


City of Alexandria, Virginia

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4-18-09

MEMORANDUM

DATE: APRIL 17, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: CONSIDERATION OF THE PROCESS FOR CITY COUNCIL REVIEW OF PROPOSED GRANT APPLICATIONS SUBMITTED UNDER THE PROVISIONS OF THE AMERICAN RECOVERY AND REINVESTMENT ACT.

ISSUE: Consideration of the process for City Council review of proposed grant applications submitted under the provisions of the American Recovery and Reinvestment Act.

RECOMMENDATION: That City Council endorse the process for Council approval of grant applications related to the American Reinvestment and Recovery Act as recommended by City Council's ARRA Subcommittee (Mayor Euille and Councilmember Lovain). Endorsement would exempt all ARRA related grant applications from receiving Council approval prior to submission unless terms and conditions of the grant require Council action. City Manager approval would continue to be required for each application submission. All applications submitted to the City Manager for approval would concurrently be noticed to City Council and subsequently posted to the City's ARRA website.

DISCUSSION: For the past several months, City staff has been working, under the direction of a Council Subcommittee, on implementing the American Reinvestment and Recovery Act (ARRA), the federal economic stimulus legislation. Implementation of this legislation primarily involves identifying City projects that can be funded with ARRA grants and taking the necessary steps to obtain these grants. One of the tasks associated with our ARRA related effort is the identification of impediments that might make it more difficult for the City to apply for and receive stimulus funds.

To better understand and address the issue of potential impediments, City staff created an ARRA Implementation Committee that is looking at implementation issues and suggesting ways to reasonably streamline City processes for obtaining grants. The ARRA Implementation Committee is chaired by Assistant City Manager Tom Gates.

As noted in the attached memorandum to Council's ARRA Subcommittee, the ARRA Implementation Committee identified the City's current process for approval of grant funding applications as a potential barrier to access of ARRA monies. The ARRA Implementation

Committee noted that while the City is striving to begin preparation of grant applications as far in advance as possible, “the time span between federal agency notification of fund availability and the deadline for grant application submission may be short . . . [and the] existing City process requiring Council review and endorsement of grant applications could negatively affect our ARRA funding opportunities.”

Consequently, the ARRA Implementation Committee developed several alternatives for consideration of the Council Subcommittee on ARRA. These alternatives included:

- Alternative 1 - exempting all ARRA related grant applications from prior approval by Council. The City Manager would continue to be required to approve all grant applications and a report of approved grant applications would be provided Council on a regular basis (some items may still be docketed when federal notice requirements apply);
- Alternative 2 - exempting from prior Council approval those ARRA grant applications which have no impact on City funds; again, a report of all ARRA grant applications approved would be sent to Council;
- Alternative 3 – seeking Council’s pre-approval of ARRA grant applications through adoption of a City ARRA project list. The list would include for each project the identification of a likely federal source of funds; a project description, including the estimated cost; and a description of any potential future funding obligations.

The ARRA Implementation Committee recommended to the Council Subcommittee and the Council Subcommittee approved Alternative 1 for ARRA related grant applications. The recommendation of the ARRA Implementation Committee specifically noted that this procedural change should in no way impact on Council’s authority to decline acceptance of any grant approved by the federal government. Staff will provide Council with notice of grant applications submitted for City Manager approval and subsequently post information on the City’s web site.

ATTACHMENT: Memorandum from ARRA Implementation Committee to ARRA Council Subcommittee on Alternative Methods for Review of Grant Funding Applications Related to America Recovery and Reinvestment Act (ARRA) Funding

STAFF:

Bernard Caton, Legislative Director

Tom Gates, Assistant City Manager

Ryan Touhill, Budget/Management Analyst


City of Alexandria, Virginia

MEMORANDUM

DATE: April 9, 2009

TO: ARRA Council Subcommittee

VIA: ARRA Executive Committee

FROM: ARRA Implementation Committee – Tom Gates, Chair 

SUBJECT: Alternative Methods for Review of Grant Funding Applications Related to America Recovery and Reinvestment Act (ARRA) Funding

Background

The City's ARRA Implementation Committee has identified the current process for approval of grant funding requests as a potential barrier to access of ARRA monies. Currently City practice directs that all City applications for grant funding, regardless of source, purpose, or term of award, receive Council review and endorsement prior to formal submission of application to a granting agency. The practice of precluding applications absent Council endorsement has effectively become City policy and is now uniformly applied and extended to all funds sought from grant sources.

Federal procedures for dissemination of ARRA funding are continually being defined, however, State and local governments are typically required to submit a grant application for ARRA related funds. The City is making considerable effort to stay abreast of federal guidance on application procedures, notices of fund availability and deadlines for application submissions so as to minimize hurried grant applications but recent experience suggests that the time span between federal agency notification of fund availability and the deadline for grant application submission may be short. The Implementation Committee has concern that given the relative uncertainty in federal procedures, existing City process requiring Council review and endorsement of grant applications could negatively affect our ARRA funding opportunities.

Analysis

In order to insure a high degree of responsiveness to federal grant application deadlines, minimize the potential for missed funding opportunities, and generally mitigate a procedural barrier to potential ARRA funds, the Implementation Committee suggests

revision to the current City practice of Council authorization of pending grant application submissions. Alternatives for revision include the following:

Alternative 1 - Designate all ARRA related grant funding applications exempt from requirement for Council endorsement prior to formal submission. All such applications to continue to require prior approval of the City Manager who shall be responsible for insuring appropriate departmental coordination, identification of short and long term fiscal impacts, and monthly summary reporting to Council.

Alternative 2 - Designate those ARRA related grant funding applications without fiscal impact on City sources of funds to be exempt from requirement for Council endorsement prior to formal submission. All such applications to continue to require prior approval of the City Manager who shall provide a monthly summary report of applications to City Council.

Alternative 3 – Provide pre-approval for ARRA related grant funding applications through Council adoption of a City ARRA project list. Any such adopted list for pre-approval to include a statement of likely federal source of funds, a description of proposed use of funds, an estimated amount of funds, and a statement denoting any potential future funding obligations.

Recommendation

Given the overarching policy objective of quickly introducing ARRA funds into the economy and the Implementation Committee's charge to streamline operations and mitigate barriers to accessing and applying ARRA funding, the Implementation Committee recommends Alternative 1. It is noted that the Implementation Committee's recommendation on this matter extends only to the accommodation of grant applications pending formal submittal to a grantor entity. In no way is this recommendation intended to address, nor does it contemplate any issues of grant acceptance post notice of award. Determinations of grant acceptance, whether ARRA related or an alternative source of funds, is solely the purview of City Council as described in Section 2.02 (e) of the City Charter.