

City Council Committee of the Whole May 23rd, 2023

President Stott:

The City Council Committee of the whole will meet in person, on Tuesday May 23, 2023, at 6 PM for the purpose of discussing the American Rescue Plan Act

ARPA program and provide a public update on the work undertaken to date and the plan moving forward to leverage our first round of ARPA funds for a robust recovery from the pandemic this meeting is being held in city council chambers 93 Washington Street Salem Mass second floor.

ABSENT WERE: c Dominguez, c Watson-Felt, c Prosniowski and councillor MccLain.

Also, in Attendance: COW: c Hapworth, c Merkl, c Cohen, c Morsillo, c Varela

Attending from city staff: Anna Freedman, Nick Downing

Discussing: Capital planning and federal funds management, and to discuss the update on Meeting update ARPA funding.

We just had our annual budget retreat, with the acting mayor a couple weeks ago where we went over some overarching themes of the budget and a few questions from ARPA came up so I think this is a good time in between that and then when we really dig into the budget in the next couple of weeks to see where we stand with our ARPA funding and program management. With that unless if there are any questions from the committee that we have in front of us we can just get started with a presentation that Nick has provided, also for records, Nick will be presenting this this evening with Anna, we all have copies in front of us, also available electronically and in our Drive.

Nick: Thank you, my name is Nick Downing. I am the city's federal funds and capital plan manager. I'm going to share my screen here so we can all see, this should look very familiar to the members of the council the first few slides especially are just a quick overview of ARPA but for anyone who might be watching at home just to get everyone kind of up to speed. Quick General overview on ARPA the city has received a total of 35 million dollars in ARPA funds, 27 million dollars in our direct Municipal allocation and then an additional eight million dollars that we got be through the diverted funds that would have gone to County government if County government had still existed here. We must obligate and allocate these funds by the end of calendar year 2024, by December 31st, 2024, and all funds must be expended by the end of calendar year 2026. Eligible uses for the funds include the response direct response to the pandemic

and recovery from Associated economic impacts, certain infrastructure projects, premium pay for certain Frontline workers, replacement of Municipal revenue and admin costs. Ineligible uses include deposits into Pension funds, matching funds for federally funded projects with some important exceptions and tax offsets. Through FY 2023 the city is programmed just under 31 million dollars through various programs projects and initiatives that are currently underway. Our current strategy is to fully reevaluate all those programs, the middle of this year which I'll speak about a little bit later and potentially look at some reallocations if funds have not been expended, and all the information on funding use and opportunities as regular post at salem.com recovery. Our quarterly reports to the feds are posted there as are opportunities for new funding programs.

Our strategy and initiatives, early in the process we had a public process that counsellors were involved and the public was involved as well that set up the general kind of strategy for how we have invested our ARPA dollars. We have looked at housing programs and initiatives including the ADU support and grant program, additional Investments, and actual affordable housing construction, which are some funds that are going to be going out the door relatively soon. Some direct Investments for the Salem affordable housing trust fund, a right of first refusal program amongst others. We've also looked at sustainability, open space and food Security Programs, mobility programs and initiatives, including support for study around the South Salem Commuter Rail Project expansion, blue bikes, financial support for the Salem Skipper ride share program. Earlier on in ARPA when we were still very much in the midst of some of the worst economic impacts of the pandemic, we had our employee retention program, our expanded outdoor dining program, among others to help our local businesses that we were kind of recovering economically through the pandemic at that time. More recently we have had our non-profit Equity support and grant program, our Mental Health Access support grant program, our community compact Grant matching funds for the equity audit funding for expanded Behavioral Health Services at the North Shore Community Health Center and funding for emergency shelter improvements at Hawk.

This pie chart is the kind of dollar breakdown of ARPA allocations as of just about five days ago just last week those are kind of the big categories for us, Housing/Digital Equity, Capital/Open space, Pandemic Emergency Response Reserve, the Direct Pandemic Response and Public Health costs, Administrative costs, Economic Recovery, Transportation, Food security and then other General government spending, it's important to note that one of the eligible uses for the ARPA funds is what's known as Revenue loss so obviously local receipts for cities and towns and for the state took a hit during their pandemic so the federal government allows cities and towns to essentially use ARPA funds to spend on anything that local government would be allowed to spend money on anyways.

We are limited in the total number of dollars we can use in that category to a total of about 10 million dollars of our 35 million dollar allocation, and because that's the most flexible money that's the money that we are we always kind of use that money last, if we want to use money we try and find an eligibility code within the rules from the feds where we can spend the money under a different code otherwise because we just want

to keep that flexible money as much of it as we can until we get close to the end so that when we need to spend it a little more readily we have the flexibility to do so.

Some updates on some of the initiatives that we've undertaken some of the bigger ones. Salem Skipper received \$400,000 dollars in FY 23 from our pet to supplement the operating costs. And then an additional \$600,000 in ARPA funds were allocated to make sure that we could extend that service through September. We'll need an RFP to continue services and also align our service with some opportunities coming from the federal government through grants to actually expand Skipper regionally. We're looking very much at this program because we really need kind of a sustainable and reliable funding source for it it's a great program that folks have really enjoyed, it is not inexpensive to run and we need to make sure that we can find a regular routine sustainable funding sources because even though we've got a couple more years on ARPA will eventually go away and to the extent possible we've been really trying to avoid any of those kind of fiscal cliffs, we don't want to want to put the city in a tight spot when it comes to the ARPA funds running out and then all of a sudden we have to scramble to find new local money to kind of infill all of that.

One of the things that we've used ARPA for is to fund some aspects of our Capital plan as well coming up for FY24 some proposed capital projects that we have considered proposing funding via ARPA would be the Kernwood accessibility and improvement project which would bring ADA compliance to the Kenrwood boat ramp which is currently not ADA Compliant at all. Some additional funding for the Reconstruction of the Willows Pier, which as we all know got entirely destroyed in recent storms so this would fund with a complete design and reconstruction of that Project. Funding for Palmer Cove Park phase II, and then also additional ARPA funds to rebuild the Witchcraft Heights playground.

That's one of those projects where ARPA funds are being put together with other existing funds to kind of build a bit of a hodgepodge there to kind of get to the final funding Gap and that's what we've tried to use ARPA for a lot is to be that kind of fill in the Gap at the end kind of that last mile of funding that projects might need.

