



MEMORANDUM

To: City of Menasha Common Council
From: Peggy Steeno, Director of Administrative Services
Kara Homan, Principal Planner
Date: July 16, 2014
RE: Senior Center Renovation Project Funding

BACKGROUND

As you know, the renovation project for the Menasha Senior Center has been included in the 2014 Budget. The funding for this project, as was laid out in the budget, is as follows:

CDBG Grant:	\$175,000
City Share (2014 Capital Projects Budget – Borrowing):	\$87,500
Donations:	<u>\$87,500</u>
Estimated Total Project Cost:	\$350,000

Due to the fact that this project is partially funded by a CDBG grant, it is necessary to begin the project in 2014, as dictated by the grant requirements, or the grant would have to be forfeited.

ANALYSIS

With the grant documentation now in place, and the specifications almost complete, staff is preparing to bid out the construction portion of the project. However, prior to doing this, we need to ensure that sufficient funds are available to cover the cost of the contract, or that provisions have been made to pay the liability that will accrue under the contract.

The funds currently available to cover the estimated project costs include:

CDBG Grant Secured:	\$175,000
City Share (upcoming borrowing):	\$87,500
Fundraising (current/committed balance):	<u>\$31,100</u>
Total Funds Available:	\$293,600

As noted in the above chart, we are currently up to \$56,400 short of being able to proceed with the project. To that end, we are requesting that Council approve advancing funds, up to \$56,400, from general fund reserves to enable the project to proceed while the

fundraising continues. It is expected that the fundraising will be complete by December 31, 2014, and the funds will be returned to the general fund as additional fundraising money is received. Please note that if sufficient funds are not obtained through the fundraising process, the remainder of the advance will need to be converted to a budget adjustment and be permanently covered by the general fund.

FISCAL IMPACT

The impact of the City advancing reserves to cover a portion of the project cost until the funds are raised is a short-term, cash flow impact only, and will not have an effect on the City's fund balance as long as the necessary funds are received through donations and the funds are returned to the general fund.

RECOMMENDATION

Staff recommends that Council authorize the advance of general fund reserves, up to \$56,400, so that the Senior Center Renovation Project can get underway and the \$175,000 matching grant can be utilized.