

**: OF THE CITY OF PEORIA, ILLINOIS:
HUMAN RESOURCES COMMISSION
Regular Meeting**

CALL TO ORDER

The Regular Meeting was held by the Human Resources Commission (HRC) in Room 404 at City Hall, 419 Fulton St., Peoria, Illinois, on December 18, 2015, at 8:30 a.m. Chairperson Nancy Rakoff called the meeting to order @ 8:32 a.m.

ROLL CALL

Roll call showed the following Commissioners were present: Nancy Rakoff, Norman Burdick, Josh Moore, Greg Stout, Nancy Venzon, Mark Brown, Shandra Hennessey, Patrick Kirchhofer, Brett Kolditz, Judy Oakford, Farrell Davies, and Ivan Williams – 12.

Absent: Anthony Gardner - 1

Council Liaison Present: Council Member Denise Moore

City Staff Present: Kathryn Murphy, Nicole Frederick

Others present: None

MINUTES

The minutes for the December 11, 2015 meeting were reviewed.

MOTION:

Commissioner Norman Burdick moved that the minutes be approved; seconded by Commissioner Judy Oakford. The minutes were approved unanimously by viva voce vote 12 to 0.

OLD BUSINESS

A. Conflict of Interest Disclosures for 2016 Public Service Applications

City Staff Member Kathryn Murphy read aloud the following conflict of interests from the Commissioners for the 2016 Public Service Applications:

Commissioner	Conflict of Interest / Agency Name
Nancy Rakoff	Common Place
Mark Brown	Children's Home
Judy Oakford	Friendship House and Neighborhood House
Ivan Williams	South Side Office of Concern
Josh Moore	Common Place

City Staff Member Kathryn Murphy reminded those Commissioners with conflict of interests that they must refrain from speaking on the agency application for the declared conflict of interest. Additionally, the Commissioner can discuss funding allocations if the discussion is focused on the overall funding strategy or applications as a whole, but must refrain from speaking on an individual agency funding allocation for the declared conflict of interest. Finally, the Commissioners with declared conflicts of interests cannot make a motion or second a motion for funding allocation, but may cast a vote when a motion is taken to vote.

NEW BUSINESS

A. Ranking and Funding Recommendations for the 2016 Public Service Application

City Staff Member Kathryn Murphy summarized the process taken after Commissioners' evaluation forms were submitted. City Staff tallied each Commissioners' scores and removed the highest and lowest scores for each application. City Staff then averaged the scores taking into account the declared conflicts of interest.

City Staff Member Kathryn Murphy provided the Commission with Staff Recommendation – Option 1 for consideration. The Staff Recommendation – Option 1 has the applications in order from highest ranked to lowest ranked. City Staff Member Murphy explained that HUD requires the City, through its Commission, to have underwriting procedures in place that correlates the application score with the awarded CDBG funding amount. Therefore, the Staff Recommendation is to use the percentage of the average score out of the total points available as the basis for the funding allocation. For example, Crittenton Centers – Crisis Nursery was the highest ranked application at 166.45 or 95.12% of the total points available. The percentage of 95.12% would be applied to the amount of CDBG funds requested, with a proposed CDBG grant award of \$26,600. Staff Recommendation – Option 1 would follow this allocation until the available funds of \$229,000 is allocated. Proposed CDBG grant awards would be rounded to the highest dollar amount to adjust for whole dollars awarded.

Commissioner Norm Burdick questioned how using this funding allocation strategy outlined in Staff Recommendation – Option 1 would impact the funding awards to agency who may have inflated or increased their CDBG fund request for the application.

City Staff Member Nicole Frederick stated that three individual questions on the Commissioners' Evaluation Form could have been used by Commissioners in the ranking/scoring of applications to determine if agencies were intentionally inflating the CDBG funds requested in the application. The three evaluation questions were:

#8 "Is there funding source diversity? (Other income besides CDBG)"

#9 "Is unit of service cost reasonable?"

#10 "Is the program budget presented clearly? (Is it reasonable? Balanced?)"

Council Liaison Council Member Denise Moore asked Staff that if the Commission does not approve of Staff Recommendation – Option 1, the Commission has the opportunity to change the funding allocations of the applicants. City Staff Member Nicole Frederick stated that today's meeting is the Commissioners opportunity to discuss funding allocations.

