



**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

98-487

SYNOPSIS —

AGENDA:

On June 15, 1998, the City Council deferred action on these contracts until the results of audits were available. Staff is recommending the approval of \$12,900 of State Emergency Shelter Grant (ESG) funding for Our Community Kitchen and denial of \$28,000 of City ESG funds for Des Moines Hispanic Ministry.

OCTOBER 26, 1998

SUBJECT:

**OUR COMMUNITY
KITCHEN AND DES
MOINES HISPANIC
MINISTRY CONTRACTS**

FISCAL IMPACT —

The \$28,000 of City ESG funds for Des Moines Hispanic Ministry will have to be reallocated to another eligible activity.

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

RECOMMENDATION —

Approval.

SUBMITTED BY:

BACKGROUND —

**JAMES M. GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR**

At their meeting on June 15, 1998, the City Council, by Roll Call No. 98-1890, approved the allocation of State and City ESG funds to various agencies serving the homeless throughout the city.

Approval of the roll call was amended to defer action on Our Community Kitchen and Des Moines Hispanic Ministry to await results of an independent audit. These audits were in progress at the time of the Council meeting and were forwarded to the Community Development Department on June 19, 1998.

Since the audits were not performed by an independent certified public accountant, they were not accepted. The

agencies were notified of this requirement and responded that the A-133 regulations did not require an audit of agencies spending less than \$300,000 annually in federal funds. If the City required audits, they would have to be paid for by the City from non-federal funds.

Also during this same time frame, peer reviews were conducted for both agencies and the United Methodist Church conducted both a financial and performance audit of Des Moines Hispanic Ministry. While details of these audits were not made public, the United Methodist Church has not re-entered into a contract with Hispanic Ministry.

The peer review of Hispanic Ministry revealed several critical weaknesses in the overall administration of the program including: a lack of volunteer recruitment and development; no clear mission and goals for the agency or clear consistent objectives to move clients to self-sufficiency; liability insurance issues; lack of a time log and clear billing procedures; lack of fundraising efforts beyond state and federal grants; the need to build relationships with other service providers that serve the Hispanic population and general human service agencies; and a lack of clear written job descriptions.

Staff recommends that the \$28,000 in City ESG funds not be allocated to Des Moines Hispanic Ministry.

The peer review of Our Community Kitchen included, among others, the following recommendation:

The Des Moines community is large enough to need and support an "umbrella" food services agency. Our Community Kitchen has been established as a "Band-Aid" approach and would not be able to serve in this broader role as now organized. Leaders in the Des Moines community should establish a task force of funders and food service providers to explore creating such an agency. OCK should participate in this planning.

Staff concurs in this recommendation and has contacted the Human Services Coordinating Board which has indicated that they will work with the Human Services Alliance to develop an umbrella agency which would

provide a more comprehensive approach to a meal program.

Since it is likely that this approach will require time to develop and implement, it is recommended that the City Council approve the \$12,900 State ESG contract with Our Community Kitchen and consider approving, on November 2, 1998, the 1999 Community Development Block Grant (CDBG) allocation of \$25,000 recommended by the Neighborhood Revitalization Board (NRB). This would allow the program to continue for those needing the assistance, while developing and implementing a more comprehensive food services program. If, and/or when, a new program is developed, the \$28,000 of City ESG funds not allocated to Hispanic Ministry could be reallocated to the food service program.