



Watertown City Council

Administration Building
149 Main Street
Watertown, MA 02472
Phone: 617-972-6470

ELECTED OFFICIALS:

Mark S. Sideris,
Council President

Vincent J. Piccirilli, Jr.,
Vice President &
District C Councilor

John M. Airasian,
Councilor At Large

Caroline Bays,
Councilor At Large

John G. Gannon,
Councilor At Large

Anthony Palomba,
Councilor At Large

Nicole Gardner,
District A Councilor

Lisa J. Feltner,
District B Councilor

Emily Izzo,
District D Councilor

Committee of the Budget and Fiscal Oversight Report of the Meeting of December 4, 2023

The Committee convened on Monday, December 4th, at 6pm in the Richard E. Mastrangelo Council Chambers, as a hybrid meeting, with remote participation by zoom. Present in person were Vincent Piccirilli, Chair; Emily Izzo, Vice Chair and Nicole Gardner, Secretary. Staff present were Megan Langan, Auditor, and Doug Newton, Council Analyst. Also present were Councilors Lisa Feltner and Anthony Palomba. Roughly 20 residents attended the meeting in person and on zoom.

Councilor Piccirilli called the meeting to order at 6:01 pm. The purpose of the meeting was twofold:

1. Hold a public forum on the Draft American Rescue Plan Act (ARPA) Funding Recommendations prepared by the Committee during its last meeting.
2. Develop final recommendations, for the City Council to discuss and vote on.

Councilor Piccirilli began by presenting slides (Attachment A) which discussed:

- Background on ARPA,
- The process the City of Watertown is using to determine its ARPA allocations,
- The process the Committee used to ensure the proposed allocation maximized the overall value of the grant we received,
- The process the Committee used to ensure the proposed allocation reflected the priorities of the Councilors as reflected in their earlier scoring of proposals, and
- The outcomes of the process, namely:
 - a) The amounts and rationale for each of the proposals that the Committee recommends funding.
 - b) The rationale for each of the proposals the Committee recommends receive no funding.

Overall, the recommended allocations total to ~\$4.9 million (or 45%) for Water & Sewer Infrastructure, ~\$4.4 million (or 41%) for Social Services, and ~\$1.4 (or 13%) for Climate and Energy.

The Chair then opened the public forum. James Mello spoke in favor of the Housing Authority McSherry Gardens project. Will Twombly spoke in favor of the Community Fridge and Marshall Place proposals. Rita Colafella said she wished even more funding could have gone to Social Services. Curtis Whitney spoke in favor of the Boys & Girls Club project. Alan Medville thanked the Committee and the City Council for the fairness and thoughtfulness of the process.

On a different note, Jared Knowles praised the amount of public interest and engagement in the process, and the creative ideas that came from the public. He suggested that the City of Watertown could build on this momentum, and suggested the City consider introducing some sort of participatory budgeting process, as is happening more and more in other municipalities.

The public forum was then closed.

Councilor Piccirilli next explained that Metro West had originally included a flat 15% administrative fee of \$37,500 as part of its \$250,000 proposal. The Committee had decided to not fund flat administrative fees, but rather, to pay for estimated costs being incurred. Metro West had since provided a bottoms up estimate of actual costs at \$21,250 (Attachment B). This approach of estimated actual overhead costs rather than applying a percentage is similar to the approach used by both Wayside and Right Turn (two other applicants). Committee members agreed that they felt comfortable recommending the \$21,250 estimated administrative costs for that project.

Councilor Palomba said that based on his professional experience working in non-profits, administrative fees are critical for them to operate. He asked the Committee to reconsider the approach it had adopted regarding not paying flat administrative fees, but paying estimated actual costs. Councilor Feltner said she empathized with Councilor Palomba's view.

Councilor Gardner made a motion, seconded by Councilor Izzo, that the Committee include Metro West's estimated administrative costs of \$21,250 in its recommendation to the Council, and that the allocations to Stormwater Trenches and Lead Gooseneck Pipes be reduced accordingly (50/50 split). Voted unanimously 3-0.

Councilor Feltner said that she was disappointed how the rankings by Councilors were used by the Committee. She also said she felt there was not a metric for the assessing the proposals on the long-term impact of each project on residents. Some projects -- such as water and sewer -- would impact all residents, into the future, and the value and impact could be calculated. She expressed full support for the food pantry and Senior services; those benefits are measurable and data-driven, unlike something like a study with unknown outcomes. She believes that some items that the Committee was planning to recommend be funded were more serving private interests of smaller numbers of residents, rather than provide a broad public benefit. She said she hoped for more guidance from the Auditor.

Auditor Langan confirmed that some projects, like water/sewer infrastructure, benefited all residents. However, she said that in her judgment the recommendations seemed consistent with the direction given by the City Council in their aggregate rankings.

Councilor Piccirilli noted that the original intent of the law included such items as public health and providing services to disproportionately impacted communities, as well as water/sewer infrastructure, and that he felt the balance across the categories reflected intent of the law.

Councilor Izzo concurred, and said the process had been very open and inclusive, where all voices were heard.

Councilor Gardner said that many benefits can't be quantified, such as the benefit to a child of going to bed have had enough to eat, or having a mentor at the Boys & Girls Club, or the benefit to a senior citizen to have an affordable place to live at Marshall Place, or to a person who receives help overcoming a substance abuse addiction and is able to pick their life up again. She believes the balance across the categories reflects the values of the community, as expressed through the Councilors.

Councilor Palomba agreed on the balance, and noted some people were harmed much more than others during covid, and that it is appropriate to put the focus and priority on the people most affected. He

again questioned whether the social service providers (Wayside, Right Turn, and Metro West) should all be given a standard flat administrative fee in there funding.

