

VII. PROJECTED BUDGET AND FUNDING

Capital Costs

The following is a budget estimate of what the construction and outfitting of a new Senior Center for Raleigh may cost, based on the space programming described earlier in this study. As also shown below, the construction of satellite senior activity additions to existing Community Centers would be proportionately less, and could occur sooner with available funding.

Please note that no Land Acquisition Costs are included in either group.

Senior Center (24,400 Gross Square Feet)

Order of Magnitude Building Construction Cost	\$ 3,657,386
External Development Cost	\$ 2,497,100
Furniture, Fees, Survey, Testing, Contingency, etc.	\$ 1,003,280
Total Preliminary Construction Budget	\$ 7,157,766

Satellite Senior Activity Addition (3,600 Gross Square Feet on City Land)

Order of Magnitude Building Construction Cost	\$ 501,900
External Development Cost	\$ 404,900
Furniture, Fees, Survey, Testing, Contingency, etc.	\$ 191,700
Total Preliminary Construction Budget	\$ 1,098,500

Operating Costs

The following expense analysis is a synopsis of projections made from review of operation budgets of nearby senior centers and cost at existing City of Raleigh Community Centers. This included information provided by the Cary, Garner, Fayetteville and Northern Wake Senior Centers concerning their operating costs and sources of revenue.

TABLE 11
PROBABLE EXPENSE SUMMARY

EXPENSE SUMMARY		
New Raleigh Senior Center		February 2007
Description	Expenses Expressed in a Range	
Personnel Services	\$ 122,100	\$ 160,700
Full Time Permanent Salaries (2)	80,000	95,000
Part-Time Salaries	15,000	30,000
Overtime	0	600
Employee Benefits	26,100	35,100
Employee Training and Travel	1,000	1,500
Commodities	16,500	19,000
Uniforms	500	600
Contracted Services	10,000	12,000
Advertisement	2,000	2,200
Printing	4,000	4,200
Maintenance/Repairs/Supplies	33,000	36,000
Office and Program Supplies	23,000	25,000
Vehicle	0	0
Repairs to Building/Structure	10,000	11,000
Utilities	49,000	53,500
Telephone / Internet / Security System	5,000	5,500
Utilities	44,000	48,000
Total Probable Expenses (rounded)	\$ 220,600	\$ 269,200

Revenue Potential

Revenue figures for both the construction and operation of senior centers came from a wide variety of sources as the team researched senior centers inside and outside of North Carolina. Basically revenue “streams” can be thought of in four categories: 1) Government funding, including Federal, State, County and Municipal; 2) Private Donations, 3) Participant fees; and 4) Space Rental, Leasing and Use fees.

The following list is just a sampling of funding and revenue opportunities that could be explored for both construction and operating costs:

State General Purpose Funding is the only one that goes directly to senior centers, and the amount depends on whether the center is certified and at what level. The total allocation this fiscal year (2006) was \$1.26 million. All the centers on the list on the division's website receive at least one share of these funds, but centers of merit receive

two shares, and centers of excellence, three. This year that was \$5,123, \$10,245, and \$15,368 respectively.

The other sources of funds are sent to the Area Agencies on Aging which disburse them. Outreach in 2006 was \$100,000 for all 17 regions. The cost of operations was \$2.9 million, but only 15 of the regions applied for funds (there's a 25% match), and Title III-D funds totaled \$700,000 for all 17 regions.

Resources for Seniors - For centers operated by Resources for Seniors, a major source of funding – unusual among the centers reviewed by the Center for Aging Research and Educational Services (CARES) – was a Robert Wood Johnson grant to participate in a research study. Otherwise, many Resources for Seniors centers raise money from various smaller events such as evening dances, yard sales, spaghetti dinners, quilt drawings, craft booths/sales. They also participate in Food Lion's "Shop and Share" program (similar to the way schools get extra funding), as do a few other centers. A number of centers have craft shops where participants sell things they've made and the center gets a share of the money.

