



**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, March 2, 2017**

(The Finance Committee meeting took place during the City Council meeting as announced during the City Council meeting which began at 7:05 pm)

**MEETING MINUTES**

1. **Meeting Called To Order:** At 7:19 p.m. Councilor Murphy called the meeting to order.
2. **Roll Call:** On a roll count the following committee members were present: Councilor Murphy, Councilor LaBarge, Councilor Nash and Councilor Carney. Also present from the City Council were: Councilors Dwight, Sciarra, O'Donnell, Bidwell, and Klein.
3. **Approve Minutes Of February 16, 2017 Meeting:** Councilor Carney moved to approve the minutes; Councilor LaBarge seconded the motion. The motion was approved on a voice vote of 4 Yes, 0 No.
4. **Financial Orders**
  - A. **17.258 To Appropriate \$1,668,582 For Paying Costs Of Roof Replacement At Bridge Street School**

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 4 Yes, 0 No.

Mayor Narkewicz indicated that the language in the order was provided to the City by the Massachusetts School Building Authority (MSBA). The City has been in active collaboration with MSBA throughout the application process in order to get this project through the pipeline. The roof repair project for Bridge Street School is just about \$1.7 million for the full roof replacement. MSBA will be reimbursing the City 54.79% of the cost of the project. A requirement by the State for such grants stipulates that the City must authorize borrowing for the full amount of the project. This order is slightly less than the cost of the project because

money has already been appropriated for the parapet project. The total cost to the City for this project is about \$781,967. The City will not use the full authorization and at some point in the future the Mayor will look to rescind borrowing authorization for the amount not needed.

Councilor LaBarge asked when the last roof replacement project took place; Mayor Narkewicz explained that there has been patch work that has been done; however, the last time a full roof replacement was done was when a full renovation of the school was done. The Mayor reports that since that time there has been some major drainage issues.

Councilor Nash asked whether the feasibility study had been done yet. Mayor Narkewicz reports that the first step in the process was to hire a designer to do feasibility work, which has already been completed.

**B. 17.259 A Financial Order To Appropriate \$1,775,294 For Paying Costs Of Roof Replacement At Leeds Elementary School**

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 4 Yes, 0 No.

Mayor Narkewicz explained that this is a similar process to what is being done for Bridge Street School roof repair. The Leeds project will be a little over \$1.8 million. 54.79% will be reimbursed by MSBA. The total share that is estimated will be \$830,059. The two projects will come forward in the spring as capital projects.

Councilor Dwight explained that the City is establishing surety with a State agency that is providing the City funding for a necessary capital project. The City must be willing to state that it will cover all costs; once this is complete, the City doesn't actually borrow the full amount of the project. The Mayor further explained that if the State fell through with the grant, the City is not obligated to borrow the full cost of the project. The City will likely reassess the project if the grant is not received.

**c. 17.260 An Order Authorizing Joint Operation Of Public Activities Agreement To Implement "Healthy Hampshire Massachusetts In Motion/1422" Grant**

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 4 Yes, 0 No.

Mayor Narkewicz explained that this order covers one of a series of intermunicipal agreements that the City Council is required to vote on. This particular agreement was not included in the last batch; however the City Solicitor determined that the vote should probably be taken by the City Council because the work that is being done is a regional collaboration with other cities and towns. Northampton is the lead agency; along with other cities and towns the City is working to promote a number of different things. The Mayor cited the public meetings concerning the bike and pedestrian plan as one example. Healthy Hampshire is the established coalition. The City's Office of Planning & Sustainability (OPS) is the lead City department.

Councilor Dwight asked why this was not covered under the existing intermunicipal agreement for the Board of Health. Mayor Narkewicz explained that OPS is the lead department for this, not BOH.

Councilor O'Donnell asked how it was determined that the grant money was going to be used between all of the communities. Mayor Narkewicz indicates that this grant is a little more loosely defined. Even though the City is the lead agency this is a county-wide initiative. The application asked for proof that this was a regional effort. There is outreach and participation with other communities; however, Northampton Planning & Sustainability is designing the elements of the initiative. The final approval for the grant comes from the Department of Public Health and Center for Disease Control.

Councilor O'Donnell asked about the length of the grant; Mayor Narkewicz indicated that the grant was for three years and that that this was year two.

Councilor LaBarge felt this there was an educational component to the collaborative effort.

Councilor Murphy asked about the dollar amount of the grant; Mayor Narkewicz will check on this before second reading.

## 5. Summary Of Scanlon Audit

Councilor Murphy reported that on Tuesday, February 28, 2017, the Committee on Finance met with the outside auditor (Scanlon and Associates, LLC) and voted to accept the audit report for FY2016. All of the financial departments were represented at the meeting, including the City Assessor, Treasurer/Collector, Finance Director, and the City Auditor. Mr. Scanlon indicated that if the full City Council wanted to him to report to the entire body, he would be willing to do so.

Councilor O'Donnell asked what the observations were of the Finance Committee on receiving the audit report. This information, he felt could inform the decision about whether the auditors should present to the full City Council.

