



STAFF REPORT

Community Group Funding

Honorable Mayor and Council Members:

Summary

Fifteen community groups have submitted funding requests to the City Council for consideration with the 2004-2005 budget. Along with considering these requests, staff is recommending some changes in the current Community Group Funding Policy, including, but not limited to the amount of funds that should be allocated to these community projects. Direction is also sought regarding restructuring funding for the Belmont Chamber of Commerce and RDA-LMI funded organizations. Finally, staff has received a request from the Belmont-Namur Sister City Committee to carryover current year funds into next fiscal year.

Background and Discussion

The Council approved nineteen community groups for funding with the 2003-2004 budget. Those organizations included the Belmont Chamber of Commerce; Belmont Namur Sister City Committee; Call Primrose Center; Center For Domestic Violence Prevention; Central Elementary School; Friends for Youth; Human Investment Project For Housing; Kollage Community School For The Arts; Legal Aid Society of San Mateo County; The Leslie Foundation; Mills-Peninsula Senior Focus – Wellness Center; Ombudsman Program of San Mateo; Peninsula Conflict Resolution Center; Peninsula Policy Partnership; San Mateo County Historical Society; San Mateo County Jobs for Youth; Second Harvest Food Bank; Shelter Network; and Sustainable San Mateo County.

Approval of the Grant Agreements for fiscal year 2003-2004 authorized total payments of \$104,843.75. Of this amount, \$67,343.75 was from the General Fund, \$17,500 from the RDA Project Fund, and \$20,000 from the RDA LMI Fund. The total amount was a reduction of approximately 5% from the previous funding amount of \$112,145 in fiscal year 2002-2003.

Restructuring the Policy

Staff is recommending several wording changes in the Community Group Funding Policy. Changes can be seen in strike-out/bold in Attachment A. These changes were made as part of a staff review after concern that the policy and previous practice do not make clear that the funding is not intended to be for ongoing operations of local groups, but for special programs or one-time projects. The changes also clarify what constitutes a community group and ask the group to self-certify compliance with the policy.

Funding Mechanism/Source

In light of the nature of some funding requests, Council is asked to consider whether it is more

appropriate for those services to be recast as contracts for service with the City. In other words, if the Council feels it is appropriate for the City to fund a group for an ongoing service they provide to the community, that should be done through department operating budgets, not the Community Group Funding (CGF) process. That way, the policy and practice are clear that CGF is for special projects, not routine operations. As Council is aware, staff has been in discussions with the Chamber of Commerce to explore a fee for service agreement. Those discussions are progressing well and recent Council direction on Economic Development will help clarify the scope of services. However, no agreement has been reached yet. Therefore, staff recommends the Chamber of Commerce be taken out of the CGF request and the amount of funds be decreased accordingly. Should a fee for service agreement not be reached, Council could provide CGF at a later date. The Chamber's past funding has been split between the General Fund and the RDA; in FY04, the General Fund contribution was \$9,925.

In addition, RDA-LMI eligible services such as Human Investment Project Housing and Shelter Network also provide a valuable ongoing service to the community and could be funded out of the regular LMI budget instead of the CGF process. Staff anticipates agreements with both groups to fund them out of the operating budget. Staff is therefore suggesting all the RDA funds be eliminated from the CGF process. As a result, Community Group Funding would only include the General Fund monies.

Staff recognizes that other groups requesting funds may be doing so for general operating costs and therefore would more appropriately be funded out of operating budgets. Over the course of the next year, those opportunities could be further explored.

Funding Levels

Fiscal year 2003-2004 payments totaled \$104,843.75 as approved in the CGF budget. Of this amount, \$67,343.75 was from the General Fund, \$17,500 from the RDA Project Fund, and \$20,000 from the RDA LMI Fund. In light of the budget situation and citywide cuts, staff is recommending CGF be reduced 5% from last year. Therefore, as a result of the above-suggested changes in how groups are funded, staff recommends a General Fund allocation of \$54,200. However, it appears on the next page that the total request for FY05 funding is \$44,400. Therefore, Council could either reduce the level of funding for this year, or save the balance to be allocated at a later date should desired funding be requested mid-year.