In terms of some upcoming ARPA process coming forward, as I mentioned earlier starting July 1st, we're going to look at all of our allocations that have been made to date. We're going to look at funds that have been expended on those that have not to kind of get a sense of if there are projects that either are complete and came and under budget, potentially some projects that maybe haven't gotten off the ground yet, are a little bit slower than we had hoped they might be and at that point that'll give us a better sense of what funds we have available and what need to potentially reallocate in a time that will still make sure that those funds can get expended by the end of the ARPA deadline we don't want to get caught flat-footed at the end of calendar 2024 and realize that we need to really re-obligate things and do it in a rushed Manner and we certainly want to make sure that when we are making those awards as we get to the end of 2024 that that's money that's actually going to get spent and move it out the door, because I think the last thing any of us want to do is leave money on the table, we want to make sure that we're spending this money on projects that we need here in Salem.

At that time that'll also kind of restart our ARPA public engagement process so we had committed to having two public engagement meetings about ARPA annually we would have had one at the end of 2022 but given the mayoral transitions that were in the works at that time, there weren't really many new ARPA decisions that were necessarily being made after mayor Driscoll left and before the election, so we felt that it made sense to kind of sit tight until the new Administration was in and until we can kind of do our homework here kind of sharpen our pencils up and figure out what we might actually have to reallocate, and then we'll kind of re-restart that public engagement process at that time with some better information in terms of the new number of what we have available now and how do we kind of make the funding decisions that fit within those overall strategies and goals that we set up at the beginning of the process but now with the new Administration.

President Stott:

Thanks Nick, that's a lot of info sorry I've been I think we're observed from absorbing it a little I'm trying to myself get like a high-level recap of all of that that was just given us so essentially like super high level 35 million was basically our ARPA bucket right we've allocated 30.5 million how much of that allocated has been spent already?

Nick: Spent today as of the last, we submit our quarter reports to the feds the last one was due at the end of April, as of that report we had spent just over 4 million it was about I think it was about 4.2 or 4.3, that is a pretty significant lag. We have some big projects that have been in the works for a little while where somebody's going to be going out the door shortly so our affordable housing construction grant program, that's a total of five million dollars in that bucket. Some of that money is going to actually a project at Plumber Youth Promise and then the rest is going to three housing construction projects, that has taken a while to get the door because that's a relatively complicated Contracting process to go through to be giving significant funds for the actual construction of that we want to make sure that the terms and conditions for those Agreements are such that if we get toward the end of the ARPA timeline and funds haven't been expended that the city can claw that money back and reallocate it as needed so projects like that had been announced previously but myself and my colleague Dave Rodriguez who wasn't able to be here this evening he's really been kind of the lead on getting those terms and conditions and Contracting side of things straightened out, there's often kind of that lag between when a project is announced when we can actually get the money out the door with some of those bigger projects.

We've also seen some projects we hope that there's kind of a little bit more interest going forward so our ADU program that we started that is money that allows residents to get funds to both cover the design and the construction of accessory dwelling units, we've had two of the design grants come through in one construction grant, we allocated about a million dollars for that, with each project if you included design and construction coming in at just under \$50,000, so, that's a big bucket of money that we've set aside right now that we haven't fully tapped into, we're hopeful that more folks will be interested in that going forward. And then I think the other there's a big chunk of money that we put in kind of our pandemic emergency Reserve so early on when we

kind of realized that it was incredibly unlikely that in the event of a significant flare-up in covid or another kind of mutation of the virus coming down the pike that was very unlikely we were going to see more assistance from the state or the feds so the decision was made to basically take about 10% of our total allocation so about 3.5 million dollars and keep that in our pandemic Reserve in case there was another flare-up and another major outbreak, that has not been the case today and that's one of the buckets of money that we'll look at starting July 1st to see if that number should be reduced and we can start to allocate some of those funds but that's a significant portion of money that we have not touched at all up to this point because thankfully there has not been another significant outbreak in this time period, but that's one of those buckets of money that we're going to look at and say all right how much of that should we continue to maintain and kind of hold harmless you know here in 2023 and then into 2024 and where should some of that potentially get reallocated into other new or existing projects.

Pres. Stott:

So, is that currently in the pandemic emergency response reserve bucket?

Nick: that's 3.5 million that we have not spent a dime of so far.

Pres. Stott:

Thanks, for the housing digital Equity bucket because that's kind of the largest one of almost 10 and it sounds like there are some big projects that that funding is being kind of held for reserve for, how much of that almost 10 has been spent?

Nick:

Of that 10 about doing some quick math less than \$200, 000 so far, but about half of that is going to be going out the door soon to the affordable housing construction grant program it's the affordable housing construction grant program so that is money that is going to four projects overall one of which again is some funds we chose to divert to the approached at Plumber Youth Promise and then the other three housing projects are I'm going to forget the name the particular names of them but it's at the I might look to Anna for information now it's funding at the Crescent lot project is one of them and the other two are a project with the North Shore CDC and then I believe Harbor Light as well.

Pres. Stott:

A logistic question about that, so when you're saying the 5 million is going out for **pro?** it's actually spent going out it's not we're allocating it going out, it's they're taking the money and it's spent.

Nick:

Yes, so what the way that that's going to work again and the reason that it's taken a while is because there's a lot of back and forth with kind of all the involved parties about

how we were going to structure actually getting them the money and how the city could kind of make that direct payment to these organizations, so it took some time back and forth with our legal team and their legal team to land on something that the city felt comfortable with that we could actually kind of get our get behind and that again we felt like if we run into an issue where the money isn't being spent by the deadline we still have that ability to call it back but those agreements have been sorted out and we're now going through the process of actually getting those checks cut and spent and out the door.

Pres, Stott:

Thank you, sorry counsellor Morsillo.

C. Morsillo:

thank you, madam president, the Harbor Light project, what construction project are we talking about?

Nick:

I don't have the particulars of in front of me I would have to pull that information.

C. Morsillo:

know of any Harbor Light project that's near Construction in Salem.

Unknown: that's the Harbor Light/LifeBridge project.

