



CITY COUNCIL  
**CITY OF NORTHAMPTON**  
MASSACHUSETTS

Councilors:

- President Gina-Louise Sciarra, At-Large
- William H. Dwight, At-Large
- Michael J. Quinlan, Jr., Ward 1
- Karen Foster, Ward 2
- Vice-President James Nash, Ward 3
- John Thorpe, Ward 4
- Alex Jarrett, Ward 5
- Marianne L. LaBarge, Ward 6
- Rachel Maiore, Ward 7

**Meeting Agenda**  
**On-line Video Conference**  
**Meeting Date: March 18, 2021**  
**Meeting Time: 7 p.m.**

The March 18, 2021 City Council meeting will be held via remote participation. The public can follow the council's deliberations by watching the meeting live on Comcast channel 15, live-streaming it on YouTube or joining the virtual meeting by phone or computer. For the active YouTube link, please see Northampton Open Media's website: <http://northamptonopenmedia.org/>

Live public comment will be available using telephone call-in or video conferencing technology beginning at 7 p.m.

**INSTRUCTIONS FOR CALLING IN OR JOINING THE MEETING**

**Join virtual meeting:** <http://bit.ly/3tioKWr>

For telephone call-in, call:

+253 215-8785 US

+301 715-8592 US

**MEETING ID: 938 7017 0947**

**PARTICIPANT#: #**

**PASSCODE: 988341**

**1. Announcement that Meeting is Being Held Via Remote Participation and Audio/Video Recorded**

This meeting is being held via remote participation and audio/video recorded.

## 2. Public Comment

## 3. Roll Call

## 4. Public Hearings

### A. 7:05 pm **Public Hearing Concerning the Northampton Capital Improvement Program (CIP) for FY2022-FY2026**

In accordance with The Charter of Northampton, Massachusetts, Article 7 Finance and Fiscal Procedures, Section 7-5: Capital Improvement Program, the Northampton City Council will hold a public hearing via remote participation on Thursday, March 18, 2021 at 7:05 p.m. The City Council will consider the Capital Improvement Program for FY2022-FY2026, and hear all persons who wish to be heard thereon. The CIP is available for inspection on the city website [here](#).

### B. 7:15 pm **Public Hearing to consider FY2022 Water and Sewer Rates**

The Northampton City Council will hold a public hearing by remote participation on Thursday, March 18, 2021 @ 7:15 p.m. The City Council will consider the proposed FY2022 water and sewer rates and hear all persons who wish to be heard thereon.

## 5. Updates from Council President and Committee Chairs

## 6. Recognitions and One-Minute Announcements by Councilors

## 7. Communications and Proclamations from the Mayor

## 8. Resolutions

### A. **21.201 A Resolution in Opposition to State Incentives for Biomass Plants - 2nd reading**

#### **History:**

- Amended to add Springfield City Council to list of recipients - 3/4/2021
- Passed 1st reading - 3/4/2021

Documents:

[21.201 A Resolution in Opposition to State Incentives for Biomass Plants.pdf](#)

**B. 21.207 A Resolution Decriminalizing Controlled Substance Possession as well as Cultivation and Distribution of Psychedelic Plants - 1st reading**

Documents:

[21.207 A Resolution Decriminalizing Controlled Substance Possession As Well As Cultivation And Distribution Of Psychedelic Plants.pdf](#)

**C. 21.208 A Resolution to Adopt the Capital Improvement Program for FY2022-FY2026 Submitted to City Council on February 24, 2021 - 1st reading**

Documents:

[21.208 A Resolution to Adopt the Capital Improvement Program for FY2022-FY2026 Submitted to City Council on February 24, 2021.pdf](#)

**D. 21.209 A Resolution Expressing Gratitude to Northampton Health Department, First Responders, Ancillary Staff and Volunteers for Efforts to Vaccinate Our Community - 1st reading**

Documents:

[21.209 A Resolution Thanking Health Department, 1st Responders, Support Staff and Volunteers for Efforts to Vaccinate Community.pdf](#)

**9. Presentations**

**A. FY2020 Independent Audit**

Presentation by Scanlon & Associates, LLC (Thomas J. Scanlon, CPA)

Documents:

[Communication with Those Charged with Governance.pdf](#)

[FY2020 Management Letter.pdf](#)

[Northampton Single Audit Report 2020.pdf](#)

[Report on the Examination of Basic Financial Statements.pdf](#)

**10. Consent Agenda**

**A. Minutes of February 18, 2021**

Documents:

[02-18-2021\\_City Council Minutes.pdf](#)

**B. 21.210 Appointment to Planning Board - for referral to City**

## **Services Committee**

### **Planning Board**

**Samuel Taylor** (Full Member), 245 North Street, Northampton

Term: July 2020-June 2023

*Reappointment*

Documents:

[21.210 Appointment to Planning Board.pdf](#)

### **11. Recess for Committee on Finance (See Separate Agenda)**

### **12. Financial Orders (on 1st reading pending Finance review)**

Rule 2.6 requires the Finance Committee to consider certain financial matters.

#### **A. 21.205 An Order to Establish Water and Sewer Rates for FY2022 - 1st reading**

Documents:

[21.205 An Order to Establish Water and Sewer Rates for FY2022.pdf](#)

### **13. Financial Orders (on 2nd reading)**

#### **A. 21.202 An Order to Authorize Acceptance of Gifts of Labor and Materials for Sidewalk Repair or Replacement - 2nd reading**

##### **History:**

- Amended in Finance Committee to establish cap by adding "valued up to \$10,000" after "labor and materials" in final paragraph - 3/4/2021
- Positive recommendation, Finance Committee - 3/4/2021
- Passed 1st reading as amended - 3/4/2021

Documents:

[21.202 An Order to Authorize Acceptance of Gifts of Labor and Materials for Sidewalk Repair or Replacement.pdf](#)

#### **B. 21.203 An Order to Discontinue a Portion of Sherman Avenue - 2nd reading**

##### **History:**

- Positive recommendation, Finance Committee - 3/4/2021
- Passed 1st reading - 3/4/2021

Documents:

[21.203 An Order to Discontinue a Portion of Sherman Avenue.pdf](#)

## 14. Orders

### A. **21.211 An Order Further Extending 20.062, Temporary Suspension of Certain Ordinances to Reopen Restaurants - 1st reading**

**Process note:** Two readings are respectfully requested.

Documents:

[21.211 An Order Further Extending 20.062.pdf](#)

### B. **21.212 An Order to Set Preliminary Municipal Election Date - 1st reading**

Documents:

[21.212 An Order to Set Preliminary Municipal Election Date.pdf](#)

## 15. Ordinances (Not yet Referred)

Rule 5.2.3 provides that no ordinance shall be voted on by the City Council until it has been considered by the Committee on Legislative Matters.

## 16. Ordinances

### A. **20.181 An Ordinance Relative to Affordable Housing (350-6-12) - 1st reading**

**History:**

- Referred to Community Resources, Legislative Matters and the Planning Board - 1/7/2021
- Positive recommendation, Community Resources - 2/23/2021
- Joint Planning Board/Legislative Matters Committee public hearing held - 3/8/2021
- Planning Board unanimously recommends adoption (David Whitehill absent) - 3/8/2021
- Positive recommendation, Legislative Matters - 3/8/2021

Documents:

[20.181 An Ordinance Relative to Affordable Housing - 350-6-12.pdf](#)

[20.181 Report from Community Resources Committee.pdf](#)

### B. **20.182 An Ordinance Relative to Demolition Review for Historically-Significant Buildings - 2nd reading**

**History:**

- Referred to Legislative Matters - 1/7/2021
- Positive recommendation, Legislative Matters - 2/8/2021
- Passed 1st reading - 3/4/2021

Documents:

[20.182 An Ordinance Relative to Demolition Review for Historically-Significant Buildings.pdf](#)

**C. 21.189 An Ordinance to Create an Incentive for Smaller Houses by Allowing Two Half-Scale Units to Count as a Single-Family for Density Purposes - 1st reading**

**History:**

- Referred to Community Resources, Legislative Matters and the Planning Board - 2/4/2021
- Positive recommendation, Community Resources - 2/23/2021
- Joint Planning Board/Legislative Matters Committee public hearing held - 3/8/2021
- Planning Board unanimously recommends adoption (David Whitehill absent) - 3/8/2021
- Positive recommendation, Legislative Matters - 3/8/2021

Documents:

[21.189 An Ordinance to Create Incentive for Smaller Houses by Allowing Two Half-Scale Units to Count as a Single-Family for Density Purposes.pdf](#)

**17. Package of Zoning Amendments to Allow Two-Families by Right in All Residential Zoning Districts - 2nd reading**

**History:**

- Referred to Planning Board and Legislative Matters - 12/17/2020
- Joint Public Hearing Held/Public Hearing Closed - 1/14/2021
- Joint Meeting to Deliberate/Make Respective Recommendations - 2/8/2021
- On a split vote of 6:2 (Christa Grenat and Alan Verson opposed, Samuel Taylor absent), the Planning Board voted to recommend nine out of 10 ordinances to move forward to the city council (pulling out 20.169) with no substantive edits - 2/8/2021
- Legislative Matters unanimously (4:0) approved the package of ordinances as amended with a positive recommendation with the exception of 20.169 - 2/8/2021
- Passed 1st reading - 3/4/2021

**A. 20.163 An Ordinance Relative to Two-Family By Right - Amendment to Definitions**

Documents:

[20.163 An Ordinance Relative to Two-Family By Right - Amendment to Definitions.pdf](#)

**B. 20.164 An Ordinance Relative to Two-Family By Right - Amendment to URA Table of Use**

Documents:

[20.164 An Ordinance Relative to Two-Family By Right - MODIFIED Amendment to URA Table of Use.pdf](#)

**C. 20.165 An Ordinance Relative to Two-Family By Right - Amendment to URB-URC Tables of Use**

Documents:

[20.165 An Ordinance Relative to Two-Family By Right - MODIFIED Amendment to URB-URC Tables of Use.pdf](#)

**D. 20.166 An Ordinance Relative to Two-Family By Right - Addition of Subsection to Ch. 350-6**

**Process note:** Amended language to address tree issues has been proposed by the Planning Department.

Documents:

[20.166 An Ordinance Relative to Two-Family By Right - Addition of Subsection to Ch. 350-6 - POST 1st rdg.pdf](#)  
[20.166 Section 4 Amendment proposed by AJ.pdf](#)

**E. 20.167 An Ordinance Relative to Two-Family By Right - Addition of WSP District Table of Use**

Documents:

[20.167 An Ordinance Relative to Two-Family By Right - MODIFIED Addition of WSP District Table of Use.pdf](#)

**F. 20.168 An Ordinance Relative to Two-Family By Right - Amendment to SR-RR Table of Use**

Documents:

[20.168 An Ordinance Relative to Two-Family By Right - MODIFIED Amendment to SR-RR Table of Use.pdf](#)

**G. 20.170 An Ordinance Relative to Two-Family By Right - Delete Sections 350-10.10 and 350-10.11**

Documents:

[20.170 An Ordinance Relative to Two-Family By Right - Delete Sections 350-10.10 and 350-10.11.pdf](#)

**H. 20.171 An Ordinance Relative to Two-Family By Right - Amendment to Parking Standards**

Documents:

**I. 20.172 An Ordinance Relative to Two-Family By Right -  
Amendment to SC Table of Use**

Documents:

20.172 An Ordinance Relative to Two-Family By Right - Amendment to SC  
Table of Use.pdf

**18. Information Requests (Charter Provision 2-7) and Committee Study  
Requests**

**A. Appointment of committee to review and recommend  
changes to council rules.**

**19. New Business**

**20. Adjourn**

*Contact: G-L Sciarra, Council President*  
glsciarra@northamptonma.gov  
(413) 570-3133



## City of Northampton

MASSACHUSETTS

*In the City Council, March 4, 2021*

Upon the Recommendation of:      Councilor Alex Jarrett  
   Councilor Rachel Maiore  
   Northampton Energy and Sustainability Commission

### **R-21.201**

#### **A RESOLUTION IN OPPOSITION TO STATE INCENTIVES FOR BIOMASS PLANTS**

- WHEREAS,      the City of Northampton is committed to ensuring and safeguarding the health, safety, and environment of the residents of our community; and
- WHEREAS,      wood-burning biomass plants are a highly polluting form of energy generation, known to release pollutants including fine particulate matter, volatile organic compounds, nitrogen oxides, carbon monoxide, and carbon dioxide; and
- WHEREAS,      the Commonwealth adopted science-driven Renewable Portfolio Standard (RPS) regulations in 2012 recognizing that wood-burning power plants emit more carbon dioxide than fossil fuel power plants per unit of energy generated; and
- WHEREAS,      due to the 2012 RPS regulations, the only wood-burning biomass plants eligible for Massachusetts renewable energy incentives have been small, efficient combined-heat-and-power biomass plants; and
- WHEREAS,      if the weakened RPS regulations proposed in December 2020 by the Massachusetts Department of Energy Resources (DOER) go into effect, Massachusetts incentives would be available for inefficient large-scale biomass power plants; and
- WHEREAS,      the proposed RPS regulations would wrongly incentivize the construction of a large-scale wood-burning biomass plant proposed by Palmer Renewable Energy in Springfield, an Environmental Justice community already heavily burdened by industrial air pollution and by record-setting rates of asthma and other respiratory illnesses; and

WHEREAS, particulate and gaseous pollution from the planned Palmer Renewable Energy plant would increase hazardous pollution throughout the Pioneer Valley; and

WHEREAS, our City stands in solidarity with the residents of the City of Springfield, and the Springfield City Council, which passed a resolution on December 21, 2020, opposing Massachusetts state incentives for wood-burning biomass plants,

NOW, THEREFORE BE IT RESOLVED, that the City Council of Northampton opposes any state incentives for inefficient commercial wood-burning biomass plants in the Commonwealth of Massachusetts; and

BE IT FURTHER RESOLVED that the Council calls upon the Massachusetts DOER to revise the proposed RPS regulations by returning the woody biomass provisions to their previous, science-based language; and

BE IT FURTHER RESOLVED that the Council calls upon the Joint Committee on Telecommunications, Utilities, and Energy of the Massachusetts Legislature to hold an accessible public hearing on said proposed RPS regulations; and

BE IT FURTHER RESOLVED that the Council urges its State Legislative Delegation to support state legislation to remove and bar taxpayer and ratepayer incentives for inefficient commercial biomass power plants in the Commonwealth of Massachusetts by making them ineligible to meet the requirements of the Renewable Portfolio Standard; and

BE IT FURTHER RESOLVED that the Administrative Assistant to the City Council shall send a copy of this Resolution to the Springfield City Council, Representative Lindsay Sabadosa and Senator Jo Comerford, as well as Governor Charles Baker, DOER Commissioner Patrick Woodcock, and the Co-Chairs and Vice Co-Chairs of the Joint Committee on Telecommunications, Utilities, and Energy, Senators Mike Barrett and Mark Pacheco and Representatives Jeffrey Roy and Paul Mark.



## City of Northampton

MASSACHUSETTS

*In the City Council, March 18, 2021*

Upon the Recommendation of:      Councilor William Dwight  
   Councilor Rachel Maiore

### **R-21.207 A RESOLUTION DECRIMINALIZING CONTROLLED SUBSTANCE POSSESSION AS WELL AS CULTIVATION AND DISTRIBUTION OF PSYCHEDELIC PLANTS**

WHEREAS:      “entheogenic plants,” a term originally classified by anthropologists and ethnobotanists in 1979<sup>1</sup>, are herein defined as the full spectrum of psychedelic plants, fungi, and natural materials containing indole amines, tryptamines, phenethylamines, including psilocybin mushrooms, ayahuasca, cacti, and iboga; and

WHEREAS:      substance abuse, addiction, post-traumatic stress disorder (PTSD), Persistent Traumatic Stress Environment (PTSE), chronic depression, end-of-life anxiety, grief, cluster headaches, tendencies toward recidivism, and other ailments are plaguing our community and the use of entheogenic plants has been shown to be beneficial for treating these ailments via scientific and clinical studies<sup>2</sup> and within continuing traditional, religious, and indigenous practices that catalyze profound experiences of personal and spiritual growth; and

WHEREAS:      the COVID-19 pandemic has led to a resurgence of heroin and opioid overdose deaths and severe depression in Massachusetts communities<sup>3</sup>, two ailments that entheogenic plants have been shown to have particularly strong utility in treating according to published, peer-reviewed medical research<sup>4</sup>; and

WHEREAS:      the so-called War on Drugs has led to the unnecessary penalization, arrest, and incarceration of vulnerable people, particularly people of color and

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<sup>1</sup> Carl A. P. Ruck; Jeremy Bigwood; Danny Staples; Jonathan Ott; R. Wasson Gordon (January–June 1979). "Entheogens". *Journal of Psychedelic Drugs*.

<sup>2</sup> [Hendricks, P.S., Johnson, M.W., Griffiths, R.R. \(2016\). Psilocybin, psychological distress, and suicidality. \*Journal of Psychopharmacology\*.](#)

<sup>3</sup> [Data Brief: Opioid-Related Overdose deaths among Massachusetts Residents. June 2020.](#)

<sup>4</sup> [The association of psychedelic use and opioid use disorders among illicit users in the U.S. \*Journal of Psychopharmacology\*.](#)

people of limited financial means, rather than prioritizing harm-reduction policies to treat drug abuse as an issue of public health; and

WHEREAS: that American cities have long possessed an inferred constitutional right to regulate commerce and public safety within their jurisdictions, a principle acknowledged by the U.S. Department of Justice Cole Memorandum that permitted states and localities to deprioritize law enforcement of cannabis charges; and

WHEREAS: organizations in Northampton such as Tapestry, ServiceNet shelter, MANNA Soup Kitchen, Hampshire HOPE, Northampton Recovery Center, Nothing But Kindness, HRH413 and others have long offered services to people struggling with substance abuse by providing resources, administering syringe exchange programs, distributing naloxone, and providing education on safer drug practices to save lives in our community, which the city council profoundly appreciates; and

WHEREAS: the City Council of Somerville (9-0) and the City Council of Cambridge (8-1) passed similar resolutions following approval of their legal departments as well as decriminalization by Oakland, Denver, Ann Arbor, Santa Cruz, Washington D.C, Oregon, and around six other countries; and

NOW, THEREFORE BE IT RESOLVED, that the City Council of Northampton hereby maintains that no City of Northampton department, agency, board, commission, officer or employee of the city, including without limitation, Northampton Police Department personnel, should use any city funds or resources to assist in the enforcement of laws imposing criminal penalties for the use and possession of entheogenic plants by adults; and

BE IT FURTHER RESOLVED that the City Council hereby maintains that the use and possession of all controlled substances should be understood first and primarily as an issue of public health by city departments, agencies, boards, commissions, and all employees of the city; and,

BE IT FURTHER RESOLVED that the City Council hereby maintains that it should be the policy of the City of Northampton that the arrest of adult persons for using or possessing controlled substances shall be amongst the lowest law enforcement priority for the City of Northampton; and,

BE IT FURTHER RESOLVED that the City Council hereby maintains it should be the policy of the City of Northampton that the investigation and arrest of adult persons for planting, cultivating, purchasing, transporting, distributing, engaging in practices with, and/or possessing entheogenic plants listed in Classes A-E of

Chapter 94C § 31 of Massachusetts law or Schedules I-V of 21 U.S.C. § 812 of the Controlled Substances Act shall be amongst the lowest law enforcement priority for the City of Northampton; and,

BE IT FURTHER RESOLVED that this resolution does not authorize or enable any of the following activities: commercial sale of entheogenic plants and fungi, possessing or distributing these materials on school grounds, driving under the influence of these materials; or public Disturbance; and,

BE IT FURTHER RESOLVED that the Northampton City Council calls upon the city's officials work in support of decriminalizing entheogenic plants and approaching all controlled substances first and primarily through the lens of public health and restorative racial justice initiatives when representing the city in conversations with state and federal agencies as well as state and federal lawmakers; and,

BE IT FURTHER RESOLVED that the City Council calls upon the Hampshire County District Attorney to cease prosecution of persons involved in the use, possession, or distribution of entheogenic plants and the use or possession without the intent to distribute of any controlled substance; and,

BE IT FURTHER RESOLVED that the City Council expresses support for HD 3439 An Act Relative to Harm Reduction and Racial Justice, which would replace criminal penalties for controlled substance possession with the choice of a \$50 civil fine or a health and wellness screening to refer the person with economic and health services; and,

BE IT FURTHER RESOLVED that the City Council expresses support for HD 3439 An Act Establishing Task Force to Study Equitable Access to Entheogenic Plants, which will convene 21 experts in science, drug policy, economic and racial justice, and state government to recommend legislation to legalize entheogenic plants as well as expunge records and create equity initiatives for victims of the entire war on drugs. This task force requires the study to be done through the lens of racial justice, sustainability, and consideration for BIPOC, veterans, and people with disabilities; and,

BE IT FURTHER RESOLVED that the Administrative Assistant to the City Council shall send a copy of this Resolution to Representative Lindsay Sabadosa and Senator Jo Comerford, Governor Charles Baker, Attorney General Maura Healey, Hampden District Attorney Anthony D. Gulluni, Secretary of Veterans' Services Cheryl Lussier Poppe, and the Board of Registration of Allied Mental Health and Human Services Professions.

**City of Northampton**  
**MASSACHUSETTS**

*In City Council,* \_\_\_\_\_ March 18, 2021

*Upon the recommendation of* Mayor David J. Narkewicz \_\_\_\_\_

**21.208 A Resolution**  
**to Adopt the Capital Improvement Program for FY2022-FY2026**  
**Submitted to City Council on February 24, 2021**

***Resolved, that***

The City Council hereby adopts the Capital Improvement Program for FY2022-FY2026 submitted by the Mayor on February 24, 2021, in accordance with the Charter of Northampton, Massachusetts, Article 7 Finance and Fiscal Procedures, Section 7-5: Capital Improvement Program.

***In the City Council, March 18, 2021***

**Upon the Recommendation of Councilor Marianne LaBarge, Councilor Gina-Louise Sciarra, and Councilor Michael Quinlan**

R-20.208 A Resolution Expressing Gratitude to Mayor Narkewicz, Northampton Health Director Merridith O'Leary, the Northampton Health Department, Northampton Fire Rescue, Department of Central Services, Information Technology Services and the Many Volunteers for Their Efforts to Vaccinate Our Community

WHEREAS, Northampton Health Director Merridith O'Leary and Fire Chief Jon Davine appeared before the City Council Committee on City Services on March 4, 2020 and described efforts underway by Northampton's Emergency Management Team at that time to prepare to combat the COVID-19 pandemic in Northampton, and

WHEREAS, Northampton had its first positive COVID-19 case on March 16, 2020 and since that time more than 1150 Northampton residents have contracted COVID-19, and

WHEREAS, Northampton has lost 43 people to the pandemic, including our five residents who died at the Holyoke Soldier's Home, and

WHEREAS, Mayor David J. Narkewicz and Health Director Merridith O'Leary following Commonwealth of Massachusetts guidelines, designed and advocated for a vaccination site at our Senior Center which opened and began vaccinating our community on January 11, 2021, and

WHEREAS, when vaccination clinic requirements were changed by the state in February 2021, cutting supply to many municipal clinics, Mayor Narkewicz and Health Director O'Leary quickly worked to meet the new requirements and with collaboration with the Town of Amherst, Northampton was approved as a regional vaccination clinic, ensuring that our clinic would stay in operation to provide vaccines for Northampton and other Massachusetts residents, and

WHEREAS, vaccinating our community will provide immunity and therefore save lives by preventing the further spread of COVID-19, and

WHEREAS, Health Director Merridith O'Leary, Public Health Nurse Kate Kelly, Public Health Nurse Vivian Franklin, Inspector Amy Hutchins, Inspector Jasmine Ward, COVID Compliance Agents Ben O'Connor and Kelly Constantine and 10-12 Health

Ambassadors have been working countless hours, seven days per week to operate an effective and safe vaccination clinic in Northampton, and

WHEREAS, Volunteer Coordinator and Operations Manager Loren Davine and an estimated 40 volunteers per day have worked in support of the vaccination clinic, and

WHEREAS, Fire Chief Jon Davine, Deputy EMS Chief John Garriepy, and an additional seven or so members of Northampton Fire Rescue per day have worked at the vaccination clinic, with assistance from the Easthampton Fire Department and Highland Ambulance Service, including joining the volunteer corps on days off, and

WHEREAS, Northampton's Central Services Department led by Director David Pomerantz and with special recognition of City Maintenance Foreman Warren Jones, has been vital to the success of the clinic by opening and closing the Senior Center, and taking on many additional tasks for its operation, and

WHEREAS, the Northampton Information Technology Services Department led by Director Antonio Pagán has provided support to the Health Department at all hours of the day throughout the pandemic, and

WHEREAS, the Northampton Senior Center, led by Director Marie Westburg has been of great support and cooperation in creating an effective and safe vaccination clinic at the Senior Center, and

WHEREAS, the dedication, effort and outstanding public service of these many people is contributing to the recovery and safety of our community.

THEREFORE BE IT RESOLVED, that the Northampton City Council commends these many people for their tremendous efforts throughout the Covid-19 pandemic and in special recognition of their work to operate a safe and effective COVID-19 vaccination clinic in Northampton.

BE IT FURTHER RESOLVED, that the Administrative Assistant to the City Council will cause a copy of this resolution to be sent to the following Northampton departments: Office of the Mayor, the Health Department, Northampton Fire Rescue, Central Services, Information Technology Services, and the Senior Center with our collective gratitude.

## **Communication With Those charged With Governance**

To the Honorable City Council and Mayor  
City of Northampton  
Northampton, MA

We have audited the financial statement of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Northampton, Massachusetts, for the year ended June 30, 2020 (except for the Northampton Contributory Retirement System which is as of and for the year ended December 31, 2019). Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Northampton are described in Note 1 to the financial statements. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

#### *Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates effecting the financial statements were:

1. Net OPEB obligation- GASB No. 74 and 75.
2. Net pension liability – GASB No. 67 and 68.
3. The City's estimate of its compensated absences liability.
4. Estimates involving depreciable lives of the City's capital assets and the related depreciation.
5. Allowance for uncollectible accounts receivable.

We evaluated the key factors and assumptions used by management in determining that accounting estimates were reasonable in relation to the financial statements taken as a whole.

The financial statements disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We have proposed several trivial adjustments to the City's financial statements. We have met with City personnel to review these adjustments and Management of the City has accepted and approved these adjustments.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City of Northampton's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. We have provided our findings and other matters noted during our audit in a separate letter (management letter) to you.

### Other Matters:

We applied certain limited procedures to the Required Supplementary information, (RSI), which supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary schedules, which accompany the financial statements but are not RSI. With respect to this supplementary schedules, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary schedules to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use:

This information is intended solely for the use of the City of Northampton's management and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

*Scanlon and Associates, LLC*

Scanlon & Associates, LLC  
South Deerfield, Massachusetts

February 19, 2021

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**MANAGEMENT LETTER**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**CITY OF NORTHAMPTON, MASSACHUSETTS**

**Management Letter**

**Year Ended June 30, 2020**

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To the Honorable Mayor and City Council  
City of Northampton  
Northampton, Massachusetts

In planning and performing our audit of the basic financial statements of the City of Northampton as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Northampton's internal accounting control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charges with governance.

A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We have already discussed these comments and suggestions with City personnel. We will be pleased to discuss them in further detail and to assist you in implementing the recommendations.

The City's written response to our comments and suggestions has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of the management, the Mayor and City Council, others within the entity and the Commonwealth of Massachusetts Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

*Scanlon and Associates, LLC*

Scanlon & Associates, LLC  
South Deerfield, Massachusetts

February 19, 2021

## CURRENT YEAR COMMENTS AND RECOMMENDATIONS – Other Matters

### 1. Covid-19 – Impact on Operations and Procedures

#### Comment:

In March 2020, the Massachusetts Governor declared a state of emergency in response to the Covid-19 pandemic. The Covid-19 outbreak in the United States has resulted in economic uncertainties and has impacted operations for various business and governments in the Commonwealth. As a result of Covid-19's impact on the City's operations we like to remind the City of the following:

- There are various federal and state grants that have become available in response to the Covid-19 pandemic. These grants come with various compliance (i.e. single audit and procurement) and reporting requirements. The City does have procedures and policies in place to properly account and identify federal and state grants. It's very important that the City adheres to its policies and procedures with regard to these Covid-19 grants as it will have significant impact on its reporting and compliance requirements.
- Unemployment Fraud – Fraudsters will take advantage of any situation they can and the Covid-19 pandemic is no exception. Unemployment fraud is on the increase in Massachusetts as a result of Covid-19's impact on businesses. The City should implemented procedures to review unemployment notices and charges to ensure no fraudulent activity has occurred. Furthermore, if a fraud has occurred procedures should be implemented to properly track the fraudulent charges and the proper credit is given. These new procedures can be time consuming.
- As a result of the closure of the City Hall various personnel have been working remote and this can impact departmental, vendor and resident interactions and transactions. It is important that the City follow its procedures and controls in place for its significant accounts and transactions. The following are some examples of controls and procedures, (not a full comprehensive list):
  - Signatures approving expenditures and payrolls
  - Timely reconciliations of cash and investments
  - Timely reconciliations of receivables
  - Reimbursements for expenditures purchased by employees
  - Receipts are properly documented and turned over to the City's Treasury
  - Invoices are paid timely and are reported in the correct accounting period
  - Procurement laws are followed
- Revenue Shortfall and Declines – Covid-19 is having an impact on Cities and Towns revenues and collection rates for taxes (property and excise). The City should monitor its revenues and consider its impact on future budgets and financial condition.
- Inventory of Equipment – As a result of remote learning and working remotely the District has purchased additional equipment (technology and other) to achieve operating effectiveness. These purchases can be significant investment for the District. We recommend the District maintain inventory over equipment purchased and perform a hard count at year-end to ensure safeguarding of the District's equipment.

During this pandemic it can be tempting and easy to justify overriding the City's internal controls, policies and procedures in place. We would like to remind the City it is at times like this their controls, policies and procedures are at its utmost importance to be followed.

City's Response:

Bullet #1 – The City has adhered to the established procedures and policies to properly account and identify the COVID-19 federal and state grants to ensure reporting and compliance requirements.

Bullet #2 – Unemployment Fraud - The City always monitors unemployment for fraud. The COVID pandemic has increased the number of fraudulent claims, however, our HR department has been diligently monitoring the unemployment claims and providing our unemployment agent with information relative to every fraudulent claim. We recently received credits for numerous fraudulent claims that the city identified. The City will continue its efforts to monitor unemployment for fraud.

Bullet #3 – The City has established controls and procedures in place to ensure the continuity of government. There were no significant delays in the essential functions following the declaration of the state of emergency due to the pandemic. The downtown campus municipal buildings were closed to the public but the Auditor's, Assessor's and the Collector/Treasurer's Offices remained functioning with staff rotating working in the offices and remotely. An electronic signature program was established and now all contracts and Ch 90 request for reimbursements are circulated and signed electronically. Departmental approvals for accounts payable and payroll are either on hard-copies or electronically. There has been no disruption in the processing of payroll, procurement, reconciliations and accounts payables.

Bullet #4 – Revenue Shortfall and Decline - The City is monitoring the revenue and is cognizant of the impact COVID-19 may have on future budgets and financial conditions.

Bullet #5 – Inventory of Equipment – Information Technology Department have established procedures and internal controls for the purchasing, distribution and tracking of the inventory.

## 2. Implementation of Future GASB Statements

### Comment:

In an effort to enhance financial information of a government's financial statements, the GASB is continually issuing new pronouncements that will effect what is required to be reported in a government's financial statements. Over the past couple years GASB has been active in developing new standards. It is important that the City be aware of the current and future statements. The following are some of new GASB pronouncements that will be required to be implemented in future fiscal years:

- GASB Statement No. 84 – *Fiduciary Activities*. This statement is required to be implemented in fiscal year 2020 (revised to 2021).
- GASB Statement No. 87 – *Leases*. This statement is required to be implemented in fiscal year 2021(revised to 2022).

Given the significant impact of these GASB statements on the City's financial accounting and reporting, we recommend that the City familiarize and educate themselves with the aforementioned statements to ensure proper implementation.

### City's Response:

The City's financial team is updated and familiarized of current and future GASB statement by municipal associations (MGFOA, MMAAA, MMA), the DOR and the City's Independent Auditors.

## 3. Other Areas

- Review special revenue accounts.
- Record ambulance receivable on general ledger.

### City's Response:

Review of special revenue accounts:

The Special Revenue Funds are reviewed and reconciled on a regular basis.

Record ambulance receivable on general ledger:

The ambulance revenue and activity is reconciled on a regular basis.

## **PRIOR YEAR COMMENTS AND RECOMMENDATIONS – Other Matters**

### **1. Review Old Outstanding Receivable Balances**

#### Prior Year Comment:

During our prior audit we noted there are older accounts receivable that exists in the motor vehicle, personal property, boat excise and departmental receivables. We recommend that the City research the older accounts receivables to determine if the accounts should be abated or make an effort to collect them. Also, the City Collector should reconcile the motor vehicle outstanding amounts to the deputy collector on a periodic basis.

#### Status – Fiscal Year 2017-2019 Audit:

The City Tax Collector has started the process of reviewing the older tax receivables and has abated several years of older motor vehicle excise levies. The Assessors and Treasurer/Collector have begun a process to either abate personal property receivables or pursue collection. As of the date of our fieldwork there are still older personal property, real estate and excise accounts that need to be addressed, by either abatement, collection or refunds issued. We recommend the City clear-up the older property and excise accounts.

#### Status – Fiscal Year 2020 Audit:

The same condition exists.

#### City's Response:

Progress has been made in reviewing older outstanding receivables. The Collector/Treasurer continues to work with the Deputy Collector to resolve any discrepancies prior to abating the motor vehicle and boat excise amounts.

**CITY OF NORTHAMPTON, MASSACHUSETTS**

**INDEPENDENT AUDITOR'S REPORTS PURSUANT  
TO GOVERNMENTAL AUDITING STANDARDS  
AND UNIFORM GUIDANCE**

**FOR THE YEAR ENDED JUNE 30, 2020**

**CITY OF NORTHAMPTON, MASSACHUSETTS**

**Independent Auditors' Reports Pursuant  
To Governmental Auditing Standards  
And Uniform Guidance**

**For the Year Ended June 30, 2020**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor  
City of Northampton, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Northampton, Massachusetts, as of and for the year ended June 30, 2020, (except for the Northampton Contributory Retirement System, which is as of and for the year ended December 31, 2019), and the related notes to the financial statements, which collectively comprise the City of Northampton, Massachusetts' basic financial statements, and have issued our report thereon dated February 19, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Northampton, Massachusetts' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Northampton, Massachusetts' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Northampton, Massachusetts' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Northampton, Massachusetts' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do

not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Scanlon and Associates, LLC*

Scanlon & Associates, LLC  
South Deerfield, Massachusetts

February 19, 2021

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor  
City of Northampton, Massachusetts

**Report on Compliance for Each Major Federal Program**

We have audited the City of Northampton, Massachusetts’ compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Northampton, Massachusetts’ major federal programs for the year ended June 30, 2020. The City of Northampton, Massachusetts’ major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Northampton, Massachusetts’ major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Northampton, Massachusetts’ compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Northampton, Massachusetts’ compliance.

***Basis for Qualified Opinion on Coronavirus Relief Fund (CFDA No. 21.019)***

As described in the accompanying schedule of findings and questioned costs, the City of Northampton, Massachusetts, did not comply with requirements regarding CFDA No. 21.019, Coronavirus Relief Fund, as described in finding number 2020-001, for Allowable Cost/Cost Principles. Compliance with such requirement is necessary, in our opinion, for the City of Northampton, Massachusetts, to comply with the requirements applicable to that program.

### ***Qualified Opinion on Coronavirus Relief Fund (CFDA No. 21.019)***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City of Northampton, Massachusetts, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Coronavirus Relief Fund for the year ended June 30, 2020.

### ***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the City of Northampton, Massachusetts, complied, in all material respects, with the types of compliance requirement referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2020.

