

**CITY OF SAN ANTONIO
DEPARTMENT OF COMMUNITY INITIATIVES
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: Dennis J. Campa, Director, Department of Community Initiatives

SUBJECT: The de-obligation and reallocation of funding from Delegate Agencies unable to secure the required 35% of their agency budget from non-City sources.

DATE: February 17, 2005

SUMMARY AND RECOMMENDATIONS

A. This ordinance authorizes the execution of a contract amendment with Project Learn to Read decreasing their FY 2005 Delegate Agency allocation from \$67,628 to \$34,738 and a contract amendment with Helping Hands Lifeline Foundation decreasing their FY 2005 allocation from \$47,350 to \$25,140 as a result of the agencies' non-compliance with the Consolidated Human Development Services funding pool stipulation that 35% of their budget come from non-City sources. The General Fund dollars allocated within the Delegate Agency Funding pool are decreased by a total of \$55,100.00 for FY 2005.

B. This ordinance amends the FY 2005 Adopted Budget (as amended by Ordinance Number 100292 passed and approved on December 16, 2004) to reallocate de-obligated delegate agency funds to the Human Development Services Fund (HDSF). The HDSF allocation for FY 2005 for the Mayor and each Council Member will be increased from the current \$41,818 to \$46,827 each. The total dollars budgeted for the FY 2005 Human Development Services Fund within the General Fund Special Projects appropriation will be increased by \$55,099 to a total of \$515,097.

Staff recommends the approval of these ordinances.

BACKGROUND INFORMATION

At the direction of the Economic and Human Development Committee, staff developed a consolidated funding process for FY 2005 and FY 2006 to address San Antonio's human development services strategic issues and meet the priorities established by City Council. The four priority areas approved by City Council on February 5, 2004 were: Family Strengthening, Youth Development, Workforce Development and Community Safety Net.

Deobligation of Delegate Agency Funds

The City's Consolidated Human Development Services Funding process includes Federal, State, and local funds for human development and public services. All delegate agency contracts are for a one-year period beginning October 1, 2004, with an option to renew for an additional one-year period based on agency performance, funding availability, and City Council approval.

Through the FY 2005 Budget Ordinance, the City Council approved allocations for the City's Consolidated Human Development Services with the requirement that no agency receive more than 65% of its overall revenues from the City for FY 2005, and no more than 50% in FY 2006. Agencies

were allowed until December 31, 2004 to secure revenues sufficient to ensure that City funds do not exceed the 65% level.

POLICY ANALYSIS

Deobligation of Delegate Agency Funds

The Departments of Community Initiatives and Housing and Community Development requested that all Delegate Agencies funded through the Consolidated Human Development Funding pool provide documentation to support their reported non-city funding. Three agencies that are governmental entities (Alamo Community College District, Northside ISD, and University of Texas at San Antonio) were not required to submit documentation because their budgets could be verified through public records.

The following recommendation was taken to the Economic and Human Development Committee on January 20, 2005. The committee recommended this item be taken to the full City Council for approval.

Project Learn to Read and Helping Hands Lifeline Foundation were unable to secure sufficient revenue to meet the funding cap. Project Learn to Read required \$36,415 in non-city funds to maintain their allocation of \$67,628. DCI verified \$18,705 in non-city funds and, accordingly, the contract with Project Learn to Read is recommended to be reduced by \$67,628 to \$34,738 to remain in compliance with the 65% funding cap.

Helping Hands Lifeline Foundation's allocation of \$47,350 required \$25,496 in non-city funds. DCI could not verify the existence of any non-city funds. By the end of the first quarter, the agency had spent \$25,140, including \$15,420 to prepay 2005 rent for their Kelly USA facility and \$7,425 in direct assistance to program participants. As a result of this funding reduction, the contract with Helping Hands Lifeline Foundation is recommended to be reduced by \$22,210, which is the amount of unspent funds. DCI will work with Kelly USA to recapture the unused portion of rental payments.

The Department of Housing and Community Development will provide their update regarding the delegate agency funding cap status during their annual re-programming process for Community Development Block Grant funds.

Reallocation of Delegate Agency Funds to the Human Development Services Fund

This ordinance continues existing City policy to invest in human development services in support of family strengthening, youth development, workforce development, and the community safety net through the City Council Human Development Services Fund. With the reallocation of de-obligated delegate agency funding to HDSF, this ordinance will increase the FY 2005 HDSF allocation for the Mayor and each Council Member from the current \$41,818 to \$46,827 each.

