



Committee on Finance and the Northampton City Council

Councilor David A. Murphy, Chair

Councilor Maureen T. Carney

Councilor Marianne L. LaBarge

(Vacant)

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

Meeting Date: October 6, 2016

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 September 15, 2016**

Documents:

[financeminutes-september15_2016.pdf](#)

4. Financial Orders

- A. 16.148 An Order To Approve The FY2017 Residential Factor & Tax Levy Percentages**

Documents:

[16.148_taxclassificationorder_fy2017.pdf](#)

[16.148_memo_tax_classification_hearing.pdf](#)

- B. 16.168 A Financial Order To Authorize Payment Of Prior Year Bills - DPW**

Documents:

[16.168_prioryearbills_dpw.pdf](#)

- C. 16.169 A Financial Order To Amend Prior Authorization For Borrowing On A River Road Retaining Wall Project**

Documents:

[16.169_riverroadretainingwall.pdf](#)

[16.169_riverroadretainingwallmemo.pdf](#)

D. 16.170 A Financial Order To Accept A Donation From The Florence Mercantile Totaling \$2,350 For The Completion Of The Trinity Park Fountain Project

Documents:

[16.170_trinity_row_fountain.pdf](#)

E. 16.176 A Financial Order To Authorize Budgetary Transfers To Be Made For Wage Adjustments In The Fire Department

Documents:

[16.176_wage_adjustments_fire.pdf](#)

5. New Business

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

6. Adjourn

Prepared by:

P. Powers, Administrative Assistant to the City Council

ppowers@northamptonma.gov, (413) 587-1210



Committee on Finance and the Northampton City Council

*Councilor David A. Murphy, Chair
Councilor Maureen T. Carney
Councilor Marianne L. LaBarge
(Vacant)*

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

Meeting Date: September 15, 2016

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:** At 7:37 p.m. Councilor Murphy called the meeting to order.
2. **Roll Call:** Present at the meeting were Councilors Murphy, LaBarge, and Carney. One position is vacant. Also present from the City Council were Councilors Sciarra, O'Donnell, Bidwell, Dwight, and Klein.
3. **Approval Of Minutes From September 1, 2016:** Councilor LaBarge moved to approve the minutes; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

4. Financial Orders:

A. 16.157 A Financial Order To Authorize Payment Of A Previous Year Bill To Comcast In The Amount Of \$154.83

Mayor Narkewicz explained that this is a small bill that was received after the end of the fiscal year. In order to pay a bill from a previous fiscal year, the City Council must approve. The bill was being sent to an incorrect address; DPW has notified Comcast and asked that the address be corrected.

Councilor LaBarge moved to return the order back to the full City Council with a positive recommendation; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

B. 16.162 An Order To Appropriate \$13,550 For The Purpose Of Paying Costs Of A Roofing Replacement Schematic Design Feasibility Study For The Bridge Street School

Mayor Narkewicz explained that the language in this order and the next order are virtually identical and is also similar language in an order that was previously adopted by the Council. Originally it had been estimated that the schematic design feasibility study was going to cost \$40,000; however, the bid amounts came in above that amount. The City needs to appropriate this additional money before September 28, 2016 which is the deadline for submission; two readings are requested so that this deadline can be met. The MSBA program will reimburse the

City Council Committee on Finance Meeting Minutes of Sept. 15, 2016

City for over 50% of the cost of the roofs, but in order to qualify for the reimbursement, the City does need to follow the prescribed process. Councilor Murphy pointed out that the unusual language in the order is prescribed in the program. Mayor Narkewicz pointed out that the City will also be using leftover money from last year's project. Councilor Dwight asked if the schematic design feasibility study was mandated by the process, and the Mayor indicated that it was. He noted that any public construction project over a certain dollar amount requires this. The study is slightly different from a consultant; the City will hire an architect to design the blueprints.

Councilor LaBarge moved to return the order back to the full City Council with a positive recommendation; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

C. C. 16.163 An Order To Appropriate \$13,214 For The Purpose Of Paying Costs Of A Roofing Replacement Schematic Design Feasibility Study For The Leeds Elementary School

Councilor O'Donnell noted that both orders take money that is leftover in the Leeds Roof Replacement accounts. Mayor Narkewicz agreed and stated that the other order also specifies the use of money from another project as well. Councilor O'Donnell asked what the status of those accounts would be after the projects are completed. The Mayor explained that when the Finance Director prepares the capital budget every year, she will appropriate money from unused accounts and ask that the money be repurposed.

