

**Performance Audit:  
Lawrence Community  
Shelter faces a difficult  
financial environment**

**December 2015**

December 3, 2015

Members of the City Commission

This performance audit of the Lawrence Community Shelter's financial environment is intended to provide the City Commission with information to understand the shelter's financial sustainability.

I make one recommendation about incorporating audit access language in funding agreements.

I appreciate the cooperation and assistance I received from City staff and staff and board members of the Lawrence Community Shelter.

I provided the Interim City Manager with a draft of this report on November 19, 2015. The Interim City Manager's response is included as an appendix to the report.

A handwritten signature in blue ink that reads "Michael Eglinski". The signature is written in a cursive, flowing style.

Michael Eglinski  
City Auditor

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# Performance Audit: Lawrence Community Shelter

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# Performance Audit: Lawrence Community Shelter

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## Results in Brief

The City Commission provided emergency funding to the Lawrence Community Shelter in July 2015. The LCS requested the funding to avoid reducing services. The non-profit LCS provides shelter and programs for people who are homeless. After approving the emergency funding, the City Commission directed the City Auditor to conduct a performance audit focused on issues of the financial sustainability of the LCS.

The Lawrence Community Shelter faces a number of financial conditions, some of which make financial sustainability difficult:

- LCS expenses increased when the shelter moved to a new location and expanded capacity at the end of 2012. Expenses related to staffing, the expanded facility and workers compensation insurance increased significantly.
- Government grants provide about 30 percent of LCS's revenue. That is close to the average of a group of non-profits that provide temporary shelter for homeless people.
- LCS has limited financial flexibility and the flexibility decreased with the new facility.
- LCS should maintain operating reserves to help manage finances.
- Management continuity may have complicated financial management.
- The LCS board identified improvements to their governance.
- Contributions and fundraising may grow slowly in the future.
- LCS took steps to strengthen their accounting and financial practices.

The City has adopted a homeless services plan and annual action plans that address homeless services. These plans provide a policy framework for addressing programs and services for people who are homeless.

The City Auditor made one recommendation intended to strengthen audit access provisions of annual funding agreements.

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## Performance Audit: Lawrence Community Shelter

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### Community Shelter Requested Emergency Funding to Provide Services

The Lawrence Community Shelter (LCS) asked the City and County to provide emergency funding to maintain services in July 2015.<sup>1</sup> The LCS described a need for funding and noted that absent additional funding they would have to significantly reduce services. Both the City and County provided some emergency funding.

The Lawrence Community Shelter provides services consistent with the City's adopted plan for addressing homelessness. The LCS provides shelter, meals, showers, laundry, storage, and case management services. Case management for both individuals and families focuses on housing, employment development, access to benefits, and intervention for mental and physical health needs.

#### **The Lawrence Community Shelter**

The Lawrence Community Shelter is a non-profit organization that provides programs and shelter for the homeless and is governed by a board. The LCS mission is:

To provide year round safe shelter, food, support services, and a path to a positive future for all members of the Douglas County Community.

The board is required to have five to 20 members. The board elects board members and officers of the board. The board had 18 voting members in 2014.

The LCS shelter facility is located at 3655 East 25<sup>th</sup> Street. The shelter can accommodate 125 guests with up to 15 additional guests when the outside temperatures are 40 F or colder.

The LCS had revenues and expenditures of about \$1 million in 2014.

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<sup>1</sup> The LCS sent a letter to the City Commissioners in May 2015 describing the LCS analysis of finances and noting that LCS didn't expect to have funds to provide payroll as of July. The letter didn't explicitly request additional funding from the City in 2015.

## **The City provides financial support for shelter services**

The City annually contracts with the Lawrence Community Shelter to provide services. The City and the LCS enter into different agreements for each funding source. There are separate agreements for general funds, special alcohol funds, public transportation funds, state emergency housing grant funds, and federal Community Development Block Grant funds.

**Table 1 City funding agreements with LCS**

Date	Agreement	Funded Activities	Amount
March 2015	For the use of City General Funds	Operations for the emergency shelter	\$ 100,000
March 2015	For the use of City Special Alcohol Funds	Alcohol and drug programs	\$ 84,000
March 2015	For the use of Public Transportation Funds	Public transit bus passes	\$ 15,600
August 2015	Federal Community Development Block Grant funds	Operating expenses	\$ 40,000
September 2015	Kansas Emergency Solutions Grant funds	Emergency shelter operations and services	\$ 47,000

The City also provides some funding through donation meters located downtown. Donations made through the meters generate about \$350 a year.

The City loaned the Lawrence Community Shelter \$725,000 plus interest in 2013. The loan allowed LCS to pay for a construction loan related to the new shelter facility and to repair the roof. Under the agreement, LCS makes monthly payments to the City of \$1,848 as it pays off the loan.

