



CHAMPAIGN COUNTY  
REGIONAL PLANNING  
COMMISSION

## MINUTES OF SPECIAL RPC MEETING

DATE: Friday, March 12, 2021

TIME: 8:30 a.m.

PLACE: Via Zoom

MEMBERS PRESENT: Diane Marlin, Deb Frank Feinen, Joan Dykstra, Tami Fruhling-Voges, Dennis Roberts, Patrick Brown, Darlene Kloeppe, Kyle Patterson, Jim Goss, Will Kyles, Katina Wilcher, Ana Olguin

MEMBERS ABSENT: Charles Smith

RPC STAFF PRESENT: Dalitso Sulamoyo, Elizabeth Murphy, Rita Morocoima-Black, Maurey Williamson, Justin Arnold, Debbie Peterik

OTHERS PRESENT: George Danos, Michael Malatt, Deb Pressey, Matthew Banach, Tyler Funk, Kari May, Carrie Siems, Alicia Beck, Charles Lansford, Natalie Nagel, Steve Summers, Donna Pittman, Jennifer Carlson, Cassandra Johnson, Karina Rubio, Jeremy Reale, Finance Department, Jill Stewart, Dorothy David, Christina De Angelo, Nathan A., V. Pianfetti, Walisja, Julia Rietz, Katie Blakeman, Stephanie Fortado, Alan Nudo, Emily Rodriguez, Jeff Hamilton, Mike Ingram

### MEETING MINUTES

#### I. Call to Order, Roll Call

Mayor Marlin called the meeting to order at 8:30 am. The roll was taken by voice roll call and a quorum declared present.

Diane Marlin - Present  
Deb Frank Feinen – Present  
Joan Dykstra – Present  
Charles Smith - Absent  
Tami Fruhling-Voges - Present  
Patrick Brown – Present  
Dennis Roberts – Present  
Darlene Kloeppe – Absent  
Kyle Patterson – Present  
Jim Goss - Present  
Will Kyles – Absent  
Katina Wilcher – Present  
Ana Olguin – Absent

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- II. Approval of Agenda/Addenda  
**Mr. Goss moved, seconded by Mayor Fruhling-Voges, to approve the March 12, 2021 Special Meeting of the RPC Meeting Agenda.**

**Roll Call:**

**Deb Frank Feinen – Yes**  
**Joan Dykstra – Yes**  
**Charles Smith - No**  
**Tami Fruhling-Voges - Yes**  
**Patrick Brown – Yes**  
**Dennis Roberts – No**  
**Darlene Kloeppel – No**  
**Kyle Patterson – Yes**  
**Will Kyles – No**  
**Katina Wilcher – Yes**  
**Ana Olguin - Yes**  
**Diane Marlin – Yes**

**The motion carried unanimously.**

- III. Audience Participation

Karina Rubio from WCIA News commented on outside concerns brought to WCIA about CCRPC in regard to the 2019 audit that was due on 12/31/2020 and not completed by that deadline. She was looking for confirmation that this is still the case and if it was going to be completed by the county. Mayor Marlin confirmed that it will be addressed in the meeting.

- IV. New Business

A. 2019 Champaign County Audit Update (George Danos, County Auditor and Michael Malatt, Baker Tilly)

Mr. Danos commented that the purpose of this special meeting is that the Department of Commerce and Equity Opportunity gave us a 15-day notice of non-compliance

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noting that the 2019 audit was not completed by the end of last year. We think that our compliance with the Illinois Department of Health and Human Services could have triggered their notification process. The County Auditor appealed it immediately and they issued a denial which we suspect is proforma. He has a department head meeting today to look at options.

Michael Malatt from Baker Tilly commented that a substantial part of the audit has been completed, all work associated with the RPC on the federal compliance component has been done. However, there are major pieces that need to be completed. They are working on a solution to expedite planning of their work and identifying resources in their firm to complete the audit. It will be hard to make the June 1 deadline, but we will see what we can do.

