

**BENICIA CITY COUNCIL
REGULAR MEETING AGENDA**

AMENDED

**City Council Chambers
June 25, 2013
6:00 PM**

*Times set forth for the agenda items are estimates.
Items may be heard before or after the times designated.*

I. CALL TO ORDER (6:00 PM):

II. CONVENE OPEN SESSION:

A. ROLL CALL.

B. PLEDGE OF ALLEGIANCE.

C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF THE PUBLIC.

A plaque stating the fundamental rights of each member of the public is posted at the entrance to this meeting room per section 4.04.030 of the City of Benicia's Open Government Ordinance.

III. ADOPTION OF AGENDA:

IV. OPPORTUNITY FOR PUBLIC COMMENT:

This portion of the meeting is reserved for persons wishing to address the Council on any matter not on the agenda that is within the subject matter jurisdiction of the City Council. State law prohibits the City Council from responding to or acting upon matters not listed on the agenda. Each speaker has a maximum of five minutes for public comment. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of your entire group. Speakers may not make personal

attacks on council members, staff or members of the public, or make comments which are slanderous or which may invade an individual's personal privacy.

A. WRITTEN COMMENT.

B. PUBLIC COMMENT.

V. STUDY SESSION (6:15 PM):

Items listed on the Consent Calendar are considered routine and will be enacted, approved or adopted by one motion unless a request for removal or explanation is received from a Council Member, staff or member of the public. Items removed from the Consent Calendar shall be considered immediately following the adoption of the Consent Calendar.

A. BUDGET STUDY SESSION - FIVE YEAR FORECAST AND BUDGET CONTINUATION FOR APPROPRIATIONS AND EXPENDITURES UNTIL JULY 31, 2013 (City Manager and Acting Assistant City Manager).

The last fiscal year has presented the City with continued fiscal challenges, including a significant drop in property tax revenue in 2012-13. Future revenues continue to be volatile and difficult to project. At the same time, there are continued pressures on expenditures to maintain current service levels without increases, as well as implement new retirement and healthcare legislation. In preparation for the Council's review of the proposed 2013-15 budget, staff will provide a five-year forecast and an overview of some broader issues impacting local governments over the next several years, including recent workers compensation legislation, CalPERS increases, and the Affordable Health Care Act. Additionally, it is recommended the Council approve a resolution continuing the 2012-13 budget in order to allow for additional time to complete the 2013-15 budget process.

Recommendation: 1) Receive a report presenting the five-year financial forecast, and 2) Adopt a resolution continuing appropriations and expenditures for FY 2013-2014 based on the approved FY 2012-2013 budget until July 31, 2013 to allow the Council additional time on July 16th and July 23rd in order to review and adopt a budget for 2013-15.

B. PRESENTATION OF FUNDING RECOMMENDATIONS FROM HUMAN SERVICES BOARD AND BENICIA ARTS & CULTURE COMMISSION (Acting Assistant City Manager and Library Director).

Both the Human Services Board and the Benicia Arts and Culture Commission have completed a comprehensive Request for Funding (RFF) process relative to funding requests from human services and arts and culture organizations. Each body has developed funding recommendations for Council to consider as

part of the 2013-15 budget process.

Recommendation: Receive funding recommendations for Human Services and Arts & Culture grants and provide direction to staff as needed.

VI. ADJOURNMENT (9:00 PM):

Public Participation

The Benicia City Council welcomes public participation.

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is not on the agency's agenda for that meeting. The City Council allows speakers to speak on non-agendized matters under public comment, and on agendized items at the time the agenda item is addressed at the meeting. Comments are limited to no more than five minutes per speaker. By law, no action may be taken on any item raised during the public comment period although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the City Council.

Should you have material you wish to enter into the record, please submit it to the City Manager.

Disabled Access or Special Needs

In compliance with the Americans with Disabilities Act (ADA) and to accommodate any special needs, if you need special assistance to participate in this meeting, please contact Anne Cardwell, the ADA Coordinator, at (707) 746-4211. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting.

Meeting Procedures

All items listed on this agenda are for Council discussion and/or action. In accordance with the Brown Act, each item is listed and includes, where appropriate, further description of the item and/or a recommended action. The posting of a recommended action does not limit, or necessarily indicate, what action may be taken by the City Council.

Pursuant to Government Code Section 65009, if you challenge a decision of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing. You may also be limited

by the ninety (90) day statute of limitations in which to challenge in court certain administrative decisions and orders (Code of Civil Procedure 1094.6) to file and serve a petition for administrative writ of mandate challenging any final City decisions regarding planning or zoning.

The decision of the City Council is final as of the date of its decision unless judicial review is initiated pursuant to California Code of Civil Procedures Section 1094.5. Any such petition for judicial review is subject to the provisions of California Code of Civil Procedure Section 1094.6.

Public Records

The agenda packet for this meeting is available at the City Manager's Office and the Benicia Public Library during regular working hours. To the extent feasible, the packet is also available on the City's web page at www.ci.benicia.ca.us under the heading "Agendas and Minutes." Public records related to an open session agenda item that are distributed after the agenda packet is prepared are available before the meeting at the City Manager's Office located at 250 East L Street, Benicia, or at the meeting held in the Council Chambers. If you wish to submit written information on an agenda item, please submit to the City Clerk as soon as possible so that it may be distributed to the City Council. A complete proceeding of each meeting is also recorded and available through the City Clerk's Office.

AGENDA ITEM
CITY COUNCIL MEETING DATE - JUNE 25, 2013
STUDY SESSION ITEM

DATE : June 17, 2013

TO : City Council

FROM : City Manager
Acting Assistant City Manager

SUBJECT : **BUDGET STUDY SESSION - FIVE YEAR FORECAST AND BUDGET CONTINUATION FOR APPROPRIATIONS AND EXPENDITURES UNTIL JULY 31, 2013**

RECOMMENDATION:

1) Receive a report presenting the five-year financial forecast, and 2) Adopt a resolution continuing appropriations and expenditures for FY 2013-2014 based on the approved FY 2012-2013 budget until July 31, 2013 to allow the Council additional time on July 16th and July 23rd in order to review and adopt a budget for 2013-15.

EXECUTIVE SUMMARY:

The last fiscal year has presented the City with continued fiscal challenges, including a significant drop in property tax revenue in 2012-13. Future revenues continue to be volatile and difficult to project. At the same time, there are continued pressures on expenditures to maintain current service levels without increases, as well as implement new retirement and healthcare legislation. In preparation for the Council's review of the proposed 2013-15 budget, staff will provide a five-year forecast and an overview of some broader issues impacting local governments over the next several years, including recent workers compensation legislation, CalPERS increases, and the Affordable Health Care Act. Additionally, it is recommended the Council approve a resolution continuing the 2012-13 budget in order to allow for additional time to complete the 2013-15 budget process.

BUDGET INFORMATION:

No action, beyond adopting the budget continuation resolution, is requested at this time.

STRATEGIC PLAN:

Relevant Strategic Plan Goals and Strategies:

- Strategic Issue #3: Strengthening Economic and Fiscal Conditions
 - Strategy #4: Manage City finances prudently

BACKGROUND AND DISCUSSION:

The current budget, adopted on June 26, 2012, anticipated a balanced budget with a projected reserve of 20% at June 30, 2013. That budget was balanced after making approximately \$3.0 million in General Fund reductions over the previous two years. This included an approximately 10% reduction in compensation/benefits of City employees.

Based on the economic indicators available in June 2012, it appeared that revenues would be bottoming out and it was anticipated that the City would experience a gradual increase in revenues over the next several years, largely dependent on the future performance of the economy.

Between October and December of 2012, the City received revised property tax estimates for fiscal year 2012-13 from the County Auditor-Controller indicating nearly a 7% drop from what was estimated. Based on that reduction, as well as a softening of Utility User Tax revenues and the decision to move the Water Rate Senior Discount from the Water Enterprise Fund to the General Fund, a budget shortfall of approximately \$1.2 million was projected in March 2013 for the current fiscal year, and expected to continue for several years into the future.

On April 16, 2013, the Finance Director presented proposed budget adjustments to the 2012-13 budget, which decreased budgeted revenues and reduced expenditure appropriations, but still anticipated a shortfall of \$0.86 million for the current year, to be funded from General Fund reserves.

An updated analysis of revenues and expenditures through the end of the current fiscal year shows that total estimated revenues are approximately \$0.29 million higher than FY2012-13 Amended Budget. The primary difference is a projected increase in the Sales and Use Tax revenues. This final estimate (including one-time adjustments) reflects significant improvements from the mid-year estimate, primarily due to reductions of negative one-time adjustments.

Total estimated expenditures, excluding transfers, are approximately \$0.24 million lower than the FY2012-13 Amended Budget as a result of revisions to projected personnel costs.

Estimated operating shortfall is approximately \$0.34 million versus the FY2012-13 Amended Budget shortfall of \$0.86 million. Given this estimated improvement in operating shortfall, the General Fund Forecast also reflects an operating transfer out of approximately \$0.6 million to cover the Transit Fund deficit. Estimated Contingency and Emergency Reserves for FY2012-13, including funding the Transit deficit, are 10% and 9%, respectively, for a total of 19% reserves.

General Fund Forecast

The focus of this study session is to look forward, via a five-year General Fund forecast, and provide context for the upcoming review of the 2013-15 proposed City budget on July 16 and July 23.

Rather than a prediction or commitment, a forecast is a financial snapshot based on a number of assumptions relative to the City's revenues and expenditures. This General Fund Forecast is a tool to allow the public, staff and Council members to see the longer-term results of choices made to date, and identify issues that must be addressed in the near term in order to improve the City's long-term outlook.

External factors, such as recent federal and state legislation, such as the California Public Employees' Pension Reform Act (PEPRA), the Affordable Health Care Act (ACA) and SB 863 (Workers Compensation legislation) have instituted a number of changes that will notably impact the finances of local government agencies over the next several years. The attached forecast includes a brief discussion on each. The forecast also provides a summary of the assumptions regarding revenues and expenditures that were made in order to develop the forecast.

As is illustrated on the chart entitled General Fund Forecast, even with a reduction of nearly \$800,000 in 2013-14, which is achieved via holding an additional seven positions vacant, the City's reserve level will drop from 19% to 16%. The following year, based on forecasted operations, the reserve level will drop to 12%. The reserve level then continues to drop to approximately 10% in the outer years.

Previously, at the January 25th study session, City Council provided direction to staff on a number of items related to a long-term work out plan for the budget, including utilizing a portion of General Fund reserves to provide time to develop a long-term budget stabilization plan. In general, while the Council expressed a willingness to drop below 20% to allow necessary time for more sustainable solutions, there was concern expressed with going as low as 10%. Based on that direction, and in order to allow for a cushion above the required 10% reserves for emergencies, it is recommended that the goal for the next several years be to maintain at least a 15% reserve. In order to achieve that same level of reserves for 2014-15, the City would need to address a shortfall of approximately \$900,000 above the nearly \$800,000 that is being reduced in 2013-14 via the freezing of various positions. That is, the City is projected to have a structural deficit of \$1.7 million dollars over the next two-year period, assuming a 15% reserve level.

As described at the January and March study sessions with the Council, given that the City has already reduced staff by approximately 12% overall, as well as reduced employee compensation/benefits by at least 10%, the City needs to conduct an extensive evaluation of the organization with the goal of enhancing operational capacity and increasing organizational efficiencies. Attempting to make further reductions absent such an analysis is not strategic, and will clearly impact services in a manner that is not consistent with Council priorities. As summarized in the attached chart regarding the proposed frozen positions, this consequence is already beginning to occur. The various City departments have, to date, done an excellent job in managing constrained resources and continue to provide quality services to the community, but this is not sustainable in the current environment.

Rather, by taking a comprehensive look at the organization and utilizing a cost allocation study to understand the cost of various City services, staff can develop a work out plan for the City that will allow the organization to adjust to this current environment of less reliable revenues, outdated internal information systems, and rising costs due to significant broader changes at the state and federal levels.

Again, even though the General Fund Forecast shows a drop in reserves below 15% after 2013-14, that is not a recommended course. Rather, that is what is projected to occur absent further reductions and/or increased revenues. As described below under "Next Steps", it is recommended that staff continue to work on a number of initiatives which will help guide the City in developing a fiscally sustainable course.

Next Steps

Immediate next steps include the 2013-15 budget meetings scheduled for the Council's regular council meetings on July 16th and July 23rd.

Additionally, staff will continue to work on a number of initiatives that will be key in developing a long-term budget stabilization plan, specifically:

➤ **Implementation of ONESolution**

The current information systems in the Finance Department are not sufficient for the City's needs. The department has initiated the process of implementing a new software system, ONESolution, which will significantly enhance the organization's ability to retrieve financial information and produce user-friendly financial reports. This process will also need to include an update of the City's chart of accounts.

The ability to more efficiently and effectively access and produce financial information will be an important piece of crafting a budget stabilization plan for the City.

➤ **Cost Allocation Study**

Cost of services analyses identify the full cost of service eligible for recovery from fees and translate those costs into a fee structure for various programs and/or services. Determination of the full cost of service is an analytical exercise combining City expenditure and organizational information with time-tracking data, time estimates, and/or volumetric information. The full cost of service is derived for each service or activity, which includes direct labor, direct services or supplies, indirect labor, indirect non-labor expenses, programmatic overhead, and City-wide overhead. In most cases, the full cost of service is first expressed as a fully-burdened hourly rate applicable to the time necessary to perform the service or activity.

➤ **Organizational Analysis**

Key components of the review will include a comprehensive look at departmental organizational structures and potential modifications that would deliver cost savings and/or efficiencies not currently being realized. This process will engage departments and employees and challenge them to identify alternative modes of operations that will achieve economies and efficiencies.

➤ **Information Technology Plan**

One of the City's priorities listed in the 2013-15 Strategic Plan is the development of an Information Technology (IT) Plan. As noted previously regarding the needed implementation of ONESolution, several of the City's current information systems need to be evaluated and/or upgraded. The IT Plan will provide an opportunity to take a comprehensive view of the City's IT structure and develop recommendations for Council consideration as part of the City's next strategic planning process.

The findings of the cost of services analyses, along with the upgrade to ONESolution, will better equip the City to create an effective budget stabilization plan, as well as position the City to conduct a comprehensive strategic planning process in the fall of 2014. With an understanding of the true cost of City services, along with what opportunities exist for savings via modifications to the organizational structure and/or current operations, the City will be better

situated to revisit priorities and align the City's resources with the higher priority City services.

The organizational analysis and IT Plan will also be helpful in terms of addressing priorities, although it should be emphasized that given current reduced staffing and limited financial resources, staff will need to develop a phased approach, as well as utilizing outside expertise and support, for accomplishing the above-noted objectives as each of these initiatives will be time consuming, labor intensive and will need to involve all City departments in order to be successful.

Finally, to date the Council has elected to pursue other budget balancing strategies, rather than focusing on exploration of new taxes. As noted previously, given the significant number of reductions that departments have already taken, and with the addition of another nearly \$800,000 worth of reductions via additional vacant positions, impacts to services are occurring. Again, City staff has done an exceptional job with continuing to deliver quality services with constrained resources, but it is not sustainable. As the organization evaluates priorities and desired levels of service, it may be useful to revisit options as it relates to potential revenue measures and/or increasing fees.

An update to information previously provided to the Council at their January study session on this topic is included below:

- Sales Tax – a 1/8 (.0125%) sales tax currently generates approximately \$675,000 annually. This requires a simple majority vote when a member of the Council is standing for election. Fairfield recently approved a one-cent increase, which sunsets in five years.
- Parcel Tax – increase in property base tax requires majority property owner approval, however, this does not address diversification of revenues.
- Utility Users Tax (UUT) Rate Increase – an increase of the current rate to 5.0% would generate approximately \$1 million and require a simple majority vote when a Council member is standing for election. Not all cities charge a UUT and the rates, as well as the utilities taxed, vary. Vallejo assesses 7.3% on telecommunications and cable and 7.5% on gas and electric. Fairfield charges 2% on telephone, gas, electric and cable. No other Solano County cities have UUT. In Contra Costa County, El Cerrito assesses 8% on telecommunications, gas, electric, cable and water; Richmond charges 9.5% on telecommunications and cable and 10% on gas and electricity; Hercules charges 8% on telephone, cable, gas, electric, and water; San Pablo also assesses a tax on telephone, cable, gas, electricity and water at 7%.
- Utility Users Tax, Broadened Definition – another option is to broaden the definition of UUT to include water and would generate \$287,000. Benicia

currently charges 3.5% - 4% on telecommunications, gas and electricity. This would require a simple majority vote at a time when a member of the Council is running for election.

- Increase Permit Fees – current building and planning fees do not cover the costs of providing these services. An increase in the level of cost recovery could provide an additional \$100,000 and be approved by the City Council.
- Increase User Fees such as Recreation, Facility Rentals, and Encroachment – these program fees are also not set to fully recover the costs of the program and increases could also generate additional funds. The City Council can approve these types of fees increases, as with the permit fees, but both would require a cost allocation study to provide a basis for such increases.

As previously noted, in 2013 staff will be working on addressing the need to increase funding for the Lighting & Landscaping Districts (L&LDs), and planning for that effort is already underway. (Note, if approved, increases for the L&LDs will only provide funding for those districts, not the General Fund.)

