



File #: 14-1098, Version: 1

REPORT TO COUNCIL

SUBJECT

Adopt a Resolution and Revise Council Policy 7.1.5 to Authorize the City Manager to Appropriate Certain Types of Grants up to \$100,000

BACKGROUND

The City applies for and receives grants for a wide variety of activities. Examples include Public Safety grants for DUI checkpoints, Federal transportation grants for large transportation infrastructure projects, small library grants and more.

Existing policy authorizes the City Manager to apply for and accept grants of any dollar amount subject to Council notification, but requires subsequent Council appropriation (i.e., the act of officially adding the money to the City's budget) before the grant can be spent. Currently, the only exception to this required Council action is for grants under the amount of \$5,000 that are also free of external reporting requirements and/or local match requirements. These can be appropriated by the City Manager.

EXISTING POLICY

Policy governing the acceptance of grants and donations is contained in two separate policies. First, Council Policy 7.1.1 Fiscal - Long Range Goals and Financial Policies, section 7.1B Revenue Policies - B.4: Grants and Intergovernmental Assistance provides guidance and restrictions on when the use of grants is appropriate, and provides the process for notifying Council of a potential grant or donation.

Second, Council Policy 7.1.5 Donations, Contributions and Sponsorships identifies the appropriation authority of the City Manager with regard to grants and donations, and provides additional guidance and restrictions regarding the use of grants. Due to their length, both policies are provided as Attachments 1 and 2.

ENVIRONMENTAL REVIEW

This action does not require environmental review because it is not a project that has the potential for causing a significant impact on the environment. (CEQA Guideline 15061(b)(3).)

DISCUSSION

Staff is recommending that Council adopt a resolution amending the budget resolution that will streamline the grant process by delegating additional authority to the City Manager to appropriate grant funds up to \$100,000, so long as the grants do not raise any of the potential concerns outlined in the existing Council Policy (for example, the grants must not require a local funding match, or obligate the City to ongoing expenses not already planned in the City's Resource Allocation Plan). Adoption of this resolution would make the City Manager's grant authority consistent with the dollar

limit associated with approving contracts of \$100,000 or less, and would effectuate process efficiencies by reducing the number of Reports to Council processed each year. The recommended revisions are shown in Attachment 2. This report also proposes modifying the Council policy so that the City Manager can appropriate grants that have external reporting requirements, lifting this particular restriction. Authority to appropriate grants over \$100,000, or that require matching funds or incur ongoing costs, would remain with the Council and require a budget modification.

Staff has verified with the City's external auditors that having the City Manager appropriate grants with outside reporting requirements via delegated authority of the City Council is acceptable under an audit. An administrative process would be established to properly document the appropriation activity of the City Manager, and the City Manager would continue to notify Council of grants that are being applied for in advance of their receipt. Additionally, staff would provide Council with a periodic report, no less frequently than once a year, on the administrative appropriations made by the City Manager.

The proposed resolution (Attachment 3) modifies the City's budget resolution to authorize the City Manager to appropriate qualifying grants through an administrative budget modification. Grant conditions that could pose a risk to the City are outlined in the resolution as well as in the modified policy 7.1.5 (Attachment 2). The presence of any of these conditions would preclude the City Manager from accepting and, therefore, appropriating, a particular grant--regardless of the amount involved. Any grant valued in excess of \$100,000 would continue to require the Council's authorization and appropriation.

FISCAL IMPACT

There is no direct fiscal impact associated with this report. However, this action will streamline the process for acceptance of many grants, reducing the number of agenda items for Council consideration and saving some amount of staff time processing Reports to Council.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

STAFF RECOMMENDATION

Adopt a resolution and revise Council Policy 7.1.5 to authorize the city manager to appropriate grants meeting certain criteria up to \$100,000.

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Reviewed by: Grace K. Leung, Director of Finance

Reviewed by: Robert A. Walker, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Council Policy 7.1.1 Fiscal - Long Range Goals and Financial Policies
2. Proposed Revisions to Council Policy 7.1.5 Donations, Contributions and Sponsorships
3. Resolution