



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: January 17, 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 7:11 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 January 3, 2019
Councilor Sciarra moved to approve the minutes of January 3, 2019. Councilor LaBarge seconded. The motion passed 4:0 by voice vote.
4. **FY2019 Second Quarter Financial Report**

Finance Director Susan Wright reviewed spreadsheets showing revenue and expenditures for the General Fund and for Enterprise Fund accounts for the period October 1, 2018 through December 31, 2018. Beginning with General Fund Revenue, Ms. Wright highlighted the fact that the hotel/motel tax is 4.6% above the level for the same quarter last year. In other positive news, \$80,963 has come in for tax title payoffs, representing taxes that have been collected for properties the city had begun taking for back taxes.

No payments have yet been collected for Payments in Lieu of Taxes (PILOTS) for various entities since the city doesn't usually bill for PILOTS until after it has set the tax rate, she explained. The FY2019 tax rate was just set in November, she reminded.

Under Charges for Services - primarily parking and ambulance revenue - ambulance revenue at the midyear point is \$950,000, which is great, she observed. Last year, the Fire Rescue Depart-

ment brought in \$1.8 million so it is on track to bring in the same amount. Parking revenue has been distributed among more budget line items than in the past as she has added lines for credit card and mobile app revenue since these payment options were recently added. The use of credit cards and mobile apps is continuing to climb. Overall, parking revenue is as projected, it is just distributed differently among various budget lines. In other Charges for Services, the largest single contributor is tuition for Smith Vocational and Agricultural High School, which is billed on a quarterly basis.

The next section - Licenses & Permits – is very driven by what’s happening in the local economy, Ms. Wright related. The Building Inspector has already brought in \$352,000, 91% of that projected, meaning they are well ahead of schedule. With building up, it ultimately translates into new growth, so these are good numbers, she stressed. Wiring is also up, with \$85,000, or 77%, of projected revenue brought in so far. .

The rest of revenues are as projected, resulting in an overall collection rate of 46.6% halfway through the year. The percentage on this line is not as definitive as in some other places as some payments are not received until the end of the year, she pointed out.

With regard to General Fund expenditures, there is really nothing in particular to highlight, she observed. She has broken down departmental expenditures into Personnel Services (PS) and Ordinary Maintenance (OM) and, in general, looks at whether PS halfway through the year is 50% or less. For some departments it is lower due to vacancies and for some – i.e. - the Recreation Department and Senior Services – it is higher since a portion of salaries is transferred from revolving accounts later in the year. There were no percentages that concerned her, she volunteered. She will start tracking bi-weekly payroll in February to project ending balances in PS for all departments to determine if any will need a transfer.

With regard to Enterprise Fund revenue, there is nothing of particular concern, she continued. What she tends to look for here is rates to make sure that, halfway through the year, revenue is on track to meet projections. For expenditures, percentages are not as meaningful for these accounts as for the General Fund but, in general, expenditures are on track.

The best news is that they see the Building Inspector bringing in a lot of revenue which translates into new growth, she reiterated.

For hotel/motel and meals revenue, the payment received in December reflects activity in August, September and October as revenue figures are always a couple of months behind, she clarified. Vendors have the month of November to file their taxes and then the state distributes the city’s share of tax revenue in December. The quarterly payment in December contains no marijuana payment yet, she confirmed. The first payment the city receives for marijuana sales will be the first week of April reflecting what happened in November, December and January. She knows there has been a lot of speculation about that number and she is not going to give them any [preliminary] ideas, she concluded.

Councilor O'Donnell voiced his assumption that the city will not be counting on significant revenue from adult use marijuana revenue as it puts together a budget [for FY2020] since they have no idea what to expect.

Ms. Wright confirmed that is the case. Since the marijuana dispensary in Northampton was one of the first to open, Initial revenue will not be a solid number they can expect on a consistent basis, she pointed out. It will take about a year to get a handle on how much revenue marijuana sales are going to contribute to their base, she suggested.

Councilor O'Donnell asked about the host community fee for recreational marijuana. They had planned for \$250,000 but the amount shown is \$200,000, he noted.