To the extent Council wishes to further explore such options, staff can return with additional information/options at a future study session.

Attachments:

- Resolution
- Proposed additional frozen positions for 2013-15 budget
- General Fund Forecast

RESOLUTION NO. 13-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA
CONTINUING THE FISCAL YEAR 2012-13 BUDGET**

WHEREAS, the City is in the process of developing a two-year budget for fiscal years 2013-14 and 2014-15; and

WHEREAS, it is anticipated that the fiscal years 2013-14 and 2014-15 Budget will be adopted on or before July 31, 2013; and

WHEREAS, the City is required to make routine and monthly payments for goods, services and miscellaneous maintenance as necessary to continue day-to-day operations of City government;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Benicia hereby authorize, as follows:

1. That the operating budget for the Fiscal Year 2012-13, is hereby established as the appropriation and expenditure level, on a monthly prorated basis, until the City Council's adoption of the two-year Budget for Fiscal Years 2013-14 and 2014-15.
2. City staff shall continue to process warrants in accordance with the law.
3. The Finance Director may draw warrants or checks in payment of certified payroll and other demands and certify that they comply with the proposed Budget, subject to final ratification by the City Council after the Budget is adopted for Fiscal Years 2013-14 and 2014-15. As so certified, said warrants and checks shall be deemed to comply with Government Code Section 37208.
4. This resolution shall terminate upon adoption of an approved two-year Budget for Fiscal Years 2013-14 and 2014-15.

* * * * *

On a motion of Council Member _____, seconded by Council Member _____, the above Resolution was introduced and passed by the City Council of the City of Benicia at a regular meeting of said Council held on the 25th day of June, 2013, and adopted by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

Proposed Additional Frozen Positions for 2013-15 Budget

Position	Department	Anticipated Impacts
Community Development Director	Community Development Department	The loss of this position reduces the ability of the department to respond to requests for special projects, particularly as they may apply to policy and long-range planning matters. Also the time required for staff to respond to routine information inquiries will lengthen. Other potential impacts are still being assessed at this time.
Fire Marshal	Fire Department	Many aspects that are managed and performed by this position are required to meet State mandates. The department will still need to perform many of the mandated functions of the position with existing staff, and so will likely detract from the ability to manage some of the functions/mandates within the emergency operations, training and management aspects of the department.
Legal Technician	City Attorney's Office	Freezing the Legal Technician position will result in inefficiencies and lost productivity for the City Attorney's Office. The plan is to partially fill the position with part time lower level help. The funds set aside only allow for approximately 28 hours/week.
Field Utilities and Street Apprentice	Public Works Department	Besides repairing potholes, crack sealing a street prior to coating, litter pickup, special event preparation, storm drain inlet cleaning, sign maintenance and striping maintenance, the crew this position serves on also does patch paving. Without the streets FUSA, the crew cannot safely pave or crack seal an area of a major collector or arterial. There are just not enough people on the crew to safely manage the job and the traffic control necessary to perform the work effectively. This will impact the ability to perform large patch paving to help prolong existing pavement when little funding is available for pavement maintenance.
Parks & Building Maintenance Worker	Parks & Community Services Department	Freezing the Building Maintenance Worker position along with the current frozen BMWIII positions will continue to leave the Building Maintenance Division without a III position and only two Journeyman, and three custodians. The general public will not only feel the impact of not filling this position, but it will also have an impact internally. The Building Maintenance Division will need to continue to focus solely on performing general maintenance and custodial duties, and not special projects. Any technical work related to electrical, plumbing, or carpentry will need to be contracted. The frozen position will require the BM supervisor get even more involved in the hands on work and this reduces his time to perform his administrative duties and training of employees.

Position	Department	Anticipated Impacts
Dispatcher	Police Department	Reduces dispatch staffing by one dispatcher position. Community Service Officers (CSO) and records staff will be assigned to dispatch to cover open shifts to avoid additional exposure to overtime due to the inability to fully cover vacant shifts and absences resulting in a reduction of CSO capacity, decreases productivity in records, evidence, availability of crime scene technician, and subpoena processing. Reduces capacity to perform clerical duties such as citation entry, alarm billing, customer service at the lobby counter, etc. Increases reliance on overtime staffing to cover absences and vacations.
Police Officer	Police Department	Reduces patrol staffing by one police officer position. Less staff available to respond to emergency situations, reduced response times as assigned workload will be distributed amongst less staff, reduced availability of police officer training due to patrol scheduling priority, increased exposure to overtime to cover unplanned absences and vacations. Future long term patrol absences may require backfill from specialized assignments.

Note: In addition to the above-noted positions, where possible, departments plan to hold on filling funded vacancies for as long as possible in order to acquire additional salary savings, for example, the City Manager's Office Management Analyst II position, while budgeted, is currently being held vacant for further evaluation.

The above noted positions are in addition to a number of positions that have already been frozen and which are noted below. These positions are also proposed to remain unfunded in next budget cycle.

Position	Department
Police Officer	Police Department
Administrative Clerk (.75)	City Attorney's Office
HR Manager*	Human Resources
Librarian I	Library
Library Technician II	Library
Literacy Supervisor*	Library
Library Manager*	Library
Associate Planner	Community Development Department
Building Official	Community Development Department
Paramedic/Firefighter (2)	Fire Department
Firefighter	Fire Department
Management Analyst II	Fire Department
Assistant Public Works Director	Public Works Department
Public Works Inspector	Public Works Department
Principal Civil Engineer	Public Works Department
Senior Mechanic	Public Works Department
Maintenance Custodian	Parks & Community Services Department
Maintenance Worker III (3)	Parks & Community Services Department

*Portion of savings is being utilized to under-fill position

GENERAL FUND FORECAST

EXECUTIVE SUMMARY

The General Fund Forecast (the Forecast) presents the 2013 Estimated Budget; the FY2013-14 and FY2014-15 Proposed Budgets; and, thereafter, a three-year forecast of General Fund operating results. Despite numerous cost-cutting measures, the Forecast reflects continued difficulty maintaining Council objectives for the General Fund Emergency (10%) and Contingency (10%) reserves. Historically, the City has delivered a high level of varied government services without significant increases in service fees or taxes. However, as the City faces continued and new challenges, we must find opportunities for increased efficiency, as well as, consider opportunities to increase General Fund resources.

REVENUES

Property, Sales, and Utility Users tax revenues have proven especially difficult to estimate, requiring the City to respond quickly to significant differences between projected and actual revenue receipts. Property assessment information is released annually; however, the unprecedented County-wide level of property appeals, AB 8 properties, and price fluctuations make it difficult to estimate actual receipts. Also, a heavy concentration of sales and use tax base in the business-industrial and fuel-service sectors impact the variability of these projections. This is also true of the Utility Users tax, where 55% of the tax collected is from a single company.

The revenue projections were prepared with a cautiously optimistic view reflecting the assumption that most revenue sources will be at or near the bottom in FY2014-15, and will rise modestly over the remaining three-year period. Other assumptions are implied, for example, it is assumed there are no significant changes to the types of revenue generated by the City; and, that there are no significant inflationary or deflationary economic events.

Over the five-year period, total revenues are forecasted to modestly increase 7.8%, from \$29.95M in FY2013-14 to \$32.31M in FY2017-18.

EXPENDITURES

Since 2009, the City has achieved a cumulative 10% reduction in employee wages and benefits; a 12% reduction in the number of funded full-time positions; and, implemented various departmental operating cost savings. In the proposed budget, the City froze additional vacant positions totaling approximately \$.08M; and those positions are assumed to remain unfunded over the forecast period.

Despite these accomplishments, the City continues to face significant employee cost pressures, primarily due to retirement and workers' compensation increases. Implemented and planned CalPERS "sustainability" actions are one of the most significant cost pressures facing the City today. The Forecast includes additional PERS cost estimates totaling \$1.7M over the three years between FY2015-16 and FY2017-18 related to these actions.

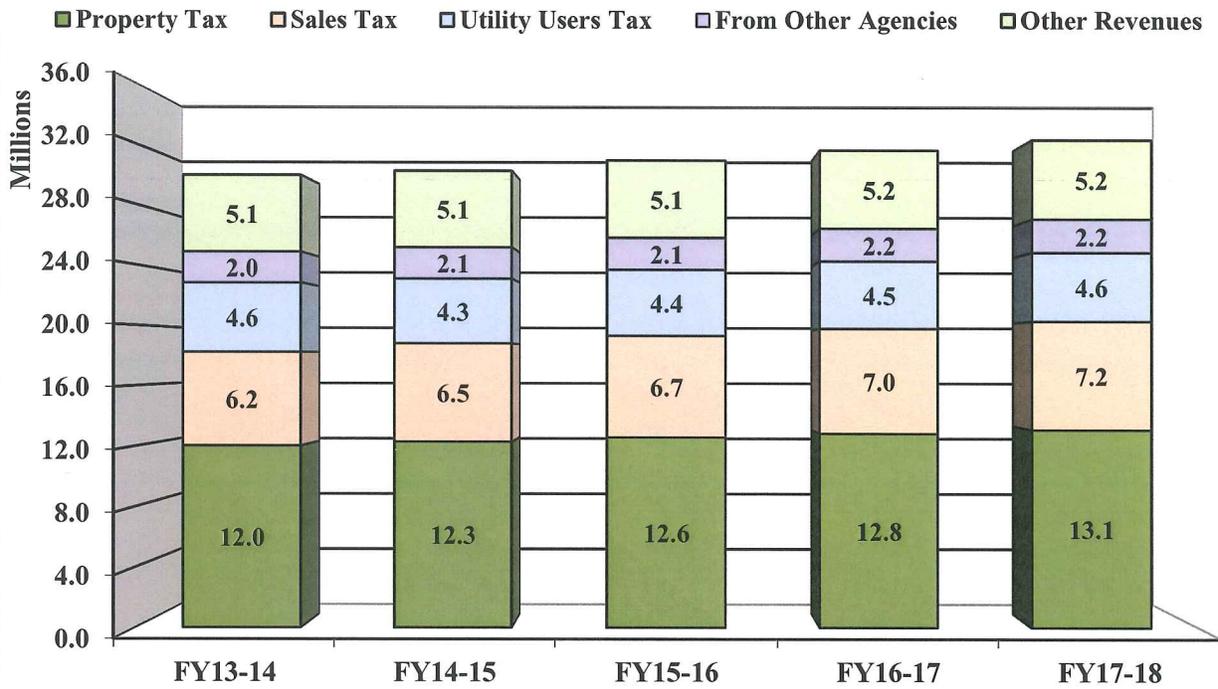
In total, other than estimated cost increases for retirement and internal service costs, the forecasted expenditures reflect little overall increase over the forecast period. The Forecast scenario "holds" these costs at low to no-growth levels with the objective of maintaining Emergency Reserves at 10% of projected General Fund revenues.

Over the five-year period, total expenditures are forecasted to be held at an increase of 2.2%, from \$31.2M in FY2014-15 to \$31.9M in FY2017-18.

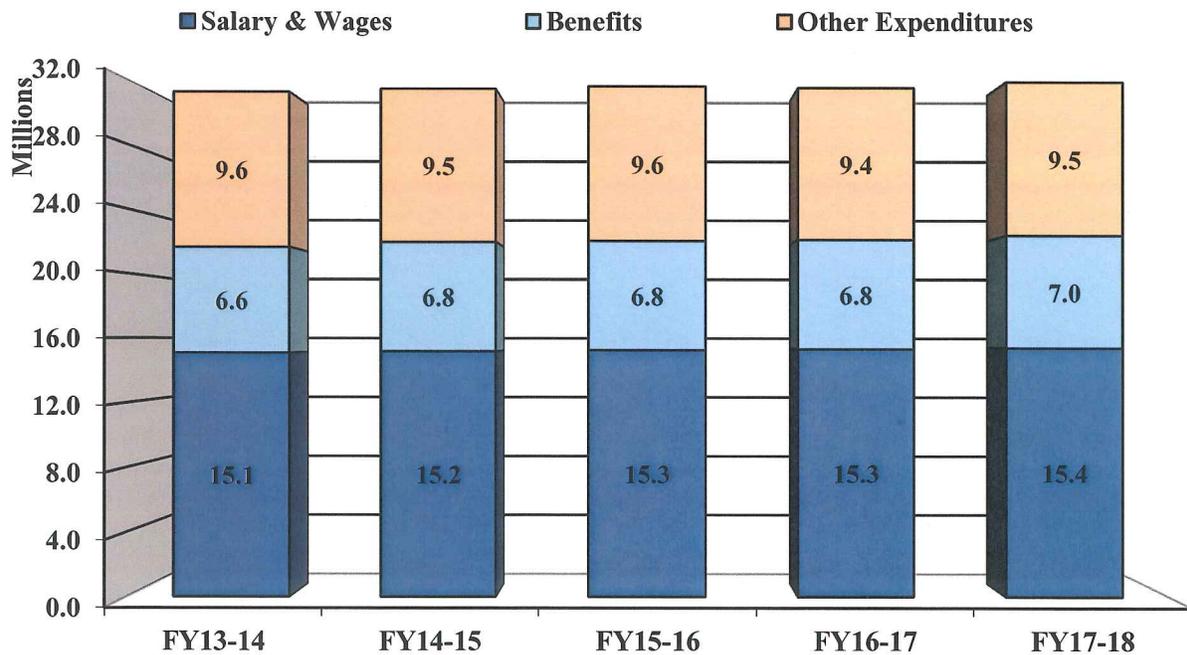
FUND BALANCE

At the end of the Forecast period, the General Fund reflects a 10% Emergency Reserve balance. The City's Budget and Fiscal Policy (the Policy) requires that the City strives to maintain total reserves at 20%, and this Forecast is not intended as an implied recommendation to allow reserves to reach 10%. The Forecast is indicative of the resources that will be required over time, either through increased revenues or reduced expenditures, to maintain reserves at the Policy levels.

General Fund Revenue Forecast by Major Category



General Fund Expenditure Forecast by Major Category



CITY OF BENICIA
GENERAL FUND FORECAST: FIVE YEAR
(in thousands)

Revenues	AMENDED	ADD'TL	ESTIMATED	PROPOSED		PROJECTED		
	2013	AMEND	2013	2014	2015	2016	2017	2018
Property Tax	11,860	(70)	11,790	12,028	12,306	12,589	12,841	13,098
Sales Tax	6,315	285	6,600	6,205	6,495	6,722	6,958	7,201
Utility Users Tax	4,975	(55)	4,920	4,595	4,290	4,376	4,463	4,553
Other Taxes	830	85	915	910	925	934	944	953
From Other Agencies	2,012	-	2,012	2,048	2,088	2,130	2,172	2,216
Franchise Fees	1,600	45	1,645	1,710	1,735	1,752	1,770	1,788
Charges for Current Services	1,343	-	1,343	1,308	1,313	1,326	1,353	1,380
Other Revenues	1,134	-	1,134	1,149	1,092	1,103	1,114	1,125
Total Revenues	30,069	290	30,359	29,953	30,244	30,933	31,614	32,313
Expenditures								
Salaries	15,080	92	15,172	15,088	15,185	15,261	15,337	15,414
Benefits:								
Health and Other	2,823	(376)	2,447	2,595	2,595	2,595	2,595	2,595
PERS	2,736	(208)	2,528	2,600	2,815	3,105	3,395	3,675
City POB	1,087	-	1,087	1,365	1,365	1,075	785	700
Subtotal Benefits	6,646	(584)	6,062	6,560	6,775	6,775	6,775	6,970
Subtotal Personnel	21,726	(492)	21,234	21,648	21,960	22,036	22,112	22,384
Services and Supplies	5,837	254	6,091	6,250	6,007	6,067	6,128	6,189
Community Programs	631	-	631	572	576	576	576	576
Water Discount	187	-	187	292	249	222	164	132
Capital Outlay	352	-	352	218	276	282	287	293
Internal Service Charges	1,500	-	1,500	1,624	1,726	1,793	1,864	1,938
Debt Service Payments	628	-	628	651	651	627	390	390
Total Expenditures	30,861	(238)	30,623	31,255	31,445	31,603	31,521	31,902
Operating Income / (Loss)	(792)	528	(264)	(1,302)	(1,201)	(670)	93	411
Other Financing Sources/Uses								
Transfers In	95	-	95	95	95	96	97	98
Transfers Out	(171)	(594)	(765)	(195)	(193)	(198)	(203)	(208)
Net Operating Transfers	(76)	(594)	(670)	(100)	(98)	(102)	(106)	(110)
Change in Fund Balance	(868)	(66)	(934)	(1,402)	(1,299)	(772)	(13)	301
Other Reserve Changes	219	-	219	249	253	250	-	-
Projected Fund Balance								
July 01, 2013 Balance	6,536	-	6,536	5,821	4,668	3,622	3,100	3,087
June 30, 2014 Balance	5,887	(66)	5,821	4,668	3,622	3,100	3,087	3,388
			19%	16%	12%	10%	10%	10%

CITY OF BENICIA
RATE ASSUMPTIONS
(percentage change)