## **The shelter requested emergency funding in 2015**

The Lawrence Community Shelter requested emergency funding in 2015 from both the County and City. Absent the funding, the LCS said they would have had to reduce staff and occupancy.

**Table 2 Timeline of LCS request for emergency funding**

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Date in 2015	Emergency funding request item
January 19	LCS board meeting, "for the most part, we are in good financial shape."
February 16	LCS board meeting, a budget document showed a \$38,000 surplus for 2015, "currently [finances] are ok but has a limited cushion on a go forward basis."
March 16	LCS board meeting, \$6,500 in the operating account, "donations are still coming in...expect funds will come in to make payroll."
April 20	LCS board meeting, "as of today, there is adequate funds to make the next payroll and make expense for end of the month."
May 18	LCS board meeting, "without additional help, cash will run out by July....working with the county and city for additional funding support."
May 28	LCS letter to members of the City Commission describing an annual deficit of about \$200,000 and a need for supplemental funds for the LCS for 2015. The letter notes that "it is projected that we will not be in a position to provide payroll to our employees as of July 1 <sup>st</sup> , of this year, resulting in our inability to continue to operate."
July 2	LCS letter to members of the City Commission describing steps LCS proposed to take absent additional funds. Those steps included reducing staffing on or about July 15 and reducing occupancy of the shelter to 80 people.
July 7	City Commission meeting where the City Commission received an update on LCS funding.
July 8	County Commission meeting on the 2016 budget where the County Commission's consensus was to provide one-time emergency funding of \$50,000 contingent upon the City participation preceding any additional funding and with the County Administrator being made an ex officio member of the LCS board.
July 14	City Commission meeting where the City Commission approved providing \$50,000 to match donations plus \$1,180 to pay for a fundraising mailing, adding a City Commissioner to the LCS board as an ex officio member, and requiring LCS to return with a strategic plan by the end of 2015.

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The City provided funds totaling \$51,180 in response to a request from the Lawrence Community Shelter. The City Commission approved the funding, but a written agreement was not developed. The City's practice with funding the LCS has been to have written agreements spelling out the use of funds, the agency's status as an independent contractor, disbursement of funds, reporting requirements, access to financial records, and withholding of payment. Because the July 2015 funding had some specific criteria for matching and for use of \$1,180 for mailing, it would have been appropriate to have a written funding agreement. The City Auditor provided an interim recommendation to the Interim City Manager regarding a written agreement. The City and the LCS signed the agreement in November 2015.

The City's funding agreements with the Lawrence Community shelter should provide clear audit access. The current agreements for general, special alcohol and transportation funds provide "the City with reasonable access to financial records concerning the expenditure of City funds." The current agreements for federal and state grant funds provide more specific audit access, for example requiring records be maintained for three years and promptly making records available. This performance audit was not hampered by access issues. However, the annual funding agreements could be clarified by including audit access that specifies the City Auditor's access, requires records be maintained for a specific period of time, and requires that records be made available promptly.

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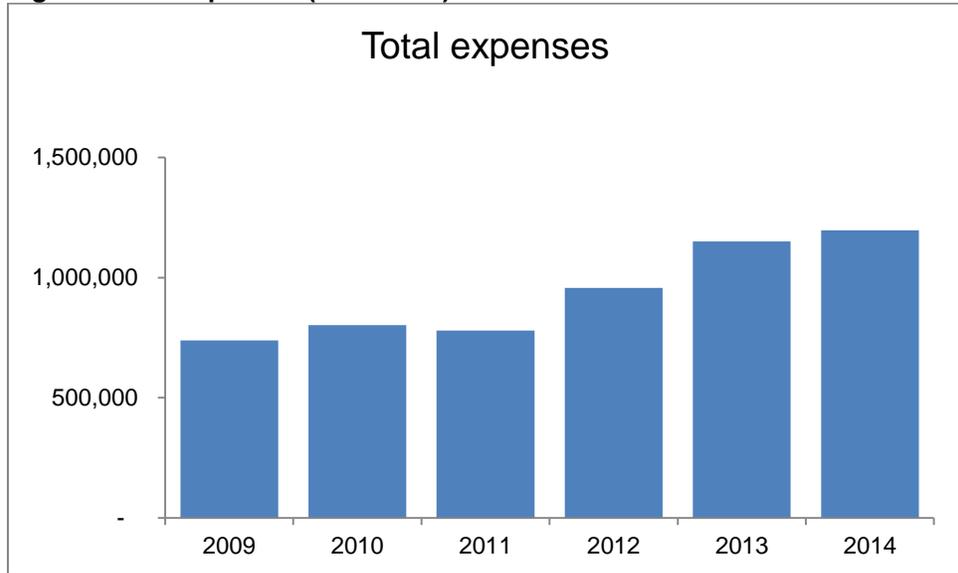
## **Shelter Faces a Difficult Financial Environment**

The City Auditor identified a number of financial conditions that the Lawrence Community Shelter faces in providing a financially sustainable service. Taken as a whole, these conditions help explain the LCS's current financial situation.

