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City of Las Cruces[®]
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Council Action and Executive Summary

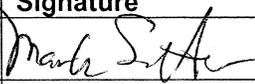
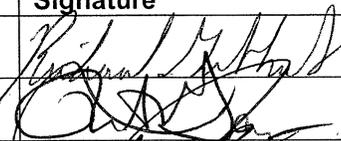
Item # 13 Ordinance/Resolution# 10-051 Council District: _____

For Meeting of August 3, 2009
 (Adoption Date)

TITLE:

A RESOLUTION APPROVING THE ESTABLISHMENT OF A CENTRALIZED GRANTS ADMINISTRATION OFFICE, ADDING A GRANT ADMINISTRATOR TO STAFF, AND ADJUST THE CITY'S FY 2009/2010 BUDGET.

PURPOSE(S) OF ACTION: To establish a centralized Grant Administrative function.

Name of Drafter: Gloria Podruchny		Department: Finance		Phone: 541-2050	
Department	Signature	Phone	Department	Signature	Phone
Finance Department		(575) 541-2050	Budget		(575) 541-2300
			Assistant City Manager		(575) 541-2271
Legal		(575) 541-2128	City Manager		(575) 541-2076

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The City of Las Cruces Internal Auditor recently completed a city-wide audit of grants. The report identified numerous weaknesses in the City's current processes, and recommended centralization of grant monitoring responsibilities in a Grants Office, managed by a Grants Administrator who reports to the Finance Director.

Lack of compliance with currently awarded grants requirements, as well as the extremely large amount of stimulus funding directed to the City of Las Cruces make it imperative that steps be taken as soon as possible to reduce the possibility of financial loss through reversion of unused funds, cancellation of grants due to noncompliance, etc. Establishment of a Grants Administration Office is the initial step in this process.

The Grants Administration Office will be charged with the responsibility of overseeing the grant process including initiation of the grant application, acceptance and set up, awarding of subcontracts, reporting, and close-out. The Office will not be responsible for operational program administration of the grants (such responsibility remains with the operating departments as outlined in CMP 2.2), but will monitor and track all departmental activities to ensure that management is aware of compliance issues with all grants. Staff will also serve as a resource to the operating departments in both terms of assembling grant applications, and also with grant processes and various granting agencies' requirements.

The staff will consist of Grant Administrator, two grant writers, and part-time assistance of an MPA intern. As such, the establishment of the Grants Administration Office will entail the addition of one full-time employee to City staff. Initial funding in 2010 for the office will come from General Fund balance, but every opportunity for including administrative expenses as eligible program costs for each grant will be taken advantage of in order to mitigate the impact to the General Fund. The budget request of \$103,500 will cover the net additional costs for the Grant Office including Grant Administrator compensation, supplies, travel, purchased services, etc.

Oversight of the Office will extend to legislative appropriations from the State including those directed to the City on behalf of non-profit organizations for which the City serves as fiscal agent.

SUPPORT INFORMATION:

Fund Name / Account Number	Amount of Expenditure	Budget Amount
Grant Administrative Office 10102080	\$103,500	

1. Resolution
2. Exhibit "A" Budget Summary

OPTIONS / ALTERNATIVES:

1. Approve the Resolution and approve establishment of a centralized Grants Administration Office, adding a Grant Administrator to staff, and establishing the Grants Administration Office budget.
2. Modify the Resolution.
3. Do Not Approve the Resolution and provide staff with alternative direction.

(Continue on additional sheets as required)

RESOLUTION NO. 10-051**A RESOLUTION APPROVING THE ESTABLISHMENT OF A CENTRALIZED GRANTS ADMINISTRATION OFFICE, ADDING A GRANT ADMINISTRATOR TO STAFF, AND ADJUST THE CITY'S FY 2009/2010 BUDGET.**

The City Council of the City of Las Cruces is informed that:

WHEREAS, the City of Las Cruces Internal Auditor recently completed a city-wide audit of grants that identified numerous weaknesses in the City's current processes; and

WHEREAS, the Internal Auditor recommended centralization of grant monitoring responsibilities in a Grants Administration Office, managed by a Grants Administrator who reports to the Finance Director; and

WHEREAS, lack of compliance with currently awarded grants requirements, as well as the extremely large amount of stimulus funding directed to the City make it imperative that steps be taken as soon as possible to reduce the possibility of financial loss through reversion of unused funds, cancellation of grants due to noncompliance, etc.; and