Revenues	PROPOSED		PROJECTED		
	2014	2015	2016	2017	2018
Property Tax	2.0%	2.3%	2.3%	2.0%	2.0%
Sales Tax	-6.0%	4.7%	3.5%	3.5%	3.5%
Utility Users Tax	-6.6%	-6.6%	2.0%	2.0%	2.0%
Other Taxes	-0.5%	1.6%	1.0%	1.0%	1.0%
From Other Agencies	1.8%	2.0%	2.0%	2.0%	2.0%
Franchise Fees	4.0%	1.5%	1.0%	1.0%	1.0%
Charges for Current Services	-2.6%	0.4%	1.0%	2.0%	2.0%
Other Revenues	1.3%	-5.0%	1.0%	1.0%	1.0%
Total Revenues	-1.3%	1.0%	2.3%	2.2%	2.2%
Expenditures					
Salaries	-0.6%	0.6%	0.5%	0.5%	0.5%
Benefits:					
Health	6.0%	0.0%	0.0%	0.0%	0.0%
PERS	2.8%	8.3%	10.3%	9.3%	8.2%
City POB	25.6%	0.0%	-21.2%	-27.0%	-10.8%
Subtotal Benefits	8.2%	3.3%	0.0%	0.0%	2.9%
Subtotal Personnel	1.9%	1.4%	0.5%	0.5%	3.4%
Services and Supplies	2.6%	-3.9%	1.0%	1.0%	1.0%
Community Programs	-9.4%	0.7%	0.0%	0.0%	0.0%
Water Discount	56.1%	-14.7%	-10.8%	-26.1%	-19.5%
Capital Outlay	-38.1%	26.6%	2.0%	2.0%	2.0%
Internal Service Charges	8.3%	6.3%	3.9%	3.9%	4.0%
Debt Service Payments	3.7%	0.0%	-3.7%	-37.8%	0.0%
Total Expenditures	2.1%	0.6%	0.5%	-0.3%	1.2%
Operating Income / (Loss)	-393.2%	7.8%	44.2%	113.9%	-341.5%
Other Financing Sources/Uses					
Transfers In	0.0%	1.0%	1.0%	1.0%	1.0%
Transfers Out	-74.5%	2.5%	2.5%	2.5%	2.5%
Net Operating Transfers	85.1%	2.0%	-4.0%	-3.9%	-3.9%
Change in Fund Balance	-50.1%	7.3%	40.6%	98.3%	2445.6%
Other Reserve Changes	13.7%	1.6%	-1.2%	-100.0%	0.0%

FORECAST ASSUMPTIONS AND DISCUSSION

Economic Environment

The US continues a historically slow, but steady, recovery from the 2007-2009 Recession. This Recession marked the most severe US economic contraction since the Great Depression. To this day, the average US household continues to experience the aftershocks of a debt-fueled expansion in asset prices and employment opportunities, rapidly followed by an implosion of housing prices, low employment, and upheaval in global credit markets.

Many economists believe that Federal bail-outs and spending programs, along with monetary intervention by the Federal Reserve, spurred the end of the Recession in June 2009. Since then, the US and California economies have continued on a slow path to recovery. The California Legislative Analyst's Office (the LAO) projects that personal income levels, reductions in unemployment rates, and housing starts will improve then level off through 2018.

California unemployment rates continue to improve. According to the LAO, the unemployment rate in California is expected to decrease from 9.0% in 2013 to 6.7% in 2018. While these unemployment rates do not approach the low levels of 4.7% in 2001, this projection is a significant reduction from the unemployment rate of 12.4% in October of 2010. Recent housing market activity is another bright spot in the economic recovery. In May, real estate information company, Data-quick, reported that Solano County median home prices were up an average of 36% in April year-over-year comparisons. The City of Benicia reported an 18.3% percent gain in median housing prices, from \$300,000 to \$355,000. On the cautionary side, future housing values are difficult to project due to the effects of inventory levels, credit availability, personal income and employment growth, and interest rates – which are currently near historic lows.

These positive trends in growth are dampened by global economic weakness and continued weakness in California's manufacturing and government sectors. These "worries" are not taken lightly in view of the unconventional monetary policies employed by the Federal Reserve since the start of the Recession and the significant increase in government debt levels in the United States.

In today's environment where the California Department of Finance and the LAO publish conflicting revenue projections, it is difficult to make predictions about the future. Overall, the General Fund Forecast has been prepared with a cautiously optimistic view in revenue areas and with the assumption of sustained cost-containment, where practicable, in the expenditure areas.

Note Regarding Forecast

The General Fund Forecast is a static-based projection formulated through the use of a series of assumptions regarding the economic environment, recent trends in Benicia operating data, and in some instances, estimated information about known future events. The City of Benicia utilizes consultants to estimate property and sales tax revenues. Other than the property and sales tax revenues, projection assumptions are prepared by City staff. As a forecast, this document is intended to serve as a general policy discussion guide regarding possible future operating results.

Sources: Bls.gov; lao.gov; imf.org; beaonecon.com

REVENUES

Property Tax

Property tax receipts of \$11.8M are estimated for FY2012-13, which represents a decrease of 10% from peak levels of \$13.1M in FY2008-09. Unlike many other jurisdictions in the Bay Area, Solano County property values declined approximately 3% during FY2012-13. Initial property assessments for FY2013-14 are encouraging; however, the County has a significant backlog of property tax appeals which will continue to dampen overall revenue receipts and allocations. Additionally, between FY2007-08 and FY2011-12, approximately 46% of the City's residential properties were assessed below Prop 13 trend lines. These properties are classified as "AB 8" properties and do not receive automatic price index increases, but rather, will be assessed value based upon the County Assessor's analysis of each similar property area.

Overall, in FY2013-14, receipts are expected to increase to \$12.0M (2%), primarily due to the California Consumer Price Index (CCPI) increase (2%) and estimated recovery in AB 8 property values; these increases are offset by reductions due to "prior" appeal settlements.

In FY2014-15 receipts are expected to increase to \$12.3M (2.3%). This estimate utilizes the same percentage increases as FY2013-14, but assumes a reduction in the amount of prior appeal settlements.

In FY2015-16 through FY2017-18, the revenue projections are 2.0% to 2.3% each year, reflecting consistent CCPI increases and also, indirectly, assuming the City does not incur any significant housing or commercial property development through FY2017-18. Broadly, the projections assume property tax receipts will be restored to FY2008-09 peak levels by FY2017-18.

Sales Tax

Sales tax category includes General Sales Tax and Proposition 172 Sales Tax. Overall, FY2012-13 collections are estimated at \$6.6M. This estimate (including one-time adjustments) reflects significant improvements from the mid-year estimate, primarily due to reductions of negative one-time adjustments. Base sales tax estimates declined over the prior year (-1.5%), however total revenue increased due to State advances and true-up payments.

In FY2013-14 estimated sales tax collections decrease to \$6.2M (-6.0%). The total base collections before the State Triple Flip reflect a reduction of only -2.4%. However, the -6.0% decrease is due to differences in State advance payments true-up payments compared to the prior year. This projection (including one-time adjustments) reflects improvements in the consumer goods category offset by reductions in the fuel/service and building categories.

In FY2014-15 estimated sales tax collections increase to \$6.5M (4.7%). This projection assumes sales activity increases ranging from 2.0% to 5.5% in all industry categories; and, reflects fairly optimistic economic activity.

In FY2015-16 through FY2017-18, the revenue projections are somewhat optimistic at 3.5% each year. This reflects an overall projection that City sales revenues will continue to improve, notably in the business/industry and building construction categories.

Utility Users Tax

The City charges a 4% utility users' tax (UUT) on electricity and gas to all users other than the corporation providing the utility; and, a 3.5% rate on communication services. Approximately 55% of all UUT is generated from Valero Refining Company.

In FY2012-13 estimated UUT is \$4.9M which is a decline over the prior year, reflecting continued weakness in gas and electricity prices, and as a function of certain payment agreements described below.

In FY2013-14 estimated UUT is \$4.6M (-6.6%) and in FY2014-15, estimated UUT is \$4.3M (-6.6%). In each year, this represents a decline of \$0.3M from the previous year. Estimated declines are primarily due to the Valero UUT payment agreement, which is based on the five-year average amount of annual billed utilities. In the past five years, wholesale gas prices fluctuated from an average high of \$9.17/BTU in FY2008, to an average low of \$3.76/BTU in FY2011-12. As the City, "rolls off" the high-year averages, the UUT payments drop significantly. In addition, consumption volume has reduced over the five-year period due to utilization and efficiency methods employed by the company.

In FY2015-16 through FY2017-18, estimated revenue projections reflect 2.0% annual increases. This assumes gas and energy prices continue recent trends. However, refinery production, US oil extraction and emissions policies, western US demand, and commodities prices significantly impact this revenue source.

Other Taxes

Other taxes consist of business license, transient occupancy, and real estate transfer taxes. In FY2012-13, estimated other tax collections are \$0.9M reflecting an improving local economy with increased activity in business license renewals and transient occupancy remittances.

In FY2013-14 through FY2017-18, other taxes are assumed to remain somewhat flat at \$0.9M for all years.

Revenue from Other Agencies

Revenue from other agencies primarily consists of property tax in lieu of vehicle license fees, and the Solano County Public Private Emergency Medical Services Partnership (EMS) reimbursements.

Property tax in lieu accounts for approximately 90% of the total revenue from other agencies. This revenue source increases or decreases each year in proportion to the City's property tax assessments. In FY2012-13, estimated revenue from other sources is \$2.0M reflecting continued declines in property tax assessments.

In FY2013-14 estimated revenue from other agencies is \$2.04M (1.8%) reflecting increased property assessments, and stable EMS fee reimbursements.

In FY2014-15 through FY2017-18, estimated revenue from other agencies reflect 2.0% annual increases. This assumes EMS fee reimbursement remains stable and assessed valuations continue to increase.

Franchise Fees

The City enters into franchise agreements for electricity, waste, and cable utility services. Franchise revenues for electricity have declined in recent years due to softening energy prices. This is not expected to continue and electricity rates are projected to increase by 2% and 4%, respectively over the next two years. In FY2010-11, the City entered into waste franchise agreements whereby the franchise fee percentage contractually increases from 8% in 2011 to a maximum of 10% in 2013. Increases in the waste franchise revenues more than offset the decrease in electricity franchise revenues.

In FY2012-13 estimated franchise fee revenues are \$1.6M reflecting contractual increases in waste fees offset by reductions in electricity fees.

In FY2013-14, estimated franchise fees increase to \$1.7M (4%) primarily due to contracted waste rate increases from 9% to 10%.

In FY2015-16 through FY2017-18, franchise fees are assumed to increase at a rate of 1.0% to 1.5% due to energy price increases partially offset by volume fluctuations, and due to no further contractual increases in the waste franchise percentage.

Charges for Current Services

Charges for services are comprised of fees charged for services primarily provided by the following departments: Public Works, Community Development, Library, Parks, Fire and Police. Unlike many California cities, the City does not aggressively pursue revenue opportunities for service fees. Over the years, this has resulted in increased cost burdens for many services provided to the citizens of Benicia. This revenue source has decreased over the years as construction activity and permit fees declined during the recession. Each respective department generally estimates these fees and it is possible these fees may be slightly understated as the local economy continues to show signs of improvement.

In FY2012-13 estimated charges for services are \$1.3M, an increase over prior year actual revenue. In FY2013-14, and FY2014-15 charges for services are projected to decrease -2.6% and increase 0.4%, respectively, from each of the previous years. Thereafter, revenues are projected to increase at 1.0% annually.

Other Revenues

Other revenues consist of Licenses and Permits, Fines and Forfeitures, Use of Money and Property, and Other Miscellaneous. Most of these revenue sources remain fairly stable with fluctuations primarily due to one-time receipts of miscellaneous revenues. This revenue primarily is estimated at approximately \$1.1M for all years forecasted.

EXPENDITURES

Salaries and Wages

In FY2012-13, estimated salaries and wages are \$15.2M. This reflects a minimal increase over the prior year and can be due to a variety of factors including changes in vacancies, overtime, step increases, and changes in temporary staff costs. As noted, the City implemented employee wage and benefits reductions totaling approximately 10% of previous wages and benefits. In addition, total City staffing has decreased from 235 positions to approximately 206 positions; this represents a 12% decrease in total funded positions. While, initially, such reductions were implemented with seemingly little impact on services; in truth, the reductions pose significant challenges for departments to continue high service levels and also improve or maintain operating and regulatory standards.

In FY2013-14 estimated salaries and wages are \$15.1M (-.6%). This slight decrease was achieved through cutting and/or freezing positions that had been filled, or were planned to be filled, in FY2013-14. These positions total \$0.8M in salary and benefit costs and are assumed to remain unfunded throughout the Forecast.

In FY2014-15 estimated salaries and wages are \$15.2M (.6%). This minor change primarily reflects scheduled step increases.

In FY2015-16 through FY2017-18, total salaries are projected to increase approximately 0.5% annually. It is crucial to note *this rate is not an assumption regarding expected inflationary pressure on wages*. Instead, it reflects the employee salary cost stabilization forecasted in order to maintain the minimum Emergency Reserve of 10%. It is challenging to assume that, at the current number of funded positions, the City could maintain these low projected increases.

Health and Other Benefits

In FY2012-13, estimated health and other benefits are \$2.45M, reflecting no increase over prior year costs. This is due to 2013 bargaining agreements whereby employee groups agreed to overall 10% reductions in total wages and benefits. As a part of negotiated reductions, City contributions toward various employee health plan costs are currently capped at fixed amounts with employees covering the future cost increases.

In FY2013-14, estimated health and other benefits are \$2.6M (6%). This is due to a variety of factors such as changes in coverage type (i.e. family versus single) and life insurance rates.

In FY2014-15 through FY2017-18, total health and other benefits are assumed to maintain capped cost levels. As noted above, *this rate is not an assumption regarding expected inflationary pressure on health and benefits*. The no-growth assumption is a forecast of cost containment needed to maintain emergency reserves. As with salary and wages, this is a challenging assumption. City employees may change type of coverage, rates for dental, vision, and life insurance will likely rise over the next five years. Also, the City may incur some costs under the Affordable Care Act.

RETIREMENT COSTS

There are two major components to total retirement costs:

- 1) CalPERS rates set by, and paid to, the Cal PERS retirement system each year; and,
- 2) City Pension Obligation Bond Debt Service payments charged to departments through internal service fund charges (PERS POB).

CalPERS

CalPERS contribution rates have steadily increased in recent years, and are expected to rise dramatically over the next seven years due to concerted efforts by the CalPERS Board to "ensure that the pension fund is sustainable over multiple generations." In March 2012, PERS lowered the investment return discount rate from 7.75% to 7.5%. In April 2013, PERS adopted new policies aimed at attaining fully-funded status in 30 years. These policy changes are effective in FY2015-16, and have a five-year ramp-up period.

Preliminary conservative estimates of increased costs as result of the CalPERS action escalate from \$0.29M in FY2015-16 to \$0.86M in FY2017-18, totaling approximately \$1.7M over three years. These costs will escalate at higher rates in the last two years of the ramp-up period. Please note, these estimates are based upon preliminary guidance received from CalPERS, and *contain various assumptions that may vary significantly from actual results*. The City will receive further CalPERS guidance in the fall of 2013.

Additionally, CalPERS intends to make final recommendations regarding mortality assumptions and the investment return discount rate. Each of these two assumption changes could result in rate increases between 2% to 4%, over time. These changes have not been forecasted.

PERS rates budgeted in FY2013-14 and FY2014-15 are obtained from CalPERS annual notifications disclosing the City's actual FY2013-14 rates and the estimated FY2014-15 rates.

In FY2012-13 estimated PERS payments are \$2.5M reflecting a mix of increased rates and reduced wages subject to PERS.

In FY2013-14 estimated PERS costs reflect a minor increase to \$2.6M (2.8%). In FY2014-15 estimated PERS costs increase to \$2.8M (8.3%). Thereafter, rates are expected to increase approximately 8% to 10% annually.

City POB

Since the issuance of the Pension Obligation Bonds in FY2005-06, the City surcharges employee retirement rates at a level sufficient to cover the underlying debt interest and principal payments. Annual sinking fund payments are due each August, and City practice is to ensure the full sinking fund payment is available at the end of each fiscal year preceding the August sinking fund payment. Between FY2006-17 and FY2016-17, total debt service payments range from approximately \$0.8M to \$1.6M.

During the Forecast period, the underlying debt costs are peaking at the highest levels and will decline approximately \$1.0M annually in FY2017-18. It is assumed that the savings achieved through the reduced debt burden will be

utilized to fund the PERS rate increases discussed above. Estimates in the Forecast have been “smoothed” for the full ramp-up period (through FY2019-20). Assuming the Forecast estimates approximate the final CalPERS guidance, this represents a significant accomplishment in planning for the payment of these costs.

In FY2012-13 estimated POB costs are \$1.1M reflecting the approximate costs incurred in previous years.

In FY2013-14 and FY2014-15, estimated POB costs are \$1.36M (25.6%) reflecting increased underlying debt payments and to fully restore sinking fund balances.

In FY2015-16 through FY2017-18, estimated POB costs decrease to reflect utilization of internal service fund reserves (for funding increased PERS payments) and to reflect a decrease in the underlying debt payment in FY2017-18. This debt savings as well as the cash available in the internal service fund will buffer CalPERS rate increases.