### **New facility increased expenses; unit expenses remained about the same**

The Lawrence Community Shelter moved to a new facility which increased total expenses but the expenses per space in the shelter remained about the same. LCS opened at the current facility in December 2012. The new facility increased the regular overnight capacity from 75 to 125. With the new facility, total expenses associated with the shelter increased by about 40 percent. However, expenses per unit of capacity remained about the same with the new facility.

**Figure 1 LCS expenses (2009-2014)**



Expenses per unit of capacity were similar in the period of 2009-2012 and 2013-2014. The table shows average annual expenses per unit of capacity. The analysis is based on expenses adjusted to remove donated services and building relocation expenses.<sup>2</sup> With the move to the new facility, expenses per sleeping space decreased slightly.

**Table 3 LCS expense per unit of capacity**

Period	Building capacity	Unit expenses
2009-2012	75	\$ 8,606
2013-2014	125	\$ 8,361

**Government grants provide about 30 percent of LCS revenue**

The Lawrence Community Shelter received about 30 percent of its revenue from government grants in 2014, which is similar to the average of a group of homeless shelters. The average level of government grants for a group of non-profit homeless shelter agencies was 33 percent (the median was 29 percent). The LCS’s relies on non-government support for the majority of its revenue and the level of government support is generally consistent with the group of agencies that provide temporary shelter for the homeless that the City Auditor reviewed.

<sup>2</sup> The table shows unit expenses adjusted by removing building relocation expenses and donated services. The adjusted expenses are intended to best reflect on-going expenses associated with operating the shelter. Unadjusted unit expenses show a large decrease when the shelter moved to the larger location. The unadjusted unit expenses for 2009-2012 were \$10,926 and for 2013-2014 were \$9,390.

### **Several expense items grew in recent years**

Some expense items for the Lawrence Community Shelter grew from 2012 to 2014. Expenses related to staff compensation increased by about \$164,000. Expenses related to utilities, repairs and maintenance, and workers compensation insurance also increased significantly.

**Table 4 LCS expense items with large increases (2012-2014)**

	2012	2014	Increase
Salaries, payroll taxes and benefits	\$ 503,993	\$ 668,135	\$ 164,142
Utilities	\$ 36,162	\$ 93,283	\$ 57,121
Repairs and maintenance	\$ 8,958	\$ 31,343	\$ 22,385
Workers Compensation insurance	\$ 14,822	\$ 31,554	\$ 16,732

The growth in expenses probably reflects increased services associated with expanding the size of shelter, increased operating costs associated with a relatively large building, and an increase in insurance after an employee injury.

### **LCS has limited financial flexibility**

The Lawrence Community Shelter faces limited financial flexibility over expenses. Over 85 percent of the LCS expenses are associated with providing the physical facility and staff. These expenses can't quickly or easily be reduced or can only be reduced by cutting the core services that the LCS provides. In addition, the LCS has less flexibility at the new shelter than it did before the move and has monthly payments related to the loan associated with the new shelter.

### **Shelter should maintain operating reserves**

The Lawrence Community Shelter maintains a low level of cash on hand based on a comparison of financial data from a group of non-profit homeless shelter agencies. At the end of 2014, the LCS had about 23 days of cash on hand while the median of a group of shelters had 53 days of cash on hand. The 2014 level was lower than it had been in preceding years. Adequate operating reserves would help LCS manage unexpected financial problems and provide time to implement solutions.

Lawrence Community Shelter staff and board members have raised concerns about inadequate operating reserves. A former director noted that operating reserves of three months of operating funds would be appropriate in a 2012 letter to the City and County. In 2013, a board member noted that the LCS planned to strengthen the general fund balance in a letter to the City Manager. The need for operating reserves was discussed in board meetings in 2012, 2013 and 2015. In a 2015 board

meeting, a board member indicated that operating reserves of four to five months of operating expenses would be appropriate.

Non-profit agencies that rely largely on donations and contributions can be especially vulnerable to uneven revenue and have a heightened need to maintain adequate operating reserves. The size of an operating reserve will depend on a non-profit's specific situation, but common goals are reserves that total three to six months of expenses.

### **Management continuity may have complicated financial management**

The Lawrence Community Shelter went through a period with high turnover at the top management level and this may have hindered the organization's ability to manage finances. During a period of less than one and a half years, the LCS had four different top managers.

**Table 5 LCS director continuity**

	Date
Long-term director retired	May 2014
Director left	December 2014
Interim director left	June 2015
Current director	Currently in the position

### **Board have identified improvements to their governance practices**

A board member of the Lawrence Community Shelter identified a number of recent steps the board had taken to strengthen practices when the LCS first presented their request for emergency funding to the City Commission. The board member described recent changes in the board's approach:

- More staff-board communication;
- More clearly defined board and staff responsibilities;
- Closer scrutiny of financial information;
- Streamlined and board-approved goals; and
- More board consensus.

