



TO: Mayor & Council Members

FROM: Greg Canally, Deputy Chief Financial Officer

DATE: February 25th, 2011

SUBJECT: February 2011 City of Austin ARRA Status Report

The status updates on each ARRA grant have been updated on the City's stimulus website www.cityofaustin.org/stimulus (link is on City's homepage) under the projects tab (<http://www.ci.austin.tx.us/stimulus/projects.htm>). In addition, the *Federal Stimulus Tracking List* has also been updated and includes expenditure and encumbrance information, as well as grant start/end dates and job creation estimates. This tracking log can be found here: <http://www.ci.austin.tx.us/stimulus/downloads/arra%20status%20report%2021811.xls>. Overall, \$51.8 million, or 62.5% of the total funds awarded have been either expended or encumbered through 2/18/11. While some of the grant periods end during 2011, others extend into 2013.

Noteworthy items for the month include the following:

- Austin Water reported that the composting pad expansion project, part of the overall Hornsby Bend Biosolids Management Facility Improvements, achieved substantial completion in January, 2011 – one year ahead of schedule. The contract with Chaso Construction should be completed by the end of February, and the project accounted for approximately 15-20 FTEs monthly.
- As of the end of January, AE's Weatherization Assistance Program (WAP) reported 741 total units completed to TDHCA. They have also expended 56% percent of the funds through January 31, 2011.
- Training opportunities continue to be offered to staff to ensure proper grant management control and compliance practices are being implemented and performed. On February 7th, staff attended an audio conference on "Designing Internal Controls for Federal Grant Programs." All departmental ARRA recipients were represented. In addition, on February 11th the City Auditor's Office hosted the "ARRA & Federal Grants Spending & Documentation: Rules for Compliance" webinar to learn effective tools and solutions to ensure accurate documentation of ARRA funds and grant expenditures.
- ARRA funding continues to receive careful and methodical oversight. Currently, Deloitte and Touche are completing the City's annual audit in which ARRA grants were heavily reviewed. On February 2nd, AE was notified that the Texas Department of Housing and Community Affairs Internal Audit Division will be conducting an audit of the Weatherization Assistance program at the end of February. Internally, the Office of the City Auditor just completed its ARRA Compliance Audit: "Jobs Created" Reporting and presented the report the Audit and Finance Committee on February 22, 2011.
- The Austin Police Department received notification from the Governor's Office of the availability of an additional \$180,000 in Violence Against Women Recovery Act funding.

APD is in the process of submitting an application to the state; a related resolution from Council authorizing the application will be set for an upcoming Council meeting. The funding must be spent by June 30, 2011.

- Construction of the LifeWorks facility, which is funded by CDBG Recovery, began in January.
- Phase I of the African-American Cultural and Heritage Facility renovation – structural stabilization, partial demolition and lead and asbestos abatement – is set to begin February 28, 2011. Council approved this contract on November 18, 2010. This project is also funded by CDBG Recovery.
- NHCD's Neighborhood Stabilization Program is still experiencing difficulty with moving documentation through the Texas Department of Housing and Community Affairs (TDHCA). The City has experienced several delays from TDHCA: waiting on TDHCA to issue a Notice to Proceed for the construction on the 12 homes included in the program; approval of a contract amendment; processing loan documents necessary to fund the rehabs of the last 2 foreclosed properties the City purchased. Because of these TDHCA delays, the City will not meet the contractual 70% expended threshold by March 1st. We have asked THDCA for a 6 month extension on this threshold, and have asked the TDHCA Executive Director to assist us in clearing up these delays.
- Austin Energy is in discussions with Chrysler and the Department of Energy regarding a research grant that will provide the City with 14 PHEV Dodge Rams, charging stations and funding for 3 years for equipment maintenance and project management. Acceptance of the grant is planned to be on Council's agenda in April.

There are also several stimulus-related items on upcoming Council agendas:

- Approval of the purchase of a replacement chiller for the Faulk Library is scheduled for March 3, 2011. Because of the condition of the existing equipment and the critical need, this equipment needs to be installed before the peak of the summer cooling season. Also set for the March 3, 2011 Council meeting is approval of the Thermal Storage Tank for the Technicenter project.

Please let me know if you have additional questions.

xc: Marc A. Ott, City Manager
 Leslie Browder, Chief Financial Officer