SERVICES AND SUPPLIES

Services and Supplies primarily consist of operating costs including contract services, computer software costs, supplies, maintenance, training, regulatory fees, and liability insurance costs. The City has implemented cost-saving measures intended to hold total services and supplies costs at flat to low growth rates, and this intention is reflected in the low growth assumptions of 1% in the FY2015-16 through FY2017-18 forecast years. However, as inflationary cost pressure increases for services and supplies, this scenario will likely be difficult to attain.

In FY2012-13, estimated services and supplies are \$6.1M, reflecting increases over the previous year. Staff is projecting that additional savings may be realized from unexpended project budgets; however, these projects likely will be carried over and spent the next fiscal year.

In FY2013-14, estimated services and supplies are \$6.25M (2.6%). This increase is primarily due to estimated support costs for the ONESolutions software implementation including process improvements to increase reporting efficiency and use of the new software.

In FY2014-15, estimated services and supplies are \$6.0M (-3.9%). This estimate assumes the ONESolutions system is implemented and operational during this fiscal year and that no other major operating requests, including property liability insurance and site clean-up costs, are incurred beyond departmental requests.

As stated, the City uses “no-growth” or “required-only” strategies to budget operating costs. These figures assume departments spend at 100% of budgeted capacity. Typically, departments, collectively, may only spend 98% to 99% of budgeted costs. However, as the City continues to implement minimal operating cost strategies, departments will be under increasing pressure to request appropriations for costs that can no longer be avoided.

Community Programs

Community program costs include City grants and contributions for economic development programs, Human Services, Youth Action Coalition, Library, and the Arts and Cultural Commission. In FY2012-13 estimated community programs are \$0.6M, primarily the same as previous category costs.

In FY2013-14, estimated community programs are \$0.57M (-9.4%) reflecting a slight reallocation in economic development costs. In FY2014-15 estimated community programs are \$0.57M (0.7%) reflecting continued commitment to community programs.

In FY2015-16 through FY2017-18, projected cost increases are zero.

Water Discount

The City water discount consists of a City program to provide reduced utility charges to qualified customers. Estimates are based upon prior studies of customer usage, and are expected to decline as new limits are phased-in over time.

Internal Service Charges

Internal Service Fund (ISF) charges include internal cost allocations for workers' compensation, fleet maintenance operations, vehicle and equipment replacement, and facilities maintenance and remodeling projects.

Recently, the City has not fully funded programs, and also has utilized Internal Service Fund reserves in an effort to maintain General Fund reserves. Rate increases implemented in the Forecast do not fully fund these programs over the budget cycle, let alone restore reserves to practical levels. This is especially true in the workers' compensation and vehicle replacement funds. Vehicle replacement reserves have been under-funded for some time, and, although this does not lead to "deficits", over time it will require that the City access capital markets for funding large vehicle purchases. Future high leasing rates could make this a difficult proposition.

Since 2008, Workers' Compensation fund reserve liabilities have almost doubled. This is due to various cost factors, such as: temporary benefit increases, changes in reserve calculation methods, Medicare involvement in claims settlements, and increased severity of new injuries. Also, SB863 became effective January 2013. This bill makes wide-ranging changes to California's workers' compensation system, including significant increases in payments to injured workers. During FY2013-14, the City intends to study these issues, and make recommendations, related to ISF funding levels.

In FY2012-13 estimated ISF charges are \$1.5M, reflecting an increase over the previous year across most ISF funds. The largest increase was in the workers' compensation charges.

In FY2013-14 estimated ISF charges are \$1.6M (8.3%), and in FY2014-15 estimated charges are \$1.7M (6.3%), reflecting across the board increases in all internal rates.

In FY2015-16 through FY2017-18, estimated charges increase at a rate of approximately 4.0%. These rates may change significantly once the studies referenced above are completed.

Debt Service Payments

Debt service payments consist of lease payments on police station and storm water improvements, and repayments of an inter-fund advance.

In FY2015-16, the inter-fund advance will be fully re-paid.

Transfers

Operating transfers in consist of administrative cost reimbursements from Utility Enterprise Funds. Operating transfers out consist of payments for estimated operating deficits in the Marina Enterprise Fund.

In FY2012-13, estimated transfers out differs significantly from the 2013 Amended Budget. The difference of \$.06M reflects the estimated operating transfer required to fund the Transit Fund deficit. While staff expects some additional due diligence to ensure all payments have been received from Solano County, this fund has been inactive for some time and the operations transferred to a Joint Powers Authority, therefore, the deficit must be funded, and the fund must be closed.

AGENDA ITEM
CITY COUNCIL MEETING: JUNE 25, 2013
STUDY SESSION ITEM

DATE : June 17, 2013

TO : City Council

FROM : Acting Assistant City Manager
Library Director

SUBJECT: **PRESENTATION OF FUNDING RECOMMENDATIONS FROM HUMAN SERVICES BOARD AND BENICIA ARTS & CULTURE COMMISSION**

RECOMMENDATION:

Receive funding recommendations for Human Services and Arts & Culture grants and provide direction to staff as needed.

EXECUTIVE SUMMARY:

Both the Human Services Board and the Benicia Arts and Culture Commission have completed a comprehensive Request for Funding (RFF) process relative to funding requests from human services and arts and culture organizations. Each body has developed funding recommendations for Council to consider as part of the 2013-15 budget process.

STRATEGIC PLAN:

Relevant Strategic Plan Goals and Strategies:

- Strategic Issue 3: Strengthening Economic and Fiscal Conditions
 - Strategy 1: Implement economic development strategy
 - (f) Continue funding for non-profit arts and culture organization grants
- Strategic Issue 5: Maintain and Enhance a High Quality of Life
 - Strategy 3: Promote arts and culture
 - (a) Pursue funding sources for arts and culture activities
 - Strategy 5: Provide support to disadvantaged segments of the community
 - (c) Continue funding for Human Services grants

BUDGET INFORMATION:

It is proposed to keep the funding levels for both the Human Services and Arts and Culture grants at the same level as the 2012-2013 funding, but additional options are provided by both bodies, in case a different funding level is desired or required.

Description		Proposed 2013-14	Proposed 2014-15
Human Services Grants - General Fund Transfer	\$	150,000	150,000
Arts & Culture Grants - General Fund Transfer	\$	61,540	61,540
Proposed Grant Expenditures	\$	211,540	211,540

BACKGROUND:

Following is a brief overview of the processes currently in place for recommending grant funding by the Human Services Board and Arts and Culture Commission.

Human Services Board Grants

The Human Services Board awards grants to organizations providing human services to the community. The Board has an application for a two-year funding cycle. They send notification regarding the application process to current grantees, as well as place an ad in the newspaper and information on the City website. This allows potential grantees to find out about the process. A copy of the Human Services Board's grant application letter and application packet are attached, along with the timeline for the RFF process.

The Human Services Board's process is detailed and sets forth the specific criteria for evaluating the proposals as part of the RFF application packet. As part of the Board's responsibility to monitor the use of grant funds on an ongoing basis, the Human Services Board also requires quarterly reports from its grantees prior to the Board approving disbursement of grant payments. A sample of the report is included in the application packet. Board members also perform site visits and then provide a detailed review of their visit to the Board at the Board meetings.

A copy of the minutes from the April 2013 Human Services Board meeting are attached to this report, and these minutes detail the proposed recommendations of the Board for human services grants for the upcoming budget period. Due to the City's current budget situation, the Board has provided the Council with three recommendations based on different funding level assumptions: 1) Same as current General Fund funding, 2) 5% less and 3) 10% less than the current General Fund funding level.

Of the seven applications received, two applications were eliminated as their projects did not receive an average score of 75, which the Board identified as

the minimum average score to be considered eligible to be recommended for funding. A summary of the average score by grantee is as follows:

Families in Transition	Community Action Council	Children's Nurturing Project	Special Friends	Catholic Social Services	Benicia Community Gardens	Kids Aren't Drown Proof
91	95	85	88	83	68	55

The grant requests from the remaining five applications that scored above 75 totals \$188,685 per year. The Board recommends that total human services funding from the General Fund be budgeted at \$150,000 per year, same as 2012-13 funding, with the remainder of the grant funding coming from projected donations. A summary of the Board's recommendations are attached as part of the minutes from the Board's April meeting.

Benicia Arts and Culture Commission

The Benicia Arts and Culture Commission (BACC) awards grants to organizations providing arts and/or cultural services to the community. This is the second budget cycle in which the BACC has been involved in selecting and reviewing the grant applications. The BACC has followed the process established by the Human Services Board, as the Human Services Board has been involved in grant awards for non-profit organizations for many years. Like the Human Services Board, the Arts and Culture Commission has an application for a two-year funding cycle. Like the Human Services grantees, the BACC grantees submit quarterly reports for review and approval by the Commission. If problems arise, Commissioners contact the groups and do site visits when appropriate.

As part of the current RFF process, the Commission notified all previous grantees and posted the application on the Library's website. An ad was placed in the Benicia Herald stating that the process was open and applications could be obtained online or picked up at the Library. A copy of the BACC's grant application letter and application packet is attached. The Commission followed the detailed process established by the Human Services Board in which specific criteria were established, an open forum of the applications was conducted, and final review of the grant applications was held in a public session.

Of the eight applications received, two applications were eliminated as their projects did not fall within the scope of the commission's oversight. The total grant requests from the remaining six applications equaled \$103,560. The Commission used a budget figure of \$60,540, the same amount that had been approved by the Council for budget years 2011-13, to establish a

recommended set of budget numbers for arts and culture grantees in 2013-15. These proposed numbers were based upon a percentage of the amount requested, using scores related to the established criteria. The top three applicants were selected to receive 65% of their requested grant funding; the bottom tier applicants are recommended for 35% of their requested grant funding. Total amount of each request and total score are provided herein.

	Tier 1			Tier 2		
	Arts Benicia	BOTTG	Voena	Benicia Ballet	State Parks	Literary Arts
Requested funding	\$55,000	\$11,135	\$15,000	\$11,050	\$5,375	\$6,000
TOTAL POINTS	668	649	622	578	533	524
\$60,540	\$35,750	\$7,238	\$9,748	\$3,844	\$1,872	\$2,088

Due to the uncertainty of the City's budget at the time the recommendations were developed, the Commission has provided the Council with three recommendations based on different funding level assumptions: 1) Same as current General Fund funding (above), 2) 5% less and 3) 5% more than the current General Fund funding level. The increase of 5% has been included at the request of the Commission.

	Tier 1			Tier 2		
	Arts Benicia	BOTTG	Voena	Benicia Ballet	Parks	Literary Arts
\$57,514 (5% less)	\$33,963	\$3,876	\$9,261	\$3,652	\$1,778	\$1,984
\$63,584 (5% more)	\$37,544	\$7,600	\$10,236	\$4,040	\$1,968	\$2,196

During the process of verifying the nonprofit status of the applicants, staff discovered that the nonprofit status of two grantees had been suspended by the Internal Revenue Service. The Commission Chair and City staff consulted with the City Attorney, and it was determined that a proper procedure would be to recommend funding for all six grantees, with the provision that nonprofit status must be reinstated for suspended nonprofits prior to September 30, 2013. If at the conclusion of the first quarter, the applicant's status is not reinstated, a budget adjustment will be presented to Council requesting redistribution of fiscal year 2013-14 funds among the qualified grantees. If the nonprofit status of the two applicants is not reinstated by June 30, 2014, a budget adjustment request will be presented to Council requested redistribution of fiscal year 2014-15 funds among the qualified grantees. The Commission approved this recommendation during a special meeting on May 29, as their desire is to provide the maximum

opportunity for these two applicants to receive funding while allowing the city to act in a fiscally responsible manner.

A copy of the minutes from the April 11, 2013 and May 29, 2013 Arts and Culture Commission meetings are attached to this report, and these minutes detail the proposed recommendations of the Commission for arts and culture grants for the upcoming budget period.

The Benicia Arts and Culture Commission recommends that funding from the General Fund continue at the current level of \$60,540.

Attachments:

- ❑ Human Services RFF Packet and Timeline
- ❑ Human Services Board Minutes – April 2013
- ❑ Arts & Culture Commission RFF Information
- ❑ Arts & Culture Commission Grant Application Packet
- ❑ Arts & Culture Commission Minutes – April 11, 2013
- ❑ Arts & Culture Commission Minutes – Special meeting May 29, 2013

**CITY OF BENICIA
BENICIA HUMAN SERVICES BOARD
FY 2013-2015 GRANT APPLICATION**

INSTRUCTIONS

SECTION I - PROPOSAL SUBMISSION REQUIREMENTS

A. DEADLINE FOR SUBMISSION: Friday, January 25, 2013, by 5:00 pm at:

City of Benicia
City Manager's Office
250 East L Street
Benicia CA 94510
Attn: Anne Cardwell

Hand-carried proposals may be delivered **ONLY** to the aforementioned address Monday through Friday between the hours of 8:30 a.m. and 5:00 p.m., excluding holidays observed by the City.

Proposers are responsible for informing any commercial delivery service, if used, of all delivery requirements and for ensuring that the required address information appears on the outer wrapper or envelope used by such service.

B. MODIFIED PROPOSALS

A Proposer may submit a modified proposal to replace all or any portion of a previously submitted proposal up until the Proposal Due Date. The Benicia Human Services Board will only consider the latest version of the proposal. Add new categories as needed but make sure an adequate description is included.

C. WITHDRAWAL OF PROPOSALS

Proposals shall be irrevocable until grant award unless the proposal is withdrawn. A proposal may be withdrawn in writing only, addressed to Anne Cardwell at the address noted above, prior to the Proposal Due Date.

D. LATE PROPOSALS AND LATE MODIFICATIONS

Proposals received after the Proposal Due Date are late and will not be considered. Modifications received after the Proposal Due Date are also late and will not be considered.

The responsibility for submitting a proposal to the City Administrative Services Director on or before the stated time and date is solely and strictly the responsibility of the Proposer. The Benicia Human Services Board is not responsible for delays caused by any mail, package or couriers service, including the U.S. mail, or caused by any other occurrence.

**CITY OF BENICIA
BENICIA HUMAN SERVICES BOARD
FY 2013-2015 GRANT APPLICATION**

INSTRUCTIONS

SECTION I - PROPOSAL SUBMISSION REQUIREMENTS (continued)

E. GRANT APPLICATION INSTRUCTIONS

ALL PROPOSALS MUST BE SUBMITTED ON THE SEVEN (7) PAGE APPLICATION.

- Applications must be typed.
(These instructions and a downloadable application will be made available on the City's website for your convenience. Section C may be expanded, but may not to exceed 5 pages.)
- All questions must be answered. If not applicable, write N/A. Do not leave blank.
- Focus on your project description and budget information.
- The application must be signed by an officer who is legally authorized to enter into a contractual relationship in the name of the proposers.

F. REQUIRED ATTACHMENTS

Proposals submitted that do not include the following items may be deemed non-responsive and may not be considered for a grant award. The documents must be attached to the original application **only**, in the following order:

- IRS Letter of Tax Exempt Status
- Organization's total budget for the current year
- Copy of most recent audit or financial statement
- Names and addresses of Board of Directors
- List of paid principal staff and positions
- Job descriptions for principal staff and personnel to be paid partially or in full with grant funding
- Copy of resolution or board meeting minutes demonstrating support of the project application.
- If a partnership, then submittal of letters of commitment from each organization indicating degree of participation and a budget showing each organization's financial responsibility is required.

G. SUBMISSION PACKAGE

An unbound original and ten (10) copies [a total of eleven (11)] of the complete application must be submitted in a sealed envelope or container. The outside of the envelope or container must include: the proposer's name, address and telephone number.

H. QUESTIONS

Please submit questions regarding the application to Anne Cardwell at acardwell@ci.benicia.ca.us or via fax at (707) 747-8120. Responses to questions will be shared with all applicants.

**CITY OF BENICIA
 BENICIA HUMAN SERVICES BOARD
 FY 2013-2015 GRANT APPLICATION**

INSTRUCTIONS

SECTION II - REVIEW/EVALUATION/SELECTION PROCESS

Each application will be reviewed to determine if the application is responsive to the submission requirements outlined in the RFF. A responsive application is one that follows the requirements of the RFF, includes all documentation, is submitted in the format outlined in the RFF, and is of timely submission. Failure to comply with these requirements may deem your application non-responsive. Applications will be reviewed and scored for qualitative and technical merit according to the criteria described below.

EVALUATION CRITERIA	POINTS
A. Service commensurate with Board’s mission and purpose	21.00
B. Present need of the service provided	20.00
C. Quantifiable goals attached to measurable and specific outcomes	15.00
D. Financial ability of agency to provide services to Benicians	10.00
E. Cost per client vs. impact of the intervention	10.00
F. Other sources of funding and board matching funds (Not in-kind)	10.00
G. Outreach Plan	8.00
H. Past performance providing services to Benicians	6.00
TOTAL POSSIBLE POINTS	100.00

Benicia Human Services Board evaluation of the proposals will include the appropriateness of a particular project, subject to the established criteria.

Mission

To advocate for human service needs in Benicia

Purpose

The purpose of the Benicia Human Services Board is to support the broad economic, educational, and social goals of the City of Benicia by assessing the human service needs, making recommendations to the City Council regarding funding of effective human service agencies and programs, and evaluating those services and programs on behalf of the community.