Carryover Request

The contract signed by community groups clearly states that the funds are for a particular fiscal year and any unused balance reverts to the City. However, on occasion, the City Council has allowed groups to carry over their funds to the following fiscal year. Staff has received a letter from the Belmont/Namur Sister City Committee Chair requesting they be allowed to carryover funds from the 2003-2004 allocation (see Attachment D). They were granted \$8,125 and expect to have up to \$3,500 remaining at the end of the year. After the letter was sent, the group asked that the Council be aware of what they have accomplished to date and what they still plan on doing:

Belmont-Namur Sister City programs to date:

- 1) Creation of a Library Namur Reference Section
- 2) E-Pals Program in the Middle School
- 3) \$25,000 fee defer scholarship to NDNU for Namur Student
- 4) Second Delegation visit from Namur including Mayor
- 5) Creation of "Archives" for Namur Room at Belmont Historical Society

Upcoming programs:

- 1) Delegation Visit to Namur at end of June
- 2) Sending of Belmont School Music Program (Band) to visit Namur
- 3) Identifying student ambassador and utilizing the NDNU Scholarship
- 4) Planning for 2nd Delegation from Belmont to Namur in Spring 2005
- 5) Creation and delivery of "Passport to Belmont" for Namur residents during 1st Delegation visit
- 6) Providing Library Section to Namur from Belmont
- 7) Expansion of E-Pals program to additional Belmont schools
- 8) Namur Display Case in Belmont City Hall

Fiscal Year 2004-2005 Requests

There are fifteen community groups that submitted applications for the 2004-2005 fiscal year. The new requests (less those recommended for transfer to operating budgets) are shown in bold in the chart below:

COMMUNITY GROUP FUNDING REQUESTS - Fiscal Year 2004-2005

Community Group	Requested 2003/04	Funded FY 2003/04	Requested 2004/05
Belmont-Namur Sister City Committee	\$20,000.00	\$8,125.00	\$0.00
C.A.L.L. Primrose Center	\$2,500.00	\$1,906.25	\$2,500.00
C.O.R.A.	\$5,500.00	\$4,225.00	\$5,000.00
Central Elementary School	\$3,000.00	\$1,000.00	\$0.00
Friends for Youth	\$500.00	\$250.00	\$400.00
Joint Venture: Silicon Valley Network	\$5,000.00	\$0.00	\$5,000.00
Kollage Community School for the Arts	\$10,500.00	\$8,500.00	\$0.00
Legal Aid Society of San Mateo County	\$1,250.00	\$1,037.50	\$1,250.00
Mills-Peninsula Senior Focus - Wellness Center	\$6,000.00	\$1,250.00	\$0.00
Ombudsman Program of San Mateo	\$1,000.00	\$375.00	\$0.00
Peninsula Conflict Resolution Center (PCRC)	\$12,000.00	\$9,875.00	\$9,250.00
Peninsula Policy Partnership	\$5,000.00	\$5,000.00	\$5,000.00
San Juan Canyon Preservation Trust	\$0.00	\$0.00	\$5,000.00
San Mateo Co. Historical Association	\$3,500.00	\$375.00	\$0.00
San Mateo Co. Jobs for Youth	\$1,500.00	\$1,281.25	\$1,500.00
School Force	\$0.00	\$0.00	\$5,000.00
Second Harvest Food Bank	\$5,000.00	\$1,718.75	\$3,000.00
Sustainable San Mateo County	\$1,500.00	\$1,500.00	\$1,500.00
The Lesley Foundation	\$13,544.00	\$7,500.00	\$0.00
TOTALS	\$168,294.00	\$104,843.75	\$44,400.00 ^
FUNDING		2003/2004	2004/2005
101-4100-8371 General Fund		\$67,500.00	\$54,200.00
801-4631-8371 RDA Project Fund		\$17,500.00	\$0
822-6101-8371 RDA LMI Fund		\$20,000.00	\$0
TOTAL		\$105,000.00	

^ Amount requested net of those suggested to be moved out of the process, as noted below.

Staff recommends Council allocate the available resources among those organizations listed above requesting funds for FY05 according to the same process used in previous years.

Requests made but suggested for operating funding:

Community Group	Requested 2003/04	Funded FY 2003/04	Requested 2004/05
Belmont Chamber of Commerce *	\$41,000.00	\$27,425.00	\$42,425.00
HIP (Human Investment Project for Housing)	\$20,000.00	\$15,000.00	\$20,000.00
Shelter Network	\$10,000.00	\$8,500.00	\$10,000.00

* Official Community Group Funding Request. Additional support is likely to be requested as part of an Economic Development fee for service arrangement.