#### **RPC Commissioners Darlene Kloeppel and Ana Olguin joined the meeting at 8:39 a.m.**

Mayor Feinen inquired if the County Auditor had engaged the States Attorney's office to be on any calls with him as part of these current issues. Her concern is there are some legal issues. Mr. Danos commented that he is not at liberty to say what lawyers he has spoken to because they are not ready to deliver an opinion. This may be an issue for the Attorney General because he has a state department head feeling his hands are bound by a federal regulation that is not being imposed on us by the federal grantor oversight. He has reached out at different levels, including legislative.

Discussion continued

#### **RPC Commissioner Will Kyles joined the meeting at 8:49 a.m.**

##### **B. Audit Concerns and Impact (Elizabeth Murphy and Dalitso Sulamoyo)**

Dr. Sulamoyo clarified that this is not about an audit issue with the Regional Planning Commission (RPC). We are part of Champaign County and this is about Champaign County's audit which we are a part of. Dr. Sulamoyo wanted to make sure that there is no mischaracterization that there are some audit issues within the RPC.

Dr. Sulamoyo presented information to the RPC Commissioners.

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This letter was received this week from IL DCEO as a result of the County Auditor submitting an appeal regarding the communication stressing that we would be placed on the stop payment list as a result of being out of compliance because the FY 2019 audit is late. The FY 2019 audit should have been submitted and filed by the end of December, which does take into account the extensions that were granted as a result of the pandemic.

Dr. Sulamoyo commented that it is important that everybody understands that we, meaning the RPC as a department of the County, are one of the departments that is solely funded by both federal and state grants. A lot of these regulations are attributed to us because we are primarily grant funded. About 90 percent of the funding that we receive at the RPC are both federal and state grants. The letter basically indicates that we have missed the deadline for the FY 2019 audit to be submitted.

I think the key thing that was alluded to by the County Auditor is the fact that DCEO as our cognizant agency, meaning that we get most of our funding from the DCEO, have indicated in this letter that they do not have the authority to lift this stop payment status, and they have cited some regulations to that effect. I think that is what the County Auditor was alluding to that perhaps they would need to confer with the Attorney General's office. Dr. Sulamoyo also highlighted from the letter that was submitted the fact that RPC, as a grantee of the state, would be placed on the Illinois stop payment list on March 17, 2021 due to the fact that we are out of compliance on these audit submission requirements.

The impact of the Illinois stop payment list to the RPC would entail our inability to draw cash from the state. We are grant funded, we do the work and then we have to submit for reimbursement. Dr. Sulamoyo went through the cash draw suspension. This stop payment status will impact our grant execution or modifications which we are in the process of submitting. The stop payment list will also be archived by the State of Illinois and could have a negative impact on future awards. I think this is indicative of some systemic issues for us as part of the County, which could have some other impacts on grants that we operate here as a Regional Planning Commission. There will be a federal impact on what this means for clients that we serve in this community as well as our staff.

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The cash draws suspension would mean that we cannot draw down cash to reimburse any of our costs that we incur as an agency. This is inclusive of payroll to pay our staff that are doing the work as well as accounts payables. By our projections and estimations, we are looking at the impact given the fact that this stop payment status is in effect. Monthly cash flow requirements for us to operate this organization are at about \$1.7 million. If the audit is completed by June, we are projecting that our cash flow needs would be about \$5.3 million and that would allow us to essentially be able to take care of our accounts payable as well as to take care of client benefits and services that we provide as a result of the grants that we receive from the state. Dr. Sulamoyo clarified that it is not just state funding, this is also inclusive of federal pass-through meaning these are block grants that are passed through the State of Illinois so anything that goes through the State of Illinois would be subject to the stop payment list. As you can see, there are other departments that we deal with at the state level that this will have an impact on.

To highlight some of the departments, this entails the IL Department of Human Services, the IL Department of Transportation, IL Department of Children and Family Services, the IL Department of Commerce and Economic Opportunity, Illinois State Board of Education and the Illinois Law Enforcement Training and Standards Board. Those are the key state agencies that the stop payment status has an impact on. It is not just DCEO. The annualized total that we would be impacted from this would be about \$17.3 million. Right now, this stop payment list is temporary as indicated in the letter but if it was for a whole year, this is about \$17.3 million on an annual basis, not between now and June.

