



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: August 15, 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 8:15 p.m. Councilor Murphy called the meeting to order.
2. **Roll Call:** Present were committee members David Murphy (Chair), Maureen Carney, Marianne LaBarge and Gina-Louise Sciarra. Also present from the City Council were Dennis Bidwell, Alisa Klein and Jim Nash. At-Large Councilor William H. Dwight and Council President Ryan O'Donnell were absent.
3. **Approval Of Minutes From The Previous Meeting**
 - A. **Minutes of July 11, 2019**

Councilor LaBarge moved to approve the minutes of July 11, 2019. Councilor Carney seconded. The motion passed 4:0 by voice vote.
4. **4th Quarter Financial Report**

Finance Director Susan Wright presented the financial report for the quarter ending June 30, 2019. Financial officers are still in the process of closing out the fiscal year, so things could still shift a little, she cautioned. Books will be closed by the end of September.

Things turned out pretty much as predicted, Ms. Wright reported. Revenues exceeded estimates primarily because the city had revenue from recreational marijuana excise tax and community host agreements. For the future, the city has established a stabilization account to track revenue and expenses from this source. Once Free Cash is certified in the fall, the Mayor will come before the council with an order to move money from the community host agreements to this account. The community host agreement money is only expected to come for five years, which is why it has not been built into the operating budget.

Excise for marijuana was rightfully not budgeted in the FY2019 budget because it was a revenue that had not occurred yet. However, in the FY2020 budget administrators have fully budgeted an estimated amount.

City Council Committee on Finance Meeting Minutes for August 15, 2019

It is the primary reason for the increase in revenue over last year, although she would point out that meals tax was also up quite a bit in the last two quarters. Meals taxes were up almost 9% in the third quarter and almost 5% in the fourth quarter.

In summary, General Fund revenue ended up with a surplus and the FY2019 General Fund budget ended up being 96% expended. As far as expenditures, the largest reason for returns to Free Cash is vacancies.

All four enterprise funds met their revenue estimates and slightly exceeded them, she added. Sewer Enterprise revenue came in at 101%, Water Enterprise came in at 100%, Stormwater Enterprise came in at 107% and the Solid Waste Enterprise came in at 115%.

In terms of expenditures, the enterprise funds often have a lot of money carried over because of ongoing capital projects, she reminded.

The General Fund and enterprise funds ended pretty much as expected, she concluded.

Councilor Klein asked about the increase in revenue from firearms licenses, which showed a 170% increase. She is interested in looking at trends in this day and age. She asked for more information on this revenue source.

It may not represent an actual increase because the Police Department may have brought in \$5,000 last year, Ms. Wright clarified. She is conservative in estimating potential revenue so it is possible that actual collections simply exceeded projected amounts rather than actually exceeding the previous year's receipts. She agreed to provide additional information.

Councilor LaBarge moved to accept the 4th quarter financial report. Councilor Carney seconded. The motion carried 4:0 by voice vote.

5. Financial Orders

A. 19.117 An Order To Award Contract For FY2020 Audit To Scanlon And Associates

Councilor Murphy read the text of the order.

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

Members held a special meeting to talk about this in Finance and made the recommendation to extend the contract with Scanlon & Associates, LLC for another year and to begin a full procurement process for a new contract in March or April, Councilor Murphy reported.

The motion passed unanimously 4:0 by voice vote.

B. 19.118 An Order To Authorize Payment Of Prior Year Bills

Councilor Murphy reviewed the prior year bills to be paid out of the budget for the current fiscal year.

Councilor LaBarge moved to forward the order with a positive recommendation. Councilor Sciarra seconded. The motion passed unanimously 4:0 by voice vote.

C. 19.119 An Order To Authorize Intermunicipal Agreement With Worthington For Part-Time PE Teacher

Councilor Murphy read the text of the order.

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

Northampton Public Schools (NPS) is looking for a part, part-time physical education teacher for one of its sports, Mayor Narkewicz explained. In conversation with Worthington administrators, school officials realized Worthington is also looking for one. The two districts decided to combine the position to make it more attractive to a candidate. They expect to advertise in September.

Councilor Klein asked if the schools had made such an arrangement for teachers before.

Mayor Narkewicz agreed it was a little unusual. Both schools are looking for a .2 PE teacher so they thought it might be more attractive as a .4 position. Both superintendents were willing to try because they hadn't had much success working alone. He asked for two readings to meet the deadline of hiring by September 1st.

Councilor Murphy called the motion to a vote, and it passed unanimously 4:0.

D. 19.121 An Order For FY2020 Budget Transfers

Councilor Murphy reviewed the financial transfers.

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

These were the transfers discussed in executive session, Mayor Narkewicz reminded. They were budgeted as part of the salary reserve account, and he is asking that the amounts listed be moved to individual departmental budgets.

Councilor Bidwell asked how much money would remain in the salary reserve account after the transfer, and Mayor Narkewicz said the account would be fully expended.

The motion passed unanimously 4:0.

6. New Business

-Reserved for topics that the Chair did not reasonably anticipate would be discussed.
None.

7. Adjourn: There being no further business, Councilor LaBarge moved to adjourn. Councilor Carney seconded. The motion carried on a voice vote of 4 Yes, 0 No. The meeting was adjourned at 8:32 p.m.

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