

## Staff Report

**CAPITAL FUNDING GRANT PROGRAM FOR HUMAN SERVICES AGENCIES**

September 12, 2017

**BACKGROUND:**

In February 2017 the City Council approved funding for the Human Service Agency Capital Improvements grant program, with \$500,000 earmarked for this initiative. While funds have been appropriated in the budget for this effort, a number of important administrative decisions related to the proposed program have yet to be finalized by the City Council. **The staff is seeking direction from the City Council regarding these issues so that the design of this new grant program can be finalized.**

You will recall that in summer 2016, Brian Phillips sent out a survey to the human service agencies that receive City funding seeking feedback related to information that could influence the development of the criteria for the grant program. (See Attachment)

The City Council received the results of the survey on August 23, 2016. The average costs of individual projects identified in the survey were as follows:

New Construction: \$1,500,000

Vehicles: \$61,800

Renovation/Repairs: \$35,940

Equipment: \$22,413

Other: \$6,250

**POLICY OPTIONS:**

The following is a list of possible guidelines that could be used for the new grant program.

**Issue #1 – Type of Eligible Projects**

The City Council must decide for what projects the grant funds can be used. Should the City money be used for:

- New construction of primary or secondary buildings
- Renovation work on primary or secondary buildings
- Vehicles (buses, vans, cars)
- Movable Equipment (computers, copiers, riding mowers, etc.)
- Other purposes

**Staff Comments:**

Based on the information obtained in the 2016 survey it was determined that because of the magnitude of some of the needed projects, only about two grants could be made available for new construction building projects before the total grant funding would be exhausted.

On the other hand, the grant funds would go the furthest if monies were made available for movable equipment and/or vehicles. In addition, these types of projects require less time to prepare planning documents or raise matching funds.

**Issue #2 – Agency Match Requirements**

In order to receive a City grant for this new program, what percentage of match should be provided by the recipient agency:

- 0%
- 25%
- 33%
- 50%
- Other

For reference, other City programs, such as Neighborhood Improvement, Outside Funding Request, and Façade grants require a dollar-for-dollar match. **In addition, the City Council should decide if the match from the recipient must come in the form of cash or if in-kind contributions be allowed.**

**Staff Comments:**

The survey results indicated that a 50% match appears to be acceptable to several agencies.

**Issue #3 – Maximum Grant Award**

The results from the survey indicated that the greatest number of projects were in the \$20,000 to \$50,000 range.

**Staff Comments:**

Having fewer awards at a greater dollar amount will likely require less City staff time to administer, but result in fewer grants being distributed among the agencies. The maximum amount for the Neighborhood Improvement grant program is \$5,000 and \$16,000 for the Campustown and Downtown Façade programs. The City Council does not have a stated per grant maximum for Outside Funding Request grants.

#### **Issue #4 – Agency Eligibility**

The City Council must decide which of the following group of agencies should be eligible for grant funding under this program?

-Any agency that receives funding from the City under the ASSET program (25 agencies)

-Any agency that receives funding from other than the City under the ASSET program (33 agencies)

-Any human services agency that provides a service within the City of Ames (50 to 60 agencies)

-Any non-profit agency that provides a service within the City of Ames (100+ agencies)

#### **Staff Comments:**

When the concept of this new grant program was first discussed by the City Council there was no mention that only agencies receiving funding through the ASSET process would be eligible for these monies. However, it does appear from previous Council discussions that the emphasis was on funding projects for human services agencies, not for all non-profit agencies in Ames.

#### **Issue #5 – How To Prioritize Funding Requests?**

Historically, the City Council's philosophy has been to use City funds to purchase services rather than making a donation. While the City Council has expressed an interest in connecting an agency's service to measurable outcomes, it will be difficult to tie funds for facilities or equipment directly to the outcomes experienced by clients.

#### **Staff Comments:**

Direction from the City Council as to what its desired outcomes are for this capital improvements program will helpful to those preparing and reviewing funding applications.

#### **Issue #6 – Who Should Review And Make Recommendations To The City Council**

A decision should be made regarding who will be delegated the responsibility to review the applications and make funding recommendations to the City Council. Committees composed jointly of City staff and citizen volunteers have been utilized in this way for the Neighborhood Improvement and Outside Funding Request grant processes. Possible alternatives include:

-The City Council directly reviews requests

- A Committee comprised of only City staff members reviews the requests
- A new Council-appointed advisory body similar to ASSET/COTA reviews the request.
- United Way of Story County administers the total grant program for the City Council

### **Staff Comments:**

One option the City Council requested the staff to pursue is the possibility of the United Way of Story County administering this new grant program for the City. As evidenced below, the criteria utilized by United Way for its Community Impact grant program are different from what might be desired for the City's new grant program.

