CITIZEN ADVISORY COMMITTEE MEETING MINUTES
November 6, 2017

Members present: Classon, Heinrichs, Hodges, Hoepner, Joiner, Kelly, Kiefer, Lopez, Lord
Members excused: Huss, Obleton, Williams
Members absent: None

Staff present: Cameron, Johnson

Meeting called to order at 6:00 PM

There were no members of the public present with business for the CAC.

Joiner made a motion to approve the minutes of the October 2, 2017 meeting, Heinrichs seconded, and the motion passed.

Lopez made a motion to accept the financial report through August, Lord seconded, and the motion passed. Staff reminded the CAC that the financial report for the current fiscal year does not yet reflect draws from subrecipient agencies because the HUD authorization was not received until mid-October. When the reimbursement is made, expenses can be reimbursed retroactive to July 1.

The CAC discussed allocating the unspent and unobligated CDBG funds from the prior fiscal year; as of 6-30-17 (end of CDBG program Year 42) there remained $69,091.75 in reprogrammable funds. The funds came from the following sources:

- UNI DREAM Staff $ 7,150
- UNI DREAM $ 8,101
- UNI Summer Youth $ 21,390
- City Housing Rehabilitation Staff & Supplies $ 32,450.75

According to the CAC's approved reprogramming process, programs funded during the initial allocation cycle are eligible for reprogrammable funds. However, because the City has reached the HUD mandated Public Services cap for the current program year, Public Service programs are not eligible for reprogrammable funds. This year, the non-public service programs with active Year 43 CDBG awards were notified of the ability to apply for reprogrammable funds and the following requests were received:

- Economic Development Fund $25,000
- City Housing Rehabilitation Staff & Supplies $15,000
- Housing Rehabilitation & Neighborhood Revitalization Fund $29,091.75

The committee considered the reprogramming requests. The Committee first voted to determine whether the requests were eligible. Heinrichs made a motion that the requests were eligible, Hoepner seconded, and the motion carried unanimously.

Staff explained that, according to the CAC's established process, reprogramming requests are typically capped for each applicant so that the total award amount, after reprogramming, does not exceed the original grant request. In this program year, however, only one of the three eligible non-public service applicants was not fully funded during the original allocation process. The amount of funding available for reprogramming this year would exceed the original request of that applicant. In the past, when such situations have occurred, the CAC has voted to allow total grant awards, including reprogrammable funds, to exceed the original requested amount. This ensures that no CDBG grant funds are left uncommitted in the federal reporting system during the program year. Heinrichs moved to allow the reprogramming requests for non-public service programs to exceed the original grant request. Classon seconded, and the motion carried unanimously.

Classon moved to recommend that $29,091.75 in reprogrammable funds be awarded to the City Housing Rehabilitation Program and $25,000 be awarded to the City Economic Development Fund, and $15,000 be awarded to Housing Rehabilitation Administration. Heinrichs seconded, and the motion carried unanimously.

The Committee discussed the potential cancellation of the December meeting. Typically, the CAC cancels the December meeting if there is no business. This year, the December meeting was held available in case there were any requests for audit extensions submitted, given the CAC's decision at the May 2017 meeting to make decisions about audit extensions at the CAC level rather than at the staff level. Staff informed the CAC that no requests for audit extensions were received by the November deadline, therefore, unless a late audit extension request was received, there would be no business at the December meeting. The committee decided that, if the need arises to consider an extension request they would vote on the request by email if the City's legal department approved of that method, otherwise they could decide to schedule the December meeting if needed.

Staff brought forward a request for clarification on the audit requirements for Salvation Army. Their fiscal year is different from all other current subrecipients in that it runs October 1-September 30 each year, meaning their audit is due March 30 each year. This means their audit due date is after the allocation recommendations are made to the Council. Staff from Salvation Army informed City Staff in August 2017 that they believed that they would not be able to turn the audit due March 2018 in on time, and wanted guidance on how to handle it in light of the audit policy the CAC enacted at the May 2017 meeting.

The CAC discussed whether it was appropriate to rely on the March 2017 audit for allocation recommendations to be made in March 2018. They also discussed how the requirement that audits be submitted on time would be handled in the event an applicant on an October 1 fiscal year missed the deadline after it had already been recommended for funding. The group discussed that for agencies with audits due in March, the audit due before the application cycle should be relied upon for the next year's allocation recommendation. For example, the audit due March 2017 will be relied upon for the CDBG application due January 2018. All the same rules will apply to the audits due in March as discussed in the May 2017 CAC meeting, i.e., there will be a deadline to submit an audit extension request to the CAC, and turning in the audit late will impact the ability to apply for the next round of CDBG grant funding. The group also discussed that prior to signing the CDBG Subrecipient Agreement, the audit due in March should be submitted and reviewed by staff to ensure that no financial changes impacting the CDBG programs were noted in the more recent audit.

Classon moved that, for agencies with audits due in March, the audit due before the application cycle will be relied upon for the next year's allocation recommendation, but the audit due in March after the application will still be reviewed. Kelly seconded and the motion passed 8-1.

Lord moved to adjourn, Kelly seconded and the motion carried unanimously.

The meeting adjourned at 7:06 PM.