CITY OF NORTH ST. PAUL
CITY COUNCIL
SPECIAL MEETING AGENDA
NOVEMBER 10, 2020
5:00 PM

The City of North St. Paul is moving all of its public meetings online effective August 4, 2020. The move to online meeting access via Zoom ensures compliance with the Governor's Emergency Executive Order and face covering mandate while providing our City Council members, staff and residents with safe and comfortable access to public meetings. Access information and links to meetings are available at northstpaul.org. This change to online meeting access will remain in effect until further notice. (Stat. 13D.02 subd. 4)

The November 10, 2020 Zoom meeting can be accessed HERE or via:
https://wsbeng.zoom.us/ (from a PC, Mac, tablet, iPhone or Android device)
Meeting ID: 992 0651 9334
Password: 648191
or by phone at 1-929-205-6099, meeting ID 992 0651 9334, password 648191.

The City Council Zoom meeting will be 'open to the public' to listen in, but will be muted from contributing at all times with the exception of a Public Hearing and open to the public forum.

Please join the meeting early to test your audio and video settings. If you join via a device and your audio is not working, you may need to use the dial-in phone number option in order to be heard.

I. CALL TO ORDER

II. ROLL CALL

Council Member Thorsen
Council Member Petersen
Council Member Walczak
Council Member Sonnek
Mayor Furlong

III. ADOPT AGENDA

IV. PRESENTATIONS

V. CONSENT AGENDA

A. Approving Policies and Procedures for Federal Award Administration

VI. CITY BUSINESS ACTION ITEMS & RECOMMENDATIONS

A. Business Grant Approval
B. Amendment to Purchase Agreement for Anchor View Apartments
C. 17th & Delaware Development

VII. ADJOURNMENT

The next regularly scheduled City Council meeting is Tuesday, November 17, 2020 at 6:30 p.m.

Agenda Information Memorandum
North St. Paul City Council
November 10, 2020

FROM THE OFFICE OF THE FINANCE DEPARTMENT

Agenda placement: Consent agenda

Subject: Consideration of approving policies and procedures for Federal Award Administration

To: Honorable Mayor and City Council

Background/Facts:

The Office of Management and Budget (OMB) Uniform Grant Guidance (UGG) Compliance Supplement requires all sub-recipients of federal funds to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements. Written policies and procedures are part of the necessary internal controls and are required as a precondition to receiving federal funds.

Any non-federal entity that expends $750,000 or more of federal funds in one fiscal year is required to obtain a Single Audit. A Single Audit is an organization-wide financial statement and federal awards' audit intended to provide assurance to the Federal Government that a non-federal entity has adequate internal controls in place, and is generally in compliance with program requirements. Additional auditing procedures are required on federally supported projects in years where total federal dollars expended exceed $750,000.

On July 7, 2020, the City received Federal Coronavirus Relief Funds in the amount of $916,062.
If more than $750,000 of those funds are used by the November 15th deadline, a single audit will be required. The City of North St. Paul has used federal funds in years past, but not to the threshold requiring a single audit. As a result, the City does not yet have a federal grant policy in place. Adopting a federal grant policy is recommended to ensure that the City is in compliance with Federal program requirements.

The attached Policies and Procedures for Federal Awards Administration manual was crafted in conjunction with the city's auditing firm, MMKR (Malloy, Montague, Karnowski, Radosevich & Co.).

Recommendation: It is recommended the City Council adopt the attached resolution approving policies and procedures for Federal Awards Administration.

Respectfully submitted,

/s/ JZ by jk

Jason Zimmerman
Finance Director

APPROVED FOR AGENDA ENCLOSURE:

/s/ SD by jk

Scott Duddeck
City Manager

Attachments:
Resolution Approving Policies and Procedures for Federal Awards Administration
Proposed Policies and Procedures for Federal Awards Administration

POLICIES AND PROCEDURES FOR FEDERAL AWARDS ADMINISTRATION

City of North St. Paul

Adopted on November __, 2020

City of North St. Paul, Minnesota

Policies and Procedures for Federal Awards Administration

Table of Contents

Policies and Procedures – Federal Awards Administration Overview

Purpose – This manual has been prepared to document the policies and procedures for the administration of federal awards of City of North St. Paul (the “city”). The Office of Management and Budget (OMB) Uniform Guidance [2 CFR 200] require all sub-recipients of federal funds to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements. Written policies and procedures are part of the necessary internal controls and are required as a precondition to receiving federal funds. These policies and procedures are intended to be sufficiently comprehensive to adequately meet such requirements. However, in no case are these policies and procedures intended to supersede or limit federal or state laws or regulations, or the provisions of individual grant agreements.

Hierarchy of Authority – In the event that conflicting guidance on the administration of Federal awards is available, the city has deemed Federal guidance to be most authoritative, followed by other State or local agencies.

Revisions – Guidance provided by the Federal government through the Compliance Supplement are expected to be updated each year. Such updates are considered by the city as they become available and policies and procedures will be revised accordingly.

The City Manager, Engineer, Finance Director, and designees are authorized and required to establish and document policies and procedures to ensure compliance with the provisions of federal and state regulations and the provisions of grant agreements. Such policies and procedures are documented herein, and will be reviewed and updated as necessary.

Training – City finance personnel and its program administrators of Federal awards will be provided the necessary training through various mechanisms, such as: (1) reviewing monthly State Aid Financial Status Report Updates, accompanying State aid payments, (2) consulting with the city’s auditors as needed for clarification, (3) participating in various training opportunities, such as those offered by appropriate professional organizations, (4) reviewing legislative updates from multiple sources, (5) membership and participation in meetings of the Governmental Finance Officers Association (GFOA), (6) certification of respective positions by the GFOA i.e.: Finance Director, (7) coordination and collaboration with individuals performing similar job functions at similar municipalities.

Compliance Failures – Compliances failures, whether noted internally by management or through the external audit process, will be addressed immediately by reviewing the reason for the failure with responsible personnel and devising an improved process to encourage compliance in the future.