SECTION III - GENERAL GRANT AWARD PROVISIONS

A. CONTRACT AWARD

Awarding of grants is dependent upon Benicia City Council approval.

B. CONTRACT TERM

The contract period for all grants awarded through this RFF must fall within City of Benicia two-year funding cycle, which begins on July 1, 2013 and ends on June 30, 2015. Grants will be awarded for a period not to exceed twenty-four (24) months. The effective starting date will be no earlier than July 1, 2013.

**CITY OF BENICIA
BENICIA HUMAN SERVICES BOARD
FY 2013-2015 GRANT APPLICATION**

INSTRUCTIONS

SECTION IV - CONTRACTUAL AWARD PROCESS–SPECIAL TERMS AND CONDITIONS

A. CONTRACTING PROCESS

Grantees (awarded applicants) will be required to complete certain contract documents (A sample contract is included as Attachment A). They will be required to submit quarterly reports to the Benicia Human Services Board (A sample quarterly report is included as Attachment B; please note that quarterly reports will be refined following contract award to reflect an assessment of the grantee's scope of work per the final agreement). These reports will contain:

- 1) Up to date information regarding the services provided.
- 2) Up to date information regarding the specific quantifiable goals of the project.
- 3) The outreach efforts for the period.
- 4) Evaluation of the outstanding project objectives and the methods to be used to meet the objectives.

SAMPLE
GRANT AGREEMENT
BETWEEN
THE CITY OF BENICIA
AND

This agreement is made this ____ day of _____, 20__, by and between the City of Benicia, acting through its Human Services Board (hereinafter called “City” or “Board”) and _____, (hereinafter called “Grantee”).

WHEREAS, the City has established a Human Services Board Fund (Fund) from different revenue sources, including voluntary community and employee donations, interfund transfers, investment earnings, and other fundraising activities.

WHEREAS, the Benicia City Council has given the Human Services Board authority to award monies from the Human Service Board Fund for services, programs or activities which benefit the mental, social or physical health and welfare of Benicia residents of all ages;

WHEREAS, Grantee provides services, programs and/or activities that meet the requirements of the Fund and benefit Benicia residents as described more fully in the Scope of Human Services that is attached to this agreement and incorporated as if contained herein;

WHEREAS, the Board is willing to distribute money from the Fund to Grantee to help provide for such services, programs and/or activities that are described in the Scope of Human Services based solely on the terms and conditions listed below.

NOW THEREFORE, the parties agree to the following terms and conditions set forth as follows:

1. **Amount and Disbursement of Fund**: Subject to appropriation of sufficient funds by the City Council, the Board City shall provide to Grantee an award from the Fund in the amount of \$ _____. The disbursement of the funds shall be made as set forth in the attached Scope of Human Services. No disbursement of funds shall be made beyond the two-year term of this agreement unless pursuant to written agreement as set forth in Sections 3 and 4 below. No disbursement or only partial disbursement of funds shall be made if the City Council does not appropriate sufficient funds for the Human Service Fund grants.
2. **Use of Funds for Services/Programs/Activities**: The Grantee shall use the funds received from the City solely in furtherance of the services, programs and/or activities described in the attached Grantee’s “Request for Funding” and shall not use the funds for any other purpose without written authorization from the City.

3. **Term of Agreement:** The term of this Agreement shall be in effect through June 30, 201__, beginning on the date of execution of this Agreement. An extension of the Agreement for an additional period may be made as needed upon mutual written agreement by both parties. In the event that Grantee fails to substantially perform under this Agreement, for either fiscal year, the Finance Director or Board may terminate the Agreement without penalty upon thirty (30) days notice. Any unexpended funds shall be immediately returned to the City. In the event that insufficient funds are appropriated to fully fund this agreement, the Finance Director may terminate the agreement immediately.
4. **Unused Funds:** Any funds disbursed by the City to the Grantee not expended or utilized by the end of the term of this Agreement shall revert back to the City. The Board may direct that such unused funds be carried forward and spent for the services, programs and/or activities conducted by the Grantee, providing they continue beyond the term of this agreement.
5. **Reporting, Recordkeeping, and Monitoring:** Grantee shall be responsible for maintaining detailed records to document all expenditures of the funds awarded by the City:
 - A) **Proposed Budget:** Prior to the first disbursement of Funds, Grantee shall provide to the City a proposed budget of how the award money will be spent to accomplish the attached Scope of Human Services.
 - B) **Expenditure Report:** Grantee shall be responsible for providing the Board with a detailed final accounting of how the award money was spent, including dates, amounts, payments, expenditures, amount of any unused funds, etc. Such report shall be made either: (1) at the conclusion of the event or program; (2) when the funds are actually used or spent completely; or (3) within thirty (30) days after the completion of the term of this Agreement, whichever is sooner.
 - C) **Miscellaneous Reporting:** The Grantee shall also notify the Board in writing of any changes in the services, programs and/or activities as outlined in the Scope of Human Services, any required deviations from the proposed budget, or any changes in the organizational structure, key personnel or policies that might impact the use of the award of funds by the City.
 - D) **Monitoring/Audit by City:** At any time after execution of this agreement, the Board may elect to conduct a monitoring or audit to determine that the terms and conditions of this agreement are being met by Grantee. Such monitoring or audit shall consist of reviewing both the financial records as well as the progress of the services, programs and/or activities of Grantee with respect to the Scope of Human Services.
6. **Violation of Terms and Conditions:** If it is determined by the Board that Grantee has violated any of the terms of this agreement and/or has used the awarded funds for expenditures that are not solely for providing the services, programs and/or activities described in the attached Scope of Human Services, Grantee shall be obligated to repay the City any or all of the monies that were awarded, plus any interest at the current market rate.

7. **Hold Harmless/Indemnification Agreement:** Grantee shall indemnify, defend, save, and hold the City, its Council Members, boards and commissions, agents, officers, employees, and designated volunteers harmless from and against any losses, damages, liability, claims, suits, costs and expenses whatsoever, including reasonable attorney's fees regardless of the merit or outcome of any such claim or suit arising from the term of the Agreement. Approval of any necessary insurance coverage does not relieve Grantee of liability under this indemnification clause.

8. **Entire Agreement:** This Agreement contains the entire understanding of the parties and constitutes the sole and only Agreement between them concerning the subject matter herein and the rights and obligation in connection therewith.

Dated: _____

CITY OF BENICIA

GRANTEE

By: _____

By: _____

APPROVED AS TO FORM:

Heather McLaughlin
City Attorney

**CITY OF BENICIA
 BENICIA HUMAN SERVICES BOARD
 FY 2013-2015 GRANT APPLICATION
 *SAMPLE***

Benicia Human Services Fund
 Agency Quarterly Report

Agency:		For the Quarter Ending:	
Project:		Date Submitted:	
		Annual Funding Amount:	

The following is an overview of the progress for the above project for the quarter just ended.

SERVICE DELIVERY

Report total services provided to actual number of individuals, demographic information as needed.	Services - Quarter	Services Year-To-Date
<i>(Items reported on vary by grantee)</i>		

OUTREACH EFFORTS FOR THE QUARTER

**CITY OF BENICIA
BENICIA HUMAN SERVICES BOARD
FY 2013-2015 GRANT APPLICATION**

UNMET NEEDS

ORGANIZATIONAL CHANGES

Program changes:

Key Personnel changes:

Policy changes:

Mission/Direction changes:

This report, to the best of my knowledge, is an accurate representation of the Benicia Community Action Council's efforts provided on this project through the City of Benicia's Human Services Fund.

Signature: _____ **Title: < TITLE >**

Type Name: < NAME OF SIGNER > **Date: < DATE >**

**CITY OF BENICIA
 BENICIA HUMAN SERVICES BOARD
 FY 2013-2015 GRANT APPLICATION**

Part B – BUDGET INFORMATION

8. Provide a budget for the project. (Expenses listed in this document should be consistent with the Project Description.) This budget is only for the project utilizing grant monies.

PROJECT EXPENSES	TOTAL PROJECT COST (A)	AMOUNT OF GRANT REQUEST (B)	APPLICANT'S COST (C)
DIRECT COSTS			
Personnel (Direct ¹)	\$	\$	\$
Benefits (Direct ¹)			
Personnel (Support ¹)			
Benefits (Direct ¹)			
Contract Services			
Project-Supplies			
Project Equipment			
Transportation (e.g. gas costs, rental)			
Other Direct Costs			
SUBTOTAL	0	0	0
INDIRECT COSTS			
(Administrative ¹) Personnel			
Benefits			
Space Rental			
Utilities			
Telephone			
Office Supplies			
Transportation (e.g. gas costs, rental)			
Other Indirect Costs			
SUBTOTAL	0	0	0
TOTAL COSTS	\$ 0	\$ 0	\$ 0

**Column A = Total cost of the proposed project.
 Column B = Amount you are requesting in this grant application.
 Column C = The difference between Column A and Column B, or the costs of the project that are not included in this grant request, if any.**

¹ Provide names, titles and total estimated annual salary. Attach additional sheets if necessary and summarize total here.

**CITY OF BENICIA
 BENICIA HUMAN SERVICES BOARD
 FY 2013-2015 GRANT APPLICATION**

Part B – BUDGET INFORMATION – (continued)

9. APPLICANT SOURCES: Provide sources of other funds for the project. Total amount should correspond with Total C (previous page). Do not include your entire budget here (it should be attached).

Applicant Sources – Other Funding (be specific)		Amount or Value		Indicate if Cash or In-kind
	\$			
TOTAL	\$	0		

10. List any prior City of Benicia grants or loans awarded to your organization and the number of Benicia residents served with the funds.

Fiscal Year	Program		Amount		Benicians Served
2011-12		\$			
2010-11		\$			
2009-10					
2008-09					
2007-08					
2006-07					
2005-06					
2004-05					
2003-04					
TOTALS		\$	0		0

**CITY OF BENICIA
BENICIA HUMAN SERVICES BOARD
FY 2013-2015 GRANT APPLICATION**

Part C - PROJECT / ORGANIZATION DISCUSSION (Please limit Part C to 5 pages.)

11. Brief Project Summary (Two to three sentences describing the grant proposal):

12. Describe organization's general purpose and activities:

13. List all financial liabilities or pending legal action:

14. Is your organization applying for other grants for fiscal years 2013-2015? If so, list the project, funding source(s), proposed budgets, and requested amount(s).

15. At what location will the proposed project take place and how long has the organization been at this location?

**CITY OF BENICIA
BENICIA HUMAN SERVICES BOARD
FY 2013-2015 GRANT APPLICATION**

Part C - PROJECT / ORGANIZATION DISCUSSION (continued)

- 16. What are your proposed hours of operations for this project? Please indicate hours that actual services will be provided, and how this may or may not differ from the hours project staff will be available to respond to incoming calls, answer general questions, etc.?**
- 17. Describe the project associated with this grant request. Include the goals to be achieved and the strategy that will be used to meet the goals. Be specific when discussing what will be achieved as a result of your program.**
- 18. Why is this project necessary for the citizens of Benicia? How will recipients benefit from your services?**
- 19. How will outreach be conducted?**

**CITY OF BENICIA
BENICIA HUMAN SERVICES BOARD
FY 2013-2015 GRANT APPLICATION**

20. List the specific quantifiable goals of the project.

(Please state your goal in terms of number of individuals, families or groups served. For example, agency will provide X number of individuals counseling services per quarter.)

Report total services provided	Annual goal

Discuss how your organization will collect, organize and disseminate this data.

21. Is this project an existing program or activity provided by your organization? Please explain.

22. Identify similar programs in the community and how yours will differ.

23. Describe previous comparable projects or programs that your organization, has undertaken that demonstrate successful administration and implementation.

**CITY OF BENICIA
 BENICIA HUMAN SERVICES BOARD
 FY 2013-2015 GRANT APPLICATION**

24. REQUIRED ATTACHMENTS: Verify and check off confirmation indicating that the following required items are attached to the original application.

Attachment Confirmation	Item No.	Item Description
()	1.	IRS Letter of Tax Exempt Status
()	2.	Organization's total budget for the current year
()	3.	Copy of most recent audit or financial statement
()	4.	Names and addresses of Board of Directors
()	5.	List of paid principal staff and positions
()	6.	Job descriptions for principal staff and personnel <u>to be paid partially or in full with grant funding</u>
()	7.	Copy of resolution or board meeting minutes indicating organization's support of the project application.
()	8.	If a partnership, then of letters of commitment from each organization indicating degree of participation and a budget showing each organization's financial responsibility are required.

Thank You!

2013-2015 RFF & Budget Recommendations Timeline

<u>Date</u>	<u>Task</u>
October 1, 2012	Review proposed schedule and RFF form
October 2, 2012	Notice of special meeting sent to potential applicants
November 5, 2012	Meeting to assess community needs and review RFF process with potential grantees. Update recipient list as needed.
November 9, 2012	Finalize and send out RFF Form to potential grantees.
January 25, 2013	Due date for completed RFFs
February 11, 2013	Meeting - Board reviews RFF packets received from applicants
March 11, 2013	Meeting – Council Chambers – Board receives presentations from applicants
March 25, 2013	Special Meeting (if needed) for Board to review information received at 3/11 Meeting
April 8, 2013	Board finalizes recommendations to Finance Director for inclusion in the City's 2013-15 budget

BENICIA HUMAN SERVICES BOARD
MEETING AGENDA MONDAY, APRIL 8, 2013 7:15 PM *Approved Minutes*
COMMISSION ROOM – CITY HALL
250 EAST L STREET
BENICIA, CA 94510

I. **Called to Order @ 7:15pm by Board Chair Caplin.**

II. **Convene Meeting:**

A. **Roll Call:**

Present: Caplin, Donaldson, Salazar, Pollard, Worthington,
Blaufarb, Harkins, Petrellese

Absent: Birdseye, Donaldson (excused)

Staff Present –
Administrative Services Director – Anne Cardwell

B. **Pledge of Allegiance**

C. **Reference to the Fundamental Rights of the Public**

A plaque stating the Fundamental Rights of each member of the public is posted at the entrance to the Commission Room per Section 4.04.030 of City of Benicia Ordinance No. 05-6 (Open Government Ordinance).

III. **Monthly Board Approvals:**

A. **Adoption of Agenda**

Chair Caplin suggested moving up the fundraiser item to the first Action Item. The Board approved adoption of the agenda with that change.

B. **Approval of Minutes for March 11, 2013 -**

Motion to approve by Board Member Petrellese, seconded by Board Member Harkins, and unanimously approved.

C. **Approval of Financial Reports for March 2013 -**

Motion to approve by Board Member Pollard, seconded by Board

Member Worthington, and unanimously approved.

IV. Opportunity for Public Comment: No public comment.

V. Informational Items:

- A. Correspondence:** Referenced Nadina's Riggsbee's email in the packet, which addressed questions that the Board had regarding her application for funding for the Drowning Prevention Foundation.

VI. Grantee Reports:

A. Grantee Quarterly Reports

- 1. Discussion of Grantee Quarterly Reports:** The Board reviewed and approved quarterly reports for:

Families in Transition – motion by Board Member Blaufarb; second by Board Member Worthington; unanimously approved.

Special Friends - motion by Board Member Pollard; second by Board Member Worthington; unanimously approved.

Community Action Council - motion by Board Member Harkins; second by Board Member Worthington; approved (Board Member Petrellese abstained).

Catholic Social Services - motion by Board Member Pollard; second by Board Member Blaufarb; unanimously approved.

B. Grantee Site Visit Reports

- 1. Grantee Site Visit Reports and Log:** The Board reviewed the Site Visit Report log.

VII. Action Items:

A. Human Services Board Fundraising efforts.

The Board discussed fundraising and decided to pass on doing the CAC event, and instead focus on the annual fundraiser in July. The board agreed to have a booth at the Farmer's Market, beginning in June and going through the Thursday before the annual fundraising event. They decided to also enter the 4th of July parade, as in prior years. Staff will take care of arrangements for the banner.

B. Consideration of the 2013-15 Request for Funding (RFF).

Staff distributed handouts summarizing the scores and also the funding requested by each applicant. The Board reviewed the approach they would take to develop recommendations, which included proposing a funding level same as 2011-13 funding period, 5% less and 10% less. This approach, similar to last cycle, is to provide Council some flexibility in determining funding levels during the budget process.

The Board talked about identifying a number for estimated donations, and ultimately agreed to keep it same as current budget, which is \$24,500. The target amount for each funding scenario was then modified to include the full amount of projected donations, which resulted in slightly increased targets for the 5% less and 10% less scenarios, specifically \$167,000 and \$159,500 respectively

The Board then discussed the cut off for screening Requests for Funding (RFF). Prior cycle, any RFF scoring an average score of 70 or below was not recommended by the Board for funding. After some discussion regarding raising the cut off, due to environment with constrained resources, a majority of the Board agreed the cut off for this funding cycle will be an average score of 75. A motion was made by Board Member Petrellese and seconded by Board Member Blaufarb, and the Board approved, with the exception of Board Member Salazar.