C. Morsillo: well, are these constructions so are these Construction Grants actual construction or planning.

Nick: Actual construction for hard costs

C. Morsillo: So, they would need to be expended by what date?

Nick: Expended by the end of 2026.

C. Morsillo: By the end of 2026.

Nick: Right

C. Morsillo: Okay and the CDC ones what project again.

Nick: I apologize I don't have the particulars in front of me, I can certainly get them and share them with the council.

C. Morsillo: Do you know Dominic?

C. Cohen: St. James and those are the two and the M Rod projects.

C. Morsillo: do we know that for a fact or is it effect.

Pres. Stott: I think it would be helpful for us to have an actual project list and the amount allocated for the who would have that info to be David or?

Nick: I've got it, I just literally don't have it right here in front of me I can absolutely get that to you.

Pres. Stott: Okay get the full circle back to that one I think that's definitely though like a void that we're seeing about knowing that information. Councillor Varela.

C. Varela: Thank you, President Stott, since you're on the subject of the allocations, how much money has been spent on the food security, and I believe that's the line item for \$690, 105.

Nick: we have within the food security bucket we have spent about \$365,000 some unspent funds in there we are still we allocated some money for kitchen improvements at the community life center that project is still kind of trying to get off the off the Runway a little bit we have some additional funds that we have allocated for the Salem Pantry which have just we have not cut that check to them yet but so those were are two that are ongoing that have not been spent yet.

C. Varela: Thank you.

Pres. Stott: Councillor Hapworth

C. Hapworth: Thank you, President Stott, on the mobility side we had funds allocated as like a million dollars towards Salem Skipper and then a chunk to blue bikes I don't know what that amount was.

Nick: Blue bikes expansion was for \$375,000 and we have spent today about \$300,000 of that.

C. Hapworth: Okay, and I think we all love those programs, I love those programs, I guess my concern there, I guess just expressing a concern is that that's potentially short-term, like we'll enjoy those while that's happening and what then we have to worry about I guess what what's next with those programs and they could be temporary, hopefully not but they could be is there, has there been discussion about some of the multi-use paths in Salem and connecting those are still, we still can't get our kids around the city safely on bikes, there's still chunks that are disconnected is that is that part of the plan? I think I asked that question last time is that been under discussion.

Nick: Sure, Two things going back to your first point about the blue bikes operations we have structured that funding to be phased in over time so in the first year the ARPA allocation will cover 75% of the new operating costs in the second year it'll be 50% in the third year it'll be 25%, the trafficking Parking Department budget will be reflective of filling that Gap in over time so that it's not a shock to the budget when the ARPA funds go away to avoid that kind of fiscal cliff issue. In terms of specific bike projects another allocation within the transportation Mobility bucket is \$50,000 for bike master plan implementation so those are funds directly overseen by the trafficking Parking Department again to actually implement the city's bike master plan they've spent date just under that \$50,000 allocation so those are the funds that are most directly looking at kind of some of the bike connectivity issues that you mentioned there and that's being again kind of led by Dave Kucharsky's team.

C. Hapworth: Is there potentially money that will be spent on the actual hard costs of I think we all I mean obviously this planning needs to go into this but we all know the sections that are missing and what we need to what we need to do is there potentially going to be money that will be allocated towards the actual construction of connecting these to each other.

Nick: There's not right now, there certainly could be and that's something that could be a decision that's made kind of when we do our assessment and everything in the middle of the year in terms of kind of what funds become available and what allocations get made right now there's not a specific project about kind of making those doing actual physical bike project connections that you're discussing.

C. Hapworth: There's additional five million that has not been allocated is that is that correct?

Nick: about a little four and a half to five somewhere in that right now and again I expect that number will increase when we do our assessment in the middle of the year

C. Hapworth: I guess just the last the last question is around the funding for housing the the LifeBridge project specifically what I guess what happens if that I feel like we're I guess in my mind we're in the very early stages of that discussion and that's certainly what I'm telling residents is that we're still very early in this conversation and this could change this could shift over time. What happens to those funds if that project changes substantially or it gets delayed or it doesn't happen? I guess there seems to be to me it seems to be an odd thing that those that these funds are connected to that project right now and we seem to be so early in this those stages.

Nick: Right so again that part of the reason why those funds haven't been expended yet is because there was a lengthy back and forth with their legal team in ours we landed on an agreement that includes a clawback for the city if we get to a point where those funds haven't been expended and we need to reallocate them, so the city has the ability

to get that money back and that's kind of what we landed on in terms of what we felt comfortable with in terms of making that agreement it could mean that it changes the potential of that program going forward but we felt that we needed to kind of protect the city's Financial interests since we're giving a significant amount of money out but at the same time still make sure that if the project does not happen on the timeline that we think it could that we can still have time to get kind of again get that money back to the city and then reallocate it.

C. Hapworth: Can when we get the list of the projects could we get some details on what that clawback looks like and what the timelines look like is that something that's available?

Nick: Yes.

C. Hapworth: Thank you.

Pres. Stott: Thank you, I'm definitely curious about that because we're already up against the clock so if we're then going to wait another two years for a club act that makes me nervous. Counsellor Merkl and let the record reflect that counselor Dominguez joined.

C. Merkl: Thank you president Stott, along those lines, that actually was going to be my question and to elaborate on that, what happens if, I understand the concept that we can clawback some of the funds, if they're not making the deadline, but just to pick one of the projects as random like the Willows Pier, if we allocate the funds and they're halfway through the project, and then the deadline passes then, the city has to come up with those funds because we can't use them. I mean just so I have an understanding of this you know the hard deadline here of December 31st, 2026, so, how does that how does that play out? Let's say there are three quarters through it, and they bill three quarters of that work by 2026 and we can use those funds and then that literally ends and then we have to come up with some other resources to finish a project that is kind of halfway done before and then goes after.

Nick: Right, so it's two different things, there's a difference I think between a project like the Willows Pier which is a city project and the housing Construction Grants where we are giving funds to someone else to do that and project to tell you and that's part of their funding source for that project. The Willows pier project is one where Lots of city departments are involved in that, and with that and with every project we have tried to kind of find that balance between allocating funds for products that we feel confident will meet those timelines and those that won't there's no guarantee lots of things can happen but we feel confident with the allocations that we've made that they will that there's a very high likelihood that we won't run into that issue that you mentioned. we can't predict the future we can't know for sure, but we've been careful about how we've

made those decisions in terms of which projects are receiving ARPA funding knowing that there is that deadline there's that hard deadline that we cannot go past.

