

MEMORANDUM

TO: Mayor Diane Wolfe Marlin and City Council Members

FROM: Carol Mitten, City Administrator

DATE: August 12, 2021

SUBJECT: **A Resolution Approving an Intergovernmental Agreement for Project and Fiscal Management of American Rescue Plan Act Funds by the Champaign County Regional Plan Commission**

Introduction: The American Rescue Plan Act (ARPA) is expected to provide \$12,974,560 to the City of Urbana to provide relief from the adverse community effects of COVID-19. The Mayor and the City Council are committed to engaging with community stakeholders to determine the priorities for this money.

The proposed Agreement for Project and Fiscal Management of ARPA Funds (Agreement) between the City of Urbana and the Champaign County Regional Planning Commission (RPC) will provide much-needed staff support for the public process to determine Council priorities for this money, assist with the proposal solicitation and review process, and ensure that both the money and programmatic outcomes are properly documented and reported to the Federal government.

Background: ARPA is a \$1.9 trillion economic stimulus package intended to help the United States recover from the economic and health effects of the COVID-19 pandemic and the on-going recession. It represents an unprecedented Federal government distribution of funds directly to affected communities. Managing these funds will require additional staff time that Urbana does not currently have available.

Discussion: There are three primary tasks to be accomplished in order to spend Urbana's ARPA funds wisely and to account for them properly:

- Develop a Concept Plan
- Solicit and Select One or More Proposals
- Track Funds and Contractor Performance

RPC staff are skilled at many things. Among their areas of expertise are 1) Federal reporting requirements and 2) conducting community engagement on behalf of stakeholder members. RPC has the proficiency and staff capacity to serve Urbana's needs related to ARPA funding in a timely manner and at a reasonable cost.

Although details remain to be developed once the Agreement with RPC is approved, a discussion of the primary phases of work follows.

Concept Plan The Concept Plan will be a high-level statement of what the City wants to accomplish with its ARPA money. The City Council will need to decide whether you want to fund one or two transformative things or spread the money around. You will need to establish one or more priorities for the ARPA money. Anecdotally, a number of communities that started with a scattershot approach to receiving proposals have now determined that they want to hone their focus to only one or two areas.

Rather than receive requests for funding that reflect the priorities of those making the proposals, it will be more effective to have the Council members establish long-term outcomes you would like to achieve and have the proposals respond to those.

Solicit and Select Proposals Once the Concept Plan is approved, the City and RPC will develop a plan to solicit and evaluate proposals that are specifically responsive to the goals the Council has articulated for the ARPA money. As you can see from the text of the Agreement, there should be a certain level of rigor associated with these proposals, inasmuch as the groups responding will need to have a track record and the capacity to achieve and document the results the Council is seeking.

Track Funds and Contractor Performance We anticipate that two levels of tracking will be required: one level for the funds themselves and another level for the performance of the contractors against the stated objectives for the funds. We must be prepared for the typical high level of accountability that is associated with the expenditure of Federal dollars.

Recommendation: I recommend that City Council approve the attached Resolution, which will authorize the City of Urbana to receive project and fiscal management services from the Champaign County Regional Planning Commission.

If the Agreement is not approved, Urbana does not have adequate staff to administer the ARPA funds without sacrificing basic services. If we are not able to contract with another unity of government through an IGA, then we must conduct a competitive process to identify a private contractor to provide the services outlined in the Scope of Services. With a private contractor, the cost is likely to be higher.