The United Way grant program guidelines are as follows:

- Provide financial support to projects that support the mission of the United Way of Story County
- Provide financial support to projects that address one of the community impact areas of education, income, and health
- Provide financial support to projects that have clear outcomes and benefits
- Must show how long-term financing will be secured to sustain the project once the grant funds go away
- Provide financial support to projects where there is an identified need, and the project and the budget directly tie to the need
- Proposals that incorporate matching funds will strengthen the application
- Projects must serve the residents of Story County
- Financial support will be provided only to human service projects
- Partial funding of a project may be awarded
- Proposals that incorporate matching fund or community resources are encouraged.
- Partial funding may be awarded.
- Show how the proposed program and the budget directly tie to the need.
- Give examples of how the program impacts the need.
- Financial support will not be provided for an expense not critical to the implementation of a project (such as T-shirts)
- Financial support will not be provided for items such as computers or other technology hardware unless there is a clear demonstration of how it is essential to the implementation of the project.

-Financial support will not be provided for festivals, events, budget deficits, endowments

-Financial support will not be provided for religious related activities (worship, prayer, proselytizing, or instruction)

-Should not rely of funding annually through the Community Impact grant program to meet ongoing general program expenses (such as staff salaries)

United Way of Story County Executive Director Jean Kresse has indicated recently to City staff that the UWSC board is supportive of pursuing a partnership with the City of Ames and are open to any scenario where they would administer our new grant program. Of course, in order to consider this option, more discussion with United Way officials is needed to determine how the City Council's program guidelines will be applied.

**HUMAN SERVICE AGENCY SURVEY SUMMARY DATA**

The Ames City Council is seeking information regarding the capital project needs of area human services agencies. To accomplish this, we would like to ask you to provide some general information about your agency, the capital improvements you have planned within the next 24 months to meet your clients' needs, and then what unplanned capital improvements would help your clients.

For the purpose of this survey, a capital project can be described as: acquiring, repairing, or upgrading a physical asset such as land, a building, or equipment. For the project to be considered a capital project the physical asset must have a useful life that extends beyond a year and helps to facilitate a service to clients.

This information will be compiled and reported back to the City Council. It is estimated that this survey will take between 15-45 minutes to complete, depending on the complexity of your agency's plans. Thanks in advance for your participation.

**Q1. Respondents:**

Ames Community Preschool Center (ACPC)  
Boys and Girls Club of Story County  
Mainstream Living, Inc.  
Friendship Ark, Inc.  
American Red Cross  
Legal Aid Society of Story County  
Mid-Iowa Community Action, Inc. (MICA)  
Volunteer Center of Story County  
Heart of Iowa Regional Transit Agency (HIRTA)  
The Salvation Army  
University Community Childcare  
Heartland Senior Services  
Raising Readers in Story County  
NAMI Central Iowa

| <b>Q2</b>  | <b>Yes</b> | <b>No</b> | <b>Total</b> |
|--|------------|-----------|--------------|
| <b>Does your agency have a capital projects plan in place?</b>                       | 42.86%     | 57.14%    |              |
|  | 6          | 8         | 14           |
| <b>Does your agency currently receive operational funding from the City of Ames?</b> | 92.86%     | 7.14%     |              |
|  | 13         | 1         | 14           |

**Q3. Please provide a short description and estimate of costs for capital projects you plan to undertake in the next two years in each category. If you have no project in a category, please leave it blank. Examples – Purchase 15 Passenger Van -- \$35,000, Remodel Existing Commercial Kitchen -- \$85,000.**

Vehicles:

- Replace 5 vehicles per yr (including lift vans) - \$150,000/yr
- Purchase wheelchair assessable van and replace needed vehicles - \$100,000
- 8 buses and 1 Minivan \$783,000

New Facility Construction or Expansion:

- Build 5<sup>th</sup> home--\$400,000
- A new 16,000 square foot facility to accommodate Adult Day Center, Outreach and Administrative offices -- \$5 million
- Need for climate controlled storage space for books and program materials-cost unknown

