

MEMO TO: Miriam Aschkenasy and John VanScoyoc, Co-Chairs
American Rescue Plan (ARP) Submission Review Committee

FROM: Mel Kleckner, Town Administrator

SUBJECT: Input and Recommendations on the ARP Round 1 Budget Slate

DATE: April 14, 2022

This memorandum addresses recommendations to modify the Round 1 budget slate and to raise other issues that the ARP Submission Review Committee will consider at its meeting on Friday. I first want to thank the Committee for this very difficult task. The requests for funding far exceeded available grant revenue, and all applications seek to fund very worthwhile projects. But as I know when developing a balanced budget for the Town each fiscal year, the final decisions are the result of many competing factors that can be disappointing to many. However, the overall thrust of the Committee's recommendations meets the community's needs and the grant's eligibility requirements as reported in the Brookline Community Foundation's community engagement process. You should be proud of the Committee's efforts.

Please find the following issues for further consideration;

FY 2023 School Budget: As we have known for some time, decisions on APR are linked to decisions on the Town's FY 2023 budget. The ARP Act acknowledged the general revenue losses that municipalities experienced during COVID, and created a formula to allow cities and towns to use grant funding to offset local government expenses. In Brookline, the focus on use of this "Revenue Replacement" funding has been on the School Department's FY 2023 budget. I am recommending that a total of **\$3,000,000** of ARPA funding be allocated to meet the FY 2023 School Department's budget needs. I am also recommending that **\$500,000** be allocated to the School Department with the express condition that it be used to meet school building maintenance expenditures as recommended by the Town's Buildings Division. To offset these increased amounts, I recommend that the Committee defer its allocation of **\$1,750,000** for School HVAC improvements, which are not of an emergency nature.

Municipal Program Fees and the BCF Safety Net: We have been discussing the appropriate funding of scholarships for municipal programs, especially the important recreational and socialization programs that are offered by the Town's Recreation, Council on Aging, and Library departments. Current scholarship opportunities are limited by funding and can be difficult to navigate and/or uncomfortable to pursue. After conversations with the Brookline Community Foundation, I believe their current Safety Net program provides the appropriate level of confidentiality and ease of access for funding scholarships for municipal programs for eligible families. For this reason, I recommend funding a total of **\$1,000,000** for the BCF Safety Net.

Funding for Affordable Housing and Centre and Kent Street Developments: As you will note from recent correspondence, this application is being withdrawn and other non ARP funding is available to support this need. I recommend that the **\$3,375,000** currently in the budget slate be eliminated.

Conditional Approvals: Some of the ARP applications on the slate need further refinement and coordination before they can be implemented. In some cases, the application was not made by an individual or entity that has the capacity to manage the program (e.g. Utility Debt Relief or the Municipal Broadband Initiative). In other cases, the Committee has approved funding that is less than requested, which may require the program to be scaled back or modified. Finally, some programs appear to overlap with the goals of other programs (e.g. multiple food security programs) that might be adapted or coordinated. While we are not recommending that funding for these programs be deferred necessarily, the Committee should recommend that the Select Board condition all non-municipal projects on a grant agreement, the terms of which would be acceptable to the Town.

Municipal Department Expenditures: The Committee's current budget slate recommends a total of \$271,621.32 in various applications by municipal departments. These range from \$6,668 to fund Library furnishings and supplies to a \$45,000 project to adapt the Town's Emergency Operations Center. I recommend the Committee consolidate these projects into a single FY 2023 Municipal Funding category and request the Town Administrator to conduct a final review and approval on individual projects. Frankly, the small size of some projects do not merit separate ARP funding and other projects might have alternative funding sources that we prefer to tap instead.

Flexibility and Reserves: I strongly urge the Committee and Select Board to limit its allocation of ARP funds in this round to around \$20 million. There are many large projects still to be considered, including the MBTA Bus Fare Free initiative and the funding of COVID premium pay for Town's employees. Additional funding from ARP will be required to cover ongoing expenses that the former CARES program funded. Finally, uncertainty remains on the need for use of ARP funding for future COVID response activities and other issues that could emerge. I have attached a modified budget slate that meets this \$20 million budget for your consideration.

Thank you.

cc: Select Board