General Accounting and Financial Management

It is the policy of the city to comply with all statutory, regulatory, and contractual requirements in the conduct of, and accounting for, its financial operations. The official books of record for the city will be maintained subject to the following provisions:

1. The city will account for its operations in accordance with the Generally Accepted Accounting Principles (GAAP) applicable to local units of government.

2. The city will comply with all applicable circulars issued by the Office of Management and Budget (OMB), including, but not limited to OMB Uniform Guidance.

3. The city will comply with all contractual requirements detailed in its duly executed grant agreements with awarding agencies.

4. The city will contract annually with an independent CPA firm for the purposes of conducting the city's external financial audit. To the extent that the city has expended federal awards in excess of the applicable single audit limit (currently $750,000), the city will have a single audit performed in accordance with OMB Uniform Guidance.

5. To ensure continuing compliance with all applicable accounting requirements, the city may, at its discretion, contract with a CPA firm to provide internal auditing and/or consulting services.

6. The Finance Director shall be responsible for the maintenance of all accounting and financial records (including journals, timesheets, bank statements, audit reports, and similar documents). Such records shall be retained as required by contractual or regulatory requirements. The city has adopted the state's records retention schedule as its official guide for records storage, filing, and destruction.

7. North St. Paul City Council Members, Members of Commissions, and City Staff are required to comply Minnesota Statutes 471.87 and 471.88 which provide guidance on conflicts of interest. See also the city policies on conflict of interest located in the city's Employee Policy Manual.

8. The city will request prior approval from federal agencies for program or budget changes.

9. Procedures for inventory of federal capital purchases will be maintained by the Finance Department, with the help of the Engineer, and all items will be tracked annually.

10. The Finance Director (or designee) or the City Manager are required to certify expenditures.

Purchasing and Procurement

Please see the city's Purchasing Policy for details on the purchasing practices of the city including those purchases related to federal awards.

Payroll and Timekeeping

The following provisions apply to the payment of employees and recording of time and effort (as required) in accordance with Federal Cost Principles:

1. Hourly employees record time on an electronic timekeeping system each day, with the following information:
   a. The total number of hours actually worked each day
   b. The use of any holiday, personal, vacation, sick, or other approved time off with pay
   c. The total number of hours to be paid
   d. An allocation of those hours to each program or department for which work was performed, when necessary
   e. The dated signature of the employee and his/her supervisor for each payroll period

   For federal awards, the allocation of hours between programs or departments should be based exclusively on the actual hours worked, and not be based on available budgets, or predetermined allocation schedules.

   In the event that an after-the-fact correction is necessary to an employee's timesheet due to errors in the allocation of time worked, such corrections must be submitted to the Finance Manager, and approved in writing by both the employee and his/her supervisor.

2. Salaried employees charged to a Federal grant will document time and effort as follows: the employee may document time and effort using a timesheet as described above. Timesheets must account for the <u>total</u> activity for which the employee is compensated and be signed by the employee.

   a. It is the responsibility of the employee being charged to a Federal award(s) to clarify documentation requirements with the Engineer, Finance Director or designee and provide appropriate documentation to the payroll as it becomes available. The employee should retain a copy of the documentation for his/her personal records.

   Certifications should never be signed prior to the end date of the payroll period being certified. Each certification should be provided to the Finance Department when available. Employees should retain a copy of the certifications for his/her personal records.

Grant Administration

The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict any existing Council policies:

1. Grant Development, Application, and Approval –

   a. <u>Legislative Approval</u> – The point at which legislative approval is required is determined by the requirements of the grant program. If the grant must be submitted by "an individual authorized by the *legislative body*", then City Council approval is required prior to submitting the application. If such legislative approval is not specifically required by the written terms of the grant, then the City Manager or designee may, at his or her discretion, approve grant applications.

   b. <u>Matching Funds</u> – Grants that require cash local matches must be coordinated through the Finance Department. At a minimum, funds must be identified within the existing budget to provide the match, or a budget amendment will be required. Depending on the nature of the grant, there may also be some policy implications that will bear discussion. (For example, will the grant establish a level of service that cannot be sustained once the grant funds are depleted?)

      In all cases involving matching funds, the grant applicant should contact the Finance Department to determine the strategy for securing matching funds.

      Refer to the section within this manual titled "Matching, Level of Effort, and Earmarking" for additional information on compliance with the provisions of the OMB Uniform Guidance Compliance Supplement.

   c. <u>Grant Budgets</u> – Most grants require the submission of an expenditure budget. The Finance Director will review this portion of the grant request prior to submission. Frequently, a technical review will discover inconsistencies in the calculations, cost centers that might have been overlooked, or identify reimbursable expenses of which program staff may not be aware—particularly in the area of indirect costs.

2. Grant Program Implementation –

   a. <u>Notification and Acceptance of an Award</u> – Official notification of a grant award is typically sent by a funding agency to the program director and/or other official designated in the original grant proposal. However, the authorization to actually spend grant funds is derived from the City Council through the approval of a grant budget. Such notification should also be directed to the Finance Department. Adoption of the grant budget as a component of the city-wide operating budget is deemed to be sufficient approval.

b. Establishment of Accounts – The department that obtained the grant will provide the Finance Director with information needed to establish revenue and expense accounts for the project, as well as a project code for tracking purposes. Ordinarily, this information will include a copy of a summary of the project and detail of the full project budget.

c. Purchasing Guidelines – All other city purchasing guidelines apply to the expenditure of grant funds. The use of grant funds does not exempt any purchase from normal purchasing requirements. All typical paperwork and bidding requirements as well as normal staff approvals apply. When in doubt, the program director should contact the Finance Director for further assistance.

3. Financial and Budgetary Compliance –

   a. Monitoring Grant Funds – Departments may use some internal mechanism (such as a spreadsheet) to monitor grant revenues, expenditures and budgetary compliance, at the grant level. The Finance Director maintains all this information in financial software system as well; this is considered to be the city's "official" accounting system by the granting agencies. Program Directors are strongly encouraged to use financial software reports provided by the Finance Department for their grant tracking.

