

RULES AND PUBLIC POLICY COMMITTEE

DATE: September 30, 2008
CALLED TO ORDER: 5:31 p.m.
ADJOURNED: 6:29 p.m.

ATTENDANCE

ATTENDING MEMBERS

Robert Lutz, Chair
Bob Cockrum
Ed Coleman
Monroe Gray, Jr.
Angela Mansfield
Lincoln Plowman
Joanne Sanders
Mike Speedy

ABSENT MEMBERS

AGENDA

PROPOSAL NO. 3, 2008 - seeks approval of a petition to establish the Town of Fayette, in Boone County, Indiana, which proposed town is within four miles of the corporate boundaries of the consolidated city, pursuant to IC 36-5-1-7(a)
"Strike" Vote 6-0

PROPOSAL NO. 142, 2008 - provides for the registration with the city controller of lobbyists and lobbying activity with respect to the City and County
"Postponed" until November 11, 2008 Vote 7-0

PROPOSAL NO. 414, 2008 - amends the Revised Code regarding the powers and duties of the Crime Prevention Advisory Board
"Do Pass as Amended" Vote 5-3

RULES AND PUBLIC POLICY COMMITTEE

The Rules and Public Policy Committee of the City-County Council met on Tuesday, September 30, 2008. Chair Robert Lutz called the meeting to order at 5:31 p.m. with the following members present: Bob Cockrum, Ed Coleman, Monroe Gray, Lincoln Plowman, and Joanne Sanders. Angela Mansfield and Mike Speedy arrived shortly thereafter. Representing Council staff was Robert Elrod, General Counsel.

Chair Lutz asked each committee member to introduce themselves and indicate which district they represent.

PROPOSAL NO. 3, 2008 - seeks approval of a petition to establish the Town of Fayette, in Boone County, Indiana, which proposed town is within four miles of the corporate boundaries of the consolidated city, pursuant to IC 36-5-1-7(a)

Councillor Plowman moved, seconded by Councillor Coleman, to "Table" Proposal No. 3, 2008. The motion carried by a vote of 6-0.

[Clerk's note: Councillor Mansfield arrived at 5:32 p.m.]

PROPOSAL NO. 142, 2008 - provides for the registration with the city controller of lobbyists and lobbying activity with respect to the City and County

Councillor Plowman moved, seconded by Councillor Gray, to "Postpone" Proposal No. 142, 2008 until November 11, 2008. The motion carried by a vote of 7-0.

PROPOSAL NO. 414, 2008 - amends the Revised Code regarding the powers and duties of the Crime Prevention Advisory Board

Councillor Plowman moved, seconded by Councillor Coleman, to "Amend" Proposal No. 414, 2008 by striking the words "accumulated funds" in Section 5, the paragraph below sub-section C, and inserting the words "annual appropriations."

Jason Dudich, Deputy Controller, Office of Finance and Management (OFM), explained that stating "accumulated funds" in the proposal caused concern, as it did not provide a solid figure that could be determined. He said this could allow money to come in and out of the fund and they wanted to change the language to "annual appropriations" so that a percentage could be compared to an actual non-moving number instead of money that could fluctuate based on how much is spent or rolled over from year-to-year.

The motion to "Amend" the proposal carried by a vote of 7-0.

Councillor Hunter said he submitted the proposal because he feels that it is important to have an evaluation of programs that the Crime Prevention Initiatives and Programs Fund would finance that could be examined by the Council. He said that he has had some discussions with Deputy Mayor Olgen Williams and his staff, as well as with John Cochran, Special Counsel to the Mayor. Councillor Hunter said that evaluation was written into the released Request for Proposal (RFP); however, that entailed self-evaluation, and he is concerned with that approach.

Councillor Mansfield said she agrees that self-evaluation is not the best practice, and she believes that there is a need for some type of accountability to determine effectiveness. However, she is concerned about using the 10% of the funds that could otherwise be used for crime prevention programs. She asked if the evaluations can be done internally. Councillor Hunter answered that this is the best way to do evaluations correctly. He said that it is uncertain as to whether the expertise exists internally. He said this type of evaluation may also help the organizations that are being funded, as they may be able to use the results to obtain funding from other organizations as well.

Councillor Gray asked if the discussion is about the \$5 million that the Council put into the Fund as a part of last year's budget. Councillor Hunter answered in the affirmative. Councillor Gray asked why the discussion is to only spend 10% of that money. Councillor Hunter answered that it is standard to spend 10% to 15% on any evaluation process.

Chair Lutz asked if \$500,000 for program evaluations is comparable. Councillor Hunter answered in the affirmative, and stated that some organizations charge as much as 15%, and in this particular case, evaluations will have to be done on several organizations.

