

The regular meeting of the Grant Review Committee was held on the above date with Committee member Jim Young and Council Members Robert McGhee and Robin Burgess present with Louis Vitola, Town Financial Manager, presiding.

**ITEM 1: Validation Reports**

The committee received two validation reports from The Boys & Girls Club for 2007 grants. The grant for the *Kids Club Café* was spent entirely as evidenced by an executed quote. Members of the Grant Committee personally witnessed the equipment in operation as further evidence of valid use of funding. Receipts and executed quotes representing \$4,335 of the \$5,000 grant to support the *ONE Campaign* were provided as part of the validation report, while the remainder of the funding is held on account with other accumulated *ONE Campaign* funding for the purpose of supporting the construction of new facilities.

A validation report was received from the Appoquinimink School District for last year's grant to support the Education Fair. Spending totaled \$8,792.87 for the 2007 event, \$1,000 of which was supported by the Town grant and evidenced by receipts and executed quotes.

Mr. Vitola suggested the committee make a recommendation to Mayor and Council to approve all three validation reports. The committee agreed.

**ITEM 2: AHS All Sport Boosters Association**

Prior to discussion, Mr. Vitola cited the following notes regarding the grant:

**The group has requested \$2,500 to support its Concession Stand Start-up**

- ▶ Application Materials - Good

The Application was submitted on time according to our policy

- ▶ Organization Type – Good – Tax exempt educational institution
- ▶ Quantitative Factors – Good – (amount, stats, time)

The **amount** of the grant request is reasonable. It will ultimately take a lot more than \$2,500 to launch the stand and keep it running. Once it is up and running, the boosters do not anticipate further funding needs from the Town.

The **timing** of the grant request is reasonable – events are already underway and the stand will be furnished immediately

- ▶ Qualitative Factors – Good – (benefit, response, financial viability, need, organizational duplication)

The **benefit to the community as a whole** is evident, in that diverse groups and individuals will benefit from the funding.

The **perceived community response** is good – I don't foresee any negative feedback arising from a grant to support the new high school.

The **financial viability** is evident based on the quotes provided.

The **need** is clear in that the Boosters is brand new with no funding and membership is constituted by 9<sup>th</sup> grade parents and volunteers only.

There is no evidence of **organizational or operational duplication** – this is a unique initiative in our community.

**Discussion:**

Lou Vitola stated the Boosters currently have an \$80 credit towards their startup. Eventually the school will have four grades but currently just has 9<sup>th</sup> graders. Events are already taking place which will bring people to the west side of town. This is a one-time expense to start up the concession stand.

A representative of the All Sports Boosters stated they will be hosting a regional event this spring and are currently doing events to raise money for the concession stand.

Jim Young inquired as to how the Boosters would get the funds if the Grant Program didn't exist. The Boosters representative stated they could continue to seek donations. Sears is donating a microwave to the stand.

The Committee will make a recommendation to Mayor and Council to approve this \$2,500 grant request.

**ITEM 3: Appoquinimink School District**

Prior to discussion, Mr. Vitola cited the following notes regarding the grant:

**The group has requested \$1,000 to support its 10<sup>th</sup> Annual Education Fair.**

- ▶ Application Materials - Good

The Application was submitted on time according to our policy

- ▶ Organization Type – Good – Tax exempt educational institution
- ▶ Quantitative Factors – Good – (amount, stats, time)

The **amount** of the grant request is reasonable. The budget for the event is \$9,000 and growing, and the district continues to ask for only the \$1,000 donation awarded in the past.

The **timing** of the grant request is reasonable – This event is scheduled for May 17, 2008.

- ▶ Qualitative Factors – Good – (benefit, response, financial viability, need, organizational duplication)

The **benefit to the community as a whole** is evident, in that diverse groups and individuals will benefit from the funding. Attendance is expected to exceed 5,000 people.

The **perceived community response** is good – there was no negative response to the grant awarded last year.

The **financial viability** is evident based on the quotes provided and previous financial results of the event.

The **need** is clear in that the event required the support of 38 donors last year.

There is no evidence of **organizational or operational duplication** – this is a unique initiative in our community and the group hasn't solicited funding in FY'08.

**Discussion:**

Jim Young asked if this is in the annual district budget. He believes the school should have this in their annual budget and questioned at what point do you stop giving.

Robin Burgess stated that a lot of businesses in the area are operating locations of national corporations and the funds don't always originate from the local business. Corporate giving is often allocated at the headquarters level.