The City of Northampton, Massachusetts' response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Northampton, Massachusetts' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the City of Northampton, Massachusetts, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Northampton, Massachusetts' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Northampton, Massachusetts' internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

The City of Northampton, Massachusetts' response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Northampton, Massachusetts' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Northampton, Massachusetts, as of and for the year ended June 30, 2020, (except for the Northampton Contributory Retirement System, which is as of and for the year ended December 31, 2019), and the related notes to the financial statements, which collectively comprise the City of Northampton, Massachusetts' basic financial statements. We issued our report thereon dated February 19, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Scanlon and Associates, LLC*

Scanlon & Associates, LLC  
South Deerfield, Massachusetts

February 19, 2021

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U. S. Department of Agriculture</b>				
Passed Through Commonwealth of Massachusetts				
Department of Elementary and Secondary Education:				
Child Nutrition Cluster:				
Northampton Public Schools:				
School Breakfast Program	10.553	08-210	\$ -	\$ 65,422
National School Lunch Program	10.555	08-210	-	215,323
Summer Food Service Program	10.559	08-210	-	6,371
Summer Food Service Program - COVID-19	10.559	08-210	-	101,241
Smith Vocational and Agricultural High School:				
School Breakfast Program	10.553	08-210A	-	18,882
School Breakfast Program - COVID-19	10.553	08-210A	-	8,767
National School Lunch Program	10.555	08-210A	-	64,252
National School Lunch Program - COVID-19	10.555	08-210A	-	13,868
Non-Cash Financial Assistance:				
Commodities - Northampton Public Schools	10.555		-	42,010
Commodities - Smith Vocational and Agricultural High School	10.555		-	21,743
Total Child Nutrition Cluster			-	557,879
<b>Total U. S. Department of Agriculture</b>			-	557,879
<b>U. S. Department of Housing and Urban Development</b>				
Direct Programs:				
Community Development Block Grants/Entitlement Grants:				
Community Development Block Grant	14.218		309,919	809,490
Community Development Block Grant - COVID-19	14.218		1,750	21,750
Program Income	14.218		-	60,388
Total Community Development Block Grant - Entitlement Grants			311,669	891,628
<b>Total U. S. Department of Housing and Urban Development</b>			311,669	891,628
<b>U. S. Department of the Interior</b>				
Passed Through Commonwealth of Massachusetts				
Executive Office of Energy and Environmental Affairs:				
Norwottuck/Mass Central Rail Trail Project	15.916	25-00502	-	74,302
<b>Total U. S. Department of the Interior</b>			-	74,302
<b>TOTAL PAGE 1 OF 5</b>			\$ 311,669	\$ 1,523,809

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U. S. Department of Justice</b>				
Direct Programs:				
Bureau of Justice Assistance				
Coronavirus Emergency Supplemental Funding	16.034		\$ -	\$ 38,454
High Risk Offenders	16.590		-	157,961
Improving Criminal Justice Responses Program	16.590		-	1,831
Bulletproof Vests Partnership Program	16.607		-	6,750
Passed Through Commonwealth of Massachusetts				
Northwest District Attorney:				
Anti-Crime Task Force	16.738		-	21,914
Passed Through Commonwealth of Massachusetts				
Department of Mental Health:				
Jail Diversion	16.745		-	736
<b>Total U. S. Department of Justice</b>			-	<b>227,646</b>
<b>U. S. Department of Transportation</b>				
Passed Through Commonwealth of Massachusetts				
Department of Transportation:				
Pioneer Valley Regional Bike Share Program	20.505	99986	-	139,816
Passed Through Commonwealth of Massachusetts				
Executive Office of Public Safety and Security:				
State and Community Highway Safety:				
Traffic Enforcement	20.600		-	6,533
Pedestrian/Bike Safety	20.600		-	2,428
Total State and Community Highway Safety			-	8,961
<b>Total U. S. Department of Transportation</b>			-	<b>148,777</b>
<b>U. S. Department of the Treasury</b>				
Passed Through Commonwealth of Massachusetts				
Department of Revenue:				
Coronavirus Relief Fund	21.019		-	394,930
<b>Total U. S. Department of the Treasury</b>			-	<b>394,930</b>
<b>Institute for Museum and Library Services</b>				
Direct Program:				
Accelerating Promising Practices for Small Libraries				
Grant No. LG-27-19-0281-19	45.312		-	7,481
Passed Through Commonwealth of Massachusetts				
Board of Library Commissioners:				
Library Services and Technology Act:				
Civic Hub	45.310	LS-00-19-0022-19	-	1,000
Summer Learning	45.310	LS-00-19-0022-19	-	2,000
<b>Total Institute for Museum and Library Services</b>			-	<b>10,481</b>
<b>TOTAL PAGE 2 OF 5</b>			\$ -	<b>\$ 781,834</b>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U. S. Department of Education</b>				
Passed Through Commonwealth of Massachusetts				
Department of Elementary and Secondary Education:				
Title I Grants to Local Educational Agencies:				
Northampton Public Schools:				
Title I - 2019	84.010	305-209895-2019-0210	\$ -	\$ 23,971
Title I - 2020	84.010	305-291377-2020-0210	-	433,215
Turnaround Assistance - 2019	84.010	325-280633-2019-0210	-	958
Turnaround Assistance - 2020	84.010	325-368735-2020-0210	-	11,924
Smith Vocational and Agricultural High School:				
Title I - 2019	84.010	305-209245-2019-0406	-	28,112
Title I - 2020	84.010	305-292396-2020-0406	-	75,037
Total Title I Grants to Local Educational Agencies			-	<u>573,217</u>
Special Education Cluster:				
Northampton Public Schools:				
Special Education 94-142 Allocation - 2019	84.027	240-211077-2019-0210	-	246,117
Special Education 94-142 Allocation - 2020	84.027	240-344997-2020-0210	-	714,326
Special Education Early Childhood Allocation - 2020	84.173	262-345002-2020-0210	-	23,605
Smith Vocational and Agricultural High School:				
Special Education 94-142 Allocation - 2019	84.027	240-209152-2019-0406	-	48,616
Special Education 94-142 Allocation - 2020	84.027	240-291563-2020-0406	-	100,332
Total Special Education Cluster			-	<u>1,132,996</u>
Career and Technical Education - Basic Grants to States:				
Smith Vocational and Agricultural High School:				
Occupational Education-Vocational Skills - 2019	84.048	400-209311-2019-0406	-	15,272
Occupational Education-Vocational Skills - 2020	84.048	400-291823-2020-0406	-	90,985
Total Career and Technical Education - Basic Grants to States			-	<u>106,257</u>
<b>TOTAL PAGE 3 OF 5</b>			<b>\$ -</b>	<b>\$ 1,812,470</b>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U. S. Department of Education</b>				
Passed Through Commonwealth of Massachusetts				
Department of Elementary and Secondary Education:				
Improving Teacher Quality State Grants:				
Northampton Public Schools:				
Teacher Quality - 2019	84.367	140-209896-2019-0210	\$ -	\$ 12,859
Teacher Quality - 2020	84.367	140-291378-2020-0210	-	68,458
Smith Vocational and Agricultural High School:				
Teacher Quality - 2019	84.367	140-209313-2019-0406	-	5,861
Teacher Quality - 2020	84.367	140-292397-2020-0406	-	12,864
Total Improving Teacher Quality State Grants			-	100,042
Student Support and Academic Enrichment Program:				
Northampton Public Schools:				
Student Support and Academic Enrichment - 2019	84.424	309-209897-2019-0210	-	6,238
Student Support and Academic Enrichment - 2020	84.424	309-291564-2020-0210	-	32,629
Smith Vocational and Agricultural High School:				
Student Support and Academic Enrichment - 2019	84.424	309-209314-2019-0406	-	166
Student Support and Academic Enrichment - 2020	84.424	309-292398-2020-0406	-	3,647
Total Student Support and Academic Enrichment Program			-	42,680
<b>TOTAL PAGE 4 OF 5</b>			-	142,722
<b>TOTAL PAGE 3 OF 5</b>			-	1,812,470
<b>Total U. S. Department of Education</b>			\$ -	\$ 1,955,192

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U. S. Department of Health and Human Services</b>				
Direct Programs:				
Substance Abuse and Mental Health Services Administration - Hampshire HOPE - Responding to the Opioid Crisis	93.243		\$ 130,651	\$ 391,427
Drug Free Communities Support Program Grants:				
Drug Free Communities - 2019	93.276		-	18,579
Drug Free Communities - 2020	93.276		-	64,756
Total Drug Free Communities Support Program Grants			-	83,335
Passed Through Commonwealth of Massachusetts				
Department of Public Health:				
Public Health Emergency Preparedness	93.069		-	88,966
Mass in Motion Program	93.757	INTF4200P01502925073	-	49,932
Opioid Abuse Prevention Collaborative	93.959	INTF2354M04301822075	-	83,875
Passed Through National Association of County and City Health Officials:				
Overdose Prevention and Response Mentorship Program	93.421		-	62,212
Passed Through Franklin Regional Council of Governments:				
Medical Reserve Corps	93.008		-	22,056
<b>Total U. S. Department of Health and Human Services</b>			130,651	781,803
<b>U. S. Department of Homeland Security</b>				
Passed Through Commonwealth of Massachusetts				
Emergency Management Agency:				
Hazard Mitigation - Barrett Street Marsh	97.039		-	6,450
Emergency Management Performance Grants	97.042		-	6,000
Homeland Security Planning	97.067		-	19,465
<b>Total U. S. Department of Homeland Security</b>			-	31,915
<b>TOTAL PAGE 5 OF 5</b>			130,651	813,718
<b>TOTAL PAGE 4 OF 5</b>			-	142,722
<b>TOTAL PAGE 3 OF 5</b>			-	1,812,470
<b>TOTAL PAGE 2 OF 5</b>			-	781,834
<b>TOTAL PAGE 1 OF 5</b>			311,669	1,523,809
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			\$ 442,320	\$ 5,074,553

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2020**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the City of Northampton, Massachusetts, under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Northampton, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Northampton, Massachusetts.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE C – INDIRECT COSTS**

The City of Northampton, Massachusetts, did not use the de minimis cost rate. The City of Northampton, Massachusetts, has not charged any indirect costs to any of its federal awards.

**NOTE D – FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_Yes      X  No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? \_\_\_\_\_Yes      X  No

Noncompliance material to financial statements noted? \_\_\_\_\_Yes      X  No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_\_\_Yes      X  No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)?   X  Yes    \_\_\_\_\_None Reported

Type of Auditor’s Report issued on compliance for major federal programs: *Qualified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_Yes      X  No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	U.S. Department of Housing and Urban Development – Community Development Block Grants
21.019	U.S. Department of the Treasury – Coronavirus Relief Fund
84.010	U.S. Department of Education – Title I Grants to Local Educational Agencies
84.027, 84.173	U. S. Department of Education – Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_Yes      X  No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Non-compliance and significant deficiency in internal control over compliance for Coronavirus Relief Fund is reported as finding 2020-001 following on page 15.

**SECTION IV – PRIOR YEAR FINDINGS**

None reported.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SUMMARY SCHEDULE OF CURRENT AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

**Finding 2020-001**

**Non-Compliance/Significant Deficiency in Internal Control Over Compliance – U.S. Department of the Treasury – Coronavirus Relief Fund – (CFDA No. 21.019) – Allowable Cost/Cost Principles – Hazard Pay for City Employees Not Related to COVID-19 Duties**

***Passed Through Commonwealth of Massachusetts Department of Revenue***

**Criteria:**

The Coronavirus Relief Fund is designed to provide ready funding to address unforeseen financial needs and risk created by the COVID-19 public health emergency. Governments must use the Fund payments to cover costs that are (1) necessary expenditures incurred due to the public health emergency with respect to COVID-19; (2) not accounted for in the government's most recently approved budget as of March 27, 2020; and (3) incurred during the period that begins on March 1, 2020 and ends on December 30, 2020 (extended to December 31, 2021).

The U.S. Department of the Treasury issued a *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments*. The Guidance indicates that payroll and benefits of a substantially dedicated employee may be covered using payments from the Fund. Payroll includes certain hazard pay and overtime. Hazard pay may be covered using payments from the Fund if it is provided for performing hazardous duty or work involving physical hardship that in each case is related to COVID-19. That means that, whereas payroll and benefits of an employee who is substantially dedicated to mitigating or responding to the COVID-19 public health emergency may generally be covered in full using payments from the Fund, hazard pay specifically may only be covered to the extent it is related to COVID-19. Both hazard pay and overtime pay for employees that are not substantially dedicated may only be covered using the Fund if the hazard pay and overtime pay is for COVID-19 related duties.

**Condition:**

The City charged hazard pay for employees' hours worked on-site to the Coronavirus Relief Fund, even though their work was not specifically COVID-19 related duties.

**Cause:**

The Mayor signed a memorandum of agreement with three of the City's collective bargaining units that, during the period of the COVID-19 State of Emergency, when employees of the City would need to work on-site in order to continue the operations of the City, the City would compensate them at 1.5 times their regular straight time rate of pay for all hours actually worked on-site. This additional money was not included in the budget.

**Effect:**

The City charged to the Coronavirus Relief Fund hazard pay payroll that is not allowable under the Guidelines of the Coronavirus Relief Fund.

**Questioned Costs:**

The amount of \$197,669, which is the total hazard pay charged to the Coronavirus Relief Fund between March 17, 2020 and June 30, 2020 for employees not working on COVID-19 related duties, is questioned.

**Recommendation:**

The City should provide the additional hazard pay for work for duties not related to COVID-19 from local funding sources.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SUMMARY SCHEDULE OF CURRENT AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

**Finding 2020-001**

**Non-Compliance/Significant Deficiency in Internal Control Over Compliance – U.S. Department of the Treasury – Coronavirus Relief Fund – (CFDA No. 21.019) – Allowable Cost/Cost Principles – Hazard Pay for City Employees Not Related to COVID-19 Duties (continued)**

***Passed Through Commonwealth of Massachusetts Department of Revenue***

**Views of Responsible Officials and Planned Corrective Action:**

When the Governor declared a state of emergency for the COVID crisis in March of 2020, three of the city's collective bargaining units had language in their contracts that provided "hazard pay" if they had to come to on-site to work during a declared emergency.

Given the uncertainty around the transmissibility of the novel coronavirus, employees had concerns about being exposed and infected with the virus either from the public and/or from coworkers. Little was known about effective preventative strategies and offices had not yet been adapted for social distancing. With the advent of the CARES Act funding, costs the city incurred as a direct result of the coronavirus pandemic were considered eligible. During two on-line webinars, our Finance Director, specifically sought guidance from CARES Act administrators, as to whether "hazard pay" for regular employees who were required to come on site to work their regular jobs would be considered an eligible use of CARES funding. On those two occasions and in a subsequent email we were assured these were eligible costs **if** the collective bargaining agreements required such pay **prior** to the pandemic.

We specifically wish to emphasize that in the early months of the coronavirus pandemic there was a heightened sense of fear over contracting the virus. Locally, the City of Northampton had an early outbreak with almost a dozen employees spread over multiple departments who were sick with COVID in early March of 2020 including the Mayor and several command staff in the Fire Department. COVID was a very real concern among our employees and we specifically limited the number of employees that were asked to come on-site to keep the city operational. We feel strongly that this hazard pay should be deemed an eligible expense as it was 1) unbudgeted 2) part of existing collective bargaining agreements that pre-dated COVID and 3) necessary to keep the city operational. We also note that in early May we began collective bargaining with these unions to seek an end to hazard pay, once it became clear that the emergency situation was going to continue indefinitely. We were able to end the hazard pay in early June of 2020.

We are still in the process of working with CARES Act administrators to determine if all or some of this "hazard pay" can be considered eligible for reimbursement under CARES. However, we plan to bring an appropriation order to a City Council Meeting in February of 2021 to appropriate the amount of \$197,669 from Free Cash to cover ineligible CARES Act expenditures, should it be determined that all or some of this amount is not eligible. While we continue to maintain that this should be considered an eligible expense, we are prepared to deal with whatever decision is made.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2020**

**Finding No. 2020-001**

**Non-Compliance/Significant Deficiency in Internal Control Over Compliance – U.S. Department of the Treasury – Coronavirus Relief Fund – (CFDA No. 21.019) – Allowable Cost/Cost Principles**

**Name of Person Responsible:**

Susan Wright, City Finance Director

**Corrective Action Planned:**

We are still in the process of working with CARES Act administrators to determine if all or some of this “hazard pay” can be considered eligible for reimbursement under CARES. However, we plan to bring an appropriation order to a City Council Meeting in February of 2021 to appropriate the amount of \$197,669 from Free Cash to cover ineligible CARES Act expenditures, should it be determined that all or some of this amount is not eligible. While we continue to maintain that this should be considered an eligible expense, we are prepared to deal with whatever decision is made.

**Anticipated Completion Date:**

February 2021

**CITY OF NORTHAMPTON, MASSACHUSETTS**

**Report on the Examination  
Of Basic Financial Statements**

**For the Year Ended June 30, 2020**

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Report on the Examination of Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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## **Independent Auditor's Report**

To the Honorable Mayor  
City of Northampton, Massachusetts

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Northampton, Massachusetts, as of and for the year ended June 30, 2020, (except for the Northampton Contributory Retirement System, which is as of and for the year ended December 31, 2019), and the related notes to the financial statements, which collectively comprise the City of Northampton, Massachusetts' basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Northampton, Massachusetts, as of June 30, 2020, (except for the Northampton Contributory Retirement System, which is as of December 31, 2019), and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension plan and other post employment benefit plan schedules as listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Northampton, Massachusetts' basic financial statements. The Supplementary Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2021, on our consideration of the City of Northampton, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Northampton, Massachusetts' internal control over financial reporting and compliance.

## *Scanlon and Associates, LLC*

Scanlon & Associates, LLC  
South Deerfield, Massachusetts

February 19, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

As management of the City of Northampton, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

### Financial Highlights

- The City's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$22,603,445 (net position) for the fiscal year reported. This compares to the previous year when liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$37,163,292, an increase of \$14,559,847 (39%).
- The City's governmental funds reported total ending fund balance of \$52,804,185, a decrease of \$593,552 (1%) from the previous year.
- The General Fund's total fund balance increased by \$2,728,721 (10%) to \$29,923,119. The ending General fund balance is 27% of revenues and transfers in and 27% of expenditures.
- The City's long-term liabilities decreased by \$51,245,329 (18%) to \$229,669,688 during the fiscal year. This was primarily attributed to decreases in the Other Post Employment Benefits (OPEB) liability of \$39,474,002 (mainly due to a change in actuarial assumptions), in the pension liability of \$5,370,134 and in bonds payable of \$7,632,944.
- The City had free cash certified by the Department of Revenue in the amount of \$5,749,306. The key factors that attributed to the free cash amount for fiscal year 2020 were unexpended/unencumbered appropriations of \$2,785,200, amount over/(under) budget – state and local receipts of \$942,700 and amount over/(under) other financing sources/(uses) of \$499,700.
- The City's enterprise fund certified free cash is as follows:

➤ Sewer fund	\$ 940,864.
➤ Solid Waste fund	\$ 305,573.
➤ Stormwater fund	\$ 305,704.
➤ Water fund	\$ 1,291,590.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Northampton's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all assets, deferred outflows of resources, liabilities and deferred inflows of resources with the net difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, public works, education, health and human services, culture and recreation, employee benefits and insurance, state assessments and interest. The business-type activities include the sewer, water and solid waste activities.

The government-wide financial statements include not only the City of Northampton itself (known as the *primary government*), but also a legally separate public employee retirement system for which the City of Northampton is financially accountable. Financial information for this blended *component unit* is reported separately within the fiduciary fund statements.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The City of Northampton adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

**Proprietary funds.** The City maintains one type of proprietary fund.

*Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water and solid waste activities.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## Financial Highlights

### Statement of Net Position Highlights

	Governmental Activities		
	2020	2019	Change
<b>Assets:</b>			
Current assets	\$ 64,909,267	\$ 65,947,128	\$ (1,037,861)
Capital assets	103,706,716	102,027,991	1,678,725
<b>Total assets</b>	<b>168,615,983</b>	<b>167,975,119</b>	<b>640,864</b>
<b>Deferred Outflows of Resources</b>	<b>6,446,634</b>	<b>7,168,278</b>	<b>(721,644)</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt)	8,807,304	7,662,386	1,144,918
Current debt payable	4,106,700	5,554,900	(1,448,200)
Noncurrent liabilities (excluding debt)	173,293,143	215,620,496	(42,327,353)
Noncurrent debt payable	22,135,500	26,242,200	(4,106,700)
<b>Total liabilities</b>	<b>208,342,647</b>	<b>255,079,982</b>	<b>(46,737,335)</b>
<b>Deferred Inflows of Resources</b>	<b>47,870,854</b>	<b>10,299,072</b>	<b>37,571,782</b>
<b>Net Position:</b>			
Net investment in capital assets	77,464,516	71,321,122	6,143,394
Restricted	22,267,283	25,677,130	(3,409,847)
Unrestricted	(180,882,683)	(187,233,909)	6,351,226
<b>Total net position</b>	<b>\$ (81,150,884)</b>	<b>\$ (90,235,657)</b>	<b>\$ 9,084,773</b>

	Business-Type Activities		
	2020	2019	Change
<b>Assets:</b>			
Current assets	\$ 35,700,571	\$ 32,482,698	\$ 3,217,873
Capital assets	46,364,049	46,415,920	(51,871)
<b>Total assets</b>	<b>82,064,620</b>	<b>78,898,618</b>	<b>3,166,002</b>
<b>Deferred Outflows of Resources</b>	<b>263,736</b>	<b>352,226</b>	<b>(88,490)</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt)	543,663	460,111	83,552
Current debt payable	1,894,098	2,078,044	(183,946)
Noncurrent liabilities (excluding debt)	6,712,102	9,225,604	(2,513,502)
Noncurrent debt payable	12,177,178	14,071,276	(1,894,098)
<b>Total liabilities</b>	<b>21,327,041</b>	<b>25,835,035</b>	<b>(4,507,994)</b>
<b>Deferred Inflows of Resources</b>	<b>2,453,876</b>	<b>343,444</b>	<b>2,110,432</b>
<b>Net Position:</b>			
Net investment in capital assets	32,292,773	30,266,600	2,026,173
Restricted	9,430,115	16,893	9,413,222
Unrestricted	16,824,551	22,788,872	(5,964,321)
<b>Total net position</b>	<b>\$ 58,547,439</b>	<b>\$ 53,072,365</b>	<b>\$ 5,475,074</b>

## Financial Highlights

### Statement of Activities Highlights

	Governmental Activities		
	2020	2019	Change
<b>Program Revenues:</b>			
Charges for services	\$ 18,856,885	\$ 20,978,467	\$ (2,121,582)
Operating grants and contributions	30,663,393	27,649,882	3,013,511
Capital grants and contributions	2,237,152	3,147,759	(910,607)
<b>General Revenues:</b>			
Property taxes	62,527,809	60,676,055	1,851,754
Motor vehicle and other taxes	3,025,550	3,029,180	(3,630)
Hotel room occupancy, meals and cannabis taxes	5,037,675	2,454,381	2,583,294
Penalties and interest on taxes	180,381	199,539	(19,158)
Nonrestricted grants and contributions	5,009,521	4,905,485	104,036
Unrestricted investment income	554,047	428,158	125,889
Gain/(Loss) on Sale of Capital Assets	271,890	-	271,890
Miscellaneous	10,146	133,809	(123,663)
<b>Total revenues</b>	<b>128,374,449</b>	<b>123,602,715</b>	<b>4,771,734</b>
<b>Expenses:</b>			
General government	10,744,671	8,609,755	2,134,916
Public safety	16,672,532	15,919,335	753,197
Public works	6,494,434	6,983,370	(488,936)
Education	49,272,335	47,899,990	1,372,345
Health and human services	2,720,727	3,406,957	(686,230)
Culture and recreation	4,285,400	4,629,942	(344,542)
Employee benefits and insurance	26,251,831	31,887,889	(5,636,058)
State assessments	3,484,105	3,701,278	(217,173)
Interest	1,033,201	1,090,461	(57,260)
<b>Total expenses</b>	<b>120,959,236</b>	<b>124,128,977</b>	<b>(3,169,741)</b>
<b>Contributions to Permanent Funds</b>	<b>9,100</b>	<b>8,750</b>	<b>350</b>
<b>Transfers, net</b>	<b>1,660,460</b>	<b>1,657,236</b>	<b>3,224</b>
<b>Change in net position</b>	<b>9,084,773</b>	<b>1,139,724</b>	<b>7,945,049</b>
<b>Net position - beginning of year</b>	<b>(90,235,657)</b>	<b>(91,375,381)</b>	<b>1,139,724</b>
<b>Net position - end of year</b>	<b>\$ (81,150,884)</b>	<b>\$ (90,235,657)</b>	<b>\$ 9,084,773</b>

	<b>Business-Type Activities</b>		
	<b>2020</b>	<b>2019</b>	<b>Change</b>
<b>Program Revenues:</b>			
Sewer	\$ 6,862,617	\$ 6,592,027	\$ 270,590
Water	7,556,332	7,192,445	363,887
Solid Waste	625,450	621,867	3,583
<b>Total Revenues</b>	<b>15,044,399</b>	<b>14,406,339</b>	<b>638,060</b>
<b>Expenses:</b>			
Sewer	3,520,979	3,435,211	85,768
Water	4,093,266	4,155,328	(62,062)
Solid Waste	294,620	643,430	(348,810)
<b>Total expenses</b>	<b>7,908,865</b>	<b>8,233,969</b>	<b>(325,104)</b>
<b>Transfers, net</b>	<b>(1,660,460)</b>	<b>(1,657,236)</b>	<b>(3,224)</b>
<b>Change in net position</b>	<b>5,475,074</b>	<b>4,515,134</b>	<b>959,940</b>
<b>Net position - beginning of year</b>	<b>53,072,365</b>	<b>48,557,231</b>	<b>4,515,134</b>
<b>Net position - end of year</b>	<b>\$ 58,547,439</b>	<b>\$ 53,072,365</b>	<b>\$ 5,475,074</b>

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$22,603,445 at the close of fiscal year 2020.

Net position of \$109,757,289 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position, \$31,697,398 represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$164,058,132).

At the end of the current fiscal year, the City is able to report positive balances in two categories of net position and a negative balance in the unrestricted category in the governmental activities and for the government as a whole. The unrestricted governmental activities and government as a whole resulted in a negative balance mainly due to the accrual of the net OPEB and pension liabilities that are required under GASB to be recognized in the City's financial statements. These liabilities are presented on the statement of net position.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the business-type activities.

The governmental activities net position increased by \$9,084,773 (10%) during the current fiscal year. The key elements of the increase in net position for fiscal year 2020 is attributed to increases resulting from the acquisition of \$9,522,987 in new capital assets exceeding the sale of capital assets of \$8,110 and the depreciation expense (normally spread out over the useful life of the asset) for the year of \$7,836,152 and the net changes in the OPEB liability of \$37,182,108, in the pension liability of \$5,197,363 and in debt of \$5,554,900; and decreases in the deferred outflow/(inflow) of resources related to OPEB of \$32,223,297 and related to pensions of \$6,070,129.

There was an increase of \$5,475,074 (10%) in net position reported in connection with the sewer, water and solid waste business-type activities. Of this, there were increases of \$2,406,319 attributed to the sewer department, of \$2,842,646 attributed to the water department and of \$226,109 attributed to the solid waste activities.

### **Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$52,804,185, a decrease of \$593,552 (1%) in comparison with the prior year.

Breakdown of the governmental fund balances are as follows:

- Nonspendable fund balance – \$776,556 (2%).
- Restricted fund balance – \$19,062,109 (36%).
- Committed fund balance – \$3,628,906 (7%).
- Assigned fund balance – \$6,443,369 (12%).
- Unassigned fund balance – \$22,893,245 (43%).

At the end of the fiscal year, the General Fund reported a fund balance of \$29,923,119 increasing \$2,728,721 (10%) from the prior year. Of the \$29,923,119, the unassigned amount is \$23,342,839 (78%), the assigned amount of \$6,443,369 (21%) and restricted amount of \$136,911 (1%). General fund revenues increased \$4,917,199 (5%) over the prior fiscal year and the expenditures also increased \$7,120,680 (7%). Other activities in the General fund were net transfers in from other funds of \$2,543,518.

The main components of the increase from the prior year in general fund revenues were related to increases in property taxes in the amount of \$1,535,743 (3%), in hotel room occupancy, meals and cannabis taxes of \$2,583,294 (105%), and in intergovernmental – “on-behalf” payments of \$2,353,149 (29%); and a decrease in licenses, permits and fees of \$1,365,932 (12%) from the prior year.

The major changes with the general fund expenditures from the prior fiscal year were as follows:

- Increase in General government expenditures of \$640,547 (11%).
- Increase in Education expenditures of \$1,091,21 (3%).
- Increase in Culture and recreation expenditures of \$502,318 (18%).
- Increase in Employee benefits and insurance expenditures of \$4,169,572 (16%).
- Increase in Capital improvements expenditures of \$630,913 (22%).

The *Stormwater Fund* is used to account for the construction of road drainage improvements. The fund has a balance of \$2,341,395 and shows an increase of \$339,028 (17%) in total operations. This amount was attributed to charges for services of \$1,952,613, investment income and other receipts of \$77,008, and expenditures of \$1,410,585. Other activity in the Stormwater fund was transfers out to the General fund of \$280,008.

### **Proprietary Funds**

The proprietary funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

## Major Proprietary Funds

The *Sewer Fund* is the financing and operations of the City's sewer system. The fund has accumulated a balance of \$23,268,190 and shows an increase of \$2,406,319 (12%) in total operations. This change was mainly attributed to operating revenues exceeding operating costs by \$3,087,036, interest income of \$301,928, interest expense of \$47,326 and transfers out to the governmental funds of \$935,319. Operating revenues increased by \$233,660 (4%) and operating expenses also increased by \$105,245 (3%) from the prior year.

The *Water Fund* is the financing and operations of the City's water system. The fund has accumulated a balance of \$33,236,094 and shows an increase of \$2,842,646 (9%) in total operations. This change resulted from operating revenues exceeding operating costs by \$3,454,592, interest income of \$158,283, intergovernmental receipts of \$180,563, interest expense of \$330,372 and transfers out to the governmental funds of \$620,420. Operating revenues increased by \$291,492 (4%) while operating expenses decreased by \$16,236 (1%) from the prior year.

The *Solid Waste Fund* is the financing and operations of the City's transfer stations and landfill closure. The fund has accumulated a balance of \$2,043,155 and shows an increase of \$226,109 (12%) in total operations. This change resulted from operating revenue exceeding operating costs by \$235,875, interest income of \$94,955 and transfers out to governmental funds of \$104,721. Operating revenues decreased by \$10,718 (2%) and operating expenses also decreased by \$348,810 (54%) from the prior year.

## General Fund Budgetary Highlights

The final general fund budget for fiscal year 2020 was \$107,771,242. This was an increase of \$3,527,357 (3%) over the previous year's final budget.

There was an increase of \$1,878,064 between the original budget and the final amended budget. The changes are attributed to the City amending specific budget line items of the final budget, mainly due to an increase in the capital improvements line item of \$1,410,169.

General fund expenditures were less than budgeted by \$9,176,165. Of the \$9,176,165 in under budget expenditures, \$6,390,951 has been carried over to fiscal year 2021.

There is a negative variance in intergovernmental aid of \$149,493 as the expectation (budget) was higher than the receipts.

Overall, the variance with the final budget was a positive \$3,249,768 consisting of a revenue surplus of \$464,554 and an appropriation surplus of \$2,785,214.

## Capital Asset and Debt Administration

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$103,706,716 and \$46,364,049, respectively.

The investment in capital assets includes land, construction in progress, buildings and renovations, machinery, equipment and other and infrastructure.

Major capital events during the current fiscal year in the governmental type funds include:

- Purchases of land for \$783,000.
- Information Technology networking hardware for \$160,932.
- Parking garage improvements for \$13,516.
- Police vehicle and equipment purchases for \$263,825.
- Police building improvements for \$53,795.

- Fire Department vehicle and equipment purchases for \$140,239.
- Fire Department parking and solar resiliency for \$19,795.
- Highway storage buildings' improvements for \$24,280.
- Highway and Stormwater vehicle and equipment purchases for \$791,835.
- Highway fuel depot for \$634,465.
- Burts Bog Rail Trail improvements for \$557,410.
- Road and drainage infrastructure improvements for \$4,229,913.
- Northampton Public Schools' improvements for \$372,544.
- Northampton Public Schools' vehicles and equipment purchases for \$370,836.
- Smith Vocational buildings' improvements for \$126,200.
- Forbes Library improvements for \$595,379.
- City bike stations construction for \$139,816.
- Pine Grove Golf Course restoration for \$225,000.

Major capital asset events during the current fiscal year in the business-type fund included the following:

For the Sewer Department:

- Vehicles and equipment purchases for \$195,704.
- Highway fuel depot for \$30,950.
- Sewer infrastructure improvements for \$764,175.

For the Water Department:

- Highway fuel depot for \$56,470.
- Highway pole barn improvements for \$458,080.
- Vehicle and equipment purchases for \$114,545.
- Water infrastructure improvements for \$255,218.

**Debt Administration.** The City's outstanding governmental debt, as of June 30, 2020, totaled \$26,242,200 as follows:

- \$1,168,600 for school projects.
- \$2,968,900 for City building projects
- \$10,940,000 for the police facility.
- \$365,000 for land acquisitions.
- \$425,700 for stormwater drainage.
- \$4,560,000 for road, sidewalk and bridge projects.
- \$1,325,000 for park improvements.
- \$1,455,000 for departmental vehicles and equipment.
- \$3,034,000 for energy projects.

The City's outstanding business-type debt totaled, as of June 30, 2020, totaled \$14,071,276 consisting of sewer debt of \$1,797,980 and water debt of \$12,273,296. The debt is fully supported by the rates and do not rely on a general fund subsidy.

Please refer to notes 3D, 3F and 3G for further discussion of the capital assets and debt activity.

