



## ***Committee on Finance and the Northampton City Council***

### ***Finance Committee Members***

*Councilor Deb Klemer  
Councilor Meg Robbins  
Councilor Rachel Maiore  
Councilor Aline Davis*

Virtual Meeting  
Meeting Date: January 21, 2026  
Time: 5 p.m.

1. **Meeting Called To Order:** At 5 p.m. Acting Chair Deb Klemer called the meeting to order.
2. **Roll Call:** Present were Councilor Deb Klemer, Councilor Meg Robbins, Councilor Rachel Maiore and Councilor Aline Davis. Also present was Administrative Assistant Laura Krutzler.

Councilor Klemer announced that the meeting was being audio/video recorded.

3. **Election Of Chair**  
Councilor Klemer opened the floor to nominations for chair.

### **Councilor Davis nominated Councilor Klemer.**

Councilor Robbins said she was considering nominating herself but would like to be able to have a discussion about it first.

As a point of information, Councilor Maiore clarified that, once submitted, she could withdraw her nomination if she chose.

### **Councilor Robbins nominated herself.**

There being no further nominations, **Councilor Klemer closed nominations.**

### **CANDIDATE STATEMENTS**

Councilor Klemer said she appreciated the nomination and is very excited to be on Finance Committee this term. This term she has a vision; she wants to work with everyone on the committee and on council. Last session, she worked tirelessly to understand how finance works. She wants to make sure it is a cohesive, functional and collaborative committee.

Councilor Robbins asked if they could use first names.

City Council Committee on Finance Organizational Meeting

Councilor Klemer said she prefers they address each other as councilors for now.

Councilor Robbins said she was considering nominating herself but, as a first-time councilor, she is respectful of the council's tradition of chair by seniority. As they know, Finance serves as a check and balance on city budgets and expenditures. She was elected by an at-large majority based on her platform of working to bring the perspective and voice of city residents to the city's funding priorities, she stressed. She takes that charge very seriously. She is a seasoned and professional facilitator both as a teacher and for many years working with school districts on strategic planning. She runs her own company and has an educational background in economics. As a School Committee member, she has had deep immersion in Northampton city budgeting practices. She served on the School Committee Rules and Policy Committee and was chair of the Curriculum Committee where she created agendas, facilitated meetings and brought in those professionals closest to their students. She doesn't want to create division in how they work together and their ability to work well together and focus on what best serves resident needs is paramount to her. She stated her belief that their commitment is to recognize that the Finance Committee serves the will of the people and that, while they work with the Mayor, they are an independent reporting entity reporting only to City Council and to residents of Northampton. She shared her belief that they make recommendations based on independent analysis of best practice and honor the habit of mind of striving to consistently operate as a check and balance to the work of the Mayor.

Addressing Councilor Klemer directly, she said that, if she chooses *not* to put her name in as chair, she likely will seek nomination as vice chair. In that role, if voted in, she would want to be assured that all agenda setting would emphasize their collaboration on creating and approving all aspects of the agendas and having the entire committee see it and weigh in prior to posting.

Additionally, she would hope that, as chair, Councilor Klemer would agree to honor a consistent facilitation focus on open minds, democratic dialogue and decisions that prioritize the essential services defined and expressed by their community. Further, she hoped that, as chair, she would honor their efforts to differentiate and prioritize needs from wants and that she would remind them at every meeting that they serve the people of their city.

At Councilor Klemer's request, Councilor Robbins repeated the ground rules she hoped Councilor Klemer would follow. The other part is having the vice chair be very inclusive in agenda setting, Councilor Robbins reiterated.

### **Councilor Statements on Nominations**

Councilor Maiore said they clearly have some great choices. The truth is, she'd be happy with either of them chairing. A chair facilitates and presides over meetings and she is really confident they would both do a good job. She knows Debbie would work diligently as chair and she appreciates Councilor Robbins's new ideas to steer Finance into some deeper 'systems critical' thinking and her commitment to ensuring this committee be a more relevant, proactive vehicle for their constituents. She thinks Councilor Robbins is brilliant. She's right that, as an At-Large councilor, she brings greater representation. Most importantly, she hopes that, as a committee, they are willing to listen to dissenting voices, collaborate and be willing to sit sometimes in discomfort and share the collaborative goal of serving their community in a thoughtful manner. She knows Councilor Robbins has previous chairing experience, sometimes unusual for new councilors, and lots of financial know how. Councilor Klemer has chairing experience specific to council. Councilor Klemer has stated that she is committed to welcoming new ideas and perspectives and being responsive to members' input and working collaboratively with the vice chair.