      If any "off-system" accounting records are maintained, it is the responsibility of the Program Director to ensure that the program's internal records agree to the city's accounting system.

   b. Fiscal Years – Occasionally, the fiscal year for the granting agency will not coincide with the city's fiscal year. This may require adjustments to the city's internal budget accounts and interim financial reports as well as special handling during fiscal year-end close. It is the responsibility of the Program Director to bring such discrepancies to the attention of the Finance Department at the time the grant accounts are established.

   c. Grant Budgets –The terms of each specific grant will dictate whether any budget transfers between budgeted line items will be permitted. In no case will the Program Director be authorized to exceed the total budget authority provided by the grant.

If grant funds have not been totally expended by fiscal year-end, it is the responsibility of the Program Director to notify the Finance Director that budget funds need to be carried forward to the new fiscal year, and to confirm the amounts of such carry-forwards. Carry-forwards of grant funds will be subjected to maximum allowable amounts/percentages based on the grant award agreement and/or the OMB Uniform Guidance Compliance Supplement.

Capital Assets – The city is responsible for maintaining an inventory of assets purchased with grant funds. The city is accountable for them and must make them physically available for inspection during any audit. The City Council must approve of any sale of these assets. Customarily, the proceeds of the sale can only be used on the grant program that purchased them. (Refer to the specific regulations governing the original grant).

The Finance Director will coordinate this grant requirement. All transactions that involve the acquisition or disposal of grant funded capital assets must be immediately brought to the attention of the Finance Director. Refer to the city's separate Capital Assets policy and the section of this manual titled "Equipment and Real Property Management" for additional information.

4. Record Keeping –

   a. Audit Work-papers – The city's external auditors audit all grants at the end of each fiscal year. The Finance Director and designee will prepare the required audit work-papers. Program Directors may be asked to assist in this process, if necessary.
   b. Record Keeping Requirements – Grant record keeping requirements may vary substantially from one granting agency to another. Consequently, a clear understanding of these grant requirements at the beginning of the grant process is vital. The Finance Department will maintain copies of all grant draw requests and approved grant agreements (including budgets). The Program Director should maintain all other records.

5. Other Guidelines – Specific information on policies and procedures related to compliance with the provisions of the OMB Uniform Guidance Compliance Supplement have been addressed later in this manual and should be considered along with the information in this section.

Year-end Closing and Reporting

The following provisions will govern the year-end close-out process of the city for purposes of external financial reporting:

1. To the extent that the city is required to have a single audit completed in accordance with OMB Uniform Guidance, the city will accumulate the information necessary to prepare a schedule of expenditures of federal awards ("SEFA") in accordance with Federal and State requirements. This schedule will be characterized as follows:

   a. The schedule will include all federal financial assistance, including: grants, contracts, property, loans, loan guarantees, interest subsidies, cooperative agreements, insurance or direct appropriations. Amounts will be reported whether received directly from the Federal government or through a pass-through agency (in the event that the city is determined to be a subrecipient and not a vendor).

b. The schedule will be prepared on the same basis of accounting as the related financial statements.

c. Federal awards will be grouped based on Federal awarding agency. Each Federal award with current expenditures will be listed along with its CFDA number, pass-through grantor name (if applicable) and award/pass-through grantor number (if applicable). Such information will agree to the award documentation.

d. If the CFDA number of a Federal award cannot be reasonably determined, it shall be reported in the schedule using the two-digit prefix for the related Federal agency, followed by “UNKNOWN”.

e. To the extent that amounts are passed-through to sub-recipients, a schedule of federal awards provided to sub-recipients will be prepared.

f. In addition to current year expenditures, the schedule will list approved award/grant amount, accrued/deferred revenue at the beginning of the year, current year cash received, current year actual expenditures, and accrued/deferred revenue at the end of the year. If expenditures were incurred relative to this award in the prior year(s), this amount should be disclosed as memorandum-only.

g. Any adjustments to prior year awards, expenditures, and balances (including transfers between grants) will be disclosed in the footnotes to the schedule.

h. Accrued/deferred revenue in the schedule shall agree to the amounts recorded as receivable/deferrals in the related financial statements.

i. To the extent that a separate line item is included in the financial statements for Federal revenue, this amount shall agree to expenditures in the schedule. Any reconciling items will be disclosed in the footnotes to the schedule.

Additional Federal Awards Compliance Requirements

A number of the Federal awards received by the city are passed-through the State of Minnesota. Management will consider both the OMB Uniform Guidance Compliance Supplement and any applicable compliance requirements as set forth by the State of Minnesota.

General Information

Source of Information – Each year the Federal government OMB issues a comprehensive document, the Compliance Supplement, on the compliance requirements each grant recipient is obligated to follow in general terms, along with program-specific guidance on various grant awards. There are 12 compliance requirements identified, each of which is considered individually in this manual.

The following pages document the policies and procedures of the city related to compliance with such procedures, as applicable. In each year that the city is subject to a single audit, applicable compliance requirements are expected to be tested in detail by the city's independent auditors.

Objectives – The objectives of most compliance requirements are generic in nature. While the criteria for each program may vary, the main objective of the compliance requirement is relatively consistent across all programs. As such, the policies and procedures of the city have been based on the generic sense of the compliance requirement. For selected compliance requirements, this manual addresses the specific regulations applicable to individual grants. This is not intended to imply that a program is not subject to such policies if it is not specifically mentioned here. It is the intention of the city that all Federal awards are subject to the following policies and procedures.

Controls over Compliance – In addition to creating policies and procedures over compliance with provisions of Federal awards, the city has implemented internal controls over such compliance, generally in the form of administrative oversight and/or independent review and approval. In order to document these control activities, all independent reviews must be signed/initialed and dated.

Documentation – The city will maintain adequate documentation to support both the compliance with applicable requirements as well as internal controls over such compliance. This documentation will be provided to the city's independent auditors and/or pass-through grantor agencies, as requested, during the single audit and program audits.