The other issue is on grant executions and modifications which we are in the process of submitting to the state. These grants that we are submitting cannot be processed by the State of Illinois. I just want to be sure be clear that it is not just about cash flow which I addressed earlier. This is also about us having grants and modifications of existing grants being processed by the State of Illinois that will not be processed as a result of this stop payment issue being in effect. We also have a number of new and continuation grants that will have a start date of July 1, 2021 and those cannot be executed. This would have a negative impact on our ability to continue with program operations and staffing.

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As you all know, we are in the ongoing process of providing Covid 19 relief to our community and having this in place really impedes our ability to continue with these services that are much needed in our community.

Some of those grants that would be impacted would be Weatherization, Justice Diversion, Homeless Prevention, Workforce Development, which is much needed right now, and Energy Assistance. President Biden just signed the new stimulus bill and contained within it are some additional resources, many of which would be for programs that we operate here at RPC. If we are still in this predicament, that would preclude us from accessing those resources so that we can continue to provide services to the community. I think our estimation of grants that are being modified as well as new grants that are being submitted totals close to about \$18 million. Dr. Sulamoyo presented a table that gives you a sense of the grants that are in process of being submitted to the state. It is not just our social service programs; it includes transportation grants that we submit to the Illinois Department of Transportation. That total we are looking at of about \$18 million may not be processed as a result of being placed on this stop payment list.

Ms. Murphy provided additional information:

Just to clarify, the original letter that was sent from DCEO, which is our cognizant agency, initiated the stop payment on all DCEO grants as of March 2. The fiscal staff has tried to draw down funds as of March 2, and we are locked out of drawing any reimbursements from DCEO. As far as the other state agencies, if the deficiency is not addressed or resolved by March 17, the remaining state agencies which include IL DCFS, the IL Department of Human Services, IDOT and Illinois State Board of Education will also have a stop payment because all state agencies have to follow the status identified in the GATA portal.

The presentation showed all of the grants that the RPC staff are currently developing. Many of these are new, some of them are continuation grants. We generally submit those in early spring for a start date of July 1. State agencies review these proposals, and they provide the RPC an award document, which takes a significant amount of time in order to initiate grant services on July 1, which is the State fiscal year. As you can see, we have over \$10 million in Community Services grants that are going to be applied for, \$2.2 million in Planning and Community Development which includes

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transportation Infrastructure grants, Early Childhood which is close to \$2.9 million for preschool for all and other additional services beyond Head Start and Workforce Development, which is just over \$3 million. State agencies are precluded from reviewing and awarding any of these grants while we are on a stop payment list until the compliance issue is addressed.

The other issue is that the stop payment list is archived and that impacts future awards for us. As mentioned previously, we are primarily a grant-funded agency, so we have to operate in the competitive grant marketplace. Stop payment status occurrences will be documented as part of the grant making or modifying process which means state agencies will see this when they review our proposals. It will likely negatively impact our ability to secure new and continuation grant funding. The GATA portal and the federal clearinghouse portal will document three years of audit delinquencies and compliance issues. Champaign County is now designated a high-risk auditee.

These current circumstances pose a short and a long-term threat to the RPC's operations particularly direct client services for the most vulnerable residents of our community. It also directly impacts our overall competitiveness in securing innovative and new grant funding in our entire service area in East Central Illinois.

Ms. Murphy presented the single audit timelines. There is a historic documentation of the delinquency for the past three years. For the 2017 fiscal year, the audit was due 9 months after the end of the fiscal year which would have been September 2018. That audit was submitted December of 2018, so it was three months delinquent. The fiscal year 2018 audit was due in September 2019. It was submitted by the County on July 8, 2020. It was 10 months delinquent. The 2019 audit was due September 30. Because of the circumstances related to the pandemic, the federal government extended that, and the state, likewise, to December 31, 2020 with the now the projected submission date of June 1, 2021. The 2019 audit will be six months past due so there is a historic timeline of delinquencies that indicates the risk to our agency because of these ongoing compliance issues.

