



## FORMATION OF A NONPROFIT FUNDING FRAMEWORK AD-HOC COMMITTEE

### FINANCE DEPARTMENT

Budget Engagement Commission  
June 12, 2025

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## BACKGROUND

On May 8, 2025, the BEC received a report on the City's current nonprofit funding.



The Commission discussed expanding support and voted 8-3 to consider forming an ad-hoc committee.



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## AD-HOC COMMITTEE OVERVIEW



Temporary committee with a narrowly defined purpose.



Composed of fewer than a quorum of BEC members.



Not subject to Brown Act if properly scoped.



Advisory only - no decision-making authority.



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## BEC'S ROLE – RMC 2.90

### Purpose & Function

...is to advise the City Council on spending and policy priorities based on the information received through quarterly financial and performance reports, including revenues from transaction and use tax, to work with City staff to maximize public engagement on municipal budgetary issues and to provide input on performance measures and reporting programs. The Commission's advice shall in no way conflict with or supersede the powers of the Council or the budgetary and advisory powers of the City Charter created Boards and Commissions.

### Meetings, Rules & Procedures

The Budget and Engagement Commission will meet quarterly, or as often as needed, to review financial and performance reports before they are presented to the City Council. In addition, upon formation, Commission will review and provide input on Citywide performance indicators recommended by City staff based on strategic priorities.

### Conflict of Interest

A member of the Budget Engagement Commission may not make, participate in making, or attempt to influence a governmental decision if it is reasonably foreseeable that the decision could have a material financial effect on that member, the member's immediate family, or any of his or her financial interests. A member of the Commission is prohibited from entering into any contract with the City. Further, a member shall not use its position to direct, supervise, or order City staff on any matter that may be considered by the Commission.



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## PURPOSE AND FOCUS OF THE COMMITTEE



- Explore policy and funding options for nonprofit support.
- Focus on strategic alignment, transparency, and fiscal responsibility.
- Scope to be defined by the BEC during this meeting.
- Staff provided suggested focus areas aligned with BEC's advisory role.



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## FRAMEWORK FOR CREATION



**1. Understand  
BEC purpose as it  
relates to funding  
nonprofits**



**2. Discuss  
and propose  
Committee  
scope**



**3. Confirm  
alignment to  
BEC purpose;  
revisit/revise  
as needed**



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## FRAMEWORK FOR CREATION



**4. Determine  
number of  
members (<10)**



**5. Determine  
meeting  
schedule  
and logistics**



**6. Determine  
interim updates  
to BEC & end  
date**



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## STRATEGIC PLAN ALIGNMENT



**STRATEGIC PRIORITY 2: COMMUNITY WELL-BEING**



**STRATEGIC PRIORITY 5 - HIGH PERFORMING GOVERNMENT**

### CROSS-CUTTING THREADS



Community Trust



Equity



Innovation



Fiscal  
Responsibility



Sustainability  
and Resiliency



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## RECOMMENDATIONS

That the Budget Engagement Commission:

1. Discuss and vote to form a temporary Nonprofit Funding Framework Ad-Hoc Committee, composed of less than a quorum of Commission members, for the purpose of exploring funding strategies for municipal support to local nonprofit organizations;
2. Determine the scope of work for the Nonprofit Funding Framework Ad-Hoc Committee, including key areas of focus to guide its exploration and recommendations;
3. Determine the number of members to serve on the Committee, not to exceed a total of nine;



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## RECOMMENDATIONS

4. Establish the duration of the Committee;
5. Determine the Committee's meeting schedule and logistical details;
6. Determine how the Committee will provide updates to the Budget Engagement Commission; and
7. Set a date by which the Committee will provide a final report of findings and recommendations to the Budget Engagement Commission for consideration of a recommendation to City Council.



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