Councilor Piccirilli responded that all 3 organizations had committed to the projects under the current terms and we should move forward as agreed. He closed by saying that some people might want to put all the money toward infrastructure as the most fiscally responsible path, and others might want to put all the money toward social services that serve the neediest in our community. He understand both positions, but he believes the Preamble to our Charter shows that in our community we want to achieve a balance of both, and he believes the proposed allocation achieves this.

➔ **Action Item:** Councilor Gardner made a motion, seconded by Councilor Izzo, that the Committee of the Budget and Fiscal Oversight recommend to the City Council that it approve the proposed appropriation of ARPA funding, adjusted as described above. Voted unanimously 3-0.

The meeting adjourned at 7:17pm

Report prepared by Nicole Gardner

Attachments:

- A. ARPA Funding Presentation
- B. Metro West estimate of Administrative Budget for Financial Assistance Program

Public Forum: ARPA Funding Recommendations

Committee of the Budget &
Fiscal Oversight

December 4, 2023



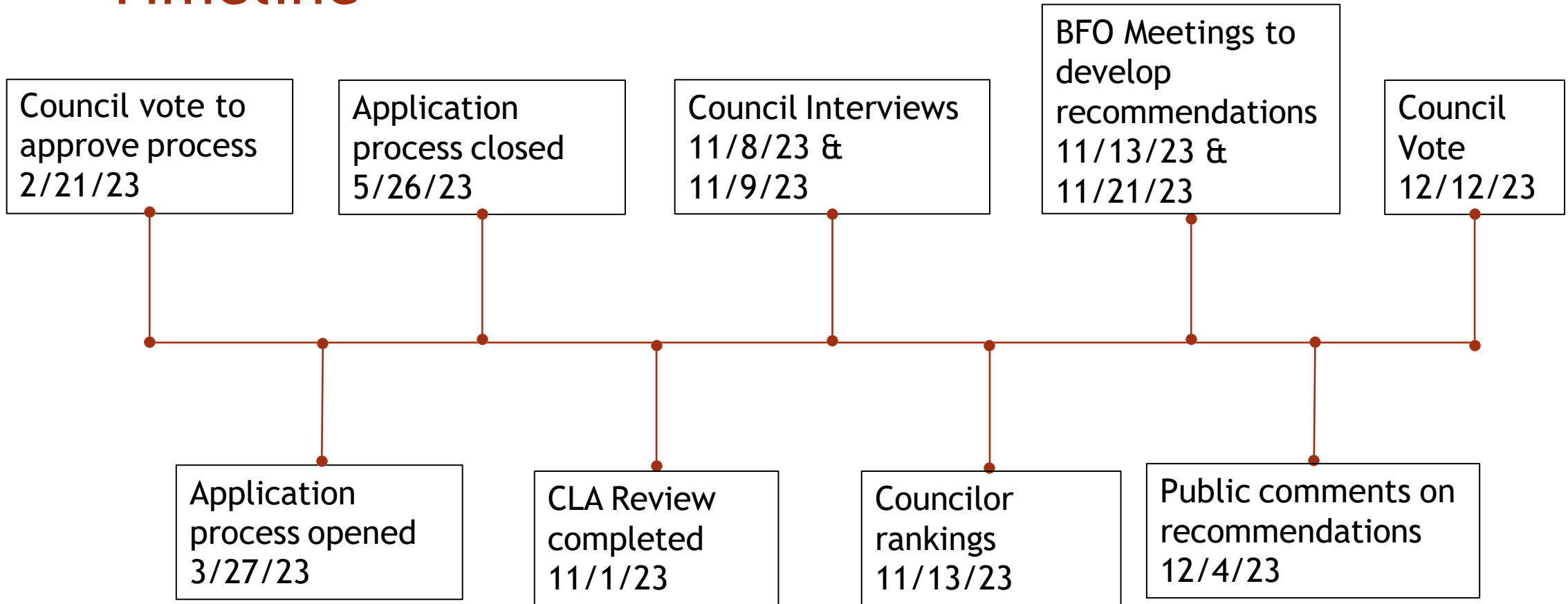
Background

- ▶ On March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA).
- ▶ Among other investments made, \$65.1 billion in federal money was distributed to cities and towns nationwide.
- ▶ Watertown received \$10,742,413 and funds must be encumbered by December 31, 2024, and fully spent by December 31, 2026
- ▶ Funds can only be used for the following eligible expenditures:
 - 1 - Public Health
 - 2 - Responding to Negative Economic Impacts
 - 3 - Services to Disproportionately Impacted Communities
 - 4 - Premium Pay
 - 5 - Water, Sewer & Broadband Infrastructure
 - 6 - Revenue Replacement
 - 7 - Administrative

Watertown's Process

- ▶ Unlike other municipalities, the City Council decided to develop spending priorities, instead of the Administration, and assigned the BFO Committee with this task.
- ▶ The BFO Committee held informational forums and developed guidelines for requesting proposals from the public and city departments.
- ▶ 32 proposals were received, and the City Auditor hired CliftonLarsonAllen (CLA) to determine if each proposal was eligible for funds under the law.
- ▶ After receiving input from CLA, the Council conducted public interviews with each applicant deemed to be fully or conditionally eligible.
- ▶ After the interviews, each Councilor ranked the proposals based on priority for funding. These rankings were compiled into aggregate scores for each proposal.
- ▶ Based on these rankings, the BFO Committee crafted a comprehensive proposal for allocating Watertown's ARPA funds for the full Council and public to consider.

Timeline



Determining which proposals were recommended for funding and by how much

How to stretch the dollars

- ▶ 32 proposals with a total value of \$23,980,537 and available funds of \$10,742,413
- ▶ Each applicant was asked to provide a minimum amount to complete the project, and each applicant was asked if they would complete the project if they received the minimum.
- ▶ For applications with a contingency fee, applicants were asked if they would assume responsibility for this, and complete the project without it.
- ▶ For applications with a % administrative fee, applicants were asked if they would assume responsibility for this, and complete the project without it.
- ▶ For applications with two separate projects in the same application, applicants were asked if they would accept funding if only one project was funded.