Councilor LaBarge moved to return the order back to the full City Council with a positive recommendation; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

5. New Business: None

6. Adjourn: At 7:48 Councilor LaBarge moved to adjourn the meeting; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

Prepared by:

P. Powers, Administrative Assistant to the City Council
ppowers@northamptonma.gov, (413) 587-1210

City of Northampton
MASSACHUSETTS

In City Council October 6, 2016

Upon recommendation of Mayor David J. Narkewicz

O-16.148

An Order

To approve the FY2017 Residential Factor & tax levy percentages

Ordered, that

The Northampton City Council approves for Fiscal Year 2017 a Residential Factor of One (1) and the attached tax levy percentages.



**CITY OF NORTHAMPTON
MASSACHUSETTS**

Municipal Building
210 Main Street, Room 5
Northampton, Massachusetts 01060

BOARD OF ASSESSORS

Joan C. Sarafin, Principal Assessor
Margo E. Welch, Assessor

TELEPHONE
(413) 587-1200 (413) 587-1202
(413) 587-1203 (413) 587-1289 FAX

October 3, 2016

Mayor David J. Narkewicz
City of Northampton
210 Main Street
Northampton, MA 01060

Dear Mayor Narkewicz:

Attached please find information for the City of Northampton Fiscal Year 2017 Tax Classification Hearing. The Board of Assessors recommend a single tax. The estimated tax rate of \$16.73 per thousand for Fiscal Year 2017 is based upon an assessed value of \$3,326,705,710 and a tax levy of \$ 55,641,932. The estimated tax rate is an increase from the current tax rate of \$16.16 per thousand. This increase is a result of an increase in real property values, an increase in the tax levy capacity and an increase in payments for debt excluded debt.

The maximum allowable levy for Fiscal Year 2016 was \$ 53,149,405 and the maximum allowable levy for Fiscal Year 2017 is \$55,641,932, an increase of \$2,492,527 in the tax levy. The tax levy increase is a result of the annual 2.5% increase of \$ 1,309,776, new growth of \$847,701 and an increase in payments for debt excluded debt of \$335,050. Principal and interest on the three debt excluded projects (Fire Station, High School and Police Station) totals \$1,093,417. It should be noted that the Fire Station debt exclusion ends in Fiscal Year 2019, and the High School debt exclusion ends in Fiscal Year 2020.

Municipalities in Massachusetts are required to classify real estate into four classes, according to use: residential, open space, commercial and industrial. Municipalities that are certified as assessing property at its full and fair cash value may elect to shift the tax burden among the major property classes within certain limits established by law. The adoption of either a single tax rate or a split tax rate simply determines, within limits calculated by the Department of Revenue, what percentage of the tax burden is to be borne by each property class. Chapter 40, Section 56 states that the allocation of the tax levy is determined by the city council together with the mayor's approval in a city.

Selection of a single tax rate (or the factor of 1) means that all four property classes will pay the same tax rate. However, the law allows the option to shift the tax burden among the classes. Municipalities have the option of whether to tax all classes of property at their full and fair cash valuation share of the tax levy, which results in a single tax rate, or to reduce the share of the tax levy paid by the residential and open space property owners and shift those taxes to commercial, industrial and personal property taxpayers, which results in a split tax rate.

The adopted factor cannot be less than the minimum residential factor (MRF) calculated by DOR. The MRF represents the maximum shift allowed in the tax levy for the year and establishes the parameters for local decision making.

Single Tax Rate: A residential factor of "1" results in the taxation of all property at the same rate. Each property class pays its full and fair cash valuation share of the tax levy, e.g., if the value of all residential properties make up 80 percent of the total assessed valuation, residential taxpayers will pay 80 percent of the tax levy.

Split Tax Rate: A residential factor of less than "1" reduces the share of the tax levy paid by the Residential and Open Space (RO) classes and increases the share paid by the Commercial, Industrial and Personal Property (CIP) classes. The result is two tax rates: one for RO properties and a second, higher rate for CIP properties. Conversely, a factor greater than "1" may be adopted, which would have the opposite effect. The following chart shows the assessed values by class for the City of Northampton since FY2003 during which a single tax rate has been in effect.

