

Public Service Grant Council Meeting Minutes

Date: September 24, 2008

Time: 9:30 AM

Present: Alberta Hipps, Gwen Yates, Juan Diaz, John Donahoo, Arnold Tritt and Ronald Mallett

Absent: Edgar Mathis

Guests: Roslyn Phillips, Nancy Kirts, Neill McArthur, Sandy Arts, John Snyder, Sue Andrews, Kirk Sherman, Council Auditor, Sean Costigan, Council Auditor's Office and Linda Platte'

Presbyterian Social Ministries

Ms. Hipps asked Nancy to explain to the audience what happened with Presbyterian Social Ministries (PSM). Ms. Kirts explained that she was with the Emergency Operations during the time of Tropical Storm Fay and inadvertently removed this organization off the funding spreadsheet. It was not until August 26, 2008 that Mr. Tuttle called to ask why his agency was not funded. Ms. Hipps asked if Mr. Tuttle wanted to talk a little about his organization does. Mr. Tuttle explained that they operate downtown through the Salvation Army, to operate a facility for 100 men, when temperatures are predicted to go below 40 degrees. The average number of nights expected to be opened is 18 to 21 for an average 90 to 100 men. This program provides doughnuts and coffee before they leave. Mr. Mallett asked what other facilities offer this kind of service? Mr. Tuttle explained that the I.M. Sulzbacher Center came to them and asked for help. Mr. Mallett asked why the Salvation Army didn't do this. Mr. Tuttle explained that they are only using the Salvation Army's gym and not their social service area, and they don't have the staff for it. Public Service Grant funding pays for security, janitorial supplies and staff that's there all night. Six organizations and churches volunteer to support the program. Diane Gilbert, Emergency Homeless Coalition Services said the homeless population is increasing because of people are losing their homes and the state and other agencies are running out of funds to assist. Mr. Mallett asked if these people are migrating to Jacksonville or are these people that have lost their homes. Ms. Gilbert stated over 70% are residents of Jacksonville. Mr. Tuttle said, the last 7 to 8 years of business, LaVilla was opened up to assist with homeless persons due to the weather, and the City asked him to open up the Cold Night Shelter for (3) nights/days and also emergency wet night shelter. The Salvation Army does get a small stipend for their facility use. Ms. Hipps stated to talk financially; Ms. Kirts stated we know we have ~ \$2700, because of Prisoners of Christ backing out of their contract and other agencies are reporting that they will not spend all of their FY 2008 funds. Ms. Hipps asked if we know when it will start turning 40 degrees at night. Ms. Kirts stated to Ms. Hipps that in her packet John Snyder had completed research and one day in January had an Average Temperature of 40 degrees in Jacksonville. Mr. Tuttle stated they open up the week before Thanksgiving. Ms. Hipps asked Ms. Kirts about when to expect a timeline on getting with them if this council is going to decide to give first installment of \$700. Ms. Kirts stated they would have to go back to City Council to appropriate those dollars. Ms. Phillips stated if that is the intent moving forward, she thought that because of anticipating there will be additional dollars rather than go before the City Council multiple times, it would be better to submit legislation (1) time. Ms. Hipps stated the contract will be contingent upon what we have already set up the others as. Ms. Kirts stated that there are residual funds available from Prisoners of Christ and possibly Duval County Schools. Donna Cobb, Duval County Public Schools stated she expected to return at least \$5,000. Mr. Diaz asked if these funds were supposed to be used by September 30, 2008, how can funds be given to someone. Ms. Kirts explained the residual funds go back into the General Fund.

