



Staff Report

Agenda Item: **WORKSESSION YAVAPAI-APACHE NATION FUND DISTRIBUTION** – Discussion and possible direction to staff on the method for distribution of Yavapai-Apache Nation Funds.

Staff Contact: Gayle Mabery, Town Manager

Meeting Date: July 8, 2008

Background: Proposition 202, passed by Arizona voters in 2002, specifies various guidelines for new gaming compacts between the State of Arizona and the respective Indian tribal nations in the state. A key provision of Proposition 202 is the sharing of gaming revenue with the state. The stipulations for gaming compacts also permit each individual Indian tribe to retain and administer a portion of the revenue.

Specifically, the compacts permit an Indian tribe to make 12% of its total annual contribution to “cities, towns, or counties for government services that benefit the general public, including public safety, mitigation of the impacts of gaming, or promotion of commerce and economic development.”

Each year since 2002, the Yavapai-Apache Nation has distributed funds to the Town of Clarkdale through this provision in the gaming compact. However, although the Nation makes the distribution of a total amount to the Town of Clarkdale, each year they have requested Clarkdale to disburse a portion of the total distribution to outside entities. As an example, the Nation requested that the \$46,368.75 distribution presented to Clarkdale in February, 2008 be distributed as follows:

- 40% Clarkdale Jerome School Education and Tutoring Programs (\$18,547.50)
- 25% Town Priority (\$11,592.19)
- 25% Chamber of Commerce (\$11,592.19)
- 10% Clarkdale Jerome School Athletics Program (\$4,639)

The distribution of funds directly to an outside entity poses a financial management issue for the Town of Clarkdale. As a municipality, we are prohibited from “donating” money to outside entities. The two entities that have received funding through the Nation’s request have been the Clarkdale Chamber of Commerce and the Clarkdale-Jerome School District. Up to this point, we’ve made the distributions as requested by the Nation by simply adopting a resolution that directed the Finance Department to make those distributions. However, from an audit and financial accountability perspective, that does not address our problem.

Cities, towns and counties all over the state have the same issue, as many of the Tribe’s in Arizona make requests to the local governments to disburse the monies to other agencies. We’ve asked the Nation to make their distributions directly to the entities they wish to fund, however,



Town of Clarkdale

Guidelines for the Yavapai-Apache Nation Funding Program

The Clarkdale Town Council developed the Yavapai Apache Nation Funding Program in order to support the request of the Yavapai-Apache Nation to distribute funds for specific purposes to non-profit and public entities. The intent of this program is to ensure that such funds not only meet the basic funding intent of the Yavapai-Apache Nation, but provide a public benefit to the citizens of the Town of Clarkdale and accountability for tracking the use of these funds.

Proposition 202, passed by Arizona voters in 2002, specifies various guidelines for new gaming compacts between the State of Arizona and the respective Indian tribal nations in the state. A key provision of Proposition 202 is the sharing of gaming revenue with the state. The stipulations for gaming compacts also permit each individual Indian tribe to retain and administer a portion of the revenue.

Specifically, the compacts permit an Indian tribe to make 12% of its total annual contribution to “cities, towns, or counties for government services that benefit the general public, including public safety, mitigation of the impacts of gaming, or promotion of commerce and economic development.” Each year since 2002, the Yavapai-Apache Nation has distributed funds to the Town of Clarkdale through this provision in the gaming compact. Distributions are typically made during the first quarter of the year. Funds are then distributed by the Town of Clarkdale no earlier than the 1st day of July following the distribution by the Nation.

Organizations may submit an application for funding by 4p.m. on May 15th of each year. A committee of usually 3 to 5 people, consisting of at least two council members and one staff member, is formed to evaluate the applications and to make a recommendation to the Town Council. A member of the Yavapai-Apache Nation will be invited to sit on the committee as well. The committee makes recommendations only. The Town Council has the final authority to make funding decisions.

Deadlines

The deadline to submit an application is 4p.m. on May 15th.

The deadline to expend funds or use in-kind donations is April 30th the following year. Funds will be paid to awarded entities on a reimbursement basis.