An elegant solution to her would be to have Councilor Klemer as chair with Councilor Robbins as vice chair with public acknowledgment that the vice chair would have input and collaboration. For this reason, she would support Councilor Klemer for chair and hope to nominate Councilor Robbins for vice chair. Together the two are the representative bridge this committee needs right now, she suggested.

City Council Committee on Finance Organizational Meeting

As Councilor Robbins was speaking, she was thinking that an intentional discussion of ground rules and how they are going to engage the public would be a great agenda item; in other words, taking that paragraph and going over it.

Councilor Davis said she nominated Councilor Klemer because she is experienced, and she really values that. She is curious and works very hard. She is impressed with Councilor Klemer's steady communication with constituents. Finance is something people want to know about and she thinks she will be able to communicate that clearly with Ward 2 and everyone else as well as fellow members. She thinks she will be able to run these meetings efficiently and well and respectfully.

Councilor Maiore shared her experience that, as chair for four years, it is an increasingly challenging role. She thinks the idea of really utilizing the vice chair in collaboration is more important than ever. "It's kind of something we actually have to do now. The job has changed," she asserted.

Councilor Robbins said she takes the role of being an at-large councilor really seriously and that means being able to say that the decisions made in this group are knowledgeable and responsible and that they've listened to the people who've put them there and whose money they're spending. She is hoping they can have an underpinning of making sure they have done that before making decisions. It could be part of that larger discussion Councilor Maiore alluded to, she suggested.

Councilor Maiore said she is sure that Deb as chair would welcome agenda items but noted that two councilors on a subcommittee also have the ability to place items on the agenda.

There being no further discussion, councilors voted by roll call vote as follows:

**Councilor Klemer – Councilor Klemer**  
**Councilor Davis – Councilor Klemer**  
**Councilor Maiore – Councilor Klemer**  
**Councilor Robbins – Councilor Klemer**

Councilor Klemer was elected chair by acclamation.

#### 4. Election Of Vice Chair

**Councilor Maiore nominated Councilor Robbins.**

There being no further nominations, **Councilor Klemer closed nominations.**

Councilor Maiore said she alluded to this before but she thinks Councilor Robbins has an exceptionally analytical mind. She really appreciates the original ways she thinks of to engage the public, for example, her comments on the CIP and how to present information in ways that the public can actually absorb it. She knows she has a lot of ideas and she really would like to have the space to explore them because she thinks she offers something very unique. She comes in with more know-how and experience than some councilors do at this point and she thinks they would be very fortunate to have her in a leadership position.

Councilor Klemer said she is excited to work with her. A lot of their viewpoints are different so it will be really good. She ran on collaboration and mending what's going on in the city and she thinks this would be a good start.

There being no further discussion, councilors voted by roll call vote as follows:

**Councilor Davis – Councilor Robbins**

City Council Committee on Finance Organizational Meeting

**Councilor Maiore – Councilor Robbins**  
**Councilor Robbins – Councilor Robbins**  
**Councilor Klemer – Councilor Robbins**

## 5. Public Comment

**Ward 6 Councilor Chris Stratton** congratulated Councilor Klemer and Councilor Robbins commenting that he kind of wished they could all be on Finance. He reminded committee members that they are the council's financial research arm. "You can examine issues in more detail" and take more expanded and interactive testimony from the public. They will be presented with positions from the Mayor from the 'traditions of schedule' in recent years. These are ideas worthy of respect and consideration but he encouraged them to remember and be aware of the difference between their laws, their ordinances and their administrative code vs. what is a positions and really just one of many possible positions or traditions under their laws. In that light, they have an order before them to take one-third of Free Cash (\$2.1 million out of roughly \$6) and use it in a way that has become traditional. But that is only one of the possibilities available to the city and the council. As many know, the School Committee is meeting tomorrow to compare notes and examine several shortfalls in the school and discuss a mid-year appropriation. That is one of many competing needs in the city. They don't know what the Group Insurance Trust (GIT) will come back to them with for healthcare costs, which is one of many things blowing up in other cities as crises.

There's a lot on their plate financially and he would encourage them to keep that in mind and keep in mind the possible benefits of preserving flexibility. That's not to say that putting money into stabilization couldn't turn out be a good idea. It could, and if a few months down the road, they conclude that it is wise, they could ask the Mayor to add the interest that has been earned in the meantime into the appropriations.