As Dr. Sulamoyo mentioned, as far as the fiscal infrastructure, we are a division of Champaign County. We share the same FEIN number, so we are all under the federal single audit. RPC has no ability to have a separate audit or to somehow be separated

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from the single audit, so we are inextricably tied to the County. These systemic weaknesses in the County's fiscal infrastructure have certainly negatively impacted the RPC. The gravity of the current situation is that we are not able to draw down funds. That means we cannot serve clients and we cannot continue to sustain operations, because we have no ability to secure any other funding. We are inextricably linked to these outstanding issues related to reporting, internal control, segregation of duties, and adequate competencies within various county departments. There will continue to be issues as Michael Malatt from Baker Tilly indicated that are still outstanding that preclude this audit from being completed.

The Auditor's office has been contacted not just by state agencies and the State Office of Accountability, but also the federal audit clearinghouse related to the submission of the Fiscal Year 2019 audit. Given the gravity of this situation, the federal consequences of delinquent single audits will also include drawdown restrictions, withholding a percentage of federal funds, suspending federal funds and then the worst-case scenario would be termination of federal awards. Given that we are having an upcoming Focus Area One review from the US Department of Health and Human Services for our Head Start and Early Head Start grants which total nearly \$7.5 million, we are at serious risk of placement on what they call the DRS which is the Designation Renewal System. This would negate our non-competitive grant status. This would be an extremely serious consequence on the federal level for our Head Start and Early Head Start programs.

Dr. Sulamoyo discussed the client and staff impact. It does have an impact on our ability to continue to provide ongoing services that support our residents in this community. We are in the midst of providing a variety of programs and services that are related to this COVID-19 pandemic and providing relief to a lot of our residents. I think this does put us at risk of continuing to do that if we are not able to access any of the cash from the State of Illinois. Funding limitations may also result in staffing and potentially program reductions. Our mission and vision are to provide complementary services that are aimed at achieving client self-sufficiency and community enhancement. We believe that not having the resources to do this compromises our mission and vision as an agency within this community.

Dr. Sulamoyo provided recommendations:

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1. We are asking the Commissioners to work with the County Board and the county to provide us with sufficient cash flow between now and when the audit is completed and submitted, so that we can continue to provide services as well as continue to have adequate staffing in place. I think the amount for us to do that is about \$5.3 million dollars, which is our projection in terms of cash flow between now and June. We are asking the County Board to look at the General Corporate Fund to support the RPC so that we have uninterrupted services as well as staffing and we can continue to do the work that we are doing right now in providing a variety of services in this community.
2. The second recommendation we have from staff is to request that the county expedite the completion of the 2019 single audit. Dr. Sulamoyo suggested that the county look at some external consultants to assist with the audit. There may be other external contractors that the county could use to expedite this. The county auditors talked about bringing in a former Deputy Treasurer to assist in the Treasurer's office. Hopefully, the audit could be completed before June 2021. I think that will be beneficial at least in the short term to all of us involved.
3. The third recommendation is we would like to request that the Commissioners together, perhaps even with the County Board, look at this structure because again we are primarily funded through grants. 80 to 90 percent of our funding are federal and state grants and the regulations have been tightened in terms of organizations that are grant funded. It really warrants our governing bodies to look at this structure. How can we best mitigate any future impacts on the Regional Planning Commission as a unit of local government within Champaign County? I know that some of these ideas have been discussed, but this particular crisis that we are in right now really necessitates our governing bodies to really review this structure. We need to take a look at how we can insulate this portion of the county that is strictly grant funded so that we do not have these unintended consequences that may impede not only our ability to operate in the short term, but our ability to be able to secure future funding to address the critical needs of our community.

Discussion followed.

In summary, Mayor Marlin commented that it seems that there would be support from the RPC Commissioners in drafting a letter to the County Board asking for a

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short-term loan for whatever is needed to cover RPC, plus assembling whatever resources are required to get the audit completed in a timely manner.

XIII. Adjournment

**There being no further business to come before the Commission, Mayor Marlin declared the meeting adjourned at 9:47 a.m.**

*Respectfully submitted,*

*Debbie Peterik*

*Debbie Peterik, Recording Secretary*

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