



Memorandum

TO: RULES COMMITTEE

FROM: DAN McFADDEN,
INTERIM DEPUTY CITY
MANAGER

LEE PRICE, MMC
CITY CLERK

SUBJECT: PROPOSED WORKLOAD
ASSESSMENT FOR
THE ADMINISTRATION
OF HP GRANTS

DATE: October 10, 2006

RECOMMENDATION

Approval of staff's workload assessment on developing a standardized system of eligibility criteria and notification to be used by the City Council for HP Grants.

OUTCOME

The outcome of City Council approval will result in the implementation of more clearly defined and standardized procedures to be used by the ten (10) City Council districts to allocate the HP Grants, which are made available through the Amended and Restated San José Arena Management Agreement.

BACKGROUND

On September 27th Councilmember Dave Cortese submitted a request to the Rules Committee that the City Manager assess the HP Grants process and develop a standardized system of eligibility criteria and notification for use by the City Council. His memo is attached as Attachment #1. The Rules Committee referred the item to the City Manager for the purpose of preparing a workload assessment.

History of the HP Grant Program:

In December 2000, the City and San José Arena Management amended the San José Arena Management Agreement. The management agreement was amended following San José Arena Management's intention to change the name of San José Arena to Compaq Center at San José (The name of the Arena has since been changed to HP Pavilion at San José). In the amended agreement, an annual fund of \$250,000 was established through the naming rights agreement to be distributed evenly among the ten (10) City Council districts. Under the terms and conditions

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of the Amended and Restated Arena Management Agreement, each Council district annually receives \$25,000 through the term of the agreement (2018).

In 2001, the City Attorney advised the Administration that the funds should be expended in the form of grants to provide accountability in expending public funds. In addition, because the grants must be for a public benefit, it was recommended that the authenticity of grant recipients be determined before funds are released. This can be done by providing either proof that the recipient is a non-profit or an unincorporated association. Although no other written criteria has been formulated, the City Attorney's Office drafted a two-page Grant Agreement, which is executed before any grant can be distributed (see Attachment #2).

The HP Grants allocated by the ten City Council districts are administered through the support of the Office of the City Clerk and the Finance Department. The City Attorney's Office approves the grants as to form. The grants are either mailed or hand delivered.

ANALYSIS

Per the terms of the management agreement, the HP Grant program has been made available for community purposes deemed educational, recreational, and cultural in nature. Council Members must authorize the grant and confirm that the grant meets the following criteria:

The grant will benefit the Council District and/or to the City of San José as a whole, and it will be used by the Grantee for educational, recreational, or cultural purposes. It is not provided in compensation for specific services to the City of San José, but to support the activities described in the Grant Agreement.

The process for administering the grants is as follows:

1. A Grant Approval Request Form (see Attachment #3) is sent to the Office of the City Clerk.
2. The grantee is sent a letter with instructions (see Attachment #4) and four blank grant agreements for the grantee to sign.
3. Once the grant agreements are returned to the Clerk's Office, staff confirms status of the non-profit/unincorporated association and verifies that the grant agreements have been properly executed.
4. The grant agreements are submitted to the Attorney's Office for review and approval, as to form by the attorney.
5. The grant agreement and original Grant Approval Request Form is forwarded to the Finance Department for issuance of check.
6. The check is either mailed from the Finance Department (with a copy of the agreement) to the grantee, or the check and grant agreement are picked up by staff and hand-carried to the District Office for presentation.

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The Office of the City Clerk has processed over 300 grant requests since June of 2005. Although the grants typically range between \$250 to \$3,000, some have been as low as \$75-100 and as high as \$5,700. Some Council Offices have awarded as many as 50 or as few as 10. The most frequent delay in processing the grant occurs during Step #2 above (return of the executed grant agreements and verification documents from the grant recipient to the City Clerk).

Workload Assessment Timetable

The workload assessment below provides a work plan with a timeline on how staff plans on developing a standardized set of criteria and a notification process for the granting and processing of HP Grant.