Property Classification - City of Northampton, MA FY2003 - FY2017										
Fiscal Year	Residential Value	Open Space Value	Commercial Value	Industrial Value	Personal Property Value	Total Assessed Value	% of Total Value	CIP as % of Total Value	Tax Rate	
2003	1,355,760,630	0	282,643,460	67,648,040	63,355,150	1,769,407,280	76.62	23.38	16.40	
2004	1,783,131,940	0	365,222,430	77,250,292	54,954,130	2,280,558,792	78.19	21.81	13.38	
2005	1,965,674,420	0	372,988,500	78,060,852	56,176,720	2,472,900,492	79.49	20.51	12.85	
2006	2,264,423,450	0	380,792,180	78,904,576	58,787,660	2,782,907,866	81.37	18.63	11.73	
2007	2,551,795,390	0	456,957,224	87,621,493	63,714,410	3,160,088,517	80.75	19.25	10.89	
2008	2,584,193,700	0	445,059,900	87,313,700	77,019,250	3,193,586,550	80.92	19.08	11.20	
2009	2,600,716,350	0	457,643,110	88,915,090	92,914,550	3,240,189,100	80.26	19.74	11.48	
2010	2,570,772,410	0	451,555,850	84,013,220	87,213,650	3,193,555,130	80.50	19.50	12.64	
2011	2,582,527,470	0	451,435,010	87,770,590	90,998,620	3,212,731,690	80.38	19.62	12.96	
2012	2,596,822,400	0	449,401,900	98,382,400	93,293,090	3,237,899,790	80.20	19.80	13.35	
2013	2,545,566,821	0	443,776,768	106,125,503	87,450,390	3,182,919,482	79.98	20.02	14.23	
2014	2,564,491,750	0	458,039,890	104,104,840	87,386,900	3,214,023,380	79.79	20.21	15.39	
2015	2,591,076,188	0	476,973,450	103,683,900	87,310,540	3,259,044,078	79.50	20.50	15.80	
2016	2,623,226,938	0	477,511,976	103,481,726	84,166,120	3,288,386,760	79.77	20.23	16.16	
2017	2,657,183,160	0	480,864,920	103,145,150	85,512,480	3,326,705,710	79.87	20.13	16.73	

Sincerely,



Joan C. Sarafin
Principal Assessor

FISCAL YEAR 2017 VALUES BY CLASSIFICATION

	Total Valuation	Percentage		Total
Residential	2,657,183,160	79.87	79.87%	RO
Open Space	0	0.00%	0	
Commercial	480,864,920	14.45%		
Industrial	103,145,150	3.10%	20.13%	Total CIP
Personal Property	85,512,480	2.57%		
TOTAL:	3,326,705,710		100.00%	
Maximum Share of Levy for CIP		30.20%	(1.50 x 20.13%)	
Minimum Share of Levy for RO		69.80%	(100% - 30.20%)	
Minimum Residential Factor		87.40%	(69.80% / 79.87%)	

Residential Properties – may be of three types:

- A. Owner-occupied and primary residence of taxpayer
- B. Non owner-occupied, including rental single family, rental portions of multi-family dwellings, apartment complexes, and second homes
- C. Vacant, residential zoned land

Open Space – Northampton does not use this optional classification category

Commercial Properties – these include stores, office buildings and all vacant land classified as forestland, (Chapter 61) farmland (Chapter 61A), and recreational land (Chapter 61B)

Personal Property – this includes all property owned by unincorporated property owners. Incorporated property owners pay only on property used in the conduct of business. Some major accounts are Western Electrical Company, New England Telephone Company, Comcast, and Bay State Gas Company. All of these companies pay taxes based on the value of poles, wires, and conduits. Utilities pay 57% of the Personal Property total tax.

ALLOCATION OF THE TAX LEVY

The law allows a community to provide some relief to Residential (R) and Open Space (O) classes by adding to the Commercial (C), Industrial (I), and Personal Property (P) classes, an amount up to 150% of their portion of the levy. The percentage arrived at is called the Minimum Residential Factor (MRF).

For FY 2017 the MRF would be 87.4016, representing a reduction of 12.59% for the R and O classes. In the past, the City has used 100% as the MRF, which resulted in no shift of the burden and a uniform tax rate for all classes.