## Next Year's Annual City Council Votes

The City of Northampton City Council votes a budget for the next fiscal year at a City Council meeting before the end of the fiscal year. The financial statements for June 30, 2020 do not reflect the fiscal year 2021 City Council actions with the exception of the fiscal stability stabilization amount used to fund the 2021 budget. The City Council meeting on June 18, 2020 authorized a fiscal year 2021 operating and capital budget as follows:

<b>From raise and appropriate</b>		\$	91,034,752
<b>From Business-Type Funds:</b>			
Sewer fund receipts	\$	6,177,500	
Sewer retained earnings		<u>1,042,826</u>	7,220,326
Water fund receipts		6,945,000	
Water retained earnings		<u>577,268</u>	7,522,268
Solid waste fund receipts		523,000	
Solid waste retained earnings		<u>355,792</u>	878,792
<b>From Other Available Funds:</b>			
<b>General Fund:</b>			
Reserve for Debt			20,932
Fiscal stability stabilization fund			52,418
<b>Stormwater Fund:</b>			
Fund receipts		1,996,486	
Retained earnings		<u>341,407</u>	2,337,893
<b>Non-major Governmental Funds:</b>			
Community Preservation Funds		15,776	
Parking Meter Receipts		<u>1,392,873</u>	1,408,649
			<u>\$ 110,476,030</u>

## Requests for Information

This financial report is designed to provide a general overview of the City of Northampton's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Auditor, City Hall, 210 Main Street, Northampton, Massachusetts 01060.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and Cash Equivalents	\$ 52,707,578	\$ 28,405,799	\$ 81,113,377
Investments	5,584,150	6,089,803	11,673,953
Receivables, net of allowance for uncollectibles:			
Property Taxes	1,581,829	-	1,581,829
Deferred Property Taxes	129,715	-	129,715
Tax Liens	430,606	-	430,606
Excise Taxes	384,256	-	384,256
User Charges	-	1,191,813	1,191,813
Departmental	677,656	-	677,656
Loans	55,000	-	55,000
Due from Other Governments	3,358,477	13,156	3,371,633
Total current assets	<u>64,909,267</u>	<u>35,700,571</u>	<u>100,609,838</u>
<b>NONCURRENT:</b>			
Capital Assets, net of accumulated Depreciation:			
Nondepreciable	23,323,946	4,899,128	28,223,074
Depreciable	80,382,770	41,464,921	121,847,691
Total noncurrent assets	<u>103,706,716</u>	<u>46,364,049</u>	<u>150,070,765</u>
<b>Total Assets</b>	<u>168,615,983</u>	<u>82,064,620</u>	<u>250,680,603</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	5,158,316	262,923	5,421,239
Deferred Outflows Related to OPEB	1,288,318	813	1,289,131
<b>Total Deferred Outflows of Resources</b>	<u>6,446,634</u>	<u>263,736</u>	<u>6,710,370</u>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants Payable	2,771,240	299,613	3,070,853
Accrued Payroll	3,741,779	83,325	3,825,104
Payroll Withholdings	399,040	-	399,040
Tax Refund Payable	112,000	-	112,000
Accrued Interest	121,731	46,751	168,482
Compensated Absences	1,661,514	113,974	1,775,488
Bonds Payable	4,106,700	1,894,098	6,000,798
Total current liabilities	<u>12,914,004</u>	<u>2,437,761</u>	<u>15,351,765</u>
<b>NONCURRENT:</b>			
Landfill Closure	-	1,560,000	1,560,000
Compensated Absences	2,007,481	83,934	2,091,415
Net OPEB Liability	125,594,077	2,739,234	128,333,311
Net Pension Liability	45,691,585	2,328,934	48,020,519
Bonds Payable	22,135,500	12,177,178	34,312,678
Total noncurrent liabilities	<u>195,428,643</u>	<u>18,889,280</u>	<u>214,317,923</u>
<b>Total Liabilities</b>	<u>208,342,647</u>	<u>21,327,041</u>	<u>229,669,688</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	5,445,236	277,547	5,722,783
Deferred Inflows Related to OPEB	42,425,618	2,176,329	44,601,947
<b>Total Deferred Inflows of Resources</b>	<u>47,870,854</u>	<u>2,453,876</u>	<u>50,324,730</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	77,464,516	32,292,773	109,757,289
Restricted for:			
Capital Projects	1,929,870	9,430,115	11,359,985
Federal & State Grants	5,873,176	-	5,873,176
Community Preservation	1,245,987	-	1,245,987
Permanent Funds:			
Expendable	490,877	-	490,877
Nonexpendable	776,556	-	776,556
Other Purposes	11,950,817	-	11,950,817
Unrestricted	(180,882,683)	16,824,551	(164,058,132)
<b>Total Net Position</b>	<u>\$ (81,150,884)</u>	<u>\$ 58,547,439</u>	<u>\$ (22,603,445)</u>

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities:</b>							
General Government	\$ 10,744,671	\$ 2,838,696	\$ 2,900,355	\$ 400,000	\$ (4,605,620)	\$ -	\$ (4,605,620)
Public Safety	16,672,532	4,759,622	679,038	-	(11,233,872)	-	(11,233,872)
Public Works	6,494,434	2,116,926	219,867	1,422,577	(2,735,064)	-	(2,735,064)
Education	49,272,335	8,631,079	14,638,305	65,275	(25,937,676)	-	(25,937,676)
Health and Human Services	2,720,727	288,345	1,538,620	-	(893,762)	-	(893,762)
Culture and Recreation	4,285,400	222,217	204,647	349,300	(3,509,236)	-	(3,509,236)
Employee Benefits and Insurance	26,251,831	-	10,433,428	-	(15,818,403)	-	(15,818,403)
State Assessments	3,484,105	-	-	-	(3,484,105)	-	(3,484,105)
Interest	1,033,201	-	49,133	-	(984,068)	-	(984,068)
<b>Total Governmental Activities</b>	<b>120,959,236</b>	<b>18,856,885</b>	<b>30,663,393</b>	<b>2,237,152</b>	<b>(69,201,806)</b>	<b>-</b>	<b>(69,201,806)</b>
<b>Business-Type Activities:</b>							
Sewer	3,520,979	6,560,689	301,928	-	-	3,341,638	3,341,638
Water	4,093,266	7,217,486	338,846	-	-	3,463,066	3,463,066
Solid Waste	294,620	530,495	94,955	-	-	330,830	330,830
<b>Total Primary Government</b>	<b>\$ 128,868,101</b>	<b>\$ 33,165,555</b>	<b>\$ 31,399,122</b>	<b>\$ 2,237,152</b>	<b>(69,201,806)</b>	<b>7,135,534</b>	<b>(62,066,272)</b>
<b>General Revenues:</b>							
Property taxes					62,527,809	-	62,527,809
Motor vehicle and other taxes					3,025,550	-	3,025,550
Hotel room occupancy, meals and cannabis taxes					5,037,675	-	5,037,675
Penalties & interest on taxes					180,381	-	180,381
Grants & contributions not restricted to specific programs					5,009,521	-	5,009,521
Unrestricted investment income					554,047	-	554,047
Gain/(Loss) on sale of capital assets					271,890	-	271,890
Miscellaneous					10,146	-	10,146
<b>Contributions to Permanent Funds</b>					9,100	-	9,100
<b>Transfers, net</b>					1,660,460	(1,660,460)	-
<b>Total General Revenues, Contributions and Transfers</b>					<b>78,286,579</b>	<b>(1,660,460)</b>	<b>76,626,119</b>
<b>Change in Net Position</b>					<b>9,084,773</b>	<b>5,475,074</b>	<b>14,559,847</b>
<b>Net Position:</b>							
Beginning of year					(90,235,657)	53,072,365	(37,163,292)
End of year					<b>\$ (81,150,884)</b>	<b>\$ 58,547,439</b>	<b>\$ (22,603,445)</b>

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	General Fund	Stormwater Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 31,050,572	\$ 1,933,515	\$ 19,723,491	\$ 52,707,578
Investments	3,762,337	552,845	1,268,968	5,584,150
Receivables, net of allowance for uncollectibles:				
Property Taxes	1,548,351	-	33,478	1,581,829
Deferred Property Taxes	129,715	-	-	129,715
Tax Liens	425,234	-	5,372	430,606
Excise Taxes	384,256	-	-	384,256
Departmental	403,546	274,110	-	677,656
Loans	-	-	55,000	55,000
Due from Other Governments	461,138	-	2,897,339	3,358,477
<b>Total Assets</b>	<b>\$ 38,165,149</b>	<b>\$ 2,760,470</b>	<b>\$ 23,983,648</b>	<b>\$ 64,909,267</b>
<b>Liabilities:</b>				
Warrants and Accounts Payable	\$ 1,351,038	\$ 134,390	\$ 1,285,812	\$ 2,771,240
Accrued Payroll	3,727,547	10,575	3,657	3,741,779
Employee Withholdings	400,346	-	-	400,346
Tax Refund Payable	112,000	-	-	112,000
<b>Total Liabilities</b>	<b>5,590,931</b>	<b>144,965</b>	<b>1,289,469</b>	<b>7,025,365</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue	2,651,099	274,110	2,154,508	5,079,717
<b>Fund Balance:</b>				
Nonspendable	-	-	776,556	776,556
Restricted	136,911	-	18,925,198	19,062,109
Committed	-	2,341,395	1,287,511	3,628,906
Assigned	6,443,369	-	-	6,443,369
Unassigned	23,342,839	-	(449,594)	22,893,245
<b>Total Fund Balance</b>	<b>29,923,119</b>	<b>2,341,395</b>	<b>20,539,671</b>	<b>52,804,185</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 38,165,149</b>	<b>\$ 2,760,470</b>	<b>\$ 23,983,648</b>	<b>\$ 64,909,267</b>

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>General Fund</b>	<b>Stormwater Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>				
Property Taxes	\$ 60,874,779	\$ -	\$ 1,314,295	\$ 62,189,074
Intergovernmental	15,261,033	-	12,371,203	27,632,236
Excise and Other Taxes	2,951,017	-	4,510	2,955,527
Hotel Room Occupancy, Meals and Cannabis Taxes	5,037,675	-	-	5,037,675
Charges for Services	3,776,519	1,952,613	3,560,426	9,289,558
Licenses, Permits, Fees	10,147,484	-	-	10,147,484
Interest on Taxes	177,726	-	2,655	180,381
Investment Income	554,047	42,929	59,097	656,073
Gifts and Donations	-	-	371,245	371,245
Other	-	34,079	507,810	541,889
Intergovernmental - "On-behalf" Payments	10,422,790	-	-	10,422,790
<b>Total Revenues</b>	<b>109,203,070</b>	<b>2,029,621</b>	<b>18,191,241</b>	<b>129,423,932</b>
<b>Expenditures:</b>				
Current:				
General Government	6,630,019	-	3,238,075	9,868,094
Public Safety	13,060,845	-	1,882,182	14,943,027
Public Works	2,249,432	690,673	5,409,317	8,349,422
Education	39,092,929	-	7,188,454	46,281,383
Health and Human Services	1,298,032	-	1,270,471	2,568,503
Culture and Recreation	3,305,966	-	1,849,169	5,155,135
Employee Benefits and Insurance	30,433,533	-	112,844	30,546,377
Capital Improvements	3,460,316	675,262	-	4,135,578
State Assessments	3,484,105	-	-	3,484,105
Debt Service:				
Principal	5,029,900	40,000	485,000	5,554,900
Interest	972,790	4,650	93,980	1,071,420
<b>Total Expenditures</b>	<b>109,017,867</b>	<b>1,410,585</b>	<b>21,529,492</b>	<b>131,957,944</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>185,203</b>	<b>619,036</b>	<b>(3,338,251)</b>	<b>(2,534,012)</b>
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	2,543,518	-	-	2,543,518
Operating Transfers Out	-	(280,008)	(603,050)	(883,058)
Sale of Capital Assets	-	-	280,000	280,000
<b>Total Other Financing Sources (Uses)</b>	<b>2,543,518</b>	<b>(280,008)</b>	<b>(323,050)</b>	<b>1,940,460</b>
<b>Net Change in Fund Balances</b>	<b>2,728,721</b>	<b>339,028</b>	<b>(3,661,301)</b>	<b>(593,552)</b>
<b>Fund Balances, Beginning of Year</b>	<b>27,194,398</b>	<b>2,002,367</b>	<b>24,200,972</b>	<b>53,397,737</b>
<b>Fund Balances, End of Year</b>	<b>\$ 29,923,119</b>	<b>\$ 2,341,395</b>	<b>\$ 20,539,671</b>	<b>\$ 52,804,185</b>

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**Total Fund Balances to the Statement of Net Position**  
**For the Year Ended June 30, 2020**

<b>Total Governmental Fund Balances</b>		\$ 52,804,185
Capital Assets (net) used in governmental activities are not financial resources and therefore, are not reported in the funds.		103,706,716
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		5,081,023
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.		(41,424,220)
Long Term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:		
Bonds Payable	\$ (26,242,200)	
Net Other Post Employment Benefits Liability	(125,594,077)	
Net Pension Liability	(45,691,585)	
Compensated Absences	<u>(3,668,995)</u>	(201,196,857)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds, interest is not reported until due.		<u>(121,731)</u>
<b>Net Position of Governmental Activities</b>		<u><u>\$ (81,150,884)</u></u>

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2020**

**Net Change in Fund Balances - Total Governmental Funds** \$ (593,552)

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and are reported as depreciation expense:

Capital Outlay Purchases	\$ 9,522,987	
Sale of Capital Assets	(8,110)	
Depreciation	<u>(7,836,152)</u>	1,678,725

Revenue in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue. (1,312,273)

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:

Repayment of Debt Principal	5,554,900
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Net Change in Compensated Absences	(367,291)	
Net Change in Net Other Post Employment Benefit Liability	37,182,108	
Net Change in Deferred Outflow/(Inflow) of Resources Related to OPEB	(32,223,297)	
Net Change in Net Pension Liability	5,197,363	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	(6,070,129)	
Net Change in Accrued Interest on Long-Term Debt	<u>38,219</u>	<u>3,756,973</u>

**Change in Net Position of Governmental Activities** \$ 9,084,773

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -**  
**(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts				Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)
	Amounts Carried		Actual			
	Forward from Prior Year	Original Budget	Final Budget	Budgetary Basis		
<b>Revenues:</b>						
Property Taxes	\$ -	\$ 61,046,951	\$ 61,046,951	\$ 60,568,779	\$ -	\$ (478,172)
Intergovernmental	-	15,410,526	15,410,526	15,261,033	-	(149,493)
Excise and Other Taxes	-	2,695,248	2,695,248	2,951,017	-	255,769
Hotel Room Occupancy, Meals and Cannabis Tax	-	2,542,500	2,542,500	3,074,646	-	532,146
Charges for Services	-	3,640,000	3,640,000	3,776,519	-	136,519
Licenses, Permits, Fees	-	10,131,929	10,131,929	10,147,484	-	15,555
Interest on Taxes	-	134,406	134,406	177,726	-	43,320
Investment Income	-	203,076	203,076	311,986	-	108,910
<b>Total Revenues</b>	-	95,804,636	95,804,636	96,269,190	-	464,554
<b>Expenditures:</b>						
Current:						
General Government	132,882	7,209,349	7,055,008	6,630,019	7,953	417,036
Public Safety	23,815	14,025,207	14,370,419	13,060,845	218,376	1,091,198
Public Works	223,858	2,156,172	2,497,480	2,249,432	141,328	106,720
Education	216,551	39,403,875	39,695,807	39,092,929	557,178	45,700
Health and Human Services	-	1,538,271	1,584,096	1,298,032	-	286,064
Culture and Recreation	16,154	3,413,901	3,456,377	3,305,966	25,295	125,116
Employee Benefits and Insurance	206,350	20,148,853	20,568,146	20,010,743	279,968	277,435
Capital Improvements	6,896,392	340,000	8,646,561	3,460,316	5,160,853	25,392
State Assessments	-	3,853,598	3,853,598	3,484,105	-	369,493
Debt Service:						
Principal	-	5,069,900	5,069,900	5,029,900	-	40,000
Interest	-	1,018,050	973,850	972,790	-	1,060
<b>Total Expenditures</b>	7,716,002	98,177,176	107,771,242	98,595,077	6,390,951	2,785,214
<b>Excess of Revenues Over (Under) Expenditures</b>	(7,716,002)	(2,372,540)	(11,966,606)	(2,325,887)	(6,390,951)	3,249,768
<b>Other Financing Sources (Uses):</b>						
Operating Transfers In	-	2,732,118	2,819,706	3,319,392	-	499,686
Operating Transfers Out	-	(382,884)	(3,765,931)	(3,765,931)	-	-
<b>Total Other Financing Sources (Uses)</b>	-	2,349,234	(946,225)	(446,539)	-	499,686
<b>Net Change in Budgetary Fund Balance</b>	(7,716,002)	(23,306)	(12,912,831)	\$ (2,772,426)	\$ (6,390,951)	\$ 3,749,454
<b>Other Budgetary Items:</b>						
Free Cash and Other Reserves	-	23,306	5,196,829			
Prior Year Encumbrances	7,716,002	-	7,716,002			
<b>Total Other Budgetary Items</b>	7,716,002	23,306	12,912,831			
<b>NET BUDGET</b>	\$ -	\$ -	\$ -			

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Reconciliation of Revenues and Expenditures**  
**from Budgetary Basis to GAAP Basis**  
**For the Year Ended June 30, 2020**

	<b>Revenues</b>	<b>Expenditures</b>
<b>Reported on a Budgetary Basis</b>	\$ 96,269,190	\$ 98,595,077
<i>Adjustments:</i>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	2,205,090	-
Net Decrease in Revenue from recording Refund Taxes Payable	(56,000)	-
Recognition of Intergovernmental Revenue - "on behalf payments"	10,422,790	-
Recognition of Expenditures - "on behalf payments"	-	10,422,790
Net Increase in Revenue from Recording 60-Day Receipts	362,000	-
<b>Reported on a GAAP Basis</b>	<b>\$ 109,203,070</b>	<b>\$ 109,017,867</b>

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
JUNE 30, 2020**

**Business-Type Activities  
Enterprise Funds**

	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Solid Waste Fund</b>	<b>Total</b>
<b>ASSETS</b>				
<b>CURRENT:</b>				
Cash and Cash Equivalents	\$ 13,617,486	\$ 11,806,652	\$ 2,981,661	\$ 28,405,799
Investments	4,489,402	-	1,600,401	6,089,803
User Charges, net of allowance for uncollectibles	586,662	530,215	74,936	1,191,813
Due from Other Governments	13,156	-	-	13,156
<b>Total current assets</b>	<b>18,706,706</b>	<b>12,336,867</b>	<b>4,656,998</b>	<b>35,700,571</b>
<b>NONCURRENT:</b>				
Capital Assets, net of accumulated Depreciation:				
Nondepreciable	769,084	4,130,044	-	4,899,128
Depreciable	8,605,511	32,859,410	-	41,464,921
<b>Total noncurrent assets</b>	<b>9,374,595</b>	<b>36,989,454</b>	<b>-</b>	<b>46,364,049</b>
<b>Total Assets</b>	<b>28,081,301</b>	<b>49,326,321</b>	<b>4,656,998</b>	<b>82,064,620</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows Related to Pensions	114,353	140,805	7,765	262,923
Deferred Outflows Related to OPEB	321	369	123	813
	<b>114,674</b>	<b>141,174</b>	<b>7,888</b>	<b>263,736</b>
<b>LIABILITIES</b>				
<b>CURRENT:</b>				
Warrants and Accounts Payable	169,227	116,064	14,322	299,613
Accrued Payroll	41,721	35,450	6,154	83,325
Accrued Interest	7,261	39,490	-	46,751
Compensated Absences	61,347	43,960	8,667	113,974
Bonds Payable	209,235	1,684,863	-	1,894,098
<b>Total current liabilities</b>	<b>488,791</b>	<b>1,919,827</b>	<b>29,143</b>	<b>2,437,761</b>
<b>NONCURRENT:</b>				
Landfill Closure	-	-	1,560,000	1,560,000
Compensated Absences	53,784	21,959	8,191	83,934
Net OPEB Liability	1,080,702	1,243,139	415,393	2,739,234
Net Pension Liability	1,012,920	1,247,229	68,785	2,328,934
Bonds Payable	1,588,745	10,588,433	-	12,177,178
<b>Total noncurrent liabilities</b>	<b>3,736,151</b>	<b>13,100,760</b>	<b>2,052,369</b>	<b>18,889,280</b>
<b>Total Liabilities</b>	<b>4,224,942</b>	<b>15,020,587</b>	<b>2,081,512</b>	<b>21,327,041</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows Related to Pensions	120,713	148,637	8,197	277,547
Deferred Inflows Related to OPEB	582,130	1,062,177	532,022	2,176,329
	<b>702,843</b>	<b>1,210,814</b>	<b>540,219</b>	<b>2,453,876</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	7,576,615	24,716,158	-	32,292,773
Restricted for Capital	3,961,963	5,171,792	296,360	9,430,115
Unrestricted	11,729,612	3,348,144	1,746,795	16,824,551
<b>Total Net Position</b>	<b>\$ 23,268,190</b>	<b>\$ 33,236,094</b>	<b>\$ 2,043,155</b>	<b>\$ 58,547,439</b>

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

**Business-Type Activities  
Enterprise Funds**

	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Solid Waste Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>				
Charges for Services	\$ 6,425,250	\$ 6,956,976	\$ 380,621	\$ 13,762,847
Other	135,439	260,510	149,874	545,823
<b>Total Operating Revenues</b>	<b>6,560,689</b>	<b>7,217,486</b>	<b>530,495</b>	<b>14,308,670</b>
<b>Operating Expenses:</b>				
Salaries & Wages	1,546,811	1,301,107	247,231	3,095,149
Operating Expenses	1,366,317	1,095,299	47,389	2,509,005
Depreciation	560,525	1,366,488	-	1,927,013
<b>Total Operating Expenses</b>	<b>3,473,653</b>	<b>3,762,894</b>	<b>294,620</b>	<b>7,531,167</b>
<b>Operating Income (Loss)</b>	<b>3,087,036</b>	<b>3,454,592</b>	<b>235,875</b>	<b>6,777,503</b>
<b>Non-Operating Revenues (Expenses):</b>				
Interest Income	301,928	158,283	94,955	555,166
Intergovernmental	-	180,563	-	180,563
Interest Expense	(47,326)	(330,372)	-	(377,698)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>254,602</b>	<b>8,474</b>	<b>94,955</b>	<b>358,031</b>
<b>Income (Loss) Before Transfers and Other Items</b>	<b>3,341,638</b>	<b>3,463,066</b>	<b>330,830</b>	<b>7,135,534</b>
<b>Transfers and Other Items:</b>				
Transfers In (Out)	(935,319)	(620,420)	(104,721)	(1,660,460)
<b>Total Transfers and Other Items</b>	<b>(935,319)</b>	<b>(620,420)</b>	<b>(104,721)</b>	<b>(1,660,460)</b>
<b>Change in Net Position</b>	<b>2,406,319</b>	<b>2,842,646</b>	<b>226,109</b>	<b>5,475,074</b>
<b>Net Position at Beginning of Year</b>	<b>20,861,871</b>	<b>30,393,448</b>	<b>1,817,046</b>	<b>53,072,365</b>
<b>Net Position at End of Year</b>	<b>\$ 23,268,190</b>	<b>\$ 33,236,094</b>	<b>\$ 2,043,155</b>	<b>\$ 58,547,439</b>

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Business-Type Activities Enterprise Funds</b>			
	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Solid Waste Fund</b>	<b>Total</b>
<b>Cash Flows From Operating Activities:</b>				
Receipts from Customers and Users	\$ 6,266,290	\$ 6,817,903	\$ 338,245	\$ 13,422,438
Receipts from Other Revenues	135,439	260,510	149,874	545,823
Payments to Vendors	(1,301,108)	(1,245,372)	(259,138)	(2,805,618)
Payments to Employees	(1,503,596)	(1,271,942)	(244,208)	(3,019,746)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>3,597,025</b>	<b>4,561,099</b>	<b>(15,227)</b>	<b>8,142,897</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers from (to) Other Funds	(935,319)	(620,420)	(104,721)	(1,660,460)
<b>Net Cash Provided by (Used for) Noncapital Financing Activities</b>	<b>(935,319)</b>	<b>(620,420)</b>	<b>(104,721)</b>	<b>(1,660,460)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Intergovernmental	-	180,563	-	180,563
Acquisition and Construction of Capital Assets	(990,829)	(884,313)	-	(1,875,142)
Principal Payments on Bonds and Notes	(377,506)	(1,700,538)	-	(2,078,044)
Interest Expense	(50,858)	(336,658)	-	(387,516)
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<b>(1,419,193)</b>	<b>(2,740,946)</b>	<b>-</b>	<b>(4,160,139)</b>
<b>Cash Flows from Investing Activities:</b>				
Investment Income	301,928	158,283	94,955	555,166
Sale/(Purchase) of Investments	(137,263)	-	(48,932)	(186,195)
<b>Net Cash Provided by (Used for) Investing Activities</b>	<b>164,665</b>	<b>158,283</b>	<b>46,023</b>	<b>368,971</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,407,178</b>	<b>1,358,016</b>	<b>(73,925)</b>	<b>2,691,269</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>12,210,308</b>	<b>10,448,636</b>	<b>3,055,586</b>	<b>25,714,530</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 13,617,486</b>	<b>\$ 11,806,652</b>	<b>\$ 2,981,661</b>	<b>\$ 28,405,799</b>

( Continued )

**CITY OF NORTHAMPTON, MASSACHUSETTS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Business-Type Activities Enterprise Funds			
	Sewer Fund	Water Fund	Solid Waste Fund	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:</b>				
<b>Operating Income (Loss)</b>	\$ 3,087,036	\$ 3,454,592	\$ 235,875	\$ 6,777,503
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>				
Depreciation	560,525	1,366,488	-	1,927,013
Deferred (Outflows)/Inflows of Resources Related to Pensions	118,344	170,098	10,485	298,927
Deferred (Outflows)/Inflows of Resources Related to OPEB	493,000	930,806	476,189	1,899,995
Change in Assets and Liabilities:				
Increase (Decrease) in Warrants Payable	(32,682)	78,671	(11,859)	34,130
Increase (Decrease) in Accrued Payroll	16,739	12,075	1,395	30,209
Increase (Decrease) in Compensated Absences	26,476	17,090	1,628	45,194
Increase (Decrease) in Net OPEB Liability	(540,980)	(1,149,026)	(601,888)	(2,291,894)
Increase (Decrease) in Net Pension Liability	27,527	(180,622)	(19,676)	(172,771)
Increase (Decrease) in Landfill Closure	-	-	(65,000)	(65,000)
Decrease (Increase) in User Charges Receivable	(158,960)	(139,073)	(42,376)	(340,409)
<b>Total Adjustments</b>	509,989	1,106,507	(251,102)	1,365,394
<b>Net Cash Provided by (Used for) Operating Activities</b>	\$ 3,597,025	\$ 4,561,099	\$ (15,227)	\$ 8,142,897

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2020**

	<b>Pension and Other Employee Benefit Trust Funds (1)</b>	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 163,176	\$ 293,133	\$ 348,376
Investments	144,352,787	1,844,766	-
Accrued Interest and Dividends	311,865	-	-
Accounts Receivable	2,570,593	-	-
<b>Total Assets</b>	<b>147,398,421</b>	<b>2,137,899</b>	<b>348,376</b>
<b>LIABILITIES</b>			
Warrants Payable	3,680,873	-	7,582
Due to Others	-	-	6,334
Due to Student Groups	-	-	212,551
Deposits and Escrows	-	-	121,909
<b>Total Liabilities</b>	<b>3,680,873</b>	<b>-</b>	<b>348,376</b>
<b>NET POSITION</b>			
Held in Trust for Pension Benefits and Other Purposes	\$ 143,717,548	\$ 2,137,899	\$ -

(1) The Pension Trust Fund is as of December 31, 2019.

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF NORTHAMPTON, MASSACHUSETTS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Pension and Other Employee Benefit Trust Funds (1)</b>	<b>Private Purpose Trust Funds</b>
<b>Additions</b>		
Contributions:		
Employers	\$ 11,660,811	\$ -
Plan Members	3,004,830	-
Transfers/Reimbursements from Other Systems	762,340	-
Federal Grant Reimbursements	19,623	-
Commonwealth of Massachusetts - COLA	52,331	-
Private Donations	-	1,395
<b>Total Contributions</b>	<b>15,499,935</b>	<b>1,395</b>
Investment Income:		
Interest & Dividends	2,706,380	66,410
Net Change in Fair Value of Investments	11,760,637	(5,216)
<b>Total Investment Earnings</b>	<b>14,467,017</b>	<b>61,194</b>
Less Investment Expense	(436,332)	-
<b>Net Investment Earnings</b>	<b>14,030,685</b>	<b>61,194</b>
<b>Total Additions</b>	<b>29,530,620</b>	<b>62,589</b>
<b>Deductions:</b>		
Benefit Payments to Plan Members and Beneficiaries	15,028,174	-
Refunds to Members	112,732	-
Transfers to Other Systems	836,968	-
Educational Scholarships	-	21,700
Human Services	-	20,000
General Expenses	234,432	16,385
<b>Total Deductions</b>	<b>16,212,306</b>	<b>58,085</b>
<b>Change in Net Position</b>	<b>13,318,314</b>	<b>4,504</b>
<b>Net Position at Beginning of Year</b>	<b>130,399,234</b>	<b>2,133,395</b>
<b>Net Position at End of Year</b>	<b>\$ 143,717,548</b>	<b>\$ 2,137,899</b>

(1) The Pension Trust Fund is as of December 31, 2019.

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the City of Northampton, Massachusetts (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant City accounting policies are described herein.

**A. Reporting Entity**

The City is a municipality in which citizens elect the mayor, seven council members and two at-large council members.

For financial reporting purposes, the City has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The City has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the basic financial statements to be misleading or incomplete.

Blended component units are entities that are legally separate from the City, but are so related that they are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. The following component unit is blended within the primary government in the fiduciary funds:

The Northampton Contributory Retirement System (the System) was established to provide retirement benefits to City employees, the City Housing Authority, employees, and their beneficiaries. The System is governed by a five-member board comprised of the City Auditor (ex-officio), two members elected by the System's participants, one member appointed by the Mayor and one member appointed by the Board members. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements.

The system did not issue a separate audited financial statement. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth of Massachusetts' (Commonwealth) Public Employee Retirement Administration Commission (PERAC). That report may be obtained by contacting the System located at 210 Main Street, Northampton, Massachusetts.

The City is responsible for electing the governing board and/or committee members of the Northampton Housing Authority. This related organization is excluded from the financial reporting entity because the City's accountability does not extend beyond the City electing the board and/or committee members. Audited financial statements are available from the respective organization. A description of the related organization is as follows:

**Northampton Housing Authority** - A public housing agency that provides housing assistance to eligible and qualified low and moderate income families, the elderly and handicapped. The housing authority is an autonomous and self-sufficient agency under the State Executive Office of Communities and Development. The City has no significant influence over management, budget or policies of the authority.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**B. Government-Wide and Fund Financial Statements**

**Government-wide financial statements**

The government-wide financial statements (i.e., statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

**Fund financial statements**

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and displayed in a single column.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and change in net position.

**Major Fund Criteria**

Major funds must be reported if the following criteria are met:

- If the total assets, liabilities, revenues or expenditures/expenses of an individual governmental fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental funds),

*and*

- If the total assets, liabilities, revenues or expenditures/expenses of the individual governmental funds are at least 5 percent of the corresponding element for all governmental funds combined.

Additionally, any other governmental fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Proprietary and fiduciary funds are reported by fund type.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Government-wide financial statements**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis* of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues of the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported.

**Fund financial statements**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Under the modified accrual basis concept, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to be used to pay current liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, excises and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *stormwater fund* is used to account for the construction of road drainage improvements.

The City reports the following major proprietary funds:

The *sewer fund* is used to account for the sewer activities.

The *water fund* is used to account for the water activities.

The *solid waste fund* is used to account for the solid waste activities.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

The non-major governmental fund consists of other special revenue, capital projects and permanent funds that are aggregated and presented in the *non-major governmental funds*' column on the governmental funds' financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for the proceeds of specific revenue sources (other than permanent or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise and Trust Funds).

The *permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Additionally, the City reports the following fund types:

*Fiduciary fund* financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the government programs.

The *Northampton Employees Retirement System Pension trust fund* is used to account for the activities of the System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries.

The *Other Post Employment Benefit Trust Fund* accounts for the activities of the City's OPEB plan, which accumulates resources for retiree medical and life insurance benefits.

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

The *agency fund* is used to account for assets held in a purely custodial capacity.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### **D. Cash and Cash Equivalents**

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption, "cash and cash equivalents".

Excluding the permanent funds, investment income derived from major and non-major governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Laws (MGL).

Investment income from proprietary funds is maintained in those funds.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**E. Investments**

The City maintains investments according to Massachusetts General Laws and adopted policies. Investments are reported according to the fair value hierarchy established by generally accepted accounting principles. Investments are defined as securities or other assets that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy is based upon valuation inputs, which are assumptions that market participants would use when pricing an asset or a liability, including assumptions about risk.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 inputs are directly observable for an asset or a liability (including quoted prices for similar assets or liabilities), as well as inputs that are indirectly observable for the asset or liability.

Level 3 inputs are unobservable for the asset or liability.

Certain investments, such as money market investments and 2a7-like external investment pools, are reported at amortized cost. 2a7-like pools are external investment pools that operate in conformity with the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended and should be measured at the net asset value per share provided by the pool. Additional investment disclosures are presented in these Notes.

Investments in the Northampton Contributory Retirement System consist of marketable securities, bonds and short-term money market investments. All investments are carried at fair market value.

**F. Receivables**

The recognition of revenues related to accounts receivable reported in the government-wide financial statements and fund financial statements are reported under the accrual basis of accounting and the modified accrual basis of accounting, respectively.

**Property Taxes, Deferred Property Taxes and Tax Liens**

Property taxes are based on assessments as of January 1, 2019 and include betterments, special assessments and liens. Taxes are used to finance the operations of the City for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The City has accepted the quarterly tax payment system. Under the quarterly tax payment system, the assessors make a preliminary tax commitment based on the prior year's net tax and may not exceed, with limited exceptions, fifty percent of that amount. The collector must mail preliminary tax bills each year by July 1st. The preliminary tax is payable in two equal installments. The first installment is due on August 1st and the second installment is due on November 1st. After the City sets the tax rate, the assessors make the actual tax commitment. If actual bills are mailed on or before December 31st, the balance remaining is payable in two equal installments. The first installment is due on February 1st and the second installment is due on May 1st. If bills are mailed after December 31st, the entire balance is not due until May 1st or thirty days after the bills were mailed, whichever is later. Any betterments, special assessments and other charges are added to the actual bills. Interest at the rate of 14% is charged on the amount of any preliminary tax or actual tax installment payment that is unpaid and delinquent and is charged only for the number of days the payment is actually delinquent. If actual tax bills are mailed after December 31st, interest will be computed from May 1st, or the payment due date, whichever is later. The City has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables. Revenues from property taxes are recognized in the fiscal year for which they have been levied.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

The City mailed preliminary tax bills for the fiscal year 2020 on June 28, 2019 and September 23, 2019, that were due on August 1, 2019 and November 1, 2019 and actual bills on December 30, 2019, and March 26, 2020, that were due on February 1, 2020 and June 1, 2020, respectively.

The Commonwealth of Massachusetts electorate in November, 1980, passed legislation known as Proposition 2 1/2, in order to limit the amount of revenue to be raised by taxation. The purpose of the legislation was to control the levy of taxes that are assessed to property owners of a City. The legal levy limit under Proposition 2 1/2 for fiscal year 2020 is as follows;

Legal Levy Limit Under Proposition	
2 1/2 for fiscal year 2020	\$ 61,649,762
Add: Debt Exclusion	602,008
Maximum Allowable Levy	\$ 62,251,770

The total amount raised by taxation was \$61,837,364.

The allowance for uncollectible accounts is estimated based on historical trends and specific account analysis.

**Excise Taxes**

Excise taxes consist of motor vehicle excise and vessel excise. Excise taxes are assessed annually for each vehicle and vessel registered in the City and are recorded as receivables in the fiscal year of levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair value of those vehicles. The Board of Assessors of the City is responsible for determining the value of each vessel.

The tax calculation is the fair market value of the vehicle or vessel multiplied by the \$25 per \$1,000 of value and \$10 per \$1,000 of valuation, respectively.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

**User Charges**

User charges and fees consist of sewer, water and solid waste. Sewer and water are levied monthly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Solid waste charges are transfer station fees. Water and sewer liens are processed each year and are included as a lien on the property owner's tax bill. Water charges, sewer charges, solid waste and water and sewer liens are recorded as receivables in the fiscal year of the levy.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

**Departmental**

Departmental receivables consist primarily of ambulance, school department fees, storm water fees and other general government receipts.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**Loans**

The Community Development Block Grant office administers loan programs that provide housing assistance to residents of the City and commercial loans to businesses. Upon issuance, a receivable is recorded for the principal amount of the loan.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

**Due from Other Governments**

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

**G. Capital Assets**

Capital assets, which include land, construction in progress, buildings and improvements, machinery, equipment and other, and infrastructure assets (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value.

All purchases of equipment in excess of \$15,000 and construction costs of in excess of \$50,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of fixed assets are as follows:

<b>Capital Asset Type</b>	<b>Years</b>
Buildings and renovations	10-40
Machinery, equipment and other	3-15
Infrastructure	20-50

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

**H. Interfund Transfers**

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as operating transfers in and operating transfers out.

In the government-wide financial statements, operating transfers between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers net."

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

In the fund financial statements, operating transfers between and within funds are not eliminated from the individual fund statements and are reported as operating transfers in and operating transfers out.

**I. Deferred Outflows and Inflows of Resources**

**Government-wide financial statements**

The government-wide financial statements *Statement of Net Position* includes a separate section, listed below total assets, for *deferred outflows of resources*. This represents the usage of net position applicable for future period(s) and will not be recognized as expenditures until the future period to which it applies. Currently, the items in this category are *deferred outflows related to pensions and deferred outflows related to OPEB*.

The government-wide financial statements *Statement of Net Position* will sometimes report a separate section, listed below total liabilities, for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the items in this category are *deferred inflows related to pensions and deferred inflows related to OPEB*.

**Fund financial statements**

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for the City's property, excise and other taxes; departmental revenue, loans and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**J. Net Position and Fund Balances**

In the Government-Wide financial statements, the difference between the City's total assets, deferred outflows of resources, total liabilities and deferred inflows of resources represents net position. Net position display three components – net investment in capital assets, restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the net position available for future operations.

Net position classified as net investment in capital assets, consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net position has been "restricted for" the following:

"Capital projects" represents amounts restricted for capital purposes.

"Federal and state grants" represents amounts restricted by the federal and state government for various programs.

"Community preservation fund" represents amounts that are restricted for the preservation of open space, historical resources and community housing.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

“Permanent funds – expendable” represents amounts held in trust for which the expenditures are restricted by various trust agreements.

“Permanent funds – nonexpendable” represents amounts held in trust for which only investment earnings may be expended.

“Other purposes” represents restrictions placed on assets from outside parties.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of those resources.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

*Restricted fund balance.* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance.* These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision-making authority, which is the City Council action and can be modified or rescinded only through these actions. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed to previously commit.

*Assigned fund balance.* This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. Department heads and City board/committees have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance.* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When the restricted and other fund balance resources are available for use, it is the City’s policy to use restricted resources first, followed by committed, assigned, and unassigned amounts respectively.

**K. Long-term Debt**

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position.

