Monday, November 15, 2021
City Council Work Session, 6:30 PM
Community Enhancement Program Review

Mayor Burge called the work session to order at 6:30 p.m.

Present: Mayor Scott Burge; Council President Megan Greisen; Councilor Joel Haugen; Councilor Brandon Lesowske; Councilor Pete McHugh; Councilor Tyler Miller; City Manager Alexandra Rains; City Recorder Susan Reeves; Assistant to the City Manager Isaac Butman; Interim Police Chief Shaun Davis; and Legal Counsel Peter Watts.

Excused: Councilor Josh Poling

Assistant to the City Manager Isaac Butman went over the staff report. He explained in September of 2021, City Council asked staff to update the Community Enhancement Program (CEP). This report brings to Council information and options for updating the program. The CEP has been in existence for at least 20 years and funds the majority of its applicants. In 2021, 14 community groups applied to the program, and 12 were funded. The current budget for the CEP is $30,000 and has been unchanged since at least 2013. Upon review of the Community Enhancement Program staff found that the program could be revised in four key areas.

These include:
• Program Funding
• Grant Awards
• Grant Application Changes
• Accountability, Reporting, and Award Allocations

The Scappoose CEP has been in existence for at least 20 years. During that time the budget has increased periodically from approximately $10,000 to the current allocation of $30,000. The CEP supports various community groups year in and year out, with regular applicants including the Amani Center, Scappoose Community Club, Scappoose Historical Society, Scappoose Community & Senior Center, Scappoose Kiwanis, Society of St. Vincent de Paul St. Wenceslaus, the VFW, and others. Without CEP funding these projects, small community organizations might not be as effective at providing services to Scappoose. According to research conducted by Staff, cities similar to Scappoose allocate between $10,000 and $50,000 to their CEP's each year. The majority of programs that were funded at the $30,000 to $50,000 level were funded by Metro through garbage and recycling fees. The majority of smaller organizations funded their programs with $30,000 or less. The City of Scappoose currently budgets $30,000 per year for the CEP and has done so since fiscal year 2006-2007. To keep pace with inflation, staff recommends increasing the budget allocation to CEP from $30,000 to $39,000 to immediately account for inflation since 2006—the last time the CEP had an increased allocation. Since the last census, the City of Scappoose has seen growth far surpassing all estimates, placing a higher burden on small community groups and organizations. Currently the CEP program limits funding requests to $5,000 or less. Two thirds of last years' requests asked for the maximum

possible allocation. None of last year's awards were maximum awards due to the unique allocation system used by the program. Exhibit A (in the staff report) shows program allocations for the last three years.

If Council increases the amount of available funding for the CEP, three options are available to aid in dispersing the increased funds:

1. Increase the number of grants distributed.
2. Increase the funding request limit.

Both of these options have benefits and drawbacks.

Increasing the number of grants distributed would fund more applicants, and aid in spending through the CEP funds. However, depending on the year and the ultimate CEP allocation, there may not be enough applicants to use all the funds. This change could leave a carryover a balance each grant cycle. Increasing the funding limit could allow for a complete allocation of funds year to year. This could help distribute money during years with a low application count but could possibly result in fewer organizations being funded in years with a high application count if members of Council decided to make larger allocations to one applicant over another. The least complicated way to ensure complete distribution of funds each year would be to increase the request limit. Council could also ask staff to explore overhauling the current system of fund allocation by council members.

Grant Application Changes
As can be seen in Exhibit B (in the staff report), the current CEP forms are in an older format, disorganized, make statements about items that are included in the CEP application packet that are not actually included in the application packet, and include language that could use updated to be made clearer and more concise, for an application that is more gracefully executed and readily understandable. Exhibit C (in the staff report) includes initial draft changes and language for an updated application. The substance of the application has not changed, but the format has. The application packet in Exhibit C (in the staff report) includes reorganization and revision of the content of the application information and instruction and removes outdated and incomplete references. Other changes to consider would be to include larger changes and new inclusions to the questions asked in the application. Provided in Exhibit D (in the staff report) is the City of Forest Grove's CEP Application as a reference for potential changes to the application, as well as for what a reporting form could look like.

Accountability, Reporting, and Fund Dispersal
The City of Scappoose's CEP is unique in that funds for projects are given with lower reporting and accountability requirements than other similar programs. While there is a reporting requirement, there is no penalty for not verifying that the project has been completed. Additionally, while we require post-project reporting, no form is supplied. Currently, if an organization fails to report they remain eligible for the next round of grants. This is not standard practice in grant programs. Adding a reporting form is a simple undertaking. This

would help increase reports received on funded projects by simplifying the reporting process for funded organizations, make clear the information the City wants to collect, and would help if in the future we want to evaluate the funded programs, the programmatic focus, or the effectiveness of the CEP.

There are a number of potential fund dispersal methods available, detailed in Exhibit E (in the staff report). These methods include:
• Up-front allocation
• Split allocation
• Single Reimbursement
• Multiple Reimbursement

Each of these funding mechanisms comes with their own drawbacks, also detailed in Exhibit E (in the staff report). Staff does recommend changing the allocation system from the current system of up-front allocation with minimal reporting, control, or accountability requirements. The majority of other CEP programs require far more in terms of accountability than Scappoose's CEP, although a variety of dispersal methods are used. Split allocation and multiple reimbursement are not used often, likely because the administrative burden on having to potentially process a higher number of allocations/reimbursements.

