

## Staff Report

**PROCESS TO HANDLE FUTURE OUTSIDE FUNDING REQUESTS**

March 22, 2022

**BACKGROUND:**

The recommendations related to the Capital Improvements Plan and annual operating budget are developed by the City Manager with human service funding recommendations coming from ASSET and arts funding recommendations from COTA. More recently, a process was established to process other outside funding requests. This process is administered by the Assistant City Manager with recommendations based on evaluation criteria previously established by the City Council. **The eligibility criteria include:**

- *Funds may only be awarded to an organization with a Tax ID number for non-profit activities.*
- *Funds provided are to be used towards an event or service that is open to the whole community.*
- *ISU organizations requesting funds must be recognized by the Student Activities Center, and any event funded must be open to the public and approved by the ISU Events Authorization Committee.*

**Preference will be given to requests that achieve the following criteria, listed in order of priority:**

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, demonstrated by the number of participants*
3. *Requests that provide a unique benefit or service to the community*
4. *Requests that pursue current City Council goals*

**Regardless of these criteria, activities previously funded by this program are not grandfathered. Each proposal must be justified with each new grant request.**

Since this program's inception, the majority of the requests for operational support have reoccurred each year for such entities as Main Street Cultural District, Campustown Action Committee, Hunziker Sports Complex, AEDC, and Ames Historical Society.

The program is advertised on the City's web site and recommended to those who have submitted requests for City Council funding. The submittal deadline from this program is in November. During the Budget Guideline meeting in December, the City Council

determines the pot of money that will be available for the program. Staff then submits its recommended allocations to the City Council at the end of January.

### **THE ISSUE:**

Over the years more and more entities are not utilizing the established Outside Funding process and are instead going directly to the City Council with their requests. It has reached a point where it does not seem fair that some funding requests are going through the established process for consideration and are judged against one another, while others are bypassing the review process. **This trend places the City Council in a difficult position of not prioritizing all the requests at one time and not relying on the program eligibility criteria when judging each request. Therefore, at the conclusion of the latest budget cycle, the City Council requested the staff come back with a recommended process that is fair and applied consistently when determining which outside entity's budget request will be approved.**

### **RECOMMENDED PROCESS:**

In July 2022, the City Council will review the existing Outside Funding Program criteria and determine what, if any, modifications should be made to the criteria.

In October 2022, everyone who makes a funding request at the Town Budget Meeting or submits a funding request to the staff or City Council will be instructed that in order to be considered for funding they must fill out the formal application and proceed through the Outside Funding Program.

In November 2022, all applications for outside funding requests will be due into the City Manager's Office.

In December 2022, the City Council will establish the pot of money for the "on-going" requests, as is currently the practice. For FY 2022/23, this total pot is \$277,659.

In February 2023, the City Council will review the staff's recommendations regarding both one-time and on-going requests and make final decisions regarding funding for all the outside requests after reviewing each of them together in accordance with the established criteria. Funding for any "one-time" requests (e.g., Ames Historical Society for construction assistance) will have to come from fund balances, if available. The total allocated for one-time requests totaled \$273,600 in FY 2022/23.

### **STAFF COMMENTS:**

**It is advisable that the City Council stands firm requiring each requesting party (either a citizen or Council member) to comply with the established Outside Funding Program procedures, criteria, and deadlines, and be prepared to disqualify from consideration those requests that are not compliant.**

**While it is possible to justify approval of outside funding at other times of the year, this should be the exception rather than the rule.**