Mr. Scanlon indicated that Northampton was a very well run city. The management letter did contain some requests to evaluate some systems and processes, and offered recommendations for corrective action. Councilor Murphy observed that it almost seems like the auditor felt obligated to put things in the management letter because things are so well run. Scanlon and Associates has been auditing Northampton for a while and Councilor Murphy indicated that the audit findings are far different than they were ten years ago. Mayor Narkewicz notes that every year there are recommendations from the auditor. He notes that there was not anything in last year's letter that had not been addressed.

Councilor Carney noted that the management letter spelled out a few specific requests. One observation that Councilor Carney recalls is that the City has in place a number of controls but that they are not documented. One of the findings suggested that the City's processes be documented. She heard from the finance team that there was a plan for moving forward with that suggestion.

Councilor Dwight notes that in the past it has been helpful for him to hear directly from the auditor. He would like to invite Scanlon and Associates to make a presentation to the full City Council.

Councilor LaBarge notes that there is a lot of information that was provided by the auditor. She feels that councilors should have the opportunity to go over the information. She also feels that the transparency would be beneficial as well.

Councilor Bidwell notes that the City is heading into a new budget season and any opportunity to show input and scrutiny would be beneficial. To ensure the public that this is a well run city would be beneficial. He noted that Scanlon and Associates has been doing the audit for some time. One school of thought is that it is appropriate to change auditors every so many years to get an additional set of eyes looking at things. Councilor Murphy notes that the Council had this very discussion during the last City Council term. Right now there is a contract in place with Scanlon and Associates for three years and a review of auditors can be considered when the contract is up for renewal.

Councilor Murphy suggested leaving it up to the Council President to decide when Scanlon & Associates should present at a City Council meeting. In the meantime, he suggested that councilors review the materials that have been given.

Councilor Nash expressed that he was impressed at the outcome of the audit report. The fact that there was so little to report is very impressive. He notes that the City now has a AAA rating from the bond companies and he notes that the City is in very good standing. The four different findings discussed by Scanlon and Associates were not major.

Councilor LaBarge states that over the years she has had the opportunity to talk with department heads. No one that she has talked to has had problems with Scanlon and Associates.

## **6. Planning For C.I.P.**

Councilor Murphy notes that the Mayor's Office has published the Capital Improvement Program and in years past the public hearing about the C.I.P. has been held by the Committee on Finance. He notes that many of the items are building projects and many revolve around the needs of the school department. The window for doing school related projects is during the summer months when students are not in school. If the C.I.P is included in the standard budgeting process, then the approval timeline goes until June. If the public hearing is held again this year by the Committee on Finance, then the committee could post a joint City Council and committee meeting at the end of March. He notes that once the capital program is approved, the City must go through the bid process and complete all necessary transactions before summer starts. Otherwise certain projects won't be completed before the end of summer.

Mayor Narkewicz recalled that in previous years there were financial orders that were brought forward for Council consideration as early as April or May. Early authorizations allowed for the bonding process to begin and to be completed before construction begins in the summer.

Councilor Murphy suggested that the Committee on Finance hold the public hearing on March 28, 2017.

Councilor O'Donnell wondered if the C.I.P. public hearing could be held at the same time that the water sewer rate public hearing was held. He notes that one of the biggest capital expenses is the water and sewer treatment plant. Councilor O'Donnell feels that these two items could be related. Perhaps a joint

committee hearing could be held. Councilor O'Donnell suggested that this is one way in which citizen participation could increase as it relates to the C.I.P. He wondered if more hearings or less hearings were better.

Councilor Murphy notes that the lion's share of the work regarding water and sewer rates is done by the Committee on Public Works and Utilities. He feels that this committee should do their work. It is likely that the water sewer rates will also go to the Committee on Finance, but that the Committee on Public Works and Utilities should do their work before it goes to Finance. Councilor Murphy is not in favor of combining the public hearings.

Councilor Dwight clarified that the Committee on Public Works and Utilities will not be setting the rates.

Mayor Narkewicz explained that he will be bringing orders forward in April. Depending on how long the review process takes, the Council will be voting on the water/sewer rates at the two meetings in April. There will be actual capital projects on the Council's agenda in April as well.

Councilor Dwight recalls that last year there was a lengthy discussion about water and sewer rates due primarily to the change in the overall formula.

Councilor Bidwell would prefer to keep the meetings separate. Councilor Murphy agrees. Councilor Nash would also like to keep the meeting separate. He feels that the discussion about the rates could be more prolonged and involved than C.I.P.

Mayor Narkewicz noted that he will be introducing an order for water sewer rates at the March 16, 2017 City Council meeting.

Councilor O'Donnell noted that in advance of the C.I.P., and to a lesser extent water and sewer, he wonders if new methods of outreach can be explored.

#### **7. New Business: None**

**8. Adjourn:** At 8:00 pm Councilor LaBarge moved to adjourn the meeting; Councilor Nash seconded the motion. The motion was approved on a voice vote of 4 Yes, 0 No.

*Prepared by:*

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