The face amount of governmental funds long-term debt is reported as other financing sources.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**L. Compensated Absences**

The City grants to employees sick and vacation leave in varying amounts based upon length of service and in accordance with various individual union contracts. Upon retirement, termination, or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at 20% of their current rates of pay.

**M. Pension Benefits**

For purposes of measuring the net position liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Northampton Contributory Retirement System (the System) and the Massachusetts Teachers Retirement System (MTRS) are provided. Additions to and deductions from the fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable according with the benefit terms. Investments are reported at their fair value.

**N. Post Retirement Benefits**

In addition to providing pension benefits, health insurance coverage is provided for retired employees and their survivors in accordance with MGL, Chapter 32, on a pay-as-you-go basis. The cost of providing health insurance is recognized by recording the employer's 50% and 80% share for PPO plans and HMO plans, respectively, insurance premiums in the general fund in the fiscal year paid.

**O. Use of Estimates**

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

**P. Total Column**

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

An annual budget is adopted for the City's General Fund. Although legislative approval is required for the acceptance of grants, capital projects and borrowing authorizations, annual budgets are not prepared for any other fund; therefore, comparison of budget to actual is only presented for the General Fund.

The City must establish its property tax rate each year so that the property tax rate levy will comply with the limits established by Proposition 2 1/2, as amended, and also equal the sum of (a) the aggregate of all annual appropriations for expenditures, plus (b) provision for prior year deficits, if any, less (c) the aggregate of all non-property tax revenues estimated to be received, including available funds. Supplemental appropriations may be made from available funds after the setting of the tax rate. Appropriations may be transferred between departments with the City Council approval.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

The City follows these procedures in establishing the General Fund budgetary data as reflected in the financial statements:

- Every board and committee in charge of a department shall annually, on the first day of December, send to the mayor and to the committee on finances an estimate in detail of the appropriations needed to enable the department to properly perform its duties.
- Hearings are conducted and the Mayor then submits a budget to the City Council.
- The budget is legally enacted by vote of the City Council prior to the end of the fiscal year.
- Throughout the fiscal year, any unencumbered appropriation, balance or portion thereof, may be transferred from one department, commission, board or office, to another by City Council vote.

Massachusetts law requires cities and towns to provide for a balanced budget. Section 23 of Chapter 59 of the Massachusetts General Laws states, in part,

"The assessors shall annually assess taxes to an amount not less than the aggregate of all amounts appropriated, granted or lawfully expended by their respective towns (cities) since the preceding annual assessment and not provided for therein . . . "

For fiscal year 2020, the City incurred a final budget deficit of \$12,912,831 for the General Fund.

The City voted from the following sources to fund the deficit budget during the fiscal year:

Unassigned fund balance:	
Free cash votes	\$ 5,173,523
Reserve for Debt	23,306
Prior year's encumbrances	<u>7,716,002</u>
	<u>\$ 12,912,831</u>

**B. Deficit Fund Balances**

The following fund has a deficit at June 30, 2020 as measured by the balance of unreserved fund balance.

- The *Federal emergency management covid-19 grants* special revenue funds have deficits totaling \$449,594. The deficits will be eliminated upon the future receipt of funds or upon appropriation.

**3. DETAILED NOTES**

**A. Deposits and Investments**

**Custodial Credit Risks – Deposits – City Financials**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The government does not have a deposit policy for custodial credit risk. Deposits at June 30, 2020 were \$80,502,526. Of these, none are exposed to custodial credit risk as uninsured and uncollateralized.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**Custodial Credit Risks – Deposits – Northampton Contributory Retirement System**

Custodial credit risk is the risk that in the event of a bank failure, the System’s deposits may not be returned. The System does not have a deposit policy for custodial credit risk. Deposits at December 31, 2019 were \$163,176. Of these, none are exposed to custodial credit risk as uninsured and uncollateralized.

**Investment Policies – City Financials**

Investments of funds, except for trust funds, are generally restricted by Massachusetts General Laws, Chapter 44, Section 55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposit of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust (“MMDT”), or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

The MMDT is an investment pool created by the Commonwealth under the supervision of the State Treasurer’s office. According to the State Treasurer, the Trust’s investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U. S. Government obligations and highly-rated corporate securities with maturities of one year or less. The MMDT is an external investment pool that meets the criteria established under GASB Statement No. 79 to report its investments at amortized cost.

As of June 30, 2020, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 to 5	6 to 10
<b>Debt Securities:</b>				
U. S. treasury obligations	\$ 2,344,276	\$ 1,005,916	\$ 1,338,360	\$ -
U. S. government agencies	2,243,503	-	1,942,432	301,071
Corporate bonds	4,509,793	788,446	3,721,347	-
Money market mutual funds	410,465	410,465	-	-
	<u>9,508,037</u>	<u>\$ 2,204,827</u>	<u>\$ 7,002,139</u>	<u>\$ 301,071</u>
<b>Other Investments:</b>				
Certificate of deposits	1,096,706			
Equity mutual funds	5,234,925			
	<u>\$ 15,839,668</u>			

**Custodial Credit Risks - Investments**

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the City’s \$15,839,668, none are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department and in the City’s name. The City has no policy on custodial credit risk.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**Interest Rate Risk**

The City does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**

The City's exposure to credit risk as of June 30, 2020 is as follows:

<b>Related Debt Instruments</b>	<b>Fair Value</b>
<b>Moody's Quality Ratings</b>	
<b><i>U. S. Treasury Obligations:</i></b>	
Aaa	\$ 2,344,276
<b><i>U. S. Government Agencies:</i></b>	
Aaa	2,243,503
<b><i>Corporate Bonds:</i></b>	
Aaa	617,592
A2	1,477,640
Aa3	715,193
Baa1	1,699,368
<b><i>Money Market Mutual Funds:</i></b>	
Not rated	410,465
	\$ 9,508,037

**Concentration of Credit Risk**

The City places no limit on the amount the City may invest in one issuer. More than 5 percent of the City's investments are in the Federal Farm Credit Banks amounting to 9.89% of the City's total investments.

**Fair Value of Investments**

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

The City has the following recurring fair value measurements as of June 30, 2020:

Investment Type	Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
U. S. treasury obligations	\$ 2,344,276	\$ 2,344,276	\$ -	\$ -
U. S. government agencies	2,243,503	2,243,503	-	-
Certificates of deposit	1,096,706	1,096,706	-	-
Equity mutual funds	5,234,925	5,234,925	-	-
Money market mutual fund	410,465	410,465	-	-
Corporate bonds	4,509,793	-	4,509,793	-
<b>Total Investments</b>	<b>\$ 15,839,668</b>	<b>\$ 11,329,875</b>	<b>\$ 4,509,793</b>	<b>\$ -</b>

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities.

Investments classified in Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**Investment Policies – Northampton Contributory Retirement System City Financials**

Under the Public Employee's Retirement Administration Commission (PERAC) regulations, every retirement board shall file a statement of investment objectives with PERAC. Among the information to be filed are the investment policy, the rate of return expected, the expected level of risk, the asset mix, the degree of diversification, and other pertinent financial information. At all times, the Board's investments are subject to certain limitations set forth in Massachusetts General Laws, Chapter 32. Any investment not specifically addressed in these guidelines is not allowed.

Specific policies for investments of funds for the system are as follows:

- A. The assets shall be diversified among fixed income, equity, and short-term investment and may include:
  - i. up to 3% of the total market value of the portfolio in limited partnerships, such as, but not limited to, venture capital investments;
  - ii. up to 8% of the total equity market value of the portfolio in foreign investments.
- B. The asset allocation of the portfolio shall lie within the range of 45%-65% common stock and 35%-55% fixed income as is permitted by an exemption issued to the Board.
- C. Equity investments shall comply with the following policies as well as relevant PERAC regulations including any modifications permitted by an exemption issued to the Board.
  - i. At least 75% of the market value of equity investments shall be in companies for which the market value of the outstanding shares is at least \$100 million at time of purchase.
  - ii. The investment in any one holding shall not exceed 5% of the total book value of equity investments at the time of purchase.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

- iii. All equity investments, including ADRs as permitted by an exemption issued to the Board, must be in securities traded on a major exchange or on the NASDAQ.
  - iv. The beta (a measure of equity volatility) shall average no more than 1.15 annually.
  - v. No investment shall be made in a company with less than a five-year operating history.
  - vi. The holdings within the equity portfolio shall be diversified such that:
    - a. The equity portfolio shall consist of no fewer than 25 holdings;
    - b. no single industry shall account for more than 20% of the total market value;
    - c. at no time shall small capitalization stocks represent less than 10% of the total equity market value nor more than 50%.
  - vii. Recognizing that equity turnover may vary with market conditions and the specific characteristics of individual issues, turnover shall be targeted at no more than 150% per year.
- D. Fixed income investments shall comply with the following policies as well as relevant PERAC regulations including any modifications permitted by an exemption issued to the Board.
- i. At least 65% of the market value of the fixed income portfolio shall be in holdings rated no less than A or equivalent.
  - ii. No more than 5% of the portfolio shall have a rating less than investment grade, and no bond shall be below a rating of B. Split-rated bonds, i.e., bonds rated investment grade by at least one agency but rated below investment grade by another, are included in this 5%.
  - iii. No holding shall be purchased unless there is at least \$50 million par of the issue outstanding at the time of purchase.
  - iv. No more than 5% of the total market value of the portfolio shall be invested in the direct (as opposed to asset-backed or mortgage-backed) debt obligations of any one fixed income issuer except that issues of the U.S. government or agencies that have the full faith and credit of the U.S. government may be held without limit. The investment Manager may exceed that level, up to a maximum of 10%, however, if he or she feels it is prudent to do so as long as the Investment Manager promptly advises the Secretary to the Board of the situation so that the Board may review the investment at its next meeting.
  - v. Fixed income holdings which are downgraded below BBB or Baa shall be sold within one year of the downgrading unless the exemption issued to the Board permits retention.
  - vi. The adjusted modified duration of the fixed income portfolio shall be within the range of 75% to 125% of the duration of the Index.
  - vii. Excluding purchases and sales of issues of the U.S. government or agencies that have the full faith and credit of the U.S. government, the turnover of the fixed income portfolio shall not exceed 150% per year.
  - viii. The holdings within the fixed income portfolio shall be diversified such that:
    - a. the holdings shall be diversified across sectors and industries with no single industry representing more than one third the market value
    - b. except that issues of the U.S. government or agencies that have the full faith and credit of the U.S. government may be held without limit.
    - c. the fixed income portfolio will consist of no fewer than 20 holdings
    - d. at no time shall more than 80% of the market value of the holdings nor less than 20% have an adjusted modified duration longer than the Index.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

E. Cash and cash equivalents shall be invested in any or all of the following instruments: money market funds, repurchase agreements, short term instruments issued by the Treasury and other agencies of the U.S. government, commercial paper rated P1 and corporate debt maturing within one year at date of purchase.

As of December 31, 2019, the System had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More than 10
<b>Debt Securities:</b>					
U. S. treasury obligations	\$ 31,990,549	\$ -	\$ 1,190,016	\$ 18,511,111	\$ 12,289,422
Corporate bonds	20,110,326	-	12,669,891	7,440,435	-
Money market mutual funds	5,486,062	5,486,062	-	-	-
	<u>57,586,937</u>	<u>\$ 5,486,062</u>	<u>\$ 13,859,907</u>	<u>\$ 25,951,546</u>	<u>\$ 12,289,422</u>
<b>Other Investments:</b>					
Equity securities-domestic stocks	84,002,929				
PRIM pooled funds	441,972				
	<u>\$ 142,031,838</u>				

**Custodial Credit Risks - Investments**

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the System's \$142,031,838 in investments, none are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department but not in the System's name. The System has no policy on custodial credit risk.

**Interest Rate Risk**

The System does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**

The System limits investments in bonds with a minimum quality rating of Baa or equivalent as rated by one or more recognized bond rating services, however, 10% of the market value of fixed income investments may be invested in bonds with a minimum quality rating of Ba or equivalent as rated by one or more recognized bond rating services.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

The System's exposure to credit risk as of December 31, 2019 is as follows:

Related Debt Instruments	Fair Value
Moody's Quality Ratings	
<b><i>U. S. Treasury Obligations:</i></b>	
AAA	\$ 31,990,549
<b><i>Corporate Bonds:</i></b>	
AAA	8,491,831
AA	4,272,272
A	5,835,298
BAA	1,510,925
<b><i>Money Market Mutual Funds:</i></b>	
Not rated	5,486,062
	<b>\$ 57,586,937</b>

**Concentration of Credit Risk**

The System may invest up to 15% of the account's assets in high yield securities on an opportunistic basis. There is no one investment that is 5 percent of the System's investments.

**Fair Value of Retirement Investments**

The City categorizes its fair value measurements for the System within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements for the System as of December 31, 2019:

Investment Type	Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level:</b>				
U. S. treasury obligations	\$ 31,990,549	\$ 31,990,549	\$ -	\$ -
Equity securities - domestic	84,002,929	84,002,929	-	-
Money market mutual fund	5,486,062	5,486,062	-	-
Corporate bonds	20,110,326	-	20,110,326	-
	141,589,866	\$ 121,479,540	\$ 20,110,326	\$ -
<b>Investments Measured at Amortized Cost:</b>				
External Investment Pools (PRIM)	441,972			
<b>Total Investments</b>	<b>\$ 142,031,838</b>			

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

Investments classified in Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**B. Receivables**

At June 30, 2020, receivables for the individual major governmental funds, non-major governmental funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<b>Gross Amount</b>	<b>Allowance for Uncollectibles</b>	<b>Net Amount</b>
<b>Major and nonmajor governmental funds:</b>			
Property taxes	\$ 2,156,387	\$ (574,558)	\$ 1,581,829
Deferred property taxes	129,715	-	129,715
Tax liens	430,606	-	430,606
Taxes in litigation	6,794	(6,794)	-
Excise taxes	1,049,373	(665,117)	384,256
Departmental	2,316,756	(1,639,100)	677,656
Loans	55,000	-	55,000
Due from other governments	3,358,477	-	3,358,477
<b>Fiduciary funds:</b>			
<b><i>Northampton Employees Retirement System (at December 31, 2019):</i></b>			
Accounts Receivable	2,570,593	-	2,570,593
	<u>\$ 12,073,701</u>	<u>\$ (2,885,569)</u>	<u>\$ 9,188,132</u>

At June 30, 2020, receivables for the sewer, water and solid waste enterprise consist of the following:

	<b>Gross Amount</b>	<b>Allowance for Uncollectibles</b>	<b>Net Amount</b>
<b>Sewer Fund:</b>			
User charges	\$ 593,762	\$ (7,100)	\$ 586,662
Due from other governments	13,156	-	13,156
<b>Water Fund:</b>			
User charges	531,215	(1,000)	530,215
<b>Solid Waste Fund:</b>			
User charges	74,936	-	74,936
	<u>\$ 1,213,069</u>	<u>\$ (8,100)</u>	<u>\$ 1,204,969</u>

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

The composition of amounts due from other governments as of June 30, 2020 for governmental funds and the business-type activities are as follows:

**Governmental Funds:**

**General Fund:**

**Commonwealth of Massachusetts:**

Department of Revenue:

Veterans, blind and surviving spouse \$ 85,406

Department of Veterans Services:

Veterans benefits 362,997

**Due from Various Municipalities:**

Town of Hadley 4,575

**Other:** 8,160 \$ 461,138

**Nonmajor Governmental Funds:**

**U. S. Department of Education:**

School title grants 3,154

**U. S. Department of Housing and Urban Development:**

Community Development Block Grant 730,046

**U. S. Department of Justice**

38,454

**Commonwealth of Massachusetts:**

Department of Elementary and Secondary Education:

School lunch 3,743

School title grants 374,867

Department of Fire Services 973

Executive Office of Environmental Affairs 270,730

Executive Office of Public Safety & Homeland Security 10,289

Department of Revenue 2,245

Massachusetts Department of Transportation:

Highway Department-Chapter 90 1,404,010

Massachusetts Gaming Commission 21,750

**Other:**

Northwestern District Attorney 2,680

Private Grants 34,398 2,897,339

\$ 3,358,477

**Business-Type Funds:**

**Sewer Fund:**

**Commonwealth of Massachusetts:**

**Massachusetts Clean Water Trust:**

Sewer Management Plan (CWP-10-14R) \$ 13,156

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**C. Deferred Inflows of Resources – Unavailable Revenue**

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

<b>General Fund:</b>			
Property taxes	\$	945,351	
Deferred property taxes		129,715	
Tax liens		425,234	
Excise taxes		384,256	
Departmental		403,546	
Due from other governments		362,997	\$ 2,651,099
<b>Stormwater fund:</b>			
Departmental			274,110
<b>Nonmajor governmental funds:</b>			
Property taxes		33,478	
Tax liens		5,372	
Loans		55,000	
Due from other governments		2,060,658	2,154,508
			\$ 5,079,717

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2020, is as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 19,291,001	\$ 783,000	\$ (8,110)	\$ 20,065,891
Construction in progress	5,075,512	6,917,875	(8,735,332)	3,258,055
Total capital assets not being depreciated	24,366,513	7,700,875	(8,743,442)	23,323,946
Capital assets being depreciated:				
Buildings and improvements	136,391,001	1,312,290	(25,000)	137,678,291
Machinery, equipment and other	18,216,492	1,727,667	(192,935)	19,751,224
Infrastructure	36,060,923	7,517,487	-	43,578,410
Total capital assets being depreciated	190,668,416	10,557,444	(217,935)	201,007,925
Less accumulated depreciation for:				
Buildings	81,927,462	4,821,168	(25,000)	86,723,630
Machinery, equipment and other	13,168,618	1,591,259	(192,935)	14,566,942
Infrastructure	17,910,858	1,423,725	-	19,334,583
Total accumulated depreciation	113,006,938	7,836,152	(217,935)	120,625,155
Total capital assets being depreciated, net	77,661,478	2,721,292	-	80,382,770
Total governmental activities capital assets, net	\$ 102,027,991	\$ 10,422,167	\$ (8,743,442)	\$ 103,706,716

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

<b>Business-Type Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 3,134,839	\$ -	\$ -	\$ 3,134,839
Construction in progress	593,823	1,477,473	(307,007)	1,764,289
Total capital assets not being depreciated	<u>3,728,662</u>	<u>1,477,473</u>	<u>(307,007)</u>	<u>4,899,128</u>
Capital assets being depreciated:				
Buildings and Renovations	4,976,953	87,420	-	5,064,373
Machinery, equipment and other	4,244,661	310,249	-	4,554,910
Infrastructure	85,741,627	307,007	(253,196)	85,795,438
Total capital assets being depreciated	<u>94,963,241</u>	<u>704,676</u>	<u>(253,196)</u>	<u>95,414,721</u>
Less accumulated depreciation for:				
Buildings and Renovations	4,706,954	24,371	-	4,731,325
Machinery, equipment and other	3,142,748	360,175	-	3,502,923
Infrastructure	44,426,281	1,542,467	(253,196)	45,715,552
Total accumulated depreciation	<u>52,275,983</u>	<u>1,927,013</u>	<u>(253,196)</u>	<u>53,949,800</u>
Total capital assets being depreciated, net	<u>42,687,258</u>	<u>(1,222,337)</u>	<u>-</u>	<u>41,464,921</u>
Total business-type activities capital assets, net	<u>\$ 46,415,920</u>	<u>\$ 255,136</u>	<u>\$ (307,007)</u>	<u>\$ 46,364,049</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities:**

General government	\$ 797,630
Public safety	1,473,960
Public works	2,067,846
Education	2,745,760
Health and human services	136,918
Culture and recreation	614,038
Total depreciation expense - governmental activities	<u>\$ 7,836,152</u>

**Business-Type Activities:**

Sewer fund	\$ 560,525
Water works fund	1,366,488
Total depreciation expense - business-type activities	<u>\$ 1,927,013</u>

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**E. Interfund Receivables, Payables and Transfers**

Interfund transfers for the fiscal year ended June 30, 2020, are summarized below:

<u>Transfers Out:</u>	<u>Transfers In:</u>
	General fund
Stormwater fund	\$ 280,008
Nonmajor governmental funds	603,050
Business-type fund	<u>1,660,460</u>
Total transfers out	<u>\$ 2,543,518</u>

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**F. Long Term Debt**

**General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds currently outstanding of the governmental type fund are as follows:

	<b>Interest Rate</b>	<b>Date Issued</b>	<b>Final Maturity Date</b>	<b>Original Amount Issued</b>	<b>Outstanding June 30, 2020</b>
<b>Inside Debt:</b>					
Municipal Purpose Loan of 2009:					
Ryan Road bridge repairs	2.0-5.0%	2/12/2009	2/1/2029	\$ 125,000	\$ 35,000
Various school projects	2.0-5.0%	2/12/2009	2/1/2029	427,000	90,000
Municipal Purpose Loan of 2010:					
Drainage	3.01%	12/1/2010	11/15/2025	100,000	30,000
Police station	3.19%	12/1/2010	11/15/2025	1,100,000	450,000
Energy conservation improvements	3.27%	12/1/2010	11/15/2025	4,893,000	2,290,000
Qualified energy conservation	1.73%	12/22/2010	11/15/2025	1,607,000	642,000
Clean renewable energy	1.73%	12/22/2010	11/15/2025	261,000	102,000
Municipal Purpose Loan of 2012:					
Police Station 1	2.30%	2/9/2012	12/1/2031	10,000,000	6,000,000
Police Station 2	2.32%	2/9/2012	12/1/2031	887,000	605,000
Police Station 3	2.28%	2/9/2012	12/1/2031	5,580,000	3,885,000
High School Track	1.44%	2/9/2012	12/1/2021	50,000	10,000
Drainage DPW	1.44%	2/9/2012	12/1/2021	250,000	50,000
Bean Farm Land Acquisition	1.79%	2/9/2012	12/1/2026	910,000	365,000
Municipal Purpose Loan of 2014:					
Florence Fields	2.34%	2/6/2014	2/1/2027	1,200,000	630,000
Ryan Road School Roof	1.94%	2/6/2014	2/1/2024	150,000	60,000
SVAHS Boiler	1.94%	2/6/2014	2/1/2024	150,000	60,000
Municipal Purpose Loan of 2015:					
River Road Retaining Wall	1.73%	6/4/2015	6/1/2020	375,500	175,000
Streetlights	1.75%	6/4/2015	6/1/2020	700,000	350,000
Connecticut River Levee	1.73%	6/4/2015	6/1/2020	377,000	175,000
Municipal Purpose Loan of 2016:					
Fire Truck	1.34%	6/7/2016	6/1/2026	585,000	345,000
LED Streetlights	1.33%	6/7/2016	6/1/2026	225,000	125,000
Radio Consoles-Dispatch	1.05%	6/7/2016	6/1/2021	375,000	75,000
Street Resurfacing	1.05%	6/7/2016	6/1/2021	500,000	100,000
Voice Over Internet Protocols system	1.05%	6/7/2016	6/1/2021	456,000	85,000
Sub-total page 52					<u>\$ 16,734,000</u>

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2020
<b>Inside Debt:</b>					
Continued from Page 52					\$ 16,734,000
Refunding Loan of 2016:					
Library	1.36%	12/23/2015	9/1/2025	579,000	258,000
School Building Remodeling	1.36%	12/23/2015	9/1/2025	372,950	188,600
Surface Drainage	1.36%	12/23/2015	9/1/2025	263,100	170,700
Senior Citizens Building	1.36%	12/23/2015	9/1/2025	1,661,200	1,115,100
Public Works Building Construction	1.36%	12/23/2015	9/1/2025	116,000	71,800
Outdoor Recreational Facility	1.36%	12/23/2015	9/1/2021	38,000	9,000
Refunding Loan of 2017:					
Forbes Library HVAC	1.52%	6/6/2017	6/1/2027	187,050	125,000
Forbes Library Windows	1.52%	6/6/2017	6/1/2026	46,500	30,000
River Road Retaining Wall	1.52%	6/6/2017	6/1/2027	386,000	265,000
Street Paving	1.52%	6/6/2017	6/1/2022	473,700	185,000
Vehicle Replacement	1.52%	6/6/2017	6/1/2022	715,250	280,000
Municipal Purpose Loan of 2018:					
Clement Street Bridge	2.20%	5/1/2018	5/1/2028	349,875	275,000
Forbes Library Windows	2.20%	5/1/2018	5/1/2028	326,900	255,000
Public Works Storage Building	2.20%	5/1/2018	5/1/2028	470,000	370,000
Street Paving	2.20%	5/1/2018	5/1/2028	1,398,725	1,115,000
Vehicle Replacement	2.20%	5/1/2018	5/1/2023	864,500	510,000
Municipal Purpose Loan of 2019:					
Jackson Street School Boiler	1.57%	5/29/2019	6/30/2024	167,000	130,000
Roadway Reconstruction	1.57%	5/29/2019	6/30/2029	2,154,000	1,935,000
Spring Grove Cemetery Storage Bldg	1.57%	5/29/2019	6/30/2029	820,000	735,000
Vehicle Replacement	1.57%	5/29/2019	6/30/2024	204,000	160,000
<b>Total Inside Debt</b>					<u>24,917,200</u>
<b>Outside Debt:</b>					
Municipal Purpose Loan of 2016:					
Pulaski Park renovations	1.05%	6/7/2016	6/1/2021	1,330,000	265,000
Refunding Loan of 2017:					
Bridge Street Elementary School Roof	1.52%	6/6/2017	6/1/2027	464,500	315,000
Leeds Elementary School Roof	1.52%	6/6/2017	6/1/2027	464,500	315,000
Pulaski Park Phase II	1.52%	6/6/2017	6/1/2027	627,500	430,000
<b>Total Outside Debt</b>					<u>1,325,000</u>
<b>Total Governmental Type Debt</b>					<u>\$ 26,242,200</u>

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

General obligation bonds currently outstanding of the business-type fund are as follows:

	<b>Interest</b>	<b>Date Issued</b>	<b>Final Maturity Date</b>	<b>Original Amount Issued</b>	<b>Outstanding June 30, 2020</b>
<b>Inside Debt:</b>					
<b>Sewer:</b>					
Municipal Purpose Loan of 2012: Bradford Street Pump Station	2.30%	2/9/2012	12/1/2031	\$ 800,000	\$ 480,000
<b>Massachusetts Clean Water Trust:</b>					
Comprehansive Wastewater Management Plan CWP #10-14	2.00%	6/13/2012	7/15/2032	706,047	427,093
Management Plan CWP #10-14-R	2.00%	9/12/2018	7/15/2032	86,222	<u>80,887</u>
<b>Total Inside Debt</b>					<u><u>987,980</u></u>
<b>Outside Debt:</b>					
<b>Sewer:</b>					
Wastewater Treatment Plant	1.35%	6/7/2016	6/1/2026	1,354,000	810,000
<b>Water:</b>					
Route 66 water mains	2.00-5.00%	2/12/2009	2/1/2029	1,200,000	550,000
<b>Massachusetts Clean Water Trust:</b>					
Water filtration plant	2.00%	2/1/2007	8/1/2024	2,241,713	769,386
Water filtration plant	2.00%	12/14/2006	7/15/2026	9,612,283	3,815,554
Water filtration plant	2.00%	12/14/2006	7/15/2026	14,000,000	5,557,240
Water filtration plant	2.00%	3/18/2009	7/15/2028	1,250,000	605,560
Well chlorination project	2.00%	7/8/2010	7/15/2025	459,416	200,441
Well chlorination project	2.00%	6/13/2012	7/15/2032	119,412	83,315
<b>Refunding Loan of 2016:</b>					
Water Filter Bed Construction	1.36%	12/23/2015	9/1/2024	409,300	228,000
Water Mains	1.36%	12/23/2015	9/1/2024	450,000	155,000
Water	1.36%	12/23/2015	9/1/2025	470,450	<u>308,800</u>
<b>Total Outside Debt</b>					<u><u>13,083,296</u></u>
<b>Total Business Type Debt</b>					<u><u>\$ 14,071,276</u></u>

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

The annual principal and interest payments to retire all governmental and business-type activities long-term debt outstanding as of June 30, 2020 are as follows:

**Governmental**

Year	Principal	Interest	Total
2021	\$ 4,106,700	\$ 891,187	\$ 4,997,887
2022	3,569,700	738,631	4,308,331
2023	3,283,200	608,661	3,891,861
2024	3,061,900	494,262	3,556,162
2025	2,883,900	387,105	3,271,005
2026-2030	7,726,800	804,501	8,531,301
2031-2032	1,610,000	48,300	1,658,300
	<u>\$ 26,242,200</u>	<u>\$ 3,972,647</u>	<u>\$ 30,214,847</u>

**Business-type**

Year	Principal	Interest	Total
2021	\$ 1,894,097	\$ 316,606	\$ 2,210,703
2022	1,929,994	267,541	2,197,535
2023	1,955,530	218,941	2,174,471
2024	1,992,141	169,746	2,161,887
2025	2,043,255	119,263	2,162,518
2026-2030	4,024,787	155,994	4,180,781
2031-2033	231,472	6,988	238,460
	<u>\$ 14,071,276</u>	<u>\$ 1,255,079</u>	<u>\$ 15,326,355</u>

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

A summary of the changes in governmental activities and business-type long term debt during the year is as follows:

	<b>Balance</b>			<b>Balance</b>	<b>Amounts Due</b>
	<b>July 1, 2019</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2020</b>	<b>within One</b>
					<b>Year</b>
<b>Governmental activities:</b>					
<b>Bonds Payable:</b>					
General obligation bonds	\$ 31,797,100	\$ -	\$ 5,554,900	\$ 26,242,200	\$ 4,106,700
<b>Compensated absences</b>	3,301,704	368,092	801	3,668,995	1,661,514
<b>Net OPEB liability</b>	162,776,185	-	37,182,108	125,594,077	-
<b>Net pension liability</b>	50,888,948	-	5,197,363	45,691,585	-
Governmental activity					
Long-term liabilities	<u>\$ 248,763,937</u>	<u>\$ 368,092</u>	<u>\$ 47,935,172</u>	<u>\$ 201,196,857</u>	<u>\$ 5,768,214</u>
<b>Business-type activities:</b>					
<b>Bonds Payable:</b>					
General obligation bonds	\$ 3,105,900	\$ -	\$ 574,100	\$ 2,531,800	\$ 357,301
Massachusetts Clean Water Trust bonds	13,043,420	-	1,503,944	11,539,476	1,536,797
<b>Landfill closure</b>	1,625,000	-	65,000	1,560,000	-
<b>Compensated absences</b>	152,714	45,194	-	197,908	113,974
<b>Net OPEB liability</b>	5,031,128	-	2,291,894	2,739,234	-
<b>Net pension liability</b>	2,501,705	-	172,771	2,328,934	-
Business-type activity					
Long-term liabilities	<u>\$ 25,459,867</u>	<u>\$ 45,194</u>	<u>\$ 4,607,709</u>	<u>\$ 20,897,352</u>	<u>\$ 2,008,072</u>

**Massachusetts Clean Water Trust (MCWT)**

The City is scheduled to be subsidized by the MCWT on a periodic basis for principal in the amount of \$28,475,093 and interest costs of \$6,587,881 for eight loans which the City has borrowed from MCWT. The gross amount outstanding at June 30, 2020 for principal and interest combined for the loans is \$12,434,125. The net repayments, including interest, are scheduled to be \$12,311,588. Since the City is legally obligated for the total amount of the debt, such amounts for the gross principal have been recorded on the financial statements. The fiscal year 2020 principal and interest subsidies totaled \$30,563.

**Legal Debt Limit**

Under Section 10 of Chapter 44 of the Massachusetts General Laws, a City may authorize indebtedness up to a limit of 5 percent of the equalized valuation of the City. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." The City's inside debt at June 30, 2020, totaled \$25,905,180.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

In addition, the City is authorized to incur debt outside of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit." The following is a computation of the legal debt limit as of June 30, 2020:

Equalized Valuation-Real Estate and Personal Property (2018)		<u>\$ 3,591,160,400</u>
Debt Limit: 5 % of Equalized value		179,558,020
Total Debt Outstanding		
Governmental Activity Debt	\$ 26,242,200	
Less: Debt Outside Debt Limit	<u>(1,325,000)</u>	<u>24,917,200</u>
Business-Type Activity Debt	14,071,276	
Less: Debt Outside Debt Limit	<u>(13,083,296)</u>	<u>987,980</u>
		<u>25,905,180</u>
Inside Debt Excess Borrowing Capacity at June 30, 2020		<u><u>\$ 153,652,840</u></u>

**Loans Authorized and Unissued - Memorandum Only**

Under the general laws of the Commonwealth of Massachusetts, a City must authorize debt at a City Council meeting. This authorized debt does not have to be actually issued at that time and remains authorized until the debt is actually issued or City Council votes to rescind the authorized debt.

The loan authorizations of the governmental activities as of June 30, 2020, which are not reflected in the City's financial statements, are as follows:

<b>Date</b>	<b>City Council Authorized</b>	<b>Purpose</b>	<b>Amount</b>
4/21/2017		Primary Water Main transmission lines	\$ 250,000
4/21/2017		Ryan Reservoir spillway repairs	1,630,000
6/11/2019		Wastewater Treatment Plant electrical upgrades	15,000,000
10/17/2019		Road Paving Projects	<u>1,500,000</u>
			<u><u>\$ 18,380,000</u></u>

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**G. Fund Balances**

The following is a summary of the City Governmental Fund balances at the year ended June 30, 2020:

	General Fund	Major Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>				
Permanent funds	\$ -	\$ -	\$ 776,556	\$ 776,556
<b>Restricted:</b>				
Federal, state and local grants	-	-	3,757,517	3,757,517
School revolving funds	-	-	8,093,832	8,093,832
City revolving funds	-	-	1,045,890	1,045,890
Donations and gifts	-	-	1,250,898	1,250,898
Community preservation fund	-	-	1,207,137	1,207,137
Reserve for debt	136,911	-	-	136,911
Capital projects	-	-	1,929,870	1,929,870
Permanent funds	-	-	490,877	490,877
Other	-	-	1,149,177	1,149,177
	<u>136,911</u>	<u>-</u>	<u>18,925,198</u>	<u>19,062,109</u>
<b>Committed:</b>				
Stormwater fund	-	2,341,395	-	2,341,395
Parking fund	-	-	1,038,726	1,038,726
Workers Compensation	-	-	248,785	248,785
	<u>-</u>	<u>2,341,395</u>	<u>1,287,511</u>	<u>3,628,906</u>
<b>Assigned:</b>				
General government	7,953	-	-	7,953
Public safety	218,376	-	-	218,376
Public works	141,328	-	-	141,328
Education	557,178	-	-	557,178
Culture and recreation	25,295	-	-	25,295
Employee benefits and insurance	279,968	-	-	279,968
Capital improvements	5,160,853	-	-	5,160,853
Subsequent year's budget	52,418	-	-	52,418
	<u>6,443,369</u>	<u>-</u>	<u>-</u>	<u>6,443,369</u>
<b>Unassigned:</b>				
General Fund	23,342,839	-	-	23,342,839
Deficit special revenue funds	-	-	(449,594)	(449,594)
	<u>23,342,839</u>	<u>-</u>	<u>(449,594)</u>	<u>22,893,245</u>
<b>Total Governmental fund balances</b>	<u>\$ 29,923,119</u>	<u>\$ 2,341,395</u>	<u>\$ 20,539,671</u>	<u>\$ 52,804,185</u>

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**H. Stabilization Fund**

Massachusetts General Laws, Chapter 40, Section 5B, allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body. Any interest shall be added to and become a part of the fund.

At June 30, 2020 the balances in the stabilization funds are reported in the General Fund as unassigned fund balance consisting of the following:

General purpose stabilization fund	\$ 5,275,509
Capital stabilization fund	4,899,875
Fiscal stability stabilization fund	2,922,705
Marijuana impact stabilization fund	1,972,225
	<u>\$ 15,070,314</u>

**4. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City has obtained a variety of commercial liability insurance policies which passes the risk of loss listed above to independent third parties.

Settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**B. Contingent Liabilities**

**Litigation**

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2020, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2020.

The City has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under the terms of the grant. The amount, if any, of expenditures which may be disallowed cannot be determined at this time, although, based on prior experience, City management believes such disallowances, if any, will not be material.

**C. Tax Abatements**

The City enters into property tax abatement agreements with local businesses under the Commonwealth of Massachusetts Economic Development Incentive Program Act of 1993 and as amended in 2009. Under this Act, state municipalities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining these businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City of Northampton.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

As of June 30, 2020, the City of Northampton abated property taxes amounting to \$6,360 under this program, including the following tax abatement agreements.

A 5% property tax abatement agreement was approved in June 2006 for the Big Y grocery store chain to make improvements to the property at the North King Street location of at least \$20 million, retain its existing employment level of 171 employees and add 68 new jobs. In addition, the Big Y Foods, Inc. agrees to operate its business and maintain the level of jobs as long as the agreement is in effect (term is fifteen years). The abatement for this fiscal year totaled \$6,360.

