

TR-2023-13

**A RESOLUTION ESTABLISHING A CAPITAL STABILIZATION FUND
PURSUANT TO MGL. C. 40 SECTION 5B**

(Sponsored by Mayor William P. Sapelli)

WHEREAS, the enactment of the Municipal Modernization Act St. 2016 c. 218 §22 (“MMA”) authorized the creation of specific Stabilization Funds for one or more different purposes; and

WHEREAS, while there exists a general town stabilization fund, a capital stabilization fund may also be created as MGL c. 40 Section 5B permits 1 or more stabilization funds; and

WHEREAS, MGL c. 40 Section 5B further provides that a municipality at the time of creating a stabilization fund shall specify the purpose of the fund, while also permitting alterations of the purpose at a later date; and

WHEREAS, several cities and towns throughout the Commonwealth have created a capital stabilization fund; and

WHEREAS, a properly managed capital stabilization fund has been favorably perceived by the bond market (Moody’s and Poor’s) and has been a factor in municipalities increasing their bond rating; and

WHEREAS, pursuant to the MMA, the capital stabilization fund may be created by a majority vote of the City Council and any appropriation from said fund require a 2/3 majority vote; and

WHEREAS, a capital stabilization fund will provide more options to the Town on how capital projects throughout Town are funded; and

WHEREAS, it is in the best interest of the Town of Agawam to establish a capital stabilization fund.


NOW THEREFORE, the Agawam City Council hereby establishes a capital stabilization fund pursuant to MGL c.40 Section 5B for the purpose of funding items meeting the definition of a “capital improvement” as defined in the Capital Improvement Program and by the Mayor.

Dated this _____ day of _____, 2023.

PER ORDER OF THE AGAWAM CITY COUNCIL

Christopher C. Johnson, President

APPROVED AS TO FORM AND LEGALITY



Stephen J. Buoniconti, City Solicitor