



Cathedral City

Legislation Details (With Text)

File #: 2016-312 **Version:** 1 **Name:**
Type: Staff Report **Status:** Passed
File created: 8/9/2016 **In control:** City Council
On agenda: 8/24/2016 **Final action:** 8/24/2016
Title: Funding Request from the Cathedral City Senior Center

Sponsors:

Indexes:

Code sections:

Attachments: 1. Cathedral Center 16-17 Budget, 2. Cathedral Center P&L Budget, 3. CC Senior Center letter

Date	Ver.	Action By	Action	Result
8/24/2016	1	City Council	approved	Pass

City Council

MEETING DATE: 8/24/2016

TITLE:

Funding Request from the Cathedral City Senior Center

FROM:

Charlie McClendon, City Manager

RECOMMENDATION:

Staff recommends the City Council approve the annual funding agreement with the Cathedral City Senior Center for FY 16-17 in the amount of \$50,000; approve an additional one-time request for \$50,000 and the required budget amendment; and approve forgiveness of the loan made by the City to the Senior Center in 2015.

BACKGROUND:

At the May 27, 2015 study session the Cathedral City Senior Center's President, Paul Padilla, and Interim Executive Director, Peter Rittenhouse, made a presentation to the City Council regarding the services that the Senior Center provides and some of the financial challenges it was facing at that time.

The City Council subcommittee assigned to the matter developed a funding proposal, which was subsequently approved by the full Council on June 22, 2015. The approved agreement included the following provisions:

1. The City will make an annual contribution of \$50,000 to the Cathedral City Senior Center on

an ongoing basis. This amount is included in the current FY 16-17 budget from a combination of General Fund and CDBG sources. During his report to Council on July 13, 2016 Executive Director Bob McKechnie indicated that the Senior Center would likely request an additional one-time contribution for FY 16-17 as they continue with the steps already in progress to return the agency to financial stability. The request for FY 16-17 is for an additional \$50,000.

2. The agreement also authorized a one-time \$50,000 loan to the Senior Center, which was made during the FY 14-15 fiscal year. The loan was to be repaid without interest at the rate of \$10,000 per year for five years. As an incentive to improve fundraising, if contributions from individuals, grants, foundations and other sources exceed \$60,000 in the fiscal year prior to the date the loan repayment is due, \$5,000 of the \$10,000 payment is to be forgiven for that year. If contributions exceed \$75,000, the entire \$10,000 payment for that year will be forgiven. It appears that the \$75,000 threshold was met to have the repayment forgiven for the current fiscal year as the Senior Center raised over \$75,000 from those sources during FY 15-16. During his report to Council on July 13, 2016 Executive Director Bob McKechnie requested forgiveness of the entire balance noting that having the loan on the books is a negative factor for some potential grantors or donors.
3. The Cathedral Center will be required to provide quarterly reports to the City, which include detailed information on the Center's financial status, fundraising progress, operational data, and strategic plan progress. The Senior Center has provided regular updates to Council through a series of study session presentations by both the former and present Executive Directors.
4. The City Council will be authorized to appoint one ex-officio member to the Cathedral Center's Board of Directors. CM Kaplan has been serving as the City's board appointee.

FISCAL IMPACT:

The budget for the current fiscal year (FY 16-17) includes \$50,000 from a combination of General Funds and CDBG funds. If an additional one-time contribution of \$50,000 is authorized that would have to come from fund balance and a budget amendment will need to be approved.

ATTACHMENTS:

Cathedral City Senior Center request letter including operating statistics
Senior Center budget for FY 16-17
Senior Center budget to actual report for FY 15-16