Kirk Sherman, City Council Auditor and Sean Costigan review all audits and financial reports for PSG's as they come in, and the number to call for information is 630-1625. Ms. Hipps ask that Mr. Sherman has the information so he can address the topic. Mr. Donahoo asked about the FY 2009 Budget form in his packet regarding the figure \$2,443,470 approved at the 8/25/08 is over budget by \$3,795. Mr. Sherman stated that these lines items were entered as a comparison from one fiscal year to the next. Ms. Hipps introduced Mr. Tuttle to the Council Auditors' and asked how to resolve what has happened to his organization and offered the first

agencies that didn't spend their monies could be considered for Mr. Tuttle's organization. Ms. Hipps stated they will go back to City Council to get the identified funds appropriated. Mr. Sherman stated that it would be okay, if you have monies identified that are left over from FY 2008 to FY 2009 and it shouldn't be difficult to do. Ms. Hipps talked about the method and formula to use in recommending funding for Presbyterian Social Ministries. It was confirmed that their application was in order, their audits were in order, and the 24% requirement was also in order. Ms. Kirts stated, the way we funded the other agencies in FY 2008, we looked at the amount of money they had in FY 2008 (which was \$8,144 for PSM), take that figure and multiply it by 7.398% which would be \$8,746 for PSM as the recommended award. Salvation Army gets perishable food donations and sometimes they share the food with this program. Mr. Tuttle explained that he personally handles the NEFIN System of tracking individuals. Ms. Hipps asked if there are any other questions. Mr. Mallett stated he'd like to enter a motion. **Motion:** He recommended the funding of Presbyterian Social Ministries not to exceed the \$8,746. The motion passed. Ms. Hipps talked about the timeline realistically of getting the City Council legislation passed. Ms. Phillips stated that it would be a minimum of 60 days to go through the process of the MBRC and the City Council process which would be no sooner than the first Council meeting in December. Mr. Sherman stated he thinks it might be the last meeting in November, if legislation was on the MBRC October 13th Agenda and then introduced to City Council it could be enacted by November 25th. Ms. Phillips stated that organizations have until October 15th to submit their Annual Report. At that time we will know for certain how much money is available. Mr. Tuttle, stated that they have no problem in providing the service without the funds in hand by waiting for the funding process to be finalized and indicated he was trying to cooperate. Mr. Tuttle stated he was at the August 25, 2008 meeting and when the names of all recipients that got dropped did not include his organization was not on the list and the fact that the screen was way across the room and he couldn't see who was on the list, he thought that every other organization would receive funds for FY 2009. So he went to lunch and said he didn't need to come back since they were going to do a 7% increase, which was more than what he hoped for. At the end of the day, he found out his organization wasn't read and he said that couldn't be. He said he would be at the meeting on September 24, 2008 all day. Ms. Hipps asked Mr. McArthur how the funding recommendation will affect the contractual agreement. Mr. McArthur stated a contract cannot be awarded until the funds are appropriated according to the ordinance or there would be severe penalties. Ms. Phillips stated from the administrative side of it, we will be working cooperatively in the spirit of moving forward we can't pre-suppose the action of the City Council in appropriating funding. Ms. Hipps asked Mr. Tuttle did he understand that, and he stated he did. Mr. Tuttle said the funding for Cold Night Shelter is spread over 4 quarters and was paid in 4 quarters, but he provides the service in the first two. He asked there was any way to appropriate the full amount in six months instead of 12 months or the first two quarters. Ms. Hipps asked if there was any other discussion about this particular agency. Ms. Kirts, to Mr. Sherman, we returned the residual funds from FY 2007 and asked if there any way that money can be used, it's about \$19,000. Mr. Sherman stated that at the close of every year, all monies lose its identity and goes back into General Fund balance. He said he would work to identify the proper account to so to speak take it from the general fund balance to do this. Ms. Phillips stated that like Mr. Sherman those funds have been accounted for to fund balance. Ms. Phillips stated as long as the legislation for fund Presbyterian Social Ministries was a one cycle emergency, it could get out pretty quickly, if we went to the MBRC auditors and get through the Council around the 1st of November.

