



STATEMENT OF EXPLANATION

Resolution No. 06 - 16

RESOLUTION TO REQUEST THE STATE DEPARTMENT OF ADMINISTRATION TO IMPROVE THE TIMELINESS OF REIMBURSEMENT TO CONTRACTORS FOR THE WEST CENTRAL WISCONSIN COMMUNITY DEVELOPMENT BLOCK GRANT HOUSING REGION

1 Chippewa County is the Lead County in the 10 county West Central Wisconsin
2 Community Development Block Grant Region (Region). The Chippewa County Housing
3 Authority was appointed by the County to be the Grant Administrator for the Community
4 Development Block Grant (CDBG) regional grant funding. The Grant Administrator uses CDBG
5 funds to pay for home improvement projects for low income individuals residing in the Region.
6 The Grant Administrator hires local contractors to do the work, but currently there is a delay in
7 reimbursement to these contractors because the State of Wisconsin has established a payment
8 system for the grant funds that is not responsive to the needs of the CDBG Housing
9 improvement program because it imposes delays in making timely payments to contractors.
10 This resolution is being sought to encourage the State of Wisconsin Department of
11 Administration to improve the timeliness of reimbursement to housing contractors performing
12 approved CDBG projects.

13 These delays are causing small business contractors to withdraw from the program
14 because they cannot operate their business with the state imposed payment delays. As a result
15 of these payment and contractor issues, in January the County Board approved a transfer of
16 \$50,000 from the Contingency Fund to the West Central Wisconsin Regional Community
17 Development Block Grant (CDBG) Revolving Loan Fund Account. These funds are to be used to
18 help make timely payments to local contractors that do home improvement projects with CDBG
19 funds. The Grant Administrator has reached out to the other 9 member counties of the Region
20 to provide an equivalent share of the \$50,000 to offset Chippewa County's funding, but those
21 contributions have not yet been approved. The purpose of this resolution is to urge the State
22 of Wisconsin to change their payment procedures so that the Region's member counties are
23 not forced to continue to provide the upfront financing necessary to maintain the pool of local
24 contractors in the Region willing to do CDBG projects.

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WHEREAS, Chippewa County is one of ten counties that are part of the West Central Wisconsin Community Development Block Grant Housing Region, with Chippewa County designated as the lead agency; and

WHEREAS, the West Central Wisconsin Community Development Block Grant Housing Region has created a County funded revolving loan of \$50,000 to supply cash flow to this housing improvement program so that contractors can receive timely payment; and

WHEREAS, the County funded loan is necessary as the State of Wisconsin has established a payment system for the Community Development Block Grant funds that is not responsive to the needs of the program and does not allow the lead agency to make timely payments to contractors; and

WHEREAS, delays in making payments to contractors is causing small business contractors to withdraw from the program; and

WHEREAS, limiting the number of contractors who are willing to participate in the West Central Community Development Block Grant housing improvement program may cause low income participants to pay higher costs for repairs; and

WHEREAS, the Community Development Block Grant lead agency has requested that the State of Wisconsin improve the payment system to be more responsive to the operations of the program, but no modifications have been made to improve the timeliness of the payment process; and

WHEREAS, the Chippewa County Board of Supervisors supports the request of the Community Development Block Grant lead agency to improve the timeliness of reimbursement to contractors which would eliminate the need for a County funded revolving loan.

NOW, THEREFORE, BE IT RESOLVED, that the Chippewa County Board of Supervisors request the State of Wisconsin, Department of Administration, improve the timeliness of reimbursement to contractors performing approved Community Development Block Grant projects to eliminate the need for a County funded revolving loan.

BE IT FURTHER RESOLVED, that the Chippewa County Board of Supervisors directs the County Clerk to forward this resolution to the Office of the Governor, State Assembly and Senate Representatives for Chippewa County, State of Wisconsin Department of

70 Administration, and the Wisconsin Counties Association.

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72 Forwarded to the County Board by the Executive Committee.

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74 **FINANCIAL IMPACT:**

75 There is no fiscal impact to Chippewa County by passage of this resolution.

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77 **RESULT: ADOPTED [UNANIMOUS]**

78 **MOVER:** Jared Zwiefelhofer, District 4

79 **SECONDER:** Anson Albarado, District 8

80 **AYES:** Michels, Shakal, Stimeling, Sikorski, Zwiefelhofer, McIlquham, Goettl, Albarado,
81 Willkom, Gerrish, Skwierczynski, Ellis, Leisz, Hull, Darrow

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83 History:

84 03/01/16 Executive Committee FORWARD TO COUNTY BOARD

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Approved as to Form:

James B. Sherman
James B. Sherman, Corporation Counsel

2/23/2016

Melissa J. Roach
Melissa J. Roach, Finance Director

2/23/2016

Frank R. Pascarella
Frank R. Pascarella, County Administrator

2/23/2016

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