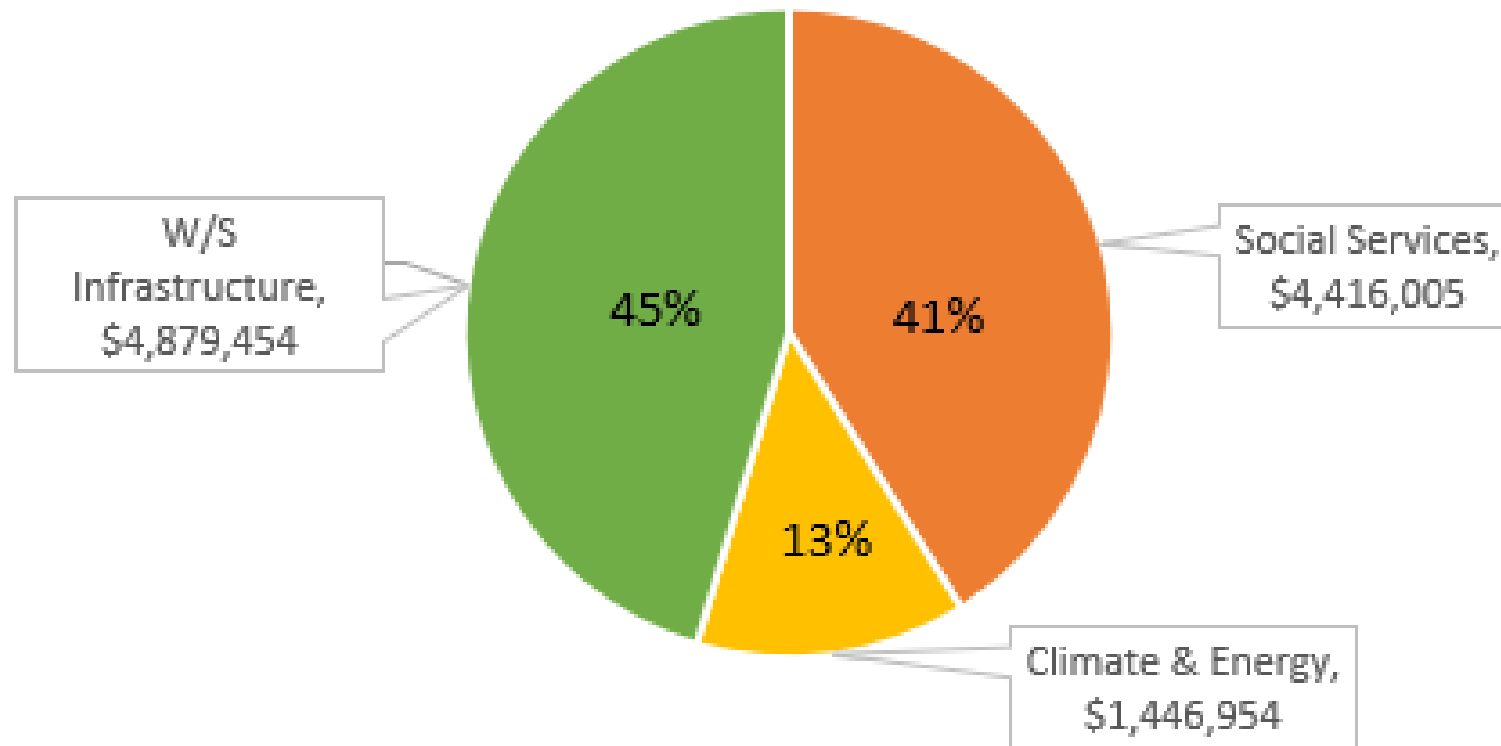
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How to prioritize

