



Conor Baldwin  
Assistant City Manager/ CFO

Austin Ball  
Deputy CFO

## MEMORANDUM

**TO:** Thomas A. Golden, Jr., City Manager   
**FROM:** Conor Baldwin, Assistant City Manager for Fiscal Affairs   
**CC:** Corey Williams, City Solicitor  
**DATE:** January 29, 2026

**SUBJECT:** MOTION RESPONSE – 1/13/2026 – **C. Robinson** - Req. City Mgr. work with the Lowell Folk Festival Foundation to explore how our Council and administration may be able to assist with fundraising efforts

### Introduction & Background

The Lowell Folk Festival is one of the city's most cherished cultural traditions and a cornerstone of Lowell's creative economy. For decades, the festival has celebrated the rich diversity of music, food, and art that defines our community, while attracting visitors from across the region. Its impact extends beyond cultural enrichment—it generates significant economic activity for local businesses, reinforces Lowell's identity as a hub for arts and heritage, and fosters civic pride.

In recent years, the festival has faced growing financial challenges. Cuts in federal funding and a decline in contributions from private donors have placed increased pressure on the Lowell Folk Festival Foundation and its partners. The City of Lowell has long recognized the importance of the festival and has provided substantial in-kind support through services such as Public Works, Police, Fire, and EMS, ensuring the safety and success of the event. In fact, the City expanded its support in recent years using federal funds from the American Rescue Plan Act (ARPA) to help sustain and grow the festival during a critical period.

However, ARPA funding will expire on December 31, 2026, and with that, the City's ability to maintain this enhanced level of support will be significantly reduced. This memorandum explores the legal and financial constraints that limit direct municipal funding for non-profit organizations, while reaffirming the City's commitment to working collaboratively with the National Park Service and other stakeholders to sustain the festival for years to come.



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### **Authority to Spend and Public Purpose Limitation**

The authority for cities and towns to spend money arises under Section 5 of MGL c.

40. That section provides, in part, that:

*"[a] town may at any town meeting appropriate money for the exercise of any of its corporate powers; provided, however, that a town shall not appropriate or expend money for any purpose, on any terms, or under any conditions inconsistent with any applicable provision of any general or special law.<sup>1</sup>"*

In general, the properties and purposes for which cities and towns are authorized to spend are not specified, but rather they include any necessary expenditures arising from the exercise of their powers or functions. Cities and towns, however, can spend only for public purposes. Public funds cannot be used for private purposes. Thus, cities and towns have the right to spend money for any purpose where the public good will be served but not where the expenditure of money is directly or the private benefit of certain individuals. This principle is expressed in the Massachusetts constitution and in numerous cases. In addition to the general prohibitions against spending money for any purpose or under any conditions inconsistent with any general or special law, there are other prohibitions on municipal spending, such as the so-called "Anti-Aid Amendment<sup>2</sup>", which is a prohibition against the giving of money or property by a city or town to or in aid of any individual, association or corporation embarking upon any private enterprise.

It provides in pertinent part: "No grant, appropriation or use of public money or property or loan of credit shall be made or authorized by the Commonwealth or any political subdivision thereof for the purpose of founding, maintaining or aiding any infirmary, hospital, institution, primary or secondary school, or charitable or religious undertaking which is not publicly owned and under the exclusive control, order and supervision of public officers or public agents authorized by the Commonwealth." This amendment prohibits the use of public money or property by cities and towns for the purpose of maintaining or aiding any institution or charitable or religious undertaking that is not publicly owned. The kinds of expenditures barred by the amendment are those that directly and substantially benefit or "aid" private organizations in a way that is unfair, economically or politically. The prohibition against using public funds for private organizations includes any grants, contributions or donations made by a city or town to an organization for the specific purpose of directly supporting or assisting its operations.