Activity	Timeframe	Workload Estimate
<u>Identify the Scope of the Issue.</u> Determine how the current grant program is operating and identify areas for program modification.	November	12 hours
<u>Establishment of Criteria.</u> After identifying areas for program modifications, develop standardized criteria and coordinate with affected City departments, including Council Offices.	December 2006 - January 2007	40 hours
<u>Draft Program Guidelines and Implementation Language.</u> Coordinated with affected City departments, including Council Offices.	February – March 2007	40 hours
<u>Finalize Program Criteria Language.</u> Draft the Council Memo; Deliver to Council for approval.	April 2007	12 hours

COORDINATION

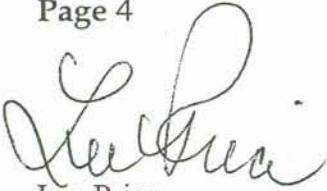
The report has been coordinated with the City Attorney's Office.

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Lee Price
City Clerk



Dan McFadden
Deputy City Manager

For questions, please contact Dan McFadden, Deputy City Manager, at (408) 535-8120 or Lee Price at (408) 535-1252.



MEMORANDUM

TO:	Rules Committee	FROM:	Councilmember Dave Cortese
SUBJECT:	HP Grants (HP Pavilion at San Jose Districts Fund)	DATE:	September 27, 2006
APPROVED:	<i>J.C. R.C.</i>	DATE:	<i>9/27/06</i>

RECOMMENDATION

Request the City Manager to assess the HP Grants (HP Pavilion at San Jose Districts Fund) process and develop a standardized system of eligibility criteria and notification for use by City Council.

BACKGROUND

The District 8 Council Office has observed unusual occurrences in the process in which HP Grants are dispersed. Some grants submitted as early as 2004 remain incomplete for a variety of reasons (unable to reach grantee, etc) and the Council Office is unaware of the award delay. Other grants are approved one year and rejected a second year despite no change in the organization's status. Furthermore, the Council Office is often not alerted when there is a problem with the grant unless they proactively inquire. There does not seem to be written criteria which states grant eligibility. Oftentimes it is difficult to track where in the process the grant application is given the multitude of city departments involved in processing.

This assessment will aid City Staff in adhering to set criteria as well as clarify what challenges prevent a smooth transaction within the HP Grant Process.

cc: Mayor & City Council

GRANT AGREEMENT

This Agreement is made and entered into this _____ day of _____, 2006, by and between the CITY OF SAN JOSE, a municipal corporation ("City") and _____ ("Grantee").

(INSERT NAME OF ORGANIZATION)

Grantee is a non-profit corporation registered with the State of California unincorporated association political subdivision of the State of California Other. If Other, please explain: _____

SECTION 1. GRANT AWARD.

- A. Upon full execution of this Agreement, City agrees to pay to Grantee a grant award in the amount of \$ _____ ("Grant Award").
- B. Grantee shall spend the Grant Award only for the purposes specified below (the "Grant Project").

SECTION 2. TERM OF AGREEMENT.

- A. The term of this Agreement shall commence on the date of execution by City and shall expire on the _____ day of _____, 200 unless sooner terminated in accordance with the terms of this Agreement.
- B. If Grantee fails to use the Grant Award as specified in herein, the City Clerk may terminate this Agreement upon seven (7) days' written notice to Grantee. No later than sixty (60) days after Grantee's receipt of the City's termination notice, Grantee shall refund the unused grant amount to the City; except that Grantee shall have no obligation to refund to City any portion of the Grant Award that was expended in accordance with the terms of this Agreement.

SECTION 3. ACCOUNTING/AUDIT.

- A. Grantee shall maintain proper accounting records in accordance with generally accepted accounting principles. All financial documents and transactions associated with this grant shall be available to the City for inspection, copying, and audit purposes during regular business hours.
- B. Grantee further agrees that such right of City to examine or audit shall continue for three (3) years after the expiration or termination of this Agreement, or for such longer period, if any, as is required by applicable law. Grantee shall preserve and make available its records (1) until the expiration of three years from the date of expiration or sooner termination of this Agreement, or (2) for such longer period, if any, as is required by applicable law.

SECTION 4. INDEMNIFICATION AND HOLD HARMLESS.

Grantee agrees to protect, defend, indemnify and hold harmless City, its officers, employees and agents from any and all liability, loss, damage, suits, actions, or claims arising or resulting from the performance of this Agreement by Grantee, its officers, volunteers, employees, or agents. This section will survive expiration or sooner termination of this Agreement.

SECTION 5. INSURANCE REQUIREMENTS.

Insurance is not required.