Jim Young noted past vendors were outside of the Middletown, Odessa and Townsend areas and would like to see the school use local vendors which helps support the MOT area.

Mr. Vitola volunteered to speak with Lilian Miles and communicate the Committee's interest in the district's choice of local vendors without being intrusive or micromanaging the event's purchasing procedures.

The Committee will make a recommendation to Mayor and Council to approve this \$1,000 grant request.

**ITEM 4: Bethesda Child Development Center**

Prior to discussion, Mr. Vitola cited the following notes regarding the grant:

**The group has requested \$1,090 to support a Summer Camp Bus Grant.**

- ▶ Application Materials - Good

The Application was submitted on time according to our policy

► Organization Type – Good

The Bethesda Child Development Center and its Summer Camp Program are non-profit youth programs having beneficiaries in the MOT area, and as such are eligible under the Grant Policy.

► Quantitative Factors – Good – (amount, stats, time)

The **amount** of the grant request is reasonable. The budget for the entire summer camp program is much greater than what the center has available. The State of Delaware subsidizes the costs of the camp for lower income families through its “Purchase of Care” program, and Bethesda United Methodist Church further subsidizes the costs of the camp for lower income families that don’t qualify for “Purchase of Care.” Even if there was no subsidization available, the low fees that are charged for participation don’t cover the cost. This year, the camp is faced with the additional burden of paying for space at Silver Lake Elementary.

The **timing** of the grant request is reasonable – This event is scheduled for summer 2008.

► Qualitative Factors – Good – (benefit, response, financial viability, need, organizational duplication)

The **benefit to the community as a whole** is evident, in that diverse groups and individuals will benefit from the transportation funding – every child in Middletown, regardless of race, creed, sex, religion, or other demographic factor, is eligible to attend the camp.

The **perceived community response** is questionable – the Town could face the same issues with this grant as with the MYC grant because the Child Development Center and the Summer Camp are outreach programs of the Bethesda United Methodist Church. I have analyzed the grant request against the same lemon test standards used to analyze the MYC grant, and the results are the same. In my lay opinion, the approval of this grant request (1) serves a secular purpose (provides an adult-supervised location for children on summer vacation); (2) neither advances nor inhibits religion (the camp is non-denominational and practices non-discrimination, and the camp directors have executed a statement promising to spend government funding in a manner consistent with the US Department of Justice’s guidelines for faith-based organizations); and (3) does not result in excessive entanglement with religion (the Mayor & Council would not be endorsing any particular religion or mandating that any of its residents attend the camp or adopt any particular religion or belief whatsoever).

The **financial viability** is evident based on the quotes provided.

The **need** is clear in that the event is forecasted to lose money this summer, even if the Town pays for the transportation and all “Purchase of Care” users are subsidized by the State.

There is no evidence of **organizational or operational duplication** – this is a unique initiative in our community and the group hasn’t solicited funding in FY’08.

**Discussion:**

Lou Vitola commented that the summer camp is an outreach program of the Bethesda United Methodist Church. The State gives money to subsidize low income children and the church also donates to low income families that don’t qualify for the State “Purchase of Care” funding. The camp does not set any maximum or quota of children utilizing the State’s “Purchase of Care” funding, which serves to support the assertions that the Child Development Center and the Camp (1) are truly non-discriminatory and the programs are open to every child in the community, and (2) are unique in our community (other programs have limits on “Purchase of Care” users).

Rose Weber, Executive Director of Bethesda Child Development Center, stated they had 80 children participate in this program last year. This group has not solicited help from the Town in the past.

Jim Young asked what makes this unique from other summer camps in Town. It’s not targeted to a special group and isn’t funding a special needs population. Could we wind up subsidizing all summer camps in the community? He doesn’t want to see a half dozen other summer camps coming before the Committee asking for grants. How much is faith based?

Rose Weber stated they take all children, that no one is turned away and that it is an outreach program. The staff is not from the church. They have two weeks of religion classes covering all faiths, they say grace before meals and respect and celebrate all religions. It is free choice for the children to attend the religion class or participate in another center at that time. The summer camp has hosted Christian children and counselors of all denominations, Jewish children and counselors, and Muslim children in the past.

Lou Vitola stated the several elements of the Grant Policy and Process Flow Guidelines will give the committee guidance in the event multiple summer camps in the community solicit grant funding in the future. There are organizational and operational duplication provisions in addition to budget and cash availability provisions. Mr. Vitola performed the generally accepted lemon test or 3-prong test and in his opinion this case passes all three. In addition, the Department of Justice is silent on the purpose of funding; in other words, spending for both capital and operating programs is supported by the Department’s guidelines for faith-based organizations.