Civitans or Rotary - Some centers have close partnerships with local service organizations such as the Civitans or Rotary Club International, or with faith organizations or their foundations. Others get sponsorships for some activities from local long-term care providers such as assisted living, home health, and nursing homes. Most have direct-fund drives or offer possibilities for memorial donations. These, however, probably provide relatively small amounts of money for specific purposes or events.

Many centers collaborate with community colleges and universities to get classes at low cost for participants. Others host students for various reasons, and in exchange get such things as free blood pressure screenings from nursing students. Many collaborate closely with local volunteer coordinators and have help with staffing that way, and others participate in the Title V training program and get at least temporary employees funded by another source.

According to the work done by CARES, senior center Directors in North Carolina are a remarkably resourceful group of people when it comes to operating on shoestring budgets. Many Senior Centers throughout the country have been constructed completely with private donations on land either acquired or donated. For example, a large computer, software or telecommunications company would donate the computer and telecommunications equipment; a large fitness and health company would donate fitness equipment; and extension programs offered by universities and major hospitals might donate the cost of constructing educational facilities or health-screening rooms. Our review of senior centers outside the state of North Carolina found that several centers from Virginia to New England were entirely constructed and furnished with donated funds. Many have also been constructed by local government and operated by a separate, not-for-profit (501 3C) organization, and others are associated with United Way funding. Table 12, below, shows a nominal annual donation toward revenue from an organization such as United Way based on revenue sheets from centers in Richmond and Charlottesville, Virginia.

The following revenue analysis is similarly adjusted from information obtained from other senior centers. Although, as described below, the feelings among seniors about activity or participant fees were widely varied, the analysis below includes a \$10 per year activity fee for at least 2,000 participants. This could be applied to all senior programs and activities in all locations throughout the city.

TABLE 12
REVENUE POTENTIAL SUMMARY

REVENUE SUMMARY		
New Raleigh Senior Center		January 2007
Description	Revenue Expressed in a Range	
Grants and Government Subsidies	\$ 65,000	\$ 95,000
Federal Grant Programs for Seniors	50,000	75,000
Parks & Rec. Senior Programs	15,000	20,000
Local Generated Revenue	55,000	85,000
Facility/Space Rental	25,000	40,000
Program Activity Fees	20,000	25,000
Private Charitable Donations (1)	10,000	20,000
Total Potential Revenue (rounded)	\$ 120,000	\$ 180,000
Cost Recovery Potential – Worst Case	48%	
Cost Recovery Potential – Best Case	89%	
Cost Recovery Potential – Average	69%	
Annual Subsidy – Worse Case	\$ 129,000	
Annual Subsidy – Best Case	\$ 22,000	
Annual Subsidy – Average	\$ 56,000	

(1) Estimate based on report from senior center in Richmond, VA and existing revenues with the City of Raleigh Senior Program and Community Centers

In all of the focus groups, there was consensus that participants should pay the material costs involved with projects, and the actual costs associated with trips and outings. Opinions varied widely on the subject of participant fees or dues from nothing to the amount paid locally for membership in the YMCA or YWCA (about \$480.00.) All participants in one group thought that the term “membership” for a Senior Center was not appropriate in that the facility should be a public facility and open to the general public, and though they were willing to pay an annual general activity fee, concern was expressed for individuals who desired to participate who were unable to pay a fee.

The significant demand for consistent meal service to be associated with a new Senior Center suggests that with appropriate facilities and coordination with other local programs, there is an opportunity to secure funding for the program. Grants for meal programs are among the most accessible and should be pursued.

Finally, one of the most intriguing ideas for revenue to come out of this study is the inclusion of a commercial coffee shop (Starbuck, Caribou, etc.) in the Senior Center. The rationale for this is that many seniors meet in the morning for anything from social gathering to bible studies to checking the internet, and their meeting may as well be at the Senior Center with additional benefit of the revenue from the commercial leased space.