



HISTORIC
FRANKLIN
TENNESSEE

ITEM #12
WRKS 04/12/2011

MEMORANDUM

April 6, 2011

TO: Board of Mayor & Aldermen

FROM: Eric Stuckey, City Administrator *ES*
Russ Truell, Assistant City Administrator/CFO

RE: Appropriations Requests from Non Profits for FY2011-2012

Purpose

The purpose of this memorandum is to report to the Board of Mayor and Aldermen (BOMA) the requests from nonprofit organizations for City appropriations and to determine the process for handling FY2012 budget preparation at the Finance Committee level.

Background

The Finance Committee, at their meeting of January 26, gave direction for City staff to arrange for requests to come from nonprofit organizations by April 1. We have those requests summarized in the attachment to this memo. Requests are for approximately \$5,000 more than the amount previously approved in the FY2010-2011 budget.

Given that there appears to be no additional funds available for the upcoming budget year, and given that agencies have requested virtually the same amount as in the current year, staff is requesting Board direction in how to handle the review of these agencies. If it is the desire of the Board to fund nonprofits at last year's level (or a lesser amount, in the event that departmental budgets are cut by a specific amount or percentage), then there appears to be no reason to require an appearance of the nonprofit agencies at the next Finance Committee meeting. That meeting is set for April 19. An additional date of April 21 was reserved in case the nonprofit agencies were required to make a presentation. Elimination of the nonprofit presentations would allow cancellation of the April 21 meeting.

Recommendation

Based on the budget information available at this time, staff recommends that the Board give direction to fund nonprofits at the same level as in the current year. If the consensus is that the funding level is flat or lower, and that all agencies should be treated similarly, staff would notify the agencies and recommend cancelling the April 21 Finance committee meeting.

April 6, 2011

2012 City of Franklin Appropriations Requests

The City received funding requests from 11 non-profit agencies. These are the same agencies that received funding in 2011.

1. **ARC**

- a. Is a family-based organization committed to securing opportunities for people with intellectual, developmental or other disabilities.
- b. Requested same funding as 2011.

2. **Boys and Girls Club**

- a. Is a safe place for children and teens
- b. Track unduplicated services
- c. Track teens graduating from High School and their transition to attend college
- d. Requested same funding as 2011.

3. **Bridges**

- a. Partnership with City of Franklin to respond to domestic violence calls
- b. These efforts assist in reducing City's costs and required manpower
- c. Requested same funding as 2011.

4. **Community Child Care**

- a. Gives lower income families the opportunity to work or further education, while children receive affordable child care
- b. Track outcomes; children test scores are exceptional when transitioning from CCC to Kindergarten
- c. Parents also stay in touch to let CCC know their children graduated and are going to college
- d. Requested same funding as 2011.

5. **Community Housing Partnership**

- a. Funding assists in helping to keep low income and disabled families in their homes through Owner Occupied Rehabilitation and as an aid for emergency housing for the homeless.
- b. Requested same funding as 2011.

6. GAP

- a. Funds Foreclosure Counseling
- b. Based on the calls that GAP receives from residents living in Williamson County, Franklin is top of list for foreclosure counseling
- c. Requested 12% increase in funding.

7. Graceworks

- a. Gives assistance with rent, utility bills, food, medications, gasoline vouchers, school supplies and senior transportation. Graceworks also partners with the American Red Cross for disaster relief, which included the May 2010 floods.
- b. Requested 5% increase in funding.

8. J.L. Clay Senior Center

- a. J.L. Clay serves a need in keeping local seniors involved and active
- b. Requested same funding as 2011.

9. Mid-Cumberland

a. Homemaker

- i. At-home assistance with household tasks to help clients maintain self-sufficiency
- ii. Requested 12% increase in funding.

b. Ombudsman

- i. An impartial third party advocate who seeks to resolve Resident's Rights complaints and violations voiced by individuals residing in nursing homes, assisted care living facility, and homes for the aged.
- ii. Requested 2% increase in funding

c. Meals on Wheels

- i. Nutritious home-delivered meals/senior center dining.
- ii. Requested same funding in 2011

10. Second Harvest

- a. Provides food at a very reduced cost to several agencies that are located in Williamson County
- b. Requested 18% increase in funding.