Renovation or Repairs to Existing Facilities:

- HVAC System Replacement Project--The facility is currently fed with only single phase electrical power which significantly limits options for Heating Ventilation and Air Conditioning. The electrical upgrade will allow more efficient centralized systems. Design work is underway to replace equipment that was original to the building. We have already replaced the boilers but need to replace the electrical single phase, the pneumatic system and the air distribution system.
- Enclosed entryway with controlled access doors - \$20,000; Sound attenuation throughout the building - \$25,000
- Annual facility repairs across agency - \$75,000/yr
- Replace damaged flooring in existing home's kitchen--\$2500

Equipment:

- Three Phase electrical Pneumatic System and Air Distribution System--estimated cost is \$ 750,000
- Replace 35 computers per year - \$13,000/yr
- Install handicap stair lift in existing home-- \$4500, replace/upgrade IT/Computers--\$2000
- NuStep exercise equipment- \$2400.00

Other:

- As part of Disaster Services (Preparedness) Smoke Alarm Installation Projects and Fire safety Education

**Q4. If you have begun raising or saving funds for these planned projects, please provide the amount you have been able to secure from each source:**

Grants:

- \$50,000
- \$5,000
- \$10,000
- Have applied for this

Fundraising Campaign:

- \$150,000 is ear marked by the Board to start
- N/A
- \$12,000

Donors:

- \$125,000 remains in our donor account
- N/A
- \$5,000
- \$21,200
- \$125,000

Other:

- We have increased our yearly repair budget to \$ 40,000.
- N/A
- \$50,000 (purchased lot for home)
- The City owns our existing building and land. Subject to City Council approval, the City Manager has indicated that he will recommend that the net proceeds (estimated at \$350,000) from selling the building/land be used toward the costs of a new facility for Heartland.

**Q5. If you have not yet secured enough funds to pay for your planned capital projects, do you anticipate being able to secure remaining project financing within your project schedule?**

| Definitely Not | Probably Not | Neutral | Probably Yes | Definitely Yes | Total | Weighted Average |
|----------------|--------------|---------|--------------|----------------|-------|------------------|
| 10%            | 10%          | 50%     | 10%          | 20%            |       |                  |
| 1              | 1            | 5       | 1            | 2              | 10    | 3.20             |

**Q6. a. How will completing these projects affect the services received by your clients?**

- We hope to continue these renovations in stages to help manage the expenses without adverse effects on the clients. The current effect on the children and staff are high humidity, erratic heat in the winter, frequent repair calls and inefficient building operations.
- A controlled access entryway will provide for safer access to the Club; sound attenuation will decrease the volume of sound within the Club making the

Club experience safer for children's hearing, and a better environment for programs.

- Obviously repairs need to be done to maintain health and safety needs as well as maintain the facilities.
- By building a 5th home, we will be able to serve 5 additional clients from our waiting list of over 20 referrals. By buying a wheelchair accessible van, it will allow us to serve or better serve individuals that are wheelchair bound. Replacement of vehicles is necessary based on the transportation needs of our clients to participate in their community and complete necessary day to day activities. Replacing electronics/computers is becoming more and more vital as we have moved to electronic documentation due to the requirements by our partners, the State and MCOs. Replacing the damaged flooring in one of our existing homes ensure that our clients will be safe from tripping hazards as well as allow us to maintain a quality home/living environment for the clients that live there. We have developed an Accessibility Plan to ensure that our services and facilities meet the needs of our clients, which includes putting in stairlifts in the homes that do not currently have them. This ensure our clients safety in the event of inclement weather as well as allowing them full access to every part of their home.
- Reduce fire-related deaths and injuries by 25%
- The above described project (16,000 square foot) is envisioned to be included in a much larger complex - a Healthy Life Center. Conversations with the City, Mary Greeley Medical Center, ISU, DMACC, and Story County have been ongoing to determine the viability of developing such a facility. Heartland's mission is to serve those 60+ in age. With the number of Baby Boomer retiring (10,000/per day in America) a new facility of this magnitude is paramount to serving this population in Ames and Story County. This generation of retirees desires a holistic approach to "live well/age well". To that end, the Purpose Statement of this collaborative groups reads as follows: "To provide a one of a kind Center offering services that support the life-long goal of healthy living accessible and enjoyable to people of all ages." The three major components of the facility focus on Physical Activity, Social Networks, Health & Nutrition. Research and education encompass these programmatic areas.
- Able to store more things off site from office, clearing up space for more programming at RRSC office
- We are focusing on a whole health approach and our participants need to improve physical health

**b. What would happen if you were unable to complete these projects?**

- It is unclear how long we can continue as we are. It is a bit of a time bomb hoping that we make it through a hot summer with old AC units that we cannot replace without three phase electrical and so on.
- The decibel level within the Club is detrimental to the programs we offer, and puts the hearing of children and staff at risk. It must be attended to. The secure

entryway will create a safer access point to the Club, and a more welcoming reception area.

