



CITY OF MELROSE
APPROPRIATIONS & OVERSIGHT COMMITTEE
AGENDA • FEBRUARY 28, 2022

Web-based remote meeting
, Melrose, MA 02176

Remote meeting

7:15 PM

I. CALL TO ORDER

Jen Grigoraitis	Chair
Leila Migliorelli	Vice Chair
Shawn M. MacMaster	
Jack Eccles	
Mark Garipay	
Maya Jamaledine	
Robb Stewart	
Manjula Karamcheti	
John Obremski	
Ryan Williams	
Christopher Cinella	President, ex officio

Motion: statement of remote meeting information

Pursuant to An Act Extending Certain COVID-19 Measures signed by Governor Baker on June 16, 2021 that extended the remote meeting provisions of his March 12th Executive Order Suspending Certain Provisions of the Open-Meeting Law this meeting of the Appropriations and Oversight Committee will be conducted via remote participation. We will post a comprehensive record of these proceedings as soon as possible after the meeting on the City of Melrose website and on MMTV/ mmtv3.org. The public can find online access instructions to view this meeting at www.cityofmelrose.org/remote-meetings

II. PUBLIC COMMENT

III. INFORMATION ITEMS

1. **ORDER-2022-69** : Permanent consolidation of polling locations to the Melrose Veterans Memorial Middle School Gymnasium Complex for all City of Melrose elections. (Item # 9605)

Offered by: Council President Christopher Cinella

From: City Council

ASSIGNED TO COMMITTEE

2. **INFO-2022-4:** Request for Information regarding ARPA funding (Item #9582)

Sponsored by: Robb Stewart, Mark Garipay

From: City Council

ASSIGN TO COMMITTEE

IV. ADJOURNMENT



PAUL BRODEUR
Mayor

CITY OF MELROSE

OFFICE OF THE MAYOR

City Hall, 562 Main Street
Melrose, Massachusetts 02176
Telephone - (781) 979-4440

MEMORANDUM

To: Melrose City Council
From: Margot Fleischman, Director of Strategic Initiatives and Communication
Re: Use of American Rescue Plan (ARPA) funds
Date: February 28, 2022

On behalf of Mayor Brodeur, I am pleased to present the Honorable City Council with this first interim update on the use of Melrose's ARPA funds, including funds that have been spent or committed to-date for specific projects, as well an overview on anticipated uses for ARPA funds during upcoming fiscal years.

Background

As the City Council will remember from our presentation last August, the City of Melrose is slated to receive a total of \$8,374,174 in federal ARPA grant dollars. This money has been allocated by the federal government in two ways: a direct grant to municipalities and another grant to counties. The direct grant to Melrose is \$2,932,394, and our reallocation through the Middlesex County Federal ARPA Assessment will be \$5,441,780.

ARPA direct grant funds are being disbursed to municipalities in two equal tranches, with 50% provided at the end of FY 21 and the balance delivered approximately 12 months later. Melrose received the first half of our direct grant (\$1,466,197) last June, and will receive the remainder by the end of FY22. We anticipate that the Middlesex County reallocation will also be released in two equal parts beginning in FY22. ARPA grant funds must be spent or encumbered by December 31, 2024.

Changes to Treasury Department Rules

On January 6, 2022, the U.S. Treasury Department [released the Final Rule](#) for the [State and Local Coronavirus Fiscal Recovery Fund](#) (SLFRF) which substantially expanded the parameters for use of ARPA funds. Rather than being required to calculate lost revenue against a pre-pandemic baseline, municipalities may now choose to take a "standard allowance" of \$10 million. Under this option, Treasury presumes that up to \$10 million in revenue has been lost due to the public health emergency and recipients are permitted to use their allocation to fund "government services" which is the most flexible eligibility use category under the SLFRF program.

For municipalities such as Melrose that are receiving an amount less than \$10 million, this means that the uses for ARPA funds are no longer restricted to the prior categories provided in the Interim Final Rule (e.g., specific types of water/sewer projects, expanding access to broadband, and COVID-19 response). Prohibitions on the use of ARPA funds for payments for debt service and replenishments of rainy day funds remain unchanged in the Final Rule.

Attachment: ARPA Update to City Council February 2022 (INFO-2022-4 : ARPA funding request for information)

Project identification and evaluation

ARPA expenses are administered by the Mayor, and in assessing potential uses for ARPA funds, the priority of our administration has been and continues to be identifying the areas of greatest need and relevance to the City's recovery from the COVID-19 pandemic. We are also cognizant of the number of other funding sources, including grant programs funded through the Commonwealth's ARPA allocation, which are coming on line, and are to the greatest extent possible avoiding using our local ARPA dollars on projects that could be funded through another program.

Potential ARPA-funded projects are being identified by City departments and reviewed and evaluated by the Mayor in collaboration with the Chief Financial Officer/Auditor, department heads, Melrose Public Schools leadership including financial personnel, and our outside consultants from the accounting firm of Clifton Larson Allen, LLP ("CLA"). Since last August when the ARPA funds were accepted by the City Council, this group has been meeting regularly to determine eligibility and appropriateness of potential uses for these funds under the Interim Final Rule. Like many other Massachusetts municipalities, we have been deliberate and thoughtful about expending ARPA funds in advance of the issuance of the Final Rule. We also remain ever cognizant of the need to allocate these funds to projects that can be completed during the required timeframe.

The Mayor has received a wide range of project proposals from City departments which the Mayor and his team are still in the process of evaluating. These proposals address a wide variety of needs and total over \$7 million.

Approved ARPA funds expenditures

To-date \$1,073,202 in ARPA funds have been expended for the following projects or initiatives:

- Public Safety Training Equipment – \$77,885
- Milano Center HVAC project – \$218,729
- Schools Revenue Loss Replacement – \$802,435
- Accounting consultant services - \$6,888.00

Another approximately \$105,000 in ARPA funds have been approved for FY22 but not yet expended. These include:

- Economic Development/Recovery position – \$37,000
- Fire Headquarters HVAC – \$35,000
- At-Home COVID-19 Tests – \$30,000
- Accounting consultant services - \$3,000

We anticipate that the Mayor will approve a significant number of other projects during the remainder of FY22.

Use of ARPA funds in future FYs

In FY23-25, we anticipate using or continuing to use ARPA funds to pay for a variety of City needs and priorities, including but not limited to:

- Economic Development/Recovery position
- Small business/non-profit recovery

- FT Social Worker
- PT Youth Public Health Specialist
- Community Mental Health Initiatives
- Library Renovation Project
- New sidewalks
- Upgrades to parks and recreational facilities
- Lead water service line replacement project
- Cybersecurity

Community Needs Survey

We do not expect that all projects that have been identified will be funded at this time. As a best practice, ARPA funds will not be fully allocated in the first Fiscal Year, both to allow the City to respond to ongoing and changing public health needs from the COVID-19 pandemic, as well as to provide for the opportunity for input and feedback on community priorities. To this end, we have just launched a Community Needs Survey in order to help identify the most pressing issues for residents, small business owners, and community-based non-profit organizations. We welcome input from the Council on these priorities.