Activities Allowed/Un-allowed and Allowable Costs/Cost Principles

In order to ensure compliance with these requirements, the city has implemented the following policies and procedures:

1. All grant expenditures will be in compliance with OMB Uniform Guidance, State law, city policy, and the provisions of the grant award agreement, which will also be considered in determining allowability. Grant funds will only be used for expenditures that are considered reasonable and necessary for the administration of the program.

2. Grant expenditures will be approved by department heads/program managers initially through the purchasing process and again when the bill or invoice is received. This will be evidenced by signature or initials and date on the invoice or by an approval documented via email. Accounts payable disbursements will not be processed for payment by the Finance Department until necessary approval has been obtained.

3. Payroll costs will be documented in accordance with OMB Uniform Guidance as described in the section of this manual titled "Payroll and Timekeeping".

4. An indirect cost rate will only be charged to the grant to the extent that it was specifically approved through the grant budget/agreement. When allowable, indirect costs will be charged based on the city's budgeted allocation.

Cash Management

In order to ensure compliance with these requirements, the city has implemented the following policies and procedures:

1. Substantially all of the city's grants are awarded on a reimbursement basis. As such, program costs will be expended <u>and</u> disbursed prior to requesting reimbursement from the grantor agency.

2. Cash draws will be initiated by the Program Director who will determine the appropriate draw amount. Documentation of how this amount was determined will be retained and signed/dated.

3. The physical draw of cash will be processed through SWIFT (Minnesota's State-wide Integrated Financial Tools payment system) or through the means prescribed in the grant agreement.

4. Supporting documentation from SWIFT or a copy of the cash draw paperwork will be filed along with the approved paperwork described above and retained for audit purposes.

Eligibility

The requirements for eligibility are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

1. Federal grants will only benefit those individuals and/or groups of participants that are deemed to be eligible.

Equipment and Real Property Management

The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict any existing Council policies:

1. All equipment will be used in the program for which it was acquired or, when appropriate and allowable, other Federal programs.

2. When required, purchases of equipment will be pre-approved by the grantor or pass-through agency. The Finance Director, or designee will be responsible for ensuring that equipment purchases have been previously approved, if required, and will retain evidence of this approval.

3. Equipment records will be maintained and an appropriate system shall be used to safeguard equipment, as described in the city's separate Capital Asset policy. Equipment should be assigned to a program and physical location on the inventory. If such equipment is moved, it will be noted and adjusted in the city's capital assets records.

4. When equipment is no longer needed for a Federal program, it may be retained or sold with the Federal agency having a right to a proportionate amount of the current fair market value. Proper sales procedures shall be used that provide for competition to the extent practicable and result in the highest possible return.

   Procedures for Disposition of Equipment:

   a. The city will keep, sell, or otherwise dispose of the equipment with no further obligation unless disposal requirements are specifically detailed in the grant.
   b. A record of the date, reason, and method of disposal or sale will be maintained with the equipment inventory.

   Equipment purchased will be identified and kept in a capital asset listing. An equipment listing shall be maintained that includes the following:

   1. Asset number and description of the equipment
   2. Location of the equipment
   3. Depreciation method & years of expected life
   4. Acquisition date
   5. Cost of the equipment
   6. Equipment classification (land, building, equipment, etc.)
   7. Make, Model, & Serial number or other identification number
   8. Vendor and invoice number to purchase equipment
   9. Disposition data including date and sale price of the equipment

A physical inventory of the property will be conducted periodically, and the results will be reconciled with the capital asset listing. A control system will be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft will be investigated.

Maintenance procedures are in place to keep the equipment in good condition.

Matching, Level of Effort and Earmarking

The city defines "matching", "level of effort", and "earmarking" consistent with the definitions of the OMB Uniform Guidance Compliance Supplement:

Matching or cost sharing includes requirements to provide contributions (usually non-Federal) or a specified amount or percentage of match Federal awards. Matching may be in the form of allowable costs incurred or in-kind contributions (including third-party in-kind contributions).

Level of effort includes requirements for (a) a specified level of service to be provided from period to period, (b) a specified level of expenditures from non-Federal or Federal sources for specified activities to be maintained from period to period, and (c) Federal funds to supplement and not supplant non- Federal funding of services.

Earmarking includes requirements that specify the minimum and/or maximum amount of percentage of the program's funding that must/may be used for specified activities, including funds provided to sub- recipients. Earmarking may also be specified in relation to the types of participants covered.

In order to ensure compliance with these requirements, the city has implemented the following policies and procedures:

1. Compliance with matching, level of effort, and earmarking requirements will be the responsibility of the Finance Director.

2. Adequate documentation will be maintained to support compliance with matching, level of effort, and earmarking requirements. Such information will be made available to city administration, auditors, and pass- through or grantor agencies, as requested.

3. Maintenance of effort for grants through the State Minnesota will be determined at the State level.

Period of Performance

In order to ensure compliance with these requirements, the city has implemented the following policies and procedures:

1. Costs will be charged to an award only if the obligation was incurred during the funding period (unless pre- approved by the Federal awarding agency or pass-through grantor agency).

2. All obligations will be liquidated not later than 90 days after the end of the funding period (or as specified by program legislation).

3. Compliance with period of performance requirements will initially be assigned to the individual approving the allowability of the expense/payment. This will be subject to review and approval by the Finance Department as part of the payment processing.

Procurement, Suspension and Debarment

In order to ensure compliance with these requirements, the city has implemented the following policies and procedures:

1. Purchasing and procurement related to Federal grants will be subject to the city's Purchasing Policy.

2. Contract files will document the significant history of the procurement, including the rationale for the method of procurement, selection of the contract type, contractor selection or rejection, and the basis of contract price.

3. The Finance Director will be responsible for determining whether the city is entering into a transaction that may be subject to suspension or debarment procedures and executing appropriate oversight and control activities at that time.

Program Income

In order to ensure compliance with these requirements, the city has implemented the following policies and procedures:

1. Program income will include (but will not be limited to): income from fees for services performed, the use or rental of real or personal property acquired with grant funds, the sale of commodities or items fabricated under a grant agreement, and payments of principal and interest on loans made with grant funds. It will not include interest on grant funds unless otherwise provided in the Federal awarding agency regulations or terms and conditions of the award.