Eligibility

501(c)3 non-profit organizations, government entities and other non-profit organizations classified as non-profit by the IRS are eligible to apply. Proof of non-profit status must be included with the application or the application will not be considered. Additionally, late, electronic and faxed applications will not be considered.

In-Kind Funding Requests

Types of in-kind funding requests can include use of facilities, Town newsletter advertisements and possibly some equipment, surplus or supplies. Applicants interested in requesting funding for reimbursement fees for the use of Town facilities should first contact Town Hall and review the policies, rules and requirements of using a Town facility. If a request for funding of reimbursement fees for the use of facilities is approved, the following requirements will apply:

- A standard Reimbursement Agreement must be signed.
- The refundable cleaning/damage and key deposits must be paid.
- Proof of liability insurance must be provided as outlined in the Reimbursement Agreement.

- Use is subject to facility availability.

In-Kind Funding Requests would be applicable when the applicant is requesting funding to reimburse the Town for a cost of providing a service or item of value to the applicant. (An example would be rental and utilities costs for use of Town facilities. In such a case, the applicant could ask for Yavapai-Apache Nation funds to be used to pay these costs and make the facility available to the applicant.)

Reporting Requirements For Funding

Applicants who are approved for funding must submit a "Payment Request" in order to be reimbursed for expenses. A "Closing Report" with a due date of April 1st is included in this packet.

Ranking Criteria

Applications will be ranked according to the criteria contained in the Ranking Sheet which is included in this packet for your information.



Yavapai-Apache Nation Funding Program Ranking Sheets

Fiscal Year: _____

Applicant Name: _____

Date: _____

Project/Program Title: _____

Cash Award Ranking Sheet

Criteria		Points Possible	Score
1.	Credibility of organization, philosophy, mission	15	
2.	Capacity of organization to perform project, qualifications, track record	20	
3.	Specific as to how funds will be used	10	
5.	Submitted timely reports from previous funding cycle	50	
6.	Financial statement included, completeness	10	
7.	Project budget include (if applicable), specific, thorough, accurate	10	
8.	Overall completeness of application, concise, clear and specific	5	
9.	Clearly identified benefit to the community and benefit to Clarkdale citizens, number of citizens served; relates to Yavapai-Apache designation of funds	30	
10.	Cost vs. benefit	15	
11.	Demonstrated need and how project or the organization will meet or meets the need, benefit to underserved population, meeting need not being met by another organization	20	
12.	Defined how success will be measured and documented	15	

Total Score: _____ out of 200 possible points (150 possible points for new applicant).

In-Kind Funding Ranking Sheet

Criteria		Points Possible	Score
1.	Credibility of organization, philosophy, mission	15	
2.	Qualification of organization, track record	15	
3.	Specific as to how in-kind will be used	10	
4.	Submitted timely report(s) from previous funding cycle	30	
5.	Overall completeness of application, concise, clear and specific	5	
6.	Clearly identified benefit to the community	15	
7.	Cost vs. benefit	10	

Total Score: _____ out of 100 possible points.

Committee Comments/Recommendation:



Application for Funding

Date stamp

Fiscal Year: _____

Applicant Name: _____ Primary Contact: _____

Address: _____ City: _____ State: _____ Zip: _____

Telephone #: (____) _____ Fax #: (____) _____

Email Address: _____ Date Organization Founded: _____

Federal ID #: _____ State ID #: _____

501(c)3 Other Non-Profit Government Agency Other: _____

Proof of non-profit status must be included with your application in order to be eligible for funding.

Project/Program Title: _____

Check all that apply:

- Cash Donation, Amount Requested: \$ _____ *Specific projects are preferred, however if you are requesting funding for general operating expenses, please complete the remainder of this application to the best of your ability. Your focus should be on how your organization benefits the community and Clarkdale citizens. Be as specific as possible.
- In-Kind Funding

Please attach the following items to your application.

- Most recent financial statement showing income, expenses and funding sources.
- Proof of non-profit status.
- Program budget (if applicable).