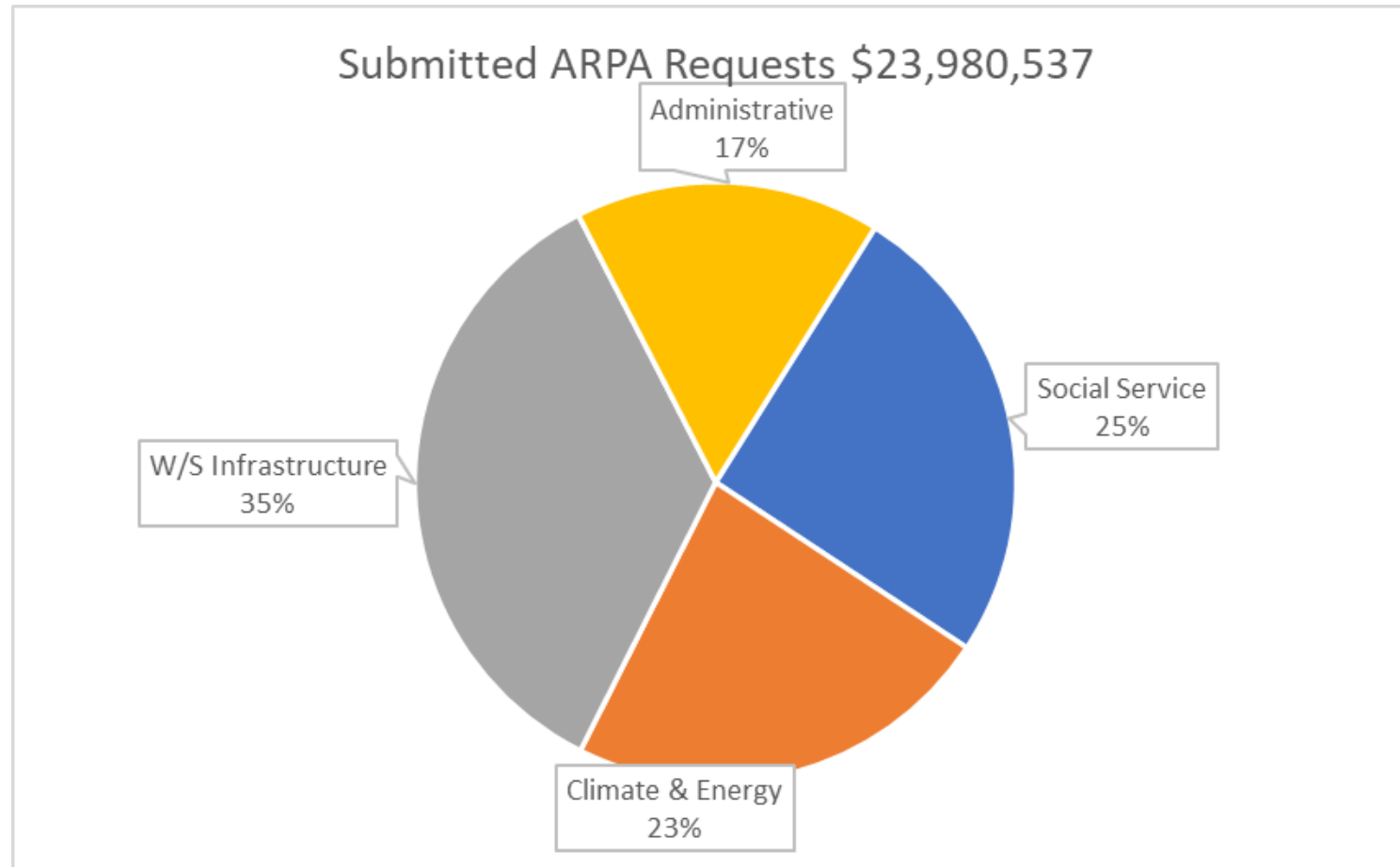
- ▶ Each Councilor was asked to rank each proposal with a number:
 - 4 = High priority for ARPA grant funding
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 - 1 = Low priority for ARPA grant funding
 - 0 = Do not fund with ARPA grant
- ▶ Scores were aggregated and used for guidance by the BFO Committee:
 - ▶ Applications with a score less than 1 were recommended to not fund
 - ▶ Highest ranked applications had highest priority for funding
 - ▶ Lowest ranked applications had lowest priority for funding
- ▶ For remaining projects:
 - ▶ One major Water project and one Sewer project funded
 - ▶ All qualified Social Service projects funded
 - ▶ Made up the difference with lead pipe removal and stormwater tree trenches (unit price projects)

Draft recommended allocations by focus area

Proposed ARPA Allocation \$10,742,413



For comparison - requested funding - all 32 applications



Water & Sewer Infrastructure Draft Recommendation - \$4,879,454

- ▶ Sewer Phase 4 Rehabilitation-DPW: \$2,500,000
- ▶ Cottage Street Water Main Resident Engineering and Construction Services-DPW: \$2,000,000
- ▶ Lead Gooseneck Removal-DPW: \$379,454

Social Services Draft Recommendation - \$4,416,005

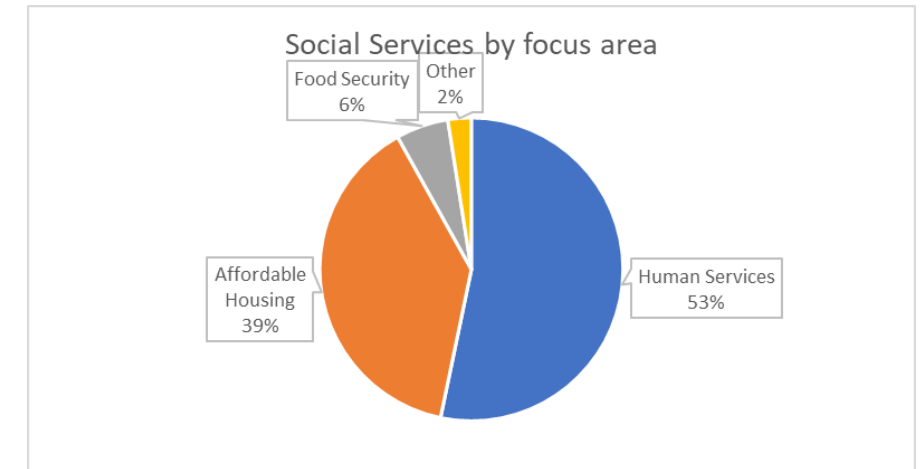
Human services 53%

- ▶ Expansion of Childcare Programming-BGC: \$1,563,861
- ▶ Social Services Resource Specialist Program Expansion-Wayside Youth: \$317,578
- ▶ Watertown Cares-Right Turn & Watertown Cares: \$258,550
- ▶ Watertown Direct Assistance Program-Metro West: \$212,500

