

City Council Work Session Memo

From: Paul M. Briseno, City Manager
Council Work Session: December 15, 2020
Subject: 2021 Additional Outside Agency Funding
Person(s) Responsible: Paul M. Briseno, City Manager

Summary:

The City Council annually commits funds for non-profits. Not all 2020 outside agency funding was expensed. Due to the COVID-19 pandemic, additional funding response is needed to support the community. A recommendation is provided to increase 2021 non-profit funding by \$41,000 from 2020 unspent funds.

Background:

Annually, the City Council commits a portion of the budget for outside agency funding. The 2021 budget contains \$1.4 million for outside agencies. \$225,486 of 2021 funds are committed to non-profits through the new United Way funding process.

All social service requests for City funds were received through the United Way process. The 2021 City funding request for social service agencies is \$295,000. Attached to this document are each agency's request. The United Way committee is set to review applications in mid to late December. A rubric created through Council's priorities will assist in providing a recommendation.

Discussion:

COVID funding from state and federal dollars allowed BATA to decrease the City's 2020 contribution by \$35,000. The Community Band did not hold any events in 2020 resulting in a \$6,000 return of funding to the City. This results in an additional \$41,000 of unspent 2020 committed non-profit funding.

Locally, COVID-19 has impacted non-profits. Staff recommends redistributing \$41,000 to the 2021 allocation. If approved, a budget amendment ordinance in January will solidify the funding. A resolution was created to commit the funds. The timely direction will allow United Way to make recommendation for the redistribution of these funds to Council.

Legal Consideration:

There are no legal considerations at this time.

Strategic Plan Consideration:

Providing funds for social service non-profits furthers the City's mission by providing a high-quality of life for its citizens. The City's governance and ends policy states that municipal subsidies of social service non-profits may be necessary to fulfill the commitment and achieve the desirable quality of life for its citizens.

Financial Consideration:

The governance and ends policy states Council may allocate up to four (4) percent of the annual General Fund expenditures to subsidize community needs and programs. The City's current and projected financial health and stability will be the key deciding factor in determining its ability to provide funds to outside organizations.

The 2021 funding meets the four (4) percent. Additional funds will over extend this policy. Due to COVID-19, there is an unprecedented need for additional funds. The full amount of non-profit funding was not expensed in 2020. This is truly a onetime revenue source and should not create an ongoing dependency or expectation of continued level of support.

Options and Recommendation:

The City Council has the following options:

1. Approve as presented
2. Amend
3. Deny
4. Refer to a study session
5. Do nothing

Staff recommends approval of the resolution as presented.

Supporting Documentation:

Resolution

2021 City Funding Requests