C. Merkl: okay so I have the correct understanding, there are hard deadlines so we're looking at you now trying to make sure their projects that will be completed okay thank you.

Pres. Stott: C. Cohen

C. Cohen: Thank you, President Stott, so I have a number of concerns I'm going to start with understanding the clawback and the process which I'm comfortable with the first is I believe there's a big difference right now regarding the ADU support grants between the quality of the incentives which are terrific and the ability for people to implement them. I'll give you some examples I'm trying to do one it's been six months I have a multi-family three units or more is beyond confusing and cumbersome one of the reasons that we are doing this program is to encourage people with multi-families the planning department is trying to develop a one sheet so that people who are interested in doing this can figure out what they need to do to go forward, and obviously right now we've had very few people even apply for it, and I and not only am I facing a lot of obstacles but I do know someone else who's trying to do it who's facing different obstacles, so I'm just concerned on that project that we will get anywhere close to where we are forecasted. number two you have listed expansion of the Urban Tree program, that doesn't make a lot of sense to me because a good part of Ward 5 is included in the tree program, but many people have asked who are not in the original radius if they could get a tree or trees, and they've been told no, unless you have other information I don't understand how that program has been expanded at all.

Nick: I don't have other information on that, but I can certainly, if you can, I don't know if you can tell me offline or after the meeting or in the meeting.

c. Cohen: I'll just say right now, so the way the program exists is you go and you put in your address and it tells you if you're in the program or not, and there's been a lot of people who have been like literally on the border of the program you know the first parts of it were the point because the program is basically for lower income areas that have deficiency in tree canopy, so you know the point and then a little bit outside the point were like the first ones they were promoting but there are people a little bit outside the Border who have you know who have tried to be included or not so I don't know exactly what expansion means but if it's expansion of the radius that doesn't seem to be happening I do feel like a lot of people would participate in the program, people I know even in councillor Stott's Ward who would like to be in the program but we're not in the original radius for example and if there is an expansion and they promote that I think a lot of people would participate that and we could spend the money fairly quickly. I do want to address the Palmer Cove phase two, everything seems positive in that phase except the conversion of the baseball field. There's a huge disconnect between the

planning department park and rec and interested parties, and this is really important because there's been over a series of time many years there have been a series of working group meetings and unfortunately some of the people who reside in the neighborhood so the park is actually on Ward 5, which has a little bit of the point but a lot of people who live in the point you know have a lot of interest in that baseball field, and we're in some cases not even made aware of the working group meetings and feel like I know this is more of a political thing unless for you Nick but I'm expressing this that my personal opinion would be that that one particular portion component of that phase two be delayed until there's a better meeting of the minds with the neighborhood, it's become very contentious people in the neighborhood I'm expressing this because of everyone who's in the room it's become very contentious because the neighborhood in general feels like a decision was made and they weren't consulted or you know included in the process and that you know too bad for you it's going forward you can appeal the decision to park and rec so the fact that it's still listed on your itinerary here is troubling to me because I would really like to see this to be more of a community participation decision, it doesn't mean that it's not going to happen I know it does save money not to have a baseball field and have more of a multi-use field but this field has been used for particular Reasons by people in the neighborhood and beyond for a long time and it's a very cultural thing so I just want to express that because I'd be much more comfortable if that comes back to the council expending that money if that particular if there's a little bit better resolution, okay. My last thing is and I do very much appreciate after the budget Retreat being able to meet, with you and Mr. Rodriguez about some of the concerns I had about sustainability and for people because it was just the three of us some of the concepts I had about being able to spend money that could be sustainable not just from an environmental standpoint but financially where we can invest money you know for example in solar panels and the return on investment could be anywhere from 300 to 10 000 percent, it cannot be spent under the guidelines of ARPA, I'm just going to throw this out not that it's something that I would expect you to pursue or the city to pursue, do you know if we can spend ARPA money purchasing land on behalf of the city or can you find that out?

Nick: I can certainly look into that at first blush my gut would tell me that I can tell you with a fair bit of certainty that there is not kind of an eligible use category for the purchase of land, it could potentially be funded through the revenue loss category, but I cannot speak to the legal implications, ramifications all of that, that would need to get sorted out if the city were to pursue something.

C. Cohen: I'm not expecting an answer but maybe something that in when you and David are talking, you could think about this I'll give you an example, grief the recycling plant is not operational, I'm assuming it's being sold, the engineering department has come to us and talked about the need for new DPS facility needs more land, it's ironically adjacent, it already has capacity to do a lot of the things that we have talked about as a city to be able to maybe process composting or Styrofoam or you know it's currently

able to process paper and other things, we don't have an ability for businesses or residents to process to recycle bulk cardboard right now for example, I'm just throwing this out there it just came to me like if we could purchase that land at a reasonable price it may be also in addition to something short-term might be something long-term in the pursuit of land because at least Councillor Varela and I talked to the city engineer and there's been a struggle to find the requisite amount of land that we need to have a new DPS, and that might actually accomplish that as well. So just a thought and thank you.

Nick: Thank you, my colleagues have shared with me, the specific clawback language I'm happy to kind of read it into the record such as tonight and then I can send it to you all via email afterward but in terms of the clawback language for those housing Construction Grants that we mentioned recipient shall commence work being funded under this grant award no later than June 30th, 2024, and complete all work being funded under the program by December 31st, 2026. In the event that work is not commenced by June 30th, 2024, the city as its sole discretion may require by written notice to the recipient that all Grant funds be returned to the city of Salem. So that is the specific language that's in all of the terms and conditions and contracts with those entities receiving funds through the affordable housing construction grant program and as I mentioned I'll get that in writing to you all after the meeting.

Pres. Stott: Thank you, was there a date in there?

Nick: yes, so if work is not in the event that work is not commenced by June 30th, 2024.

Pres. Stott: okay and we have until 2026.

Nick: right so the idea would be that upon receiving the funds they'll have just over a year between when funds actually go out the door to actually get work started and if they have not by June 30th, 2024, then the city can, by written notice to them require that the funds be returned

Pres. Stott: That gives us 1.5 years figure out what to do with it.