You may also attach:

- Organization brochures
- Photos/charts
- Letters of support

Please give a brief summary of your request: _____

Please answer the following questions (attach additional sheets of paper if needed):

Section I - About the Organization

1. Please describe the organization's purpose. This may include mission statement or philosophy.

2. Share your organizations experience, capacity and qualifications to successfully complete the project, program or event (if the request is not for a project, program or event, discuss the organizations experience and accomplishments).

3. Please identify any in-kind services that you currently receive, or have received in the past from the Town of Clarkdale (include dates).

4. Please provide statistics of current (or past) Clarkdale citizens served by your organization if applicable.

Section 2 – Description and Benefit

5. Describe your project, program or event. What are you requesting?

6. How will the Town of Clarkdale's funds be used?

7. How the project, program or event benefit the community? How does it related to the Yavapai-Apache Nation's designation for use of these funds? How many Clarkdale residents will the project, program or event benefit?

8. How many Clarkdale citizens will benefit by the program, project or event?

9. How do you know this project, program or event is needed? Please explain if there other entities providing the same or similar service available to Clarkdale residents and how your organization complements these services, or fills a gap in services.

Section 3 – Tracking and Evaluation

9. How you will track the number of Clarkdale citizens benefited by your organization, project, program and/or event?

10. How will you evaluate if you were successful? How will the success be measured?

11. If you have or are currently done/doing this project/program or event, describe results you have experienced and statistics (if applicable).

The information contained herein and attached to this application is true and correct to the best of my knowledge. I hereby acknowledge that any funding received from the Town of Clarkdale must be expended as I have represented in this application and according to any requirements set by the Town Council and according to the Program guidelines. I agree that if funds are not expended accordingly, in the opinion of the Town of Clarkdale, said funds will be returned to the Town of Clarkdale within ten (10) days from the date the Town of Clarkdale demands such.

Authorized Signature for the Applicant _____ Date _____
Name Printed or Typed: _____ Title: _____

Return this application to: _____ Deadline: 4:00 p.m., May 15th

Deputy Town Clerk (Program Contact)
Town of Clarkdale
890 Main Street
PO Box 308
Clarkdale, AZ 86324
(928) 639-2400

Electronic and facsimile submissions will not be considered.

For Town of Clarkdale Use Only

Date Application Received: _____ Proof of Non-Profit Status Attached? Yes No

Eligible for Funding? Yes No If "No", attach letter to applicant.

Committee Meeting Date: _____ Committee Members: _____

Committee Recommendation: _____

Council Meeting Date: _____ Council Decision: _____

Signature

Date

Title



Yavapai-Apache Nation Funding Program Payment Request Form

Date stamp

Fiscal Year: _____

Recipients who have been awarded funds must complete and submit this Payment Request Form to the Deputy Town Clerk to request reimbursement of their expenses and distribution of awarded funds. Reimbursements will be accepted once each quarter, on the following dates: July 31st, October 31st, January 31st, and April 30th
 Recipients who received funding for in-kind services may submit the Payment Request Form at any time.

Organization: _____ Submitted by: _____

Telephone #: () _____ Email Address: _____ Date: _____

Project/Program Title: _____

Reimbursement Request: Cash, Amount: \$ _____ In-Kind, Describe: _____

Check one: July 31st Request October 31st Request January 31st Request April 30th Request

In-Kind Funding Request

Funds expended since start of project: \$ _____ Funds expended in this reporting period: \$ _____

Funds remaining: \$ _____ (Funds not requested by April 30 are not eligible for reimbursement)

Number of Clarkdale residents served this reporting period: _____ Total to date: _____

Please explain how funds were expended and/or how the in-kind donation was used and activities that have occurred during this reporting period, or if this is the last report, for the entire grant cycle. **Attach receipts or other financial verification in the amount of the total request:**

By signing below, I acknowledge that the information contained herein and attached to this report is true and correct to the best of my knowledge.

 Authorized Signature for the Applicant

 Date

Name Printed or Typed: _____

Title: _____

without a rulemaking process to better define Proposition 202, the Tribes can only give distributions to the local governments.