<sup>1</sup> [MGL c. 40 s. 5](#)

<sup>2</sup> [Massachusetts Anti-Aid Amendment](#)



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The prohibitions of the Anti-Aid amendment do not preclude a municipality, however, from entering a contract with a non-profit for services, provided that the contract is in writing, identifies the services to be provided, and sets forth the payment schedule. Payment for any service could only be made after the service was provided, pursuant to Massachusetts General Laws, Chapter 41 § 56. As a party to the contract, the City of Lowell could compensate a non-profit for services rendered to the city in the same way that the city compensates any of the various for-profit entities under contract with the city and the payment would not be considered a grant or a gift. However, direct fundraising would likely be problematic under the Anti-Aid Amendment, as well as the Massachusetts conflict-of-interest law restriction on public employees.

Guidance from the Department of Revenue states that, “[the Anti-Aid Amendment] is a prohibition against the giving of money or property by a city or town to or in aid of any individual, association or corporation embarking upon any private enterprise.” The guidance also states, “[s]ince public money can only be expended for public purposes, cities and towns have not the power to appropriate money for gifts or gratuities to persons whose situations may appeal to public sympathy”<sup>1</sup> Furthermore, in a legal opinion provided to the City of Marlborough in 2006 regarding the legality of grants to non-profits, the Chief of the Municipal Finance Bureau went on to describe the expanded scope of the prohibition of Anti-Aid Amendment to include any grants, contributions or donations by a city to any of the various non-profit organizations located within a municipality, not just those religious in nature.

In summary, the city must be mindful of the legal limitations to financial support, which is why the city’s support historically has been through in-kind support. This support by all city departments and personnel, but more specifically the Lowell Police Department (“LPD”), the Department of Public Works (“DPW”), the Lowell Fire Department (“LFD”), and the City Manager’s Office of Cultural Affairs & Special Events (“CASE”), is financially significant, as further detailed in this memorandum. It is also directly related to a public purpose: the safety and security of Lowell residents and visitors who come to visit the City of Lowell during the Folk Festival.

### **City of Lowell ARPA Cultural Economic Recovery Plan**

The City of Lowell recognized the important contributions that local festivals, artisans, and cultural organizations made to the overall economy and quality of life for residents and visitors. As part of the City’s ARPA programming, the Cultural Affairs and Special Events (CASE) team provided more than \$800,000 in ARPA-funded grant awards for: not-for-profit festival and event organizers, cultural organization assistance, and public art programming across the city; including support of the Lowell Folk Festival.



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The Public Art grant program invested in projects throughout the city to stimulate a sense of community and encourage residents to venture outdoors and experience these works of art. These investments also helped drive new economic activity within the community, contributing to Lowell's recovery from the COVID-19 pandemic.

The Cultural Organization Recovery Program was designed to help cultural organizations recover from pandemic-related impacts by providing funds to support audience retention, organizational partnerships, and community engagement.

Equally impacted were the numerous outdoor festivals managed by local non-profit organizations. Outdoor festivals provided a platform for micro-businesses and local artisans to showcase their goods and help drive the local economy. During the pandemic, these festivals were suspended due to social distancing requirements. As part of the City's ARPA plan, the CASE office distributed ARPA-funded grants directly to not-for-profit festivals and event organizers to assist them in bringing their events back or creating new festivals.

The City has published further details on this and other ARPA investments on the ARPA Dashboard: [Capital Request | City of Lowell \(MA\) ARPA Recovery Plan](#)

### **Annual City Support for the Folk Festival**

In addition to ARPA-funded initiatives, the City supports the Folk Festival with significant in-kind services through its annual operating budget. Beginning in FY2024, the City Manager's Department has budgeted \$100,000, annually—specifically to fund overtime and payroll costs for DPW, Police, Fire, and EMS personnel assigned to the festival. This represents a substantial increase compared to \$65,000 budgeted in FY2022, reflecting the City's commitment to sustaining and expanding the festival in recent years.

### **Next Steps & Commitment**

While ARPA funding is set to expire at the end of 2026, the City remains committed to working with the National Park Service and other stakeholders to explore sustainable strategies for supporting the Lowell Folk Festival. This includes identifying potential contractual arrangements for services, leveraging partnerships, and continuing to provide in-kind support through City departments.

Please let me know if you have any questions or require additional information.