2. The city will allow program income to be used in one of three methods:

    a. Deducted from outlays
    b. Added to the project budget
    c. Used to meet matching requirements

    In the absence of specific guidance in the Federal awarding agency regulations or the terms and conditions of the award, program income shall be deducted from program outlays.

3. Program income, when applicable, will be accounted for as a revenue source in the same project code as the Federal grant.

Reporting

The City will use the standard financial reporting forms or such other forms as may be authorized by OMB (approval is indicated by an OMB paperwork control number on the form) when reporting to the federal awarding agency or other authorized forms when reporting to any other state or local agency.

The city will report program outlays and program income on an accrual basis.

The city will not require subrecipients to establish an accrual accounting system and must allow subrecipients to develop accrual data for its reports on the basis of an analysis of available documentation. The financial reporting requirements for subrecipients are as specified by the city.

The standard Federal financial reporting forms for grants and cooperative agreements are as follows:

1. Request for Advance or Reimbursement (SF-270) (OMB No. 0348-0004)). The SF-270 is used to request reimbursement payments under non-construction programs, and may be required to use it to request advance payments.

2. Outlay Report and Request for Reimbursement for Construction Programs (SF-271) (OMB No. 0348-0002)). The SF-271 is used to request funds for construction projects unless they are paid in advance or the SF-270 is used.

3. Federal Financial Report (FFR) (SF-425/SF-425A) (OMB No. 0348-0061)). The FFR is used as a standardized format to report expenditures under federal awards, as well as, when applicable, cash status (Lines 10.a, 10.b, and 10c). References to this report include its applicability as both an expenditure and a cash status report unless otherwise indicated. Electronic versions of the standard forms are located on agency's home page.

Note that Federal grants passed through state or other local agencies may have other financial reporting forms to follow. Financial reporting requirements for cost reimbursement contracts subject to the FAR are contained in the terms and conditions of each specific contract and will be followed as such.

<u>Performance and Special Reporting</u>:

The city may be required to submit performance reports at least annually but not more frequently than quarterly, except in unusual circumstances, using a form or format authorized by OMB (2 CFR section 200.328(b)(1)) or the state or local agency that passed the federal grant to the city. They also may be required to submit special reports as required by the terms and conditions of the federal award.

Sub-recipient Monitoring

The city will follow the requirements outlined in the OMB's Uniform Guidance compliance supplement with regards to sub-recipient monitoring:

Identify the Award and Applicable Requirements – Clearly identify to the subrecipient:

1. The award as a subaward at the time of subaward (or subsequent subaward modification) by providing the information described in 2 CFR section 200.331(a)(1).

2. All requirements imposed by the city on subrecipients are so that the federal award is used in accordance with federal statutes, regulations, and the terms and conditions of the award (2 CFR section 200.331(a)(2)).

3. Any additional requirements that the city imposes on subrecipients in order for the city to meet its own responsibility for the federal award (e.g., financial, performance, and special reports) (2 CFR section 200.331(a)(3)).

Evaluate Risk – Evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward (2 CFR section 200.331(b)).

Monitor – Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.331(d) through (f)). In addition to procedures identified as necessary based upon the evaluation of subrecipient risk or specifically required by the terms and conditions of the award, subaward monitoring must include the following:

1. Reviewing financial and programmatic (performance and special reports) required by the city. Compliance Supplement 2020 3-M-1 August 2020 Compliance Requirements - Subrecipient Monitoring

2. Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the subrecipient from the city detected through audits, on-site reviews, and other means.

3. Issuing a management decision for audit findings pertaining to the federal award provided to the subrecipient from the city as required by 2 CFR section 200.521.

Ensure Accountability of For-Profit Subrecipients – Some federal awards may be passed through to for-profit entities. For-profit subrecipients are accountable to the city for the use of the federal funds provided. Because 2 CFR part 200 does not make subpart F applicable to for-profit subrecipients, the city is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients for the subaward. The agreement with the for-profit subrecipient must describe applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure compliance for federal awards made to for-profit subrecipients may include pre-award audits, monitoring during the agreement, and post-award audits (2 CFR section 200.501(h)).

Special Tests and Provisions

In order to ensure compliance with these requirements, the city has implemented the following item:

1. The Finance Director will be assigned the responsibility for identifying financial-related compliance requirements for special tests and provisions, determining approved methods for compliance, and retaining any necessary documentation. Program-related compliance requirements will be the responsibility of the department administering the grant

CITY OF NORTH ST.PAUL

RESOLUTION NO. 2020-xxx

RESOLUTION APROVING POLOCIES AND PROCEDURES FOR FEDERAL AWARD ADMINISTRATION

WHEREAS; The Office of Management and Budget (OMB) Uniform Guidance (UG) Compliance Supplement requires all sub-recipients of federal funds to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements; and

WHEREAS; written policies and procedures are part of the necessary internal controls and are required as a precondition to receiving federal funds; and

WHEREAS; any non-federal entity that expends $750,000 or more of federal funds in one fiscal year is required to obtain a Single Audit; and

WHEREAS; a Single Audit is an organization-wide financial statement and federal awards' audit intended to provide assurance to the Federal Government that a non-federal entity has adequate internal controls in place, and is generally in compliance with program requirements; and

WHEREAS; adopting a federal grant policy is recommended to ensure that the City is in compliance with Federal program requirements.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the City of North St. Paul, Minnesota: hereby approves the Federal Grant Policy and Procedures as attached.

ADOPTED by the City Council on this 10th day of November, 2020.

Motion by Council Member
Second by Council Member

Voting: Aye:
Nay:
Abstain:
Absent:

____
Terrence J. Furlong, Mayor

Attest: ____________________________________
Scott A. Duddeck, City Manager/Clerk

Agenda Information Memorandum
North St. Paul City Council
November 10, 2020

FROM THE OFFICE OF THE CITY MANAGER

Agenda placement: City Business

Subject: Covid-19 Emergency Grant Program

To: Honorable Mayor and City Council

Background/Facts:

The State has approved a bill to distribute funding from the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. The bill distributes money to local governments to assist with the financial strain caused by plummeting tax revenues. The City of North St. Paul has received $916,062.

