



City Commission Work Session Minutes

June 3, 2021 at 1:00 p.m.

Virtual

Present

Vice Mayor Carolyn Cooper
Commissioner Marty Sullivan

City Clerk Rene Cranis

Also Present

Division Director of OMB Peter Moore
Assistant Director of Communications Craig O'Neil

1) Call to Order

Vice Mayor Cooper called the work session to order at 1:00 p.m.

2) Discussion Item(s)

a. ARPA Organizational Support Program

Mr. Moore stated that staff is looking for comments on the guidelines and application which will be presented to the Commission in its next meeting.

Vice Mayor Cooper said there are two questions to be answered: What is the objective and what is the criteria for ranking the eligible organizations?

Commissioner Sullivan said he feels the first task is to review the guidelines and application; second, determine the members and responsibilities of the review committee; and third, create timeline/steps to identify non-profits. He feels the purpose of the program is to do whatever can be done to get non-profits impacted by the pandemic operational.

Vice Mayor Cooper asked whether the organizations should be those that provide needed services to the city or those that provide needed services to the most vulnerable population or is it just arts and culture. Commissioner Sullivan said it should not be just arts and culture. Commissioner Cooper agreed.

Vice Mayor Cooper asked whether utilization of funds could be for operating expenses or to provide a program or project. Commissioner Sullivan said he feels it should be allowed for general operating expenses. Commissioner Cooper agreed.

Vice Mayor Cooper addressed ranking of applications and questioned whether preference should be given to certain organizations. She suggested that preference be given to those that serve Winter Park residents that are disproportionately impacted by the pandemic; that serve the most vulnerable population, low income, seniors, handicapped, unemployed or other underserved residents; that have partnered with other organizations to provide needed services, and that have actively provided needed services to Winter Park residents for the longest period of time. She added that critical services may need to be defined. She asked whether there is a need to further segregate the \$200,000.

Commissioner Sullivan expressed his concern regarding the subjective evaluation of the applications.

Vice Mayor Cooper suggested that the IRS NTEE code, which categorizes types of non-profits, could be used to categorize applicants for the purpose of dividing the pool of funds between service organizations and arts and culture and decrease the subjectivity.

Discussion followed on the developing criteria based on the type of services provided and whether to divide the pool of funding by that code or amount of operating expenses above and below a set amount.

The program document, as updated from previous Commission comments, was reviewed.

Purpose: Commissioner Cooper pointed out that Purpose addresses the purpose of the policy, not the program.

General Requirements for Eligibility:

- Narrative: Changed "annual operating budget" to "annual expenses" since amount in Form 990 will be used for the threshold for eligibility.
- Must be a Non-Profit 501(c)(3). Add "in good standing"
- Headquartered within the Municipal boundaries of Winter Park
- Have been in operation for at least the last 3 years.
- Annual operating budget does not exceed \$2 million. Change "budget" expense"
- Have an independent Board of Directors responsible for oversight. Delete "independent."
- Must demonstrate financial need caused by the COVID-19 Pandemic. Change "financial need" to "detrimental impact."
- Added "Must be a service providing non-profit, not a funding institution."
- Added "Provide other funding support already received from Federal Programs (CARES/ARP)." Agreement to delete from list of requirements but include in the application.

- Added "Must sign a funding agreement with the city that will include, but is not limited to: general legal principles, reporting, access to financial records, and audit provisions if applicable. Accepted.

Commissioner Sullivan said he feels the narrative should state that the City Commission has "currently" allocated a total of \$200,000 to reflect Commission discussions that the amount could change at the discretion of the commission. Vice Mayor Cooper said she is firm on the \$200,000 allocation and that increasing the allocation would be a matter for commission consideration. Mr. Moore advised that a disclaimer was added that policy amendments or modifications are at the sole discretion of the City Commission. Mrs. Cranis confirmed that the commission approved allocating \$200,000. It agreed that the allocation could will be re-addressed by the Commission.

Mr. Moore asked for input on the \$2 million cap. Concerns were expressed that certain organizations that serve the city will become ineligible if the threshold is decreased and discussion followed on dividing the group by operating expenses.

Application Process: Add: "Completed applications must include answers to all questions and be accompanied by all requested and documentation."

Vice Mayor Cooper proposed language that states applications will be reviewed for eligibility and completed applications will be sent to the non-profit committee to rank applications and make recommendations to the Commission for approval. Discussion followed on defining the role of the committee, membership and use of a facilitator (Action needed by commission).

Contractual Agreement: No discussion/changes.

Grant Disbursal: Vice Mayor Cooper suggesting clarifying that the city has no obligation to disburse funds unless ARPA funding is received. Mr. Moore suggested adding a note that the requirements may change based on guidelines from state and federal agencies and that submittal of reports may be due earlier than September 30, 2022 "if additional guidance from the Federal government becomes available."

Non-profit Status and Location: No changes.

