

Recommendation of the Finance Subcommittee for Reallocation to the General Fund

To: CDA Board of Commissioners

Recommendation: Approve the actions detailed below to balance the CDA General Fund budget in 2020.

Description: By the end of 2020, the CDA General Fund is projected to run a deficit of \$629,701. Following discussion with the CDA Finance Subcommittee, three actions are recommended: 1) reduce 2020 spending by \$8,000, 2) transfer \$336,000 to the General Fund from other CDA funds, and 3) sell a duplex located at 601 S. Baldwin and transfer the proceeds to the General Fund. Board approval is required by CDA Policy 500.65 and 500.67.

2019 Estimated General Fund Activity

Cash Balance on August 5	\$666,299
Net Operating Expense Through 2019 ¹	(\$22,000)
<i>End of Year Balance</i>	<i>\$644,299</i>

2020 Estimated General Fund Activity

Start of Year Cash Balance	\$644,299
Net Operating Expense Through 2020 ²	(\$188,000)
Public Housing Redevelopment GO Borrowing ³	(\$50,000)
Monona Shores Cash Reserve ⁴	(\$140,000)
Debt Service Reserve for 2013 Bonds ⁵	(\$525,000)
CDA 95-1 Loan Balance ⁶	(\$371,000)
<i>End of Year Balance</i>	<i>(\$629,701)</i>

Reallocation of Funds and Use of Assets

Reduction in Budgeted Expenses ⁷	\$8,000
One-Time Cash Transfer from Allied Drive	\$176,000
One-Time Cash Transfer from Monona Shores	\$150,000
One-Time Cash Transfer from Village on Park	\$10,000
Sale of 601 S. Baldwin ⁸	\$285,000
<i>Total Use of Assets</i>	<i>\$629,000</i>

¹Anticipated expenses are primarily salaries and audits

²Primary expenses are wages and benefits

³The CDA has borrowed \$50,000 through City General Obligation borrowing for Triangle redevelopment expenses

⁴Funds held in the General Fund for Monona Shores

⁵Debt service reserve fund used for final lease revenue bond payment in 2020.

⁶CDA 95-1 legacy note to the City due June 1, 2020

⁷Total is \$4,000 in other services, \$1,000 in audit services, \$1,000 in conferences, \$2,000 in salaries

⁸This is a two-flat building in CDA 95-1. Appraisal from April 2018.