Attachments: Draft Resolution
Draft American Rescue Plan Act Project and Fiscal Management Agreement

RESOLUTION NO. _____
**A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT FOR
PROJECT AND FISCAL MANAGEMENT OF AMERICAN RESCUE PLAN ACT
FUNDS BY THE CHAMPAIGN COUNTY REGIONAL PLAN COMMISSION**

WHEREAS, the City of Urbana (“City”) is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, and the passage of this Resolution constitutes an exercise of the City’s home rule powers and functions as granted in the Illinois Constitution, 1970; and

WHEREAS, Section 10 of Article VII of the Illinois Constitution of 1970 and the Illinois Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq. enable the units of government to enter into agreements among themselves and provide authority for intergovernmental cooperation; and

WHEREAS, the City will be the recipient of \$12,974,560 of Federal funds through the American Rescue Plan Act (“ARPA”); and

WHEREAS, the City lacks the staff capacity to manage the full effort to program and manage these funds, including public engagement, proposal solicitation and selection, and funds and performance tracking; and

WHEREAS, the Champaign County Regional Planning Commission (RPC) has staff available with the necessary expertise to assist the City in programming and managing the City’s ARPA funds; and

WHEREAS, the City Council, after due consideration, finds that approval of the American Rescue Plan Act Project and Fiscal Management Agreement (Agreement) promotes the fiscal welfare of the City, is in the best interests of the residents of the City, and is desirable for the welfare of the City’s government and affairs.

NOW, THEREFORE, BE IT RESOLVED by the City Council, of the City of Urbana, Illinois, as follows:

Section 1.

The City of Urbana, Illinois, hereby authorizes the Mayor to enter into an intergovernmental agreement with RPC for project and fiscal management of the City’s ARPA funds, as outlined in the attached Agreement.

Section 2.

The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is hereby authorized to attest to said execution of said agreement as so authorized and approved for on and behalf of the City of Urbana, Illinois.

PASSED BY THE CITY COUNCIL this ____ day of August, 2021.

AYES:

NAYS:

ABSTENTIONS:

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this ____ day of August, 2021.

Diane Wolfe Marlin, Mayor

AMERICAN RESCUE PLAN ACT PROJECT AND FISCAL MANAGEMENT AGREEMENT

THIS AGREEMENT is entered into by and between the **City of Urbana**, herein called the **City**, and the **Champaign County Regional Planning Commission**, herein called the **Commission**, as of the latest date of execution by either of the parties.

WITNESSETH

WHEREAS, the City of Urbana desires to engage the Commission to support the programmatic and fiscal management of American Rescue Plan Act (ARPA) resources including research and analysis of project recommendations, fiscal oversight of distributions, and submission of internal and external reports consistent with Federal guidelines. The project manager will provide data regarding alternative Federal, State, and local funding sources to enhance leveraging of Urbana's one-time investments. The project manager will also assist in the development of a common template for proposer submissions including funding request, planned outcomes, and ability to appropriately manage the federal funds with no ongoing financial commitment.

NOW, THEREFORE, the parties do mutually agree as follows:

1. **Employment of the Commission:** The City agrees to engage the Commission, and the Commission agrees to perform the services set forth in this contract.

2. **Cooperation of the City of Urbana:**
 - A. The City will make available to the Commission any information and data in the possession of the City related to and necessary for the Commission to perform the work specified herein and will cooperate with the Commission in the course of the work specified. To that end, the Commission agrees to the direct involvement of the City Administrator with the Commission's project manager in the development and implementation of ARPA federal guidelines related to the determination of the long-term value of one-time investments.

 - B. The City agrees to provide documents, data, and other information in a timely manner as necessary and required for the Commission to perform the agreed services within the time period specified in Paragraph 6.

 - C. The City agrees to perform the tasks identified as its responsibility, in Attachment A, in a timely manner as required for the Commission to perform the agreed services within the time period specified in Paragraph 6.

 - D. The City agrees to provide access to the City's financial system for the Commission's project manager, along with adequate training, only to the extent necessary to enable the gathering and analysis of relevant financial information for the performance of its work pursuant to this Agreement.

 - E. The City is responsible for ensuring compliance with the Open Meetings Act, Illinois Freedom of

Information Act, and other applicable laws. The Commission will act in a timely fashion to provide documents or information to the City that may be required for these purposes.