Nick: that would give us about six months to 2.5 years to spend it.

Pres. Stott: okay can I just follow up with a few points that c. Cohen asked for the AADU program grant funding you mentioned a number at the beginning how much have we allocated towards that program?

Nick: We allocated 1million toward the ADU program, we've had two design grants come through one construction Grant, have one construction grant that we're currently doing the paperwork on right now. The construction grants are for up to \$4,500 and the design grants are for up to \$2,500.

Pres. Stott: About 100K?

Nick: yes

Pres. Stott: spent so far the design Grant

c. Cohen: the design grant is 50% of the design, if it's 5K?

Pres. Stott: and then the with the tree canopy question it sounds to me like the expansion that the city is paying for is not part of the mass DCR Urban canopy program which that's the website that if somebody goes in their guideline their borders are not going to change so it has to be a c-click fix which is as somebody that doesn't have any DCR in my ward I know that I don't send anybody to that website because it's going to say it doesn't work but to enter or see click fix to get a tree and I have been seeing those as being responsive but perhaps we can add some additional communication around that like you know in the past if you've asked for this or even I know I've been asked by like Katie and Ray where do you need trees and you know I need to hear about them to then advocate for it but anyone can enter see click fix to allocate or to access that additional tree canopy fund I just wanted to make that note it I think that was it for me.

c Morsillo: can you just tell me the end the end date for the clawback? and that is the cons did you say the construction has to be completed by?

nick: so so work needs to be commenced no

later than June 30th 2024 and then all work must be complete by December 31st

2026. so if they have not begun work by June of next year by June 30th of next year that would be the timeline at which the

city could then begin the process to clawback the money.

Morsillo: and this is this is hard construction?

Nick: hard cost yes

Pres: like a shovel in the ground construction?

Nick: yes absolutely another kind of hard cost associated with it but not related to the planning piece of it.

Morsillo: do you have the amounts that you've been that have been given to the different organizations?

nick:so the original pot of money for affordable housing was five million dollars total as I mentioned we directed a portion of that to a project at plumber youth promise that I believe I don't know why my presentation keeps shutting off sorry about that I believe was in the amount of around four hundred and thirty thousand dollars so that left us with 4.67 million and we divided that essentially into three Awards of 1.4 and then my math is going to fail me there but 1.4 and a little bit more to each of those three those three projects which will get you additional information on 1.142million

Pres. Stott: counselor Merkl

Merkl: thank you President Stott, and thank you for all the great information one quick point I would like to elaborate on what councilor Cohen said I have been on several of the point neighborhood association meetings and they have expressed concern about not having a baseball field and would appreciate some more conversation on that. and also I think when you're originally going over all the slides here you mentioned when you have you know the allocations here and the grid of the categories, you had mentioned which is limited are there individual limits is that what you had said I was trying to take the notes quickly but are there individual limits for the categories.

Nick: no, the limit that I mentioned was related to any spending that the city categorizes as Revenue loss so early on there was the original proposal from the feds required us to do an incredibly complex and lengthy and time consuming calculation to determine what the direct fiscal impact of the pandemic was on local receipts I feel like it was about the day after Anna finished doing that math they came out and said actually you can just say you can use up to 10 million dollars of your allocation which we chose to do because it meant that we didn't have to make that out that calculation every year and our local receipts recovered pretty quickly so it made sense for us to instead of doing math math over and over again to say all right we have accepted that going forward our plan will spend no more than 10 million dollars in the revenue loss category. so that's really the only categorical limitation and that Revenue loss spending can kind of happen across the categories on the pie chart there so we always try with projects to slot them into an existing expense category as defined by the U.S Treasury that is the federal agency that runs ARPA because we want to keep as much flexibility as possible with the dollars that we have as we get toward the end of the program because it's going to be easier to spend money that we can spend on anything, rather than if we've spent all of our Revenue loss money then we can only spend it in those categories defined by the feds. We're trying to anytime we can whenever we get a project that comes in we do everything that we can to look at all of the potential expense categories that are available and see if it can fit into one of those and if not and we still want to pursue funding for it then it would be paid through the revenue loss category.

C Merkl: okay thank you that's really helpful that's what I had not I had not picked up on it in the original explanation.

C Dominguez: thank you thank you president I used quickly wanted to ask you in regard to this graph that you have right here because it's too easily to be confused on color I think that we need to make it bigger and brighter to differentiate some of the allocation because some of the color are kind of similar okay and too little tomorrow you can make it bigger or maybe do a different in a way that everybody understand exactly what's going on and secondly and I'm sorry I'm late I know I'm able to discuss so many of the content in the conversation you might have tonight but I just wanted to ask maybe through you or through the chairman to the new administration because back in the last page said that the poorly engagement meetings would be scheduled. any idea what time frame we have for that conversation to be taken over with the general public under public hearings because I don't according to our heads I I read right here it's not fully hearing yet because I was holding and waiting on the administration to take place. an idea?

Nick: I expect that we would want kind of the new public engagement hearings to correlate with the look that we're going to be doing at of what we've spent today I don't know if that means we'll have a hearing in June or July but I expect sometime in the next two months would be the first hearing for the year and then another hearing at the end of the calendar year as well.

Dominguez: in that meeting it's possible to include some type of translation?

Nick: we have done that in all of our public engagement hearings to date we've made sure to have live Spanish translation in the meetings we've made sure that those meetings have those were hybrid meetings that we've had and I think we would continue to do that going forward but that's one of the things that we've actually been lucky that we're able to do because we have a little bit more flexibility with some of the ARPA funds that we and spend it's easier for us to have those translation services because we've got that built into our budget not all City departments have that yet but we're kind of we're a bit of a test case in that regard kind of with our own little weird ARPA unit here but it's worked really well for us far and that would be absolutely the plan going forward.

C. Dominguez: In the process of selecting the grant applications there is any process that you can elaborate how you choose who are the one that apply and Minister I know so far, I've seen in the past is being transparent process but I just want to make sure that it is in place some type of mechanism that you had that you will explain and people will know exactly that everybody's have equity on on applying for and getting select.