**D. Landfill Closure and Post-closure Cost**

State and federal laws and regulations require that the City of Northampton place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site after closure. The landfill ceased operations and no longer accepts solid waste in fiscal year 2013. Post-closure care is to be substantially performed by City employees in the normal course of their duties.

The City has reflected a balance of \$1,560,000 as the estimate of the landfill maintenance and monitoring costs as of June 30, 2020 as a liability in the business-type activities of the government-wide financial statements. The amount is based on estimates of what it would cost to perform all future post closure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**E. COVID-19**

The Covid-19 outbreak in the United States and across the globe has resulted in economic uncertainties. The disruption is expected to be temporary, but there is considerable uncertainty around the duration and scope. The extent of the impact of Covid-19 on our operational and financial performance will depend on certain developments, including the duration and spread of outbreak, impact on our customers, employees, and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which Covid-19 may impact our financial condition or results of operations is uncertain.

**F. Subsequent Events**

Management has evaluated subsequent events through the date the financial statements were available to be issued.

**G. Pension Plan**

**Plan Description**

The City is a member of the Northampton Contributory Retirement System (the System). The System is a cost-sharing multiple-employer public employee retirement system administered by the Northampton Retirement Board (the Board). Massachusetts General Laws (MGL), Chapter 32, assigns authority to establish the System and amend benefit provisions of the plan; which is regulated by the Public Employees Retirement Administration Commission (PERAC). The System is a defined benefit pension plan that covers substantially all employees of its member employers except for current and retired teachers. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System at Memorial Hall, 240 Main Street, Northampton, Massachusetts.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

The City is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan, to which the City does not contribute. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for the contributions and future benefit requirements of the MTRS.

**Special Funding Situation**

The Commonwealth is a nonemployer contributor and is responsible by statute to make all actuarially determined contributions and future benefit requirements on behalf of the City to the MTRS. Therefore, the City is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in the MTRS. Since the City does not contribute directly to MTRS, there is no pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based upon each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2019. The City's portion of the collective pension expense contributed by the Commonwealth of \$10,422,790 on-behalf payments for the fiscal year ending June 30, 2020 is reported as intergovernmental revenues and employee benefits and insurance expenditures in the General Fund as of the measurement date.

**Benefits Provided**

Both the System and MTRS provide retirement, disability, and death benefits to plan members and beneficiaries. Members become vested after 10 years of creditable service and are eligible for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Retirement benefits are determined as a percentage of the member's final three-year (five-year for members hired on or after April 2, 2012) final average compensation times the member's years of creditable service prior to retirement. The percentage is based on the age of the member at retirement and his or her Group classification. The authority for amending these provisions rests with the Massachusetts Legislature.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost of living adjustments granted between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth's State law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

**Contributions**

MGL Chapter 32 governs the contributions of plan members and the City. Plan members are required to contribute to the System at rates ranging from 5% to 9% based upon their membership date of gross regular compensation with an additional 2% contribution after exceeding \$30,000 in annual covered compensation. The City is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The City's proportionate share of the required contribution to the System for the year ended December 31, 2019 was \$6,301,238, representing 22.05% of the covered payroll, an actuarially determined amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year and an additional amount to finance any unfunded accrued liability.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**Pension Liability**

As of June 30, 2020, the City reported a liability of \$48,020,519 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2019, the City's proportional percentage was 94.65%, which was a slight increase from the last measurement.

**Pension Expense**

For the year ended June 30, 2020, the City recognized a pension cost of \$7,318,729, reported deferred outflows of resources related to pensions of \$5,421,239, from the difference between expected and actual experience and the change in assumptions and the changes in proportion and differences between employer contributions and proportion share of the contributions; and deferred inflows of resources related to pensions of \$5,722,783 from the net difference between projected and actual investment earnings on pension plan investments, the changes in proportion and differences between employer contributions and proportion share of the contributions and the difference between expected and actual experience.

The City's net deferred outflows/(inflows) of resources related to pensions will be recognized in the pension expense as follows:

<b>For years ended June 30,</b>	
<b>2021</b>	\$ 361,141
<b>2022</b>	(1,435,540)
<b>2023</b>	1,122,511
<b>2024</b>	(352,169)
<b>2025</b>	2,513
	<u>\$ (301,544)</u>

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement that was updated December 31, 2019:

Valuation date	January 1, 2018
Actuarial cost method	Entry Age Normal
Asset valuation method	Market value adjusted by accounts payable and receivables
Investment rate of return	7.375% per year
Projected salary increases	3.00% steps for 8 years 4.00% ultimate rate, reduced to 3.00% for 2018-2019 (base is reduced by .50% while receiving steps)
Cost of living adjustments	3.0% of first \$13,000.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

Mortality rates

Pre-retirement rates reflect the RP-2014 Blue Collar Employees table adjusted to 2006, projected generationally using MP-2016 (gender distinct). Post retirement rates reflect RP-2014 Blue Collar Healthy Mortality table is used.  
 For disabled retirees, the rates reflect RP-2014 Blue Collar Healthy Annuitant table is used.

**Long-term Expected Rate of Return**

The long-term expected rate of return on pension plan investments reflects the expected rate of return on plan assets minus the expected rate of inflation. Note that the discount rate includes the effect on inflation. The Long-term real rate of return removes the effect of inflation on the return amounts. It is a long-term assumption and is meant to reflect a best estimate of future experience, based on the expected asset allocation. Allocation percentages are based on information provided by the Northampton Retirement System, and their asset consultant. The real rates of return below are based on 30-year return estimates provided by NEPC through the Pension Reserve Investment Trust, adjusted using NEPC's 2.25% inflation assumption. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of December 31, 2019, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Large Capital Equities	41.0%	4.29%
Mid/Small Capital Equities	15.0%	4.29%
International Equities	5.0%	4.39%
Emerging Market Equities	3.0%	6.54%
Fixed income	35.0%	0.88%
Private Equity	1.0%	8.20%
Total	<u>100.0%</u>	

**Rate of Return**

For the year ended December 31, 2019, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 10.80%.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarial determined rates based on the Board's funding policy, which establishes the contractually required rates by Statute and in accordance with Section 22D and Section 22F of MGL Chapter 32. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.375%. As well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	<b>1% Decrease (6.375%)</b>	<b>Current Discount Rate (7.375%)</b>	<b>1% Increase (8.375%)</b>
City's net pension liability	\$ 68,463,406	\$ 48,020,519	\$ 30,824,120

**H. Other Post Employment Benefits Payable**

**GASB Statement No. 74 and GASB Statement No. 75**

The cost of post employment benefits generally should be associated with the periods in which costs occur rather than in the future year when it will be paid. The City recognizes the cost of post employment benefits in the year when the employee services are received, reports the accumulated liability from prior years and provides information useful in assessing potential demands on the City's future cash flows.

**Plan Description**

In addition to providing pension benefits as described on the following footnote, the City provided post-employment health care and life insurance benefits for retired employees, their dependents and beneficiaries. The benefits, benefit levels, employee and employer contributions are governed by Massachusetts General Law chapter 32. As of the actuarial valuation date there are approximately 1,858 active and retired employees that meet the eligibility requirements. The plan does not issue a separate financial report.

**Investment Policy**

The City's policy in regard to the allocation of invested assets is established and may be amended by the City Council by majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the City's investment policy. As of June 30, 2020, investments, concentration and rate of return information consisted of pooled funds in the City's Commonwealth Financial Network investments described earlier under Deposits and Investments (refer to note 3A).

**Funding Policy**

The contribution requirements of plan members and the City are established and may be amended through City ordinances. For the period ending on June 30, 2020 Measurement Date, total City premiums plus implicit costs for the retiree medical program were \$4,153,884. The City also made a contribution to an OPEB Trust of \$849,863 for a total contribution during the measurement period of \$5,003,747. The City did establish a trust fund in order to contribute funds to reduce the future OPEB liability. The trust balance is \$2,320,949 as of June 30, 2020.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**Measurement Date**

GASB Statement No. 74 and GASB Statement No. 75 require the net OPEB liability to be measured as of the OPEB Plan's most recent fiscal year-end. Accordingly, the net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019.

**Plan Membership:**

Current active members	1,013
Current retirees, beneficiaries and dependents	<u>845</u>
Total	<u><u>1,858</u></u>

**Net OPEB Liability**

The components of the net OPEB liability are as follows:

	<u><b>6/30/2020</b></u>
Total OPEB liability	\$ 130,654,260
Less: Plan fiduciary net position	<u>(2,320,949)</u>
City's Net OPEB liability	<u><u>\$ 128,333,311</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 1.78%

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement for the reporting date of June 30, 2020:

Valuation date	July 1, 2019 and a measurement date of June 30, 2020
Actuarial cost method	Individual Entry Age Normal
Asset valuation method	Market value of assets as of the measurement date, June 30, 2020.
Investment rate of return	6.49%, net of OPEB plan investment expense, including inflation
Single Equivalent Discount rate	4.25%, net of OPEB plan investment expense, including inflation
Inflation	2.50% annually as of June 30, 2020 and for future periods
Projected salary increases	3.00% annually as of June 30, 2020 and for future periods
Cost of living adjustments	Not applicable

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

Mortality rates	
Pre-retirement mortality:	
(General)	RP-2014 Mortality Table for Blue Collar Employees projected generationally with Scale MP-2016 for males and females.
(Teachers)	RP-2014 Mortality Table for White Collar Employees projected generationally with Scale MP-2016 for males and females.
Post-retirement mortality:	
(General)	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females.
(Teachers)	RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females.
Disabled mortality:	
(General)	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females, set forward 1 year.
(Teachers)	RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females.

The actuarial assumptions used in the June 30, 2020 valuation were reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Index as of June 30, 2020 is 2.66%.

**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at June 30, 2019	\$ 169,200,554	\$ 1,393,241	\$ 167,807,313
Service cost	4,651,771	-	4,651,771
Interest on Total OPEB Liability	6,871,830	-	6,871,830
Changes in benefit terms *	-	-	-
Changes in assumptions **	(39,221,676)	-	(39,221,676)
Difference between actual and expected experience **	(6,694,335)	-	(6,694,335)
Net investment income	-	77,845	(77,845)
Employer contributions to Trust	-	5,003,747	(5,003,747)
Total benefit payments including implicit cost	(4,153,884)	(4,153,884)	-
Net change in total OPEB liability	(38,546,294)	927,708	(39,474,002)
Balances at June 30, 2020	\$ 130,654,260	\$ 2,320,949	\$ 128,333,311

\* = Recognized immediately

\*\* = Amortized over 5.17 years

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**Long-term Expected Rate of Return**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major class included in the target asset allocation as of June 30, 2020, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Domestic Equity - Large Capital	26.67%	4.80%
Domestic Equity - Small/Mid Capital	13.33%	5.29%
International Equity - Developed Market	16.67%	5.45%
International Equity - Emerging Market	8.33%	6.42%
Domestic Fixed Income	25.00%	2.05%
International Fixed Income	10.00%	3.00%
Alternatives	0.00%	6.50%
Real Estate	0.00%	6.25%
<b>Total</b>	<b>100.00%</b>	
I. Real Rate of Return		4.24%
II. Add: Inflation Assumption		2.50%
III. Total Nominal Return (I. + II.)		6.74%
IV. Less: Investment Expense		0.25%
V. Net investment Return (III.-IV.)		6.49%

**Rate of Return**

For the year ended June 30, 2020, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 4.86%.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 4.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that member employer contributions will be made in accordance Massachusetts General Law Chapter 32. Based on those assumptions, the OPEB plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the City's net OPEB liability using a discount rate of 4.25% as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25%) or 1-percentage-point higher (5.25%) than the current rate:

	<b>1% Decrease (3.25%)</b>	<b>Current Discount Rate (4.25%)</b>	<b>1% Increase (5.25%)</b>
City's net OPEB liability	\$ 148,104,818	\$ 128,333,311	\$ 112,449,631

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates**

The following presents the City's the net OPEB liability with the healthcare cost trend rate of 4.50% as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower at (3.50%) or 1-percentage-point higher at (5.50%) than the current healthcare cost trend rates:

	<b>1% Decrease (3.50%)</b>	<b>Healthcare Cost Trend Rates (4.50%)</b>	<b>1% Increase (5.50%)</b>
City's net OPEB liability	\$ 110,778,728	\$ 128,333,311	\$ 150,531,152

**Summary of Significant Accounting Policies**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to or deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year, which are reported at cost.

**Expense, Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the GASB Statement No. 75 reporting period and fiscal year ending date, the City recognized an OPEB expense of \$5,350,711 and reported deferred outflows of resources related to OPEB of \$1,289,131 from the net difference between projected and actual investment earnings on OPEB plan investments and deferred inflows of resources related to OPEB of \$44,601,947 from the differences between actual and expected experience, the changes in assumptions and the net difference between projected and actual investment earnings on OPEB plan investments.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

The City's net deferred outflows/(inflows) of resources related to OPEB will be recognized in the OPEB expense as follows:

<b>For years ended June 30,</b>	
<b>2021</b>	\$ (11,752,999)
<b>2022</b>	(11,752,999)
<b>2023</b>	(9,423,707)
<b>2024</b>	(8,873,294)
<b>2025</b>	<u>(1,509,817)</u>
	<u><u>\$ (43,312,816)</u></u>

**I. Financial Statements for Individual Pension and Other Post Employment Benefit Trust Funds**

GAAP requires that all pension and Other Post Employment Benefit Trust Funds be combined and presented in one column in the Fiduciary Funds' financial statements and that the individual financial statements for each trust fund plan be reported in the notes to the financial statements. The individual financial statements for the pension and OPEB plans that are included in the Fiduciary Funds' as Pension and Other Post Employment Benefit Trust Funds are as follows:

	<b>NORTHAMPTON</b>		
	<b>Employees</b>		
	<b>Retirement</b>		<b>Total Pension</b>
	<b>System Pension</b>	<b>Other</b>	<b>and Other</b>
	<b>Trust Fund</b>	<b>Post Employment</b>	<b>Post Employment</b>
	<b>(as of December</b>	<b>Benefits</b>	<b>Benefit</b>
	<b>31, 2019)</b>	<b>Trust Fund</b>	<b>Trust Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 163,176	\$ -	\$ 163,176
Investments	142,031,838	2,320,949	144,352,787
Accrued Interest and Dividends	311,865	-	311,865
Accounts Receivable	2,570,593	-	2,570,593
<b>Total Assets</b>	<u>145,077,472</u>	<u>2,320,949</u>	<u>147,398,421</u>
<b>LIABILITIES</b>			
Warrants Payable	3,680,873	-	3,680,873
<b>Total Liabilities</b>	<u>3,680,873</u>	<u>-</u>	<u>3,680,873</u>
<b>NET POSITION</b>			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 141,396,599</u>	<u>\$ 2,320,949</u>	<u>\$ 143,717,548</u>

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

	<b>NORTHAMPTON Employees Retirement System Pension Trust Fund (as of December 31, 2019)</b>	<b>Other Post Employment Benefits Trust Fund</b>	<b>Total Pension and Other Post Employment Benefit Trust Funds</b>
<b>Additions</b>			
Contributions:			
Employers	\$ 6,657,064	\$ 5,003,747	\$ 11,660,811
Plan Members	3,004,830	-	3,004,830
Transfers/Reimbursements from Other Systems	762,340	-	762,340
Federal Grant Reimbursements	19,623	-	19,623
Commonwealth of Massachusetts - COLA	52,331	-	52,331
Total Contributions	10,496,188	5,003,747	15,499,935
Investment Income:			
Interest & Dividends	2,661,283	45,097	2,706,380
Net Change in Fair Value of Investments	11,727,889	32,748	11,760,637
Total Investment Earnings	14,389,172	77,845	14,467,017
Less Investment Expense	(436,332)	-	(436,332)
Net Investment Earnings	13,952,840	77,845	14,030,685
<b>Total Additions</b>	24,449,028	5,081,592	29,530,620
<b>Deductions:</b>			
Benefit Payments to Plan Members and Beneficiaries	10,874,290	4,153,884	15,028,174
Refunds to Members	112,732	-	112,732
Transfers to Other Systems	836,968	-	836,968
General Expenses	234,432	-	234,432
<b>Total Deductions</b>	12,058,422	4,153,884	16,212,306
<b>Change in Net Position</b>	12,390,606	927,708	13,318,314
<b>Net Position at Beginning of Year</b>	129,005,993	1,393,241	130,399,234
<b>Net Position at End of Year</b>	\$ 141,396,599	\$ 2,320,949	\$ 143,717,548

**J. Implementation of New GASB Pronouncements**

The GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This pronouncement postponed the effective dates of certain provisions in GASB statements and Implementation Guides that first became effective or are scheduled to be effective for periods beginning after June 15, 2018 or later.

**K. Future GASB Pronouncements**

Management is currently assessing the impact the implementation of the following pronouncements will have on the basic financial statements.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

The GASB issued Statement No. 84, *Fiduciary Activities*, which is required to be implemented in fiscal year 2021. The pronouncement establishes criteria for identifying fiduciary activities and its objective is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

The GASB issued Statement No. 87, *Leases*, for implementation in fiscal year 2022. This pronouncement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

The GASB issued Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, for implementation in fiscal year 2021. This pronouncement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

The GASB issued Statement No. 91, *Conduit Debt Obligations*, for implementation in fiscal year 2023. This pronouncement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

The GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, for implementation in fiscal year 2022. Some governments have entered into agreements in which variable payments made or received depend on an interbank rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rates or adding or changing fallback provisions related to the reference rate.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, for implementation in fiscal year 2023. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, for implementation in fiscal year 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, for implementation in fiscal year 2021 and 2022. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Required Supplementary Information**  
**Pension Plan Schedules**  
**Northampton Contributory Retirement System**  
**For the Year Ended June 30, 2020**

The Schedule of Proportionate Share of the Net Pension Liability represents multiyear trend information relating to the City's proportion of the net pension liability and related ratios.

**Schedule of the City's Proportionate Share of the Net pension Liability:**

<b>Date</b>	<b>City's proportion of the net pension liability (asset)</b>	<b>City's proportionate share of the net pension liability (asset)</b>	<b>City's covered employee payroll</b>	<b>Net pension liability percentage of covered employee payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
12/31/2019	94.65%	\$ 48,020,519	\$ 28,571,526	168.07%	73.60%
12/31/2018	94.56%	\$ 53,390,653	\$ 27,464,340	194.40%	69.60%
12/31/2017	95.36%	\$ 44,380,060	\$ 26,722,409	166.08%	73.00%
12/31/2016	95.31%	\$ 57,770,212	\$ 25,946,748	222.65%	63.73%
12/31/2015	95.41%	\$ 48,946,370	\$ 24,725,513	197.96%	68.20%
12/31/2014	95.01%	\$ 40,806,119	\$ 23,013,954	177.31%	72.30%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Required Supplementary Information**  
**Pension Plan Schedules**  
**Northampton Contributory Retirement System**  
**For the Year Ended June 30, 2020**

The Schedule of the Employer Contributions presents multiyear trend information on the City's required and actual payments to the pension plan and related ratios.

**Schedule of the City's Contributions:**

<b>Date</b>	<b>Actuarially determined contribution</b>	<b>Less: Contributions in relation to the actuarially determined contribution</b>	<b>Contribution deficiency (excess)</b>	<b>City's covered employee payroll</b>	<b>Contributions percentage of covered employee payroll</b>
12/31/2019	\$ 6,301,238	\$ (6,319,807)	\$ (18,569)	\$ 28,571,526	22.05%
12/31/2018	\$ 5,826,095	\$ (5,834,464)	\$ (8,369)	\$ 27,464,340	21.21%
12/31/2017	\$ 5,654,580	\$ (5,669,920)	\$ (15,340)	\$ 26,722,409	21.16%
12/31/2016	\$ 5,365,570	\$ (5,380,525)	\$ (14,955)	\$ 25,946,748	20.68%
12/31/2015	\$ 5,166,378	\$ (5,166,378)	\$ -	\$ 24,725,513	20.89%
12/31/2014	\$ 4,766,326	\$ (4,766,326)	\$ -	\$ 23,013,954	20.71%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2020**

**Schedule of Changes in the Net OPEB Liability:**

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
<b>Total OPEB liability</b>				
Service cost	\$ 4,651,771	\$ 6,523,269	\$ 6,119,919	\$ 6,842,408
Interest on OPEB liability	6,871,830	6,596,297	6,835,272	5,951,743
Changes in Benefit terms	-	-	-	-
Changes in Assumptions	(39,221,676)	-	(14,945,034)	45,406,942
Difference between actual and expected experience	(6,694,335)	-	-	(7,352,606)
Benefit payments, including refunds of member contributions	(4,153,884)	(4,561,584)	(4,217,570)	(3,567,254)
Net change in total OPEB liability	(38,546,294)	8,557,982	(6,207,413)	47,281,233
Total OPEB liability-beginning	169,200,554	160,642,572	166,849,985	119,568,752
<b>Total OPEB liability-ending (a)</b>	<u>\$ 130,654,260</u>	<u>\$ 169,200,554</u>	<u>\$ 160,642,572</u>	<u>\$ 166,849,985</u>
<b>Plan fiduciary net position</b>				
Net investment income	\$ 77,845	\$ 85,910	\$ 24,494	\$ 32,071
Employer contributions to Trust	5,003,747	5,031,673	4,596,547	3,732,254
Benefit payments, including refunds of member contributions	(4,153,884)	(4,561,584)	(4,217,570)	(3,567,254)
Net change in plan fiduciary net position	927,708	555,999	403,471	197,071
Total fiduciary net position-beginning	1,393,241	837,242	433,771	236,700
<b>Total fiduciary net position-ending (b)</b>	<u>\$ 2,320,949</u>	<u>\$ 1,393,241</u>	<u>\$ 837,242</u>	<u>\$ 433,771</u>
<b>City's net OPEB liability (a-b)</b>	<u>\$ 128,333,311</u>	<u>\$ 167,807,313</u>	<u>\$ 159,805,330</u>	<u>\$ 166,416,214</u>

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2020**

**Schedule of Net OPEB Liability:**

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB liability	\$ 130,654,260	\$ 169,200,554	\$ 160,642,572	\$ 166,849,985
Less: Plan fiduciary net position	<u>(2,320,949)</u>	<u>(1,393,241)</u>	<u>(837,242)</u>	<u>(433,771)</u>
City's Net OPEB liability	<u>\$ 128,333,311</u>	<u>\$ 167,807,313</u>	<u>\$ 159,805,330</u>	<u>\$ 166,416,214</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.78%	0.82%	0.52%	0.26%
City's share of covered employee payroll	\$ 53,304,043	\$ 51,751,499	\$ 50,244,173	\$ 50,244,173
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	240.76%	324.26%	318.06%	331.21%

**Schedule of Contributions:**

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Actuarially determined contribution	\$ 11,988,404	\$ 15,854,340	\$ 15,006,033	\$ 10,396,093
Less: Contributions in relation to the actuarially determined contribution	<u>(5,003,747)</u>	<u>(5,031,673)</u>	<u>(4,596,567)</u>	<u>(3,717,254)</u>
Contribution deficiency (excess)	<u>\$ 6,984,657</u>	<u>\$ 10,822,667</u>	<u>\$ 10,409,466</u>	<u>\$ 6,678,839</u>
City's share of covered employee payroll	\$ 53,304,043	\$ 51,751,499	\$ 50,244,173	\$ 50,244,173
Contributions percentage of covered-employee payroll	9.39%	9.72%	9.15%	7.40%
Annual money-weighted rate of return net of investment expense	4.86%	8.05%	4.59%	10.11%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2020**

**Schedule of Funding Progress:**

<b>Other Post Employment Benefits</b>							
<b>Measurement Date</b>	<b>Actuarial Fiduciary Net Position (A)</b>	<b>Actuarial Total OPEB Liability (B)</b>	<b>Actuarial Net OPEB Liability (B-A)</b>	<b>Actuarial Funded Ratio (A/B)</b>	<b>Actuarial Covered Payroll (C)</b>	<b>Actuarial Percentage of Covered Payroll ((B-A)/C)</b>	
6/30/2020	\$ 2,320,949	\$ 130,654,260	\$ 128,333,311	1.78%	\$ 53,304,043	240.76%	
6/30/2019	\$ 1,393,241	\$ 169,200,554	\$ 167,807,313	0.82%	\$ 51,751,499	324.26%	
6/30/2018	\$ 837,242	\$ 160,642,572	\$ 159,805,330	0.52%	\$ 50,244,173	318.06%	
6/30/2017	\$ 433,771	\$ 166,849,985	\$ 166,416,214	0.26%	\$ 50,244,173	331.21%	

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

## **SUPPLEMENTARY SCHEDULES**

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Fund Balances July 1, 2019	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2020
<b>Special Revenue:</b>					
<b>Federal and State Grants:</b>					
School Grants	\$ 345,608	\$ 3,090,625	\$ 3,226,588	\$ -	\$ 209,645
Arts Lottery Council Grants	24,610	88,625	101,148	-	12,087
Community Development Grants	697,580	891,628	1,131,470	-	457,738
Council on Aging Grants	-	74,288	72,893	-	1,395
Disaster Relief and Hazard Grants	217,359	-	6,450	(207,325)	3,584
Emergency Management Grants	-	366,757	816,351	-	(449,594)
Energy Grants	2,843	218,505	197,537	-	23,811
Health Grants	28,733	813,686	771,332	-	71,087
Highway Grants	123,953	1,931,520	1,931,520	(123,953)	-
Library Grants	-	65,899	65,899	-	-
Other Programs and Grants	8,880	-	-	-	8,880
Planning Grants	244,750	1,153,325	1,257,809	-	140,266
Public Safety Grants	42,892	373,966	374,041	-	42,817
Rail Trail Grants	74,302	4,000	78,302	-	-
Recycling Grants	21,372	12,600	14,488	-	19,484
Regional Valley Bike Grant	15,516	124,300	139,816	-	-
Three County Fair Drainage Project	2,766,723	-	-	-	2,766,723
<b>Schools:</b>					
School Lunch Revolving	144,877	872,842	802,817	-	214,902
School Lunch Commodities	-	63,753	63,753	-	-
Insurance and Restitution	1,195	113	8,142	-	(6,834)
Privately Funded Grants	15,529	73,859	87,965	-	1,423
Revolving Accounts	2,824,335	1,201,766	898,008	-	3,128,093
School Choice	3,779,395	1,316,678	1,036,492	-	4,059,581
State Special Education Reimbursement Fund	717,970	706,083	727,387	-	696,666
<b>Other:</b>					
Affordable Housing Impact Fee	-	6,945	-	-	6,945
Baystate Gas Roundhouse Lot Fund	34,806	-	21,896	-	12,910
Board of Health Revolving	25,161	18,931	22,409	-	21,683
<b>Total Special Revenue Page 79</b>	<b>\$ 12,158,389</b>	<b>\$ 13,470,694</b>	<b>\$ 13,854,513</b>	<b>\$ (331,278)</b>	<b>\$ 11,443,292</b>

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Fund Balances July 1, 2019	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2020
<b>Continued from Page 79</b>	\$ 12,158,389	\$ 13,470,694	\$ 13,854,513	\$ (331,278)	\$ 11,443,292
<b>Special Revenue (continued):</b>					
<b>Other (continued):</b>					
Cable Access Fund	47,096	84,279	-	-	131,375
Committee on Disabilities Revolving Fund	30,655	3,900	120	-	34,435
Community Preservation Fund	1,133,161	1,696,713	1,606,962	(15,775)	1,207,137
Channel Markers (Connecticut River)	10,011	14,857	16,237	-	8,631
Conservation Wetlands Funds	21,746	9,122	2,089	-	28,779
Council on Aging Revolving Funds	263,801	127,730	124,749	-	266,782
Energy Sustainability Revolving Fund	227,875	41,026	32,527	-	236,374
Fire Department Revolving Funds	106,583	100,731	97,725	-	109,589
Fire Outside Detail	(1,997)	15,729	15,974	-	(2,242)
Gaming Commission Mitigation Grant	1,000	54,000	55,000	-	-
Gifts & Donations	1,185,652	371,245	305,999	-	1,250,898
Insurance and Restitution	1,516	53,698	55,214	-	-
James House Rental	88,171	50,523	60,175	-	78,519
Liquor Licenses Deposits	20,000	-	-	-	20,000
Municipal Waterways Fund	14,726	4,510	-	-	19,236
Other Programs	64,079	345,801	85,202	-	324,678
Parking Meter Reserves and Passes	1,276,350	-	-	(237,624)	1,038,726
Police Court Time	7,268	-	-	-	7,268
Police Outside Detail	44,097	1,361,602	1,366,043	-	39,656
Public Works Grants Projects Revolving	60,219	-	-	-	60,219
Public Works Reuse Committee	4,009	1,409	5,418	-	-
Recreation Revolving Funds	394,579	186,217	376,749	-	204,047
Sale of Cemetery Lots	63,250	6,500	-	-	69,750
Sale of Land	7,000	-	-	280,000	287,000
Septic Repair Loan Repayments	15,735	-	-	-	15,735
<b>Total Special Revenue Page 80</b>	<b>\$ 17,244,971</b>	<b>\$ 18,000,286</b>	<b>\$ 18,060,696</b>	<b>\$ (304,677)</b>	<b>\$ 16,879,884</b>

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Fund Balances July 1, 2019	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2020
<b>Continued from Page 80</b>	\$ 17,244,971	\$ 18,000,286	\$ 18,060,696	\$ (304,677)	\$ 16,879,884
<b>Special Revenue (continued):</b>					
<b>Other (continued):</b>					
Transportation Infrastructure	14,470	9,835	-	(6,157)	18,148
Survival Center Capital Fund	30,642	3,600	-	-	34,242
Tourism Directional Signs	411	-	-	-	411
Affordable Housing Fund	1,013	3	-	-	1,016
Conservation Land Purchase Fund	72,947	30,404	28,787	-	74,564
Compensated Absences Fund	355,696	5,932	112,843	-	248,785
Drug Forfeiture Fund	65,495	24,927	8,940	-	81,482
E. Lyman Fund	73	3	-	-	76
Park Street Improvements Fund	3,637	123	-	-	3,760
<b>Total Special Revenue Funds</b>	<b>17,789,355</b>	<b>18,075,113</b>	<b>18,211,266</b>	<b>(310,834)</b>	<b>17,342,368</b>
<b>Capital Projects:</b>					
Department of Public Works Projects	4,580,759	-	2,761,992	-	1,818,767
Forbes Library Renovations	409,710	-	406,444	-	3,266
Northampton Public Schools Projects	166,049	65,275	149,070	-	82,254
Premium on Bonds	25,583	-	-	-	25,583
Public Safety Projects	12,936	-	720	(12,216)	-
<b>Total Capital Projects</b>	<b>\$ 5,195,037</b>	<b>\$ 65,275</b>	<b>\$ 3,318,226</b>	<b>\$ (12,216)</b>	<b>\$ 1,929,870</b>

**CITY OF NORTHAMPTON, MASSACHUSETTS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Fund Balances July 1, 2019</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Other Financing Sources (Uses)</b>	<b>Fund Balances June 30, 2020</b>
<b>Perpetual Permanent Funds:</b>					
Cemetery Perpetual Care Funds	\$ 767,456	\$ 9,100	\$ -	\$ -	\$ 776,556
<b>Permanent Funds:</b>					
Cemetery Funds	449,124	41,753	-	-	490,877
<b>Total Non-Major Governmental Funds</b>	<b>\$ 24,200,972</b>	<b>\$ 18,191,241</b>	<b>\$ 21,529,492</b>	<b>\$ (323,050)</b>	<b>\$ 20,539,671</b>

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SCHEDULE OF REAL ESTATE, PERSONAL PROPERTY AND ROLLBACK TAXES  
AND DEFERRED PROPERTY TAXES  
JULY 1, 2019 TO JUNE 30, 2020**

	Uncollected Taxes July 1, 2019	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2020	Uncollected Taxes Per Detail June 30, 2020
<b>Real Estate Taxes:</b>						
Levy of 2020	\$ -	\$ 60,360,195	\$ 560,572	\$ 58,595,462	\$ 1,204,161	\$ 1,203,592
Levy of 2019	678,569	-	110,820	327,726	240,023	240,023
Levy of 2018	172,008	-	96,281	71,716	4,011	4,011
Levy of 2017	2,658	-	-	-	2,658	2,658
Levy of 2016	2,591	-	-	-	2,591	2,591
Prior Years	(3,893)	-	-	(3,888)	(5)	(5)
	<u>851,933</u>	<u>60,360,195</u>	<u>767,673</u>	<u>58,991,016</u>	<u>1,453,439</u>	<u>1,452,870</u>
<b>Personal Property Taxes:</b>						
Levy of 2020	-	1,477,248	2,162	1,427,774	47,312	47,312
Levy of 2019	27,942	-	-	2,478	25,464	25,464
Levy of 2018	21,825	-	-	3,480	18,345	18,345
Levy of 2017	14,412	-	-	158	14,254	14,254
Levy of 2016	19,823	-	360	(274)	19,737	19,737
Prior Years	544,460	-	-	1,410	543,050	543,095
	<u>628,462</u>	<u>1,477,248</u>	<u>2,522</u>	<u>1,435,026</u>	<u>668,162</u>	<u>668,207</u>
<b>Rollback Taxes</b>	<u>1,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,308</u>	<u>1,308</u>
<b>Total Real Estate, Personal Property and Rollback Taxes</b>	<u>\$ 1,481,703</u>	<u>\$ 61,837,443</u>	<u>\$ 770,195</u>	<u>\$ 60,426,042</u>	<u>\$ 2,122,909</u>	<u>\$ 2,122,385</u>
<b>Deferred Property Taxes</b>	<u>\$ 119,707</u>	<u>\$ 26,668</u>	<u>\$ -</u>	<u>\$ 16,660</u>	<u>\$ 129,715</u>	<u>\$ 129,715</u>

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SCHEDULE OF COMMUNITY PRESERVATION SURCHARGE  
AND DEFERRED SURCHARGES  
JULY 1, 2019 TO JUNE 30, 2020**

	Uncollected Taxes July 1, 2019	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2020	Uncollected Taxes Per Detail June 30, 2020
<b>Community Preservation Surcharge</b>						
Levy of 2020	\$ -	\$ 1,358,274	\$ 25,332	\$ 1,303,719	\$ 29,223	\$ 29,216
Levy of 2019	11,776	-	1,332	6,477	3,967	3,967
Levy of 2018	2,549	-	850	1,612	87	87
Levy of 2017	123	-	-	-	123	123
Levy of 2016	78	-	-	-	78	78
<b>Total Community Preservation Surcharge</b>	<b>\$ 14,526</b>	<b>\$ 1,358,274</b>	<b>\$ 27,514</b>	<b>\$ 1,311,808</b>	<b>\$ 33,478</b>	<b>\$ 33,471</b>
<b>Deferred Surcharges</b>	<b>\$ 36</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF NORTHAMPTON, MASSACHUSETTS  
SCHEDULE OF MOTOR VEHICLE EXCISE AND BOAT EXCISE TAXES  
JULY 1, 2019 TO JUNE 30, 2020**

	Uncollected Taxes July 1, 2019	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2020	Uncollected Taxes Per Detail June 30, 2020
<b>Motor Vehicle Excise Taxes:</b>						
Levy of 2020	\$ -	\$ 2,622,392	\$ 41,664	\$ 2,269,527	\$ 311,201	\$ 311,225
Levy of 2019	246,935	362,426	27,181	534,029	48,151	48,151
Levy of 2018	41,293	-	39,130	(21,513)	23,676	23,676
Levy of 2017	23,398	-	22,164	(17,648)	18,882	18,882
Levy of 2016	20,131	-	-	2,005	18,126	18,126
Prior Years	630,988	-	49,169	1,894	579,925	581,770
	<u>962,745</u>	<u>2,984,818</u>	<u>179,308</u>	<u>2,768,294</u>	<u>999,961</u>	<u>1,001,830</u>
<b>Boat Excise Taxes:</b>						
Levy of 2020	-	11,870	919	8,989	1,962	1,962
Levy of 2019	1,401	-	-	15	1,386	1,386
Levy of 2018	988	-	-	15	973	973
Levy of 2017	1,135	-	-	-	1,135	1,135
Levy of 2016	1,063	-	-	-	1,063	1,063
Prior Years	42,893	-	-	-	42,893	42,893
	<u>47,480</u>	<u>11,870</u>	<u>919</u>	<u>9,019</u>	<u>49,412</u>	<u>49,412</u>
<b>Total Motor Vehicle Excise and Boat Excise Taxes</b>	<u>\$ 1,010,225</u>	<u>\$ 2,996,688</u>	<u>\$ 180,227</u>	<u>\$ 2,777,313</u>	<u>\$ 1,049,373</u>	<u>\$ 1,051,242</u>

**CITY OF NORTHAMPTON, MASSACHUSETTS**  
**SCHEDULE OF TAX LIENS, COMMUNITY PRESERVATION TAX LIENS AND TAXES IN LITIGATION**  
**JULY 1, 2019 TO JUNE 30, 2020**

	Uncollected Accounts July 1, 2019	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2020	Uncollected Accounts Per Detail June 30, 2020
<b>Tax Liens</b>	\$ 378,163	\$ 233,825	\$ 28,792	\$ 157,962	\$ 425,234	\$ 425,234
<b>Community Preservation Tax Liens</b>	\$ 4,695	\$ 3,478	\$ 270	\$ 2,531	\$ 5,372	\$ 5,372
<b>Taxes in Litigation</b>	\$ 6,794	\$ -	\$ -	\$ -	\$ 6,794	\$ 6,794



*CITY COUNCIL MEETING  
CONDUCTED AS AN ON-LINE ZOOM MEETING  
Northampton, MA*

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Roll Call

A regular meeting of the City Council was called to order by Council President Gina-Louise Sciarra. At 7:20 p.m. on a roll call the following City Councilors were present:

At-Large Councilor Gina-Louise Sciarra	At-Large Councilor William H. Dwight
Ward 1 Councilor Michael J. Quinlan, Jr.	Ward 5 Councilor Alex Jarrett
Ward 2 Councilor Karen Foster	Ward 6 Councilor Marianne LaBarge
Ward 3 Councilor James B. Nash	Ward 7 Councilor Rachel Maiore
Ward 4 Councilor John Thorpe	

Announcement of Audio/Video Recording

Councilor Sciarra announced that the meeting was being held by remote participation and audio and video recorded.