TAX RATE A FACTOR OF 87.4016

Factor of 1 - Even Tax Rate		Residential Rate - \$14.62	
Average House	303,705	Average House	303,705
Even Tax Rate	x 16.73	Factor of	x 14.62
	5,080.98	87.4016	4,440.16

\$640.82 less for average house

Factor of 1 - Even Tax Rate		Commercial Rate - \$25.09	
Average Commercial	620,000	Average Commercial	620,000
Even Tax Rate	x 16.73	Factor of	x 25.09
	10,372.60	87.4016	15,555.80

\$5,183.20 increase for average commercial property

Factor of 1 - Even Tax Rate		Industrial Rate - \$25.09	
Average Industrial	650,100	Average Industrial	650,100
Even Tax Rate	x 16.73	Factor of	x 25.09
	10,876.17	87.4016	16,311.00

\$5,434.84 increase for average industrial property

This factor lowers the residential rate by \$2.11. In return the commercial rate goes up to compensate for what is lost in residential taxes. The commercial rate would be \$25.09 a \$8.36 increase.

City of Northampton
MASSACHUSETTS

In City Council

October 6, 2016

Upon recommendation of the Mayor

O-16.168
AN ORDER

To authorize payment of two prior fiscal year bills

BE IT ORDERED

that the Council authorize payment of two prior fiscal year bills (FY2016):

Atlantic Broom	\$2,531.00
Blue Tarp	\$171.94

CITY OF NORTHAMPTON
MASSACHUSETTS

In City Council,

October 6, 2016

Upon the recommendation of the Mayor

O-16.169
AN ORDER

To amend prior authorization for borrowing on a River Road Retaining Wall project

Ordered, that

The order of the council adopted on June 27, 2013 and approved by the Mayor on July 1, 2013, as amended by the order of the council adopted April 2, 2015 and approved by the Mayor on April 3, 2015, for the engineering and construction related to the stabilization of the River Road Retaining Wall Slope, is hereby further amended to read as follows:

“Ordered that the sum of \$ 2,022,000 is appropriated for the engineering and construction related to the stabilization of the River Road Retaining Wall Slope; that to meet such appropriation the Treasurer with the approval of the Mayor is authorized to borrow \$2,022,000 under M.G.L. c. 44, §7(7), or pursuant to any other enabling authority, and to issue bonds or notes of the City therefor; that the Mayor is authorized to contract for and expend any federal or state aid available for this project, provided that the amount of the authorized borrowing shall be reduced by the amount of such aid received prior to the issuance of bonds or notes under this order and shall be further reduced by any other sums received from any other sources for the project, including contributions from the Town of Williamsburg; that any premium received by the City upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this order in accordance with M.G.L. c. 44, §20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount; and that the appropriate officials of the City are authorized to take any other action necessary to carry out the purposes of this Order.



**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, DPW Director
Date: 9-30-16
Re: River Road Retaining Wall

The River Road Retaining Wall is located in the Leeds village section of Northampton, north of the village center and immediately adjacent to the Mill River. River Road connects the town of Williamsburg and State Route 9 to the village of Leeds. A 950-foot long section of the road has a stone masonry retaining wall / floodwall along its easterly margin, providing for the retainage of the earthen embankment and road, and also protection from flooding during high water events in the adjacent Mill River.

Although its exact age is unknown, the retaining wall appears to be several decades old. Based on its condition, it does not appear that the wall was originally constructed with a suitable foundation system. Over time, the flows within the Mill River have scoured and undercut significant sections of the wall, and runoff events have compromised the integrity of the upper portions of the wall. The Williamsburg sanitary sewer interceptor is located within River Road, and is also protected by the retaining wall.

The City of Northampton is concerned that the masonry wall is not capable of withstanding future significant flooding events within the Mill River or further impacts from significant localized flooding of River Road. During heavy rains in late March, 2010, a section of the upper wall was dislodged by high-velocity flows.

The City originally applied for funding assistance for this project under a FEMA-1813-DR-MA disaster appropriation in April of 2010, but was not successful. Subsequently, The City reapplied under a new disaster appropriation (1895-DR) in March of 2011. Under these Hazard Mitigation Grant Program grants, the Massachusetts Emergency Management Agency (MEMA) is the grant applicant, and the cities and towns are the sub-applicants. MEMA receives all the grant applications from the sub-applicants, reviews them, ranks them, and sends the top applications on to FEMA for their review and approval. The process can be laborious and time

consuming. The grant contract for this project was finally signed in August of 2014, with a deadline of 3-18-17 for all construction work to be completed.

