



City of Grand Island

Tuesday, June 19, 2007

Study Session

Item -2

Review of 2007/2008 Outside Agencies Funding Requests

Staff Contact: David Springer

Council Agenda Memo

From: Dave Springer, Finance Director
Meeting: June 19, 2007
Subject: Approve 2007-2008 Funding for Outside Agencies
Item #'s: 2
Presenter(s): Dave Springer, Finance Director

Background

To some extent, the City has made contributions to Outside Agencies for over a decade. There is no clear history as to how this began, but one suspects they were brought forward by councilpersons, Mayors or Administrators who were sympathetic to an agencies stated mission. Council has requested staff to formulate criteria by which Outside Agencies would be measured before funding requests would even be considered. Attached are potential guidelines as formulated by the City's Legal Department for council consideration.

Also attached is a summary of those agencies that have submitted funding requests for fiscal 2008 and staff's recommendation. If the above funding guidelines were to be adopted by council, these recommendations might be subject to change.

Discussion

This evening, the intent is to reach a definitive policy to qualify an Outside Agency for possible funding, to review those requests in such a light, and then provide staff with funding levels for those agencies which qualify.

Outside Agencies have been notified of this meeting but no presentation has been requested, as their submittals are fairly detailed.

Conclusion

This item is presented to the City Council in a Study Session to allow for any questions to be answered and to create a greater understanding of the issue at hand.

It is the intent of City Administration to bring this issue to a future council meeting.

INTEROFFICE MEMORANDUM

TO: DAVID SPRINGER
FROM: WESLEY D. NESPOR
SUBJECT: FUNDS TO NON-PROFITS FOR PUBLIC PURPOSES
DATE: 6/15/2007
CC: RANAE EDWARDS

The Nebraska Constitution prohibits lending or giving credit in aid of any individual, association, or corporation. Courts have held this to mean lending credit which is not used for a public purpose. What constitutes a public purpose must be decided on a case by case basis focusing on the object sought to be accomplished and the degree and manner in which that object affects the public welfare. *Unsolicited requests* for money should be from non-profit entities because for-profit companies should go through the competitive bid/proposal process.

Suggested guidelines

- 1 Council should prepare a written statement of the public purpose and how the entity will accomplish it. This is absolutely necessary because the Supreme Court has stated repeatedly that "it is for the Legislature (city council) to decide in the first instance what is and what is not a public purpose...". *State v. Cornell*, 53 Neb. 556.
- 2 There should be a contract with the entity setting forth the purposes/services and itemized costs to accomplish those purposes (Humane Society for example).
- 3 There should be an annual accounting of how the funds were used. (see *Chase v County of Douglas*, 195 Neb. 838 regarding contract and accounting as measures to ensure expenditures are being used for a public purpose).
- 4 Some general guidelines to use in determining if the expenditure is for a public purpose.
 - a. Is the general public benefited or only a small group? (e.g. if funds are given to a private entity for buses, the service must be available to the entire public and not just for use by members or patrons of the entity).
 - b. If benefits redound to individuals, are those benefits only incidental to the benefits to the general public. (e.g. funds given to the chamber of commerce to "advertise the city" may benefit the members of the chamber but that is only incidental to the broader purpose of attracting tourists and industry for the benefit of the entire community).
 - c. Is real estate being purchased or improved which will house a private entity? Case law disapproves this practice specifically.
 - d. Are fixed assets being purchased or human resources acquired which will be used by the entity for other purposes? (e.g. Government funds are used to pay 100% of the costs of an employee or equipment but only part of the employee's/equipment's time is spent or used for the public purpose).

<u>ORGANIZATION</u>	<u>2004</u> <u>FUNDED</u>	<u>2005</u> <u>FUNDED</u>	<u>2006</u> <u>FUNDED</u>	<u>2007</u> <u>FUNDED</u>	<u>2008</u> <u>REQUESTED</u>	<u>STAFF</u> <u>RECOMMEND</u>
Hope Harbor	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 5,000	\$ 4,500
Convention and Visitors Bureau	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 15,000	\$ 10,000
Council for International Visitors	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Crisis Center	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 13,000	\$ 12,000
G. I. Dive and Rescue Team - Trailer	\$ 2,500	\$ -	\$ 2,000	\$ 2,000	\$ -	\$ -
Retired and Senior Volunteer Program (RSVP)	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Senior Citizens Industries, Inc.	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Multicultural Coalition		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Fishing Derby	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Central Nebraska Ethnic Festival (Some in kind, postage, etc.)					\$ 900	\$ 900
Third City Community Clinic					\$ 1,000	0
Heartland CASA (Court Appointed Special Advocate)					\$ 5,000	0
Totals	\$ 57,000	\$ 64,500	\$ 66,500	\$ 66,500	\$ 71,000	\$ 65,400

AGENCIES WITH WORKING RELATIONSHIPS WITH CITY DEPARTMENTS

<u>ORGANIZATION</u>	<u>2004</u> <u>FUNDED</u>	<u>2005</u> <u>FUNDED</u>	<u>2006</u> <u>FUNDED</u>	<u>2007</u> <u>FUNDED</u>	<u>2008</u> <u>REQUESTED</u>	<u>STAFF</u> <u>RECOMMEND</u>
Central Nebraska Humane Society	\$150,000	\$157,500	\$157,500	\$167,500	\$ 225,000	\$ 167,500
Central Nebraska Health Department	\$135,000	\$135,000	\$135,000	\$125,000	\$ 125,000	\$ 125,000
Clean Community Systems	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Totals	\$305,000	\$312,500	\$312,500	\$312,500	\$ 370,000	\$ 312,500
TOTAL OUTSIDE AGENCIES	\$362,000	\$377,000	\$379,000	\$379,000	\$ 441,000	\$ 377,900