**Ward 3 Councilor Laurie Loisel** thanked Finance Committee members for smoothly electing leadership. She read something from a constituent in Ward 3, who wrote that it seemed to her that pushing revenue has the potential to decrease Free Cash. If they push revenue estimates and spend Free Cash on recurring expenses, isn't that burning the candle at both ends? She asked. As much as she would like to see schools get more funding, she cannot agree with the twisted logic of some in their community. The worst part is that their position leads to distrust of the mayor, school officials and some city councilors. The prospect of kids going off to school with a negative view of their schools and their city troubles her. She wants them to know that there are lots of opinion in the city and some people feel like they need to be conservative and careful in the ways that they spend their money.

**Ward 1 Councilor Gwen Nabad** thanked committee members and everyone else serving in the city. She said she was really happy about what she just saw and everyone working together and looking forward to seeing how the financial orders go tonight.

## 6. Approval Of Minutes From The Previous Meeting

### A. Minutes of May 12, 2025 and June 16, 2025

**Councilor Maiore moved to approve the minutes as a group. Councilor Davis seconded. The motion passed unanimously 4:0 by roll call vote.**

## 7. Financial Orders

### A. 26.003 An Order to Appropriate \$2.1 Million Free Cash to Various Reserve Accounts

Mayor Sciarra responded to something heard in public comment from Councilor Stratton; i.e. – he referred to the allocation of Free Cash to stabilization as "a way that has become traditional." She clarified that this is not 'tradition;' it is following city financial policies created in collaboration with the Collins Center with money from a community compact grant, which enabled them to draft policies based on best practices of the Department of Revenue (DOR) and the Government Financial Officers Association (GFOA).

City Council Committee on Finance Organizational Meeting

Mayor Sciarra said she had printed out Free Cash best practices and offered to give them to councilors.

Councilor Klemer thanked her for the clarification.

Director Nardi noted that, at the last meeting, there was a comment about DOR and a mention of the 20% [guideline] for projections; DOR has regulations they have to follow when setting the tax rate and proving revenue, she stressed. Municipalities can't just set revenue at a rate higher than last year unless they can prove there was a change that would allow them to meet that higher level. In order to set revenue higher than what was actually received, communities have to show they did something concrete such as raise rates. Regulations require projections to be within 20% of the previous year; if above or below 20%, an explanation is needed. DOR doesn't want municipalities to meet the top threshold of their revenue.

The city follows DOR regulations. DOR reviews every city's tax rate. "We are following the rules and regulations based on DOR and our policies," she clarified.

In response to a question from Councilor Klemer, Chris Stratton reiterated his earlier statement that when money is moved from Free Cash into stabilization funds it starts accruing interest in the stabilization account. He expressed his understanding that, if it is not moved, it accrues interest elsewhere. If the transfer to stabilization is postponed, the order could be rewritten to include any interest accrued from today until that later date, he suggested.

Director Nardi clarified that Free Cash does not earn interest.

Councilor Maiore said she appreciates this is part of their policy. The Finance Committee has 60 days to make its recommendation, she reminded. She doesn't think there is any significant downside in waiting until after the possible mid-year appropriation request and the Mayor's FY2027 financial forecast. It feels harder to issue a recommendation now without knowing how it fits into those two events coming up. She would see it differently if she knew they were going to draw from the Fiscal Stability Stabilization Fund (FSSF) for a mid-year appropriation.

For that reason, Councilor Maiore said she thinks they should delay making a recommendation to a future meeting. **She moved to postpone a recommendation on 26.003. Councilor Robbins seconded.**

Councilor Robbins said she agreed with that rationale. "We are a new committee. We have not yet had time to ask more questions." Given that there's no rush, it feels like it would be a very good idea to just hang on and give it a little bit more time.

Councilor Davis said she is confused by the suggestion of waiting and why it would hinder possible use of money for a midyear appropriation. She expressed her understanding that the money is not locked away once it's in the stabilization fund.

She is wondering what the difference might be with waiting vs. recommending. She would need clarification of the pros and cons of the two approaches.

Councilor Klemer said the money is not locked away; it is there to be used. A third of certified Free Cash - \$2.1 million – is still available plus \$500,000 left over from the previous year for a total of \$2.6 million, she pointed out.

