

**TOWN OF WALLINGFORD
WALLINGFORD ARPA APPLICATION REVIEW COMMITTEE
129 Center Street (HUBCAP)
Wallingford, CT -6492**

**DRAFT Monday, January 30, 2023
6:30 p.m.**

RECORD OF VOTES AND MINUTES

The meeting was called to order at 6:32 p.m. The Pledge of Allegiance was said. Members in attendance were Carl Bonamico, Mike Brodinsky, Craig Fishbein, Mike Glidden, Bob Gross, Jacqueline McNamee, Christopher Regan, Jesse Reynolds, and Amy Walsh.

Absent: Robert Fritz

Members of the public: applicants Amy Cakes, A&F Café, and Banana's Ice Cream

Updates

Mr. Brodinsky stated that PPP grants awarded to businesses don't appear on tax returns because they are tax-exempt. He suggested adding it in, if considering financial results for a particular year. The ARPA funds are taxable.

Mr. Brodinsky stated that per our consensus at the last meeting, Mr. Reynolds will scramble the list of applicants for future agendas, keeping non-profits and businesses separate. A sample will be presented on Wednesday.

Mr. Brodinsky responded to a question raised at the last meeting on the timing of grant checks. He outlined the process. After the committee completes its work, we send a memo to government. It will state which applications were recommended and which were not. That is the end of the committee's work on those applications. After that, someone else in government will take the initiative to move the application forward.. The Legal Department will come up with a contract for each grantee to sign. The Comptroller and Legal Department will need to determine if grants are cash-up-front, or reimbursement grants, or vendor-pay. That is not part of our job.

Mr. Brodinsky noted that the criterion for reviewing the business applications was sent out today including the list of required documentation. This entails the completed application, a copy of the Dept of Revenue Services Status Letter, a copy of the Wallingford Business Training Certificate (if they are a DBA and it's filed with the Town Clerk), a CPA issued Profit & Loss Statement for 2019, 2020 and 2021 or tax returns with redacted personal information, and documentation supporting the funding request. He noted that some applications do not have the required documentation and the committee will have to determine how to handle those applications.

Mr. Fishbein asked why the consultant who was reviewing the applications did not ensure all the documents were included. Mr. Brodinsky replied that the consultant looked at the federal ARPA compliance criteria, not the local, Wallingford criteria. The local criteria are stricter. He added that we have to work with what we have. Mr. Fishbein asked whether the consultant went back to applicants

for the missing documentation. Mr. Brodinsky replied that the consultant tried in many cases, maybe all.

Mr. Gross asked if we can table an application if it is incomplete. Mr. Brodinsky replied no because there is a large percentage of applications that don't have all the documentation. Committee members may decide to deny or reduce the score due to missing documentation.

Mr. Reynolds asked what if the entire committee abstained from voting on an application due to its being incomplete? Discussion followed. Mr. Brodinsky replied it would be considered not approved. He suggested giving applications a score accordingly.

Mr. Brodinsky reviewed the agreed-upon process. Applications will be reviewed one at a time, with one committee member summarizing their thoughts on the application. Then we will go around the table twice and each member can comment. Then the application would be scored. Scoring sheets will be totaled and turned in to Ms. Walsh and Mr. Gross. The totals will be read to Mr. Reynolds who will tally and come up with an average score for each application. He reminded members that scores of 69 or lower are not approved and 70 or above are approved. The scoring sheets with committee members' initials along with the adding machine tape will be put in an envelope to be part of the public record.

Discussion and possible action on the following grant applications:

Regarding the criteria, Mr. Brodinsky noted that he interprets the word 'project' to be more than general cash assistance. In the criteria 'address the negative economic or health impacts due to COVID', he interprets the word 'address' to mean 'deal with'. He stated that this brings in the notion of 'proportionality'. For example, you wouldn't give \$100 to address a \$10 impact. That creates a windfall. He also stated that the negative economic impact is supposed to be due to COVID, which may be hard to discern.