Jim Young emphasized the uniqueness of the program and the Committee’s support of it.

The Committee will make a recommendation to Mayor and Council to approve this \$1,090 grant request.

**ITEM 5: United Solutions Incorporated**

Prior to discussion, Mr. Vitola cited the following notes regarding the grant:

**The group has requested \$3,500 to support “Project No” in the MOT Community.**

▶ Application Materials - Negative

The Application was submitted on time according to our policy, but it excludes supporting IRS documentation of the 501(c)(3) status.

▶ Organization Type – Good – 501(c)(3)

United Solutions, Inc. completed the grant application as a 501(c)(3) organization. If this fact can be substantiated, United Solutions is eligible for a municipal assistance grant.

▶ Quantitative Factors – N/A – (amount, stats, time)

The amount of the grant request could not be evaluated in the absence of a total budget for the program; a proposal for the spending of only the \$3,500 amount requested was provided. No organizational statistics or timelines were presented.

▶ Qualitative Factors – N/A / Good – (benefit, response, financial viability, need, organizational duplication)

The **benefit to the community as a whole** is evident, in that diverse individuals, particularly students could benefit from the funding.

The **perceived community response** is good – I don’t foresee any negative feedback arising from a grant to support sexual abuse education and prevention initiatives.

The **financial viability** and **need** were not able to be reviewed in the absence of supporting documentation.

There is no evidence of **organizational or operational duplication** – this is a unique initiative in our community.

**Discussion:**

Lou Vitola asked how long United Solutions Incorporated has been in business and what the 25% time allocation of President fee covers.

Ms. Mprengo stated she has been in business for five (5) years and had just applied for her 501(c)(3) non-profit status. She started the business to reach out to churches and parents because she was a victim of child abuse. Mr. Dave Brown stated they have worked in New Castle County and Wilmington and that Mrs. Mprengo has totally exhausted her personal funds. They have talked to Friendly’s, Youth for Christ, Townsend and Meredith Middle Schools regarding

their program. The 25% time allocation of the President fee covers the cost of gas and time speaking to the children and parents.

Jim Young suggested Mrs. Mprengo talk to the school system and get written feedback from them as to how they feel about her program since the schools already have some type of program and how the schools will use her program. Mr. Young also feels they need to have their curriculum in writing to show the schools.

Mrs. Mprengo stated the schools have a “Good Touch Bad Touch” program and that it is a one-time course whereas her “Project No” is a ten-week course and is made up of several components; kids, parents and emotions.

Lou Vitola stated that Mr. Young’s suggestion to solicit feedback from the school would give the Committee justification for the “financial viability” of the grant, which is otherwise absent without documented curriculum and “buy in” from the school system and other potential users of the curriculum.

Dave Brown stated Mrs. Mprengo doesn’t know the process and that she is from Africa and was doing what she thought was right. Mr. Vitola believes in the program but feels that in the absence of 501(c)(3) documentation, residents and stakeholders will view the request as two individuals seeking grant money, which is disallowed under the Grant Policy.

Mr. Brown stated that he structures non-profit organizations for a living and also runs two other 501(c)(3) organizations. He suggested that the Committee use the documentation from one of his other 501(c)(3) organizations as a “pass through” to support the “Project No” initiative. Mr. Brown asserted that he spoke with the IRS and asked about the possibility of using one 501(c)(3) as a “pass through” for the project and that the response from the IRS was that it would be up to the Grant Committee. Mr. Vitola commented that it would be inappropriate to use a 501(c)(3) organization to “pass funds through” to support the project and that the Town’s Grant Policy is more than reasonable when compared to State and Federal grant programs, which typically call for approvals ONLY when an organization has been operating as a 501(c)(3) non-profit organization for at least two years. Our Grant Policy merely requires that an organization furnish an advance ruling letter, which can be obtained during a non-profit group’s first year of operations. Requiring the 501(c)(3) designation allows the Committee to validate the existence and authenticity of a non-profit organization without committing the resources and costs associated with doing so.

Mr. Vitola suggested the Committee recommend that Mayor & Council not approve this grant request but encouraged United Solutions, Inc. to reapply with proper documentation and plans for “Project No.” The Committee agreed.

Jim Young asked United Solutions, Inc. include formal documentation from Appoquinimink School District or at least some local schools / groups that they are on board with this program and would hire United Solutions, Inc. when they resubmit a grant request.