City Staff Member Nicole Frederick stated that Staff also created another Staff Recommendation – Option 2 that used the agency application score, but used a block percentage distribution. Using the same example of Crittenton Centers – Crisis Nursery, as the highest ranked application at 166.45 or 95.12% of the total points available. However, instead of using the percentage of 95.12% for the funding allocation, Staff Recommendation – Option 2 started the percentage of amount awarded based on applicant ranking and CDBG funds request at 90% and reducing the percentage by 5% per point decrease in the agencies application score. This funding allocation strategy would be applied to the amount of CDBG funds requested, with a proposed CDBG grant award of \$25,600. Staff Recommendation – Option 1 would follow this allocation until the available funds of \$229,000 is allocated. Proposed CDBG grant awards would be rounded to the highest dollar amount to adjust for whole dollars awarded. City Staff Member Kathryn Murphy distributed the Staff Recommendation – Option 2 for the Commissioners' review.

Discussion ensued among Commissioners regarding the ability of Commissioners to use the evaluation questions to appropriately score an applicant's CDBG funds requested (was the amount intentionally inflated), how past performance of previously funded applications are considered in the evaluation process and how to better orient a new Commissioner to the ranking and review process.

City Staff Member Kathryn Murphy distributed the Commissioner Funding Recommendation as an Option 3. In this Recommendation, City Staff averaged the recommended funding amounts per application that were listed on the Commissioners' evaluation forms.

City Staff Member Nicole Frederick stated that using the Commissioner Funding Recommendation and the Crittenton Center example, Crittenton Center scored at 95.12% of the total points by Commissioners, but on average Commissioners recommended 63% or \$17,700 for a CDBG funding request (Crittenton Center requested \$27,979.20 in CDBG funding in the application). She stated that HUD requires a correlation between an applicant's overall scoring and CDBG funding amount.

Chairperson Nancy Rakoff stated that having City Staff present funding allocation recommendations is different than in years past and she participated in the City HUD audit visit this summer and understands the importance of having an underwriting procedure. She stated that the Commission should discuss setting a maximum grant amount requested for next year's application process as that might reduce the occurrences of agencies inflating their grant fund requests.

Commissioner Norm Burdick asked City Staff if the Commission and the current CDBG process is in violation of HUD requirements. City Staff Member Nicole Frederick stated no, the City, through the HRC, has a competitive and open application process in which requirements are clearly stated and the review body (HRC) is comprised of individuals not seeking funding and have declared conflict of interests. Where the process is lacking is the final underwriting and correlating the application score to the CDBG funded amount.

Commissioner Farrell Davies suggested that the Commission could combine Staff Recommendation – Option 2 and Commissioner Funding Recommendation.

City Staff Member Kathryn Murphy projected the spreadsheet so the Commissioners could see the impact of suggested changes as they discussed potential funding allocations.

City Staff Member Nicole Frederick suggested a potential starting point would be to consider the small scoring spread between the applications. The highest application score was 166.45 / 95.12% and the lowest was 147.20 / 84.11%. With the application scoring spread being small and relatively high in comparison to past year applications (essentially every application submitted received an “A” or a “B” score), City Staff Member Nicole Frederick suggested that the Commission use the lowest application score of 85% (rounded from 84.11%) as the highest percentage of funding for the CDBG grant award. The Commission could then reduce the percentage by 5% per point decrease in the agencies application score. This funding allocation strategy would be followed until the available funds of \$229,000 is allocated. Proposed CDBG grant awards would be rounded to the highest dollar amount to adjust for whole dollars awarded. Calculations and alterations of grant allocations began using this funding strategy.

The Commission decided to stop the funding percentage allocations at application score 155.91 as it was a 10 points less break in application scoring from the highest ranked application. Additionally, the Commission decided that the percentage allocation method would not be an appropriate funding allocation strategy as the two applications that requested the most CDBG funds were included in the lower tier of the scoring and by percentage allocation would receive more CDBG funds than higher ranked applications. The Commission decided to apply the minimum grant award amount of \$7,000 (approved by City Council as a part of the application process) to the applications that received scoring of 155.91 to 147.20 (6 applications).

Using this funding allocation, the Commission allocated \$226,800 of the available \$229,000 (approximate amount to be received by the City in 2016). The Commission decided to allocate the remaining funds (\$2,200) to the following applications: Children’s Home – Leaders of Tomorrow (\$1,000); Children’s Home – Homeless Youth Services and The Center for Prevention of Abuse – Safe from the Start (\$200). By this additional allocation, applications that received scoring of 158.73 to 156.27 had an average, collective grant award of approximately \$9,300.

MOTION:

Commissioner Norman Burdick moved to name the final funding allocation as Commissioner Funding Recommendation – 2 and move that it be approved and forwarded to City Council for final approval; seconded by Commissioner Brent Kolditz. The motion was approved unanimously by viva voce vote 12 to 0.