Federal guidance indicates that a City can have discretion to determine what payments are necessary. The CARES Act allows local government units to provide grants to small businesses that meet legal requirements to provide assistance to defray the costs of business or service interruptions incurred by required closures, those businesses that voluntarily closed to promote social distancing measures, or business that are affected by decreased customer and service demand as a result of the COVID-19 public health emergency.

On October 6th, 2020 City Council approved the COVID-19 Emergency Grant program, providing CARES Act funding to assist local businesses in covering expenses of business interruption due to the COVID-19 pandemic. The City Council has delegated the administration of the program to the North St. Paul EDA. Starting October 13th, information regarding the grant program, as well as applications were mailed directly to North St. Paul businesses as well as promoted via the City website, newsletter, and Facebook. The application deadline was scheduled for 4:30pm on Friday, October 30th, 2020.

The City accepted 55 applications with a total request of $521,678. Staff reviewed all applications for completion, and that the proper documentation was included. From there, staff met with the North St. Paul EDA Finance Committee to define a way to make the awards as impactful as possible.

On November 4th, the accepted applications were reviewed and discussed by the North St. Paul EDA Finance Committed. The North St. Paul EDA Finance Committee is recommending the following businesses to receive the grant awards listed (based off the amount requested in each application) for a total of $505,178:

Business Name	**Grant Request**
North St. Paul Pizza Factory	$10,000
World Around Us Child Care	$10,000
Across Country Tours	$10,000
HealthStar Home Health	$10,000

Garry Insurancecenter	$7,637
Blooming Portraits	$3,000
Gallagher Financial Services	$10,000
Sparks Affordable Automotive	$10,000
PTN, Computer Sales & Services	$10,000
Eagle Crest Rentals LLC	$10,000
Vickie Pinder Agency	$10,000
Hairstyles Unlimited	$8,000
Weber’s Investment Corporation	$10,000
Weber Consulting Associates	$10,000
Perfectly Imperfect Studios	$10,000
Sage STEAM Academy	$10,000
Antiques at the Pharmacy	$4,382
LUV - Ice Cream Cafe	$10,000
North St. Paul Dental	$10,000
A Touch of Magic Entertainment	$9,792
Crossroads Hair Designers	$10,000
Polar Family Chiropractic	$10,000
Twin Cities Pawn	$10,000
Sandy's Sewing Den	$10,000
Arthur O. Haukland Club VFW	$10,000
NorthStar Handicapped Helpers	$10,000
A Chau Restaurant	$10,000
Carstar Bighley Auto Body	$10,000
James Koller Family Dentistry	$10,000
Neuman's Bar & Grill	$10,000
Shangri-la #3	$10,000
T&S Supply, LLC	$10,000
China Chef Restaurant	$10,000
K & J Catering	$10,000
My Lazy Trainer	$2,367
BoDetox - The Holistic Spa	$10,000
Twin Cities Adult Day Services	$10,000
Division Street Fuels	$10,000
Roddy's Bar & Grill	$10,000
Paperbacks Plus Bookstore	$10,000
Nicky's E-Cig Tobacco & Convenience	$10,000
Starlift LLC	$10,000
Village Pizza	$10,000
The Donut Family	$10,000
McKee Sign Service	$10,000
Tracy Luther Auctions & Antiques	$10,000
Graffic Traffic	$10,000

Century Avenue Collision	$10,000
Midwest Data	$10,000
American Legion Club 39	$10,000
Vegas Nails	$10,000
Haus Theory	$10,000
La' Garage and Gallery	$10,000

The North St. Paul EDA Finance Committee is also recommending denial of grant funds for the following businesses based on not meeting Eligible Business Details as described in the General Criteria (Section IV, B) of the COVID-19 Emergency Business Grant Program Policy:

Business Name	**Grant Request**
Main Drag Vintage & Collectibles	$6,500
Heger Company	$10,000

Recommendation*:* It is recommended the City Council adopt a resolution of the City of North St. Paul approving the recommendation of awarding $505,178 of CARES Act Funding to (53) eligible businesses that submitted a complete COVID-19 Emergency Grant Program application.

Respectfully submitted,

Scott Duddeck
City Manager

CITY OF NORTH ST. PAUL

RESOLUTION NO. 2020-XXX

RESOLUTION APPROVING THE DISBURSEMENT OF CARES ACT FUNDS TO BE AWARDED TO COVID-19 EMERGENCY RELIEF GRANT RECIPEIENTS

WHEREAS, On October 6, 2020, the City adopted resolution No. 2020-112, in which it approved the COVID-19 Emergency Grant Program to be administered by the North St. Paul EDA to cover expenses of business interruption due to the COVID-19 pandemic; and

WHEREAS, the COVID-19 Emergency Grant Program application was released on October 13 and had a scheduled deadline off 4:30pm on October 30, 2020; and

WHEREAS, the City accepted 55 applications with a total request of $521,678, which were reviewed by staff and the North St. Paul EDA Finance Committee on November 4, 2020; and

WHEREAS, the North St. Paul EDA Finance Committee recommended the following businesses received the grant award in the amount requested:

Business Name	Grant Request
North St. Paul Pizza Factory	$10,000
World Around Us Child Care	$10,000
Across Country Tours	$10,000
HealthStar Home Health	$10,000
Garry Insurancecenter	$7,637
Blooming Portraits	$3,000
Gallagher Financial Services	$10,000
Sparks Affordable Automotive	$10,000
PTN, Computer Sales & Services	$10,000
Eagle Crest Rentals LLC	$10,000
Vickie Pinder Agency	$10,000
Hairstyles Unlimited	$8,000
Weber's Investment Corporation	$10,000
Weber Consulting Associates	$10,000
Perfectly Imperfect Studios	$10,000
Sage STEAM Academy	$10,000
Antiques at the Pharmacy	$4,382
LUV - Ice Cream Cafe	$10,000
North St. Paul Dental	$10,000
A Touch of Magic Entertainment	$9,792
Crossroads Hair Designers	$10,000
Polar Family Chiropractic	$10,000
Twin Cities Pawn	$10,000