Public Service Grants – Audit Requirements

Ms. Hipps stated that during our funding process, there was discussion about the PSG audit requirements and requested Ms. Kirts to have the Council Auditor's Office attend this meeting to provide an update. Ms. Kirts stated that a lot of the agencies have had some issues this past fiscal year with non compliance of the audit requirements. Mr. Sherman stated the short of it is they need to know that Public Service Grant money was spent in compliance with the approved budget. There are (3) different stratus for financial reporting. If it is under \$100,000, audits would have to be a format that's been agreed upon between the Department and the Council Auditors Office which is due by November 15th of each year. For grants between \$100,000 and \$500,000, a single audit that's

in accordance with general accepted audit standards and that audit needs to be to us by 120 days after the close of your fiscal year. Mr. Sherman stated that for FY 2008 the threshold is \$50,000 or under for annual written report and for audits above \$50,000 requires a single audit. It is very important to be able look at an audit and understand expenditures based on fiscal year. Auditors properly attest to your fiscal year and everything is combined on that basis. It is difficult to break out the compliance requirements for each of our two fiscal years. Generally what works out well is to get with your auditors to add footnotes to your financial statements which just tables out what your budget was for each of the two fiscal years with the pro-rata amounts. We need to be able to take a look at what exactly happened for the four quarters of our fiscal year to determine compliance with your budget allocation. Carry over funds can be requested from one year to the next of \$500 or 10% whichever ever is less. We need to have an understanding of where you were on October 1st and September 30th regardless of what your own fiscal year is. The administrators that we are working with now are great and in compliance with us. Mr. Sherman stated he didn't know how much more they wanted him to go into but budgetary compliance and questionable expense. In Chapter 118, your contract breaks out about eight different categories that are disallowable uncollectible accounts and other claims, we can't cover your bad debts expense, and we can't help you build up a contingency reserve of any type, whatever you get during our contract period you need to spend on services during that we can't you build up a fund balance, can't make contribution or donations to other groups or organizations this is money for you to do a program directly and report to the City. A problem throughout the city is the cost of amusement, social activities, incidental cost, throwing a staff party. We can't pay any type of fines or fees that you may have to pay to another government for failing to comply with their rules or regulations. We pay for direct program services. We can't pay the governor's office or the state legislature expenses. We can't pay your interest cost on a loan. So we have requested reimbursement for disallowable expense. For questions, please call Kirk Sherman or Sean Costigan. Mr. McArthur, asked if the Cultural Council for whom we give a in turn gives out grant to other agencies is allowable. Mr. Sherman stated that they have a separate sub-section within Chapter 118 and they have a different operating system than the PSG Council. They can spend up to 13.5% of their funds for program administration. Mr. Sherman stated that once an organization is out of compliance, funding is cut off at that moment. A memo is sent to the City Finance Department stating the organization is out of compliance and to withhold any future funds until their non-compliance issue is resolved. Mr. McArthur asked if to get back in compliance, a certification letter must be submitted from the Council Auditor's Office. Mr. Sherman stated yes, a memo is sent to the City Director of Finance stating those organizations that are back in compliance. Mr. Mallett asked if the Public Service Grant Council can be advised of this action also. Mr. Sherman stated he makes periodic reports and will keep Public Service Grant on his list to notify when the Accounting Department is notified holding and/or restoring funds. Ms. Hipps asked if Public Service Grant funds can be deposited into an interest bearing account? Mr. Sherman stated interest can be earned as long as the funds are accounted for and the funds are spent within the approved budget limit items. Ms. Kirts stated that changes have been made as a request of Ordinance 2008-88, so that we will be processing reimbursements only. Ms. Phillips explained that they do get 10% start up if requested. Ms. Kirts wanted to say on the record that she really appreciated Sean Costigan support of the PSG program. When ever she has had any issue regarding an organization he has been very cooperative, helpful and very knowledgeable.