Amy Cakes, LLC

Mr. Brodinsky outlined the application. This is an owner-operated, full-service bakery that started as a home business and recently moved to a building. Like many businesses, they had trouble during COVID and saw increased expenses. They will use the funds to offset those expenses and grow the business. They presented two project objectives, the purchase of a van for deliveries and operational expenses. Committee comments on this application included:

- Hard to discern the degree of negative impact due to COVID, since the gross is increasing
- Based on the financial backup, not sure that \$25,000 is proportionate
- Not sure operational expenses qualify as a project.
- Hard to tell with gross increasing, whether they have financial adversity
- Not sure how the assistance with operational expenses for one year will help with long-term recovery.
- Not clear what the van will cost.
- Would like more backup documentation. The 2021 tax return is missing.
- The project proposal says 'possibly' purchase a van.
- No timeline for the budget
- The application lacks substance.
- Not well documented

- Weak application
- Doesn't meet the criteria
- The dollar amounts in the application don't seem to match the tax returns
- Lack of details or specifications
- Meets the criteria for economic or health impact
- Nothing on the impact of closing for a year and how the project will address this.

There was a discussion of whether the business was in business in January 2019 as is required by ARPA. It was determined that the business was incorporated in October 2019 and that it was passed by the consultant. Mr. Gross asked if an application doesn't meet the ARPA criteria should it be reviewed. Can we ask for more documentation? Mr. Brodinsky replied that every application is presumed to meet the ARPA requirements since it was passed on by the consultant. But we will see as times goes on. It is not presumed that it meets the local criteria. Mr. Brodinsky noted that if a committee member doesn't believe an application meets the criteria they should reflect that in the score.

No second-round comments were made.
Score sheets were handed in.

Total Scores:

Brodinsky:	31	McNamee:	45
Bonamico:	61	Regan:	35
Fishbein:	20	Reynolds:	55
Glidden:	40	Walsh:	50
Gross:	45		

The average score is 42.4

It was noted that it should be made clear to the applicant that this isn't final. It goes to the government next.

The owner of Amy Cakes commented that it is inappropriate to prejudge an application without asking what the operational expenses are. And to decline a business that is struggling is inappropriate. Not fair to not have the opportunity to explain or give you more information. The application did not ask for that information.

M&K Inc. DBA Banana's Ice Cream

Mr. Brodinsky outlined the application. This is a mainstay in town.

Committee comments on this application included:

- There are no tax returns, though there is a quick-books report on the financials.
- They received PPP funds
- Gross and expenses in 2019 and 2021 went up dramatically
- Expenses include payment of the loan
- They meet the criteria for negative economic impact
- Regarding the criteria on the degree to the project will assist the business in long-term recovery, the purchase of a mobile cart is a long-term project
- Documentation not there
- Timeline realistic

- Thorough application.
- P&Ls provided
- Change of ownership was disclosed
- The project will promote business.
- Addresses the issues that came up during the pandemic
- Uncertainty due to the change of owners
- Not persuaded that the business is currently in financial insecurity

It was noted that this business was created in December 2021, so the current owner was not affected by the pandemic. Mr. Regan explained that when you buy a business the tax returns are yours. There is not enough information to determine if this is a net new business with zero history. The business just changed owners. It was also noted that the Town Council wants them to be in business since January 2019 and still operational. Mr. Brodinsky noted that the change of owners is not an ARPA issue it's a Town criteria issue. The ice cream business was there, so it meets the criteria.

After a brief second round of comments, scores were handed in.

Total Scores:

Brodinsky:	62	McNamee:	95
Bonamico:	92	Regan:	70
Fishbein:	55	Reynolds:	80
Glidden:	70	Walsh:	90
Gross:	63		

The average score is 75.22

A&F Café, LLC

(Carl Bonamico recused)

Mr. Brodinsky outlined the application. He noted that the criteria are not whether there was past adversity, but whether there still is current financial adversity caused by the pandemic.