Since Community Gardens and Drowning Prevention Foundation both scored below 75 (Community Gardens – 68 and Drowning Prevention Foundation – 55), it was determined that they will not be recommended for funding by the board. The Board discussed their concerns with each of the applications. On Community Gardens, concerns expressed included quality of RFF (i.e., average score of 68), use of funding, particularly as it relates to supporting needs of low income or “in-need” population of the community, and also Community Garden’s continued challenge of reinstating their 501(c) 3 status, which is a requirement to receive funding from the City. For the Drowning Prevention Foundation, concerned expressed included quality of RFF (i.e., average score of 55) and amount of funding requested as it relates to scope of work.

Next the Board revisited the level of donations they should project for next two fiscal years, and agreed to maintain the total amount of \$24,500 per year (employee donations: \$750 and general donations: \$23,750). Board Member Petrellese made the motion, Board Member Worthington seconded, and Board unanimously approved.

Next the Board developed funding recommendations for the remaining applicants. Board Member Petrellese noted that in the past, those applicants that received an average score of 90 or above were recommended for 95% funding and those receiving scores of 80 or above were recommended for 90% funding. With this approach in mind, the Board developed the attached funding recommendations.

There was some additional discussion regarding the full funding scenario exceeding the target, and also reaching the target amount for the 10% scenario. On the first issue, Board Member Pollard suggested the Board make the attached recommendation and commit to make up the difference via fundraising. If the Board does not make enough via fundraising, then the difference could be pulled from the Board's fund balance. On the second issue, they agreed to add approximately 1% to each amount under the 10% scenario to reach the target number for that level of funding.

Board Member Pollard made a motion to fund Children's Nurturing Project, Catholic Social Services, Community Action Council, Families in Transition and Special Friends as noted in the attached chart; Board Member Harkins seconded; the motion was unanimously approved.

VIII. Adjournment: 9:20 p.m.

Public Participation

The Human Services Board welcomes public participation.

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is not on the agency's agenda for that meeting. The Human Services Board allows speakers to speak on non-agendized matters under public comment, and on agendized items at the time the agenda item is addressed at the meeting. Comments are limited to no more than five minutes per speaker. By law, no action may be taken on any item raised during the public comment period although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the Human Services Board. Should you have material you wish to enter into the record, please submit it to the Administrative Services Director.

Disabled Access

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact Anne Cardwell, the ADA

Coordinator, at (707) 746-4211. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Meeting Procedures

All items listed on this agenda are for Human Services Board discussion and/or action. In accordance with the Brown Act, each item is listed and includes, where appropriate, further description of the item and/or a recommended action. The posting of a recommended action does not limit, or necessarily indicate, what action may be taken by the Human Services Board.

Public Records

The agenda packet for this meeting is available at the City Clerk's Office and the Benicia Public Library during regular working hours. To the extent feasible, the packet is also available on the City's web page at www.ci.benicia.ca.us under the heading "Agendas and Minutes." Public records related to an open session agenda item that are distributed after the agenda packet is prepared are available before the meeting at the City Clerk's Office located at 250 East L Street, Benicia, or at the meeting held in the Commission Room at City Hall. If you wish to submit written information on an agenda item, please submit to Anne Cardwell, Administrative Services Director as soon as possible so that it may be distributed to the Human Services Board.

DRAFT - GRANT FUNDING MATRIX

Benicia Human Services Board - Attachment to 4/8/13 Minutes

Budget Cycle 2013-15 - Summary of RFF by Applicant & Board Funding Recommendations

Item	CNP	*Kids Aren't Drown Proof	*BCG	CSS	CAC	FIT	Special Friends	Total Human Services
Year 1 Request	\$5,000	\$57,845	\$4,420	\$18,342	\$95,343	\$35,000	\$35,000	\$250,950
Year 2 Request	\$5,000	\$57,845	\$4,420	\$18,342	\$95,343	\$35,000	\$35,000	\$250,950
Total Request	\$10,000	\$115,690	\$8,840	\$36,684	\$190,686	\$70,000	\$70,000	\$501,900

****Board Recommendations for Funding Under Various Funding Scenarios**

Annual HS Funding at 2011-13 level: \$174,500	\$4,500	\$0	\$0	\$16,508	\$90,575	\$33,250	\$31,500	\$176,333
5% less: \$167,000	\$4,250	\$0	\$0	\$15,591	\$85,808	\$31,500	\$29,750	\$166,899
10% less: \$159,500	\$4,048	\$0	\$0	\$14,850	\$82,015	\$30,107	\$28,336	\$159,356

*Kids Aren't Drown Proof and Benicia Community Gardens both received an average score under 75, and thus were not recommended for funding

**Includes estimated donations of \$24,500

**CITY OF BENICIA
ARTS AND CULTURE COMMISSION
2013 – 2015 GRANT APPLICATION
TERMS AND INSTRUCTIONS**

December 2, 2012

To Whom It May Concern:

The biennial Benicia Arts and Culture Commission's Request for Funding (RFF) and application instructions are enclosed for your use in requesting grant awards for the 2013-2015 two-year funding cycle. A downloadable application form will be available on the City's website at www.ci.benicia.ca.us at the Announcement tab, for your convenience. The deadline for submissions is Thursday, January 31, 2013. See "Instructions" for further detail.

A notice will be placed in area newspapers and on the City of Benicia website announcing the availability of funding so that those who do not yet receive grants from the fund may be made aware of grant opportunities.

The Benicia Arts and Culture Commission will evaluate proposals using the following criteria:

- A. Project(s), program(s) and/or event(s) commensurate with the Arts and Culture Commission's Mission
- B. Quantifiable goals attached to measurable and specific outcomes
- C. Outreach plan
- D. Number of people attending program(s) and event(s) in the community
- E. Financial statement reflects capability of creating and providing proposed project(s), program(s) and/or event(s)
- F. Past performance of project(s), program(s) and/or event(s) in the community

Should you have any question or comments concerning the Request for Funding, please call me at (707) 746-4358.

Sincerely,

Helaine Bowles
Outreach/Volunteer Coordinator
hbowles@ci.benicia.ca.us

**CITY OF BENICIA
ARTS AND CULTURE COMMISSION
2013 – 2015 GRANT APPLICATION
TERMS AND INSTRUCTIONS**

INSTRUCTIONS

SECTION I – REQUEST FOR FUNDING SUBMISSION REQUIREMENTS

A. ELIGIBILITY

Requests for Funding (RFF) are available to Benicia arts and culture non-Profit organizations established within the City of Benicia or providing project(s)/program(s)/event(s) in the City of Benicia.

B. DEADLINE FOR SUBMISSION: Thursday, January 31, 2013, no later than 5:00 p.m. at:

City of Benicia
Benicia Public Library
150 East L Street
Benicia CA 94510
Attention: Helaine Bowles

Hand-carried applications may be delivered ONLY to the aforementioned address Monday through Friday between the hours of 10:00 a.m. and 5:00 p.m., excluding holidays observed by the City.

Applicants are responsible for informing any commercial delivery service, if used, of all delivery requirements and for ensuring that the required address information appears on the outer wrapper or envelope used by such service.

C. MODIFIED APPLICATIONS

An applicant may submit a modified application to replace all or any portion of a previously submitted application up until the Application Due Date. The Benicia Arts and Culture Commission will only consider the latest version of the application.

D. WITHDRAWAL OF APPLICATIONS

Applications shall be irrevocable until grant award unless the application is withdrawn. An application may be withdrawn in writing only, addressed to Helaine Bowles at the address noted above, prior to the Application Due Date.

E. LATE APPLICATIONS AND LATE MODIFICATIONS

Applications received after the Application Due Date are late and will not be considered. Modifications received after the Application Due Date are also late and will not be considered. The responsibility for

**CITY OF BENICIA
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submitting an application to Helaine Bowles on or before the stated time and date is solely and strictly the responsibility of the applicant. The Benicia Arts and Culture Commission is not responsible for delays caused by any mail, package or couriers service, including the U.S. mail, or caused by any other occurrence.

SECTION II – GRANT APPLICATION INSTRUCTIONS

A. ALL APPLICATIONS MUST BE SUBMITTED ON THE SEVEN (7) PAGE APPLICATION.

- Applications must be word-processed or typed, not hand written. These instructions and a downloadable application will be made available on the City's website for your convenience. Grant Application Section C may be expanded, but may not exceed five (5) pages.
- All questions must be answered. If not applicable, write N/A. Do not leave blank.
- The application must be signed by an officer who is legally authorized to enter into a contractual relationship in the name of the applicant.

B. REQUIRED ATTACHMENTS

Applications submitted that do not include the following items may be deemed non-responsive and may not be considered for a grant award. The documents must be attached to the original application only, in the following order:

- IRS Letter of Tax Exempt Status
- Organization's total budget for the current year
- Copy of most recent audit or financial statement
- Names and addresses of Board of Directors
- List of paid principal staff and positions
- Job descriptions for principal staff and personnel that will be paid partially or in full with grant funding
- Copy of resolution or board meeting minutes demonstrating support of the project application.
- If a partnership, then submittal of letters of commitment from each organization indicating degree of participation and a budget showing each organization's financial responsibility is required.

C. SUBMISSION PACKAGE

One (1) unbound original and eleven (11) copies [a total of twelve (12)] of the complete application must be submitted in a sealed envelope or container. The outside of the envelope or container must include: the applicant's name, address and telephone number.

**CITY OF BENICIA
ARTS AND CULTURE COMMISSION
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D. QUESTIONS

Please submit questions regarding the application to Helaine Bowles at hbowles@ci.benicia.ca.us. Responses to questions will be shared with all applicants via email.

SECTION III – REVIEW/EVALUATION/SELECTION PROCESS

Each application will be reviewed to determine if the application is responsive to the submission requirements outlined in the Request for Funding (RFF). A responsive application is one that follows the requirements of the Request for Funding, includes all documentation, is submitted in the format outlined in the Request for Funding, and is submitted by the time and date required. Failure to comply with these requirements may deem your application non-responsive.

Applications will be reviewed and scored according to the criteria described below.

EVALUATION CRITERIA		POINTS
A.	Project(s), program(s) and/or event(s) commensurate with the Arts and Culture Commission’s mission.	25
B.	Quantifiable goals attached to measurable and specific outcomes	20
C.	Outreach plan	15
D.	Number of people attending program(s) and event(s) in the community	15
E.	Financial statement reflects capability of creating and providing proposed project(s), program(s) and/or event(s)	15
F.	Past performance of project(s), program(s) and event(s) in the community	10
TOTAL POSSIBLE POINTS		100

**CITY OF BENICIA
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Benicia Arts and Culture Commission’s application evaluation will include the appropriateness of project(s), program(s) or event(s) subject to the established criteria, as defined below.

A. Project(s), program(s) and/or event(s) commensurate with the Arts and Culture Commission’s Mission:

The City of Benicia Arts and Culture Commission exists to ensure that arts and culture are integral to our community’s quality of life, economic vitality, and central identity.

B. Quantifiable goals attached to measurable and specific outcomes

- Goals must be stated in quantifiable or measurable terms
- Goals must be related to specific outcomes
- Goals should identify specific expectations and outcomes for the project(s), program(s) and/or event(s)

C. Outreach Plan

An outreach plan will provide a framework for information to be conveyed between your organization and the public for mutual benefit. The Outreach plan should include:

- Goals and objectives for the outreach plan
- The target audience
- The type of promotional material that will be produced
- How the message will be distributed
- Extent of outreach and promotion methods

D. Number of people attending program(s) and/or event(s) in the community

- Number of Benicia residents attending each program or event
- Number of people not residing in Benicia attending each program or event
- Effort to involve traditionally underserved or diverse populations as appropriate to the program(s), and/or event(s)

E. Financial statement reflects capability of creating and providing proposed project(s), program(s) and event(s)

- Effectiveness of managerial structure and decision-making process
- Other sources of funding
- Short and long range planning
- Qualifications and effectiveness of board and staff
- Overall fiscal health
- Past history of performance

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F. Past performance of project(s), program(s) and/or event(s) in the community.

- Have you received grant money from the City in the past?
- If yes, has the organization achieved its goals related to the use of grant funds?
- Provide an example of these programs, performances or events

SECTION IV - GENERAL GRANT AWARD PROVISIONS

A. CONTRACT AWARD

Awarding of grants is dependent upon Benicia City Council approval.

B. CONTRACT TERM

The contract period for all grants awarded must fall within the City of Benicia two-year funding cycle, which begins on July 1, 2013 and ends on June 30, 2015. Grants will be awarded for a period not to exceed twenty-four (24) months. The effective starting date will be no earlier than July 1, 2013.

SECTION V – INTERVIEWS

All applicants will be interviewed before the Arts and Culture Commission completes the evaluation process.

SECTION VI – CONTRACTUAL AWARD PROCESS – SPECIAL TERMS AND CONDITIONS

Grantees (awarded applicants) will be required to complete certain contract documents (a sample contract is included as Attachment A).

Grantees will be required to submit quarterly reports to the Arts and Culture Commission (a sample quarterly report is included as Attachment B). Please note that quarterly reports will be refined following contract award to reflect an assessment of the grantee's scope of work per the final agreement.

The quarterly reports will include, but not be limited to:

- Up to date information regarding the project(s), program(s) and/or event(s) provided.
- Up to date information regarding the specific qualifiable and/or quantifiable efforts.
- The outreach efforts completed for the period.
- Evaluation of the outstanding project objectives and the methods to be used to meet the objectives.

**CITY OF BENICIA
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The process of awarding the agreements and reviewing the agreements is open to the public. The City Council may establish additional desired requirements on a case-by-case basis.

SECTION VII – REPORTS AND MONITORING

Grantee shall be responsible for maintaining detailed records to document all expenditures of the funds awarded by the Arts and Culture Commission.

A. QUARTERLY REPORTING

The Grantee shall report to the Commission quarterly on the prescribed form (Attachment B). The report is due no later than the end of month following the quarter end. The Commission will review the report and vote to accept or reject the report. Once the report is accepted quarterly funding will be distributed to the approved Grantees.

B. MONITORING BY COMMISSION

At any time after execution of an Agreement the Commission may elect to conduct a monitoring or audit to determine that the terms and conditions of the Agreement are being met by Grantee. Such monitoring/audit shall consist of reviewing both the financial records for monies granted as well as the progress of the project(s), program(s) and/or event(s) of Grantee with respect to its Grant Scope of Work.

C. SITE VISITS BY COMMISSION

Site visits are scheduled by BACC to obtain a deeper understanding of the:

- Grant project,
- Manner in which it is being conducted,
- Progress made toward outcomes, opportunities and challenges incurred,
- Modifications that may be required,
- Clarification of information presented in Quarterly Report(s), and
- Opportunity for the grantee to ask questions, provide feedback and discuss relevant issues of importance.

The goal is to gain confidence that the City of Benicia's investment is being honored and that the organization is exercising due diligence in delivering its outcomes as stated in the grant contract.

ATTACHMENT A
***SAMPLE* GRANT AGREEMENT**
BETWEEN
THE CITY OF BENICIA
AND
GRANTEE

This Agreement is made this ____ day of _____, 2013, by and between the City of Benicia Arts and Culture Commission (hereinafter called "Commission") and (Organization Name) (hereinafter called "Grantee").

WHEREAS, the Benicia City Council has given the Commission authority to award monies from the General Fund for project(s), program(s), and/or event(s) related to arts and culture which benefit Benicia residents of all ages; and

WHEREAS, Grantee provides project(s), program(s), and/or event(s) that meet the requirements of the City and benefit Benicia residents as described more fully in the Scope of Project(s), Program(s) and/or Event(s) that is attached to this Agreement and incorporated as if contained herein; and

WHEREAS, the Commission is willing to distribute money to Grantee to help provide such project(s), program(s) and/or event(s) as described in the Scope of Project(s), Program(s) and/or Event(s) based solely on the terms and conditions listed below.

NOW THEREFORE, the parties agree to the following terms and conditions set forth as follows:

1. Amount and Disbursement of Fund: The Commission shall provide to Grantee a grant award in the amount of \$xxxx total, distributed as four quarterly payments of \$xxx during fiscal years 2013-14 and 2014-15. The disbursement of the funds shall be made as set forth in the attached Scope of Project(s), Program(s) and/or Event(s). Because of the current financial situation, funding may be subject to change. No disbursement of funds shall be made beyond the fourth quarter of the two-year term of this Agreement unless pursuant to written agreement as set forth in Sections 3 and 4 below.
2. Arts and Culture Program/Activity: The Grantee shall use the funds received from the Commission solely in furtherance of the project(s), program(s) and/or event(s) described in the attached Scope of Project(s), Program(s) and/or Event(s) and shall not use the funds for any other purpose without written authorization from the Commission.
3. Term of Agreement: The term of this Agreement shall be in effect through June 30, 2015, beginning on the date of execution of this Agreement. An extension of the Agreement for an additional period may be made as needed upon mutual written agreement by both parties. In the event that Grantee fails to substantially perform under this Agreement, for either fiscal year, the Commission may terminate the Agreement without penalty upon thirty (30) days notice. Any unexpended funds shall be immediately returned to the Commission.

ATTACHMENT A
***SAMPLE* GRANT AGREEMENT**
BETWEEN
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4. Unused Funds: Any funds not expended or utilized pursuant to the Scope of Project(s), Program(s) and/or Event(s) by the end of the term of this Agreement shall revert to the Commission. The Commission may direct that such unused funds be carried forward and spent for the project(s), program(s) and/or event(s) providing they continue beyond the two-year term of this Agreement. Any unused funds from fiscal year 2013-2014 may, at the sole discretion of the Commission, be carried forward to fiscal year 2014-2015 for that fiscal year's project(s), program(s) and/or event(s).