Public Service Grant Calendar

Ms. Hipps stated that she met with City staff and asked for a Public Service Grant timeline so that all the agencies would know all dates to remember for FY 2009. The prepared schedule does not include the Public Service Grant Council meeting dates. Ms. Kirts explained the calendar. Ms. Hipps asked for comments from the audience and Jan Flager, Director of Mission House, asked about reimbursement and what was the rationale behind making it the reimbursement instead of the traditional quarterly payment. He stated it would not affect his agency, but would for the smaller agencies. Ms. Hipps, stated she did not know what the rationale was but that there is a provision for 10% start up. Ms. Hipps stated she would give her personal opinion. Legislation went forward to fund viable creditable agencies if they met all the criteria and organizations should identify funds through their business plan to get started with. Ms. Hipps stated that she wanted to remind all agencies of another thing that is starting with this fiscal year FY 2009 there is a three year program funding limit, except for essential services. Glen Mitchell, Compassionate Families, "I have to respond to the gentleman because he made a vital point, it's not about us having our hands out, it's about cash flow. That is one of the greatest challenges that we face. Our other grants are reimbursement and we are very accustomed to dealing with reimbursement, but they are on a monthly basis". Mr. McArthur, clarified that the quarterly reports are a matter of contract and not a matter of ordinance. The ordinance is a side line on how often report periods could be. It could be revised establish monthly reimbursements rather than a quarterly. We can't change the 10% start up cost because that is a legislative directive by City Council. Ms. Phillips stated that the staff would not have any problem in making that change. Mr. Mallett would like to make a motion. **Motion:** Change financial reporting for the reimbursement schedule to monthly. The motion passed. Ms. Hipps asked Ms. Kirts to discuss the calendar, Ms. Kirts stated that it was a fiscal year calendar; and went through the benchmarks on the calendar. Ms. Kirts stated that the calendar will be posted on the website for all agencies to use. Last night, the City Council approved the budget. Ms. Kirts stated she wanted to recognize Mr. McArthur. He has spent a lot of time doing many, many revisions to the Public Service Grant contract to make a more effective document. Ms. Kirts stated she will change the calendar to include the monthly reporting. Ms. Hipps wanted everyone to look at the scheduled Public Service Grant Council meetings. She stated she likes meeting in this room, but parking is a problem. Ms. Yates would like to make a motion to find another location, but Ms. Phillips stated that there is a garage could use for public parking. She would follow-up on getting that set up for them. Ms. Yates stated she would like to forgo the December meeting. Ms. Kirts asked if they then determine the Priority Populations in November. Ms. Phillips stated that these are recommendations to the City Council for them to enable through Legislation.

Public Service Grant Council Site Visits and Accountability Process

Ms. Hipps asked Ms. Kirts to help her explain bullet four of the agenda. Ms. Kirts stated that in Ordinance 2007-105-E stated that one of the tasks the PSG Council is responsible for is doing site visits. She wanted to make sure that the PSG contract the verbiage to formulize this was completed. Ms. Hipps asked the other members to take a minute to talk more about site visits process and accountability. Mr. Tritt stated that he thinks the visits should be un-announced and agrees with Ms. Hipps. He thinks it's a two-phased process. The staff should do the paperwork, and administrative monitoring. He wants to go multiple times, to look at programmatic matters. Ms. Phillips stated that only one can go not two, because of the Sunshine Law requirements. Ms. Phillips also suggested a listing of all the agencies, in to make a selection to coordinate site visits. Mr. Mallett suggested that the chair make a list to determine who goes where. Ms. Hipps stated she will get with staff. Diane Tuttle, Angelwood stated that in her case, if Public Service Grant member were to come un-announced they would not get in for of security reasons. She suggested an ID badge be made. Others stated that they are out a lot and probably would not be there if they don't know ahead of time of a visit. Ms. Kirts stated that she has already done a report card they can look at and that she gave this information to Ms. Hipps but would share it at the next meeting.

Form 8B (Conflict of Interest)

Ms. Hipps asked Ms. Kirts to explain about the Conflict of Interest Forms. Ms. Kirts explained that each time there is a meeting and voting is taking place you will need to fill out another Form 8B. There were copies in each Public Service Grant Council members file folder of the forms they had already completed.

Meeting Adjourned: 11:30 AM

Minutes Prepared by: Linda Platte'