FISCAL IMPACT

Deobligation of Delegate Agency Funds

The FY 2005 adopted budget for the consolidated human development services funding pool included \$10,251,040 as follows:

	Family Strengthening	Youth Development	Workforce Development	Community Safety Net	Total by funding source
a. CDBG public service funds for Delegate Agencies/City projects	\$ 1,090,588	\$ 615,000	\$ 30,000	\$ 273,422	\$ 2,009,010
b. HOPWA FY05				\$ 996,190	\$ 996,190
HOPWA FY02 Reprogram				\$ 155,296	\$ 155,296
c. ESG FY05				\$ 144,730	\$ 144,730
d. CSBG FY04	\$ 58,750				\$ 58,750
e. General Fund FY05	\$ 1,157,085	\$ 1,139,281	\$ 2,052,965	\$ 1,400,055	\$ 5,749,386
CCDF Grant Transfer	\$ 1,137,678				\$ 1,137,678
Total by category	\$ 3,444,101	\$ 1,754,281	\$ 2,082,965	\$ 2,969,693	\$ 10,251,040

The de-obligation of Project Learn to Read and Helping Hands Lifeline Foundation reduces General Fund allocations for FY 2005 in the categories of Workforce Development and Community Safety Net by \$32,890 and \$22,210, respectively.

Reallocation of Delegate Agency Funds to the Human Development Services Fund

This action requires no additional General Fund commitment. The fiscal impact of the budget amendment will not affect to the FY 2005 General Fund Budget.

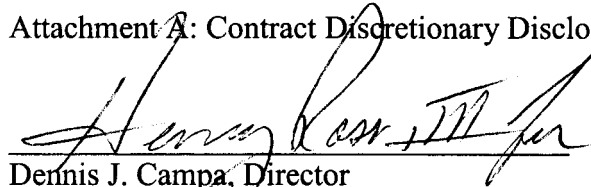
The reallocation of de-obligated delegate agency funding to HDSF increases the FY 2005 HDSF allocation for the Mayor and each Council Member from the current \$41,818 to \$46,827 each. The dollars allocated within the FY 2005 Human Development Services Fund within the General Fund Special Projects appropriation will be increased in total by \$55,099. This reallocation is a one-time action.

COORDINATION

The Department of Community Initiatives has coordinated these actions with the Economic and Human Development Committee, the City Attorney's Office, the Office of Management and Budget, and the Department of Housing and Community Development.

SUPPLEMENTARY COMMENTS

Attachment A: Contract Discretionary Disclosure forms



Dennis J. Campa, Director
Department of Community Initiatives



Frances A. Gonzalez
Assistant City Manager



J. Rolando Bono
Interim City Manager

City of San Antonio
Discretionary Contracts Disclosure*

Form 10

*For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2
Attach additional sheets if space provided is not sufficient.
State "Not Applicable" for questions that do not apply.*

* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the City in the enforcement of provisions contained in the City Charter and the Code of Ethics, an individual or business entity seeking a discretionary contract from the City is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any **individual** who would be a party to the discretionary contract:

NA

(2) the identity of any **business entity**¹ that would be a party to the discretionary contract:

NA

and the name of:

(A) any individual or business entity that would be a **subcontractor** on the discretionary contract;

NA

and the name of:

(B) any individual or business entity that is known to be a **partner**, or a **parent** or **subsidiary** business entity, of any individual or business entity who would be a party to the discretionary contract;

NA

(3) the identity of any **lobbyist** or **public relations firm** employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

NA

Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any **current** or **former member** of City Council, any **candidate** for City Council, or to any **political action committee** that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

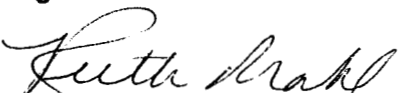
To Whom Made:	Amount:	Date of Contribution:
NA		

¹ A **business entity** means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

NA		
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Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

NA		
Signature: 	Title: Executive Director Company: Helping Hands Lifeline Foundation	Date: 3-18-04

COSA Form 1050-33-2, Discretionary Contracts Disclosure, 09/12/02

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

City of San Antonio
Discretionary Contracts Disclosure*

Form 10

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(1) the identity of any **individual** who would be a party to the discretionary contract:

my
N/A

(2) the identity of any **business entity**¹ that would be a party to the discretionary contract:

my
N/A

and the name of:

(A) any individual or business entity that would be a **subcontractor** on the discretionary contract;

my
N/A

and the name of:

(B) any individual or business entity that is known to be a **partner**, or a **parent** or **subsidiary** business entity, of any individual or business entity who would be a party to the discretionary contract;

my
N/A

(3) the identity of any **lobbyist** or **public relations firm** employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

my
N/A

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Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any *current* or *former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

my
To Whom Made:

N/A

Amount:

N/A

Date of Contribution:


N/A

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Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

Signature: 	Title: Director Company: Project Learn to Read of San Antonio	Date: March 16, 2004

COSA Form 1050-33-2, Discretionary Contracts Disclosure, 09/12/02

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.