Nick: absolutely for example through the festival and special event support program that's a program that we ran last year and that we're running again this year those are funds for organizations that have special events here in the city we made sure that information was posted on salem.com recovery we made sure to share that widely with

counselors and other folks at the time to make sure that information and that application got out there then once folks actually apply the process that we have set up internally Meet myself and my colleague Dave Rodriguez do kind of a first pass just to make sure that the application is complete and that we've got all the information that we need if we feel like we're missing any information we'll reach out to the applicant and ask for that we will then that process then goes through the mayor's office for approval it then goes to a group of us to kind of look at if so for something that has a limited amount of funding so for the festival and special event program we actually I don't I think we maybe had to deny one or two of those applications but for generally speaking we're able to fund almost everything that came through if we find ourselves kind of bumping up against what we have budgeted for a given program we will have a discussion internally if we want to allocate additional funds for that so that's what happened with the non-profit assistance program that we were in we had 10 we had a 250 000 budget we had 12 applications where everyone was asking for the max of 25 000 they were all great applications we decided to actually up the allocation for that program so that we could fund all of those but that's kind of the internal process that it goes through so there's that first pass where we look at the application make sure it's complete there's a mayor's office approval there's an approval then that comes through back to the ARPA team to actually figure out to make sure that it fits into the funding parameters that we've set up to make sure that in some instances the organizations that would be receiving funds meet the criteria that we've set so they might need to be in some instances they need to be a registered non-profit that's not the case in every program that we've had but that's generally the case with a lot of these Assistance programs that we've done they've been kind of focused on the non-profit sector and then make sure that we are kind of going through all of the kind of terms and conditions so there's an agreement that they need to sign if they're going to get any funds there is a certain amount of kind of post-event data collection that we do that we include in our report back to the federal government and that's kind of the start to finish of how we've run it when we have those kind of what are technically competitive Grant programs so that's what we've done to make sure that information gets out widely and then goes through kind of different stages of kind of being vetted here internally.

DOMINGUEZ: my last my last question if I may the allocation on the funds on each category it's been selected by your group or it's been selected in general by a consensus of the whole Administration, I mean what is how did the process how do you select for example how you allocate money on housing? I know there's a need how you allocate I mean can you elaborate a little bit on how you do it?

NICK: so it was generally speaking it was conversations with myself my colleague Dave Rodriguez Anna the previous administration in terms of kind of setting the big numbers in terms of all right we're going to spend five million dollars on affordable housing and then kind of trying to figure out the particulars of what gets funded kind of comes down from there but the kind of the big picture is definitely something that has

been set by the mayor's office and then our job is kind of to craft programs that kind of fit within those parameters and then sometimes you know we'll have either counselors or members of the public Reach Out directly to us and express a need we'll then look into it a little bit more to see if you know we don't want to create a thousand projects that are specifically tailored to really small individual things if someone reaches out and we feel that there's a need we'll try and craft a program that can fund that type of work in multiple different organizations so sometimes that'll kind of go the opposite way where folks will reach out to us we'll determine that there is a need for this funding we'll work on actually crafting a program that fits within our funding parameters and kind of the city's overall goals and strategies and then kind of move that up to the mayor's office for approval at that point as well so it can kind of it's a it's definitely a two-way street in terms of the overall goals and kind of the overall amounts in those categories certainly kind of comes from the mayor's office.

PRESIDENT: oh that things and if my memory serves me correctly there was like a lot of surveys done at the beginning with the public right it was a big process in late 2020.

NICK: so early on the process was very much focused on input from councils at the time from residents from Community organizations and what that really shaped was kind of the guiding principles for how we wanted to focus our ARPA spending it was not a process by which we were asking for folks to give us kind of a menu of specific projects but more these are the needs that we all know exist what are the types of projects that we could or programs that we could create that would address those needs.

PRES: could you explain for me the how the school funding is related with this I believe I heard that they received some like or I know I heard they received some emergency funding as well but it's called something different it's not called ARPA because it just I see like the mental health funding that we're getting and I know that like the Cartwheel app and the additional funding for the schools like that if we could pour any extra into there like I know that would be spent in a second so I'm curious what they're if and I know it's not your department but how that kind of connect with each other and are we allowed to do any spending with the schools or programs for children in the city.

NICK: right so it does fall outside of my purview there there's nothing that would prevent us necessarily from doing that but the schools have their own allocations and their own process about how they've made the determinations or how they want to spend the monies they've received and that has fallen outside of the process that I've been directly involved.

PRES Stott: thanks, and I will also note that the mayor-elect Panglao has joined us this evening I don't know if you wanted to speak to any of this or if there's any kind of pointing at each other Friedman can answer your most recent questions so I think she

might come up awesome thank you and mayor elect if there's anything that you want to add during this

ANA: one great question on the school funding so the school received their own as Nick noted set of federal dollars called ESSER and I was looking up to remind myself what that acronym is and it's Elementary and secondary school emergency relief it's been distributed in three tranches I believe the Esser funds do roll off sooner than the ARPA funds, so I believe that the deadline for the third tranche and I I would like to caveat this with I would want to double check this but I believe that needs to be the spending deadline is September of 2024 so there's those roll up sooner than the ARPA funds it has been those funds are in the within the purview of the school district TO SPEND and so there hasn't really been overlap with the ARPA funds however through the capital plan in particular if the schools had projects that may or may not fit within their funding that's been evaluated as part of the overall Capital planning exercise and determining what funding sources might be appropriate.

PRES: that can I ask another question kind of along in those lines so say like projects come back we're not able to fund housing and we're up against the wire are the buckets that we're in are we locked into those buckets that we chose where we said like 10 million for this and only 1 million for mental health we can switch it and say?

NICK: absolutely, okay thanks we can absolutely move those around so those are not hard and fast again the only the only categorical limitation is what I mentioned earlier Council miracle that that Revenue loss piece other than that everything else can be moved around so that if we find ourselves really up against the deadline you know a lot of water and sewer infrastructure projects are eligible through ARPA and if we find ourselves with not a lot of time we know that there are needs there and that's one that we know we can spend ARPA money that's ARPA eligible on things like that so in terms of the other buckets those can all be moved and shifted as needed as we kind of get closer to the deadline and projects either come online minor come offline or come in under budget or things like that and things have to need to get reallocated.