Committee comments on this application included:

- Tax returns are included
- Don't see documentation on how the grant money will be used except for a list with rough estimates
- The company was hit by the pandemic but the gross is increasing, so not sure if there is a current financial hardship
- The applicant states that costs went up.
- The applicant states that there were consequences in 2022 but did not provide details.
- The proposed uses of the grant would help strengthen the business long term
- This restaurant didn't have the degree of the hardship of many other restaurants
- Not shown if COVID really impacted this business.
- Not enough documentation for the budget
- Capital investments will have long-term viability
- Hint at the impact of the cost of supplies but didn't demonstrate
- The application is appropriate
- Intended uses are well spelled out
- The list is somewhat broad, would like documentation of the costs

- Looked at the percentage change in operating costs and didn't fall in line with what the application said
- No doubt they were hurt during COVID but their numbers are going up
- Would like to see more project budget documentation
- Would need to see if the building owner would allow the proposed improvements
- Can't determine the degree they were affected by the pandemic
- Timeline is reasonable

No second-round comments were made.
Score sheets were handed in.

Total Scores:

Brodinsky:	57	McNamee:	70
Bonamico:	recused	Regan:	71
Fishbein:	40	Reynolds:	55
Glidden:	72	Walsh:	70
Gross:	70		

The average score is 63.13

A Place for Healing

Mr. Brodinsky outlined the application. This is an owner-operated holistic health coach and energy medicine practitioner. During the pandemic, they were unable to see clients in person and hold in-person workshops. They will use the grant for a better website and online presence as well as marketing all of which will help their recovery. It fits the financial hardship criteria. He noted that all the tax returns are there.

Committee comments on this application included:

- Regarding documentation, they should have presented more specifics of the project costs.
- Looking at the financials and the baseline profits for 2019, there is a proportionality issue with the grant amount requested.
- Can see the adverse impact of the pandemic, though not as great
- Could have had more detailed documentation.
- Questioned why Zoom was not used since it was free. There seemed to be a lack of effort.
- The online expansion would likely serve clients beyond Wallingford. Would like more information on how social media pertains to Wallingford.
- Struggled with the timeline with no details of how it would be done.
- Nothing to back up the numbers.
- Understands that they lost clientele and need an online presence
- Clearly took a hit by COVID
- The hit was documented by the tax returns
- This is not a temporary fix.
- Can spend money on marketing and never have enough.
- No mention of focus on Wallingford
- The grant would be more than they ever made.
- The status letter is personal not business, it needs to be for the business to meet the criteria

- Don't know if the business entity is still alive. According to the Secretary of State's website, they dissolved the business. This could be a DBA.
- All businesses had to shift online during the pandemic.
- Not clear if it's a long-term fix.

Mr. Brodinsky noted that committee members can mark down an applicant because the budget is out of whack or the timeline doesn't make sense, but not because that's not how you would run the business. This is the kind of business we would like to help.

After a brief second round of comments, scores were handed in.

Total Scores:

Brodinsky:	61	McNamee:	50
Bonamico:	56	Regan:	30
Fishbein:	25	Reynolds:	70
Glidden:	40	Walsh:	60
Gross:	50		

The average score is 49.11

Allyssa's Cakery

Mr. Brodinsky outlined the application. This business is owner-operated with two employees currently. They did recover to some degree. It looks like they are still experiencing financial adversity. They included tax returns and detailed documentation for the grant request. The budget seems to make sense.

Committee comments on this application included:

- A lot of detail, well documented
- Good rationale
- This is the kind of business we should support
- Good application, well put together
- The budget shows they bounced back
- Concern with the degree COVID affected them.
- Clearly described the financial adversity
- Recovery is a sign of a good business going forward
- If assume growth of 20% a year, they are where they should be.
- They received a PPP loan.
- Not convinced they show current financial adversity
- The timeline is wishy-washy.

No second-round comments were made. Score sheets were handed in.

