



Legislation Details (With Text)

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Date	Ver.	Action By	Action	Result
3/22/2018	1	Economic Development Authority	approve	Pass

DATE: March 22, 2018

TO: Members of the Economic Development Authority

FROM: Nate Carlson, Economic Development Coordinator
Chris Heineman, Community Planning & Development Director

Review of 2018 Micro-Grant Budget

SUMMARY AND ACTION REQUESTED:

Consideration of a motion to approve the use of the EDA fund balance from Fund 292 (Community Investment Fund) not to exceed \$9,000 for future Micro-Grant applications in Fiscal Year 2018.

BACKGROUND:

The 2018 EDA budget for the Micro-Grant program was approved at \$16,000. To date, the EDA has approved two Micro-Grants in 2018 totaling \$9,995, with the possibility of a third Micro-Grant under consideration by the EDA today. If approved, total micro-grant funding for 2018 will be \$14,995.

Historically, the EDA has budgeted \$25,000 per year for Micro-Grant funds. Funds that were not utilized for Micro-Grants in any given year accrue in the EDA Fund Balance (292-Community Investment Fund). In FY 2017, the EDA elected to not budget funds for Micro-Grants due to the limited availability of annual operating funds. Instead, the EDA utilized reserve funds to distribute the \$10,000 in Micro-Grant funds awarded. In 2018, the EDA budgeted for an expenditure of \$16,000 for Micro-Grants in Fund 292 Community Investment Fund (see chart below).

Year	# Micro-Grants given	\$ Amount distributed	EDA Budget Amount
2013	6	\$29,340	\$25,000
2014	0	\$0	\$25,000

2015	4	\$20,000	\$25,000
2016	1	\$4,600	\$25,000
2017	3	\$10,000	\$0
2018	3*	\$14,995*	\$16,000
TOTALS	17	\$78,935	\$116,000

Should today's Micro-Grant application be approved, a remaining balance of \$1,005 will be available for the 2nd, 3rd and 4th quarters of 2018. Based on current conversations that EDA staff and NEC Director Chris Whillock have had with prospective applicants, additional Micro-Grant applications are anticipated for 2018.

With the potential for future applications, the EDA should consider whether to utilize reserve funds for Micro-Grant applications in 2018.

ANALYSIS:

The EDA may utilize the fund balance for additional Micro-Grants in 2018, however a threshold should be established prior to processing future applications. The EDA Loan Review Committee discussed this issue at their meeting on March 15, and recommends that the EDA follow previous practices that allocated no more than \$25,000 per year for EDA Micro-Grants. If this action were approved by the EDA, an additional \$9,000 from the EDA Fund Balance (292-Community Investment Fund) would be made available for Micro-Grants for the remainder of FY 2018.

OPTIONS:

The EDA Board has the following options:

- 1) Approve the use of EDA Reserve Funds (not to exceed \$9,000) for future Micro-Grants in Fiscal Year 2018.
- 2) Approve the use of EDA Reserve Funds (not to exceed a lesser dollar amount) for future Micro-Grants in Fiscal Year 2018.
- 3) No action.

RECOMMENDATION:

Staff recommends EDA Board approval of the use of the fund balance from Fund 292 (Community Investment Fund) not to exceed \$9,000 for future Micro-Grant applications in Fiscal Year 2018.