5. Reporting, Recordkeeping, and Monitoring: Grantee shall be responsible for maintaining detailed records to document all expenditures of the funds awarded by the Commission:

- A) Proposed Budget: Prior to the first disbursement of funds, Grantee shall provide to the Commission a proposed budget of how the award money will be spent to accomplish the attached Scope of Project(s), Program(s) and/or Event(s). Any modification of the budget in excess of five percent (5%) of the allocation for the fiscal year will require approval of the Commission.
- B) Expenditure Report: Grantee shall be responsible for providing the Commission with a detailed final accounting of how the award money was spent, including dates, amounts, payments, expenditures, amount of any unused funds, etc. Such report shall be made either: (1) at the conclusion of the event(s) or program(s); (2) when the funds are actually used or spent completely; (3) within thirty (30) days after the completion of the term of this Agreement; or (4) with the quarterly report, whichever is sooner.
- C) Miscellaneous Reporting: The Grantee shall also notify the Commission in writing of any changes in the project(s), program(s) and/or event(s) outlined in the Scope of Project(s), Program(s) and/or Event(s), any required deviations from the proposed budget, or any changes in the organizational structure, key personnel or policies that might impact the use of the award of funds by the Commission.
- D) Reporting to the Commission: The Grantee shall report to the Commission on the prescribed form (Attachment A). The report is due no later than the end of the month following quarter end. The Commission shall monitor the progress of the project(s)/program(s)/event(s) of Grantee with respect to the Scope of Project(s), Program(s) and /or Event(s) and may terminate the Agreement if Grantee fails to make sufficient progress as determined by the Commission.
- E) Monitoring/Audit by Commission: At any time after execution of this Agreement, the Commission may elect to conduct a monitoring or audit to determine that the terms and conditions of this Agreement are being met by Grantee. Such monitoring/audit shall

ATTACHMENT A
***SAMPLE* GRANT AGREEMENT**
BETWEEN
THE CITY OF BENICIA
AND
GRANTEE

consist of reviewing both the financial records as well as the progress of the project(s), program(s) and/or event(s) of Grantee with respect to the Scope of Project(s), Program(s) and/or Event(s).

F) Site Visits: At any time after execution of this Agreement, the Commission will conduct a site visit(s) to gain confidence that the City of Benicia's investment is being honored and that the organization is exercising due diligence in delivering its outcomes as stated in the grant contract.

6. Violation of Terms and Conditions: If it is determined by the Commission that Grantee has violated any of the terms of this Agreement and/or has used the awarded funds for expenditures that are not solely for providing the attached Scope of Project(s), Program(s) and/or Event(s) Grantee shall be obligated to repay the Commission any or all of the monies that were awarded, plus any interest at the current market rate.

7. Hold Harmless/Indemnification Agreement: Grantee shall indemnify, defend, save, and hold City, its Council members, boards and commissions, agents, officers, employees, and designated volunteers, harmless from and against any losses, damages, liability, claims, suits, costs and expenses whatsoever, including reasonable attorney's fees regardless of the merit or outcome of any such claim or suit arising from the term of the Agreement. Approval of any necessary insurance coverage does not relieve Grantee of liability under this indemnification clause.

8. Nondiscrimination:

A) Grantee shall not discriminate in the conduct of project(s), program(s) and/or event(s) under this Agreement against any employee, applicant for employment, or volunteer on the basis of race, religious creed, color, national origin, ancestry, physical or mental disability, marital status, pregnancy, sex, age, sexual orientation or other prohibited basis will not be tolerated.

B) Consist with City's policy that harassment and discrimination are unacceptable conduct, Grantee agrees that harassment or discrimination directed toward a City employee or a recipient of project(s), program(s) and/or event(s) provided under the Agreement by Grantee on the basis of race, religious creed, color, national origin, ancestry, physical or mental disability, marital status, pregnancy, sex, age, sexual orientation or other prohibited basis will not be tolerated. Grantee agrees that any and all violations of this provision shall constitute a material breach of the Agreement.

9. Entire Agreement: This Agreement contains the entire understanding of the parties and constitutes the sole and only Agreement between them concerning the subject matter herein and the rights and obligation in connection therewith.

**ATTACHMENT A
SAMPLE GRANT AGREEMENT
BETWEEN
THE CITY OF BENICIA
AND
GRANTEE**

Dated: _____

COMMISSION AUTHORIZING SIGNATURE

GRANTEE AUTHORIZING SIGNATURE

By: _____

By: _____

Typed Name

Typed Name

APPROVED AS TO FORM:

Heather Mc Laughlin
City Attorney

ATTACHMENT B
***SAMPLE* GRANTEE QUARTERLY REPORT**
FUNDING CYCLE 2013 - 2015

(Non-Profit Organization Name)

Grantee Quarterly Reporting

Grantees may submit quarterly reports to the Arts and Culture Commission (hereinafter Commission) five (5) business days prior to the Commission meeting scheduled the 2nd Thursday of the month following quarter end or no later than end of the month following quarter end. If the quarterly report is submitted five (5) business days prior to the Commission meeting it will be reviewed the same month. If the quarterly report is submitted at month end following quarter end it will be reviewed the second month following quarter end.

The reports are utilized by the Commission to monitor the progress of the project(s)/program(s)/event(s) of Grantees with respect to their stated Scope of Project(s), Program(s) and/or Event(s).

The Quarterly Report Submission Schedule is:

Quarter/Year	First Due Date Option	Final Due Date
FY 2013-14		
QTY 1	October 3, 2013	October 31, 2013
QTY 2	January 2, 2014	January 30, 2014
QTY 3	April 3, 2014	April 30, 2014
QTY 4	July 3, 2014	July 31, 2014
FY 2014-15		
QTY 1	October 2, 2014	October 30, 2014
QTY 2	January 2, 2015	January 29, 2015
QTY 3	April 2, 2015	April 30, 2015
QTY4	July 2, 2015	July 30, 2015

Reports are submitted to:

Benicia Arts and Culture Commission
c/o Benicia Public Library
Attention: Helaine Bowles
hbowles@ci.benicia.ca.us
150 East L Street
Benicia, CA 94510

ATTACHMENT B
***SAMPLE* GRANTEE QUARTERLY REPORT**
FUNDING CYCLE 2013 - 2015

1. Reporting Period

For the Quarter Ending: _____

Date Submitted: _____

Annual Funding Amount: _____

Quarterly Funding Amount: _____

2. Scope of (Organization Name) supported by Grant Funds

The scope is provided by each Organization in its grant application document.

3. Evaluation - Measuring the success of (Organization Name) project(s), program(s), and/or event(s).

The measurable objectives listed are from each Organization in its grant application document.

Measurable Objectives
Quantitative Tracking
Qualitative Tracking

List the quantitative and qualitative objective measurable(s) completed this quarter.

4. General Information about your organization's quarterly activities

Based on the completion of your organization's measurable objectives the Commission wants to know how successful you were at achieving your goals. Use this opportunity to write about the highlights and challenges providing a "state of your non-profit". Examples would include unanticipated opportunities or challenges, new ideas or collaborations, etc.

Additionally, when your organization has no planned project(s), program(s) or event(s) during a quarter, describe your organization's planning/other activities.

5. Community Outreach

The Commission requests community outreach information to be able to quantify the attendees/audiences and participants at your organization's events.

ATTACHMENT B
***SAMPLE* GRANTEE QUARTERLY REPORT**
FUNDING CYCLE 2013 - 2015

Provide the following information for each project, program and/or event per quarter. Your organization may attach its report in your organization's selected format. If your organization attaches a report, please label it #5 Community Outreach and date.

Some of the categories may be difficult for your organization to capture the data. If this is the case please indicate with N/A.

Attendees/Audience

Number of Benicia Residents in attendance/audience. Quarter _____ YTD _____

Number of non-Benicia Residents in attendance/audience. Quarter _____ YTD _____

Number of non-ticketed in attendance/audience (complimentary/free). Quarter _____ YTD _____

Total Attendees/Audience Quarter _____ YTD _____

Participants/Volunteers

Number of Benicia participants in program(s), project(s) and/or event(s).

a) Preschool Quarter _____ YTD _____

b) Children Quarter _____ YTD _____

c) Teens Quarter _____ YTD _____

d) Adults Quarter _____ YTD _____

Number of volunteers per project(s), program(s) and/or event(s) Quarter _____ YTD _____

Total Participants and Volunteers Quarter _____ YTD _____

ATTACHMENT B
***SAMPLE* GRANTEE QUARTERLY REPORT**
FUNDING CYCLE 2013 - 2015

6. Organizational Changes

List any changes in your organization's project(s), program(s), and/or event(s) associated with your grant request. The changes would include deviations from your organization's proposed budget or any changes in organizational structure, key personnel or policies that might impact the use of the awarded funds from the City of Benicia.

- a) Program Changes
- b) Key Personnel Changes
- c) Policy Changes
- d) Mission / Direction Changes

7. Quarterly Budget Information

Attach your organization's quarterly budget including, but not limited to direct, indirect and total costs. Please label the attachment #7 Quarterly Budget Information and date. The following is a sample format.

ATTACHMENT B
***SAMPLE* GRANTEE QUARTERLY REPORT**
FUNDING CYCLE 2013 - 2015

PROJECT EXPENSES	TOTAL PROJECT COST (A)	AMOUNT OF GRANT REQUEST (B)	APPLICANT'S COST (C)
DIRECT COSTS			
Personnel (Direct)	\$	\$	\$
Benefits (Direct)			
Personnel (Support)			
Benefits (Direct)			
Contract Services			
Project-Supplies			
Project Equipment			
Transportation (e.g. gas costs, rental)			
Other Direct Costs			
<u>SUBTOTAL</u>	0	0	0
INDIRECT COSTS			
(Administrative) Personnel			
Benefits			
Space Rental			
Utilities			
Telephone			
Office Supplies			
Transportation (e.g. gas costs, rental)			
Other Indirect Costs			
<u>SUBTOTAL</u>	0	0	0
TOTAL COSTS	\$	\$	\$
	0	0	0

Column A = Total cost of the project(s), program(s), and/or event(s)

Column B = Amount of quarterly grant monies

Column C = The difference between Column A and Column B, or the costs that are not included in the grant amount, if any.

Note: The direct and indirect costs vary based on the grantees' types of program(s), project(s) and/or event(s).

ATTACHMENT B
***SAMPLE* GRANTEE QUARTERLY REPORT**
FUNDING CYCLE 2013 - 2015

This report is submitted by (Organization Name) and to the best of my/our knowledge, the information is accurate.

Type/Clearly Print Name: _____ Title _____

Signature _____ Date _____

Type/Clearly Print Name: _____ Title _____

Signature _____ Date _____

Primary Contact -- Provide a primary contact person for any questions that the Commission may have.

Type/Clearly Print Name: _____ Title _____

Email Address: _____ Telephone: _____

Contact the Commission

You may contact the Commission via Helaine Bowles hbowles@ci.benicia.ca.us or (707) 746-4358. You are also welcome to attend Commission meetings held the 2nd Thursday of each month at 7:00p.m. in the City Hall Commission Room.

**CITY OF BENICIA
ARTS AND CULTURE COMMISSION
GRANT APPLICATION
FISCAL YEARS 2013-2015**

Part B – BUDGET INFORMATION

1. Provide a budget for the total grant monies requested. (Expenses listed in this document should be consistent with the project, program and/or event descriptions.)

PROJECT EXPENSES	TOTAL PROJECT COST (A)	AMOUNT OF GRANT REQUEST (B)	APPLICANT'S COST (C)
DIRECT COSTS			
Personnel (Direct ¹)	\$	\$	\$
Benefits (Direct ¹)			
Personnel (Support ¹)			
Benefits (Direct ¹)			
Contract Services			
Project-Supplies			
Project Equipment			
Transportation (e.g. gas costs, rental)			
Other Direct Costs			
<u>SUBTOTAL</u>			
INDIRECT COSTS			
(Administrative ¹) Personnel			
Benefits			
Space Rental			
Utilities			
Telephone			
Office Supplies			
Transportation (e.g. gas costs, rental)			
Other Indirect Costs			
<u>SUBTOTAL</u>			
TOTAL COSTS	\$ 0	\$ 0	\$ 0

Column A = Total cost of the proposed project.

Column B = Amount you are requesting in this grant application.

Column C = The difference between Column A and Column B, or the costs of the project that are not included in this grant request, if any.

¹ Provide names, titles and total estimated annual salary. Attach additional sheets if necessary and summarize totals here.

**CITY OF BENICIA
ARTS AND CULTURE COMMISSION
GRANT APPLICATION
FISCAL YEARS 2013-2015**

2. **APPLICANT FUNDING SOURCES:** Provide sources of other funds for the project. Total amount should correspond with column C Total Costs (previous page).

Applicant Funding Sources Other Funding (be specific)	Amount or Value	Indicate if Cash or In-kind
	\$	
TOTAL	\$ 0	

3. List any prior City of Benicia grants or loans awarded to your organization and the number of Benicia residents served with the funds.

Fiscal Year	Project, Program or Event	Amount	Benicians Served
2011-12		\$	
2010-11			
2009-10			
2008-09			
2007-08			
TOTAL		\$ 0	0

**CITY OF BENICIA
ARTS AND CULTURE COMMISSION
GRANT APPLICATION
FISCAL YEARS 2013-2015**

Part C - PROJECT / PROGRAM / EVENT INFORMATION

(Part C cannot exceed 5 pages)

A. Program(s), project(s) and/or event(s) commensurate with the Arts and Culture Commission's mission.

1. Describe your organization's mission and goals.

2. Describe the history of your organization and its major accomplishments.

3. Describe your organization's efforts in advancing the importance of the arts and/or culture in the community.

B. Quantifiable goals attached to measurable and specific outcomes

1. How does your organization plan to evaluate and/or measure the success of your program(s), project(s) and/or event(s)? Please include means of evaluation and quantifiable objectives.

C. Outreach Plan

1. State the goals and objectives for your organization's outreach plan.

2. Who is your organization's target audience and what kind of promotional materials will you produce to 'reach' your target audience?

D. Number of people attending project(s), program(s) and event(s) in the community

1. Estimate the number of people that will attend your projects, programs and/or event(s).

Number of Unduplicated Benicia Residents.

Number of Unduplicated Benicia non-Residents.

**CITY OF BENICIA
ARTS AND CULTURE COMMISSION
GRANT APPLICATION
FISCAL YEARS 2013-2015**

2. Serving community (check all that apply):

<input type="checkbox"/> Children Under 5	<input type="checkbox"/> Youth (5-18)	<input type="checkbox"/> Adults (19 to 59)	<input type="checkbox"/> Seniors Over 60	<input type="checkbox"/> Family Unit
<input type="checkbox"/> Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

E. Financial statement reflects capability of creating and providing proposed project(s), program(s) and/or event(s).

1. Describe your organization’s history of fiscal performance and program sustainability over the past three (3) years.

2. List all financial liabilities and/or pending legal action:

F. Past Performance of projects, programs and events in the community.

Past Grant Recipients

1. Has your organization received grant monies from the City in the past? If yes, provide at least two examples of these programs, projects and/or events.

2. Did your organization achieve its goals as related to the grant funding for these two (2) programs, projects and/or events?

New Grant Applicants

3. Describe project(s) , program(s) and/or event(s) provided to the community in the past two (2) years.

4. Did you achieve your organization’s project(s), program(s) and/or event(s) objectives?

5. How did you measure the success of your organization’s project(s), program(s) and/or event(s) objectives?

**CITY OF BENICIA
ARTS AND CULTURE COMMISSION
GRANT APPLICATION
FISCAL YEARS 2013-2015**

REQUIRED ATTACHMENTS: Verify and check off confirmation indicating that the following required items are attached to the original application.

Attachment Confirmation	Item No.	Item Description
()	1.	IRS Letter of Tax Exempt Status
()	2.	Organization's total budget for the current year
()	3.	Copy of most recent audit or financial statement
()	4.	Names and addresses of Board of Directors
()	5.	List of paid principal staff and positions
()	6.	Job descriptions for principal staff and personnel to be paid partially or in full with grant funding
()	7.	Copy of resolution or board meeting minutes indicating organization's support of the project application.
()	8.	If a partnership, then of letters of commitment from each organization indicating degree of participation and a budget showing each organization's financial responsibility are required.

**TIMELINE FOR ARTS AND CULTURE GRANTS
2013-15**

2012

- October 13 - Commission Meeting Application and letter approved by Commission
- December 3 - Have applications available, send out to current Grantees and advertise in Benicia Herald

2013

- January 31 – Deadline for receiving applications
- February 1 -- Commission Meeting – Discussion of questions to Grantees
- February 28 – Special Meeting for Applicants
- March 8 – Commission Meeting -Discussion of Grant Applications and discussion on ranking
- April 11 -- Commission Meeting – Vote on Grantees
- May or June Council meeting – Council votes on Grantees
- June -- Send out Contracts and Quarterly Reports

**ARTS AND CULTURE COMMISSION
CITY HALL – COMMISSION ROOM
THURSDAY, APRIL 11, 2013
MINUTES**

Commissioner Eisner called the meeting of the Arts and Culture Commission of the City of Benicia to order at 7:00 p.m. on March 14, 2013, in the Commission Room of City Hall

ROLL CALL

Commissioners Eisner, Gavin, Hall, Patton (arrived at 7:15p.m.), Surratt and Wilder Snider were present. Commissioner Garske was absent. Staff present: Director Smikahl and Helaine Bowles.

