

Montgomery City Council
AGENDA REPORT

Meeting Date: September 26, 2023	Available Funds: N/A
Department: Admin	Prepared By: Dave McCorquodale

Subject

Consideration and possible action on A RESOLUTION BY THE CITY COUNCIL OF MONTGOMERY ADOPTING LABOR STANDARDS PROCEDURES AND OVERSIGHT RESPONSIBILITY FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR) PROJECT WITH THE GENERAL LAND OFFICE (GLO), STATE CONTRACT NO. 19-076-017-B366.

Recommendation

Staff recommends approval of the Resolution as presented.

Discussion

Issue:

The GLO performed a review of the city's GLO grant processes for compliance in April 2023 and noted one finding related to obtaining employee authorization for payroll deductions. The employees worked for subcontractors working on the project. The deductions referenced by the GLO are standard payroll deductions such as taxes, insurance, retirement, and other common deductions. This is the final action needed to resolve the monitoring findings from the General Land Office.

Regulations:

Why did the GLO issue a finding? For many years, the GLO has accepted deduction authorizations that are signed after the work period has begun. However, very recently the GLO has updated their requirements, and this update is being communicated at point of monitoring via findings issued by the monitor (this requirement is not codified in their implementation manual).

Analysis:

This resolution commits Montgomery to checking that deduction authorizations for construction contractors occur before the work period as well as ensuring that the vendor has appropriate processes in place. However, as Montgomery has no General Land Office projects in construction now or in the foreseeable future, there is no practical action to take other than the passage of the resolution. The City selected GrantWorks as the grant administrator of this grant. Part of their service is providing a labor standards officer to review compliance with labor and payroll requirements. There is no cause for the city to believe that GrantWorks was in any way negligent in their performance of these services. Rather, the change in the GLO's requirements and interpretation of their guidelines is the cause of the finding issued in their monitoring review.

Fiscal Review:

There are no financial considerations related to this Resolution.

Conclusion:

Adoption of this resolution is the appropriate action in response to the GLO monitoring review finding. Practically speaking, the city does not have the staffing resources or technical expertise to perform grant

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compliance activities for complex grants like this GLO grant. That's why we, along with other small cities, use a grant administrator to provide this resource. Given the GLO's recent change in their interpretation of their rules and lack of communicating the change, there's not a reason to believe that GrantWorks could have anticipated an issue with the processes they had used in the past.

Approved By

Assistant City Administrator & Planning & Development Director	Dave McCorquodale	Date: 09/20/2023
City Administrator	Gary Palmer	Date: 09/20/2023