Councilor Davis voiced her understanding that the money would also still be accessible if it were recommended to go into the Capital Stabilization Fund.

City Council Committee on Finance Organizational Meeting

Yes, Mayor Sciarra said. Free Cash also remains liquid. Free Cash is proposed to be transferred into the FSSF, \$5 million of which has been used for Northampton Public Schools (NPS) in the past three years, she reminded.

Councilor Maiore noted that the amount she would want to see go into stabilization might be impacted by a mid-year appropriation.

To her, there's no down side of waiting, she reiterated. She does not have the confidence in this moment to positively recommend it back to full council so, if it is not delayed, she will have to issue a negative or neutral recommendation, she shared. She would feel more confident issuing a recommendation with those two critical pieces of information known to her.

If council passes this order, \$4.2 million will be left in Free Cash, Director Nardi advised.

Councilor Robbins said she feels very similarly. There's no rush. She wants to be part of a committee that makes very intentional and knowledgeable decisions. They certainly have a past history of following this recommendation, but, as Councilor Stratton said, it's not a code, it's a recommendation. Since members of the public have let them know they would appreciate their postponing she thinks it would certainly behoove them to do so. It would be good to honor that request.

Councilor Maiore said Councilor Klemer as chair would set a time to revisit 26.003.

As a point of information, she noted that the way they can use Free Cash is different from stabilization funds, which are considered non-recurring. There is a distinction. It is within the Mayor's purview to decide which source should be used, she indicated.

Mayor Sciarra stressed that, according to DOR, Free Cash is to be considered a non-recurring revenue source.

Climate stabilization has a specific mission and in that way it does limit its use, Councilor Maiore noted.

She doesn't want to assume too much about the nature of the midyear appropriation and would be more confident issuing a recommendation in a couple of weeks, she added.

Councilor Robbins said she feels they could also be more knowledgeable after hearing the mayor's presentation on the FY2027 financial forecast.

Councilor Klemer noted there is a lot of money left over even if they do allocate this money. If they decide to postpone, she would like to have their meeting Wednesday before the next council meeting so they can make a recommendation for that meeting.

Members decided to meet Tuesday, February 3, 2026 @ 5 p.m. in the Hearing Room.

Councilor Davis asked what specifics they should be listening for from the School Committee. Councilor Klemer said she would be looking for how much the School Committee wants, what they want to spend it on, whether they are asking for positions, etc. She would also want to hear the mayor's presentation.

If the Mayor and Director Nardi are considering fulfilling the midyear appropriation, Councilor Maiore said her question would be where they are going to draw the funds from. Also, what the ask is and where the Mayor stands on that ask.

City Council Committee on Finance Organizational Meeting

**The motion to postpone 26.003 passed unanimously 4:0 by voice vote.**

**B. 26.004 An Order to Appropriate Enterprise Retained Earnings to Various Projects**

This order proposes allocating retained earnings to enterprise projects.

**Councilor Robbins moved to postpone.** She had said she would give the director some questions to bring back to them as a whole.

Mayor Sciarra reminded them this is a closed system, so the money can not be used for anything else.

Director LaScaleia said she was happy to answer questions. They allocate money from retained earnings each year to keep the systems running and enable operations. DPW operations run 24/7, 365 days a year. If money is sitting in retained earnings, it cannot facilitate operations in any of the enterprises and is not helpful to rate payers.

Councilor Klemer said they are always concerned about delaying projects or delaying people getting paid. She said it sounds like that could potentially happen if she doesn't have money in these accounts.

Yes, the single most important thing for residents and businesses is stability within the enterprise, whether rate stability or operational stability, Director LaScaleia stressed. If they start bumping into delays with financial appropriations, she has to slow everything down in order to wait. She can't foresee what could potentially go wrong but just knows that she has to throttle back. It is not something she would recommend or that she believes serves anyone who relies on these enterprise funds for service.

Councilor Robbins said she has a bunch of questions she would be happy to submit. She has tried to find answers on her own but was unsuccessful. She asked the difference between retained earnings and Free Cash.

Director Nardi explained that retained earnings is the enterprise's Free Cash. It is money from operations. If rates and base charges come in over budget and money is not spent, it creates retained earnings. The director is trying to move them back into the system to keep operations moving.

Councilor Robbins asked what the total amount is now in retained earnings.

Director Nardi said the policy has been to leave at least 10% in retained earnings as a reserve.