- In the case of transportation rides and outings would have to be reduced.
- Our waiting list continues to grow. Without the addition of a 5th home, we would not be able to serve additional clients from that waiting list. We are currently not able to transport an individual that is wheelchair bound in any of our existing vehicles which limits our ability to serve individuals with this level of need. Not replacing the damaged floor or installing the stairlifts in the homes, could pose a safety hazard and put our clients at risk. Having computers that do not function properly delays our staff in being able to complete the required documentation for services making us less efficient.
- At-risk communities may not learn about fire safety.
- In the event the Healthy Life Center does not become a reality Heartland will in all likelihood look to develop a new facility at our existing location. It would still be a 16,000 square foot facility. As noted above, this would accommodate our Adult Day Center, Outreach and Administrative Offices.
- We're functioning now with very little storage-would continue
- We'd have to look outside the center and find some other easy ways to motivate participants to get active

**c. What would the anticipated effect be on your operating cost? For example, would a proposed new vehicle replace an older vehicle with higher operating costs, or would a new facility expansion increase utility costs?**

- We only have \$ 125,000 remaining on our existing mortgage. But we worry about trying to handle payments for a project of this size without greatly increasing our rates. We are still in the process of developing a schematic design to develop a budget to spread out the costs.
- Electrical costs may increase slightly with the enclosed entryway.
- We are currently attempting to get 8 to 10 years out of vehicles and the ongoing repair costs are continually increasing as well as safety concerns for members riding. Medicaid only allows 39 cents per mile for transportation and the cost of operating large vehicles greatly exceeds that amount.
- Most of our projects are about meeting additional needs or expanding our services to assist more individuals. These would not necessarily have an impact on our current operating costs. The replacement of vehicles and equipment would increase our operating cost, because of inefficiency of the older vehicles or the cost associated with using public transportation.
- Operating costs enable the Red Cross to help people prepare for, respond to, and recovery from local disasters.
- A Feasibility Study would be required to answer this question.
- See above
- Our electric bills will increase with use of the machines

**d. What would be your ability to contribute matching funds towards these projects? (e.g., could you match 10%, 25%, 50%, etc.?)**

- We feel we have the initial funds to get us started. The fundraising committee is working on a new project. We are waiting on the final project information to proceed.
- 50%
- At least 25%
- The Central Iowa Chapter could find matching funds at each percentage level with individual, foundation or corporate donors.
- 50%
- GUESSTIMATE: Healthy Life Center: 66% (\$20 million of \$30 million). Heartland at our existing site: 60% (\$3 million of \$5 million)
- 50% potentially
- We are currently funding it in whole, so we could match 100%

**Now that we have an idea of projects that are already planned, tell us about projects you would undertake if you had the funding to do so. What is on your wish-list? There is no time restriction for the questions on this page, so these can be projects you have in mind for any point in the future.**

**Q7. Please provide a short description and estimate of costs for capital projects you wish you had funds for in each category. If you have no project in a category, please leave it blank.**

Vehicles:

- Small bus – 30 passengers - \$65,000
- We are always in need of replacement vehicles as Volunteer Disaster Action Team Members use them on a daily basis for fire emergency calls.
- SUV and small trailer -- \$27,000

New Facility Construction or Expansion:

- Clubhouse expansion - \$650,000; 2-3 additional club sites (partnering with other facilities) \$3 million
- Add 2 4 BR facilities to serve Mental Health members transitioning from institutions to the community. \$225,000 each.
- Small transitional living complex for low income/disabled individuals--\$1,000,000
- We will eventually need larger office space in the next 5-10 years

Renovation or Repairs to Existing Facilities:

- Parking lot renovation- \$57,200 Quote

Equipment:

- Window Replacement-\$ 86,320 Quote The current windows are single pane with poor thermal and solar heat plus they have air leaks.
- Track System in one home--\$10,000+ (??)