Permitting and design have been ongoing since 2014. Upon completion of the permitting and design process, in August of 2016, the City solicited construction bids to remove the existing stone masonry wall, and replace it with a cast-in-place concrete retaining wall / floodwall with sufficient height to protect the road and sewer from a 100-year flood event and all localized flooding.

Construction bids were opened on September 14, 2016. The low bidder was E.T.&L. Construction of Stow, MA, with a base bid of \$1,605,070.00. This base bid is roughly 25% more than had been originally budgeted for in 2014. While the estimated total cost of the project, including engineering and administration is now \$2,022,000, the contribution from the city, after grants and other funds have been applied, is expected to be \$790,512.

The original council order for the project was adopted on June 27, 2013 and amended by the council on April 2, 2015 to allow for borrowing up to \$1,607,125, provided the borrowing be reduced by any amounts received from other sources for the project. The order now before this council on October 6, 2016 seeks to allow for borrowing up to \$2,022,000, provided the borrowing be reduced by any amounts received from other sources for the project.

Project Timeline

- 04/09/2010 Original (Initial) Application filed with MEMA, for Hazard Mitigation Grant Program under FEMA-1813-DR-MA (winter ice storm). City received notification that application was not accepted by FEMA, but was encouraged to re-file under a new Disaster Relief appropriation.
- 03/04/2011 Second Application filed with MEMA, for Hazard Mitigation Grant Program under FEMA-1895-DR-MA (major storm with extreme weather conditions, record breaking rainfall, and severe flooding).
- 08/02/2011 – City provided additional technical information in response to MEMA/FEMA’s request.
- 10/30/2012 – City provided additional technical information in response to MEMA/FEMA’s request.
- 03/01/2014 Northampton DPW receives notification that MEMA/FEMA is going to be moving towards an appropriation and contract for funding.
- 04/14/2014 Northampton DPW issued RFP for the design and permitting of the River Road Retaining Wall Improvement Project.
- 05/09/2014 Proposals received for design and permitting.
- 08/12/2014 Contract for design and permitting signed with GZA.
- 08/15/2014 Northampton DPW initiates discussions with the Northampton Historical Commission regarding wall demolition and reconstruction—finishes and materials.
- 08/28/2014 MEMA executes contract with City of Northampton for Hazard Mitigation Grant Program funding under HMGP-1813. The Contract specified that *“All work must be completed by the contract end date of 3/18/2017 to be eligible for FEMA reimbursement.”*
- 08/2014-
7/2016 Design and permitting process ongoing. Some delays due to coordination with Northampton Historical Commission and detailed evaluation of alternatives related to historical/aesthetic concerns. These concerns were largely resolved in late April of 2016, and final design and preparation of bid documents was commenced.
- 07/27/2016 Massachusetts Division of Fisheries and Wildlife issues preliminary approvals, pending “Turtle Protection Plan”.
- 08/15/2016 Northampton Conservation Commission issues their “Order of Conditions” (wetlands permit).
- 08/24/2016 Construction Bid appears in the Central Register
- 09/14/2016 Construction Bids received, opened, and read.
- 09/19/2016 Northampton DPW issued Notice of Award to E.T.&L. Construction Corp. of Stow, MA.

City of Northampton

MASSACHUSETTS

In City Council

October 6, 2016

Upon recommendation of the Mayor

16.170

An Order

**To accept a donation from the Florence Mercantile totaling \$2,350
for the completion of the Trinity Park Fountain Project**

Ordered, that

The Northampton City Council gratefully accepts donations from the Florence Mercantile, the business group of the Florence Civic and Business Association, totaling \$2,350 to the Trinity Park Fountain Project, and in accordance with Massachusetts General Law Chapter 44, Section 53A approves using the gifted funds (Fund 2546 – DPW Fountain Account) to complete construction of a fountain at Trinity Park in Florence.

City of Northampton
MASSACHUSETTS

In City Council October 6, 2016

Upon recommendation of the Mayor

O-16.176
An Order

To authorize budgetary transfers to be made for wage adjustments in the Fire Department

Ordered, that

the following FY2017 budgetary transfers be and hereby are made:

Department	Description		Org	Object	Transfer From:	Transfer To:
Fire Department	PS	Permanent Salaries	12201	511000		131,041.00
Reserve for Personnel	PS	Wage Adjustments	19491	519700	(131,041)	
TOTAL:					(131,041)	131,041