

EFM Submission: 2012 EFM 199

Presented: 12-13-12

Adopted: 12/14/12

By the Emergency Financial Manager:

**Resolution Authorizing the Cancellation of Spending Authority and Revenue Recognition in the Amount of \$880,441.50 from DiPonio Contracting Inc. Contract funded with Water and Sewer Funds for Smith Village Infrastructure**

The American Recovery and Reinvestment Act (ARRA) of 2009 was approved by Congress on February 17, 2009 and Public law 111-005 approved funds for the Neighborhood Stabilization program 2 for the overall purpose of assisting in the redevelopment of abandoned or foreclosed homes under ARRA. The Michigan State Housing Development Authority (MSHDA) applied for and was awarded funding and allocated \$15,772,344.00 to the City of Flint to fund NSP2 eligible activities and costs associated with the stabilization and redevelopment of the eligible census tracts. The MSHDA NSP2 Consortium Funding Agreement No. NS2-2009-0049 for Flint NSP2 spells out the uses of NSP2 funds for Flint.

Resolution No.2012EM469 adopted July 18, 2012 approved the City entering into a contract with DiPonio Contracting Inc., for \$998,186.50 using water and sewer funds to undertake infrastructure improvements within the Smith Village development area. As NSP2 funds are eligible to be used for such improvements and must be expended by February 10, 2013, the City desires to replace the balance of the water and sewer funds with NSP2 funds. As a result, the city recommends cancelling spending authority and revenue recognition on the contract balance \$880,441.50

**IT IS RESOLVED**, that the appropriate City officials are hereby authorized to do all things necessary to reduce spending authority in the following accounts: Sewer 590-536.101-801.000 (\$440,220.75) and Water 591-536.100-801.000 (\$440,220.75).

APPROVED AS TO FORM:

  
Peter M. Bade, City Attorney

  
Michael K. Brown, City Administrator

APPROVED AS TO FINANCE:

  
Gerald Ambrose, Finance Director

EFM DISPOSITION:

ENACT 

REFER TO COUNCIL \_\_\_\_\_

FAIL \_\_\_\_\_

Edward J. Kurtz, Emergency Financial Manager

DATED: 12/14/12

## RESOLUTION STAFF REVIEW FORM

**Date:** December 3, 2012

**Agenda Item Title:**

Resolution Authorizing the Cancellation of Spending Authority and Revenue Recognition in the Amount of \$880,441.50 from the DiPonio Contracting Inc., Contract funded with Water and Sewer Funds for Smith Village Infrastructure

**Prepared By: Utilities Department :** Yolanda Gray, Utilities Accounting Coordinator

**Background/Summary of Proposed Action:**

This resolution is to request authorization to reduce spending authority and revenue recognition for previously allocated water and sewer funds in the DiPonio Contracting Inc., Smith Village Infrastructure contract .in the amount of \$880,441.50.

**Resolution No.2012EM469** adopted July 18, 2012 approved the City entering into a contract with DiPonio Contracting Inc., for \$998,186.50 using water and sewer funds to undertake infrastructure improvements within the Smith Village development area. As NSP2 funds are eligible to be used for such improvements and must be expended by February 10, 2013, the City desires to replace the balance of the water and sewer funds with NSP2 funds. As a result, the city recommends cancelling spending authority and revenue recognition on the contract balance \$880,441.50

**Financial Implications:**

NSP2 funds, if not spent by the February 10, 2013 deadline, will be returned to HUD.

Suspension/Debarment (EPLS) form completed? Yes ☒ X \_\_\_\_\_ N/A \_\_\_\_\_

Budgeted Expenditure: Yes ☒ x \_\_\_\_\_ No \_\_\_\_\_ please explain, if no: \_\_\_\_\_

Account #:

Pre-encumbered: Yes ☒ X \_\_\_\_\_ No \_\_\_\_\_


Requisition # 121209

Other Implications (i.e., collective bargaining):

There are no known implications

Staff Recommendation: Staff recommends approval of this resolution.

Staff Person:

  
Daugherty A. Johnson III  
Utilities Administrator