The most commonly used method to rectify this issue is for the local government to contract with the agency to whom the distribution is made. The contract (which can be an IGA or other form of agreement) outlines the public benefits that the municipality will see as a result of the funding provided.

At the June 24, 2008 Council meeting, after discussing various options, the Council gave direction to staff to bring back a proposal that would fold the distribution of these funds into the Town's non-profit funding process, thereby assuring accountability for how the funds are disbursed and that there is public benefit derived from their use.

Following the June 24th meeting, Town Manager Mabery was contacted by Robyn Prud'homme Bauer, representing the Clarkdale Chamber of Commerce. Ms. Prud'homme Bauer relayed the Chamber Board's position as understanding the need for the Town to adjust procedures so that proper accountability could be established. The Board also expressed a preference for the accountability process to be developed through an agreement process and not simply an addition to the existing Non-Profit Funding process. Several reasons were given for this request, including: a) ease of administration of an agreement versus the record keeping involved with the non-profit funding process, b) concern about the perception that the funds designated by the Yavapai-Apache Nation were available through the Non-Profit funding process without restriction as to purpose of use (in the Nation's correspondence to the Town, they've provided specific direction as to the use of funds); and c) a general concern about the guidelines in the current Non-Profit Funding process, and whether the current system is well-suited to evaluate applications for economic development projects.

In addition, the Clarkdale Chamber of Commerce provided a list of the projects and programs that it had intended to use if they were awarded Yavapai-Apache Nation funding this year. Those items included:

- \$1,000 commitment to Sedona-Verde Valley Tourism Council (if grant is funded by AOT)
- \$1,400 matching commitment for Clarkdale brochure for trade shows, etc through Sedona-Verde Valley Tourism Council (if grant is funded by AOT)
- \$3,000 support for Family Fun Fest
- \$2,000 support for Made In Clarkdale
- \$1,500-\$2,000 for working with a site selector to promote Clarkdale to businesses interested in area
- \$1,000 for additional brochures to put in brochure racks throughout Verde Valley (not Sedona)

- Remainder for “The Caboose” and Clarkdale Heritage Center (the Chamber of Commerce is apparently interested in passing through funds to the Clarkdale Heritage Center for establishment of a history display on Clarkdale businesses)

In general, the staff does feel that an IGA or other agreement process would be easier to administer than a more programmatic approach. It would be easy to incorporate the same methods of accountability in that process as are used in the Non-Profit Funding process. If the Council wants the ability to more tightly control which applicants are eligible to apply for this funding, then an IGA or other agreement process would be a method to do so.

Based on direction received at the June 24th meeting, it is staff’s impression that the Council would prefer a process that allows a broader range of applicants than would be allowed under an IGA or other agreement. It is under that presumption that we outlined the following process.

In keeping with the Council’s direction to incorporate this funding process into the Non-Profit Funding program, staff’s suggestion is that the Non-Profit Funding program should continue to stand on its own, and that we have a separate, stand alone process for the distribution of Yavapai-Apache Nation Funding that is based heavily on the model of the Non-Profit Funding program. This will allow us to craft guidelines that allow us to judge applications based on the Nation’s funding preferences, as well as having different timelines for the award of these funds.

Another distinct difference between the two programs would be that the current Non-Profit Funding process awards lump sum distributions to grantees once they are selected by the Council. We are suggesting a modification for the award of Yavapai Apache funds to make it a reimbursement program. Under this suggestion, applicants selected for funding would submit quarterly reimbursement requests to draw down their awards as they incur expenses. If the project was not completed in the year awarded, or if expenses were less than anticipated, the excess funding would stay with the Town.

We have attached a draft set of “Guidelines for the Yavapai-Apache Nation Funding” for your reference. Not all details have been finalized, and the deadline dates proposed in this draft will have to be modified for this first year.

If the Council is comfortable with this approach, they can give direction to staff to finalize the program using these, and perhaps other, recommended parameters, and move forward to solicit applications from qualified entities.

Recommendation: Staff recommends that the Council give direction for staff to move forward and finalize the Yavapai-Apache Nation Funding Program, and to provide notice to entities about the availability of the program.