Sandy's Sewing Den	$10,000
Arthur O. Haukland Club VFW	$10,000
NorthStar Handicapped Helpers	$10,000
A Chau Restaurant	$10,000
Carstar Bighley Auto Body	$10,000
James Koller Family Dentistry	$10,000
Neuman's Bar & Grill	$10,000
Shangri-la #3	$10,000
T&S Supply, LLC	$10,000
China Chef Restaurant	$10,000
K & J Catering	$10,000
My Lazy Trainer	$2,367
BoDetox - The Holistic Spa	$10,000
Twin Cities Adult Day Services	$10,000
Division Street Fuels	$10,000
Roddy's Bar & Grill	$10,000
Paperbacks Plus Bookstore	$10,000
Nicky's E-Cig Tobacco & Convenience	$10,000
Starlift LLC	$10,000
Village Pizza	$10,000
The Donut Family	$10,000
McKee Sign Service	$10,000
Tracy Luther Auctions & Antiques	$10,000
Graffic Traffic	$10,000
Century Avenue Collision	$10,000
Midwest Data	$10,000
American Legion Club 39	$10,000
Vegas Nails	$10,000
Haus Theory	$10,000
La' Garage and Gallery	$10,000

WHEREAS, the North St. Paul EDA Finance Committee recommended denial of grant funds for the following businesses that did not meet the Eligible Business Details as described in the General Criteria (Section IV, B) of the COVID-19 Emergency Business Grant Program Policy:

Business Name	**Grant Request**
Main Drag Vintage & Collectibles	$6,500
Heger Company	$10,000

NOW THEREFORE BE IT RESOLVED by the City Council of North St. Paul, Minnesota, to hereby approve of the disbursement of $505,178 of CARES Act Funding to be awarded to (53) eligible businesses that submitted a complete COVID-19 Emergency Grant Program application.

ADOPTED this 10th day of November, 2020

Motion by Council Member
Second by Council Member

Voting: Aye: Council Member
Nay: None
Abstain: None
Absent: None

____
Terrence J. Furlong, Mayor

Attest:

____
Scott A. Duddeck, City Manager/Clerk

CITY OF NORTH ST. PAUL

RESOLUTION NO. 2020-XXX

RESOLUTION APPROVING THE ALLOCATION OF CARES ACT FUNDING

On August 18, 2020, the City adopted resolution No. 2020-091, in which it has approved the allocation of CARES ACT funding of $916,0062for public safety purposes; and

The City now wishes to amend the prior resolution, to change the allocation of CARES Act Funding;

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided federal funds to the State of Minnesota and the legislature and Governor thereby distributed these funds to local governments throughout Minnesota to deal with the financial impacts of COVID 19; and

WHEREAS, on July 6, 2020 the City of North St. Paul received $916,062 in CARES Act Funding; and

WHEREAS, the City of North St. Paul staff have worked with the League of Minnesota Cities and in-turn the National League of Cities, and the Department of Treasury for clarification of eligible uses; and

WHEREAS, the CARES Act allows local government units to provide grants to small businesses that meet legal requirements to provide assistance to defray the costs of business or service interruptions incurred by required closures, those businesses that voluntarily closed to promote social distancing measures, or business that are affected by decreased customer and service demand as a result of the COVID-19 public health emergency; and

WHEREAS, the CARES funding requires a three-point test for utilization of the funds that they be necessary expenditures for responding to COVID 19, not accounted for in the original budget process and incurred during the period of March 1, 2020 to November 15, 2020; and

WHEREAS, guidance from the United States Treasury for State, Territorial, Local and Tribal Governments outlined in their Frequently Asked Questions, most recently updated on October 19, 2020, indicated that local governments "may presume that payroll costs for the public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency"; and

WHEREAS, the City of North St. Paul public safety personnel have adopted new COVID-19 response procedures, given direction on the Governor's Executive Orders to monitor/enforce COVID provisions for EO 20-04, modified other internal policies, developed messaging for the "Stay at Home" EO, dealt with patients exhibiting COVID-19 symptoms, been a full partner with Ramsey County Public Health in the Emergency Operations Center efforts, had other training and programs modified or cancelled to the extent these all present a modification of their operations, caused by the pandemic, and otherwise not provided for in our annual budget now become a reimbursable cost under CARES funding; and

WHEREAS, the City of North St. Paul has incurred many additional expenses related to COVID-19 but for administrative simplicity and otherwise having adequate expenses for police payroll during the expense period have chosen not to itemize these expenses.

NOW THEREFORE BE IT RESOLVED, the North St. Paul City Council allocates $___,___ of CARES Act Funds to the City of North St Paul to reimburse the City for the regular payroll expenses, consistent with Federal and State direction, that these expenses shall be deemed due to the public health emergency related to COVID 19, not accounted for in our regular budget process as a part of an administrative convenience for itemization and within the time period of March 1, 2020 and November 15, 2020.

BE IT FURTHER RESOLVED that the North St. Paul City Council allocates $___,___ of CARES Act Funding for business relief purposes, for specific business in good standing with the Minnesota Secretary of State and Minnesota Department of Revenue and current on property taxes.

ADOPTED this 10th day of November, 2020

Motion by Council Member
Second by Council Member

Voting:	Aye:	Council Member
	Nay:	None
	Abstain:	None
	Absent:	None

____
Terrence J. Furlong, Mayor

Attest:

____
Scott A. Duddeck, City Manager/Clerk

Agenda Information Memorandum
North St. Paul City Council
November 10, 2020

FROM THE OFFICE OF THE CITY MANAGER

Agenda placement: City Business

Subject: Approving a First Amendment to Contract for Private Development.

To: Honorable Mayor and City Council

Background/Facts:

The City Council approved a Contract for Private Development ("Contract") for the sale and development of Lot 1, Block 2, Anchor Block Commons ("Property") to Anchor View, LLC ("Developer"), at its meeting on August 18th, 2020.