Recommendation

Staff recommends:

1. Council approve the Community Group Funding Policy as amended in Attachment A.
2. The Chamber of Commerce, Human Investment Project Housing and Shelter Networks be funded out of operating budgets.
3. Community Group Funding be decreased 5% to \$54,200 (net of transfers) from the General Fund.
4. Allocate funds among the requesting organizations.
5. Reserve any unused funds for possible allocation during FY05.
6. The Belmont-Namur Sister City Committee be allowed to carry over an amount not to exceed \$3,500 for use in FY05.

Fiscal Impact

\$54,200 has been allocated in the recommended FY05 General Fund budget for this purpose.

Alternatives

1. Deny approval of Grant Agreements and reallocate funding
2. Provide Community Group funding of an alternative amount
3. Provide alternative direction to staff
4. Take no action

Public Contact

Community groups have been notified of this meeting and were informed of the grant funding requirements.

Attachments

- A. Staff recommended changes to Policy on Community Group Funding
- B. All Community Group requests and attachments – *(in Budget Binder)*
- C. Sample Grant Agreement
- D. Carryover request letter from Belmont/Namur Sister City Committee

Respectfully submitted,

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Community Group ~~Operational and Project~~ Funding

Background

The City of Belmont finds it desirable to promote organizations that benefit the community. Periodically, grants are awarded to facilitate implementation of programs and projects that contribute to the Community Vision.

Policy

The City Council has established a program to ~~generally~~ provide ~~non-continuing operational and project~~ grants for community groups that demonstrate worthy proposals and contribute to the Community Vision.

Eligibility applicants must –

- Be a recognized community group as evidenced by Articles of Incorporation, Bylaws, operating under a charter of a parent organization that has the above, or can show evidence of qualifying or qualify for IRC 501(c)(3)-status.
- Demonstrate that activity or project is contributing to the Community Vision.
- Demonstrate that main beneficiaries of the proposal are residents of the City of Belmont.
- Certify compliance with this policy.

Criteria shall include –

- ~~The application must demonstrate how the grant will contribute towards building the capacity of the group.~~
- Groups must provide their ability to manage the grant and account for the use of public funds.
- Their activity must demonstrate community support through participation, volunteerism, innovation, sustainability, equity, etc.
- The applicant has made a significant financial or in-kind contribution.
- ~~Sponsorship by at least one City Council member.~~
- ~~Projects shall be for a single or time-limited project or event.~~
- Requests shall be for a single or time-limited project or event and not for ongoing operational support.
- Formal application, on a form provided by the City Manager's Office, must be completed.
- Ability to contractually commit to delivery of products or services proposed.

Ineligible costs include –

- Retrospective costs.
- Debt servicing costs.
- Core operational costs associated with the delivery of products or services provided by the City of Belmont.
- Significant ongoing operational or accommodation costs.
- Philanthropic costs funding other organizations.
- Equipment, except where essential to the effectiveness of the project.

Funding levels are subject to annual appropriation and shall be proposed ~~based~~ on the prior year's allocation ~~adjusted for inflation~~. Initially in FY05, the amounts shall be established as follows:

Fund	Account	Amount *	Adjustment
General Fund	Community Group Funding	\$75,000	The amount shall be indexed to the

		<u>54,200</u>	Consumer Price Index, San Francisco Bay Area, CPI (U), and adjusted in increments of \$5,000.
RDA Project Fund	Community Group Funding	<u>\$17,5000</u>	The amount shall be indexed to the Consumer Price Index, San Francisco Bay Area, CPI (U), and adjusted in increments of \$1,000.
RDA LMI Fund	Community Group Funding	<u>\$20,0000</u>	The amount shall be indexed to the Consumer Price Index, San Francisco Bay Area, CPI (U), and adjusted in increments of \$1,000.

References

- *Community Group Funding Request Application.*
- * *Subject to reduction based on prior year allocation.*

Adoption Date:

~~June 26 May _____, 2001 June 26, 2004~~

Revision Date:

May 25, 2004

Policy Level:

1