The two typical methods of accountability are:
• **Up-front allocation with a robust reporting requirement at the end of the project**. This method is like the current fund dispersal mechanism the CEP uses. This is a good way to support projects in very small community organizations who may not have the ability or flexibility in funds to front money for their proposed project. Reporting requirements are typically paired with eligibility for future rounds of funding.
• **Single reimbursement with a robust reporting requirement and proof of receipts tied to the project**. This option places a significantly higher burden on small community organizations who are funded as they must front the funds for the program and meet certain bars for reimbursement. This also places a higher burden on staff as there is an additional step of reviewing and verifying reimbursement requests. Reporting requirements are typically paired with eligibility for future rounds of funding.

RECOMMENDATION: City Staff would like council to consider changes to the CEP in four different areas:
1. Program Funding
2. Grant Awards
3. Grant Application Changes
4. Accountability, Reporting and Allocation

Staff recommends that Council discuss and provide direction to staff on the following topics:
1. Increasing the budget of the CEP to at least account for inflation.

2. Changing the grant awards to account for a potentially larger amount of money to be distributed.
3. Consider modifications to the application forms for a more professional presentation of the CEP, and more understandable and accessible application form.
4. Increasing accountability, reporting, and allocation requirements.

Councilor McHugh stated to Isaac that he did a good job, and it looks good to him. The only concern he has is the application form itself and maybe we can consolidate it.

Councilor Haugen agrees, Isaac did a good job. He thinks jumping it up to $39,000 to reflect inflation makes sense. He talked about the accountability and what he would like to see is once a project has come to fruition, they have an appropriate report and that is when a single disbursement is done. He stated to make the paperwork as minimum as possible on city staff. He stated one single report period and one single disbursement at the end of the project.

Mayor Burge stated he likes what Isaac has done. He explained he is a little concerned about the end of the reporting for some of the asks, because they need the money upfront. He agrees with having a report back to the City in some form. He agrees with increasing the amount.

City Manager Rains explained staffs concern was what Mayor Burge mentioned in regard to if the funding wasn't available upfront some of the smaller programs would really be challenged to do the projects if they are relying on a reimbursement type of grant and that is why staff discussed that there would be a requirement to come back and actually present on the project they completed and that would be the mechanism to continue being eligible for the grant program moving forward.

Councilor Haugen replied that is a very good point about the applicants needing funds upfront.

Councilor Lesowske would like to increase the amount to $40,000 to account for future inflation. He asked Isaac if he thought about a preference point for organizations that apply but are not funded in the previous grant cycle, so we get new opportunities to fund different projects every year.

Assistant to the City Manager Butman replied that is certainly something they can look into.

Councilor Lesowske explained he likes the idea of the sentiments of right sizing the application and the reporting request. He feels we have to be inclusive in drafting those that we are thinking about staffing and leadership structure of some of the organizations that we're providing funds to and what their bandwidth would be. He agrees with more accountability in the reporting on the impact of the funding and how we are supporting that organization. He

does appreciate staff for taking the time and bringing this to Council, because he feels it is long overdue.

City Manager Rains explained they do see a lot of the same organizations that come back and apply for these funds. She would say part of that, she is sure, is actually kind of by design of the program because part of the qualification is that it's a program that is benefitting Scappoose. She stated you are only going to have so many organizations that really fit the criteria and we want to do our best to keep that Scappoose centric, but she also wants to make sure if there are other organizations out there that are doing good things in Scappoose and haven't received funding in the past that we try to get those people through the door as well.

Councilor Lesowske explained he appreciates City Manager Rains bringing that up because he sees that we get a variety of applicants from outside City limits which he understands because we are impacting the community at large, not just within City limits. He thinks acknowledging that we want to have the most impact for those that are within our community sometimes we see a name and forget that they might be housed outside the City limits.

City Manager Rains explained she thinks the thought is even if they are located outside the City and they are doing good work here in the community, we want to be able to support those efforts.

Council President Greisen explained she is in favor of rounding up to the $40,000. She feels like there needs to be a change in the process. She feels it should be presentations, then Council is allotting on their own paper, but then instead of just giving the funds within two weeks, she thinks at the end of that meeting or revisiting it at the next meeting where Council would discuss the amount they each are giving.

Mayor Burge stated two different meetings would be easier.

Councilor McHugh stated sometimes we get applicants that actually end up backing out of the program.

Council President Greisen talked about where it states that only one nonprofit organization can submit an application for a project. She explained, the School District for example, has several requests for different functions/projects.

City Manager Rains replied maybe we can do some sort of a carve out that if it's a larger organization with different programs, then maybe it is based on the program and not the organization. She stated she doesn't think there's anything bad about making the program more flexible so more people can apply. She explained maybe the work around is only one grant per program in an organization.

Councilor McHugh doesn't feel we should restrict one organization with multiple programs from applying.

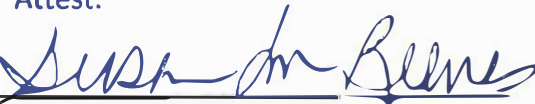Council President Greisen asked if Council will revisit this before the application goes out?

Assistant to the City Manager Isaac Butman replied the next round will be something more complete with the changes highlighted and not as many documents.

Council thanked Isaac.

Mayor Burge adjourned the work session at 6:54 p.m.

Mayor Scott Burge

Attest:

City Recorder Susan M. Reeves, MMC