City Staff Member Nicole Frederick summarized for the Commission the impact of the motion that was approved:

- All applications (21) submitted for funding consideration received an overall score of either “A” or “B” and received a CDBG funding allocation,
- Five (5) new programs received funding
- Every identified funding priority of the 2016 application received CDBG allocation

Chairperson Nancy Rakoff thanked the Commission and City Staff for its hard work. She also thanked Council Liaison Council Member Denise Moore for her continued support.

Council Liaison Council Member Denise Moore thanked the Commission for its dedication, time and effort. She acknowledged the difficult task the Commission does on behalf of City Council and she is grateful for the Commission's expertise and assistance.

B. Staff adjustment of 2016 HRC CDBG public service awards if CDBG allocation is more or less than 5% of the expected grant amount.

Chairperson Nancy Rakoff informed the Commissioners that in the past the HRC has granted authority to City Staff to adjust the individual agency CDBG grant amounts dependent upon the funding from HUD. At this time, the allocation of CDBG funds for 2016 have not been published by HUD. This authorization would allow City Staff to make grant award adjustments without having to bring this action back to the Commission.

Discussion ensued with Commissioners regarding the methodology for City Staff to reduce or increase an agency's CDBG grant award dependent on the funding from HUD. City Staff Member Nicole Frederick stated that historically the City's CDBG funding amount has decreased from year to year, so it is anticipated that 2016 will have a reduction in overall grant funding. Additionally, City Staff Member Kathryn Murphy stated that the \$229,000 of CDBG funds the HRC has recommended for funding includes a 2% reduction from the available 2015 amount. Accounting for an anticipated 2% reduction at the beginning funding allocation also adds an additional funding buffer.

With the likelihood of a grant reductions, Commissioners discussed how City Staff would decrease an agency CDBG grant award. City Staff Member Nicole Frederick stated that if the reduction is more than 5%, City Staff will bring the funding allocations back to the Commission for discussion. Further, City Staff would keep the Commission updated with the overall funding award from HUD and its impact on the agency's CDBG grant award.

MOTION:

Commissioner Josh Moore moved to approve granting the authority to City staff for the adjustments to the 2016 HRC CDBG public service awards if CDBG allocation is more or less than 5% of the expected grant; seconded by Commissioner Norm Burdick.

DISCUSSION:

In discussion, the Commission advised City Staff to reduce the funding of the following agencies first, since these agencies received additional funding during the final funding allocations:

- Children's Home – Leaders of Tomorrow
- Children's Home – Homeless Youth Services
- The Center for Prevention of Abuse – Safe from the Start

The motion was approved unanimously by viva voce vote 12 to 0.

C. Other Business

City Staff Member Kathryn Murphy stated that funding recommendations will be presented to City Council at its first meeting in January (January 12, 2016). Commissioners are welcomed to attend the Council meeting. The next HRC meeting is scheduled for Friday, January 15, 2016.

Chairperson Nancy Rakoff requested that Commissioners take a moment to discuss the 2016 application/evaluation process and are there any revisions/correction Commissioners would like to see for the 2017 application/evaluation process. City Staff Member Nicole Frederick stated that since the City Council removed the 2 year grant term the 2017 application process will begin in March/April of 2016 with the request from the Commission to City Council for the funding priorities.

Discussion ensued with Commissioners and the following items were identified for the 2017 application/evaluation process:

- 1) Setting a maximum CDBG grant amount request in the application
- 2) Revise Commissioner Evaluation Form to include:
 - a. Questions regarding key staff personal and their involvement in meeting the program performance
 - b. A section for City Staff to provide their considerations
- 3) Requiring agencies in the application process to document how outcomes have been achieved
- 4) Including a yes/no question regarding programmatic monitoring findings, beyond just agency audit findings in the application
- 5) Discuss setting a minimum scoring threshold for funding; applications must receive 80% in overall scoring in order to be considered for funding
- 6) Establish a consistent evaluation process for all Commissioners to use when reviewing and ranking applications; for example, a tier system
- 7) Reviewing the agency submitted HUD Logic Model more closely and evaluate output vs outcomes
- 8) Require that agencies include factual information when explaining the need the program intends to address
- 9) Make the City Staff hosted application training a mandatory requirement for application submission

D. Citizen Comments

None.

ADJOURNMENT**MOTION:**

Commissioner Josh Moore motioned to adjourn the meeting; seconded by Commissioner Greg Stout. The motion was approved unanimously viva voce vote 12 to 0. The meeting was adjourned @ 10:10 a.m.

Meeting Minutes prepared by:

Nicole Frederick