PRES: okay thank you I think counselor Cohen and then Council Morsillo

COHEN: thank you president stats of my comment question relates to the last discussion I'm personally very comfortable with the way the process is gone I think this is a lot of money and having it centralized through the mayor's office is really the best way to most productive way to do it my concern is that we spend all the available money I do feel like you know in the beginning there was urgency because of the pandemic and then I think really the the next batch of money was focused on housing stabilization and rent relief and even mortgage stuff so that I think that's really positive. my question is and I'm assuming you're already doing this that you're developing a list of you know for example I know that when the pantry got money there were other

entities that had applied for that money and didn't get it that you have a list with amounts that if money is clawed back that you can rapidly you know we allocate the money so that we can make sure that we hear our 35 million.

NICK: I feel confident that when we begin that process of kind of assessing everything and determining what is available still left to reallocate and spend I'm confident that we're going to spend every penny of this it's something that I personally and Dave Rodriguez and I think everyone who's been working on this is committed to you know again we're not going to get this level of support from the federal government in a direct way probably any other time in the rest of our lifetimes and there are a lot of opportunities that come with that and I feel confident that we can get this money out the door.

C. MORSILLO: thank you so help me as a counselor keep tabs on when that date is that dropped a date for when you're going to know if money's being clawed back and needs to be re-assigned what would that day be.

NICK: okay so the specific clawback for the housing Construction Grants is June 30th 2024. so June of next year but we're going to begin our process of looking at all of the allocations that have been made to date this July so the beginning of the fiscal year we're going to look at everything and in many instances those aren't instances in which a clawback is going to be necessary because the allocations that have been made doesn't mean that money has actually gone out the door it means that we previously said we will spend X number of dollars in this area we spent less than that so we now bring that kind of back into the central fund and then determine how that gets reallocated so that process begins this July the clawback on housing would be if work has not commenced on those projects by June 30th of 2024.

MORSILLO: okay so I guess what I'm trying to do is in order to use this for water and sewer projects which I have two in my ward that I'm very keen on getting them started and this would be a huge help they would have to have the project ready to go right? like they would have to be able to use it very quickly so that's why I'm trying to figure out like what date are we targeting for when we know we need to reallocate these funds quickly so that we spend every single penny.

NICK: so we all all funds across the board all of our has to be allocated by the end of 2024.

MORSILLO: so by December 31st 2024

NICK: we have made all these decisions you guys will know exactly what's where what's going to be spent what hasn't been spent and okay so that's when we get another update from you to say this is what we have left and this is what we're thinking

NICK: so the update on December 31st 2024 would be we've allocated every penny of our funds the money is out the door

MORSILLO: okay so then let's work back so then how is are you telling me it's just kind of a moving date that you know that that money isn't you know it's just not working whatever no problem

NICK: so it's it's three different dates okay the first the first that's coming up is going to be July 1st when we begin looking at all of our current funding and saying all right what has what's going to kind of come back from what we previously allocated and be reallocated in a different way that's that process is going to begin this July the next date is June 30th 2024 which is the clawback date for the housing Construction Grants the other day after that is December 31st 2024. by December 31st 2024 the city needs to have allocated all of our arba funds and we won't get a chance after that if a project doesn't get completed by the end of 2026 we won't get another chance to reallocate that

MORSILLO: okay I got it so it is it's it's

NICK: it's not they're not moving dates necessarily but they are fluid in terms of kind of you know the July first one is one internally for us that's not that's not one that we have that anyone else has set we just think that's the fiscally responsible thing to do to begin that process now so that we're not really rushing at the end of 2024 to make decisions

MORSILLO: agreed

ANA: when we say allocated I believe under the federal rule it has to basically be encumbered like physically encumbered in the accounting system and so like those projects are locked in underway and it's just that it's in the process of being spent down and so when we say allocated not just from a planning perspective but literally you know money is like out the door allocated it's just being spent down

MORSILLO: okay which underscores the fact that if we are going to use it on Water and Sewer projects they need to be like in the position where they're ready to go right

ANA: and then they would if the money is physically appropriated and is being spent down at that point it just would need to be spent down by the deadline in 2026. they'd have that time to actually complete the project.

MORSILLO: okay got it can you give a little bit of information on what was spent in the general government spending category

NICK: sure give me one moment here foreign so that included whenever we have funded capital projects through ARPA that fell under kind of the general government spending so that did fall under kind of the revenue loss off the top of my head I don't know what our Pro what we funded in the FY 23 CIP I would need to go back and look at that but we have beginning in FY 22 we've started listing ARPA as one of the funding sources in the capital plan so generally speaking when capital projects were funded they fell under that kind of General government spending we allocated some funds for our 311 operators a stipend for those employees we allocated some money for it cyber security improvements for the public health vending machines that are here in City Hall and in the city hall Annex funds for Regina(DEI) to conduct a Citywide Equity audit and then also funding for some new HVAC units potentially at the police department where they've had some significant issues with their old HVAC system that fell under that again kind of that that Capital side of things

MORSILLO:okay thank you

PRESIDENT: I feel like I missed one of those 311 foreign

Nick:311 Services generally when we've funded capital projects through ARPA it falls under that category I could pull that list for FY 23 I don't know off the top of my head which projects we did fund and then we'd have some more kind of upcoming in the fy24 capital plan as well cyber security improvements funds for an equity audit on funds for improved rooftop HVAC at the police department.

