

RESOLUTION 2017-124 PASSED: OCTOBER 23, 2017

AUTHORIZING THE FINANCE DEPARTMENT TO PROVIDE PAYMENT ON TRANSIT SERVICES PROVIDED BY THE VOLUNTARY ACTION CENTER OF DEKALB COUNTY FROM JULY 1, 2017, THROUGH SEPTEMBER 30, 2017, VIA THE CITY GENERAL FUND, IN LIEU OF DELAYED DOWNSTATE OPERATING ASSISTANCE PROGRAM GRANT FUNDING, TO ENSURE UNINTERRUPTED PUBLIC TRANSIT SERVICE UNTIL GRANT FUNDS ARE RECEIVED, IN AN AMOUNT NOT TO EXCEED \$733,897.

WHEREAS, the provision of public transportation service is essential to the people of Illinois; and

WHEREAS, the Downstate Public Transportation Act (30 ILCS 740/2-1 et seq.) ("Act") authorizes the State of Illinois, acting by and through the Illinois Department of Transportation, to provide grants and make funds available to assist in the development and operation of public transportation systems; and

WHEREAS, due to delays in processing the City's State Fiscal Year (SFY) 2018 Downstate Operating Assistance Program (DOAP) Intergovernmental Agreement (IGA) and reimbursing the City for public transit operating expenses incurred from July 1, 2017 through September 30, 2017; and

WHEREAS, due to the delay in receiving DOAP grant operating assistance funding for the first quarter of SFY2018 from July 1, 2017, through September 30, 2017, The Voluntary Action Center of DeKalb County (VAC) has received no reimbursement from the City for public transit services provided from July 1, 2017, through September 30, 2017; and

WHEREAS, the funding situation at VAC has become critical and VAC must drastically cut services and/or raise public transit fares until VAC receives payment for services rendered during the first quarter of SFY2018; and

WHEREAS, Section 19 of the FTA Master Agreement stipulates that: "(3) Delay or Failure to Use Project Property. The Federal Government may require it to return the entire amount of federal assistance spent on its project property if, during the useful life of its project property, the Recipient has unreasonably delayed using its project property, or failed to use its project property." As the City has used FTA grant funds for the purchase of public transit vehicles and equipment, the City is therefore obligated to continued use of these assets for the provision of public transit.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF DEKALB, ILLINOIS:

Section 1: That the City of DeKalb Finance Director be authorized to provide a line-of-credit from the City general fund to VAC for transit services provided from July 1, 2017 to September 30, 2017 in an amount not to exceed \$733,897. Further, the Finance Director is authorized and directed to prepare a Line of Credit Agreement in form and content acceptable to her with the recommendation of the City Attorney, to execute the same on behalf of the City, and to thereafter comply with the requirements of the same, within the authority provided by this Resolution.

Section 2: That VAC uses the invoices already submitted to the City to request a drawdown on the line-of-credit with the City for partial or full payment of the existing invoices.

Section 3: That staff is authorized to make direct payments to VAC, up to the allotted amount, without further Council approval.

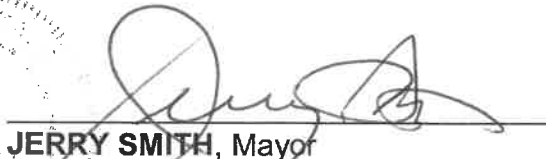
Section 4: Upon receipt of grant funds from the State of Illinois from the City SFY2018 DOAP grant and FTA Operating Assistance grant funds, the City credit the grant funding against the payments already made.

Section 5: If there is additional money owed to the City that is identified as part of the annual audit process, Finance Department A/R staff shall submit an invoice to VAC for payment in full on the annual billings. Notwithstanding the foregoing, the provision of funding to VAC pursuant to the above-referenced letter of credit shall not constitute a general obligation or indebtedness of the City, nor shall it constitute a forgivable payment to VAC. The letter of credit shall require repayment by VAC upon the provision of state funding, at such time as it becomes clear that the state funding will not be provided, or at such time as repayment is required by the City under the terms of the letter of credit. The funding to be extended is provided with the expectation of repayment by VAC. The Finance Director shall be authorized and directed to reconcile future payments made to the City on behalf of VAC as a transit provider (or otherwise) and to apply the same against any then-present indebtedness under the letter of credit where permitted by law, or to require repayment from VAC. Additionally, the City and VAC shall reconcile all payments and transfers between the parties as a component of their customary transit audit and reconciliation process that is completed on an annual basis.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a regular meeting thereof held on the 23rd day of October, 2017, and approved by me as Mayor on the same day. Passed by an 8-0 roll call vote. Aye: Jacobson, Finucane, Marquardt, Fagan, Noreiko, Verbic, Faivre, Smith. Nay: None.

ATTEST:


RUTH A. SCOTT, Deputy City Clerk


JERRY SMITH, Mayor

