EFM SUBMISSION NO.: 2013EFM062

PRESENTED: 2-4-13

ADOPTED: 2-5-13

BY THE EMERGENCY FINANCIAL MANAGER:

RESOLUTION TO REIMBURSE THE UNITED STATES DEPARTMENT OF ENERGY FOR FUNDS DRAWN DOWN FROM THE ENERGY EFFICIENCY CONSERVATION BLOCK GRANT

Pursuant to the authority granted the Emergency Financial Manager by Public Act 72, the City of Flint will issue a check in the amount of $26,167.37 to the United State Department of Energy for funds drawn down for ineligible activities.

The D.O.E. Energy Efficiency Conservation Block Grant, DE-SC0001367, was suspended in fiscal year 2011 and was not reinstated after numerous attempts in fiscal year 2012. The City of Flint drew down $26,167.37 for ineligible activities and therefore the funds were set aside in account number 297-744.100-530.000.

The parties, through a Termination Agreement, effected a termination of the Grant by mutual agreement, with such termination being for the convenience of the parties and not on the basis of any fault or wrongdoing on the part of the City of Flint. To close out the grant, a check needs to be issued to the D.O.E. in the amount of $26,167.37.

IT IS RESOLVED, that the Emergency Manager shall, on behalf of the City of Flint, order the City of Flint to issue a check in the amount of $26,167.37 to the United State Department of Energy from account number 297-744.100-530.000.

APPROVED AS TO FORM:

Peter M. Bade, Chief Legal Officer

APPROVED AS TO FINANCE:

For **Gerald Ambrose, Finance Director**

EM DISPOSITION:

ENACT ✓ **FAIL** _____ **DATED** 2-5-13

Edward J. Kurtz, Emergency Financial Manager

RESOLUTION STAFF REVIEW FORM

DATE: **February 1, 2013**

Agenda Item Title: **Resolution Approving Reimbursement to United States Department of Energy for Funds Drawn Down from the Energy Efficiency Conservation Block Grant for Ineligible Activities**

Prepared By: David Solis, Community Development Administrator

Background/Summary of Proposed Action:
On August 10, 2009, the United State Department of Energy(DOE) awarded a three-year block grant (SC-0001367) to the City of Flint for $1,147,900, in furtherance of the American Recovery and Reinvestment Act of 2009 (ARRA)

July 29, 2011 DOE suspended the Grant for 90 days on July 29, 2011. October 27, 2011, DOE issued a Notice of Termination terminating the Grant for cause effective October 28, 2011, subject to the City of Flint's rights of appeal. The Notice of Termination also provided a summary of questioned costs that were classified as "Unresolved Costs", "Unsupported Costs", and as "Unallowable Costs."

A Bi-lateral Agreement dated December 2, 2011 between DOE and the City of Flint rescinded the Notice of Termination, reinstated the suspension under the Suspension Notice, established a procedure under which the City of Flint would submit a proposal for continuation of the Grant, and provided that DOE would review the Proposal.

The City of Flint submitted a proposal and responded to various requests for information, but DOE found the Proposal to be not acceptable. The parties, through a Termination Agreement, effected a termination of the Grant by mutual agreement, with such termination being for the convenience of the parties and not on the basis of any fault or wrongdoing on the part of the City of Flint.

Financial Implications: The City of Flint drew down funds for ineligible activities of which $26,167.37 remain and were set aside in account number 297-744.100-530.000.

Budgeted Expenditure: Yes __X__ No _____ **Please explain, if no:** _____

Pre-encumbered: Yes __X__ No _____ Funding available in the FY'13 budget from the various funding allocations to be distributed in accordance with the approved budget.

Staff Recommendation: The Director of Department of Infrastructure and Development, along with the Community Development Administrator, recommend approval of this resolution.

Staff Person: _____
David Solis, Administrator
I & D - Community Development

Staff Person: _____
Howard Croft, Director
Infrastructure and Development