PLEDGE OF ALLEGIANCE

Commissioner Surratt led the Pledge to the Flag.

REFERENCE TO THE FUNDAMENTAL RIGHTS OF THE PUBLIC

A plaque stating the Fundamental Rights of each member of the public is posted at the entrance to the Commission Room per Section 4.04.030 of the City of Benicia Ordinance No. 05-06 (Open Government Ordinance).

ANNOUNCEMENTS/PRESENTATIONS

Commissioner Wilder Snider reported that the Art Walk was this Saturday. Commissioner Eisner thanked the Public Art Committee for their work with the CSC Grant and their presentation at the Council Meeting. Director Smikahl let the Commissioners know that on April 16 the Council will be recognizing volunteers and there will be a small reception after the proclamation.

Annabelle Marie and former student and film maker Aleza D'Agostino from VOENA were at the meeting to present their DVD which would not work at the Grantee meeting.

ADOPTION OF AGENDA

A motion was made by Commissioner Wilder Snider and seconded by Commissioner Gavin to accept the agenda. Motion passed

OPPORTUNITY FOR PUBLIC COMMENT

Written – None

Public - None

CONSENT CALENDAR

Commissioner Patton stated that her name was left off on the list of attendees. Commissioner Gavin wanted “She liked the fact that their efforts are humanitarian” added to the Tula paragraph on Page 2. In the paragraph that starts with “Commissioner Wilder Snider stated...” change “Commissioner Hall asked the commissioner” to “asked the Commission”. Commissioner Gavin

made a motion to accept the agenda with revisions. Commissioner Surratt seconded the motion. Motion passed.

COMMISSION TRAINING

None

ACTION ITEMS

GRANTEE QUARTERLY REPORTS

Arts Benicia – A motion was made by Commissioner Wilder Snider and seconded by Commission Gavin to accept the Arts Benicia report. Motion passed.

BOTTG – A motion was made by Commissioner Wilder Snider and seconded by Commissioner Gavin to accept the BOTTG report. Motion passed.

DISCUSSION OF BACC GRANT FUNDING

Commissioner Eisner noted the memo that Director Smikahl had in the Commission packet. Director Smikahl stated that she met with the Finance Director and she recommended that we submit a total amount that is the same as the last budget cycle and one that is 5% less. She did not know if the 5% reduction would be needed, and it will not be put in the budget, but we should have it available. Commissioner Eisner asked if the Commission can send a short memo bulleting justification for keeping the total at 60%. This is an investment for the City as it helps with EDB and tourism.

Director Smikahl stated that in the Commission's Annual Report one of the items under recommendations was to increase funding for Arts and Culture groups. The presentation of the Annual Report to Council is currently scheduled for the May 7 Council meeting. We can then do a work plan identifying each specific item. Commissioner Wilder Snider asked if the work plan needs to be approved and Director Smikahl stated that it does.

Commissioner Surratt stated that he would like EDB and the City to know that the City benefits from arts and culture events. He stated that in his opinion one of our grantees does nothing in the City as far as performances and would suggest that the Commission work with that group to see if they can come up with a way to do one or two performances in Benicia.

Director Smikahl stated that VOENA does programs in the schools, and maybe Benicia Ballet can consider performing in the schools. Commission Surratt stated that this would serve the purpose. Commissioner Eisner suggested that some of the Commissioners should meet with them. Commission Gavin volunteered as she is their liaison and Commissioner Wilder Snider volunteered to meet with them also.

Commissioner Eisner stated one way of dividing the funds is if all grantees receive the same percentages at 60% and 55%, but there is a possibility of

tiering based on ranking. Commissioner Gavin stated it seems that the Council does not like a large percentage of grant funds going to salary. Director Smikahl stated that many grantees would not be able to put on programs without paying salaries. Commissioner Eisner stated there is a question in the community about the grantees asking for more money than last year as they expect the funding to be cut. For most grants, the grantees ask for more money as they expect they will not receive full funding.

Commissioner Wilder Snider suggested we consider a tier system. Commissioner Gavin worked out a two tier system based on ranking. Arts Benicia, BOTTG, and VOENA would be the top tier and Benicia Ballet, State Parks, and Literary Arts would be the second tier.

Commissioner Surratt stated that several grantees do not use any of the funds for salary. Can we have a tier system based on that? Commissioner Eisner stated that this is not part of the rules and we could not do that this year.

A motion was made by Commissioner Wilder Snider to have a tier system and it was seconded by Commissioner Gavin.

Commissioner Gavin stated that the fact that we did rankings indicates how each Commissioner felt about the grantees. The grantees in the higher tier serve more people.

Commissioner Hall stated that Arts Benicia has a track record and is able to attract more people to their events. We need to look at the newer organizations to see how they are working and the opportunities they take to expand.

Motion passed.

Director Smikahl stated that we can fund a 2 tier system by giving the top tier 65% and the second tier 35% funding.

Commissioner Gavin made a motion that we have a 2 tier system with the top three being Arts Benicia, BOTTG and Voena each being funded 65% and the bottom tier of Benicia Ballet, State Parks and Literary Arts with each being funded at 35%.

Motion passed with two abstaining.

INFORMATION ITEMS

FINANCIALS – No comment

THE COMMISSION TO DATE AND THE ROAD FORWARD – Commissioner Eisner put this on the agenda so the Commission can reflect on where we are today and where the Commission is going so we can be unified. Discussion of

Film Festival, Public Art, and a roundtable would be part of this discussion. Since the time was getting late, this will be moved to the May agenda.

THE ARTS ARE DEFINITELY GOOD FOR BUSINESS – Commissioner Eisner hopes that everyone reads this article that was sent to us by the City Manager

COMMITTEE REPORTS

Public Art – Commissioner Gavin said they are moving forward with the public art piece. There is a meeting next week to meet with the artists and to finalize the design. They will then go back to the Public Art Committee to approve the design and then the Commission will receive the concept to approve. After that the Committee will have to meet with the Parks and Recreation Department and the Parks and Recreation Commission.

Commissioner Wilder Snider thanked Commissioner Gavin for her speech at the Council meeting when she approved the CSC grant. She did a great job and the only thing that would have made it better is if we would have had several Commissioners in the audience to support her.

Film Festival – Commissioner Hall asked that this be taken off the agenda in the future and if he has anything to report or to have voted on, he will let Helaine know. Some of the people on the Film Festival Committee are frustrated with the fact that it takes forever to have anything approved as the Commissioner only meets once a month. We are planning some fundraisers, but can't do anything until it is run passed the Commission. Is there any way we can work around this?

Helaine suggested he let the Commission know tonight about their concept of a gospel fundraiser and the Commission could agree by consensus. Commissioner Hall should bring their ideas of any fundraisers to the Commission in a group so they can give their consent. Also, he will need to have the budgets approved.

Commissioner Gavin suggested that if they have anything that needs approval before the Commission meetings, he can call Helaine and the Commission can have a short special meeting to approve.

COMMENTS FROM COMMISSION MEMBERS

Director Smikahl asked if comments from the staff could be added on the agendas in case there is anything the staff has to inform the Commission on. That will be done starting with the May agenda.

ADJOURNMENT

Commissioner Wilder Snider made a motion to adjourn the meeting and it was seconded by Commissioner Gavin. Motion passed. The meeting was adjourned at 8:50 p.m.

**ARTS AND CULTURE COMMISSION
SPECIAL MEETING
BENICIA PUBLIC LIBRARY – EDNA CLYNE ROOM
THURSDAY, MAY 29, 2013
MINUTES**

Commissioner Eisner called the special meeting of the Arts and Culture Commission of the City of Benicia to order at 5:30 p.m. on May 29, 2013, in the Edna Clyne Room of City Hall.

ROLL CALL

Commissioners Eisner, Gavin, Garske, Hall, Patton, Surratt and Wilder Snider were present. Staff present: Director Smikahl and Helaine Bowles.

PLEDGE OF ALLEGIANCE

Commissioner Gavin led the Pledge to the Flag.

REFERENCE TO THE FUNDAMENTAL RIGHTS OF THE PUBLIC

A plaque stating the Fundamental Rights of each member of the public is posted at the entrance to the Commission Room per Section 4.04.030 of the City of Benicia Ordinance No. 05-06 (Open Government Ordinance).

ANNOUNCEMENTS/PRESENTATIONS

Commissioner Wilder Snider passed around some information on the Vessels Exhibit at Art Benicia. Commissioner Eisner reminded everyone about the Public Meeting on the Waterfront Park at 6:30 on June 5. There will be a walk at the waterfront at 5:00.

ADOPTION OF AGENDA

A motion was made by Commissioner Gavin to accept the agenda and seconded by Commissioner Surratt. Motion passed.

OPPORTUNITY FOR PUBLIC COMMENT

Written – None

Public - None

ACTION ITEMS

DISCUSSION AND VOTE FOR RECOMMENDED PROCESSING OPTIONS FOR GRANTEE APPLICATIONS WITH IRS TAX EXEMPT STATUS

Commissioner Eisner stated that after the last Commission meeting on May 9, she and Helaine had a meeting with City Attorney McLaughlin to see what options the Commission could consider with regard to BOTTG and Benicia Ballet (BB). The Commission can accept all of some of the options.

Commissioner Gavin asked if we were going to discuss the options and then vote or vote on each one individually. Commissioner Eisner stated that she thought we should discuss each option and then vote for each one individually.

A motion was made by Commissioner Gavin and seconded by Commission Wilder Snider to approve Option 1 (If they have not received their tax exempt certification by the end of the 1st fiscal Quarter (September 30, 2013), they would lose their funding for the first fiscal year. The Commission would then have the option to take this funding and divide it among the other grantees).

Discussion – Mr. Clark of BOTTG stated that they have a CPA in Sacramento working on their behalf. Our certification was lost because BOTTG did not pay taxes. A four month extension might not help, but it is better than nothing. They are current with the state, but no taxes have been filed for the last 4 years. Our records are not in our possession. I understand that the Commission needs to be careful but we need as much time as we can get.

Ms. Waranietz of BB stated that their CPA did not file the 990 in 2009, 10, 11 and 12. The CPA thought that this form did not have to be filed. They are hiring a new CPA and working with the IRS. They sent the IRS a check for \$400 which they received and cashed.

Commissioner Eisner asked BB to discuss their standing with the state. Ms. Waranietz stated that online their standing with the state is suspended. They just found out about this and they are trying to find out why. Commissioner Eisner stated that BB now has two issues. One with the IRS and one with the state.

Commissioner Surratt asked Mr. Clark when BOTTG discovered they had lost their tax exempt status and he stated it was March 15, 2013. Commissioner Surratt asked if this was related to their other issues and Mr. Clark stated it was.

Commissioner Surratt asked Ms. Waranietz when BB found out they had lost their IRS status. Ms. Waranietz stated in Aril 2012 and they responded and filed in December 2012. Commissioner Garske asked if that was the State or IRS. Ms. Waranietz stated it was the IRS. They did not know about the state until the other day.

Commissioner Wilder Snider asked if when each organization turned in their application, were they thinking their status would be cleared up by the time the grants were awarded. Commissioner Surratt asked if the Commission was notified of the status of BB and BOTTG. Benicia Ballet said no and BOTTG said they notified the mayor.

Commissioner Gavin asked if the Commission wanted to combine options, when would we do that. Commissioner Garske stated that 1 and 3 are connected, but the Commissioner is only voting for Option 1 now.

Commissioner Surratt asked if the grant funds were suspended, how this would affect the organizations. Ms. Waranietz stated that they would still put on the summer program but they would need to charge the students more and not put on a free performance. Mr. Clark stated that it would be very tough as they are now below what they should have to put on their next performance. They have about \$8-12,000 in expenses for each show.

Commissioner Hall asked if their new CPA has given them any time estimate. Mr. Clark said he has not and he needs to ask him. Ms. Waranietz stated they did not have any idea how long this would take.

Director Smikahl asked if the Commission decided on Option 1, BB uses their money for the summer program. What are the dates of the program? Ms. Waranietz stated that it starts on July 22. If we knew the funds were coming, we would cover the cost, knowing we would get reimbursed.

Jeanette Hunter from BB stated that for the past 2 years, BB has been in the red for the summer program as they spend more money than they receive. Ms. Waranietz stated that the board may decide to cancel the summer program.

The vote was taken and Option 1 was approved.

A motion was made by Commissioner Wilder Snider and seconded by Commissioner Surratt to accept Option 3. (If at the end of the 1st fiscal year, June 31, 2014, they have provided written documentation from the IRS indicating that they have a valid tax exempt status, they could collect their funding for the 2nd fiscal year. Remember, this is a 2 year contract)

Discussion:

Mr. Clark asked if the date is the end of September for the 1st quarter. Yes.

Commissioner Gavin stated that does not take into account BOTTG's 2 performance the Spring production is in April and May and the rehearsal is in March. Mr. Clark asked that if they did not qualify for the money, would it be split up to the other groups.

Director Smikahl said that is the provision in the legal contract.

The vote was taken on option 3 and passed.

A motion was made by Commissioner Wilder Snider and seconded by Commissioner Gavin to accept Option 2 (If they had the option to have a fiscal sponsor, this is something that Heather is researching, and the City approves this option and the sponsor, they could receive their first year's funding. The grantees would have to the end of the 1st fiscal quarter (September 2013) to name their

fiscal sponsor and obtain the City Council's fiscal sponsor approval within this 1st fiscal quarter timeline)

Discussion

Commissioner Eisner stated that if the Commission accepted a fiscal sponsor we would be granting the money to this sponsor and we would have to make sure the grantee is receiving the funds. Commissioner Hall asked if we were voting on this too soon. Should we wait until the City Attorney gets the information? Commissioner Garske asked if the sponsor would have to apply for the grant. Commissioner Eisner said we do not have a legal opinion for this yet.

Commissioner Patton stated she thought there would be too much monitoring and to many different legal ramifications. Commissioner Gavin concurs.

Mr. Clark stated that he understands the Commission's concerns but he would like to have this option opened. We might be able to go to Arts Benicia to see if they could help us

Motion failed with one abstention.

A motion was made by Commissioner Wilder Snider and seconded by Commissioner Hall to accept Option 4 (Do not accept the organizations' applications as they have a "Revoked Tax Exempt" status as of January 31, 2013)

Discussion

Commissioner Wilder Snider stated that in the future we need to check on status when applications come in. Commissioner Surratt stated that we ask applicants to advise commission of any significant changes. Commissioner Gavin asked if she could be reminded when the application deadline is and Commissioner Eisner stated it was January 31.

On vote motion failed.

A motion was made by Commissioner Gavin and seconded by Commissioner Garske to approve Option 5. (Acceptance of the Benicia Ballet Theatre grant application for the 2013-15 fiscal cycle is not recommended as the organization submitted its application knowing that its IRS tax exempt status was revoked as of the January 31, 2013 application deadline and remains revoked as of May 6, 2013.

Discussion

Commissioner Surratt stated that he assumed this option did not apply to BOTTG. Commissioner Eisner said that was correct. Commissioner Surratt asked BB if they knew their status was suspended in 2012 or 2013. Ms.

Waranietz stated that they received an online notification on April 15, 2012 that they were revoked. Director Smikahl asked if they knew this when they applied for the grant. Ms. Waranietz stated that she and Jeanette did not know. Commissioner Eisner stated in the letter that was sent to the Commission and signed by Ms. Hunter, it stated that your revocation was known. Did you receive letters from the IRS in 2012? Ms. Waranietz stated they received 2 letters from the IRS in the mail. She did not open them, but gave them directly to Margaret.

Commissioner Hall asked how do the board members of BB keep track of the current status. Ms. Waranietz stated that the nonprofit status has not been discussed by the board, but they are kept apprised of financial information. Commissioner Eisner asked what happens at tax time. Ms. Waranietz stated that the CPA handles this and it is not given to the board.

On vote motion failed.

Commissioner Eisner asked Director Smikahl to explain how our information goes to Council. Director Smikahl stated that the Commission makes recommendations through the budget and it is reviewed by Council. We have been advised to leave the funding at its current level. The Commissioner's recommendation is that 3 organizations receive 65% of funding requested which includes BOTTG and 3 organizations receive 35% of funding which includes BB. The matrix that goes to Council has options for various funding levels. The outcome will go into the 2013-15 budget. If the organizations are not reinstated by September there will be a budget adjustment for the money to go to the other organizations. Ms. Hunter asked if they are not reinstated do they lose the funding for 2 years. Director Smikahl stated no, if they are reinstated by the July 1, 2014, they will receive funding in fiscal year 2014-15.

COMMENTS FROM COMMISSION MEMBERS AND STAFF

None

ADJOURNMENT

Commissioner Wilder Snider made a motion to adjourn the meeting and it was seconded by Commissioner Gavin. Motion passed. The meeting was adjourned at 6:40p.m.