The Contract provided for a closing within 10 days of the later of (i) written notice from Developer requesting a closing, (ii) expiration of the due diligence period; or (iii) substantial completion of the On Site Improvements, provide all conditions precedent for the City and Developer to close have been met or waived, but no later than November 2, 2020. for the sale of the Property to Developer

The Developer has requested to extend the closing date to finalize issues related to the development. Staff is supportive of the extension and recommends approval of the attached Amendment to the Contract for Private Development which allows closing to occur on or before December 17, 2020.

Recommendation: Staff recommends approval of Resolution No. 2020-xxx Approving a First Amendment to Contract for Private Development.

Respectfully submitted,

Scott Duddeck
City Manager/Clerk

Attachments:
Resolution Approving a First Amendment to Contract for Private Development.

CITY OF NORTH ST. PAUL

RESOLUTION NO. 2020-__

RESOLUTION APPROVING FIRST AMENDMENT TO CONTRACT FOR PRIVATE DEVELOPMENT

WHEREAS, the City of North St. Paul and Anchor View, LLC entered into a Contract for Private Development, dated October 5, 2020 ("Contract") for the sale and development of property legally described as Lot 1, Block 2, Anchor Block Commons;

WHEREAS, the City and Developer desire to amend the Contract to extend the date of closing in accordance with the First Amendment to Contract for Private Development attached hereto as Exhibit A ("Amendment");

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of North St. Paul, Minnesota:

1. The Amendment is hereby approved; and
2. The Mayor, City Administrator and City Clerk are authorized to execute the Amendment.

ADOPTED by the City Council on this 10th day of November, 2020.

Motion by Council Member Sonnek
Second by Council Member Walczak

Voting: Aye: Council Member Thorsen
Council Member Petersen
Council Member Walczak
Council Member Sonnek
Mayor Furlong
Nay:
Abstain:
Absent:

____
Terrence J. Furlong, Mayor

Attest: ___________________________________
Scott A. Duddeck, City Manager/Clerk

(reserved for recording information)

FIRST AMENDMENT
TO
CONTRACT FOR PRIVATE DEVELOPMENT

THIS FIRST AMENDMENT TO CONTRACT FOR PRIVATE DEVELOPMENT (the **"AMENDMENT"),** made on or as of the ___day of ________ , 2020 (the "Effective Date"), by and between the **CITY OF NORTH ST. PAUL,** a Minnesota municipal corporation (the "City") and **ANCHOR VIEW, LLC,** a Minnesota limited liability company (the "Developer").

WITNESSETH:

WHEREAS, the City and Developer entered into a Contract for Private Development dated October 5, 2020 (the "Contract") concerning the real property located in the City of North St. Paul as legally described in Exhibit A to this Amendment (the "Development Property"); and

WHEREAS, the parties desire and agree to amend the Contract as set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

1. **INCORPORATION OF RECITALS**. The recitals set forth above are true, correct and complete and are hereby made a part of this Amendment as fully as if restated in their entirety.

2. **CAPITALIZED TERMS**. All capitalized terms that are used but not defined in this Amendment shall have the meanings given to them in the Contract.

3. **AMENDMENT TO SECTION 3.7 OF THE CONTRACT.** Section 3.7(a) of the Contract is amended to read as follows.

(a) Within ten (10) days after the later of the following: (i) written notice from Developer requesting the closing, (ii) expiration of the Due Diligence Period; or (iii) the substantial completion of the On Site Improvements, provided all conditions precedent for the City and Developer to close have either been met or waived, ("Closing Date") provided the Developer pays the City the Purchase Price, the City shall convey the Development Property to the Developer through the execution and delivery of the Deed and all other documents reasonably required by Developer and the Title Company (as hereinafter defined). The closing shall be at the principal offices of the Title Company unless the parties mutually agree in writing that the Closing shall take place at another location. The foregoing notwithstanding, the Closing Date shall occur on or before December 17, 2020.

4. **COUNTERPARTS; FAX OR EMAIL SIGNATURES**. This Amendment may be executed in any number of counterparts, each of which shall, when executed, be deemed to be an original and all of which shall be deemed to be one and the same instrument. Signature pages may be detached from separate counterparts and combined into a single counterpart. Further, each party hereto may rely upon a telecopied (faxed) or electronically-mailed signature of a counterpart of this Amendment or detached signature page therefrom that has been executed by any other party hereto as if the same were the executed original thereof, and the other party shall be bound thereby.

5. **RATIFICATION AND INCORPORATION**. Except as expressly modified by this Amendment, the Contract remains unmodified and in full force and effect. This Amendment shall form a part of the Contract and all references to the Contract shall mean that document as hereby modified.

6. SUCCESSORS AND ASSIGNS. The terms and provisions hereof shall be binding upon and inure to the benefit of the parties hereto, their permitted successors and permitted assigns.

IN WITNESS WHEREOF, the City has caused this Amendment to be duly executed in its name and behalf, and the Developer has caused this Amendment to be duly executed in its name and behalf, on or as of the date first above written.

[Remainder of page intentionally left blank.]
[Signature pages to follow.]

CITY OF NORTH ST. PAUL

By: ________________________________
Terrence J. Furlong, Mayor

(SEAL)

By: ________________________________
Scott Duddeck, City Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _________ day of _________________________, 20__, by Terrence J. Furlong and by Scott Duddeck, the Mayor and City Manager of the City of North St. Paul, a Minnesota municipal corporation, on behalf of the City, and pursuant to the authority granted by its City Council.

____
Notary Public

ANCHOR VIEW, LLC

By: ____
Name: _____________________________________
Its: _______________

STATE OF MINNESOTA)
)ss.
COUNTY OF _________)

The foregoing instrument was acknowledged before me this _____ day of ___________, 2020, by ______________________, the _______________ of Anchor View, LLC, a Minnesota limited liability company, on its behalf.

____
Notary Public

EXHIBIT A

Description of Development Property

Lot 1, Block 2, Anchor Block Commons, Ramsey County, Minnesota, according to the recorded plat thereof.