3. **Personnel:** The Commission represents that it has, or will secure at its own expense, all personnel required to perform the services set forth in this contract. Any personnel utilized by the Commission in its performance of the work specified in this Agreement shall be at all times personnel/employees of the Commission and shall retain all of the rights, privileges, and benefits pursuant to such employment. The Commission shall be responsible for the control of the personnel/employees, which includes standards of performance, discipline, training, benefits, and all other aspects of employment and performance.
4. **Scope of Services:** The Scope of Services to be performed by the Commission is set forth in ATTACHMENT A, which is, hereby, made a part of this agreement.
5. **Compensation:**
 - A. The City agrees to pay the Commission for its services as set forth in Attachment A.
 - B. The City will pay the Commission upon requisition for payment. The requisition will specify the work performed and represent that it conforms to the covenants, agreements, or stipulations of the contract and, that under the contract, the Commission is entitled to receive the amount requisitioned. Requisitions for partial payment may be submitted and paid as the work progresses. Payments are due and payable within forty-five (45) days of the requisition date.
6. **Period covered:** This contract commences on the latest date of execution of either party and ends upon completion of those tasks set forth in Attachment A, but in no case later than March 31, 2027, unless extended by mutual agreement of the parties. The Commission will preserve any and all records pertaining to its work pursuant to this Agreement for a period of no less than seven (7) years or such other period to provide compliance with any reporting or auditing requirements.
7. **Termination of Contract for Cause:**
 - A. If the Commission fails to fulfill its contract obligations as set forth in the Scope of Services, or otherwise violates any of the terms of this Agreement, the City may terminate the Agreement by giving a written notice of the cause for termination to the Commission at least five (5) business days prior to the effective date of termination.
 - B. Upon termination, all finished or unfinished materials, including computer files, documents, data, studies, surveys, drawings, models, photographs, and reports prepared by the Commission pursuant to this Agreement will become the sole and exclusive property of the City. The City will be responsible for paying the Commission for any costs, including personnel costs, incurred by the Commission in completing the Agreement up to the date of termination.
8. **Termination of Contract for Convenience:**
 - A. This Agreement may be terminated by either party at any time during the period of this Agreement by written notice at least ninety (90) days prior to termination.

- B. Upon termination pursuant to this Section, the Commission will notify the City in writing of the proportion of Agreement services that have been completed prior to termination, and the City will pay that said proportion to the Commission within fifteen (15) days of notification, deducting any prior payments made by the City to the Commission.
 - C. If less than 75% of the services to be performed by the Commission pursuant to the Agreement have been performed on the effective date of termination, the City will also be responsible for reimbursing the Commission for any reasonable out-of-pocket expenses incurred by the Commission that are directly attributable to the uncompleted services to be performed by the Commission pursuant to this Agreement.
 - D. In no event will the total amount due exceed the amount specified in Paragraph 5A.
9. **Changes:** The terms of this Agreement are contingent on the City receiving the ARPA allocations as described in Attachment A. Any change to such allocations may require changes to the terms of this Agreement. Additionally, either party may, from time to time, request changes in the terms of this agreement including the Scope of Services included in Attachment A. Any changes to the Agreement or the Scope of Services including any increase or decrease in the amount of the compensation to the Commission must be made by mutual agreement of the parties and must be incorporated in this agreement by written amendment.
10. **Findings Confidential:** The Commission may not make available to any individual or organization any reports, information, data, etc., produced under this contract without prior approval of the City.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by its officers as of the date indicated by the signatures of the respective parties.

BY: _____
Mayor, City of Urbana

By: _____
Chief Executive Officer, Champaign County
Regional Planning Commission

DATE: _____

DATE: _____

ATTACHMENT A

ARPA MANAGEMENT PROPOSAL

I. Project Understanding and Approach

The American Rescue Plan Act of 2021 will provide resources to the City of Urbana in the amount of \$12,974,560 for the period March 1, 2021 – December 31, 2025 (assuming the full allocation is received). The first distribution was received on June 7, 2021 in the amount of \$6,487,280. City officials will identify eligible uses, engage in regional collaboration to leverage funds, ensure transparency through website access and public hearings, ensure funding is spread out over the qualifying period, and consider the long-term value of one-time investments.

