



City of Grand Island

Tuesday, October 27, 2009

Council Session

Item I1

#2009-284 - Approving the Adoption of the Resolution to Comply with Local Public Agency Guidelines Manual

Staff Contact: Steven P. Riehle, Public Works Director

Council Agenda Memo

From: Steven P. Riehle, Public Works Director

Meeting: October 27, 2009

Subject: Approving the Adoption of the Resolution to Comply with Local Public Agency Guidelines Manual

Item #'s: I-1

Presenter(s): Steven P. Riehle, Public Works Director

Background

Grand Island is a Local Public Agency (LPA) in the State of Nebraska receiving federal transportation funding from the Federal Highway Administration (FHWA). FHWA federal transportation funds are limited to Roadway, Bridge, and Trail Projects. As a sub-recipient of federal transportation funding, the City of Grand Island is charged with the responsibility of spending these funds in accordance with Federal and State law.

The NDOR administers federal transportation funds to the LPAs as an agent of the FHWA. The reporting requirements and regulatory scrutiny associated with federal transportation funding has heightened under the passage of the American Recovery and Reinvestment Act (ARRA) for stimulus spending. The conditions for spending and receiving federal transportation funds are detailed in the recently updated and revised "LPA Guidelines Manual" authored by the Nebraska Department of Roads (NDOR).

Failure to comply could result in the City of Grand Island being required to repay some or all the federal transportation funds expended for a project or projects. The LPAs will be required to have an in-house Responsible Charge (RC) employee that will manage the administration of each project for the LPA to assure all regulatory requirements are being met. The City presently has Manager of Engineering Services, Dave Goedeken, as a Responsible Charge on staff and who has been Certified by the NDOR.

Discussion

Federal transportation funds are presently being utilized, or are projected to be utilized, on several projects in Grand Island. The federal transportation funds can be utilized for Preliminary Engineering, Environmental Submittals, Right of Way Acquisition, Utility

Relocations, Project Construction, etc. The City presently receives approximately one million dollars per year in federal transportation funds money. Federally funded transportation projects presently in the system are listed below:

- South Locust Street Widening (Completion of 4 lanes north of I-80)
 - Status: Preliminary Engineering Design submitted to NDOR
- Walk to Walnut (Safe Routes to School Project)
 - Status: Preliminary Engineering Design
- Capital Avenue (widening from Carleton Avenue to Webb Road)
 - Status: Under Construction
- Wasmer Detention Cell (Storm Sewer Pipes from US Highway 30 to cell)
 - Status: Preliminary Engineering Design

These projects are presently being administered using the requirements of the LPA Guidelines Manual. To minimize the risk of losing federal funds on projects, the NDOR has determined that all future federal aid projects be let through their letting system and the contracts will be administered through the NDOR. The LPAs will work in cooperation with the NDOR to assure the regulatory and reporting requirements are being met.

The NDOR has stipulated that LPAs receiving federal transportation funds adopt a resolution agreeing to comply with the requirements of the LPA Guidelines Manual, specifically for the following procedures:

- Consultant selection process
- National Environmental Policy Act (NEPA)
- Uniform Relocation Assistance and Real Property Acquisition Policies Act (Uniform Act)
- Financial Management Systems (certification attached to resolution)

Passing the resolution will cause the City to adopt and bind itself to comply with all applicable federal laws including rules and regulations of the FHWA and the LPA Guidelines Manual of the NDOR.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the adoption of the resolution, agreeing to comply with the requirements of the LPA Guidelines Manual and authorize the City's Finance Director to sign the Financial Management Systems Certification.

Sample Motion

Move to approve the adoption of the resolution and authorize the City Treasurer/Finance Director to sign the Financial Management Systems Certification.

Adopted by the City Council of the City of Grand Island, Nebraska, October 27, 2009.

The City Council of the CITY OF GRAND ISLAND

Jose Zapata	Robert Niemann
Peg Gilbert	Scott Dugan
Kirk Ramsey	Robert Meyer
Larry Carney	Mitch Nickerson
Chuck Haase	John Gericke

Council Member _____
Moved the adoption of said resolution
Member _____ Seconded the motion
Roll Call: ___Yes ___No ___Abstained ___Absent
Resolution adopted, signed and billed as adopted

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

LOCAL PUBLIC AGENCY (LPA)
FINANCIAL MANAGEMENT SYSTEMS CERTIFICATION
ATTACHMENT

Name of Local Public Agency THE CITY OF GRAND ISLAND

Date: October 27, 2009

Additional Financial Management System Requirements

A. The LPA is responsible for maintaining an adequate financial management system and will immediately notify the NDOR when the LPA can no longer comply with the requirements established below.

B. The LPA's financial management system shall provide for:

Financial Reporting: The LPA must maintain accurate, current and complete disclosure of the results of the financial audits of Federal financially-assisted activities in conformity with generally accepted principles of accounting, and reporting in a format that is in accordance with the financial reporting requirements of the Federal-aid program.

Accounting Records: The LPA must maintain records that adequately identify the source and application of funds for Federal financially-assisted activities. These records must contain information pertaining to Federal financial assistance and authorizations, project expenditures to date and the project funds remaining and available to pay for future expenditures. The LPA agrees to grant NDOR and FHWA access to these records immediately upon request.

Internal Control: The LPA must maintain effective internal and accounting controls over all funds, property and other assets. The LPA shall adequately safeguard all such assets and assure that they are used solely for authorized purposes.

Budget Control: The LPA will maintain records for Federal financial assistance that compares actual expenditures or outlays with budgeted amounts. Financial information must be related to performance and productivity data including the development of unit cost information.

Allowable Cost: The LPA must have procedures for determining whether costs are reasonable, allowable, and allocable; consistent with State and Federal requirements.

Source Documentation: The LPA must maintain, or cause to be maintained, the source documentation for its accounting records.

C. The NDOR will periodically review the adequacy of the financial management system of any applicant for financial assistance, as part of a pre-award review or at any time during the Federal-aid project. If NDOR determines that the LPA's accounting system does not meet the standards described in paragraph B above, the NDOR will require remedial action by the applicant to maintain eligibility for federal assistance. Failure to comply with any requirements imposed by the NDOR may result in sanctions as identified in Chapter 15 of the LPA Guidelines Manual.