Affordable housing

Food security

Other



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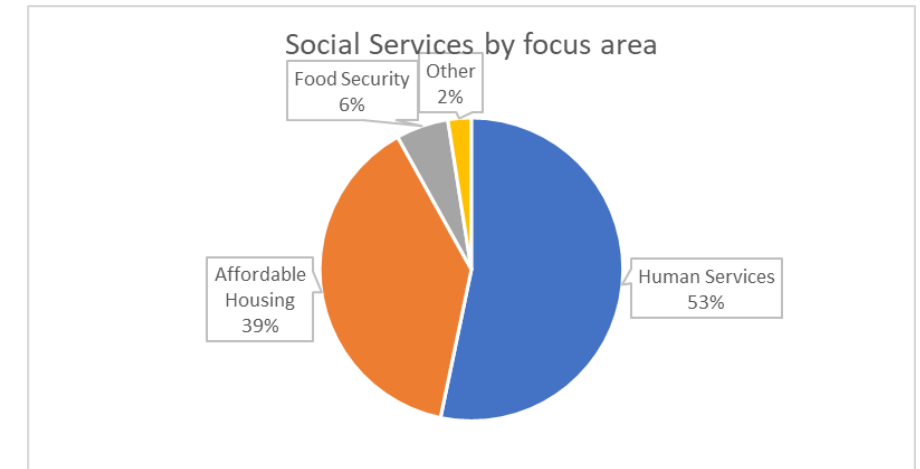
Human services

Affordable housing 39%

- ▶ McSherry Gardens Improvements-WHA: \$1,621,760
- ▶ Elevator Modernization for Affordable Senior Housing-Marshall Place: \$84,428

Food security

Other



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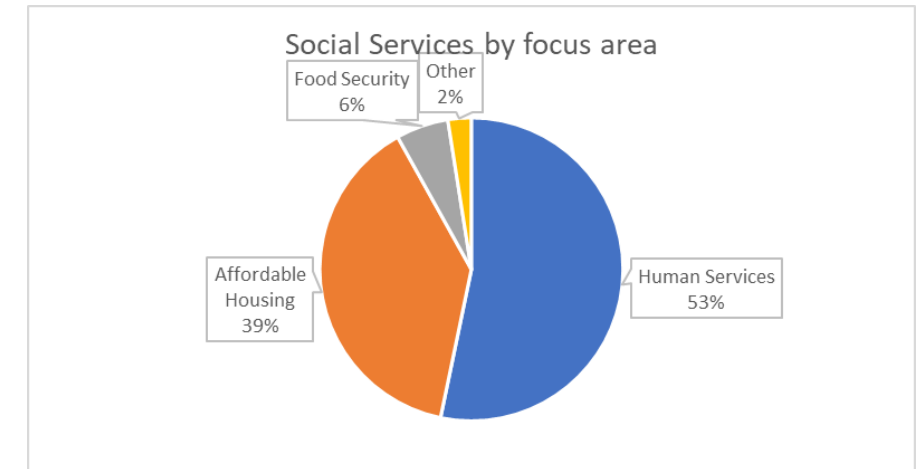
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Affordable housing

Food security 6%

- ▶ Watertown Food Pantry-COA: \$152,000
- ▶ Sustaining Watertown Community Fridge-Community Fridge: \$60,000
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Other



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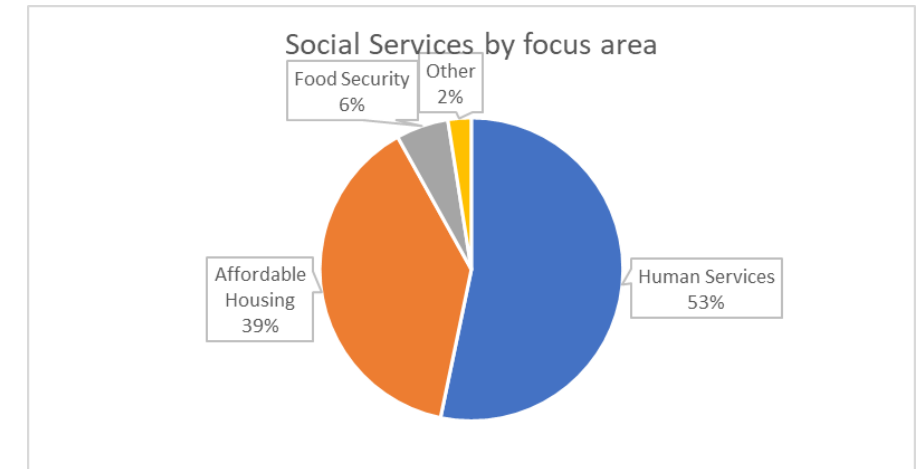
Human services

Affordable housing

Food security

Other 2%

- ▶ Hybrid Capability for City Buildings-WCATV: \$82,328
- ▶ Additional Private Workspace-Library: \$18,000
- ▶ Cultural District Matching Funds-DCDP: \$10,000



Climate & Energy - Draft Recommendation - \$1,446,954

- ▶ PV Array for Watertown High School-SBC: \$1,000,000
- ▶ Stormwater Tree Trenches-DPW: \$379,454
- ▶ Study for City-supported Local Transit-Multiple: \$67,500

Projects not recommended for funding(1 of 2)

Not Eligible

- ▶ Mosesian Arts Mainstage Accessibility Improvements -MCA: \$200,000
- ▶ Request for Funds for the Folino Family-Individual: \$100,000

Withdrawn

- ▶ Food Security Center Building Renovation BWUMC: \$250,000
- ▶ Request for Ballot Address System-City Clerk: \$26,336

Operating Budget

- ▶ Grant Development Manager-Finance Department: \$344,945
- ▶ Public Art in Commercial Centers-DCDP: \$60,000
- ▶ Interpretation Services Individual: \$10,000

Water/Sewer Budget

- ▶ Bigelow Ave Water Main Replacement Program-DPW: \$3,000,000

Projects not recommended for funding(2 of 2)

Low priority per Councilor ranking

- ▶ Staffing for Basic Life Support Ambulance-Fire Department: \$3,569,052
- ▶ Quimby Affordable Condos Preservation-Metro West: \$334,203
- ▶ College Applications Coach-Individual: \$60,000
- ▶ Watertown Pesticide Free Zones Signs-Individual: \$15,000
- ▶ Integration of the Growing Chinese-American Community in Watertown-CAAW: \$13,000
- ▶ Support for Early Childhood Education-Individual: N/A

Tonight:

1. Public Comments on Preliminary Recommendations on ARPA Funding Requests
2. Committee Discussion on Final Recommendations on ARPA Funding Requests to the City Council

Future City Council meeting (target December 12):
Deliberation and appropriation vote by the full Council.

