

MEMORANDUM

To: Lawrence City Commission
From: Trey Meyer, LCS Director of Operations
Date: July 2, 2015
Re: Funding and Operations Scenarios

The purpose of this memorandum is to describe LCS's current operating budget, projections for that budget going forward, and proposals for how we plan to scale down our operations in order to remain within the constraints of that operating budget.

A spreadsheet along with a list of our current employees and duties is included herewith as Exhibit A. The first page sets forth our current operating budget. The second page sets forth our modified operating budget that we will follow if we are not able to procure any further funding in 2015.

As one may glean from our current operating budget, we cannot continue to operate at current service levels without an infusion of funds. As such, we have spent the last few weeks developing a plan to slash our operating expenses, with the objective being to continue to provide as many services as possible within our current budget constraints.

Of our operating expenses, insurance premiums, utilities, and loan payments are either fixed or of such a nature that does not offer any savings opportunities. Accordingly, we have focused on the categories of payroll, direct expenses, and equipment repairs.

In evaluating our options, we gave very serious consideration to closing the shelter during the day. Ultimately, we rejected that option for the following reasons.

1. The impact on our ability to offer guest services would be severely compromised.
2. We were totally uncomfortable with the idea of forcing people, especially children, to leave the shelter during the height of summer. We do not want to burden of our current circumstances to fall so painfully on our guests.
3. We have some guests who have serious health issues that render them not physically capable of leaving the shelter, such that they would have to remain here.
4. We were not able to conceive of a transportation plan that was logistically feasible.

5. We found it very difficult to project possible savings, to the point where we could not reasonably propose closure as an option and be comfortable that our projections were accurate or meaningful.

If we are not able to obtain the requested emergency funding, we therefore are proposing to move forward using essentially one-half of our day staff and cutting as much of our discretionary as possible. This scenario is set forth on the second page of Exhibit A. Some comments:

1. Payroll. We would start with half staff on or about July 15. Day staff hours would remain weekdays 8:00 a.m. to 5:00 p.m. We currently contemplate that all of the employees set forth on the included list will move to half time, with their schedules being organized so that there are always three or four staff persons present during the day. We likely will have to schedule such that only one adult case manager is on duty at a time. Per our usual practice, we will have two monitors every weekday from 5:00 p.m. to 8:00 the following day and from Friday at 5:00 p.m. until the following Monday at 8:00 a.m.
2. Program and direct expenses. We will cut this expense to the bare minimum needed to procure grocery items that we do not receive via donation and miscellaneous personal care and toiletry items (toilet paper, hand soap, etc.). Also, we currently budget about \$675 to use for direct assistance to guests. These funds are used for things like work boots, state ID cards, driver's licenses, health care co-pays, and medications for guests that are not able to pay for those important items themselves. This expenditure would be temporarily eliminated.
3. Equipment repairs. We have an ongoing need for repairs and maintenance of our facilities, equipment and vehicles. We have some ability to fix these items ourselves and to put off certain repairs and maintenance.
4. Miscellaneous. We will temporarily eliminate all miscellaneous expenditures for things like staff development, seminars, professional education, etc.
5. Reduce occupancy. In order to support the above reductions, we will cease taking any new guests until our occupancy is reduced to a new capacity limit of 80 persons.

It is important to point out that our ability to offer and administer services to guests will be severely limited under this scenario. Our case managers are stretched to capacity as it is. Moving to half time will permit them only to try to maintain the status quo while we navigate this difficult period. Based on my discussions with staff, I do expect several of them to have to find other employment. This obviously will further strain our ability and capacity to help our guests.

We have an amazing team here at LCS, and we will do what we have to do to further our goals and mission. No matter how we move forward, we will continue to strive to hone our craft, improve our skills, and manage our enterprise more efficiently.