there are eventually going to be the ones legally and financially responsible for all of this, Councilor Foster noted. She just wants to advocate that their voices to be part of this planning and that they be included in this process.

"That's been very important to us," Mr. Feiden confirmed. He walked the site on Sunday with the neighbors and met with them for an hour yesterday. The city is interviewing an engineer tomorrow and has invited three neighbors to participate. Absolutely the neighbors are going to be at the table at every step.

The motion passed unanimously 4:0 by roll call vote.

C. 20.088 An Order to Authorize Payment of Prior Year Bills

Councilor Sciarra read the order.

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

These are small bills from previous fiscal years, Mayor Narkewicz explained. Under Mass. General Law, even a bill from June requires a vote of the council to authorize payment. Bills totaling \$872 for services rendered have been presented.

The motion passed unanimously 4:0 by roll call vote.

D. 20.089 An Order to Authorize FY2021 Intermunicipal Agreements

Councilor Sciarra read the order.

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

This is an annual exercise to renew municipal agreements with other communities and agencies throughout the region, Mayor Narkewicz advised. Under Mass. General Law, the city has to reauthorize these every fiscal year. It is a great example of ways Northampton collaborates with other entities in the region and in some cases is a leader in the region. They are seeking two readings because some agreements take effect July 1st.

Councilor Maire asked if they are locked into these agreements for four years if the Northampton Policing Review Commission (NPRC) comes up with alternative ways of delivering services.

Mayor Narkewicz said most agreements have a provision for communities to withdraw with notice to the other members. The agreements can also be modified.

He sees some great collaborations here and certainly many that would be appropriate for the NPRC to review, Councilor Jarrett agreed. He said he is curious about the Five College fiber network.

This was a high-speed fiber optic network created by the five colleges, Mayor Narkewicz said. Communities in which the five colleges are located have the ability to utilize some of those strands of fiber. Northampton has access to that fiber and does utilize it. It allows the city to have access to one of the state's two data centers in Springfield.

The motion passed unanimously 4:0 by roll call vote.

E. 20.090 An Order to Appropriate \$90,000 from Stabilization for Health and Safety Improvements to Treasurer-Collector Office

Councilor Sciarra said there has been a request to withdraw this order.

This is a project they have attempted to do a couple of times, Mayor Narkewicz related. They bid it out last year and bids came in much higher than expected. They decided to rebid this summer because they had been getting some very favorable construction bids. Bids were opened today and they are still seeing bids much higher than anticipated. Project coordinators are going to take a look at ways to scale down the project while still achieving the goals of addressing public health, security and safety.

Other than the city clerk, this is the busiest office. Administrators are withdrawing it now and will take a look at ways to scale back the project to make it more cost-effective. They are proposing to fund the project from the stabilization fund, one of two funds used for one-time expenses. Money is not coming from the fiscal stability stabilization fund, a separate fund created to stabilize and fund operating expenses. He knew there was some confusion about that, so he wanted to make it clear. It's confusing because they're all called 'stabilization' funds under state law.

F. 20.091 An Order to Accept Gift of Labor and Materials to Repair Grave of George Hodestia

Councilor Sciarra read the order.

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

There are a couple of orders tonight involving donations of money and in one case donation of services for cemetery-related projects, Mayor Narkewicz related. In another case, the David Ruggles Center is donating funds for preservation activities on former slave gravestones in the Park Street Cemetery. This donation represents a pro bono gift of the preservationist doing the work on other gravestones. Since the company is going to be in the Park Street Cemetery doing work on other stones, it has offered to donate its services to repair this particular stone, the grave of a Florence resident who was a former slave (George Hodestia).

The company that does gravestone repair is donating its services for this one particular gravestone, he clarified. Because it is a gift of either labor or material the city council is required to accept it.

The motion passed unanimously 4:0 by roll call vote.

G. 20.092 An Order to Accept Gift of Plaque for Grave of Basil Dorsey

Councilor Sciarra read the order.

