

# CITY COUNCIL COMMUNICATION FORM

**FROM:** Kim Weber, Finance Director

**THROUGH:** Gary Suiter, City Manager

**DATE:** September 8, 2020

**ITEM:** Community Support Funding

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_____	DIRECTION
<input checked="" type="checkbox"/>	INFORMATION
_____	ORDINANCE
_____	MOTION
_____	RESOLUTION
_____	PROCLAMATION

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**I. REQUEST/ISSUE & BACKGROUND INFORMATION:**

In July City Council requested to have a work session to discuss community support funding. More specifically, staff was asked to provide historical financial data on community support funding, detail on the categories of community support funding, and the financial policy established to budget for community support coalition funding.

Attachment 2 includes historical information on budgeted community support since 2004. The way in which community support is reported and categorized in the city's budget has changed over the years, therefore this may not be 100% encompassing, but it should give Council a good big picture idea of the types and amount of funding. This does not include community support items that are provided in other ways such as free or reduced rent for facilities or City services provided at no cost. Over the years summer/destination marketing and special event funding have been considered community support in the budget, however those are not included in this presentation.

In 2014 City Council established a policy of setting the community support coalition funding at 1.46% of the budgeted general fund. That percentage was

arrived at by taking the prior 4-year average. The percentage of funding from 2014-2020 ranged between 1.46%-1.48% due to budget adjustments and changes after the first reading of the budget. Here is how the policy reads in the Financial Policies approved on December 17, 2019 via Resolution 2019-86:

**Special Budget Policies:**

**Community Support Coalition Funding:**

The community support coalition funding will be budgeted at 1.46% of General Fund expenditures budget less General Fund debt service, General Fund capital outlay, and General Fund transfers out. This amount is estimated at the time of the budget meeting in October and adjusted based on changes in the General Fund budget prior to the first reading of the budget Ordinance. After the first reading of the budget ordinance the community support coalition budget will be considered final unless specifically adjusted by City Council.

There are pros and cons to a formulaic policy such as this.

Pros:

- It demonstrates a commitment from local government that the non-profits can then leverage for other outside funding.
- As general fund spending goes up and down this funding follows suit.
- It provides a systematic method of allocating fund vs. all of the non-profits presenting their needs to City Council on an individual basis. This way the focus is back on the granting process rather than the budgeting process.

Cons:

- It is the only formulaic budgeting that exists for the City.
- As individual entities become line-item budgets the percentage doesn't change, therefore growing the community support budget (maybe without intent) For example – \$35,000 for Free Summer Concert Series came out of the Arts & Culture Coalition, but the coalition funding maintained the same.
- As the City takes on additional services, even with dedicated funding sources, the coalition funding will increase because it is based on general fund expenditures. For example, as the Fire/EMS Department begins to grow and utilize the Fire/EMS property tax the community support funding for coalitions will grow as well increasing the sales tax allocated to the program.

**II. SUMMARY AND ALTERNATIVES:**

Discussion

**III. STAFF RECOMMENDATION:**

Although the process is not perfect, it has evolved over the years and it is a model that other communities model after because of its success.

**IV. FISCAL IMPACT:**

Community Support Coalition Funding was budgeted at \$552,860 in 2020. An additional ~\$400,000 was budgeted in community support for other organizations.

**V. LEGAL ISSUES:**

None noted.

**VI. CONFLICTS OR ENVIRONMENTAL ISSUES:**

None noted.

**VII. CONSISTENCY WITH COUNCIL GOALS AND POLICIES:**

None noted.

**ATTACHMENTS:**

Attachment 1 - Community Support Presentation

Attachment 2 - 2004-2020 Community Support Funding Detail

Attachment 3 – 2020 Community Support Coalition Budget