Public Hearings  
Public Hearing on 21.188 Application for License to Store Flammables and Combustibles at 138 North King Street

Public Hearings  
Public Hearing on 21.188 Application for License to Store Flammables and Combustibles at 138 North King Street

Councilor Quinlan said that, as an employee of Big Y, he needed to recuse himself from the hearing.

Councilor Sciarra read the legal notice as follows: The City Council will hold a public hearing on **Thursday, February 18, 2021 at 7:05 p.m.** on the application of Big Y Foods, Inc. for a License for Storage of Flammables and Combustibles to use the property at 138 North King Street, Northampton, MA (the existing Big Y Supermarket parking lot) for the storage of two (2) 20,000-gallon underground storage tanks: one (1) 20,000-gallon gasoline and one (1) 20,000 gallon split tank with 10,000 gallons of gasoline and 10,000 gallons of diesel. The City Council will hear all persons who wish to be heard thereon.

Councilor Sciarra introduced Carolyn Parker of Carolyn A. Parker Consulting, representing Big Y in its application for underground fuel storage.

Like its other locations, Big Y will be putting in a small gas station with a small kiosk building in the parking lot, Ms. Parker presented. There is currently a Jiffy Lube building there and that will be removed. She found out today the owner has changed the amount of diesel they want to put in one of the tanks. She submitted a revised application. It is the same 40,000 gallons being requested but the compartmentalized tank would have 12,000 gallons of gasoline and 8,000 gallons of diesel (instead of 10,000 gallons/10,000 gallons).

The project will be on the next Planning Board agenda. She is applying for the license because she is also submitting the self-serve fire suppression system to the state Fire Marshall's office. In order to submit the application, she needs to have a license in hand.

The administrative assistant screen-shared the revised application and a plan showing how the delivery truck will enter and exit the gas station.

Tony Coppola is also here from Big Y, Ms. Parker said. She got a call that the fire department yesterday that it has approved the fire suppression plan. The fire department also signed off on the license application.

Councilor Sciarra asked if any proponents wished to speak.

Hildegarde Freedman raised her hand, but Councilor Sciarra clarified that she is looking for comments specifically on the subject of the hearing.

**Jose Adastra** commented that it would be different if they were asking to put solar panels or a multi-level parking garage or something. "Let's not be performative, if we're really trying to cut our carbon emissions we don't need another gas station here; there's enough on Route 5," he

suggested. They can find something else to do for money that doesn't include granting a license for fossil fuels when they're specifically trying to move away from that.

Jackie Ballance said she agrees with Jose. Maybe they can put in EV charging stations, she suggested.

There being no further public comments, Councilor Sciarra opened the floor to councilors.

This is a license application that they are obliged to grant provided it meets all the conditions and terms of legally-mandated requirements, Councilor Dwight clarified. He absolutely agrees with comments heard, but they are not making the business decision, they can only call for modifications that would bring them into alignment with standard code. Philosophically, he thinks Jackie and Jose make good points, but they don't dictate the terms and choices of Big Y or anyone else for that matter. If there is profit to be made for establishment of an EV station, he's sure Big Y would consider it.

He asked Ms. Parker if Big Y has contractors already lined up for the project. Usually when gas station proposals are presented, they are presented by the companies doing the installation and other site work.

She has been in the petroleum industry for 25 years working for an engineering company actually drafting gas stations, Ms. Parker advised. She has drafted over 800 fire suppression plans and used to do tank and piping plans. She is very knowledgeable in the gas station industry. They probably haven't even gone out to bid yet.

Councilor Dwight asked what type of tanks are proposed.

The tanks are double-walled with vapor recovery systems and hold-open clips as allowed, Ms. Parker presented. Tank and piping plans will be approved by the fire department and a permit will be pulled prior to installation.

Councilor Dwight noted the property will be subject to 21E mitigation if called for, and Ms. Parker confirmed this would all be taken care of properly.

Councilor Dwight expressed his understanding that there will be multiple points of inspection and that the project will need to meet all necessary criteria at each step.

The license is issued first. Once tanks are put in the ground, the owners will apply for and obtain a flammable and combustible permit (formerly a permit to maintain), which is renewable every one or two years. Every year the owner pays a registration fee. Registration actually serves as renewal of the license that was granted. If she were doing a fire suppression system for an existing gas station, she would need to have all those papers in order before getting approval from the state.

Councilor Dwight asked about the design for traffic circulation, whether it is cookie-cutter or site specific; in other words, designed in such a way so as not to create issues within the campus or the parking lot. The parking lot exits onto North King Street, he noted.

Vehicles can only enter [the gas station] from North King Street and must exit through the parking lot, Ms. Parker said.

Councilor Maire asked if there is any residential impact.

The site is separated from Pine Brook Curve by the Big Y and the parking lot itself, Councilor Dwight advised. It is not in close proximity to any residential properties.

Mrs. Krutzler shared that Office of Planning and Sustainability Assistant Director Carolyn Misch said the site is zoned Highway Business (HB) and that service stations are an allowed use in that zoning district with site plan approval.

Councilor Jarrett asked what legal aspects they can and should consider.

Ms. Parker commented that not a lot of these licenses are issued since gas stations are often existing, so municipal officials are often unfamiliar with the permitting process. She sent the administrative assistant information from the state Fire Marshall's office explaining the permitting procedure. If a gas station closes, the owner is responsible for removing tanks from the ground, she confirmed.

Councilor Jarrett asked if any sort of bond is posted to insure that tanks are removed. This requirement could be added if councilors feel it is necessary, Ms. Parker said.

Councilor Dwight said as far as he understands the tanks are all bonded, and decommission mitigation is mandated by state law.

"These things always frustrate me because we really don't have any say," Councilor Dwight observed. If they meet all the conditions of Massachusetts licensure, they don't have much discretion [to deny the application]. They had a similar conversation when Cumberland Farms was rebuilding the service station in Florence. The fire department said they met all the criteria and all the conditions.

Like fireworks displays, bowling alleys and pinball machine permits, the licenses are holdovers from times past and they really are not equipped with the expertise to render a reasonable decision, he commented. He would prefer that the DPW and fire department be the final arbiter.

The licensing authority is usually the City Council or Board of Selectmen, Ms. Parker confirmed.

For the future, who would be the one they would ask [for a review/recommendation]? Councilor Jarrett asked.

The building commissioner and the fire department, Councilor Dwight said.

Councilor Jarrett read a note from the administrative assistant saying the fire department was requested to attend the hearing but no representative seems to be present.

Mrs. Krutzler said her understanding from the material from the Department of Fire Services is that the license issued by the City Council is solely for the use of the land for this purpose. It's just the first step in the licensing process and there are layers of subsequent regulations. The Planning Board issues a site plan approval permit for the facility itself and the fire department issues a permit for the storage of flammable and combustible materials. The Department of Environmental Protection (DEP) issues a permit for the tanks. So this is solely granting approval for use of the land.

Councilor Dwight pointed out they don't know on what grounds they are able to withhold approval.

Councilor LaBarge said she thought the city solicitor should be involved. She has concerns about this permit, she shared. She feels this should go to the DPW and the fire department. "We're voting on something here I have a problem with."

Councilor Dwight said he thinks Councilor LaBarge just answered her own question. All of these departments and agencies will review the plans and sign off on them as it moves forward.

In response to Councilor LaBarge, Ms. Parker said her concern is basically whether the council should be issuing the license. She doesn't see why it would be a problem to have this gas station where it's located. Big Y is a good employer and good to the community; she thinks it would be a convenience to the customers. There's no reason not to approve it, she suggested.

Councilor LaBarge clarified that nobody was complaining about Big Y, their issue is with the process.

They are not the first town to have these issues, Ms. Parker advised. They did a site in West Springfield and town officials there had not issued a license in a while.

Councilor Dwight moved to close the public hearing. Councilor LaBarge seconded. The motion

passed unanimously 8:0 with Councilor Quinlan recused.

The public hearing was closed at 7:54 p.m.

Councilor Dwight moved to approve the license. Councilor LaBarge seconded.

Councilor Nash voiced a feeling of conflict that later in the meeting they will be approving a plan to move them in a different, more squeaky-clean direction. Here they are having this discussion which seems so different from the agenda they are setting for the city. He does feel conflicted, he acknowledged.

Councilor Jarrett seconded that. He asked if they could get the city solicitor to give them an overview of their obligations and possible reasons to deny a permit, if any.

Councilor Sciarra said they certainly could ask the solicitor to do that. It might make sense to bring in the departments that do the real work of approving the licenses, she added.

It is important to point out that they are about to approve the Climate Resilience and Regeneration Plan, Councilor Dwight noted. It would be worth asking the solicitor what type of oversight they could create or realize with the planning department that would actually fall more in line with the plan to be carbon neutral by 2050. "We're actually creating yet another legacy of carbon consumption at the same time we're trying to quickly throttle down our consumption of fossil fuels," he commented.

Councilor Foster seconded the sentiments heard. She similarly is sitting with the conflict. She certainly would appreciate seeing charging stations on any gas station proposal presented as being more in line the community's stated goals.

It would be good to know if there are additional conditions they could impose that would help meet their goals as a city that go beyond state regulations, Councilor Sciarra said.

The motion carried 8:0 with Councilor Quinlan recused by roll call vote.

Public Hearing on  
20.173 National  
Grid Petition for  
Installation of  
Underground  
Conduit on  
Hockanum Road

Public Hearing on 20.173 National Grid Petition for Installation of Underground Conduit on Hockanum Road

Councilor Sciarra read the following announcement: Per M.G.L. Ch. 166, Section 22, the Northampton City Council will hold a public hearing on **Thursday, February 18, 2021 at 7:15 p.m.** on the petition of National Grid to install underground conduit and associated fixtures on Hockanum Road (Petition# 16315676). The City Council will hear all persons who wish to be heard thereon.

Councilor Sciarra read into the record a memo from Greg Newman, DPW Senior Engineer to DPW Director Donna LaScaleia dated January 27, 2021 re: 20.173 National Grid Petition (#16315676) – Underground Wire & Conduit in Hockanum Road.

Councilor Dwight moved to open the public hearing. Councilor LaBarge seconded. The motion passed unanimously 9:0 by roll call vote. The hearing was opened at 8:06 p.m.

National Grid representatives Lisa Jasinski and Aleksandr Groshev were present. MassDOT is rebuilding the bridge on I-91, Mr. Groshev presented. The intent is to remove the overhead lines and put them underground for safety so they will not have to cross I-91 and fall on the highway.

Councilor Sciarra asked if anyone wished to speak for or against the petition.

By virtue of her participation in the Spending and Contracts Subcommittee meeting yesterday, Hildegard said she understood Booker Bush is bringing something to the meeting that would propose a new department in the City of Northampton.

Councilor Sciarra informed her that the subject of the hearing is the installation of conduit on Hockanum Road.

Councilor Dwight said he presumes National Grid is in possession of the same memo from the

	<p>DPW and that they are prepared to meet all the conditions laid out in that.</p> <p>Aleksandr said that is correct.</p> <p>Councilor Nash asked the timeline of the project.</p> <p>That's a good question, Aleksandr responded. MassDOT needs to get all the approvals and get a contractor on board.</p> <p>There being no further questions or comments, Councilor Dwight moved to close the public hearing. Councilor LaBarge seconded. The motion passed unanimously 9:0 by roll call vote.</p> <p>The hearing was closed at 8:11 p.m.</p> <p>Councilor Dwight moved to approve the petition. Councilor Maiore seconded. The motion passed unanimously 9:0 by roll call vote. (1:12:15)</p>
<p><u>I</u> <u>Updates from Council President/ Committee Chairs</u></p>	<p><u>Updates from Council President and Committee Chairs</u></p> <p>On Tuesday, February 23<sup>rd</sup>, the Community Resources Committee will be discussing two zoning ordinances referred to them, an ordinance relative to affordable housing and an ordinance to create incentives for smaller houses by allowing two half-scale units to count as a single-family for density purposes, Councilor Nash announced. Committee members will also be having a follow-up discussion on plastic reduction and the city's waste stream and housing security.</p> <p>On Monday, February 22<sup>nd</sup> at 6:30 p.m., the Central Business Architecture Committee (CBAC) is holding a meeting to consider the demolition of St. John Cantius Church, the building that sits on the corner of Philips Place and Hawley Street. He is asking constituents and people across the city to show up to express how they would like to see this structure stay. The city has gone to great lengths to help preserve this building by extending the Central Business (CB) district to the property. It would be great if people could speak to preserving the church, he suggested.</p>
<p><u>Recognitions and One-Minute Announcements by Councilors</u></p>	<p><u>Recognitions and One-Minute Announcements by Councilors</u></p> <p>The Northampton Policing Review Commission (NPRC) is continuing to seek public input and has a public input form that can be filled out on the city website anonymously or not, Councilor Jarrett reported. To access the form, residents can go to <a href="http://www.northamptonma.gov">www.northamptonma.gov</a>, choose 'Government', then 'Boards &amp; Committees' and choose 'Policing Review Commission' or go to <a href="http://www.northamptonma.gov/2217">www.northamptonma.gov/2217</a>.</p>
<p><u>Communications and Proclamations from the Mayor</u></p>	<p><u>Communications and Proclamations from the Mayor</u></p> <p>Today was a bit of a challenging and frustrating day for Massachusetts residents and municipalities and boards of health involved in the vaccination program, Mayor Narkewicz reported. The governor announced yesterday that Massachusetts would be advancing the state forward in eligibility for vaccines, including moving to vaccinate people 65 and older, folks with two or more comorbidities and folks in certain housing settings. It was a little unclear what would actually happen on February 18<sup>th</sup>. The actual letter said people would be able to register on February 18<sup>th</sup>, but the minute he announced it people immediately went to the website and began calling cities and boards of health all over the state. It was announced that the website would go on line at 8 a.m. with 70,000 new appointments but the site promptly crashed at 8:01 a.m. when a million people surged the site and it couldn't handle the traffic. The city then began receiving many calls and emails and, although they had expanded the voicemail capacity the week prior to 2,000 calls, it was quickly swamped.</p> <p>They really wanted to get the word out to people that this is not the city's website and not the city's scheduling system. It is a statewide system they rely on to run the vaccination clinics at the senior center. Just like residents couldn't access the system; it also meant the city and people running the vaccine clinics couldn't access the system and add appointments, so it was very challenging. The system has come back up as of late this afternoon although he would not say there is availability of appointments at all sites. The main message to people is to be patient, to monitor what is happening at the state level. The 211 call center also went out of existence at</p>

around 10 a.m. this morning. They are trying to do everything they can to accommodate appointments but they all have to be scheduled through the state Vaxfinder system.

The other development is the state has announced that, beginning March 1<sup>st</sup>, they are going to severely limit the number of communities that can continue giving the vaccine. The state was providing 100 doses to any board of health administering vaccinations. Now, communities have to guarantee they are able to do 750 vaccinations a day in order to qualify. There was a bit of angst here in Northampton but after some planning and space planning they believe they will be able to meet that target and are going to apply to continue being a regional vaccination site. If they weren't going to be able to meet that target they would be relying on regional vaccination sites like the Eastfield Mall.

He encouraged residents to continue monitoring the site, saying he hopes they will work out the glitches for appointments. The health department, fire/rescue department, etc. are all working to deliver vaccinations. He knows the impulse is to call the health department, and they've even had people show up at the senior center to say they couldn't reach the health department and so are here to get vaccinated. They cannot vaccinate people that way, he stressed.

They have to be able to guarantee a volume of 750 vaccinations per day. This is not insignificant when you consider that people have to be socially distant. Everything remains the same until March 1<sup>st</sup>. This is a big debate, whether megasites are the way to do it or if they should be local sites. He thinks the states that have been more successful have taken a more localized approach.

The problem is the technological support in order to be able to do that has not been very resilient and needs to be improved. The order does not apply to several dozen gateway communities in the commonwealth that have been identified as having a high number of vulnerable populations. The Mullins Center was not doing 750 vaccinations a day. He is confident that between EMS Deputy Chief John Garriepy and Health Department Director Merridith O'Leary they'll be able to MacGyver a solution to this.

The health department has a 2,000-call voice limit that's chock full.

Councilor Foster asked how many vaccinations Northampton is doing a day right now.

On high days, it has been on the order of 400 to 500 a day. To qualify as a regional site, they have to be able to do a minimum of 750 doses a day five days a week. Some of the challenges have been technological. Councilors may have heard about them having extra doses at the end of the day because of people either inadvertently double-booking themselves or people who weren't eligible booking appointments. One of the big obstacles they overcame more recently is the ability to use the refrigeration at the senior center. They have obtained technology that monitors and can certify the refrigerator is able to maintain an acceptable temperature. They now have the ability to thaw vaccines in smaller increments and store them on site. The big challenge now is booking the appointments and getting people through the door safely. Director O'Leary does not want to lessen any of the public safety measures and create any of the things they've see elsewhere with people lined up out of doors or not wearing masks properly. If they scale up, they want to do it correctly.

Health department staff believe that by utilizing additional space in the senior center and potentially extending some hours they can achieve the necessary volume.

Councilor Maiore expressed her understanding that, regardless of the status of the application, Northampton will continue to provide vaccinations at the senior center until March 1<sup>st</sup>. She mentioned the wait list button being no longer available.

The wait list was for people 65 and older able to receive vaccinations if they had extra vaccines at the end of the day, Mayor Narkewicz explained. Now that they're able to schedule appointments themselves, the waiting list is no longer necessary. The plan today was to send out an email to everyone on the list with a link to register but they didn't want to do that because the link was dead.

Now that there is this new infusion of eligibility, they don't think they are going to lack for people

filling appointments. Unfortunately, he thinks it will mean pushing appointments out further and further.

Councilor Maiore asked if there would be a waiting list for the next eligible group. Mayor Narkewicz said he doesn't think that's going to happen.

In response to another question, he said the state is saying even those communities that get shut off after March 1st will not be shut off from administering second doses to people who received their first dose at the local site.

The goal of local administrators is to have a regional vaccination site in Hampshire County. He was on a call with Paul Bockelman this afternoon about the possibility of collaborating with Amherst on a regional site.

Mayor Narkewicz thanked the legislative delegation because he knows they've been applying pressure. An emergency oversight hearing is scheduled for the 25<sup>th</sup>. [Legislators] are going to be asking the administration for some answers as to how this could have happened the way it happened and not been better anticipated. It goes back to lines of 75-year olds standing outside the Eastfield mall last week.

**Resolutions**  
**21.193 Resolution**  
**Opposing Internet**  
**Data Caps and**  
**Committing to**  
**Achieving Just**  
**Internet Access**  
**and Affordability –**  
**2nd reading**

**Resolutions**  
**21.193 A Resolution Opposing Internet Data Caps and Committing to Achieving Just**  
**Internet Access and Affordability – 2nd reading**

Councilor Dwight moved to approve the resolution in second reading. Councilor Jarrett seconded.

Since their first reading, Springfield has now passed a similar resolution after Holyoke did, Councilor Sciarra reported. West Springfield and Agawam either have resolutions in the works or have passed them already.

Comcast has delayed implementation of these caps in the northeast, but they really need to keep pushing until they abandon this idea and acknowledge that there's really no need for these caps and they're just meant to squeeze money out of families desperately struggling to do everything at home with this necessary utility. Comcast either needs to abandon this or Northampton needs to develop it for itself.

Councilor Dwight said 'ditto.'

Councilor Maiore thanked sponsors. It is a perfect example of a resolution that is a piece of advocacy and she thinks it's really important. It does kind of snowball as Councilor Sciarra related. "I'm glad that we're on board with that," she volunteered.

The motion passed unanimously 9:0 by roll call vote.

**The following resolution passed two readings:**

*In the City Council, February 4, 2021*

**Upon the Recommendation of Councilor Gina-Louise Sciarra, Councilor William H. Dwight and Councilor James Nash**

**21.193 A Resolution Opposing Internet Data Caps & Committing to Achieving Just Internet Access and Affordability**

WHEREAS, the internet has become a critical utility for individuals, families, businesses and government, and

WHEREAS, during the COVID-19 pandemic internet access has become even more essential to safely participate in education, earn a living, obtain healthcare, connect with family, friends, and community, and participate in local government, and

WHEREAS, Northampton residents are primarily served by Comcast/Xfinity for their internet service, and

WHEREAS, Comcast/Xfinity has announced for the first time the imposition of a "data-cap"<sup>1</sup> beginning in the spring of 2021, that will place a limit on the amount of data an internet consumer may utilize before facing additional charges for internet service, and

WHEREAS, data-caps have no purpose for the consumer. They do not address network traffic or peak time capacity, as they are based on a monthly total of usage. Their irrelevance was proven by Comcast when they suspended already existing data-caps in other parts of the country from the beginning of the COVID-19 pandemic to July 2020 without detriment to the network, and

WHEREAS, the rising cost of internet access, unimpeded by lack of market competition and the increased service demand during the pandemic, is of concern to residents across Northampton, and

WHEREAS, on December 31, 2020 a group of seventy-one Massachusetts legislators sent a letter to Comcast/Xfinity urging them to reconsider their decision to impose this data-cap<sup>2</sup>, and

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<sup>1</sup> Butz, Greg. "Our Nationwide Data Plan," *Comcast Corporate*. Nov 24, 2020.

<https://corporate.comcast.com/stories/our-nationwide-data-plan>

<sup>2</sup> Bray, Hiawatha. "Mass. lawmakers oppose Comcast's plan to charge home Internet users extra: fee for exceeding data cap is at odds with life during pandemic, they say." *Boston Globe*. December 31, 2020. <https://www.bostonglobe.com/2020/12/31/business/mass-lawmakers-warn-comcast-new-data-caps/>

21.193

WHEREAS, as is the case with all essential utilities, the City of Northampton has a responsibility to ensure affordable access to all residents,

NOW, THEREFORE BE IT RESOLVED, that the Northampton City Council urges Comcast/Xfinity to reverse their decision to impose a data-cap on customers, and

BE IT FURTHER RESOLVED, that the Northampton City Council urges our state and federal legislative delegations to consider consumer protection legislation to regulate and end data-caps, and

BE IT FURTHER RESOLVED that, the Northampton City Council supports and endorses emergency House bill HD663 "An Act protecting internet access during the COVID-19 pandemic."

BE IT FURTHER RESOLVED, that the Northampton City Council commits to evaluating internet services moving forward with the goal of ensuring all residents have equitable and affordable options to necessary high quality internet, and

BE IT FURTHER RESOLVED, that the City of Northampton shall continue to explore just and fair alternative internet service systems for the vital use of the entire community.

BE IT FURTHER RESOLVED that the Administrative Assistant to the City Council shall cause a copy of this resolution to be sent to the Federal Communications Commission, Karen Charles Peterson, Commissioner of the Massachusetts Department of Telecommunications and Cable, Senator Elizabeth Warren, Senator Edward Markey, Congressman Jim McGovern, State Senator Jo Comerford and the State Representative Lindsay Sabadosa.

Passed two readings and enrolled.

<p><u>Consent Agenda</u></p>	<p><u>Consent Agenda</u>                  Councilor Sciarra reviewed the consent agenda, consisting only of the minutes of January 21, 2021. She offered to remove them for separate discussion if needed. <b>Councilor Dwight moved to approve the consent agenda as presented. Councilor LaBarge seconded. The motion passed unanimously 9:0 by roll call vote.</b>                  The following item was approved as part of the consent agenda:                  A. <u>Minutes of January 21, 2021 City Council Meeting</u></p>
<p><u>Recess for Committee on Finance Meeting</u></p>	<p>At 8:42 p.m., the City Council recessed for the Committee on Finance. The Committee on Finance adjourned at 9:13 p.m. The City Council reconvened at 9:13 p.m.</p>
<p><u>Financial Orders (on 1st reading pending Finance)</u>  <u>21.194 Order to Rescind Borrowing Authority - 3 Votes - 1st reading</u>  <u>21.195 Order to Appropriate Free Cash for COVID Expenses Potentially Ineligible for CARES Act Reimbursement-1st rdg</u>  <u>21.196 Order to Surplus 56 Vernon Street and Lease</u></p>	<p><u>Financial Orders (on 1st reading pending Finance review)</u>  <u>21.194 An Order to Rescind Borrowing Authority - 3 Votes - 1st reading</u>                  Councilor LaBarge moved to approve the order in first reading. Councilor Quinlan seconded. The motion passed unanimously 9:0 by roll call vote.   <u>See minutes of March 4, 2021 for second reading.</u>   <u>21.195 An Order to Appropriate Free Cash for COVID Expenses Potentially Ineligible for CARES Act Reimbursement - 1st reading</u>                  Councilor LaBarge moved to approve the order in first reading. Councilor Thorpe seconded. The motion passed unanimously 9:0 by roll call vote.   <u>See minutes of March 4, 2021 for second reading.</u>   <u>21.196 An Order to Surplus 56 Vernon Street and Lease for Continued Use as Head Start Daycare and Early Education Facility - 1st reading</u>                  Councilor LaBarge moved to approve the order in first reading. Councilor Dwight seconded. The</p>

for Continued Use as Head Start Day-care and Early Education Facility - 1st reading

motion passed unanimously 9:0 by roll call vote.

See minutes of March 4, 2021 for second reading.

Financial Orders (in 2<sup>nd</sup> reading) 21.191 Order to Acquire Land on Nash Hill Road in Williamsburg for Water Supply Protection-2nd rdg

Financial Orders (in 2<sup>nd</sup> reading)

21.191 An Order to Acquire Land on Nash Hill Road in Williamsburg for Water Supply Protection – 2nd reading

Councilor LaBarge moved to approve the order in second reading. Councilor Quinlan seconded. The motion passed unanimously 9:0 by roll call vote.

The following order passed two readings:

**City of Northampton  
MASSACHUSETTS**

*In City Council, February 4, 2021*

*Upon the recommendation of Mayor David J. Narkewicz and the Department of Public Works*

**21.191 An Order to Acquire Land on Nash Hill Road in Williamsburg for Water Supply Protection**

*Ordered, that*

WHEREAS, The City of Northampton owns a surface drinking water supply in the town of Whately which is surrounded by watershed land owned by both the City and private property owners, and;

WHEREAS, It is in the interest of the City to acquire privately held parcels within this watershed as they become available for sale to protect its drinking water supply, and;

WHEREAS, Certain parcels of land within the watershed are available for acquisition, and it is in the interest of the City to acquire the parcels for watershed protection.

NOW, THEREFORE, BE IT ORDERED,

That the City Council authorizes the acquisition by gift, purchase, eminent domain or otherwise, the fee interest in one parcel of land containing 14.79 acres, more or less, located on Nash Hill Road in Williamsburg and shown on a plan entitled "Plan of Land in Williamsburg, Massachusetts Prepared for Northampton Dept of Public Works," dated December 16, 2020, by Holmberg & Howe Land Surveyors. This acquisition is for the purpose of the sanitary protection of the West Whately Reservoir, part of the City of Northampton's Water Supply. The parcels shall be held in the custody and control of the Department of Public Works.

Further, that no appropriation is necessary for the acquisition of the easement authorized hereunder inasmuch as sufficient funds for this acquisition have been appropriated in Water Enterprise 61523-581000-11 – Land.

Passed two readings and enrolled.

21.192 Order to Appropriate Free Cash to City Clerk for Elections and DPW for Asphalt – 2nd reading

21.192 An Order to Appropriate Free Cash to City Clerk for Elections and DPW for Asphalt – 2nd reading

Councilor LaBarge moved to approve the order in second reading. Councilor Thorpe seconded. The motion passed unanimously 9:0 by roll call vote.

The following order passed two readings:

**City of Northampton**  
MASSACHUSETTS

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*In City Council* February 4, 2021

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Upon recommendation of the Mayor

**21.192 An Order to Appropriate Free Cash to City Clerk for Elections and DPW for Asphalt**

*Ordered, that*

\$ 288,725 be appropriated from the FY21 General Fund Undesignated Fund Balance (Free Cash) to the following accounts:

- \$ 34,512 City Clerk PS Election Workers (11611 512010)
- \$ 4,213 City Clerk PS Overtime (11611 513000)
- \$250,000 DPW Streets – Asphalt for Road Improvements (14223 584010)

**Passed two readings and enrolled.**

**Orders**  
**21.190 Order**  
**Endorsing the**  
**Climate Resilience**  
**and Regeneration**  
**Plan – 2nd reading**

**Orders**  
**21.190 An Order Endorsing the Climate Resilience and Regeneration Plan – 2nd reading**  
Councilor Dwight moved to approve the order in second reading. Council LaBarge seconded.

Councilor Nash said he appreciated Director Feiden’s presentation. Prior to the meeting he gave the document a once over but he took a much deeper dive afterwards. He found it super helpful in providing a context for the three zoning ordinances before the council now, which are in many ways related to this document. He gave a shout out to Harrison Blum and Jackie Ballance for going through the document in such detail. He thinks it is really helpful in framing the different items that come before them.

Councilor Maire thanked Councilor Nash, commenting that it really is a kind of living document. It was an interesting document to work on in that it is hard to strike a dynamic balance between aspirational goals and achievable goals. She thinks it will probably keep morphing over time but is a great jumping off point for the city.

As hinted at earlier, having a visioning document such as this is only valuable if they have the courage to enact and do things relative to it, Councilor Dwight observed. The charge of the resiliency plan is not just environmental, embedded in it should always be social justice and equity but also the issue of addressing climate change based on the guidelines prescribed in the document and being prepared to defend them. There will be resistance. He doesn’t think they could find a person in this community who would say it is a stupid idea. The devil comes when specific projects or idea are proposed, at that point people start to waffle or push back or resist but they have to understand that’s going to be a given. It’s going to be difficult, it’s going to be a struggle but they must always keep in mind how this will affect people in need, how it will affect their impact on the climate and how to best prepare for all the changes that are certain to come regardless. It’s not just a feel-good document. He cautioned them to remember how important this document truly is. “If we’re going to derive any value from it, we’re going to have to consider it a Bible,” he pronounced.

Councilor Jarrett acknowledged public comment, noting that some actions, ordinances or the results of ordinances may not be in line with this. To look at the implications of a particular ordinance, they are going to have to do a lot more research. They will be revisiting the plan

every two years and hopefully can strengthen it; they may be able to achieve their carbon goals sooner than they currently have the means to do. He encouraged fellow councilors and the public to be involved in that process every two years.

Councilor Sciarra agreed that those inclined to dismiss it maybe haven't paid attention to its predecessor either. These documents that are created and take intense research and work have guided so much of what they have done in the last ten years and they shouldn't be dismissed. They really guide how the city goes about its planning and decisions.

She called the motion to a vote, and it passed unanimously 9:0 by roll call vote.

**The following order passed two readings:**

**City of Northampton**

MASSACHUSETTS

**In City Council, February 4, 2021**

Upon the recommendation of Mayor David J. Narkewicz, Planning and Sustainability, Planning Board, and Energy and Sustainability Commission

**21.190 AN ORDER ENDORSING THE CLIMATE RESILIENCE AND REGENERATION PLAN**

WHEREAS, the Northampton Planning Board unanimously adopted the *Northampton Climate Resilience and Regeneration Plan* as an element of and an amendment to the *Sustainable Northampton Comprehensive Plan*, in accordance with Massachusetts General Law Chap. 41, Section 81D (1/28/21)

WHEREAS, the Energy and Sustainability Commission unanimously endorsed the *Climate Resilience and Regeneration Plan* (12/22/20)

WHEREAS, the plan creates a comprehensive climate action plan framework for Northampton with a commitment and roadmap to action

WHEREAS, City Council endorsement does not imply agreement with every recommendation but does imply acceptance of the overall plan and its call to action

**NOW, THEREFORE BE IT ORDERED,**  
The City Council hereby endorses the *Northampton Climate Resilience and Regeneration Plan: An element of the Sustainable Northampton Plan, Addressing the climate emergency by regenerating a healthy community, adapting to and mitigating climate change.*

**Passed two readings and enrolled.**

<u>Ordinances (Not Yet Referred)</u>	<u>Ordinances (Not Yet Referred)</u> None.
<u>Ordinances</u>	<u>Ordinances</u> None.
<u>New Business</u>	<u>New Business</u> None
<u>Information (Charter Provision 2-7) &amp; Study Requests</u>	<u>Information (Charter Provision 2-7) and Information Study Requests</u> None

Motion to Adjourn

Upon motion made by Councilor Foster and seconded by Councilor Jarrett, the meeting was adjourned at 9:27 p.m. The motion carried unanimously 9:0 by roll call vote.