PRESIDENT: anyone else we do not have any members of the public joining us remotely or on Zoom if there are any members in the chamber that would like to come up or please see your name and address for the record I don't have to do that

Mayor-elect: thanks for the opportunity to be up here so just to really my name is Dominic Panglao my address is 25 Buffalo Street so the tree funding as you mentioned is a supplement so that this com Parks the city that are outside of the DCR's designated planting zone would also have the ability to access trees unlike the creating the Gateway cities program though that funding can only be used for trees on public property we can't plant trees on private property like they can in the green in the Gateway City program areas the allocations you know they were developed not with saying like we want to spend x million on on this category but it was you know build the program fund it and it's kind of broken down in that in that way right now which is why you see those pie shapes like some of them are very specific numbers because it was related to very specific costs and then just lasted to the Clawback thing like there's no shortage of needs we do have the ability to use ARPA funds on City certain city infrastructure projects that aren't related to construction though so unlike the housing things like if it's a design related cost the city can also use I

prefer that so I'm confident that whatever comes back or whatever's unspent by the end of the of the period like we'll find Dave Nelson sneezes in millions of dollars quantities so there is no shortage of I think things that are if not shovel ready design ready or need of funds for design phase and Engineering so and like you said counselor I think Water and Sewer you know just initially feels like it's the right fit because it also gives us the ability to maybe make a positive difference in the water sewer rates down the road so we're not only completing essential projects for the infrastructure of our community but we're also hopefully saving people a little bit of money down the road and investing in those kinds of one-time Capital needs so and lastly just the topic of the public meeting we'll absolutely have additional public meetings get through this budget process kind of get my feet under me but I think this is important and I want to restart those and kind of get some more public feedback about the future direction of how we're directing These funds so

Pres: okay do you have any questions

C VARELA: Varela thank you presidents through you to Mayor elect Panglao so concerning just the allocations and going forward I do hope that when you guys look into spending this other sum of money that you guys take in mind that I know we do have a lot of contracted Services here I do believe there's a way like counselor Cohen said when it comes to being resilient on our own as a city by actually making Revenue by some of these acts just like composting Styrofoam recycling in general I think that there's an opportunity here to make revenue for our city and not just spend the money so I hope that when you guys are looking at this plan that we look to the Future that we we're mindful about that not only with food security if we have land that's available we should also be emphasizing how do we make money off that as well for a resident so I hope that you guys are looking into that thank you

President: C. Morsillo

C. MORSILLO: thank you I don't know who can answer this but one thing that I'm wondering is if anything has been allocated for our older population as far as the homebound who have been really impacted by the pandemic and trying to get them Mental Health Services and any supports that they need it feels like it's a very disjointed connection between the city and our homebound seniors I think that we have a lot of work to do in that department and I'm not sure that you know that the Council on Aging is necessarily making great inroads in that area but I know that there's a need there and I don't know if I see anything that addresses that in the list.

PANGALLO: I mean there hasn't been to date but noted you know we talk about it with Terry and the team that Source Works down there and see what they think might be a good model for something that would work that we might be able to use for that my only hesitation is creating a program that isn't sustainable in the long run you know like I wouldn't want to create something that people would come to depend on and then not

have a plan for it going forward and if it's a plan if it's a program that works some people depend on then you know we find a way to phase it into the budget you know like we're doing with blue bikes but I would hate to create something that then we're kind of scrambling to either take away or increase you know the amount we're spending on something so

MORSILLO: I think like as counselor ricardi sorry counselors thought pointed out apologies the mental health services that were that were started at the schools the cartwheel program the cartwheel program was a huge need and obviously it's over subscribed but that kind of a service for our elders is I think really needed and I don't know if we've done anything like that yet and okay

PRESIDENT: thanks, and just to kind of piggy off of that I will note that infrastructure and Sewer projects like I think all of us word counsellors could quickly name off three or four that are needed but the use for this money is was you know I think really should be allocated towards the pandemic recovery and those that were hit the hardest so the mental health services or Industries or that were in the city like I feel like those are the smallest laces here and if we're going to be shuffling things around we should be looking at how do we get back to to that and was there you know other space that could be filled up just.

PANGALLO: absolutely I hear that I think there's also you know a lot of our water sewer projects aren't just about providing a municipal service there's resiliency aspects there's aspects where some of our most disadvantaged communities and populations are negatively impacted by the poor service or by the risk of you know a failure of a system so there is that aspect to it that it's not just about recovery from covid but like strengthening the community for you know for whatever is going to come down the road as well so but trying to balance those two needs for sure

PRES.: C. Dominguez

DOMINGUEZ: my comment was kind of related to what council or Stella you say but I see on the graph some allocation for Kobe response and according to the news the code is already over so what is these allocations for and you can reuse some of this money to some of the programs that we just mentioned elderly but I also wanted to add the homeless population which are very growing here so that allocation can be devoted to those type of programs.

PANGALLO: I'll let Nick talk about the so there's two lines that you're looking at in the chart there's the pandemic emergency response Reserve which we I think we touched on a little bit earlier and the direct pandemic response in public health which is I think costs that have already been expanded early on during some of the worst times like the height of the pandemic, but I'll let if you want to outline with this TURNS TO NICK

NICK: right, that's correct so there was direct there say that the money the money that the city spent directly on pandemic response and Recovery so things like testing clinics and vaccine clinics and at home tests and other items like that and that falls under that kind of direct pandemic response the pandemic emergency Reserve is that 3.5 million dollars that we early on decided to kind of set aside in case there was another major outbreak that the city was going to have to respond to because there has not been to date that's going to be I think one of the first places that we will begin to have our conversations this July around reallocating of those funds so that's 3.5 million dollars a full 10 of the allocation that we received I think we will bring that number down significantly I can't say exactly how much if I want to keep some small portion of that still going forward but that is certainly some of the money that will be kind of reallocated as we move forward absolutely.

PRESIDENT: thank you, yep feel free

PANGALLO: sorry so I just wanted to so there were there was an allocation of a quarter million for Mental Health Access grant program which would be I think related to the question about mental health needs none of it's been spent yet I think that was a program that was developed conceptually but there was no application for it

NICK: we've got some of it out the door okay it's not fully expended it so it doesn't fully hit on what you were mentioning about kind of the homebound population, but I think it's certainly a model that we could use as a program for something that was more specifically geared toward that population

PRESIDENT: are those grants correct right? I'm assuming you're looking for emotion presidents that if we're in fact they can make a motion that this matter remain in committee Councillor Varela that this matter remain in committee seconded by counselor Dominguez, and we will file the presentation as well I am not doing these minutes later on Councillor Varela's motion that this matter remains in committee any further discussion all those in favor any opposed matter remains in committee thank you counsellor Cohen

c. Cohen: first of all thank you Anna, Nick, David and mayor elect and I move that we adjourn cancer code moves that we adjourned seconded by Council all those in favor we are adjourned thank you and thank you thank you Nick Anna for your information and David even though he's not here I'm sure he had some insight as well I'm going to take all of Dave's credit thank you