The city has an existing host community agreement for medical marijuana, and there will be a host community fee for adult use marijuana as well, Ms. Wright confirmed. It is not yet shown on the spreadsheet.

Administrators will likely not show the host community fee as revenue because it has a five-year lifespan and then goes away, Mayor Narkewicz advised. They are trying to figure out to treat it, he shared.

Councilor Dwight asked how the recent review of positions and salaries conducted by a consultant will play into the budget.

Because it is a matter subject to collective bargaining, he would prefer to discuss it in Executive Session only, Mayor Narkewicz said.

Fair enough, Councilor Dwight replied.

5. Financial Orders

A. 18.224 An Order To Appropriate \$10,000 For Emergency Demolition - 45 Carolyn Street
Councilor Murphy read the text of the order.

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

Unfortunately, the city had a fatal fire at 45 Carolyn Street, and the Building Inspector invoked several sections of Massachusetts General Law to secure the property, Mayor Narkewicz explained. Workers may have to take additional steps to secure the property up to and including demolition. The Mayor's office is essentially asking for an emergency appropriation which will go into a fund to be used to pay anticipated expenses. Under Mass. General Law, the property will be liened to recover expenses later in the process. The city most recently had to do this for an arson fire at the former Northampton Honda facility on King Street and has taken similar action in serious hoarding cases where corrective action was necessary to eliminate safety hazards. They are seeking two readings tonight. The city's costs will be liened against the property and eventually when a settlement is reached the city will be made whole, he assured.

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

B. 18.225 An Order To Authorize Roundhouse Parking Lot Fee And Easement Acquisition And Sale

Councilor Murphy read the text of the order.

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

As part of the FY2018-2022 Capital Improvement Program (CIP), the council approved a project that was a follow-up or unofficial Phase 3 of the Pulaski Park renovation, Mayor Narkewicz reminded. When the city created an overlook at Pulaski Park, administrators made a decision to remove a significant amount of parking. The intention was to go back and redesign the Roundhouse lot to try to make up for what was lost. Toward that end, they engaged Tighe & Bond to redesign the lot, including reconfiguring parking and rerouting the bike trail. The proposed land acquisition would give the city space necessary to increase overall parking by about 55 spaces.

Essentially, the plan would move the boundary of city-owned land closer to the tree line, allowing the creation of additional parking spaces.

The long-term plan is to construct a solar canopy over the lot, Mayor Narkewicz continued. Consultants have done some analysis and the site has great potential for this use. A solar canopy will be incorporated into the design of what will ultimately be an improved parking lot and renewable energy project.

The city does not yet have agreements with any of the four property owners but is asking for authority to enter into contracts to buy the property, Mr. Feiden clarified. In an urban area, a small amount of space obviously makes a big difference, but the entire acquisition is less than a tenth of an acre, he noted.

Mr. Feiden described the changes to the lot as shown on the plan. Some of the new spaces will actually be on the land being purchased, but the acquisition also allows them to reconfigure the lot to create additional spaces in other areas. The Housing Authority owns the largest property to be acquired, with three smaller pieces belonging to private parties. The bike path will be shifted to the southern edge of the property to allow a new row of parking to be added.

The acquisition consists of basically undeveloped land, Mr. Feiden confirmed.

Twenty years ago, the city did a detailed hazardous waste assessment of the Mill River channel to explore the feasibility of restoring the river through the downtown area. During that process, consultants discovered a disposal site that became an \$8 million liability for Columbia Gas. Columbia Gas has cleaned up the site but below 17 feet there is still some contaminated product so the city is never going to restore the river in this area. The site was a homeless encampment for a while and has been a snow storage area; it is sort of a "leftover spot," he suggested.

Councilor Sciarra expressed her understanding that they are extending the existing rows of parking and adding an additional row of 'nose-in' parking. She heard some concern from a resident about the city paving over an urban forest area, she shared. Looking at the depiction, it seems that not too many trees are being removed and that a more densely forested area is not being touched, she observed. She asked if Feiden knew of the number of trees to be removed.