The City is committed to effective implementation and stewardship of ARPA funds. To that end, the Commission, as a long-term Federal grantee, proposes to foster accountability and public trust through sound programmatic and financial management of these resources. The Commission has the staff capacity and internal infrastructure necessary to manage federal grant funds with payment integrity and effective fiscal and programmatic administration consistent with the nature of the City's goals and design and impact on equitable outcomes in our community. The ARPA funds will remain under City control; RPC will be monitoring these funds to make sure they align with approved projects and adhere to all reporting requirements.

Commission staff will provide the highest level of fiscal integrity in the management of the financial assistance program consistent with the regulations of Title 2 of the Code of Federal Regulations, Grants and Agreements (2 CFR) funded through the ARPA to the maximum extent authorized by law.

II. Program Implementation and Planning

The City and the Commission recognize the value of public engagement in setting the City's priorities for ARPA funding. The Commission and the City will collaborate to develop a public engagement plan that is accessible to all, including a dedicated webpage, public meetings, survey tools, etc. The outcome of this engagement will be a Concept Plan approved by the City Council.

The Commission will assist the City in developing a Concept Plan addressing three critical areas:

- Developing an overall strategy for one-time ARPA investments; i.e., dispersed vs. concentrated, restorative vs. transformative;
- Defining the focus area or areas consistent with Federal guidance; and
- Defining the metrics that will be utilized to assess successful achievement of goals and objectives; i.e., quantifiable long-term beneficial outcomes.

Once the eligibility requirements are determined and priority funding areas identified, the Commission will assist in the development of an online proposal template for prospective applicants. The notice of funding opportunity will be publicly accessible through the City's website, digital and print media and other venues to ensure an open and transparent application process. The application will require specificity related to the use of the one-time funds and the intended long-term community benefit. The online application template will include the following areas:

PROGRAM PLAN REQUIREMENTS (this section reflects the type of information that will be sought from prospective respondents when making proposals)

- A. Description of Need** – Provide a detailed analysis of the Concept Plan requirements that are being addressed through the one-time funding, the geographical service area, and the organization's plan for meeting those needs.
- B. Capacity – Agency Qualifications/Organizational Capacity**
 1. **Agency Readiness** – Describe the process the agency will follow to be fully ready to initiate the program, services, or critical infrastructure enhancement and a timeline for

implementation.

2. Describe the makeup of the Board of Directors and detail the experience/qualifications/certification of each individual member.
3. Provide the agency's organizational chart and highlight key personnel and their educational background and qualifications including years of experience serving specialized populations adversely impacted by the COVID-19 pandemic.
4. Describe the organization's prior experience responding to the public emergency and describe how this non-recurring funding will support that effort in the future.
5. Identify all funding sources that will be utilized to advance the proposed use and how that funding leverages but does not duplicate City's investment.
6. Provide evidence of sound fiscal management practices, long-term financial stability, and sustainable operating performance. Include a copy of the prior fiscal year audit and the most recent business/agency budget with sources and uses of funds identified.
7. Provide documentation that the one-time, non-recurring expenditure will not result in any ongoing financial commitment from the City.
8. Provide data on the planned outcomes for the use of these funds over a 10-year period in response to the metrics utilized in the Concept Plan. Quantify the benefit of the proposed investment utilizing a cost-benefit analysis.
9. Explain how the agency's proposal will specifically address the metrics identified in the City's Concept Plan.

C. Proposed Budget- Provide estimated budget projections utilizing the budget template and address each of the following with a detailed narrative response:

1. Salaries and Wages
2. Fringe Benefits
3. Travel
4. Equipment
5. Commodities
6. Contractual Services
7. Consultant Services
8. Construction
9. Occupancy – Rent and Utilities
10. Telecommunications and IT
11. Training and Education
12. Indirect/Administrative

The detailed budget must include all sources of revenue to support the proposed project. It must also identify all requests for funding (public and private) that have been formally investigated/applied for to support the project and the status of those requests.

