



City of Somerville, Massachusetts

Legislation Text

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Agenda Summary

Conveying budget priorities and requests for FY 2025.

Official Text

February 2024

Will Mbah Budget Priorities for FY25

To: Honorable Mayor Balantyne and City Council members:

Although I remain optimistic about the city's fiscal situation, I expect that FY 2025 will be a year in which some revenues will decline. In particular, the COVID/ARPA grant monies will finish and certain other fees and linkage payments, dependent on economic conditions, are likely to decline. This is not a cry of alarm, but a recognition that we will need to be prudent in our budgeting.

Therefore, in making the following recommendations, I have looked first at the areas where the COVID emergency and ARPA recovery monies have been used to assist families with children, school programs, families facing displacement and the homeless. I would give priority to new city spending that will insure the continuation of these programs and allow them to expand to more eligible residents.

Second, we must carry forward to completion the essential infrastructure projects now underway, in particular, the storm sewer and street/sidewalk reconstruction projects. We must also insure that we can finance the necessary elementary school reconstruction or replacement projects. Once these funding estimates are fixed, it may be necessary to further stretch out the Capital Improvement Projects of lesser urgency. However, we should begin the preparatory feasibility and design studies for these desirable CIP items to be ready when interest rates and broad financial conditions improve.

Third, uncommitted revenues that remain after covering our regulatory, health/safety and legal/administrative responsibilities should be directed into affordable housing development and subsidies for low-income renters/buyers.

Assistance for families with children and school programs:

- Insure that there will be replacement funding for the ARPA-initiated programs that assist recruitment, training and salary supplements for pre-school teachers and child-care specialists - both school-based and NGO-contracted programs
- Fully fund the programs of assistance for families, who are burdened by the costs of pre-kindergarten education and child care or of after-school programs for elementary grade children. This will require (i) replacing ARPA funding as it comes to an end; (ii) supplementing any shortfall in the federal grants for Head Start, and (iii) allocating additional monies to expand the eligibility criteria, allowing more

working families of moderate incomes to request assistance.

- For older children and teens, we should insure continued funding for the after-school enrichment and summer programs by replacing the ARPA grant monies as they end. We should give careful consideration to additional appropriations for the programs that are achieving successful outcomes. These encompass the music, arts, STEM, athletics, confidence-building programs, etc., offered in the schools, by Parks and Recreation, and by NGO partners.

Housing stability and homeless services

- Funding to continue the Flex Rental Assistance program, when it reaches the end of its ARPA grant.
- Insuring sufficient funding for the other Housing Stabilization programs of legal assistance and support for tenants facing eviction. These must be based on the trends of demand and should be able to decrease Rent Stabilization and other protections of tenants' rights become law.
- Increase the levels of city assistance to the NGO partners providing food pantry, health outreach and other social support services for the homeless, immigrants, and low-income residents. Demand for these services has been growing, stretching beyond the charitable resources and volunteer base of the organizations.
- Make sure that there is a sufficient reserve account for Homeless Emergency services if there is a surge in needs, particularly next winter.
- Provide funding for site location and feasibility studies and design work in preparation for the capital improvement projects to develop one or two homeless centers, at which comprehensive daytime services, warming and cooling, and nighttime shelter can be provided.

Transportation

- Continue to fund the PASS programs, which provide fare-free bus and T rides for schoolchildren, low-income workers and school system employees. These programs have been successful both in serving youth and families and in maintaining and expanding MBTA ridership.
- Insure the continuation of the services of free taxi transport for low-income seniors and disabled individuals who are unable to use public transit for their doctor visits and grocery shopping. These programs have been funded from ARPA grant appropriations at about \$950,000 during the past two years. It will be necessary to clarify the level of need and rate of usage to fix the amount of a city appropriation.

Public health, public safety and environment

- Insure full funding for the routine regulatory activities of the agencies that enforce the rules and standards of public health, traffic safety, building safety and sanitary systems, and environmental protection. If the city anticipates any shortfall in tax revenue, fees and other payments, related to

weakening development and business activity, then cost savings should be found in the discretionary programs and capital spending. Across the board reductions that may diminish the protection of citizens and workers, should be avoided.

- Funding for a new program of composting of household waste with city assistance to expand curbside collections and household participation. This could be a pilot program that builds upon the existing system of voluntary purchase of the pick-up services and anticipates eventual city-wide coverage.