

COUNCIL ACTION FORM

**SUBJECT: HEARTLAND SENIOR SERVICES REQUEST FOR ADDITIONAL
2011/12 ASSET FUNDING**

BACKGROUND:

In June, Heartland Senior Services submitted a request to the ASSET funders for additional funds to supplement its 2011/12 allocations in the Nutrition Program. Heartland is projecting a deficit of \$36,052.20 for Nutrition, split between Congregate Meals (\$10,328.40 deficit) and Home-Delivered Meals (\$25,723.80 deficit).

Requested 2011/12 Increases

<u>Funder</u>	<u>Congregate Meals</u>	<u>Home-Delivered Meals</u>	<u>Total Request</u>
City of Ames	\$5,990.47	-	\$5,990.47
Story County	\$3,511.66	\$21,093.52	\$24,605.18
United Way	\$826.27	\$4,630.28	\$5,456.55
Total	\$10,328.40	\$25,723.80	\$36,052.20

The City pays only for Congregate Meals. The Congregate Meals program was allocated \$14,781 in City funds through ASSET for 2011/12 (1,412 meals at \$10.47 per meal). Heartland's entire Congregate Meals allocation was drawn down in 2011/12. **Heartland is requesting an additional \$5,990.47 in City funds for 2011/12 based on the proportion of City clients participating in Congregate Meals.** Story County and United Way of Story County were asked for additional funding for both Congregate Meals and Home-Delivered Meals. The City does not fund Home-Delivered Meals. Heartland's 2011-12 projection for Congregate Meals served during the budget hearings was 21,500 meals. From July 2011 to April 2012, 19,737 actual meals were served.

Story County's deadline for drawdown is in mid-June. On June 26, the Story County Board of Supervisors authorized moving \$934 that was not drawn down in the Friendly Visitor program to Home Delivered Meals. The County then asked for the request to be considered by the ASSET volunteers for a recommendation. At the June 26 Council meeting, the City Council also asked for the volunteers to meet.

On June 28, United Way approved allocating the full request of \$5,456.55 to Heartland. The justification for this allocation was that United Way provides partner agencies with a monthly grant process to consider unique or unforeseen needs. The United Way board felt that this process was a good fit for the request.

Story County has \$16,276 in unspent 2011/12 ASSET funds that were not drawn down. **The ASSET Panel 1 volunteers supported a recommendation that all \$16,276 of the County's remaining ASSET funds be allocated to Heartland's Nutrition program (distributed between the two programs proportionate to the request).**

The volunteers also recommended that the City fully fund the \$5,990.47 request for Congregate Meals.

The recommendation for County and City funding will still leave Heartland \$7,395 short of its request.

Recommended 2011/12 Increases

<u>Funder</u>	<u>Congregate Meals</u>	<u>Home-Delivered Meals</u>	<u>Total</u>
City of Ames	\$5,990.47	-	\$5,990.47
Story County	\$2,327.47	\$13,948.53	\$16,276
Story County's Friendly Visitor Allocation Transfer	\$934	-	\$934
United Way	\$826.27	\$4,630.28	\$5,456.55
Total	\$10,078.21	\$18,578.81	\$28,657.02

The volunteers noted that the reason for recommending additional funds to Heartland was that Heartland has been working with ASSET staff over the course of the last several months to revise its budget, cut costs, and increase revenues for the Nutrition Program. In December, Heartland came to ASSET with a letter indicating that its Nutrition shortfall would exceed \$90,000 for 2011/12. After closing under-used facilities, partnering with the Iowa Food Bank, and taking other measures, this shortfall has been reduced to the \$36,052 requested in June. **The volunteers appreciated the measures taken by Heartland to cut costs. They cautioned that this was a one-time allocation, and would not be considered if future budgets fell short as well.**

If the Council concurs with the recommendation of the volunteers, City funds would be provided out of the Local Option Sales Tax fund balance. **It should be noted that due to staffing issues, Heartland was unable to draw down \$2,403 from its City allocation for the Friendly Visitor program in 2011/12. These funds will be returned to the fund balance when the City closes out the 2011/12 fiscal year in late July.** Because payments have already been made on the 2011/12 contract, the City would enter into a separate contract for 2011/12 with Heartland, paying \$4.24 per meal for the meals that have already been billed, not to exceed \$5,990.47.

The Council may choose to fund a portion of the request, like the County has done. The volunteers recommended that the County pay 66% of the requested amount due to a shortage of available funds. If the City also paid 66% of the requested amount, Heartland would receive \$3,962.62 in City funds.

ALTERNATIVES:

1. Contract with Heartland Senior Services to provide an additional \$5,990.47 from the Local Option Sales Tax Fund to the 2011/12 Congregate Meals program for 1,412 meals already served.

2. Contract with Heartland Senior Services to provide an additional \$3,962.62 from the Local Option Sales Tax Fund to the 2011/12 Congregate Meals program for 1,412 meals already served.
3. Do not contract with Heartland Senior Services to provide additional funding in the Nutrition program, thereby avoiding the precedent of funding requests outside the ASSET budgeting process.

MANAGER'S RECOMMENDED ACTION:

While it is not ideal to provide funding to agencies outside of the ASSET budgeting process, Heartland has communicated its financial position and its plan to address budget shortfalls over the past several months. **The ASSET volunteers support providing additional funding to Heartland, provided that this is a one-time allocation not to be repeated.**

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby entering into a contract with Heartland Senior Services to provide an additional \$5,990.47 from the Local Option Sales Tax Fund to the Congregate Meals program for 2011/12.

In accordance with the ASSET panel advice, the Heartland Board of Directors should be cautioned that this unprecedented response to their funding request should be viewed as a one-time allocation that will not receive any future consideration should subsequent budgets fall short of their original estimates.