

BEMIDJI CITY COUNCIL
Special Work Session Agenda
Monday, June 6, 2011

City Hall
Conference Room
6:00 p.m.



1. CALL TO ORDER
2. DISCUSS DONATION REQUEST GUIDELINES
3. ADJOURNMENT

Bemidji—Regional Center Amenities with Small Town Character



City Manager's Office

MEMORANDUM

TO: City Council
FROM: John Chattin, City Manager
DATE: June 6, 2011
RE: Donation Request Guidelines

Staff are routinely asked by other governmental and nonprofit organizations to put donation/fee waiver requests on the agenda. As the city currently has a policy of no new donations, allowing such requests to be debated is contrary to that policy. However, since exceptions have been made, staff have no clear guidelines to follow when considering such requests.

Staff must first determine if a request qualifies as a public purpose expenditure. To be an authorized expenditure, it must:

- Be specifically or implicitly authorized under statute or charter; or
- Benefit the community as a whole; and
- Be directly related to the functions of government; and
- Not benefit a private interest as its primary objective.

Although these can be a little "fuzzy" at times, staff can generally assess if a request qualifies as a public purpose. Beyond that assessment, we have little guidance.

I would suggest that, beyond the public purpose requirement, staff be guided by the following:

Has another granting authority either suggested or required city participation before considering a grant?

and/or

Does the request specifically address a need or priority identified by the council?

I believe these questions would provide adequate guidance in determining if a request is considered by the council.

Perhaps the council may also want to give staff guidance on priorities it would like to have when granting donation/fee waiver requests. For example:

- Owner occupied or rental multi-family housing projects that are affordable to individuals and families with incomes between 80% and 115% of the Beltrami County adjusted median income are a council priority.
- Projects that address homelessness and/or substance abuse/addiction are a council priority.

These are just a couple of examples and are not intended to advocate for or against these needs. However, these types of council statements give staff the guidance they need to ensure that council priorities are properly addressed.

Is the council open to both capital and operating donations? Most of our requests are for capital projects but requests for operating funds have also been made, i.e. Humane Society and Boys and Girls Club. Limiting donations to capital projects would be easier but perhaps donations contributing to sustainable operations would be considered?

The council should also discuss what criteria are considered when determining the amount of any donation/fee waiver. Should fee waivers be limited to a percentage of the fee or should each request be evaluated on its own merits? Should donations be limited to a percentage of the total project? Should any donation be limited to a percentage of the other grant funds leveraged?

Obviously, there are no easy answers to these questions. But establishing some guiding principles and priorities for staff to use would certainly simplify the process and prevent potentially awkward situations for all concerned.