WHEREAS, the Grants Administration Office will be charged with the responsibility of overseeing the grant process including initiation of the grant application, acceptance and set up, awarding of subcontracts, reporting, and close-out; and

WHEREAS, the Office will not be responsible for operational program administration of the grants (such responsibility remains with the operating departments per CMP 2.2); and

WHEREAS, the Office will monitor and track all departmental activities to ensure that management is aware of compliance issues with all grants; and

WHEREAS, staff will also serve as a resource to the operating departments in both terms of assembling grant applications, and also with grant processes and various granting agencies' requirements; and

WHEREAS, the staff will consist of Grant Administrator, two grant writers, and part-time assistance of an MPA intern. As such, the establishment of the Grants Administration Office will entail the addition of one full-time employee to City staff; and

WHEREAS, initial funding in 2010 for the office will come from General Fund balance, but every opportunity for including administrative expenses as eligible program costs for each grant will be taken advantage of in order to mitigate the impact to the General Fund; and

WHEREAS, oversight of the Office will extend to legislative appropriations from the State including those directed to the City on behalf of non-profit organizations for which the City serves as fiscal agent.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT, the City Council hereby approves establishment of a centralized Grants Administration Office with a staff consisting of Grant Administrator, two grant writers, and part-time assistance of an MPA intern.

(II)

THAT, the budget request of \$103,500 will cover the net additional costs for the Grant Office including Grant Administrator compensation, supplies, travel, purchased services, etc.

(III)

THAT, City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this 3rd of August, 2009.

Mayor

ATTEST:

City Clerk

(SEAL)

Moved by: _____

Seconded by: _____

Approved as to Form:



City Attorney

VOTE:

Mayor Miyagishima: _____
Councillor Silva: _____
Councillor Connor: _____
Councillor Archuleta: _____
Councillor Small: _____
Councillor Jones: _____
Councillor Thomas: _____

**CITY OF LAS CRUCES
ADOPTED BUDGET FY 2009/2010**

FUND				
General Fund 1000				
	FY 2008/09 Projected*	FY 2009/10 Adopted	Adjustment	FY 2009/10 Adjusted
BEGINNING BALANCE	\$ 20,409,862	14,454,454		14,454,454
REVENUES				
512011 to 015 & 911500 Gross Receipts Taxes	\$ 53,960,000	53,699,000		53,699,000
511010 Property Taxes	8,029,209	8,369,756		8,369,756
514010 to 50 Franchise Fees	2,761,175	2,830,644		2,830,644
546301 to 08 Administrative Transfers	1,866,442	2,020,234		2,020,234
533001 Police Fines	1,075,782	1,098,373		1,098,373
521002 Subdivision Fees	270,000	276,750		276,750
All Other Revenues	5,279,035	5,470,876		5,470,876
TOTAL REVENUES	\$ 73,241,643	73,765,633	0	73,765,633
TOTAL RESOURCES	\$ 93,651,505	88,220,087	0	88,220,087
EXPENDITURES				
Administration	\$ 1,843,217	2,097,512		2,097,512
Community Development	1,531,820	1,879,236		1,879,236
Facilities	8,762,163	11,750,833		11,750,833
Financial Services	3,377,571	3,505,997	103,500	3,609,497
Fire	8,690,432	8,651,060		8,651,060
Human Resources	916,325	958,900		958,900
Judicial	1,313,729	1,567,634		1,567,634
Legal	1,614,796	1,845,985		1,845,985
Legislative	764,069	703,581		703,581
Police	19,635,046	18,629,434		18,629,434
Public Services	7,863,009	6,359,090		6,359,090
Public Works	5,930,298	5,487,983		5,487,983
Reserves	1,540,632	1,799,483		1,799,483
Transfers	15,413,944	8,579,373		8,579,373
Total General Fund Expenditures	\$ 79,197,051	73,816,101	103,500	73,919,601
Adjustment due to change in accruals.	0	0		
ENDING BALANCE	\$ 14,454,454	14,403,986	(103,500)	14,300,486
Required 1/12th Reserve	6,599,754	6,151,342	8,625	6,159,967
UN-RESERVED ENDING BALANCE	\$ 7,854,700	8,252,644	(112,125)	8,140,519

*Projected based on 8 months actual through February 28, 2009 and 4 months projected.