



Committee on Finance and the Northampton City Council

*Councilor Gina-Louise Sciarra, Chair
Councilor Marianne LaBarge, Vice Chair
Councilor Michael J. Quinlan, Jr.
Councilor John Thorpe*

On-line Zoom Meeting

Meeting Date: February 18, 2021

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 8:42 p.m., Councilor Sciarra called the meeting to order.
2. **Roll Call:** Present were committee members Gina-Louise Sciarra (Chair), Marianne LaBarge (Vice-Chair), Michael J. Quinlan, Jr. and John Thorpe. Also present from the City Council were William H. Dwight, Alex Jarrett, Karen Foster, Rachel Maiore and Jim Nash. Also present were Mayor David Narkewicz, Finance Director Susan Wright and Administrative Assistant Laura Krutzler.
3. **Approval of Minutes of January 21, 2021**
Councilor LaBarge moved to approve the minutes of January 21, 2021. Councilor Thorpe seconded. The motion passed unanimously 4:0 by roll call vote.
4. **FINANCIAL ORDERS**
 - A. **21.194 An Order to Rescind Borrowing Authority - 3 Votes**
Councilor Sciarra read the order.

Councilor Quinlan moved to positively recommend the order. Councilor Thorpe seconded.

The city does this periodically (rescind borrowing votes) to clean up borrowing because they are basically holds on the city's credit, Finance Director Susan Wright explained. The first borrowing authorization was needed by the planning department to seek a grant. The second and third are for projects voted in 2017. The DPW is rethinking this schedule and the overall cost. These projects will be back before the council at some point in the future but they wanted to take them out of the borrowing queue for now.

The city certainly has enough borrowing capacity but it is good to keep the debt schedule clean and up to date. They will be going out to bond in the spring, she advised.

The motion passed unanimously 4:0 by roll call vote.

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B. 21.195 An Order to Appropriate Free Cash for COVID Expenses Potentially Ineligible for CARES Act Reimbursement

Councilor Sciarra read the order.

Councilor Quinlan moved to positively recommend the order. Councilor Thorpe seconded.

Free cash is the balance at the end of the fiscal year from revenues in excess of projections and expenses below estimates, the finance director reminded. Free cash for the current fiscal year started out at \$5.7 million. The council appropriated \$60,000 to support health department staff and, in January, voted \$1.5 million to three stabilization funds. Also, they have an order on second reading tonight appropriating funds for City Clerk election workers and asphalt for the DPW.

Administrators want to set aside about \$200,000 for items that are questionable right now should they be deemed ineligible. Right now the CARES Act and FEMA have shifting definitions of what is eligible and what is not. The guidance received last spring has changed no less than five times. The mayor and she were on a call making their case for why these expenses *should* be deemed eligible. They are just setting this money aside. If they are deemed eligible, they will be paid for by CARES; if not, they will be paid from Free Cash. In the end, the city will have expenses that it will need to cover later since FEMA and CARES Act definitions are changing. Northampton along with every other city and town in the Commonwealth will have some costs related to COVID that may not fall under either grant program.

That was the very polite explanation from the finance director, Mayor Narkewicz said. They have emails in writing telling them this was an allowable expense and now they've changed the definition, so it's really frustrating. This is covering them, particularly for the audit. There can be no question if these funds end up not getting approved that funds are available, he advised.

The motion passed 4:0 by roll call vote.

C. 21.196 An Order to Surplus 56 Vernon Street and Lease for Continued Use as Head Start Daycare and Early Education Facility

Councilor Sciarra read the order.

Councilor Quinlan moved to positively recommend the order. Councilor LaBarge seconded.

He tried to put as much historical context into the order itself as possible to tell the story, Mayor Narkewicz presented. Head Start has been around since 1965 and, particularly in Northampton, has been a highly successful program serving low- and moderate-income families.

In order to qualify for grants for capital improvements, a nonprofit running a program needs to be able to show it has long-term control of a property either by owning it outright or by a long-term lease, so that is why the city is surplusing it, he explained.

Each year, Head Start supports about 67 children at the Vernon Street School as well as 14 additional families served through a home visit program. Children qualify for early Head Start and Head Start based on age and income (\$26,000 for a family of four in 2020) and are also eligible if in foster care, homeless or part of families with risk factors such as homelessness, refugee status, domestic violence and parental or child disability. Head Start throughout the county has provided continuous child care to these families nonstop throughout COVID-19 and has been able to offer in-person full-time daycare since July of 2020.