Attest: \_\_\_\_\_ Administrative Assistant to the City Council



# MAYOR DAVID J. NARKEWICZ

City of Northampton

Office of the Mayor

210 Main Street Room 12

Northampton, MA 01060-3199

(413) 587-1249 Fax: (413) 587-1275

mayor@northamptonma.gov

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DATE: March 18, 2021

TO: City Council

FROM: Mayor David J. Narkewicz

**SUBJECT: Appointments to Boards, Committees, and Commissions**

Please find the attached appointments to City Boards, Committees, and Commissions:

## **Planning Board**

**Samuel Taylor** (Full Member), 245 North Street, Northampton

Term: July 2020-June 2023

*Reappointment*



# Online Form Submittal: Application for Appointment to Boards, Committees and Commissions

1 message

noreply@civicplus.com <noreply@civicplus.com>  
To: mayor@northamptonma.gov

Thu, Mar 11, 2021 at 5:25 PM

## Application for Appointment to Boards, Committees and Commissions

City of Northampton Application for Appointment to Boards, Committees, and Commissions

Please return the completed form to: [Mayor@northamptonma.gov](mailto:Mayor@northamptonma.gov) or David J. Narkewicz, Mayor 210 Main Street, Northampton, MA 01060

First Name	Samuel
Last Name	Taylor
Title, if applicable	<i>Field not completed.</i>
Address1	245 North st.
Address2	<i>Field not completed.</i>
City	Northampton
State	Ma
Zip	01060
Home Phone	<i>Field not completed.</i>
Work Phone	<i>Field not completed.</i>
Cell Phone	4135887421
Occupation & Place of Employment	<i>Field not completed.</i>
Email	<a href="mailto:samtaylor1@hotmail.com">samtaylor1@hotmail.com</a>
Are you a Northampton resident?	Yes
Years Lived in Northampton	12
Age	40 - 49

Sex	Male
Racial / Ethnic Background	Black
Boards and Committees	Planning Board
Please list "other" board or committee of interest	<i>Field not completed.</i>
What skills and experience will you bring to this committee assignment?	I am a local builder, landlord and renter in Northampton
Are you currently serving or have you served on any city committee?	Yes
Please list other city committees you have served on	Northampton
<p>Required: Please read the following, by signing below you state that you understand and agree.</p> <p><i>The filing of this form does not guarantee my appointment. An application is kept on file for two (2) years; after that I must file a new application. Being appointed to a committee, board, or commission means that I am considered a Municipal Employee under MGL Chapter 268A and thereby subject to Conflict of Interest Law MGL Chapter 268A, Financial Disclosure Law MGL Chapter 268B, as well as Open Meeting Law MGL Chapter 39: Section 23B. I understand that I will take the conflict of interest test after being appointed and that I also must be sworn in by the City Clerk. I will contact the appointing authority with any questions about my service. Important: Once this form is submitted it becomes a public document, if there is information you do not want open to the public please do not include it on this form.</i></p>	
Signature	Samuel Taylor
Date	3/11/2021

Email not displaying correctly? [View it in your browser.](#)

# City of Northampton

MASSACHUSETTS

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*In City Council, March 2, 2021*

Upon recommendation of the Mayor

21.205 AN ORDER  
TO ESTABLISH WATER AND SEWER RATES FOR FY2022

***Ordered, that:***

Effective July 1, 2021, the per 100 cubic foot (CCF) rates for water and sewer for Fiscal Year 2022 will remain unchanged from Fiscal Year 2021. Rates will remain as follows:

**WATER**

Customers with 1” meter or smaller

Tier 1 consumption: 0 – 16 CCF \$4.51 per CCF

Tier 2 consumption: >16 CCF \$6.09 per CCF

Customers with meter larger than 1”

All consumption \$5.99 per CCF

**SEWER**

Non-metered

\$7.86 per CCF based on 80% of metered water consumption

Metered

\$7.86 per CCF

# City of Northampton

MASSACHUSETTS

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## *In City Council, March 4, 2021*

*Upon the recommendation of Mayor David J. Narkewicz and Department of Public Works*

### 21.202 An Order to Authorize Acceptance of Gifts of Labor and Materials for Sidewalk Repair or Replacement

WHEREAS, Property owners in the City are responsible for certain maintenance of the sidewalks and driveway aprons within the public way; and

WHEREAS, Property owners often desire to perform or have performed significant maintenance, repair or replacement of such sidewalks as part of driveway replacement or otherwise; and

WHEREAS, Heretofore, the Massachusetts Department of Labor Standards has opined that such work within the public way performed on behalf of a property owner implicated the requirement to pay prevailing wages and, depending upon the extent of the work and the cost thereof, the requirement to follow other requirements of applicable procurement laws, including solicitation of bids for such work; and

WHEREAS, The Department of Labor Standards has revised that opinion, and such work may now be performed on behalf of the property owner without regard to such procurement laws; and

WHEREAS, The materials required to maintain, repair or replace a sidewalk within the public way constitute a gift to the City of tangible personal property that require acceptance by vote of the City Council; and

WHEREAS, The public interest would be served by allowing the Department of Public Works to accept such gifts without further Order of the City Council, provided that prior to performance of such work the proposal is reviewed and approved by the Department of Public Works.

### ***Ordered, that***

In accordance with M.G.L. c. 44, § 53A½, the City Council hereby authorizes the Department of Public Works to accept any and all gifts from property owners of labor and materials valued up to \$10,000 for the maintenance, repair and replacement of sidewalks within the layout of the public way abutting the property of such property owner subject to such review and the issuance of such approvals and/or permits as the Department of Public Works may, from time to time, establish by departmental regulation.

# City of Northampton

MASSACHUSETTS

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## *In City Council, March 4, 2021*

*Upon the recommendation of Mayor David J. Narkewicz and Office of Planning & Sustainability*

### 21. 203 An Order to Discontinue a Portion of Sherman Avenue

WHEREAS, A newly-constructed home at 66 Sherman Avenue was built too close to the road to meet zoning front yard setbacks, and the only path to zoning relief is the discontinuance of a 44 square foot sliver of the layout of Sherman Avenue as shown on a plan entitled “DISCONTINUANCE PLAN, 66 Sherman Avenue”; and

WHEREAS, The discontinuance of a way or a portion thereof must be in the public interest, not in the sole interests of the abutting landowner; and

WHEREAS, The owner of 66 Sherman Avenue has agreed to donate \$50,000 to the City’s traffic mitigation fund as an offset for the effects on Sherman Avenue, with such funds being dedicated to pedestrian and traffic mitigation in the area within one mile of this site; and

WHEREAS, Under these terms, the Northampton Department of Public Works has no objection to the discontinuance of the sliver or Sherman Avenue; and

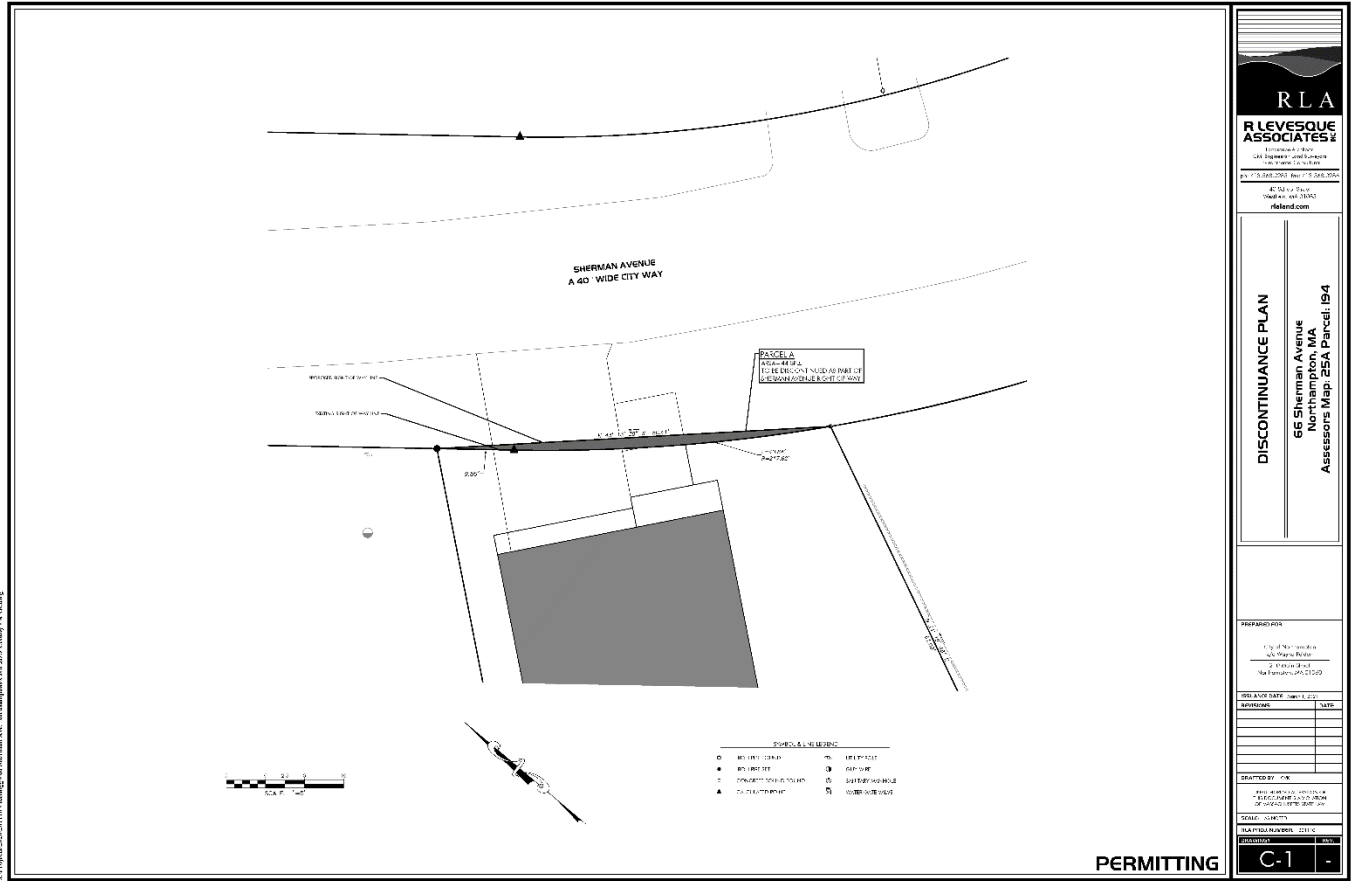
WHEREAS, The donated funds will be used for to traffic mitigation and pedestrian improvements under the traffic mitigation program managed by the Office of Planning and Sustainability; and

### ***Ordered, that***

Upon payment of a donation of \$50,000.00, the City Council hereby discontinues that portion of Sherman Avenue as shown as “Parcel A,” on a plan entitled “DISCONTINUANCE PLAN, 66 Sherman Avenue”;

The City Council further authorizes the Mayor to sign an instrument of conveyance of the discontinued portion of Sherman Avenue to such owner of 66 Sherman Avenue consistent with this Order.

Excerpt of Discontinuance Plan (original to be filed in the Registry of Deeds)



N:\Projects\2010\10101101 - Survey - 40' Sherman Ave. - Northampton - 10/1/10.dwg - A:\JLW

**City of Northampton  
MASSACHUSETTS**

*In City Council, March 18, 2021,*

*Upon the recommendation of Mayor David J. Narkewicz*

**21.211 AN ORDER FURTHER EXTENDING ORDER 20.062 ENTERED  
ON JUNE 4, 2020, AS AMENDED BY ORDER 20.149**

WHEREAS, on June 4, 2020, the Northampton City Council entered Order 20.062, which suspended the effect of certain ordinances in order to facilitate the use of public property for outdoor dining in response to the COVID-19 pandemic; and

WHEREAS, Order 20.062 expired by its terms on November 15, 2020; and

WHEREAS, on November 12, 2020, the City Council extended Order 20.062 to March 31, 2021, by Order 20.149; and

WHEREAS, the Mayor desires to further extend Order 20.062, as amended.

NOW, THEREFORE, the Northampton City Council orders as follows.

***Ordered, that***

Paragraph 6 of Order 20.062, as amended by Order 20.149, shall be further amended by striking the phrase "March 31 2021" and inserting in its place the phrase "November 1, 2021 or 60 days after the Governor of the Commonwealth of Massachusetts rescinds the declared State of Emergency, whichever is sooner." All other provisions of Order 20.062 shall remain in full force and effect.

**City of Northampton**  
MASSACHUSETTS

***In City Council March 18, 2021***

Upon the recommendation of City Clerk Pamela L. Powers

**21.212 An Order to Set Preliminary Municipal Election Date**

*Whereas*, the City of Northampton Charter Chapter C. Article 8 Section 8-1 requires that a preliminary election take place on the third Tuesday in September in each odd-numbered year in which candidates are to be elected; and

*Whereas*, the provisions of this section allow the city clerk , with the approval of the city council, to reschedule the preliminary election to the fourth Tuesday in September to avoid a conflict with any civil or religious holiday; and

*Whereas* the third Tuesday of September in 2021 marks the observance of Sukkot by members of the Jewish community; and

*Ordered that*,

A preliminary election to nominate candidates for mayor, councilor-at-large, school committee member-at-large, city clerk, ward city councilor, ward school committee member, trustees under the will of Charles E. Forbes, elector under the Oliver Smith will, superintendents of Smith's Agricultural School shall be held on the Tuesday, September 28, 2021.

**City of Northampton**  
**MASSACHUSETTS**

**In the Year Two Thousand Twenty-One**

Upon the Recommendation of Mayor David J. Narkewicz and Planning & Sustainability

**20.181 An Ordinance Relative to Affordable Housing (350-6.12)**

An Ordinance of the City of Northampton, Massachusetts, providing that the Code of Ordinances, City of Northampton, Massachusetts, be amended by adding Section 350-6.12 to encourage affordable housing and maximize local control without requiring a Massachusetts Department of Housing and Community Development Site Eligibility Letter and other non-relevant requirements.

Be it ordained by the City Council of the City of Northampton, in City Council assembled, as follows:

Add

**350-6.12 Affordable Housing**

**Whereas, the “Massachusetts Comprehensive Permit Law” (Massachusetts General Law Chapter 40B, Sections 20 to 22) and the “Massachusetts Comprehensive Permit: Low and Moderate Income Housing” regulations (760 CMR 56.00), allow for a single local board to administer and to waive any and all local zoning ordinance and other local ordinances and regulations, as the single approving authority, to encourage affordable housing, upon obtaining a Site Eligibility Letter from the Massachusetts Department of Housing and Community Development (DHCD). Such Site Eligibility Letter creates a burden for some projects, especially small projects. It requires the paying of a fee, the calculation of a developer’s reasonable return, the provision of architectural elevations, among other requirements;**

**Whereas, it is the City’s intention to provide some zoning relief, consistent with city needs, and while avoiding the need for a DHCD Site Eligibility Letter.**

- A. All projects approved under this section must meet the following criteria:**
- 1. At least 50% of the residential units being created shall be “Affordable Units.”**
  - 2. All permanent energy sources (thermal loads, hot water, and electric loads) shall be from grid-supplied electricity or otherwise not use fossil fuels (natural gas, propane, oil, wood). This shall not apply to emergency generators, outdoor grilling, or mobile energy uses.**
  - 3. Prior to obtaining a building permit, the applicant shall obtain DHCD approval as Local Initiative Program (LIP) units, so that all affordable units created under this section can be listed by DHCD on their Subsidized Housing Inventory.**
  - 4. Prior to obtaining a building permit, the applicant shall obtain Site Plan Approval (Section 350-11).**
- B. The Planning Board may approve Affordable Housing projects as part of a Site Plan Approval when:**

- 1. The allowable dwelling units per acre (density) of the entire project is 250% of that otherwise allowed by this zoning ordinance in the zoning district in which the property is located. There are no other minimum lot size requirements for any lots created under this section.**
- 2. The minimum frontage, lot depth, and lot width is at least 40% of that otherwise required by this zoning ordinance in the zoning district in which the property is located.**
- 3. When significant trees on the property are cut they shall be replaced on-site with new trees to the extent feasible without blocking solar photovoltaic or hot water systems, but no payment in-lieu is required when such planting is not feasible. Full mitigation is required for cutting public shade trees.**
- 4. All other zoning applies and is complied with.**

**C. The Planning Board may issue a Special Permit for additional zoning dimensional and density relief when:**

- 1. The application specifically details requested zoning relief to ensure that the project and project permit conditions are not uneconomic, as defined by MGL 40B and 760 CMR 56.00.**
- 2. The Planning Board finds that the project, with a Special Permit for the requested zoning relief, still meets Local Concerns (as defined in 760 CMR 56.00 and as evidenced by the City's master, comprehensive, and strategic plans).**
- 3. The Planning Board finds that the Special Permit conditions of Section 350-10 are met.**



*City of  
Northampton*

Laura Krutzler <lkrutzler@northamptonma.gov>

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## CR Report on 20.181 & 21.189

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**Jim Nash** <jimnashcitycouncil@gmail.com>  
To: Gina-Louise Sciarra <glsciarra@northamptonma.gov>  
Cc: Laura Krutzler <lkrutzler@northamptonma.gov>

Tue, Mar 9, 2021 at 5:31 PM

March 9th, 2021

Dear Council President Sciarra,

On February 23rd Community Resources considered two items referred to our committee for public input and discussion, **20.181 An Ordinance Relative to Affordable Housing** and **21.189 An Ordinance To Create Incentive For Smaller Houses By Allowing Two Half-Scale Units to Count As A Single-Family For Density Purposes**.

Senior Land Planner, Carolyn Misch, attended to present each item. For additional insight and expertise, guest speakers Laura Baker of Valley Community Development Corporation and Christopher Lee of Backyard ADUs were also present. Discussion between Senior Land Planner Misch and the guests speakers provided insight into how the new zoning language might be implemented. Ms. Misch and the guest speakers took questions from the public and city councilors.

Item 20.181 An Ordinance Relative to Affordable Housing was referred back to City Council with a Positive Recommendation. The motion was made by Councilor Thorpe and seconded by Councilor Jarrett, the motion passed 4-0.

Item 21.189 An Ordinance to Create Incentive For Smaller Houses By Allowing Two Half-Scale Units To Count As A Single-Family for Density Purposes was referred back to City Council with a Positive Recommendation. The motion was made by Councilor Foster and seconded by Councilor Jarrett, the motion passed 4-0.

Sincerely,

Councilor Nash  
Chair, Community Resources Committee

# CITY OF NORTHAMPTON

## MASSACHUSETTS

*In the Year Two Thousand Twenty-One*

**Upon the Recommendation of Mayor David J. Narkewicz and Planning and Sustainability**

### **20.182 An Ordinance Relative to Demolition Review for Historically-Significant Buildings**

An Ordinance of the City of Northampton, Massachusetts, providing that the Code of Ordinances, City of Northampton, Massachusetts, Chapter 161, 'Demolition,' be amended to remove Committee appointment language, which is located in the Administrative Code, and eliminate inconsistencies regarding Ordinance applicability.

### **ORDINANCE**

An Ordinance of the City of Northampton, Massachusetts. Be it ordained by the City Council of the City of Northampton, in City Council assembled, as follows:

Amend the text with the additions, modifications, and deletions shown below. Modify existing Ordinance subsection numbering to accommodate amendments.

§ 161-6 Administration.

~~A.~~

~~With the adoption of this chapter, § 22-30 of the City's Code of Ordinances specifying how appointments are made to the Northampton Historical Commission has been amended. The amendment states that as terms of current members expire, the Mayor will appoint a representative from the Chamber of Commerce, followed by an architect, followed by a representative from the real estate or construction industry. (See § 22-30 adopted April 19, 1973 for more detail.)~~

B.

The Commission may adopt such rules and regulations as are necessary to administer the terms of this chapter. The Office of Planning and [Development Sustainability](#) is authorized to adopt a schedule of reasonable fees to cover the costs associated with the administration of this chapter.

C.

The Commission may delegate authority to make initial determinations of significance to one or more members of the Commission or to a municipal employee.

~~D.~~

~~The Commission shall create an inventory of significant buildings and structures built during the period of 1901 to 1939 that will be subject to this chapter within a two-year period from the date of the ordinance adoption. The Commission may also proactively develop other lists of significant buildings or structures that may be subject to this chapter. Buildings or structures proposed for the significant list of buildings and/or structures shall be added only following a public hearing.~~

## In the Year Two Thousand Twenty One

Upon the Recommendation of Mayor David J. Narkewicz and Planning & Sustainability

### **21.189 AN ORDINANCE TO CREATE INCENTIVE FOR SMALLER HOUSES BY ALLOWING TWO HALF-SCALE UNITS TO COUNT AS A SINGLE-FAMILY FOR DENSITY PURPOSES**

An Ordinance of the City of Northampton, Massachusetts, providing that the Code of Ordinances, City of Northampton, Massachusetts, be amended to create an incentive for smaller residential units to be built in the URB and URC districts by allowing Half-Scale units to count as half a single regular sized unit for density purposes. Further, whereas electricity from an electric grid (which must meet state renewable energy portfolio standards and is more easily converted to renewable energy) will facilitate the City's effort to attain carbon neutrality by 2050, new projects created within this proposed zoning shall be built so all on-site systems are fossil fuel-free for thermal and electric loads.

Be it ordained by the City Council of the City of Northampton, in City Council assembled, as follows:

Add a new definition in 350 2.1 as follows:

#### **DWELLING, Half-Scale**

A unit that is no larger than 800 square feet of gross living area. Within the table of uses where allowed and for the purposes of calculating total allowable density, two half-scale units shall be treated as one dwelling unit.

Amend Attachment 7(URB) & 8(URC) as follows:

Lot Dimensional Requirements

#### **Lot Size**

Single, Two family or Two Half-Scale units: 3,750 ft<sup>2</sup>

3+ units: 2,500 ft<sup>2</sup> minimum (min) per unit or per two Half-Scale units

#### **Uses Allowed By Right:**

- Single-, two-, three-family, multifamily, townhouses with six or fewer units, or 12 or fewer Half-Scale units. Half-Scale units shall not have any on-site use of fossil fuels (natural gas, propane, oil) for any thermal (heating, cooling, water heating) or electric loads. Electricity from an electric grid and fossil fuel use limited to emergency generators, outdoor grilling, or mobile uses (cars, lawnmowers, snow blowers) are permitted.

**Site Plan Approval Required for the Following:**

- Any Construction ~~(other than for a single family home or two-family less than 3,400 sf)~~ greater than 2,000 ft<sup>2</sup> . This requirement applies to all uses except for: single family homes and up to 2 Half-Scale units. Half-Scale units shall not have any on-site use of fossil fuels (natural gas, propane, oil) for any thermal (heating, cooling, water heating) or electric loads. Electricity from an electric grid and fossil fuel use limited to emergency generators, outdoor grilling, or mobile uses (cars, lawnmowers, snow blowers) are permitted.

**Special Permit Approval Required for the Following Uses by Planning Board**

- Any multifamily or townhouse project creating seven or more units or 14 or more Half-Scale units. Half-Scale units shall not have any on-site use of fossil fuels (natural gas, propane, oil) for any thermal (heating, cooling, water heating) or electric loads. Electricity from an electric grid and fossil fuel use limited to emergency generators, outdoor grilling, or mobile uses (cars, lawnmowers, snow blowers) are permitted.

**City of Northampton  
MASSACHUSETTS**

*Two-Family By- Right  
Ordinances 1 of 10*

**In the Year Two Thousand Twenty**

Upon the Recommendation of Mayor David J. Narkewicz and Planning & Sustainability

**20.163 An Ordinance Relative to Two-Family By Right - Amendment to Definitions**

An Ordinance of the City of Northampton, Massachusetts, providing that the Code of Ordinances, City of Northampton, Massachusetts, be amended to allow two-family homes/lots by-right in most of the residential districts within the City by amending multiple sections within Chapter 350 relating to definitions, parking, lot layout, design.

Be it ordained by the City Council of the City of Northampton, in City Council assembled, as follows:

Chapter 350-2.1 DEFINITIONS

**ACCESSORY APARTMENT**

See ~~§ 350-10.10, Accessory apartments.~~

**DWELLING, Two- Family/ Two Single Family below**

**DWELLING, TWO-FAMILY**

~~A Two-Family Dwelling is a residential building type in which two dwelling units are contained within a single free-standing structure, including attached accessory apartments, two unit townhouses, backyard cottages. Units may be in distinct, but attached, masses~~  
~~A detached building containing two dwelling units.~~

**DWELLING, TWO SINGLE-FAMILY**

~~Two Single-Family Dwellings Located on One Lot is a residential development type in which two free standing detached single-family dwellings are located on a single lot, including detached accessory apartments and backyard cottages, two-unit townhouses.~~

**City of Northampton**  
**MASSACHUSETTS**

*~~Two-Family By-Right~~*  
*~~Ordinances 2 of 10~~*

**In the Year Two Thousand Twenty**

Upon the Recommendation of Mayor David J. Narkewicz and Planning & Sustainability

**20.164 An Ordinance Relative to Two-Family By Right - Amendment to URA Table of Use**

An Ordinance of the City of Northampton, Massachusetts, providing that the Code of Ordinances, City of Northampton, Massachusetts, be amended to allow two-family homes/lots by-right in most of the residential districts within the City.

Be it ordained by the City Council of the City of Northampton, in City Council assembled, as follows:

URA Attachment 6 Be modified by adding and deleting text as Follows *with no other changes to Attachment 6*:

~~1. If a garage or other attached garages/ parking structure is that face the street-attached~~

~~a., it must be set-stepped back 20'-10' from the house façade;~~

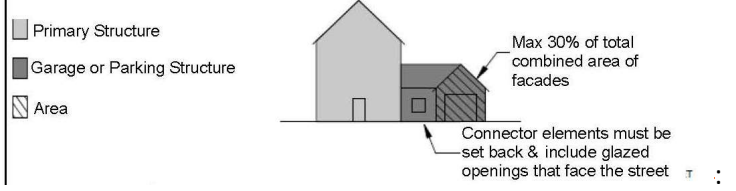
~~b. and the garage/structure shall comprise no more than 30% of the front facade of the primary structure unless the garage is stepped back from the façade by 20(A);~~

~~The criteria above does not apply to residential structures that are either behind another principal structure which is along the street front or if the structure is setback 40' or more from the front lot line.~~

~~C. The side setback may be 10' for the garage only when not used as a living area.~~

~~See additional specific criteria for 2-family homes~~

DELETE:



-Add:



**~~Uses Allowed by Right:~~**

• ~~Single family home~~

- ~~Two family less than 3,400 sf total of new construction. See additional criteria in 350-6.11 NOTE-  
Make HYPERLINK~~

**Uses Allowed by Site Plan**

- ~~Two single-family dwellings per lot See additional criteria in 350-6.11 NOTE- Make HYPERLINK~~
- ~~Two-family, greater than 3,400 sf total of new construction See additional criteria in 350-6.11 NOTE-  
Make HYPERLINK~~

All references in Uses allowed by Right and Special Permit for Accessory Dwelling units of 900 Sf or less to be deleted:  
Attached (to a single-family) accessory dwelling unit not to exceed 900 ft.2 gross living area. See § 350-10.10. Same setback as for principal structures;  
Detached accessory dwelling unit for single-family home meeting same setback requirements as a single-family home. See § 350-10.10

# City of Northampton

## MASSACHUSETTS

In the Year Two Thousand Twenty

Two-Family By- Right  
Ordinances 3 of 10

Upon the Recommendation of Mayor David J. Narkewicz and Planning & Sustainability

### 20.165 An Ordinance Relative to Two-Family By Right - Amendment to URB-URC Tables of Use

An Ordinance of the City of Northampton, Massachusetts, providing that the Code of Ordinances, City of Northampton, Massachusetts, be amended to allow two-family homes/lots by-right in most of the residential districts within the City.

Be it ordained by the City Council of the City of Northampton, in City Council assembled, as follows:

Amend 350 Attachment 7, 8 for URB and URC tables with additions and strikethroughs follows, with **no other changes to those attachments:**

	FOR URB, URC
Lot Dimension Requirements	Layout Setbacks <del>for all uses.</del> See additional form/layout requirements for two-family below in "Uses Allowed by Right"
<p><b>Lot Size</b></p> <p><del>Single or Two family: 3,750 ft<sup>2</sup></del></p> <p><del>3+ units: 2,500 ft<sup>2</sup> minimum (min) per unit</del> Frontage/Width = 50' Min. Depth = 75' Min.</p> <p><del>Detached accessory structure/garage/storage = 10' behind front of principal structure, 4' (side and rear lot line)</del></p>	
<p><b>Design Standards Illustrated</b></p> <p>Planning Board may waive, by site plan approval elements 2, 3, 4 <del>below</del> if it can be shown that a different design meets a pedestrian-scale design that encourages public/private transition and interface (e.g. similar elements facing internal courtyards or private streets)</p>	
<p>1. <del>If a</del>For attached garages/<del>or other</del> parking structures that face the street, is attached, it must be set a) <del>The front face of the garage must be stepped back 120' from the house façade; and</del> b) <del>The garage/structure shall comprise no more than 30% of the front facade of the primary structure, unless the garage is stepped back from the façade by 20'(A).</del></p>	<p><b>DELETE:</b></p> <p>Legend:  <span style="display:inline-block; width:10px; height:10px; background-color:grey; border:1px solid black;"></span> Primary Structure  <span style="display:inline-block; width:10px; height:10px; background-color:darkgrey; border:1px solid black;"></span> Garage or Parking Structure  <span style="display:inline-block; width:10px; height:10px; border:1px solid black;"></span> Area</p> <p>Max 30% of total combined area of facades</p> <p>Connector elements must be set back &amp; include glazed openings that face the street</p>

The criteria above does not apply to residential structures that are either behind another principal structure which is along the street front or if the structure is setback 40' or more from the front lot line.

c) The side setback may be 10' for the garage only when not used as workshop/storage/living area etc.

• See additional specific criteria for 2-family homes



ADD:

### **USES ALLOWED**

#### **Uses Allowed By Right:**

- ~~Two family less than 3,400 sf total of new construction~~
- ~~Attached (to a single family) accessory dwelling unit not to exceed 900 F<sup>2</sup> Gross Living Area. See 350-10.10. Same setback as for principal structures.~~

#### **Site Plan Approval required for the following:**

- Any Construction (other than for a single family home ~~or two family less than 3,400 sf~~) greater than 2,000 ft<sup>2</sup>
- ~~Two single-family dwellings per lot~~
- ~~Two family, greater than 3,400 sf total of new construction~~

#### **Special Permit Approval required for the following uses by Planning Board unless otherwise noted:**

- ~~Detached Accessory Dwelling Unit see 10.10—Zoning Board of Appeals Special Permit~~

**City of Northampton  
MASSACHUSETTS**

*Two-Family By- Right  
Ordinances 4 of 10*

**In the Year Two Thousand Twenty**

Upon the Recommendation of Mayor David J. Narkewicz and Planning & Sustainability

**20.166 An Ordinance Relative to Two-Family By Right - Addition of Subsection to Ch. 350-6**

An Ordinance of the City of Northampton, Massachusetts, providing that the Code of Ordinances, City of Northampton, Massachusetts, be amended to allow two-family homes/lots by-right in most of the residential districts within the City by amending multiple sections within Chapter 350 relating to definitions, parking, lot layout, design.

Be it ordained by the City Council of the City of Northampton, in City Council assembled, as follows:

Add New Subsection to Chapter 350-6.

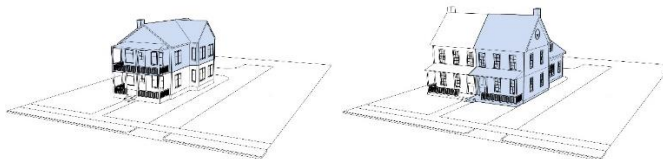
**350-6.11** Form Based Criteria for Two-Family and Two Single-Family Homes (EDITOR's NOTE: Wherever §350-6.11 is noted it should be a hotlink to this new subsection)

that triggers Site Plan Review

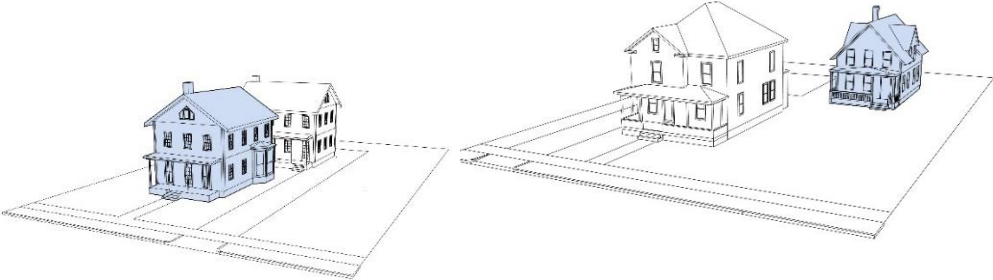
**A. General Standards**

- (1) Any new heating system to serve a second unit on a parcel or a new two-family or two-single families must be fossil fuel-free. This must be shown at the time of building permit application.
- (2) The dwelling units in a two-family dwelling may be arranged side-by-side, front-and-back, or vertically stacked (up-down), or a combination thereof.

(a) Example of vertically stacked two-family dwelling and side-by-side two-family



(b) Diagram of front-and back and two units per lot two-family dwelling



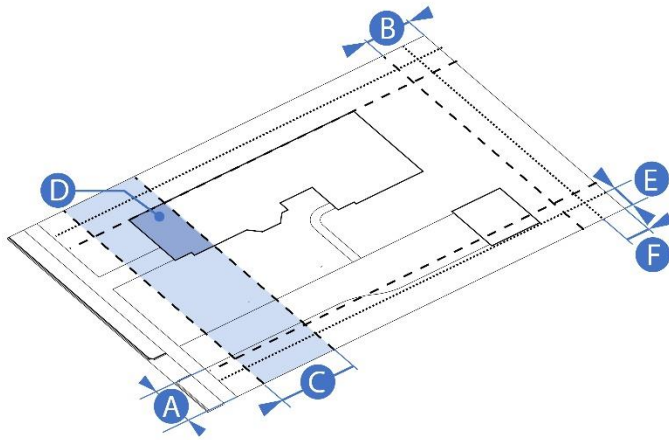
**B. Illustrative Examples.**

(1) The following photos show illustrative examples of two-family dwellings in Northampton.



**C. Design Standards for Two-Family and Two Single Family structures on a Lot**

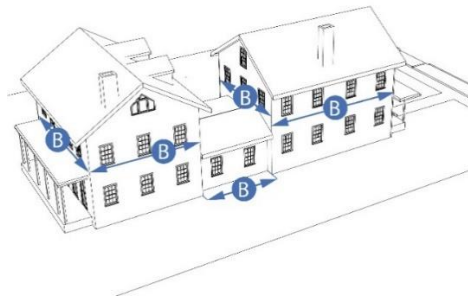
For two-family/two single family, in the URA, B, C zones, there is a minimum building occupancy in accordance with the following:



(1) Dimensional Standards		URC	URB	URA
A	Side Setback (min)	See Tables		
B	Rear Setback (min)	See Tables		
C	Build-to-Zone (min-max)	10'-25'	10'-25'	20'-40'
D	Building Frontage Occupancy width (min)	20'	20'	20'

Not applicable for additions to existing structures or lots that where existing structures do not meet this criteria

**1) Building Massing**

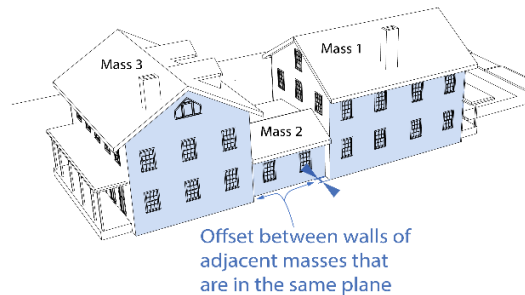
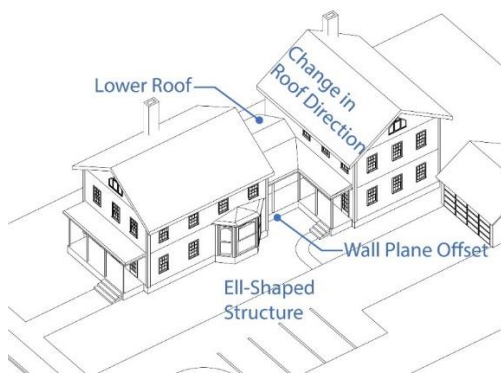


Maximum length of Massing is 50' "B"

(a) A dwelling may have more than one mass.

- (b) When a mass is attached to another mass, the masses must be designed with one or more of the following:
- (i) The roofs of adjacent masses run in different directions.
  - (ii) The roofs of adjacent masses that run in the same direction have at least a 2' difference in height.
  - (iii) Adjacent masses are arranged to create an Ell or T shaped building. The leg of the Ell or the arms of the T must extend at least 8' beyond an intersecting wall.
  - (iv) Where the walls of adjacent masses are in the same plane, the walls must be offset by at least 4'.

Illustrative examples of techniques for making masses distinguishable



## 2) Building Frontage

- a. Within the URA, URB, URC zones, in order to create a transitional space between a building's façade and the public realm that enhances neighborhood character, a new two-family dwelling or substantial alteration of a single-family dwelling that adds 50% or more gross floor area must include a covered front entry that meets the standards below.
  - I. The covered front entry must be located within the build-to-zone, except when a pre-existing building is not located within the build-to zone.



- II. The covered front entry must face the street. This is required for buildings facing and along the street front within the build-to zone. This is not applicable for additional structures built behind such buildings and which are not within the build-to zone.
- III. A covered front entry must have a minimum contiguous floor area of six (6) feet by eight (8) feet, exclusive of any stairs or ramps, for each unit's entry. The Planning Board, through site plan review may approve a smaller size but not smaller than 4'x4' for each unit.
- IV. The roof must cover an area of at least 4'x4' .
- V. At least one side of the covered entry shall be open between 3' and 7' above its floor surface.
- VI. A front entry may project beyond the front façade of a building or may be integral to the overall massing and roof form of the building.
- VII. Any stair egresses to porches above first floor covered entries must be within the footprint of the porch and may not project on the exterior of the porch footprint if it is within the build-to-zone.