- Updated Computers, tablets and server -- \$5,000
- Stove, dishwasher/sanitizer - \$3500

Other:

- Office furniture and chairs -- \$2,500
- At this time, we do not have other needed capital improvements. Investing in our existing facility would not be a wise use of funds. A new facility is needed due to the expectations and desires of those 60+.
- Playground updates - \$10,000

**Q8. If you have begun raising or saving funds for these planned projects, please provide the amount you have been able to secure from each source:**

Grants:

Fundraising Campaign:

- \$30,000

Donors:

Other:

- None in the Central Iowa Region thus far.
- We expended the funds we had to modify our current rental space.

**Q9. a. How will completing these projects affect the services received by your clients?**

- We need more parking spaces to avoid parking in the street in front of neighbor houses. The windows are drafty and cold to the touch b any of us.
- Clubhouse facility will enable us to serve more youth, and not turn away youth because of a waiting list.
- They would serve 8 new individuals in the MH system.
- This would allow for individuals with low income to be able to find quality affordable housing. It would also all individuals with disabilities that do not need 24 hour care, but still need support to live more independently than a group home setting allows.
- Our trained Volunteers would have access to reliable vehicles to respond to fire emergency calls. Typically, we strive to answer the call within the first few hours of being notified.
- The vehicle and trailer would provide us a way to transport supplies and equipment for events and projects. All are conducted out of building and can involve up to 1,500 people. Upgrading computers and purchasing tablets will allow for maximum use of technology to community and mobilize our community. Office furniture and chairs would contribute to increased organization and a more professional appearance for the organizations.

- Meal preparation/sanitation easier to handle on-site; expand outdoor classroom possibilities for clients
- As we add more staff, we'll need a larger office. More staff means more programs for Ames and Story County families

**b. What would happen if you were unable to complete these projects?**

- We can continue with the old lot, and at least the windows open!
- This summer we had 40 youth on a waiting list who we were never able to provide services for. Without expanding our reach, potentially hundreds of youth will not have access to the life changing opportunities and programs we provide.
- Those individuals may stay in institutions longer.
- We would not be able to offer this housing option to our clients.
- Volunteers may be pressed to utilize their own personal vehicle.
- The scale of our projects may be smaller or more time is required for multiple trips. Technology upgrades and updates will not be completed and tracking services will not be completed as easily. We will continue to function with ISU Surplus and slightly used equipment.
- It's a while in the future, so unknown at this time

**c. What would the anticipated effect be on your operating cost? For example, would a proposed new vehicle replace an older vehicle with higher operating costs, or would a new facility expansion increase utility costs?**

- Both of these projects are further down on our wish list but also necessary to complete within five years.
- An expanded facility means higher utility costs, and more staff to supervise those areas.
- These would be additional facilities with associated operating costs.
- Operating costs would likely become lower as newer vehicles are more fuel efficient and maintenance is lessened.
- The vehicle and trailer would increase organizational insurance, costs for motor vehicle checks and add maintenance and fuel expense. The other items would not significantly affect costs, but should contribute to a higher return on volunteer investment in the organization.
- New equipment would increase costs to clients
- Our current office space is donated, so any new space would have a very large impact on our budget

**d. What would be your ability to contribute matching funds towards these projects? (e.g., could you match 10%, 25%, 50%, etc.?)**

- We will have a better idea of our on-going budget after the next few years working on the HVAC issues.
- We could potentially match 10%.

- 50%
- We have not researched this option at this time, so we are unable to determine an amount for matching funds.
- The Red Cross could find matching funds from individuals, foundation or corporate donors.
- 50%
- 10%

**Q10. If you have other comments regarding the capital funding needs of area human services agencies, please provide them here:**

- The ACPC Board of Directors had hoped to have more precise costs to include in this survey, but we do not yet have those. We would be happy to recontact the Council with those costs that we expect to have within a few weeks.
- Given the current staffing and move to managed care our focus is on maintaining existing operations and updating existing facilities and vehicle fleet rather than expanding.
- It is very exciting that the City of Ames is willing to consider how they may be able to assist human services agencies with capital improvement needs.
- We are truly grateful for the support Story County brings to the American Red Cross.
- Thank you for asking us to complete this survey. It is so difficult for human service agencies to raise significant capital funds as we strive to provide needed services. The City's interest in us as a collect group is really encouraging and appreciated.