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They have been serving the neediest families, many of which are those needing access to childcare while serving as front-line workers. This has been a very successful use of a former city building and is a great program with a long history. He is asking the council to continue that tradition and resurplus the property so the city can execute a 30-year lease and allow the program to keep serving at-risk families into the future.

Councilor Sciarra noted that the city sometimes lets agencies buy properties. She said she assumes that's not an option.

Community Action Pioneer Valley (CAPV) is responsible for all of the utilities, all of the maintenance and all the custodial support; they're pretty much owning the building, Mayor Narkewicz advised. There was a discussion about ownership but it does not make sense at this point for them to own the building outright. It is an organization in multiple counties which is actually in the middle of a move of its headquarters in Greenfield, so it makes sense to keep it as a long-term lease.

Councilor Jarrett said he is glad the program is here and glad to see it continuing. He asked the length of its previous lease.

The last lease was a ten-year lease. He believes they were doing a series of ten-year leases.

The law has now changed with the municipal modernization act and these leases can now go for 30 years, which is more favorable for an organization trying to either borrow to make capital improvements or apply for large capital grants, Mayor Narkewicz noted. In this case, the building needs a new heating plant and windows are an issue. They've done some de-leading but the windows are original. He knows those are some of the things CAPV is looking to tackle and looking for grants to replace.

Councilor Jarrett asked if upgrades would be in line with the city's resilience plan in terms of moving the city toward the goal of being carbon neutral by 2050.

He knows they're looking for something other than a fossil fuel system and also looking at solar, Mayor Narkewicz said. They were originally looking at a "Cogen" system but are now looking for a more high-efficiency electric system. The goal is to move toward an electric system which would be in line with the city's goal of getting off fossil fuels. The city works with CAPV when it does major capital improvements, and the last big improvement was actually done with CDBG funds. A new wheelchair ramp was built and other accessibility improvements for some of the bathrooms installed. The City Services Department was intimately involved in the bidding.

Councilor Jarrett asked if they could get out of the lease and Mayor Narkewicz said there are termination clauses in the lease with notice.

Councilor Jarrett noted there is a pretty large parking lot on Forbes Avenue. He asked if the entirety of that lot is needed for the agency's operations and if there would be any potential of carving off a lot and using it for affordable housing.

The times he's visited, the lot has generally been full, Mayor Narkewicz observed. He's fairly certain that the lot itself is fully-utilized. There is no plan to carve off the lot.

If they do consider solar that would probably be the place they would locate a solar parking canopy, Councilor Dwight noted.

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This is the most venerable public assistance system in this city and has actually generated a mayor, Councilor Dwight continued. Former Mayor Mary Clare Higgins worked at Vernon Street.

The boiler is actually so antique he wouldn't be surprised if considerable mediation/mitigation is needed to even get it out of the building.

The system has been functioning in this neighborhood. He vaguely recalls that when it was first introduced there was some resistance from neighbors. It is now an integral part of the neighborhood and has, in fact, been there longer than many of the residents. It has quietly provided the services that they frequently hear demands for. He is really grateful for the opportunity to grant them 30 years. It gives them the option to consider long-term modifications such as window replacement and a carbon-neutral energy system but, more importantly, to create a safe place for the children being served and their families. He is excited they can actually grant them the long-term commitment and obligation. "These are the types of tenants we like to encourage. Their situation is unique," he noted.

As far as surplus structures in the city, in the past, nonprofits who have occupied some of the schools have been allowed to buy buildings to allow the city to take them off its books. Because this is a very vulnerable agency, if they can provide some level of protection to continue its existence and service to the community, he's all for it on every level.

She and Councilor Dwight supported the lease back with Mary Clare Higgins as mayor, again under Mayor Narkewicz' administration and originally under Mayor Ford, Councilor LaBarge recounted. "There's a history here with us councilors." It's become a very wonderful neighborhood, she agreed. She has no problem with that daycare being there as an educational facility or with the 30-year lease term. "They are part of our community and they have done so much for our community and for people of need." She is supporting this 100%," she confirmed.

Councilor Quinlan said he has history at Vernon Street School as he believes he's the only person in this meeting who went to school there. In kindergarten, he spent the first half of the year at Vernon Street and the second half at the new wing of the Jackson Street School. "This is an extremely worthy organization for us to support," he confirmed.

The motion passed 4:0 by roll call vote.

5. New Business

None.

6. Adjourn: There being no further business, Councilor Quinlan moved to adjourn. Councilor Thorpe seconded. The motion carried on a roll call vote of 4 Yes, 0 No. The meeting adjourned at 9:13 p.m.

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