Illustrative examples:



- b. A two-family dwelling may have a shared front entry, or two separate front entries.
- c. When a dwelling or dwelling unit is located to the rear of another dwelling unit that has a covered front entry, the principal entrance to the rear dwelling may face the side or rear of the lot. In this case, the covered front entry must be at

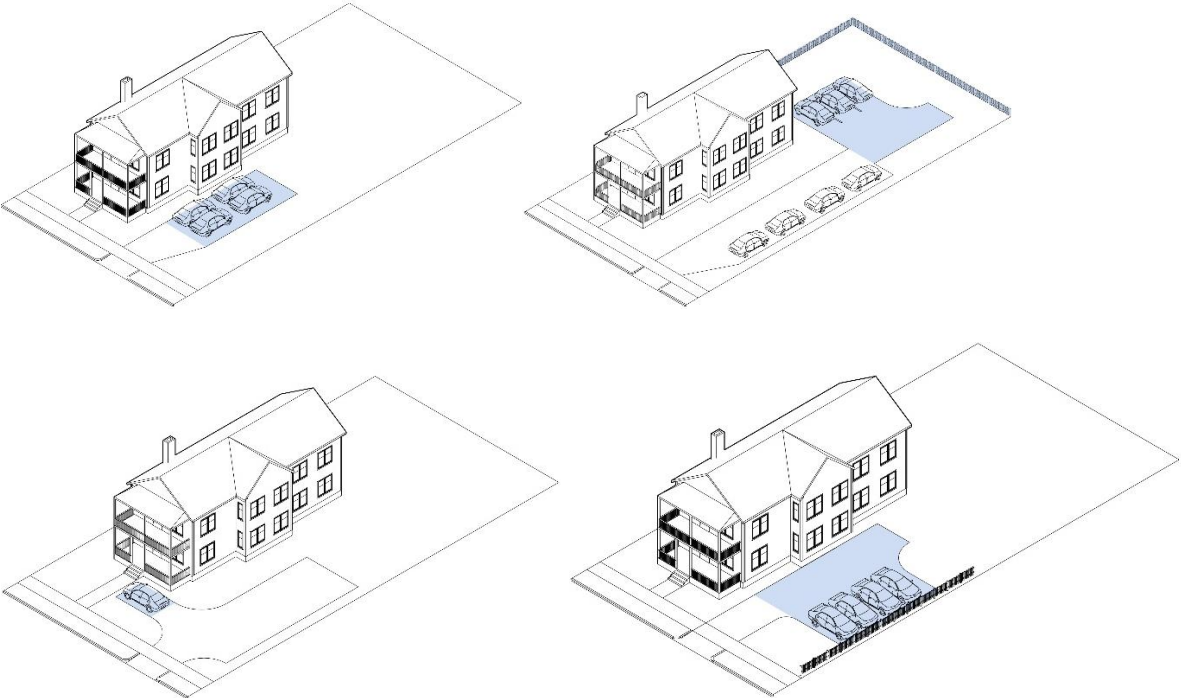
least 20' from the lot line unless other means to create a buffer/private outdoor space to adjoining properties are approved by the Planning Board. The entrance must meet the requirements for a covered front entry as described above.

**3) Parking/Garage Placement**

a. General Parking

- i. A parking area must be located to the side or rear of a dwelling. No more than 1 parking space may be located in front of a dwelling's front façade.
- ii. Where a pre-existing parking area in front of a dwelling's front facade is proposed to be used in association with a new two-family use: the parking area may be expanded toward the side of the lot but may not encroach further in front of the home between the home and the street.
- iii. No more than four cars may be parked beside a dwelling. Additional vehicles must be parked behind a dwelling or inside a garage.
- iv. Parking for more than four cars shall be separated by landscaped areas of at least six (6) feet by six (6) feet.
- v. Parking areas behind a dwelling shall be adequately screened to block car headlights from illuminating adjacent properties
- vi. The Planning Board may issue a special permit for alternative parking configurations when: the proposed design maintains an equal level of safety and no more than four cars will be visible from a public way

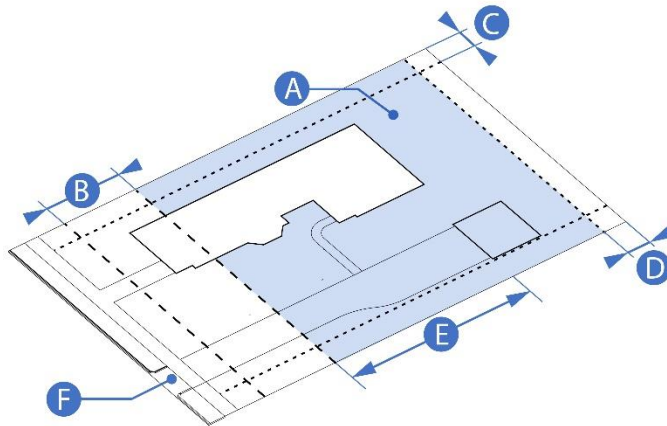
Illustrative Examples of Parking Configurations



b. Detached Garage Design

- i. When a detached garage is located to the side of a dwelling and the garage doors face and are visible from the street, the width of the detached garage must be no more than 75% of the width of the principal dwelling on the property.

- ii. Detached Garage Front Setback -20' min **E**



c. Attached Garage Design

- i. When an attached garage is located between two dwelling units, the garage doors must face the side or rear of the lot.
- ii. When the garage door(s) of an attached garage faces and is visible from the street, no garage door shall be wider than 12'.
- iii. For attached garages in the SR, RR, and WSP districts when the garage doors do not face the street, the façade of the garage visible from the street shall have window glazing that covers at least 20% of that exterior façade.

4) Screening

- a. All exterior mechanical structures must be located along the sides or rear of structures or screened from view from public ways.
- b. All refuse containers must be contained within a structure or screened from view from a public way and adjacent properties. **City's Tree List and Planting Guidelines**
- c. For every tree over 3" in caliper removed for construction, a replacement shade tree of at least 1" caliper must be planted on the property. When more than three trees are required for replacement, a variety of shade trees ~~selected~~ from the **Planning Board's tree planting list** must be selected.

The Planning Board may waive the total number of required trees to be planted on site if it finds that it is infeasible to replace all removed trees and when:

- 1) At least one 1" tree is planted; and
- 2) It is shown that even alternative ornamental trees could not be planted; and
- 3) Planting and spacing requirements for the replacement trees would be hindered by constraints of the lot in combination with the planned useable space of the lot.

#### 4) Screening

- a. All exterior mechanical structures must be located along the sides or rear of structures or screened from view from public ways.
- b. All refuse containers must be contained within a structure or screened from view from a public way and adjacent properties.
- c. For every tree over 3" in caliper removed for construction, a replacement shade tree of at least 1" caliper must be planted on the property. When more than three trees are required for replacement, a variety of shade trees ~~selected~~ from the ~~Planning Board's tree planting list~~ City's Tree List and Planting Guidelines must be selected. The Planning Board may waive the total number of required trees to be planted on site if it finds that it is infeasible to replace all removed trees on site and when:
  1. At least one 1" tree is planted on site; and
  2. It is shown that even alternative ornamental trees could not be planted; and
  3. Planting and spacing requirements for the replacement trees would be hindered by constraints of the lot in combination with the planned useable space of the lot; and
  4. The remainder of the required 1" trees, in consultation with the City's Tree Warden, are planted on public property, with preference given to the public right-of-way as close to the site as feasible.

# CITY OF NORTHAMPTON

## MASSACHUSETTS

*Two-Family By- Right  
Ordinances 5 of 10*

*In the Year Two Thousand Twenty*

**Upon the Recommendation of the Mayor and Office of Planning and Sustainability**

**20.167 An Ordinance Relative to Two-Family By Right - Addition of WSP District Table of Use**

An Ordinance of the City of Northampton, Massachusetts, providing that the Code of Ordinances, City of Northampton, Massachusetts, be amended by replacing section 350, Attachment 24 of said code; updating layout for WSP District and adding two-family residences by right.

### ORDINANCE

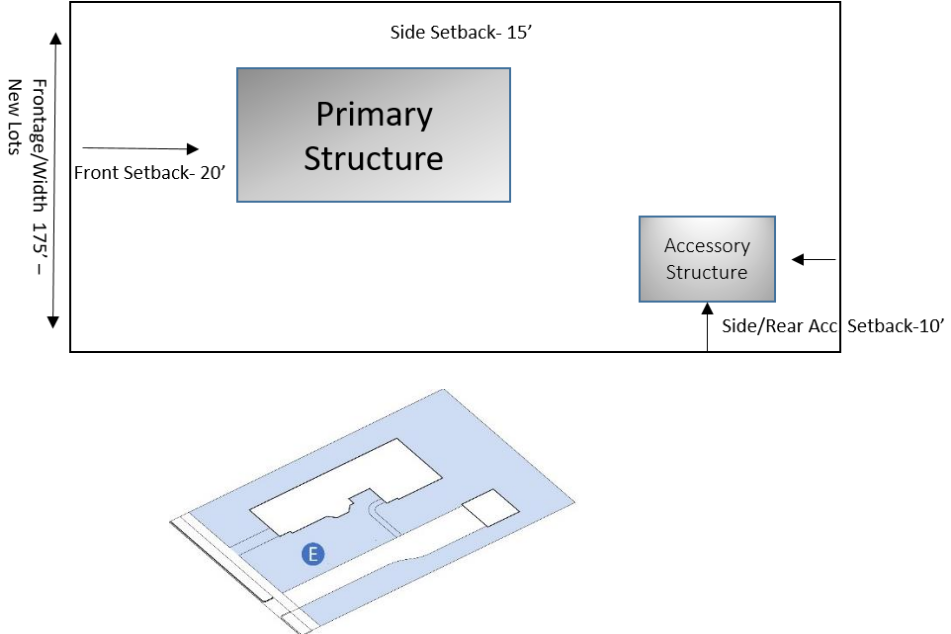
An Ordinance of the City of Northampton, Massachusetts. Be it ordained by the City Council of the City of Northampton, in City Council assembled, as follows:

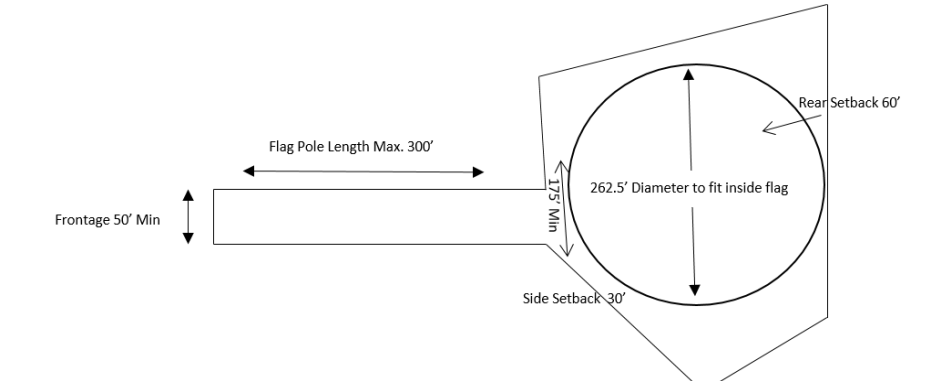
#### SECTION 1

*Add new "Table of Use and Dim Regulations WSP District" as follows*

**WSP District (Water Supply Protection)**

Description:	Example Uses/Structures
<p>Primarily low density residential over the City's drinking water protection zones including Zone 1 and 2 wellhead protection Minimum lot sizes are larger to ensure onsite recharge for new lots. Existing built neighborhoods and new lots have slightly greater minimum open space requirements than other neighborhoods.</p>	

Lot Dimension Requirements	Layout Setbacks
<p><b>Lot Size- standard -</b>                  Existing House Lots: Lot size/ frontage/depth: Same as in existence on June 7, 2007, or 80,000 square feet &amp; 175' frontage/width, whichever is less  <b>Open Space = 60%</b></p> <p>New Lots 80,000 square ft. Min.                  Frontage/Width = 175' Min.                  Depth = 200' Min.</p> <p><b>Open Space = 85%</b> <span style="border: 1px solid blue; border-radius: 50%; padding: 2px;">E</span>  <b>See Also §350-15.9</b></p> <p><b>Setbacks (accessory structures )*</b>                  Front = 20' Min                  Side = 15' Min (4' detached accessory)                  Rear = 20' Min (4' detached accessory)</p> <p>*Attached Accessory Structures may be 10' from side and rear lot lines when used only as garage/storage space.</p> <p><b>Max Height= 35'</b> (20' detached accessory)  <b>Ground Mount Solar, Essential</b>  <b>Srvcs/Municipal Facil:</b> 0 Min. Lot Size</p>	

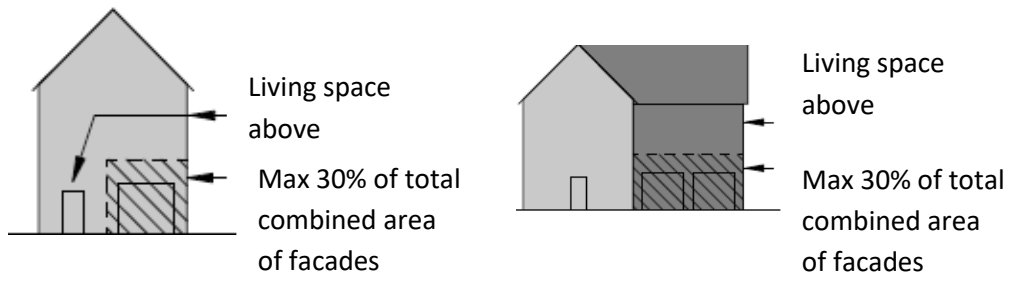
<p><b>Flag Lot Size-</b>                  80,000 square ft. minimum                  Frontage/Width = 50' Min.                  Depth = 200' Min.</p> <p><b>Setbacks</b>                  Front = 40' Min                  Side = 30' Min (10' Det Acc structure)                  Rear = 60' Min (10' Det Acc structure)</p> <p><b>Max Height = 35'</b>  <b>Open Space = 85%</b></p>	<p align="center"><b>FLAG LOT LAYOUT</b></p> 
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Design Standards Illustrated

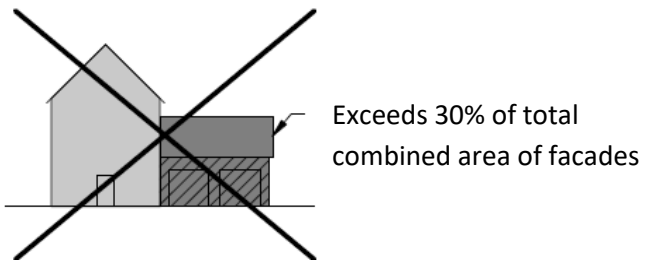
1. For attached garages/ parking structures that face the street,  
 a) The front face of the garage must be stepped back 10' from the house façade; and  
 b) The garage shall comprise no more than 30% of the front façade of the primary structure, unless the garage is stepped back from the façade by 20' (A).

The criteria above does not apply to residential structures that are either behind another principal structure, which is along the street front, or if the structure is setback 50' or more from the front lot line.

See additional specific criteria for 2-family homes. 350-6.11.



DOESN'T FIT



Minimum Parking for residential uses

For other uses see table in 350-8.2

1 space per 1,000 ft<sup>2</sup> Gross Living Area (round up). No more than 2 spaces required per unit.

Front yard setback may only have parking for a maximum of two vehicles

## WSP USES ALLOWED

### **Uses Allowed By Right:**

- Single Family residence
- ~~Two-Family/Attached (to a single family) accessory dwelling unit not to exceed 900 F<sup>2</sup> Gross Living Area. See 350-10.10. Same setback as for principal structures. See §350-6.11 for additional criteria. EDITOR'S NOTE: Create HOTLINK)~~
- Home Business up to 25 visits per week as defined in sect.2.1
- Preexisting nonconforming uses (may trigger ZBA permit)
- Accessory uses to residential: Tag Sales -temporary sales of personal and household articles, Pets/animals section 5.3
- Accessory structures- detached (but no larger than 1,000 ft<sup>2</sup> of lot coverage or 3% of lot area whichever is greater unless it is used for agricultural purposes) See also § 350-6.7.
- Family day care (registration w/Building Commissioner required)
- Cemetery, including any crematory therein
- Temporary event as defined in 350-2.1
- Agriculture, horticulture, floriculture, noncommercial forestry, the growing of all vegetables and a temporary (not to exceed erection or use for a period of four months in any one year) greenhouse or stand for retail sale of agricultural or farm products raised primarily on the same premises. Dimensional Standards do not apply.
- Rooftop solar hot water and photovoltaic
- Accessory solar photovoltaic(PV) ground-mounted on a parcel with any building/ use, provided that the PV is sized to generate no more than 100% or 12 KW of the annual projected electric use of the non-PV building/use. Same setbacks as for detached accessory structures.
- Any excavation incidental to a permitted use within three feet of the annual groundwater table with staff review to ensure there will be no groundwater contamination and site will not be dewatered.
- Essential Facilities – Setbacks of structures are that of Principal structures.
- Municipal Facility - Setbacks of structures are that of Principal structures.
- Short-term rental: allowed only upon annual registration with the City. Use as a registered rental is only valid for the year in which registration is completed and expires December 31 each year.
- Any excavation incidental to a permitted use within three feet of the annual groundwater table with staff review to ensure there will be no groundwater contamination and site will not be dewatered.

**Two Family**

### **Site Plan Approval required for the following:**

- Any ~~new c-~~Construction (other than for a single family ~~or two-family less than 3,400 sf of GFA~~ home) greater than 2,000 ft<sup>2</sup>
- ~~Two Single Dwellings on the same parcel/Detached Accessory Dwelling. See §350-6.11 for additional criteria. (EDITOR'S NOTE: Create HOTLINK)~~
- ~~Detached accessory dwelling unit for single family home meeting same setback requirements as a single family home see §350-10.10.—Administrative Site Plan~~
- Educational use: non-profit, any religious use, day care, school-aged child-care program (MGL c. 28A, § 9);
- Reuse of Historic Educational or Religious Building(s) for: Any residential use, live/work space, or office, provided however that no more than 20% of the floor space of the building(s) shall be used for medical, banking or any offices where a primary function is to provide services to retail customers or individuals. All such uses approved under this provision shall be within the footprint of existing building(s) and may only be approved contingent upon protection of all historically contributing portions of the building with a Historic Preservation Restriction granted to the City of Northampton in a form acceptable to the Planning Board, with input from the Historical Commission, as preserving the key character defining features visible from the road (and not necessarily meeting federal or state preservation standards for the entire building). The existing building may be expanded to accommodate elevators and stairwells. Portions of the building that are not part of the original architecture of the building and which do not contribute to the historical or architectural significance of the building as determined by the Planning Board, with input from the Historical Commission, may be demolished.
- Solar photovoltaic of any size, ground-mounted—*Administrative Site Plan:*

1. Over any legal parking lot or driveway;
2. At any landfill site not separate from the site-assigned property by any road; and
3. At an airport not separated from the runways by any road.

- Solar photovoltaic (PV), large-scale ground mounted with less than two acres of tree removal: Any other solar photovoltaic (PV), large-scale ground-mounted not listed above, where less than two acres of tree removal is planned. The removal of significant trees on the subject parcel(s) must be replaced in accordance with § 350-12. 3 and includes tree removal that occurs within 12 months immediately prior to an application for installation of such a system. No minimum frontage or lot size. Panels shall be setback 50' from all lot lines. A planted buffer to abutting residential property shall be at least 15 feet in width along the property boundary. It shall contain a screen of plantings of vertical habit in the center of the strip not less than three feet in width and six feet in height at the time of occupancy of such lot. Individual shrubs shall be planted not more than five feet on center, and individual trees thereafter shall be maintained by the owner or occupants so as to maintain a dense screen year-round. At least 50% of the plantings shall be evenly spaced. Whenever possible, existing trees and ground cover should be preserved in this strip, reducing the need to plant additional trees. Trees may not be cut down in this strip without site plan approval.

1 The owner or operator shall remove the installation no more than 150 days after the date of discontinued operations. Removal shall consist of:

- a. Removal of all structures, equipment, security barriers, transmission lines, conduits, poles.
- b. Disposal of all waste in accordance with local, state, and federal waste disposal regulations.
- c. Stabilization or re-vegetation of the site as necessary to minimize erosion. If the owner/operator fails to remove the installation in accordance with the requirements of this section, the City shall have the right, exercise or call the bond/performance guarantee in order to cover the cost of removal. Performance guarantee: Applicants shall submit an itemized cost estimate for complete decommissioning of the array as specified above. Prior to beginning construction the applicant shall post a performance guarantee in the form of a bond or escrow or other guarantee approved by the Planning Board for the amount to cover decommissioning, including a 20% contingency and calculated with twenty-year inflation factor. ~~Installation must be maintained in good condition with painting, structural repairs and security maintained and facilities no longer being used dismantled within 90 days.~~

- Parking off site and combined parking. See § 350-8.5 and 350-8.7
- Creation or expansion of six or more contiguous parking spaces.
- Parking requirement reduction. See § 350-8.10F.
- Residential Shared driveways see § 350-8.8R
- Year-round greenhouse / stand for wholesale and retail sale of agricultural farm products raised on site
- ~~Detached Accessory Dwelling Unit see 10.10—Administrative Site Plan~~
- Telecommunication antennas which are located on existing telecommunications towers or other structures which do not require the construction of a new tower (in accordance with § 350-10.9)
- Open/Outdoor marijuana cultivation.
  1. All security fencing that includes razor wire or other physical security measures that are not typically residential in character must be screened with vegetation so that it is not visible from public ways nor from other principal residential structures within 300 feet.
  2. If a fence or other security structure is planned within a FEMA-mapped floodplain, it must be shown to be engineered to withstand expected floodwaters or it must be engineered to include a breakaway that opens during flood conditions.

**Special Permit Approval required for the following uses by Planning Board unless otherwise noted:**

- Home Business for personal service business by appointment only or Home Business more than 25 visits etc. see 10.12 for other criteria—*Zoning Board of Appeals Special Permit*
- Flag lots. for Single, Two-Family or Two Single Family See § 350-6.10, 6.11.
- Bed-and-breakfast/Tourist home
- Commercial stable or kennel in which all animals, fowl, or other forms of life are completely enclosed in pens or other structures. See § 350-10.8 and exemptions MGL c. 40A.

- Outdoor Commercial Recreational use, miniature golf, temporary carnival
- Any other private school, college or university
- Historical association or society and nonprofit museum (may include the residence of a caretaker)
- Accessory solar photovoltaic ground-mounted on a parcel with any building or use, between 8-12 KW or over 100% but no more than 200% of the annual projected electric use of the non-PV building or use.
- Private Utility or Substation, small scale hydroelectric generation.
- New Telecommunications facility in accordance with §§350-2.1 and 10.9.
- Parking lot access for nonresidential uses across a residential lot. See § 350-8.9.
- Processing and treating of raw materials including operations appurtenant to the taking, such as grading, drying, sorting, crushing, grinding and milling operations. See § 350- 10.3.
- Removal of sand, gravel, quarry, or other raw material. See § 350-10.3.
- Filling of any land. See §10.4 Filling of water or any wet area. See §10.3.
- Private bridge, tunnel
- Railroad passenger terminal
- Municipal facility
- Heavy public use. See § 350-10.7.— *City Council Special Permit*
- Membership club operated as a not-for-profit corporation, as defined by MGL c. 180, excluding any adult establishments which display live nudity -
- Site alteration, structure or impervious surface within 200 feet of any watercourse (including intermittent) which are tributaries to a public water supply
- Funeral establishment
- Community Center
- ~~Assisted living residences, nursing homes~~
- Cluster residential development. See § 350-10.5.
  - Cluster Development Layout Standards
    - a. Project lot = 4-acre minimum
    - b. Project frontage = 175 feet
    - c. Project depth = 200 feet
    - d. Setbacks from project boundary:
      - Front = 40 feet
      - Side = 20 feet
      - Rear = 50 feet
    - e. Individual lot frontage, setbacks, frontage = 0 feet
    - f. Maximum height = 35 feet
    - g. Project open space = 75%
    - h. Design: Planning Board to review layout to ensure project transitions between existing neighborhood along street and proposed project. For new buildings, setback, scale, massing should fit within the area. Mature specimen trees shall be preserved unless shown to be infeasible. No minimum setbacks, lot size, frontage, or open space for internal lots. More than one structure may be located on a single lot.
- Solar photovoltaic (PV), large-scale groundmounted with more than two acres of tree removal.
 

A planted buffer to abutting residential property shall be at least 15 feet in width along the property boundary. It shall contain a screen of plantings of vertical habit in the center of the strip not less than three feet in width and six feet in height at the time of occupancy of such lot. Individual shrubs shall be planted not more than five feet on center, and individual trees thereafter shall be maintained by the owner or occupants so as to maintain a dense screen year-round. At least 50% of the plantings shall be evenly spaced. Whenever possible, existing trees and ground cover should be preserved in this strip, reducing the need to plant additional trees. Trees may not be cut down in this strip without site plan approval

  1. The owner or operator shall remove the installation no more than 150 days after the date of discontinued operations. Removal shall consist of:
    - a. Removal of all structures, equipment, security barriers, transmission lines, conduits, poles.
    - b. Disposal of all waste in accordance with local, state, and federal waste disposal regulations.
    - c. Stabilization or re-vegetation of the site as necessary to minimize erosion. If the owner/operator fails to remove the installation in accordance with the requirements of this section, the City shall have the right, exercise or call the bond/performance

- guarantee in order to cover the cost of removal. Performance guarantee: Applicants shall submit an itemized cost estimate for complete decommissioning of the array as specified above. Prior to beginning construction the applicant shall post a performance guarantee in the form of a bond or escrow or other guarantee approved by the Planning Board for the amount to cover decommissioning, including a 20% contingency and calculated with twenty-year inflation factor.
2. The Board must find that the removal of trees will not negatively impact the health, safety and welfare of the residents of Northampton by maintaining a robust and diverse ecosystem for the residents while also creating renewable energy systems. In order for the Board to make such finding, the applicant shall submit an analysis of the proposed project's impact relative to the benefit of the solar installation as follows:
    - a. Analysis showing that tree removal which occurs on more than one acre of slopes greater than 20% will not cause erosion of topsoil and will not increase siltation of any streams present on the site or within 200 feet of the property boundary.
    - b. Analysis of the forest type and relevant habitat that will be lost. This analysis must include the structure and diversity of the canopy, midstory and understory of the forested area to be cleared. Analysis must be performed by an individual with a master's degree in wildlife biology or ecological science from an accredited college/university or other competent professional with at least two years of experience in wildlife habitat evaluation.
      - i. Any forested area within which certifiable vernal pools are found must be identified and a permit from the Conservation Commission must be granted prior to review by the Planning Board.
      - ii. Any forested area containing clusters of five or more healthy trees of 20 inches diameter breast height or greater that are not in decline shall be preserved in order to continue to provide high value ecological benefit to the community. Connection of these larger trees to surrounding stands of trees shall be maintained.
      - iii. As part of the forest type analysis, the report shall contain information regarding the abundance and distribution of habitats within the region and of the specific site and any historical information on the extent and quality of these habitats and impact of clearing on these habitats. The applicant must show through analysis that habitat is not fragmented and that connectivity remains in the proposed conditions.
    - c. Analysis by a qualified third party showing that the project will be carbon-neutral over the first 10 years of operation. The applicant shall provide the following calculations:
      - i. The total volume of trees to be removed (provided by an independent certified forester) and the projected volume of trees over a ten-year period of additional growth.
      - ii. Subtracting the estimated live-wood in replacement trees provided under the significant tree section of this zoning ordinance 10 years after planting.
      - iii. Conversion of the net live-wood to be removed to short tons of carbon (using research from the Northern Institute of Applied Climate Science or other methodology after approval by the permit granting authority).
      - iv. Subtraction of the carbon offsets (short tons of carbon) provided by the solar photovoltaic project over 10 years of operation, including the calculation of potential carbon stored had the trees continued to thrive in that same ten-year window. 350 Attachment 24:8 Supp 11.4, May 2020 ZONING e. If there is any net release of carbon with the above calculations, the applicant shall assign renewable energy credits (REC) to the City to match or exceed said release of carbon. However, RECs may not be used to fund biomass projects.
    - d. At least 50% of the property shall be protected from tree clearing and future development for the duration of the operation of the solar array installation and until such time as the system is decommissioned and removed.
    - e. Within the area beyond the first two acres of canopy removed, stumps for removed trees must remain in place and no excavation/soil disturbance is allowed other than what would be required to bore support posts for the PV panels.
    - f. Electrical transformers for utility interconnections may be aboveground only if required by the utility provider. Power and telecommunications poles and equipment shall not be visible from the public way.

# City of Northampton

MASSACHUSETTS

Two-Family By- Right  
Ordinances 6 of 10

## In the Year Two Thousand Twenty

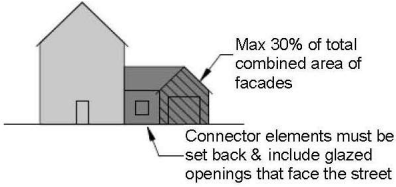
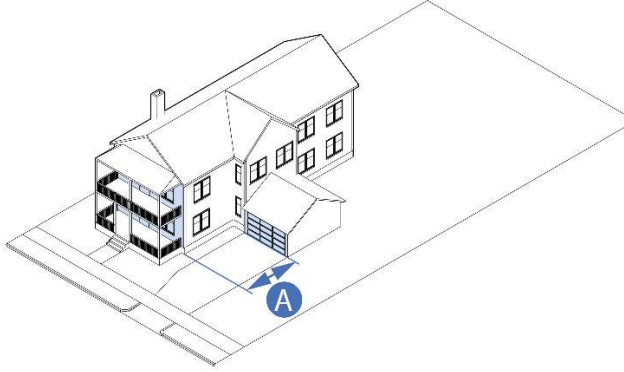
Upon the Recommendation of Mayor David J. Narkewicz and Planning & Sustainability

### 20.168 An Ordinance Relative to Two-Family By Right - Amendment to SR-RR Table of Use

An Ordinance of the City of Northampton, Massachusetts, providing that the Code of Ordinances, City of Northampton, Massachusetts, be amended to allow two-family homes/lots by-right in most of the residential districts within the City.

Be it ordained by the City Council of the City of Northampton, in City Council assembled, as follows:

SR and RR Attachments 5 & 4 Be modified by adding and deleting text as Follows *with no other changes to Attachment 4 or 5:*

SR & RR District	
<b>Design Standards Illustrated</b> <del>Planning Board may waive, by site plan approval element 2, if it can be shown that a different design meets a pedestrian-scale design that encourages public/private transition and interface (e.g. similar elements facing internal courtyards or private streets)</del>	
<p><del>1- 1. If aFor attached garages/ or other parking structures that face the street, is attached, it must be set</del></p> <p>a) <del>The front face of the garage must be stepped back 120' from the house façade; and</del></p> <p>b) <del>The garage/structure shall comprise no more than 30% of the front facade of the primary structure, unless the garage is stepped back from the façade by 20' (A).</del></p> <p><del>The criteria above does not apply to residential structures that are either behind another principal structure which is along the street front or if the structure is setback 50' or more from the front lot line.</del></p>	<p><b>DELETE:</b></p> <ul style="list-style-type: none"><li>Primary Structure</li><li>Garage or Parking Structure</li><li>Area</li></ul>  <p><b>ADD:</b></p> 

See additional specific criteria for 2-family homes. If a garage or other parking structure is attached, it shall comprise no more than 30% of the front facade of the primary structure.

### **SR & RR USES ALLOWED**

#### **Uses Allowed By Right:**

- Single Family residence
- ~~Two Family less than 3,400 sf~~ See also §350-6.11 NOTE: Make Hyperlink

#### **Site Plan Approval required for the following:**

- ~~Two-Family greater than 3,400 sf~~ and Two Single Family dwellings per lot . See also §350-6.11 Note: Make Hyperlink
- Any Construction (other than for a single family home) greater than 2,000 ft<sup>2</sup>

All references in Uses allowed by Right and site plan for Accessory Dwelling units of 900 Sf or less to be deleted:

Attached (to a single-family) accessory dwelling unit not to exceed 900 ft.2 gross living area. See § 350-10.10. Same setback as for principal structures;

Detached accessory dwelling unit for single-family home meeting same setback requirements as a single-family home. See § 350-10.10—Administrative Site Plan

# City of Northampton

MASSACHUSETTS

*Two-Family By- Right  
Ordinances 8 of 10*

## **In the Year Two Thousand Twenty**

Upon the Recommendation of Mayor David J. Narkewicz and Planning & Sustainability

### **20.170 An Ordinance Relative to Two-Family By Right - Delete Sections 350-10.10 and 350-10.11**

An Ordinance of the City of Northampton, Massachusetts, providing that the Code of Ordinances, City of Northampton, Massachusetts, be amended to allow two-family homes/lots by-right in most of the residential districts within the City.

Be it ordained by the City Council of the City of Northampton, in City Council assembled, as follows:

**Delete Chapter 350-10.10 and 350-10.11 in their entirety**

**City of Northampton**  
**MASSACHUSETTS**

*Two-Family By-Right  
Ordinances 9 of 10*

**In the Year Two Thousand Twenty**

Upon the Recommendation of Mayor David J. Narkewicz and Planning & Sustainability

**20.171 An Ordinance Relative to Two-Family By Right - Amendment to Parking Standards**

An Ordinance of the City of Northampton, Massachusetts, providing that the Code of Ordinances, City of Northampton, Massachusetts, be amended to allow two-family homes/lots by-right in most of the residential districts within the City.

Be it ordained by the City Council of the City of Northampton, in City Council assembled, as follows:

Chapter 3 50-PARKING STANDARDS 8.8

directly in front of

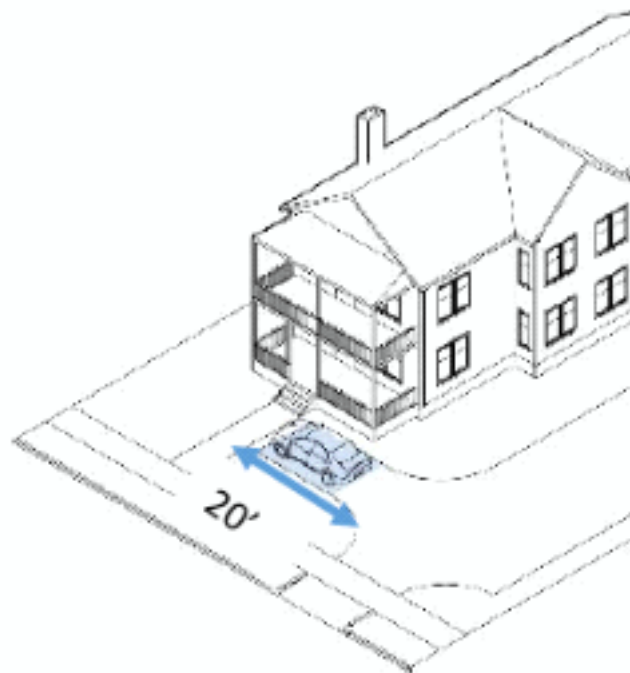
D. Parking shall not be located within five feet from the front lot line for residential uses, 15 feet for uses in M District, nor 10 feet for other uses.

(1) For all residential uses in all residential districts except for URC, parking for more than two vehicles shall not be permitted within the front yard setback.

(2) ~~Within the URA, B and C districts, no more than 1 parking space may be located between a public street and the front of a dwelling's front facade. Parking is not permitted within any of the setbacks in the Planned Village District.~~

G. There shall be a maximum of one driveway curb cut per lot. In CB, GB, EB and HB Districts and for all new two-family lots, a special permit from the Planning Board is required for more than one curb cut.

The width of pavement for driveways and parking shall be no greater than 20' across the width of the parcel between the house and the street. Parking may be located in the frontage to the side of the front facade.



# City of Northampton

## MASSACHUSETTS

Two-Family By- Right  
Ordinances 10 of 10

### In the Year Two Thousand Twenty

Upon the Recommendation of Mayor David J. Narkewicz and Planning & Sustainability

#### **20.172 An Ordinance Relative to Two-Family By Right - Amendment to SC Table of Use**

An Ordinance of the City of Northampton, Massachusetts, providing that the Code of Ordinances, City of Northampton, Massachusetts, be amended to allow two-family homes/lots by-right in most of the residential districts within the City.

Be it ordained by the City Council of the City of Northampton, in City Council assembled, as follows:

SC Attachment 18 Be modified by adding and deleting text as Follows *with no other changes to Attachment 18*:

#### SC USES ALLOWED

Uses Allowed By Right: (see above)

- Attached (to a single-family) ~~accessory dwelling~~two family unit not to exceed 900 ft<sup>2</sup> gross living area. ~~See § 350-10.10.~~ Same setback as for principal structures. Allowed ONLY within homes existing as of June 30, 2005, and for those that meet all State Building Code and requirements under the Wetlands Protection Act and Wetlands Ordinance.

Site Plan Approval Required for the Following:

- Any construction (other than for a single-family home) greater than 2,000 ft<sup>2</sup>
- The addition of a second unit less than 900 sf. on a parcel detached from the existing single family home. Allowed ONLY within existing footprint and within homes existing as of June 30, 2005, and for those that meet all State Building Code and requirements under the Wetlands Protection Act and Wetlands Ordinance. See additional criteria in 350-6.11

Special Permit Approval Required for the Following Uses by Planning Board Unless Otherwise Noted:

- ~~Detached accessory dwelling unit. See § 350-10.10—Zoning Board of Appeals Special Permit~~