11. Waves

- a. Services provide daily activities and participation in community life for individuals with disabilities; advocacy; social services, transportation; monitoring of health conditions; respite for caregivers
- b. Requested 6% increase in funding

City of Franklin Allocation Overview

Agency	2010 Actual	2011 Budget	2012 Requested
1. ARC	\$ 4,500	\$ 4,230	\$ 4,230
2. Boys & Girls Club	16,200	15,228	15,228
3. Bridges	16,000	15,040	15,040
4. Community Child Care	31,000	29,140	29,140
5. Community Housing	9,000	8,460	8,460
6. GAP Foundation	23,750	22,325	25,000
7. Graceworks	14,250	13,395	14,000
8. J.L. Clay Center	44,313	41,654	41,654
9. Mid-Cumberland			
Homemaker	5,000	4,700	5,250
Ombudsman	2,193	2,061	2,100
Meals on Wheels	10,800	10,152	10,152
10. Second Harvest	1,350	1,269	1,500
11. Waves	24,375	22,913	24,375
	-----	-----	-----
Total	\$202,731	\$190,567	\$196,129

- ◇ The director of the requisitioning department, or his or her designee; and
 - ◇ The Assistant City Administrator for Community Development.
- The decision of the vendor protest appeals panel shall be final and no further appeals shall be considered by the City.

Mr. Wilcox suggested approval of the full Board by resolution.

Alderman Burger moved to forward to BOMA with recommendation to approve through resolution. Seconded by Alderman Skinner. Motion carried unanimously.

- **Item #10 addressed before the remainder of the agenda items.**
4. **Discussion of Budget Process for Non-Profit and Other Governmental Appropriations**

Eric Stuckey, City Administrator

Russ Truell, ACA Finance & Administration

This committee previously discussed this issue and recommended the United Way no longer do the application review process with recommendations for allocation. The Board has not accepted their recommendations for at least two years.

Discussion:

- Should all entities take the same reduction or increase
- Target funds for specific amounts or have the organizations make requests.
- What is feasible financially?
- Two application forms included in packet: Multiple page United Way application and a three page application form used by the County.
- Mr. Stuckey: Suggested the process used by Hamilton County, Ohio. Develop a contract for each organization to delineate how the City's money was and will be spent, how many people were served, or base it on certain aspects of what service the entity provides. Establish public purpose for funding.
- Mr. Truell: Don't complicate the process this year by bringing in organizations for long presentations. Realistically, the City will not have any more money than what was allocated last year.
- Inform the organizations there is no process this year: The City is working on a process for next year.
- Allocate the same amount as last year or decrease each organization by the same percentage.
- State Comptroller guidelines must be followed and the paperwork is burdensome. The application must include audit documentation, and a state solicitation letter among other documentation. It would take an extra meeting to hear all the presentations.
- Aldermen affiliated in some way with certain entities said they could exercise fair and impartial judgment in the process.
- Committee should set guidelines in the beginning. If guidelines are set, required

documentation is submitted, and there is no increase in allocation, there is no reason for a 501c3 to come before the committee for a presentation.

- Alderman Barnhill: Major complaint with the United Way process: Although this committee set decreases to be the same for all entities, their recommendation did not follow the committee recommendations. The allocations were that some would receive far more and some much less. He will not support that and wants the process back in-house.
- Mr. Truell: the United Way asked what the City wants to do this year because they are formulating budgets and need an answer.
- Alderman Burger: Pointed out what she has said since 2005, that government agencies should not contribute to non-profit organizations. However, some organizations reciprocate using the funds to provide services that the City cannot provide. It is outside the jurisdiction of the City to use taxpayer money in this way. She will vote against this if something isn't done about it. Many of her constituents agree with her stance.

Alderman Burger moved to approve and forward recommend to BOMA that allocations be reduced by at least 5% every year across the board until allocations are phased out.

Alderman Skinner said he would not second the motion. *Motion died for lack of a second.*

Alderman Burger stated if the Committee did not address this issue, she could not support the part of the Budget that supports non-profits.

Recap:

- All state comptroller required forms must be collected
- Finance to develop an application form and distribute to the agencies using the County form as a model
- Do not schedule agency presentations/interviews during budget time
- Entities must provide documentation on how the City allocation will be spent, will it serve the community, and specifically what the entity provides that the City would have to provide otherwise.
- Advise entities when budget hearings are scheduled, but that it is unlikely they can appear before the committee.
- Inform entities of a March or April deadline for submission to allow time to get the information to Committee and the Board.

Alderman Skinner moved to approve and forward to BOMA: Committee will no longer need the services provided by the United Way to screen non-profit organizations. Finance will develop an application process and send applications to the entities with a deadline date to be set in April or May for said applications and required documentation and that it is unlikely there will be an increase in allocations. Seconded by Alderman Burger.