

# **STAFF REPORT REGULAR MEETING**

**AGENDA DATE:** April 15, 2025

**DEPARTMENT:** City Clerk

**TITLE:**

Establishment of a discretionary funds policy

**SUMMARY:**

\$50,000 in discretionary funds is budgeted every fiscal year for the City Commissioners (\$10,000 each) to use for donations at their request. A discretionary fund policy is needed to provide clear guidelines on the allocation and use of the discretionary funds as well as preventing misuse of funds, ensuring that the funds are used for their intended purposes, and promoting fairness and equity in the distribution of resources.

**BACKGROUND AND JUSTIFICATION:**

In Fiscal Year 2020, a discretionary fund was established for the City Commission to make contributions to organizations of benefit to the city. The implementation of a discretionary fund policy is essential for ensuring transparency, accountability, and efficient use of funds within our organization. This policy will help in determining deadlines for requests, setting a cap for those up for re-election, outlining the purposes for which the funds can be used, and establishing a lead time to complete a request.

Suggestions to include are:

- Purpose of the Funds: The discretionary funds can be used for various purposes such as supporting community projects and initiatives
- Determining Deadlines for Requests – requests would have to be submitted in full with all required documents, by August 30 to allow staff to allocate the funds and close out the fiscal year on time
- Lead Time and Necessary Documents to Complete a Request – an organization must complete a vendor package to become a registered vendor of the city; the organization shall provide a letter indicating the amount requested and how the funds would be used; all requests from the commission shall be in writing with backup provided for the request
- Cap for Those Up for Re-election – a 50% cap on discretionary fund allocation is proposed for individuals who are up for re-election. This will ensure that the funds are distributed equitably. All requests would have to be fully completed before the election; February 1 would be the deadline to submit the request.

A discretionary fund policy is crucial for promoting transparency, accountability, and efficient use of resources. By establishing clear guidelines and procedures, we can ensure that the discretionary funds are used for their intended purposes and benefit the community as a whole. Direction is sought to create a policy for the commission to approve at a future meeting.

**MOTION:**

Direction regarding deadlines and guidelines for discretionary funding requests.