Councilor Robbins asked how much is in there now and what will be left after she takes this money out.

She has several other questions, and that's why she would ask for this delay. It is a lot of money and does come from folks' fees and rates.

Director Nardi said it would be helpful in the future to know in advance if they have any questions.

Councilor Robbins said she didn't know they were coming. The School Committee writes presentations down on the agenda and who will be there.

Mayor Sciarra explained that, for some of these enterprises, particularly water, they have been saving and preparing for really large capital projects.

Councilor Robbins said she had trouble going through the CIP and finding each of these projects.

She would like to know how much is in the funds they will be drawing from and how much will be retained. Also, how much they will be allocating for each of the years of the CIP. It keeps them informed of where the projects are and where their expert estimations are in terms of total expenditures.

Director LaScaleia noted that these are ongoing projects, such as sewer line replacement. If they are trying to match the financial orders with figures in the CIP, it will not align. When Free Cash is certified, enterprise retained earnings are also certified. The retained earnings portion of the enterprise is kept at 10% of the value of the whole enterprise. If the value of the enterprise is \$6.177 million dollars, she would keep 10% of that as retained earnings. The rest of retained earnings moves to projects as necessary.

Councilor Robbins said it would be really great to have that clarified in terms of the actual numbers.

Director LaScaleia said she wanted to be clear that they don't operate on an annual basis or a fiscal year basis.

Director Nardi reported the balance of retained earnings in the enterprise accounts as follows:

- ❖ **Water enterprise - water retained earnings certified at \$2,107,499; order proposes taking \$1,412,999, leaving balance of \$694,500**
- ❖ **Sewer enterprise – sewer retained earnings certified - \$1,756,216; taking \$569,233 each for sewer line replacement and WWTP and pump station improvements**
- ❖ **Solid waste enterprise – solid waste retained earnings certified - \$114,823; using \$50,834**
- ❖ **Stormwater enterprise – stormwater retained earnings certified - \$260,389; using \$60,740**

Director Nardi said she could give it to her in writing.

Councilor Maiore said she is comfortable issuing a positive recommendation for this tonight knowing it will go to City Council as another stop for voting. If at that time there are lingering questions, they could be answered then.

**Councilor Maiore moved to positively recommend 26.004. Councilor Davis seconded. The motion passed unanimously 4:0 by voice vote.**

8. **Set Meeting Schedule and Format for 2026 - 2027**

Councilor Klemer said last term the Finance Committee met the Wednesday after City Council meetings at 5 p.m. if something was referred. Their next meeting is Tuesday, February 3<sup>rd</sup>, it was noted.

9. **Schedule FY2027 Budget Listening Session**

The budget listening session was cancelled last term because of illness, Councilor Klemer reminded. She asked how members felt about rescheduling it.

Councilor Robbins said she kind of missed it. She thinks it can't hurt; the more opportunities offered for people to come in and share what they're thinking, the better. She'd welcome it.

Councilor Davis said she thinks it is a great idea as well. Her question is the timing.

Councilor Maiore said she established this four years ago after requests for the Finance Committee to be more proactive ahead of the budget, which is why they had it in late fall. It is just a listening session, not a back and forth. Last time, there were a lot of school comments. They send a summary to the School Committee.

Members discussed without arriving on a definite date. Councilor Klemer said she would send an email with proposed days and times.

City Council Committee on Finance Organizational Meeting

**10. Discussion of Independent Audit Procurement Process**

As background, the administrative assistant explained that a full procurement process was last conducted in 2015 after responsibility for making arrangements for the independent audit was delegated to City Council under the new charter in 2012. Per charter, the City Council is supposed to award a new contract by September 15<sup>th</sup> every three years. The council last awarded the contract in September of 2023.

She reviewed a draft time line, noting that if the council wants to conduct a full procurement, the process will need to begin in the spring.

Director Nardi agreed it is good practice to solicit bids since they want to make sure the city is getting the best price. She still has some concerns about changing auditors due to recent turnover in the city's financial team. She feels like having Scanlon again helps make sure their clean audits continue. She encouraged councilors to talk to the financial team to see what's important to them if they do decide to look for a new firm.

**11. Items Referred To Committee**

None.

**12. New Business**

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

None.

**13. Adjourn: There being no further business, **Councilor Davis moved to adjourn. Councilor Robbins seconded. The motion carried 4:0 by voice vote. The meeting was adjourned at 6:41 p.m.****

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