

# Holyoke council OKs major overhaul of city financial operations

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HOLYOKE — The Holyoke City Council on Tuesday approved a major overhaul of the city's Finance Department, voting 11-2 to adopt a [long-debated](#) reorganization aimed at strengthening internal controls and addressing concerns raised by state officials.

**Councilors Linda Vacon and Howard Greaney were opposed.**

The ordinance passed on first and second readings, following lengthy debate and failed amendments.

The final vote came after a 4-1 recommendation from the council's ordinance committee, chaired by Councilor Meg Magrath-Smith, which advanced the measure to the full council.

Magrath-Smith said [the proposal](#) reflects years of guidance from the state Division of Local Services and creates clearer lines of accountability within city government. The reorganization establishes a centralized Department of Finance under a chief administrative and financial officer, and consolidates financial operations that had previously been spread across departments.

The plan also adds several positions, including a director of technical services, intended to reduce the city's reliance on outside consultants and to improve oversight of financial systems.

She said the changes are expected to be budget neutral, with savings from reduced consulting contracts offsetting new personnel costs.

**However, Vacon objected to both the substance and the process, arguing the ordinance conflicted with the city charter by altering council appointing authority and was advanced without proper procedural steps.**

**Motions to return the ordinance to committee and amendments restoring council appointment powers were defeated.**

City Councilor Mimi Panitch countered that the city's ongoing financial instability required immediate action and said any charter conflicts could be addressed through future amendments.

The vote marks a significant step in Holyoke's broader effort to modernize its financial operations. It comes after repeated warnings from state officials about cash management problems, missing internal controls and borrowing risks; the state [even resorted to withholding local aid](#) as the lack of accounting lingered.

In a Facebook [post](#), Holyoke Mayor Joshua Garcia thanked councilors for passing the measure after more than a year of discussion.

Garcia said a key part of the changes is the creation of the new CAFO position, which he said will improve oversight, coordination and accountability in city government.

He said the city plans to begin putting the changes in place soon, with more details to be shared later.