Attachment B

Metro West Administrative Budget for Direct Financial Assistance Program

Personnel

Intake Counselor	\$ 7,000.00
Compliance Manager	\$ 7,000.00
COO	\$ 3,000.00
CFO	\$ 1,500.00
IT Consultants	\$ 2,500.00

Supplies

\$ 250.00
<u>\$ 21,250.00</u>

Excluded from 10% budget

Exec Dir time
Web Consultants
additional staff time
additional supplies

Direct Financial Assistance to Watertown Residents	<u>\$212,500.00</u>
Total Award to Metro West Collaborative Development	<u>\$233,750.00</u>

Notes

based on an average of 8 hours/week over course of the grant
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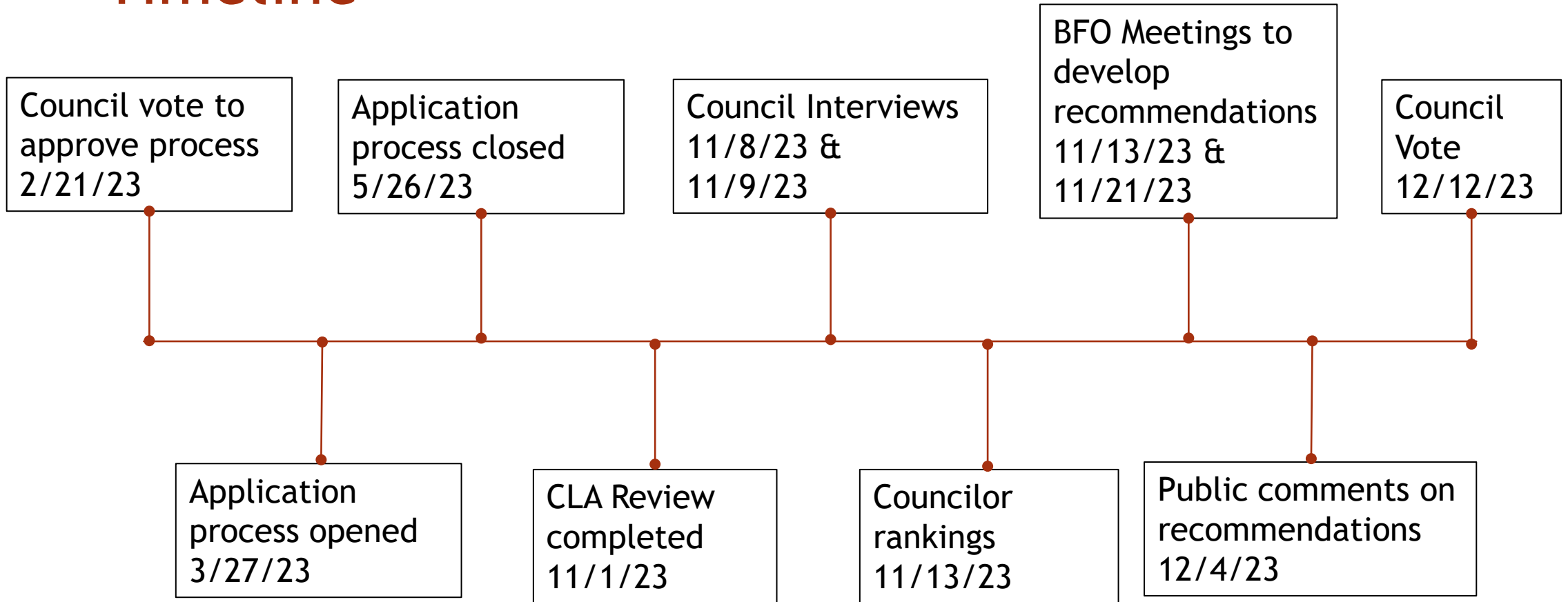
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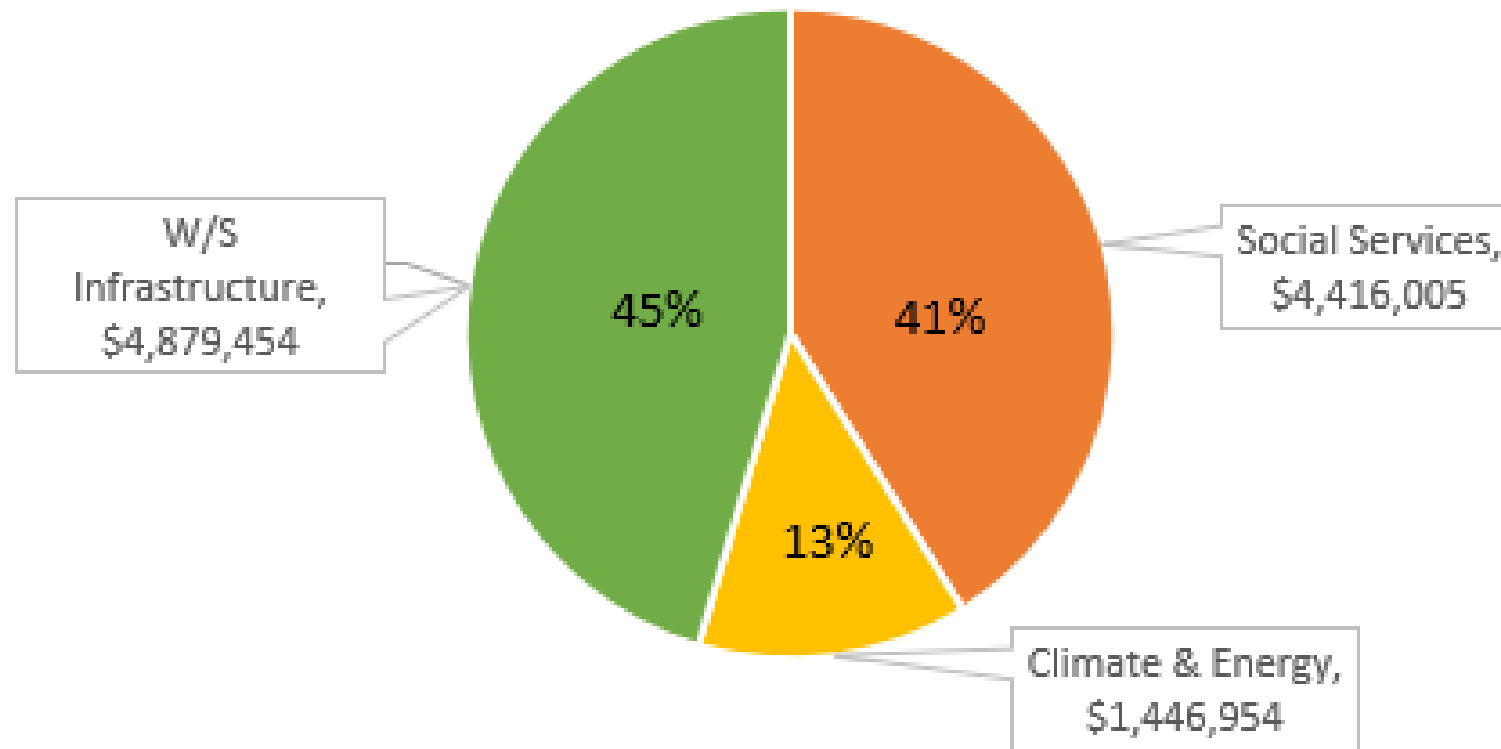
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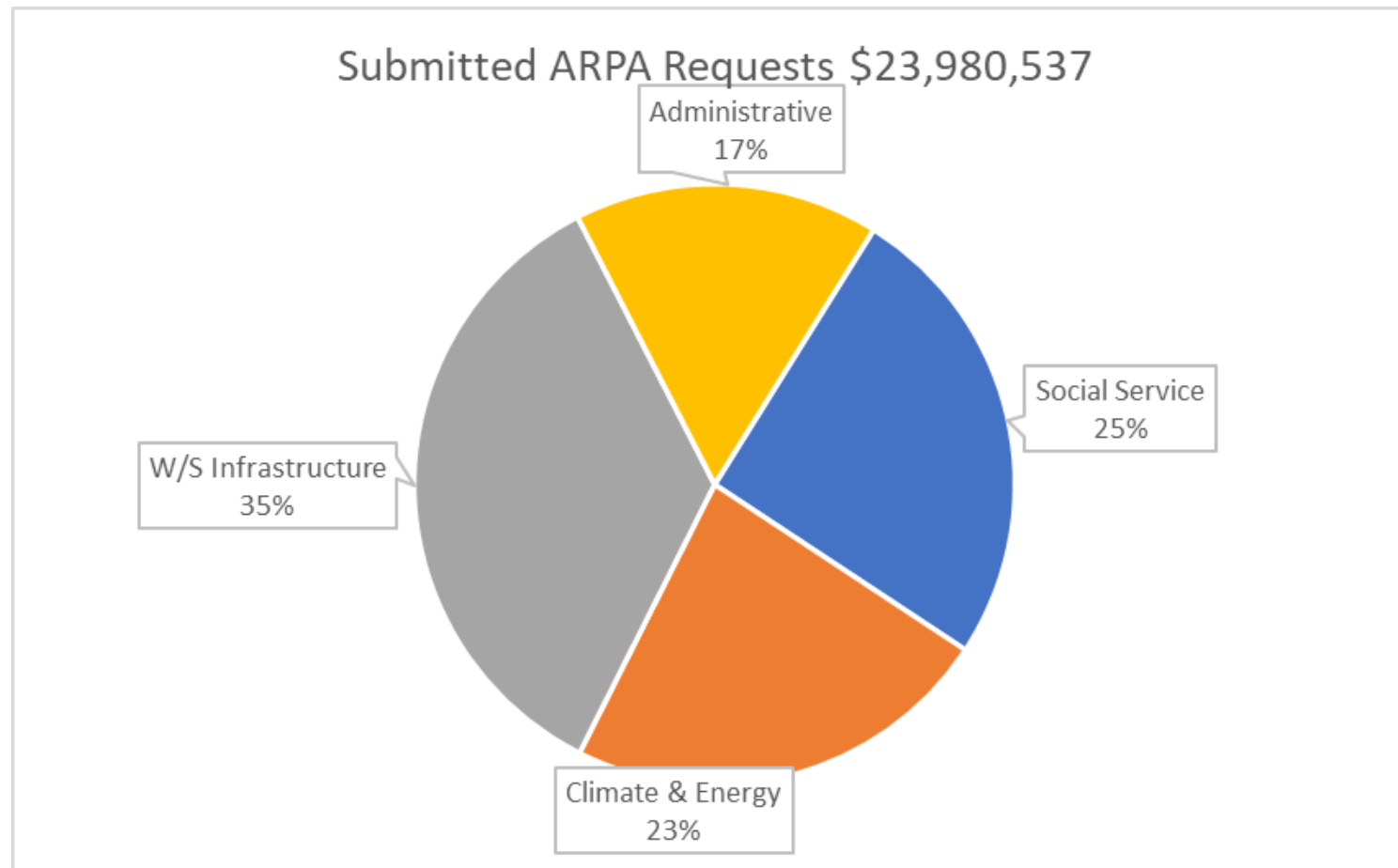