Total Scores:

Brodinsky:	73	McNamee:	100
Bonamico:	92	Regan:	95
Fishbein:	70	Reynolds:	85
Glidden:	85	Walsh:	100
Gross:	80		

The average score is 86.67

Mr. Gross noted that the consultant told applicants they don't need backup documentation.

Motion to authorize the chair to report to the government that Allyssa's Cakery and Banana's Ice Cream were recommended and A&F Café, Amy's Cakes, and A Place for Healing are not recommended.

Made by: Mr. Glidden

Seconded by: Mr. Brodinsky

Vote: Unanimous with no abstentions

Discussion and possible action on:

Criteria for assessing and pass-fail scoring for non-profit applications seeking funds for programming.

Mr. Brodinsky pointed out that the first scoring criterion is worth 50 points. The last line mentions that the program is ready to implement and will be completed. A bad program can be ready to implement. A proposed budget appropriate will be supported by documentation with a high percentage used for direct costs. He advocated for a strong score on that criterion. Then add the budget and timeline. Mr. Brodinsky asked for input on a good passing score.

Mr. Fishbein proposed 75, which means they get at least 50% of the score on the top line. It's more money and the non-profits generally know what they are doing.

Mr. Gross suggested a lower score of 65. They do a lot of work for the town. He added that the Town Council changed the requirements to allow more to apply, meaning some non-profits only had two weeks to apply.

Mr. Bonamico noted that they are likely to all be good applications because non-profits are good at grants. He also favored a lower score of 70 as they do a lot of work for the town.

Ms. McNamee suggested 65 or 68 and added that some non-profits benefit other towns as well.

Mr. Brodinsky noted that there is no requirement on the federal level that the work of the applicant has to benefit Wallingford. That is up to the local government. We can limit the grant to benefit only Wallingford residents by reducing the grant or possibly conditioning it to tuition for Wallingford residents. It will not always be possible to prorate to services for just Wallingford.

Mr. Regan stated that he will look to see if the program is not ready to implement if the timeline is reasonable, will it be completed before October 2024. If the applicant is not able to meet some degree of that, then it's binary. There may be things outside their control. Does it have a clear purpose? Does it satisfy the needs of Wallingford? The bar should be set fairly high. They need at least two strong criteria. He proposed 75.

Mr. Glidden proposed 75

Mr. Reynolds said he would go with the majority and stated that we might need stricter criteria since the grants are larger and the proposals are more in-depth.

Ms. Walsh stated that since there is more money they should be held to a higher standard so she proposed 75. She asked if we could fund a portion of the request.

Mr. Brodinsky replied that we can decide how we want to do it. These are not hardship applications so the programming has to be directed to the neediest. For example, if they include capital expenses that are not directed to programming we can reduce the amount. We can't increase the amount. We can also put conditions on the grants.

Mr. Brodinsky conducted a straw poll for the passing score. In the first round, there were six votes for a score of 75, two for 70, and one for 65. The lower score was dropped and second-round scoring resulted in 6 votes for 75 and three votes for 70.

Motion to make a score of 75 and above the score by which a non-profit programming applicant will be recommended.

Made by: Mr. Brodinsky

Seconded by: Mr. Glidden

Votes:

Brodinsky:	Yes	McNamee:	No
Bonamico:	No	Regan:	Yes
Fishbein:	Yes	Reynolds:	Yes
Glidden:	Yes	Walsh:	Yes
Gross:	No		

Aye: 6

Nay: 3

With 9 members voting, five is a majority and a supermajority is 6, so the motion passes. A supermajority was approved by Council.

Mr. Fishbein noted a concern with incomplete applications as it is unfair to those that submitted complete applications. Mr. Brodinsky suggested reflecting that concern in the scoring.

Mr. Gross asked if we can go back to the applicants and ask for more documentation. Mr. Brodinsky replied no, it's too late.

Motion to adjourn at 9:00 pm

Made by: Mr. Brodinsky

Seconded by: Mr. Fishbein

Respectfully submitted,
Cheryl-Ann Tubby
Recording Secretary