[Clerk's note: Councillor Speedy arrived at 5:41 p.m.]

Councillor Sanders said that she is concerned that of the \$5 million set aside for crime prevention programs, \$500,000 will go to an evaluative process alone. She said she is also concerned that Section 5, sub-section B implies that the monitoring of the programs can be done separately from the evaluation process, and can be administered by two different organizations. Mr. Cochran said that there are three components to the proposal:

- 1) The application process, in which all applications are examined and a uniform way of evaluating the applications is developed.
 - a. They are expecting that the application process will be handled by the Greater Indianapolis Progress Committee (GIPC), as the city does not have anyone with the expertise to handle that responsibility.
- 2) The monitoring process, which will be done after the grants have been awarded.
 - a. Half of the money will be distributed during the award process and the other half will be distributed after monitoring of the program has been done midway through.
 - b. It is estimated that GIPC will also handle the monitoring process with three full-time staffers.
- 3) Post-grant evaluation process will measure how well the programs performed.

Mr. Cochran said that the three components discussed are standard operating procedures for grants of this size and the process can be helpful in determining which programs work best. He said that the combination of the components would equal no more than 10% of the \$5 million. He said utilizing GIPC for these processes, will provide the necessary expertise and hopeful savings.

Councillor Sanders asked if other agencies or departments within the city and county have programs that currently operate in the same way as discussed. Mr. Cochran answered that he is unaware of any current grants in which the city is not simply a pass-through. Councillor Sanders said she is opposed to 10% of the total appropriated funds. She would rather see that the administrative costs for the grant do not exceed 10% of the awarded funds,

because one may be able to receive 10% of money that is in the fund at any given time. She said for example, if an inadequate amount of applications is received in a given year, the cost should not exceed 10% of the awarded funds in that year. Chair Lutz asked if money would have to be appropriated to the organization to be awarded. Mr. Elrod answered in the negative, as it has already been appropriated to the fund and can simply be given to an applicant.

Councillor Gray said when the \$5 million was first initiated, the process was to be done by an outside agency, but it is being done through GIPC. He said that concerns him, as GIPC is influenced by Mayor Gregory Ballard and his staff. Mr. Cochran said the original ordinance specifically requires that the Advisory Board receive guidance from GIPC, which is why they are being used in the process. Councillor Hunter said the Council will have to give the authority, but he has a problem if they are giving that authority by relying on self-evaluations. Councillor Gray said that he supports the process if GIPC will contract the evaluation process out. Councillor Plowman said that he agrees that an outside agency should be used.

Councillor Mansfield said she understands that in past years when dealing with awards from city/county government, OFM actually monitored the programs internally. She said she believes that staff can be hired and the evaluations done internally for less than \$500,000. She is also concerned that the \$5 million was not budgeted for next year. Councillor Hunter said the audits done through OFM that Councillor Mansfield referenced looks at the money spent on the program and do not determine whether or not the program works. He said he supports not entering into contracts for tasks that can be done in-house, but he does not believe that the expertise is available to do these types of evaluations in-house.

Councillor Gray asked if the \$5 million will be cut in half. Councillor Hunter answered in the negative. Councillor Gray said he thought the City Controller said that half of the \$5 million will be spent in 2008 and the other half in 2009. Mr. Dudich said the Controller said that majority of the funds will probably not be spent until 2009, due to the timeliness of initiating the grant and trying to make the funds available. He said another \$5 million will be set aside in 2010 to fund a second year of the grant. Councillor Gray asked if the award process will be delayed if the proposal fails. Mr. Cochran answered that he understands that the Crime Prevention Advisory Board has all of the applications and will make a recommendation based on guidance from GIPC and the Mayor's staff. The applications will then come before the Council. Councillor Gray asked if the Advisory Board will do the evaluation to determine which applicants are awarded. Mr. Cochran answered in the negative, and stated that they can only make recommendations.

Councillor Gray asked if it is possible that none of the money will be given in 2008. Mr. Cochran answered that he does not believe that is a possibility. Councillor Gray asked if an organization will be eligible for funds in 2009 if they are denied in 2008. Mr. Cochran answered in the affirmative. Councillor Gray asked if the results of the application process will be posted. Mr. Cochran answered in the affirmative.

Councillor Sanders asked if recommendations will be made by the Advisory Board for the current round applicants from the September 22nd deadline. Councillor Hunter answered in the affirmative. Councillor Sanders asked if the scoring of the applicants will also be done by an outside contractor. Mr. Cochran answered that he is not sure if GIPC will do the scoring or if they will assist with the scoring. However, the way the ordinance is written, the third-party evaluation process can be competitively bid on. Councillor Hunter said that the main idea is to bid out the evaluations, and none of the processes can exceed the 10% maximum.