Funding as a Percentage of Organizations Expenses: Revised to note operating expenses are "as noted on the IRS Form 990." Mr. Moore noted that some organizations may not have documentation for past two years. By consensus language was revised to allow submittal of the two most recent Form 990. (changed on application)

Limited Term of Support: No changes.

History of Service in WP: Add incorporation date in Winter Park and NTEE code on the application.

Size of Organization: - Leave as is. Vice Mayor Cooper said this gives support to concept of splitting the pool of funds between organizations. Staff will research and to determine organizations by expenses.

COVID Impact: - No changes. Commissioner Cooper suggested clarifying the impact should be due to revenue loss to closure, reduced capacity or services or employee layoffs. Staff to draft language.

Public Record: No changes.

Award of Funds: Vice Mayor Cooper provided the organizations that she feels should receive priority consideration. Mr. Moore said there are many organizations that provide services more impactful than others; however, arts and culture is a large part of the city whose service may not directly support the underserved population.

Commissioner Sullivan pointed out that a large part of the expense of arts and culture organizations is payments to artists who became the underserved and unemployed during the pandemic. Discussion followed on how to include that population. Mr. Moore's suggested adding language to include groups that are in or hiring in the industries identified in the law as being harmed by COVID. Commissioner Sullivan suggested revising to read "organizations that have partnered or assisted other non-profits." Agreed by consensus.

Vice Mayor Cooper addressed the need to establish a purpose and that the program should be to ensure that non-profits are prepared for a robust recovery and continuation of their services in the community which would give them the ability to use funds for operational expenses, survival and new programs. She said that if the city's purpose is to help as many organizations as possible, then the organizations should be divided into two groups by operating expenses as well as allocated funding.

In response to questions, Commissioner Sullivan said he feels the objective should be to support as many organizations as possible even though it will reduce the size of the grants. He suggested that if different grant amounts are being considered than an algorithm needs to be developed based on operating expenses and category of the non-profit. Discussion followed on organization categories and ranking by NTEE code.

Vice Mayor Cooper noted types of organizations noted in the ARPA with dedicated support from the State, i.e. education, health. Mr. Moore said this could be addressed by asking whether the organization has received other support. He presented a tiered approach with the amount of funding partially based on the operating expenses.

Commissioner Sullivan said that the first decision needs to be whether different amounts would be given to otherwise equivalent organizations based on its NTEE code.

Vice Mayor Cooper said if the organizations are divided into two groups based on operating expenses, then there should be further division based on types of organizations.

Review of Application:

- Add NTEE code and incorporation date in WP.
- Add space for date/time stamp
- Add under Section II, narrative: "The City Manager or designee may grant written exceptions to any non-included documentation at his/her discretion."
- Amend IRS Form 990 requirement to most recent two years filed with IRS.

Vice Mayor Cooper suggested replacing "Current Bi-Laws and Articles of Incorporation" with "Signed statement that organization is currently a 501C3 in good standing; adding "current" to requirement for 501C3 determination letter from IRS; and adding under organizational chart "or a listing of departments and key personnel." She suggested revising the requirement for IRS correspondence to read "Any adverse correspondence regarding its 501(C)(3) Tax Exempt status in the last 12 months;" and adding a requirement for a copy of its independent auditor management letter from most recent audit.

Mr. Moore reviewed organizational questions regarding details of direct services, service recipients and other non-profit partnerships and use of public funds questions.

- Use of Grant Funding was revised to read "Outline what will be accomplished with this grant funding and how it benefits the Winter Park community."
- Need for Public Funding: Added questions "Did revenues decline or costs go up. Did you have to end services or lay off employees?"

Vice Mayor Cooper advised of her list of suggested questions. Mr. Moore said he would review the list and incorporate questions into the application.

- Added Other Governmental Funding requesting details on any other governmental grants received other applied for or received.

In response to Vice Mayor Cooper, Mr. Moore stated that organizations could not use these funds to replenish its reserves and that it will be including in the grant agreement since it is not permitted under the ARPA.

Discussion returned to the amount allocated for non-profits and whether to reconsider the vote to allocate \$200,000 for this program.

Mr. Moore said he will make revisions as discussed and distribute. Issues that need to be discussed further are \$200,000 allocation, whether to hire a facilitator for the committee, committee responsibilities and membership and defining the NTEE codes.

Vice Mayor Cooper noted the importance of publicizing this program and asked about promotion of this current program and timeline for receiving, review and approval of funds. Mr. O'Neil offered suggestions for communicating this program and time to post prior to deadline for submittal. Commissioner Sullivan suggested notifying non-profits.

Vice Mayor Cooper expressed her concern about getting qualified members on the review committee if their organization is applying for this program. Mr. Moore noted the importance of establishing ranking criteria for use by the committee. Further discussion was held on the criteria and grant amount. Mr. O'Neil suggested adding a disclaimer that the dollar amount of the grant may be based on the number qualified applications received. (Added under General Requirements for Eligibility)

3) Adjournment

The work session adjourned at 3:07 p.m.

Mayor Phillip M. Anderson

ATTEST:

City Clerk Rene Cranis