The heavily-wooded property to the south is privately owned and will probably be developed at some point, Mr. Feiden surmised. On city-owned property next to the Housing Authority, there are two trees that are going to come down anyways due to root intrusion on the bike path – a beautiful Sycamore tree and a large black Locust. On Housing Authority property, there are also two very nice trees slated to be taken down, he acknowledged. (They planted a lot of nice trees in Pulaski Park, he pointed out.)

As part of the transaction the Housing Authority will receive a significant award, and planners have offered to use some of the award to plant new trees between the parking lot and property line, Mr. Feiden noted.

Councilor Klein asked if trees will have to be taken down for installation of the solar canopy.

Mr. Feiden said 'No.' Rather than restore the parking lot after Columbia Gas' remediation project, Columbia Gas put money in an account to replant trees in the future. This money is also the source of the award for the land being acquired.

Councilor Klein asked if there would be an issue with installing footings for the solar canopy since the site is a brownfield, but Councilor Murphy pointed out that footings don't go down that far.

In response to a question from Councilor LaBarge, Mr. Feiden said the project will result in a net gain of 27 spaces counting the 25 spaces lost when the city expanded Pulaski Park. The expansion will yield 55 spaces, but as part of the negotiation with neighbors, planners are offering them access to their land, so this will cost three of those spaces.

Councilor Dwight asked if the transaction will provide frontage for the private lots in question that would facilitate development of the back of the properties.

There are no frontage requirements in the Central Business District (CBD) but development of the lots does require access, Mr. Feiden confirmed. Potential developers could come in from Clark Avenue but this is problematic so planners would prefer to give them access from Old South Street. What they have told the property owners is that an easement makes sense from an economic development standpoint but that they don't want to give separate easements.

Planners do intend to come back to expand the CBD further south, Mr. Feiden advised.

Councilor Dwight said he also heard concern about tree removal. The city's direct involvement in tree removal is not that much since most of the removal will be due to private development, he suggested.

Under the new tree ordinance, private parties would have to replace any trees over 20 inches in diameter at breast height, Mr. Feiden reminded, so there would be some mitigation for any loss.

"The concern is a nostalgic attachment to a wooded area that the constituent had known since childhood," Councilor Dwight related.

The Housing Authority had the same concern, which is why they don't yet have an agreement, Mr. Feiden volunteered.

Councilor Dwight asked if there were any permeability or runoff issues.

This is something Tighe & Bond will have to address, Mr. Feiden said. For better or worse, downtown is underlain by something called 'Lake Hitchcock clay,' so even native soil doesn't have great permeability, he asserted. Going from sand to asphalt makes a big difference in the amount of runoff but going from clay to asphalt is not as big a difference, he indicated.

Ground water moves incredibly slowly, Feiden continued. Manufactured gas byproducts (the type of contaminants they are dealing with) move quickly while warm (when they are first discharged) but not quickly after that.

Councilor Murphy said he is intrigued by the possibility of new growth in this location.

The motion passed unanimously 4:0 by voice vote.

C. **18.226 An Order To Reprogram Ryan Road Gym Floor \$10,000 To Jackson Street Cafeteria HVAC**

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.

It is a fairly straightforward order to transfer excess funds from one project to another, Councilor Murphy commented. There being no questions, he called the motion to a vote and it passed unanimously 4:0 by voice vote.

D. **18.227 An Order To Authorize SVAHS To Submit SOI To MSBA For Windows In A And B Buildings**

Councilor Murphy read the text of the order.

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

This is very similar to roof repair projects the City Council has authorized for Northampton Public Schools, Mayor Narkewicz related. Smith Vocational and Agricultural High School (SVAHS) Super-

intendent Andrew Linkenhoker was present to discuss the request, accompanied by Facilities Manager Tim Smith.

As chair of the Capital Improvements Committee, Councilor Murphy assured fellow councilors that SVAHS has been coming to them for years looking for money for windows.

The school is looking at a total cost of about \$400,000 and that's on the high end, Dr. Linkenhoker advised. Typically, MSBA projects fall in the lap of the city. Since only 20% of SVAHS students come from Northampton, the agreement with the city is that, whatever local match is required, the city will pay 20% and SVAHS the rest. Under this arrangement, the city would be looking at a cost of \$36,000 and Smith Vocational \$144,000.