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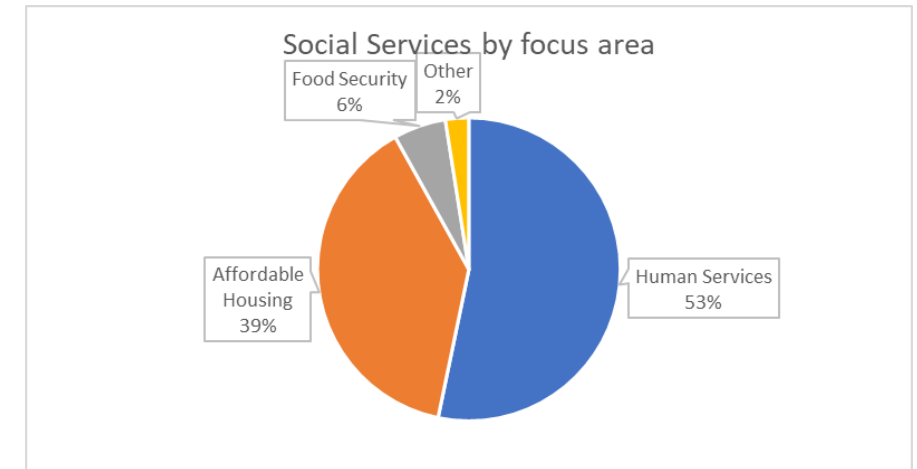
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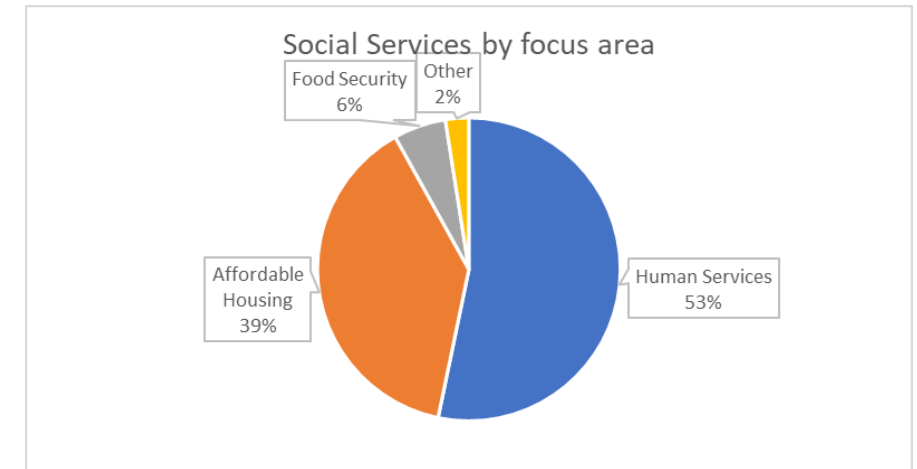
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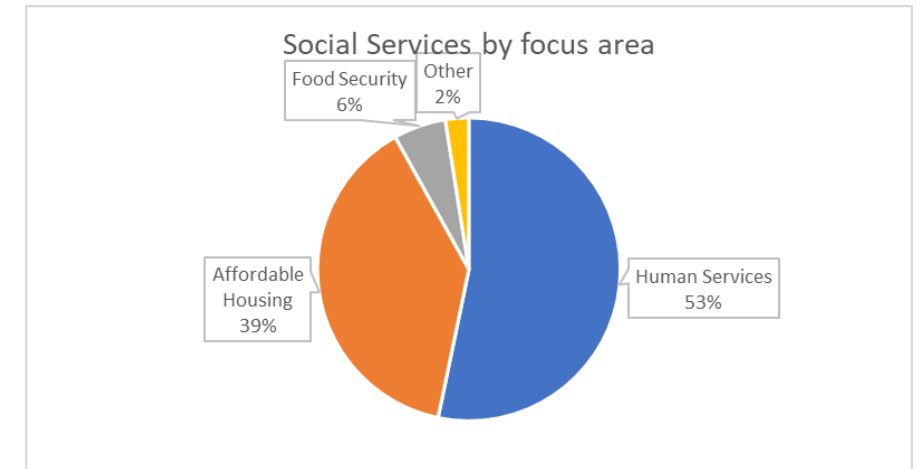
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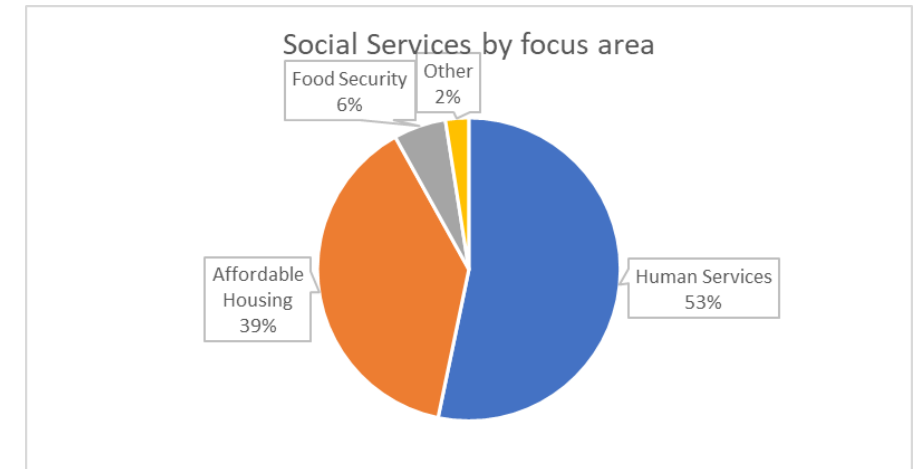
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