III. Review of Applications: Awards

Commission staff will assist in reviewing proposals and researching alternatives for final review and approved by the City Council. Similar to all Federal financial assistance, the Commission, in coordination with the City, will establish detailed and accurate award descriptions at the time of award. Award descriptions are critical to ensuring accountability and transparency, as they are the primary means to inform the public of the purpose of the Federal funding. The Commission will establish processes to validate that award descriptions provide specificity about the award purpose, activities to be performed, deliverables, and expected outcomes. [The](#) Commission will regularly communicate with the City regarding funding requests, award status, and project/recipient updates.

IV. Performance Reports

The City, in coordination with Commission staff, will collect recipient performance reports in a manner that enables the Federal government to articulate the outcomes of Federal financial assistance to the American people. The Commission will assist in developing methods to collect performance information that minimizes the burden to Federal financial assistance recipients, while still collecting the required information, including the use of independent sources of data that may be used to measure progress. As such, in accordance with 2 CFR 200.301 and 200.329, the City must measure the recipient's performance to show achievement of program goals and objectives,

share lessons learned, improve program outcomes, and foster adoption of promising practices.

Performance planning, management, and reporting for ARPA funding will be incorporated into the Commission's existing organizational performance management routines. Direct quarterly reporting and other reports as required to the Department of Treasury will be administered by the Commission, through coordination with the City. Public reporting will also be integrated with required program planning and reporting to ensure alignment with the overarching strategic goals and objectives of the City.

V. Transparent & Robust Reporting

The Commission will use existing financial transparency and accountability mechanisms established by OMB Memorandum M-20-21 "Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019." As such, the Commission will report monthly on award and subaward outlays, organizational performance on COVID-19 related relief funding, and progress toward achieving equity-oriented results. The Commission will submit all required reports through the Department of Treasury on-line portal or other means specified by the Federal government.

VI. Management of Payment Integrity

The Commission has a lengthy history successfully managing Federal grants and contracts. The Commission will coordinate all payment requests with the City, for the City to issue payment of funds and awards.

VII. Achieving Equity-Oriented Results

Consistent with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the City is required to administer programs in a manner that provides fair and equitable administration of financial assistance and takes a risk-based, data-driven approach that balances compliance requirements with demonstrating successful results. OMB has indicated these requirements are of particular importance for administering crisis relief funds. The Commission has the capacity to apply these requirements to all types of Federal financial assistance funded through the ARPA to the maximum extent authorized by law. The Commission shall provide services to the City to meet the City's obligations pursuant to ARPA, including those set forth below:

1. **Program Planning and Design** – As reflected in 2 CFR 200.202, a program must be designed with clear goals and objectives that facilitate the delivery of meaningful results. Agencies are required to set a limited number of ambitious, but achievable goals that encourage innovation and adoption of evidence-based strategies. Well-designed programs, with a focus on equity implications, represent a critical component of the City's contribution to longer-term outcomes responsive to the current crisis.
2. **Public Availability of Funding Opportunities** – The City is required to follow its local protocol and public posting for the issuance of Requests for Proposal for goods and services. Exceptions are permitted in order to expedite distribution of funds in response to the emergency.
3. **Performance Reporting** – As required by 2 CFR 200.301 and 200.329, the City must measure the recipient's performance to show achievement of program goals and objectives, share lessons learned, improve program outcomes, and foster adoption of promising practices. The Commission will focus its reporting templates on providing value to the community and to articulate the outcomes of Federal financial assistance funding to the American people.
4. **Risk Management** – The City will be required to maximize the use of risk management approaches to direct technical assistance and administrative relief for crisis response to funding recipients. Appropriately focusing on a risk-based approach emphasizes the importance of program performance outcome measures and equitably economic recovery effectiveness for working families, communities, and small businesses. The City can adjust the terms and conditions of award based on the risk of achieving the intended outcomes (2 CFR 200.206).

