Staff Report

OUTSIDE FUNDING REQUEST PROCESS PRIORITIES

September 8, 2015

BACKGROUND:

City staff uses an application process to evaluate and make recommendations to the City Council as to how to fund requests from outside organizations that are not compatible with the ASSET or COTA processes. Applicants make requests for funding in the fall each year, which are then evaluated by a review team. Recommendations are made to the City Council during the budget wrap-up meeting in February.

Earlier this year, the City Council directed staff adjust this process in the following three ways: 1) During the Budget Guideline Session, have a City Council discussion about how much funding to allocate in total for these requests; 2) Amend the application to have organizations propose specific tangible services that are in the organization's priority order; and 3) Have a City Council discussion regarding the City Council's priorities to fund services under this program.

Having a discussion regarding the City Council's priorities provides clearer direction to the applicants who are seeking to provide services for the City. It is also critical for the review team, since the City Council will establish a specific amount of funding to allocate to these requests. This amount will be determined by the City Council at the same time direction is given at the Budget Guideline Session in November for the ASSET and COTA totals.

Historically, the application instructions have contained the following statement regarding preferences:

"Preference will be given to requests that meet the following conditions, in decreasing order of importance:

1. A program or activity that would otherwise be operated by the City at a greater cost.

2. Requests that have broad-based appeal to the community.

3. Requests that provide a unique benefit or service to the community."

In FY 2014-15 and FY 2015-16, additional detail was inserted into contracts to help categorize the types of activities taking place using City funds. In evaluating those contracts, the funded activities appear to fall into the following broad categories:

1

Category:	2014-15		2015-16	
	Amount Requested	**Amount Contracted**	Amount Requested	**Amount Contracted**
Commercial Coordination/Economic Development	26,250	**26,250**	57,000	**48,500**
Community Events	108,750	**72,750**	20,500	**18,000**
Historical Preservation/Education	24,000	**24,000**	35,000	**35,000**
International Relationships	5,000	**5,000**	5,000	**5,000**
Public Space Beautification	0	**5,000**	10,000	**5,000**
Sports/Recreation	42,000	**26,000**	26,680	**26,680**
TOTAL	206,000	**159,000**	154,180	**138,180**

Within these categories, "Community Events" includes activities such as the Homecoming Pancake Feed, Summerfest in Campustown, the Ames Sesquicentennial Celebration, and the Fourth of July Parade. "Commercial Coordination/Economic Development" includes subscription to the Buxton retail analysis, CAA's coordination of Campustown business input into the Long-Range Transportation Plan, and MSCD's facilitation of the technical services provided through Main Street Iowa.

The FY 2014-15 Community Events funding was substantially higher than the following year due to one-time sesquicentennial activities. Both VEISHEA and the Young Professionals of Ames requested funds for events that were not contracted, and the Iowa Youth Basketball Foundation requested funds for sporting activities that were not funded. Additionally, Main Street Cultural District's contract was focused primarily on Community Events in FY 2014-15, but then shifted substantial funds towards Commercial Coordination the following year.

The requests and awards can be compared on the basis of 1) the amount funded in each category as compared to the amount requested in each category, or 2) the amount funded for each category compared to the total amount funded through the entire application process. These two approaches are highlighted below:

Category:	Amount Funded For Each Category Compared To The Amount Requested In That Category		Amount Funded For Each Category Compared To The Total Amount Funded Through This Process	
	2014/15	2015/16	2014/15	2015/16
Commercial Coord./Econ. Dev.	100%	85%	17%	35%
Community Events	67%	88%	46%	13%
Historical Preservation/Education	100%	100%	15%	25%
International Relationships	100%	100%	3%	4%
Public Space Beautification	NA*	50%	3%	4%
Sports/Recreation	62%	100%	16%	19%

* The City Council approved $5,000 to Main Street Cultural District for flowers, while no funding was originally requested for this activity.

OPTIONS:

Applications will be accepted beginning in October. To provide direction to the applicants regarding the types of services the City Council is most interested in purchasing, City staff requires direction regarding how to present the City Council's interests. Options available include the following:

Option 1: The City Council can prioritize the categories developed by City staff above (Commercial Coordination/Economic Development, Community Events, Historical Preservation/Education, International Relationships, Public Space Beautification, and Sports/Recreation).

If the City Council agrees that these categories are a reasonable to differentiate requests, then a decision must be made to determine how to prioritize these categories for funding. As suggested above, there are at least two approaches to prioritization.

A) One approach would be to prioritize the categories in accordance with the total funding each has received in FY 2015-16.

(1) Commercial Coordination/Economic Development
(2) Historical Preservation/Education
(3) Sports/Recreation
(4) Community Events
(5) Public Space Beautification
(6) International Relationships

Since the City Council has historically supported some of the lower cost activities, such as International Relationships, these types of activities might not receive funding if this method of prioritization is used.

B) Another approach would be to prioritize the categories based on which has been awarded the greatest percentage of the amount requested.

(1) Historical Preservation/Education
(2) International Relationships
(3) Sports/Recreation
(4) Community Events
(5) Commercial Coordination/Economic Development
(6) Public Space Beautification

C.) If neither of these options is desirable, the City Council could prioritize the six categories in some other manner that reflects its preferences going forward.

The City Council should note that regardless of which approach is utilized under this option, there will be lack of direction to the review team should funding be requested for an activity that does not fall within the six categories derived from previous requests. However, if a unique request was received, the City Council would still have the ability to add a new category, should it choose to do so.

Option 2: **The City Council can continue to give preference, in descending order, to:**

    a. **Programs or activities that would otherwise be operated by the City at a greater cost**

    b. **Requests that have broad-based appeal to the community, and**

    c. **Requests that provide a unique benefit or service to the community.**

This option continues the preferences that were originally established by the City Council when this program was set up. It provides flexibility to the review team in evaluating the requests, and makes it clear when a proposal likely does not fit into this funding process at all (for example, requests for activities that are not open to the public are easily rejected using these criteria). However, this option provides less guidance for the review team to prioritize requests that <u>do</u> meet the eligibility criteria compared to using the categories in Option 1.

Option 3: **Identify some other criteria upon which to evaluate these requests.**

If the City Council has other metrics against which it feels the review team should evaluate requests, it may choose to identify those instead.