



Town of Mukwonago Waukesha County

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August 9, 2009

To: Mukwonago Town Board Supervisors
From: Dave Dubey

On Thursday, August 6, 2008, a meeting was held to review the requirements for the CDBG-EAP grant we have been awarded. Below are my notes from the meeting for your information.

There are six projects in Waukesha County that have been determined eligible for funding. See attached table. The official date of award is June 9, 2009, and all eligible expenses incurred after that date can be reimbursed.

The meeting was led by Caryn Stone who is with the Division of Housing and Community Development of the Wisconsin Department of Commerce. Cate Rahmlow from the Department of Commerce also attended. In addition, Glen Lewinski who is the community development coordinator for Waukesha County helped to answer questions. Representatives from all municipalities which have been awarded grants were in attendance.

Caryn explained that Glen Lewinski will be responsible for overall CDBG requirements much like other CDBG grants the Town has received. Each community is responsible for project specific documentation.

Caryn said that there are two requirements with this grant which we must pay specific attention to ensure costs are reimbursable.

The first requirement that requires special attention is that proper procurement practices are followed for all aspects of the project which are submitted for reimbursement, including professional services. This means that for any engineering to be reimbursable, engineering services must be put out to bid, or if engineering is under \$100,000 – which applies to us, quotes must be received from a minimum of three engineering firms, and the most cost effective (not necessarily lowest cost) engineering firm must be used. The construction for the project must also be put out to bid, which is not unusual for the Town.

The second significant requirement is that an environmental review must be done, which in our case will require a complete environmental assessment.

Caryn also explained that use of these funds requires compliance with the Federal Davis-Bacon prevailing wage standards. Glen Lewinski stated that he will provide documents for our bids, and would follow up with the winning bidder in each of the six communities to ensure compliance, and that he would take care of the paperwork involved.

Glen explained that before project funding can be approved, a complete cost estimate must be submitted. If the cost exceeds the award amount, a funding mechanism must be in place prior to contract approval with the county. In addition, if the cost exceeds the award amount, the difference must be paid first by the local municipality before the county will pay its share. For example, our award is \$506,000. If our project cost is \$1,000,000, then we must agree in the contract to bond or tax for the additional \$494,000 before the county will sign. We also will have to pay the first \$494,000 cost of the project. The county will then pay the rest of the project when we submit invoices for qualifying work.

Glen explained that the County expects to have a signed contract with the State by the end of September, but that is just an estimate.

Caryn said that this grant is not part of the ARRA or "Stimulus" fund. It is flood disaster money which was approved by Congress as part of the 2008 supplemental funding bill. Caryn also said there has been a new grant awarded to Wisconsin in the amount of \$75 million, but that the project requirements, timeline and details have not been given to the state yet. It is also for community development block grant program. She encouraged the six communities to request funding from this grant also since none of us received the full cost of our projects. She was unsure of when this money would be made available.

Caryn explained that the funding was allocated based on the problem, and not necessarily the solution, although significant changes in the solution would require evaluation and approval prior to application for reimbursement.

All costs associated with the project are likely to be reimbursable, including easement acquisition if required, engineering and construction. Maintenance contracts cannot be a part of the project. If the guidelines for the grant are not followed for some portions of the solution, they cannot be submitted as part of the project. For instance, we could decide that a maintenance contract is part of the solution and is a good idea to pay for now. It cannot however be submitted as part of the "Project costs".

The project completion date is required to be 12/31/2010, but Caryn said that if there are legitimate delays that are out of the Town's control that an application for extension would likely be granted.

Finally, the Town needs to pass a resolution stating intent to use the grant. This does not obligate the Town, but helps the State and County determine if any other projects can be funded.

Cc: Gilbert Yerke, Waukesha County Board Supervisor
Kathy Wilson, Town Clerk
John Macy, Town Attorney
Sean Sullivan, Town Engineer
Glen Lewinski, Waukesha County
Caryn Stone, Wisconsin Department of Commerce