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

This is another generous donation for another former slave who lived in Florence, Mayor Narkewicz confirmed.

The motion passed unanimously 4:0 by roll call vote.

H. 20.093 An Order to Accept \$3,000 Gift from Ruggles Center for Park Street Cemetery Gravestone Repairs

Councilor Sciarra read the order.

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

Again, this is part of this series of very generous donations, Mayor Narkewicz said. This gift is on the part of the Ruggles Center.

The motion passed unanimously 4:0 by roll call vote.

I. 20.094 An Order to Accept Gift up to \$100,000 to Replace Fencing at Bridge Street Cemetery

Councilor Sciarra read the order.

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

The city has completed preservation master plans for all three of its historic cemeteries (Park Street, Bridge Street and West Farms cemetery). Master plans have allowed them to secure grants from the Massachusetts Historical Commission and Community Preservation Act and have guided funding decisions and the prioritization of projects, Mayor Narkewicz reported. This is one of the recommendations of the 2016 study for the Bridge Street Cemetery. The cemetery presently has a chain link fence that is obviously not very pretty to look at when driving down Bridge Street. One of the recommendations is to either restore the fence or at least install a replica of something more appropriate. They have some funds in the Capital Improvement Program (CIP) and a generous anonymous donor has stepped forward to leverage that \$25,000 with up to \$100,000 to help fund replacement of the fence.

Councilor Sciarra said she wanted to personally thank this anonymous donor. Long before she became a councilor, replacement of the fence around the Bridge Street cemetery with something more befitting has always been a dream project. She is personally thrilled and this is a project she's very excited about.

This is an example of lots of people pulling in the same direction, Councilor Nash observed. Councilor LaBarge and the mayor have both been part of this discussion, which has been going on for a number of years. By having these discussions and getting plans together, when the money is available great things can happen. He thanked Jennifer Normandy, Bob Reckman and Martha Lyon for all of their work on the master plan for the cemetery and thanked the anonymous donor for being anonymous.

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In his list of people who might have the resources to do this, he can name about 15 or 20 people in town who may very quietly be doing this. He thinks that's a great place to be coming from; they have a lot of neighbors who they feel might be stepping up to the plate. A new fence at the cemetery will also complement Bridge Street School. This is part of a project the Ward Three Neighborhood Association (W3NA) has been working on to improve not just the cemetery, but Lampron Park, Bridge Street School and approaches to the school so it's safer for people to walk and get to school.

The order talks about two gates, Councilor Jarrett noted. He asked if there would be access through those gates.

Existing gates are being replaced to make them more historically appropriate, Mayor Narkewicz said. He knows one of the gates is not open all the time. There are obviously competing interests since one of the key missions of the cemetery is providing perpetual care and rest for those buried there.

One of the goals of the W3NA is to increase access to the cemetery as well as to protect the valuable monuments and be respectful, Councilor Nash confirmed.

Councilor LaBarge confirmed they worked pretty hard on all the cemeteries as a group. She thanked all the donors for such wonderful generous gifts.

The motion passed unanimously 4:0 by roll call vote.

J. 20.095 An Order for FY2020 Budget Transfers

Councilor Sciarra read the order.

Councilor Quinlan moved to forward the order with a positive recommendation. Councilor Thorpe seconded.

One of the reasons administrators ask the city council to hold its July meeting the second week in July is that the deadline for making final transfers in the FY2020 budget before close out is July 15th each year, Mayor Narkewicz explained. This is the final squaring up of various line items in the budget. They brought an initial transfer order earlier in the year. The council is allowing financial officers to move money between OM and PS line items.

The motion passed unanimously 4:0 by roll call vote.

5. New Business

None.

6. **Adjourn:** There being no further business, Councilor LaBarge moved to adjourn. Councilor Quinlan seconded. The motion carried on a roll call vote of 4 Yes, 0 No. The meeting adjourned at 10:23 p.m.

Contact: G-L Sciarra @glsciarra@northamptonma.gov or 413-570-3133