Building A is the main building with the library, main office and cafeteria, and Building B is the building with the gymnasium and many of the vocational programs. Both buildings opened in 1976 and the windows are original. An energy efficiency study done back in 2009 recommended that the windows be replaced then.

In Building A, the former central office space was renovated about three years ago and five windows were replaced as part of that project. Other than that, all windows in both A and B will be replaced. In some of the vocational programs, occupants can feel a draft and students have to wear coats.

Councilor O'Donnell expressed his understanding that the City Council is authorizing submission of a specific Statement of Interest (SOI) dated January 11, 2019. He asked for a copy of this document, and the superintendent said he would provide it.

Mayor Narkewicz emphasized that they are seeking two readings tonight since applicants need certified copies of all meeting minutes at which votes are taken. This is just to put an application in the hopper, he said.

The Capital Improvements Committee has been getting requests from Smith Vocational for capital improvements for a number of years, and applying to the MSBA is the preferred way of making those improvements, Councilor Murphy reiterated.

The motion passed unanimously 4:0 by voice vote.

E. 18.228 An Order To Appropriate \$39,000 From Free Cash To ITS For Laserfiche Hosting Services

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 Carney seconded.

Since this is first year Northampton has provided this regional service, the revenue flowed directly from participating communities to the city. In future years, the money will be earmarked as revenue

to the Information Technology Services (ITS) program. Since this is a transitional year, it came in as Free Cash.

Councilor Murphy expressed his understanding that they are essentially allocating funds from the General Fund given to them for this purpose to this purpose. Going forward, administrators will be able to project the revenue directly into the ITS budget, Mayor Narkewicz confirmed.

The motion passed unanimously 4:0 by voice vote.

F. **18.229 An Order To Appropriate Whiting Street Fund \$25,000 For Food Programs**

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 charitable program has come full circle, Mayor Narkewicz commented. The Whiting Street Fund used to be administered by the Board of Almoners but the fund wasn't being fully-utilized and applications were mostly from people who knew about the fund. The committee was successfully reorganized by administrative order a couple of years ago and members now determine the amount of funds available, put out an RFP and interview applicants. They are actually seeing the funds getting out into the community and serving low and moderate income folks in need. The request is to allow the \$25,000 to be disbursed as described, he submitted.

Members asked questions and offered comments. Councilor LaBarge said she is really happy with the direction the program has taken. Councilor Murphy agreed it is a more organized and inclusive approach to the distribution of the funds.

Councilor Sciarra asked if program administrators have settled on a theme of food insecurity permanently or whether it will be a rotating theme.

Committee members had a long conversation about what they thought were the most basic needs and food and shelter came out on top, Ms. Wright responded. Next year they may decide to go in another direction. She suspects they may look at shelter next. They really want to look at basic needs since this was the goal of the donor. Food and shelter seemed to be the first things everybody thought about.

Manna is remarkable for doing so much with so little. Councilor Sciarra observed. "This is a huge gift for them," she suggested.

Councilor O'Donnell asked to be reminded of the legal basis for the city's ability to use the fund for programs and services.

The city is following a probated will, Mayor Narkewicz explained. Whiting Street left money to cities and towns up and down the valley specifically to benefit "the worthy poor." Interestingly, funds were not allowed to be used for residents of the Alms House.

Proposals are sent out in November and recipients are expected to submit a report of how they spent the money, Ms. Wright explained. The committee began working in September, met with prior recipients and then put out a new RFP in November. The application was due in December, and members met in January to review the applications and make a recommendation to the Mayor. This year they want to make site visits to the agencies, probably late in the summer.

He appreciates that committee members are going with well-known, established entities with infrastructure in place so money will go directly to those in need and not toward administration, Councilor Murphy said.

The motion passed unanimously 4:0 by voice vote.

6. **New Business**

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

7. **Adjourn:** There being no other business, Councilor Sciarra moved to adjourn. Councilor Carney seconded. The motion was approved on a voice vote of 4 Yes, 0 No. The meeting was adjourned at 8:03 p.m.

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