Insurance is required. Grantee agrees to have and maintain the policies set forth in the attached Exhibit A, entitled "INSURANCE." All policies, endorsements, certificates and/or binders shall be subject to approval by the Risk Manager of the City of San Jose as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the Risk Manager. Grantee agrees to provide City with a copy of said policies, certificates and/or endorsements upon execution of this Agreement.

SECTION 6. COMPLIANCE WITH ALL LAWS/NON-DISCRIMINATION.

- A. Grantee shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments.

B. Grantee shall not discriminate, in any way, against any person on the basis of race, sex, color, age, religion, sexual orientation, actual or perceived gender identity, disability, ethnicity, or national origin, in connection with or related to the performance of this Agreement.

SECTION 7. NOTICES.

Any communication or notice which either party is required to send to the other or which either party desires to send to the other, shall be in writing and shall be either personally delivered or mailed in the United States mail, postage prepaid, to the City as addressed below and to Grantee as set forth in Grantee's signature block.

City: Lee Price, MMC
City Clerk
200 East Santa Clara Street
San Jose, CA 95113

APPROVED AS TO FORM:

KARIN M. MURABITO
Deputy City Attorney

"CITY"

CITY OF SAN JOSE, a municipal corporation

By: _____
Lee Price, MMC
City Clerk

"GRANTEE"

(NAME OF ORGANIZATION)

Address: _____

Telephone: _____

Federal Tax ID No. _____

By: _____

Print Name: _____

Title: President / Vice-President (Circle One)

By: _____

Print Name: _____

Title: Treasurer / Secretary (Circle One)

CITY COUNCIL GRANT APPROVAL FORM

Council District: _____ Contact Person: _____

Organization: _____

Grant Amount: _____

Organization Contact Person: _____

Title: _____

Mailing Address: _____

Phone: _____

Visible Code: _____ Date submitted: _____

Council Grant

This grant provides benefit to my Council District and/or to the City of San José as a whole. It is not provided in compensation for specific services to the City of San José, but to support the activities described in the Agreement. I understand it will be funded by my Council District Office non-personal appropriation.

Councilmember's Signature: _____

HP Pavilion at San José District Funds

This grant provides benefit to my Council District and/or to the City of San José as a whole, and it will be used by the Grantee for educational, recreational, or cultural purposes. It is not provided in compensation for specific services to the City of San José, but to support the activities described in the Agreement. I understand it will be funded by the Arena Community Fund City-wide appropriation, and that my district is allocated \$25,000 per year from that appropriation.

Councilmember's Signature: _____

Description of Grant

Please describe the activities of the grantee to be supported by this grant:



CITY OF SAN JOSÉ, CALIFORNIA

Office of the City Clerk
200 East Santa Clara Street
San José, California 95113
Telephone (408) 535-1260
FAX (408) 292-6207

ATTACHMENT #4

LEE PRICE, MMC
City Clerk

Dear ;

Congratulations! Your organization has been awarded a grant in the amount of \$ by Councilmember . The enclosed agreements (four) show the amount of the grant, the purpose of the grant funds, and the conditions of the grant award. Please note that you must sign and return all four (4) grant agreements within sixty (60) days of receipt, or the grant may be invalidated. Approved grant funds are generally released within thirty (30) days of receipt of the signed agreements.

Instructions for completing the grant agreement:

1. Please leave the date blank. We will enter that once all the signatures are complete.
2. Enter the name and type of organization in the introduction at the top. For example, select non profit corporation if your organization is registered and on active status with the California Secretary of State. (View status at <http://kepler.ss.ca.gov/list.html>.) If this is an unincorporated association, please include a copy of your organization's by laws.
3. Please add your name and title to the signature block. If additional staff are required to sign, please add the proper title(s) and name(s) to the signature block.
4. If you are signing as Executive Director, a copy of the Board bylaws or Resolution of the Board authorizing you to sign agreements on behalf of the organization should be included.
5. If this is a grant to a school, appropriate staff from the District office must sign the agreement- signatures from school staff will generally not be approved.
6. Enter the organization's name, address, phone number, and federal tax ID number (if appropriate) in the signature block.

Once everything is complete, please return all four (4) copies in the enclosed self addressed envelope.

If you have any questions or need additional information, please do not hesitate to contact Leslie Hallenbeck, HP and Council Grants Coordinator. She may be reached in this Office at 535-1263.

Sincerely,

Lee Price, MMC
City Clerk

Enclosures