5. **Case by Case Exceptions** – 2 CFR 200.102 allows agencies to grant case by case exceptions for individual awards, except where otherwise required by law or where other approval is expressly authorized. The City can utilize this provision as necessary where conditions warrant an exception to support the implementation of crisis relief funds.
6. **Innovative Funding Approaches** – The City is encouraged to take, to the extent authorized by law, innovative administrative approaches to increase efficiency and effectiveness across programs; i.e., braiding and blending funds. The approaches may be employed across multiple programs and agencies to better reach under-served communities and alleviate burden on recipients (2 CFR 200.102, 200.201(b), and 200.33). The Commission has extensive experience leveraging Federal funds to maximize impact to low-income, at-risk residents.
7. **Procurement of Common or Shared Goods and Services** – As reflected in 2 CFR 200.318, the City will utilize State and Federal intergovernmental purchasing agreements, where appropriate for procurement of common or shared goods and services.
8. **Use of Single Audit** – The City of Urbana, with more than \$750,000 in Federal expenditures is required by the Single Audit Act Amendments of 1996 and 2 CFR Subpart F to have an annual audit of their Federal awards; i.e., grant and loan programs. Consistent with 2 CFR Subpart F 200.519, the City is required to perform a risk analysis of ARPA programs and request OMB to designate any higher risk programs as Single Audit major programs; i.e., programs which must be tested in a particular year. OMB will use the 2 CFR Subpart F Compliance Supplement to notify auditors of compliance requirements that should be tested for ARPA programs. Consistent with existing policy, Single Audit reports, along with their audit findings, filed with the Federal Audit Clearinghouse will be made publicly available.
9. **Exemption of Procurement Requirements** – The City may waive the procurement requirements in 2 CFR 200.319(b) regarding geographic preferences and 2 CFR 200.321 regarding contracting small and minority businesses, women's business enterprises, and labor surplus firms. The City must maintain records to support the charges against Federal awards and the need to expedite the procurement.
10. **Extension of Single Audit Submission** – Agencies that have a fiscal year end through June 30, 2021 are allowed a six-month extension for the submission and filing of the Single Audit reporting package with the Federal Audit Clearinghouse.

VIII. Summary

To summarize, the Commission has the internal infrastructure and historical experience necessary to promote public trust in the City's implementation of the American Rescue Plan Act and appropriate stewardship of taxpayer resources. The quality and quantity of outcomes that will serve the community and its residents over the long-term will be the visible yield of this comprehensive effort.

To that end, the Commission is committed to an open, transparent, intergovernmental process of collaboration and cooperation in the evaluation of proposals and associated funding awards. The Commission and City are uniquely positioned to facilitate this dialogue, leverage public funds, and thoroughly consider the long-term value of the region's collective investments. Commission staff are also uniquely positioned to discern alternative grant funding options in order to avoid spending duplication.

In order to facilitate this process, the Commission will secure the necessary staff competencies to ensure that the processes, public input, reporting, fiscal management, and grant accountabilities to the Federal government are strictly in place. Consistent with Federal agency thresholds, the proposed cost of administering the fiscal recovery funds is estimated to average about \$60,000 annually. Some costs are front-loaded for the planning support and implementation work required in the early years of the program. The internal administrative and programmatic structure required to effectively manage this substantive award are consistent with the proposed administrative expense.

BUDGET DETAIL

ESTIMATED ADMINISTRATIVE EXPENSE AMOUNTS BY CALENDAR YEAR

Calendar Year	Estimated Amount
2021	\$ 71,335
2022	\$106,358
2023	\$ 69,014
2024	\$ 59,711
2025	\$ 48,271
2026	\$ 45,525
2027	\$ 14,966
TOTAL	\$415,180

Such amounts identified herein being based upon the City receiving its full allocation of ARPA funds.