Chair Lutz said the language does not require the Advisory Board to approve any contracts, but gives them the authority to do so if necessary. Councillor Hunter said that GIPC is already in place to do the scoring. Mr. Cochran said any money distributed from the Fund will go from the Advisory Board, with the guidance from GIPC, to the Mayor, to the Council. He said that all third-party evaluation contracts will go through this same process before the contract is awarded.

Councillor Sanders moved, seconded by Councillor Mansfield, to "Amend" Proposal No. 414, 2008 by striking the suggested "annual appropriations" in Section 5, the paragraph under subsection C, and inserting the words "awards made in a given funding year."

Mr. Dudich said the first amendment to the proposal would make the annual appropriation the number to what the 10% would be applied. For example, in 2008 going into 2009 would be \$500,000. If the language changes to the total amount awarded, the 10% would be applied to that number. For example, if only \$3 million is awarded in 2008 or 2009, then the most that could be spent on administrative costs would be \$300,000. However, if \$7 million is awarded in 2010, due to carryover or additional appropriations, then the administrative costs could equal \$700,000. Mr. Dudich said that if the Council sets a solid appropriation number, administrative costs would never be able to exceed that number regardless of the award amount.

Councillor Cockrum asked, since applicants will only receive a portion of the money up front, if the 10% will be applied to the total that they are awarded or to what they receive at a given time. Mr. Dudich answered that the 10% applies to the total amount that is awarded in a particular round of grants being provided to all award winners, not 10% of each applicant's awarded amount.

Councillor Speedy asked if Councillor Sanders' amendment is intended to prevent administrative costs from exceeding the distributed awards at any given time. Councillor Sanders answered that her intent is to make the cost of evaluating and monitoring directly tied to the cost of the awarded amount, as opposed to setting an absolute number which could result in administrative costs totaling more than 10% of what was actually awarded in a given year. Mr. Cochran said that he understands that any contracts awarded to evaluate the organizations will go out at the same time that the awarded grants go out. Therefore, a solid number needs to be known before the awarding process begins, and the assumption is that all of the appropriated money will be awarded. He said he believes that the \$5 million is the best figure to go by in this case. Councillor Mansfield said she believes that the concern is that there is a matching concept and no one wants to spend more than 10% of the amount that is actually being awarded. Therefore, she believes that it makes more sense to limit the administrative costs to 10% of the actual amount that is being awarded. Councillor Sanders said that she is concerned that sometimes there may not be enough eligible entities to award the entire \$5 million.

Councillor Coleman suggested that instead of changing the language, add the words "not to exceed \$500,000" after "annual appropriations." Councillor Plowman said he cannot imagine the money not being used. Councillor Sanders said there may be instances where program providers decide not to apply because of difficulty meeting the performance requirements and some may not get the final round of money if they fail their evaluations.

Chair Lutz asked what the easiest and best way is to address Councillors Sanders and Mansfield's concerns. Mr. Dudich answered that it is best to have the percentage applied to a solid, known number so that a maximum of what can be spent on administrative costs is known.

He said the amendment offered by Councillor Plowman sets the maximum up to 10%; therefore, if \$5 million is not awarded the administrative costs could be less than \$500,000. Another issue is when creating a contract with the entities providing services to evaluate, score and monitor would require a known total value of the contract. He said there is uncertainty by assigning the percentage to an awarded amount, because contracts may not be solidly put together as contractors will not be aware of what they are bidding on.

The motion to "Amend" the proposal as suggested by Councillor Sanders failed for lack of a majority.

Councillor Gray moved, seconded by Councillor Sanders, to "Table" Proposal No. 414, 2008. The motion failed for lack of a majority.

Councillor Hunter said he recommends that the Committee move forward so that the evaluation process can continue.

Councillor Plowman moved, seconded by Councillor Speedy, to forward Proposal No. 414, 2008 to the full Council with a "Do Pass as Amended" recommendation.

Councillor Gray said that he is not prepared to vote for the proposal because he feels that more information is needed. He said there is no rush to pass the proposal, and he feels that the intent of the proposal needs to be clearer.

Councillor Sanders asked if passage of the proposal indicates that the grant applicants are technically competing for \$4.5 million, because the other \$500,000 will be retained for administrative costs. Mr. Dudich answered in the affirmative. He said, however, if any of the \$500,000 is not used this year, it will roll over and be eligible to be used as grant money next year.

The motion to forward the proposal carried by a vote of 5-3, with Councillors Gray, Mansfield, and Sanders casting the negative votes.

Councillor Sanders said she understands the need for an evaluative process, but she does not feel that the language of the proposal is clear.

There being no further business, and upon motion duly made, the meeting was adjourned at 6:29 p.m.

Respectfully Submitted,

Robert Lutz, Chair