Strong governance practices have the potential to improve operations and accountability.

### **Contributions and fundraising may grow slowly in the future**

The Lawrence Community Shelter relies on contributions and fundraising, but these may not be growing sufficiently to offset increases in the cost of providing services. While many people donate money and volunteer time to non-profits, both time and money may be constrained by moderate growth of the local economy. In the last decade, employment, assessed

value and real taxable retail sales grew minimally.<sup>3</sup> Modest growth of the local economy may have made raising funds more difficult and continued modest growth could make it difficult in the future.

### **Shelter strengthened some accounting and financial practices**

The Lawrence Community Shelter took steps to strengthen accounting and financial practices, including paying back payroll taxes owed to the Internal Revenue Service (IRS). LCS engaged an accounting firm to provide services beginning July 2015.

The Lawrence Community Shelter engaged an accounting firm to provide financial reporting, bill paying, payroll, and other services. Before LCS engaged the accounting firm, financial reports were not always available for board meetings. A lack of financial reporting may have harmed the board's ability to oversee the organization's financial condition.

The Lawrence Community Shelter completed payment of back payroll taxes to the IRS by September 2015. The IRS informed the LCS of the problem in the spring of 2015. Non-profit agencies are required to pay payroll taxes that are withheld from employee wages. The LCS' unpaid taxes were about \$37,000.

#### **Strengthening the Lawrence Community Shelter's financial sustainability**

Taken as a whole, the analysis of the financial environment the Lawrence Community Shelter faces suggests that the LCS should:

- Establish a policy on operating reserves and develop a plan to build a reserve.
- Consider approaches to reducing expenses without pushing costs to future years.
- Monitor revenue and expenditures and develop contingency plans to follow if revenues fall below expectations.

The LCS should focus on addressing its mission while recognizing that achieving the mission requires financial sustainability.

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<sup>3</sup> *Performance Audit: Financial Indicators*, July 2015, pages 22-24.

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## City Has a Policy Framework for Homeless Services

The City has an adopted plan on homeless services and an advisory committee to monitor the plan. The City's action plan for certain federal funding also provides policy direction and plans for addressing homelessness. The plans provide a framework that expresses the City's approach to providing homeless services and includes specific recommendations. The advisory committee provides a mechanism for monitoring progress.

### **City adopted a broad homeless services plan**

City adopted a homeless services plan ten years ago.<sup>4</sup> The plan is broad, addressing case management and supportive services as well as emergency, transitional and permanent housing. The plan calls for an approach that moves individuals and families through a series of services that address physical and mental health, substance abuse treatment and job skills training. The plan anticipates that several agencies will be involved in providing the services.

The City's plan specifically addresses emergency shelter, making three specific recommendations:

1. Make emergency shelter available with accommodations for individual males, individual females, families and teens as well as individuals who are intoxicated or involved in substance abuse.
2. Emergency shelter facilities should include beds, showers, daily meals, laundry facilities, day rooms, gender separation, basic clothing and storage of personal items.
3. Shelter should include transitional housing.

Appendix A includes a list of all of the recommendations in the City's plan.

### **City's Action Plan provides further policy direction**

The City's action plan provides a basis for using federal funds and provides policy direction related to addressing homelessness. The latest plan was approved by the City Commission for submission to the U.S.

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<sup>4</sup> Resolution 6608, adopted August 23, 2005.

Department of Housing and Urban Development in May 2015.<sup>5</sup> The action plan covers the year-long period that ends July 31, 2016.

The City's action plan includes a policy to identify spending goals and priorities for federal funds that addresses emergency housing for homeless individuals. The policy is called *Step Up to Better Housing*.<sup>6</sup> Emergency housing addresses temporary options for individual and families who are homeless, transient, or experiencing an emergency. The policy identifies needs and strategies. The strategies are:

- Consider emergency shelter needs when investing available funds.
- Seek private and public funds to strengthen Lawrence emergency shelters.
- Endorse expansion efforts of well-managed existing shelters.
- Promote collaborative efforts with community-based providers.

The City's action plan also includes a *Housing Vision* which was developed in 2007 and updated in 2009. The *Housing Vision* notes that the community needs 125 units of emergency shelter at one facility. This was revised up from 75 units in the 2007 version of the *Housing Vision*.

### **Advisory committee can inform the City Committee**

The Homeless Issues Advisory Committee (HIAC) can provide information to the City Commission.<sup>7</sup> The City Commission assigned a range of duties to the HIAC including advising to the City Commission and other governmental bodies, evaluate progress toward goals and programs regarding the homeless, ensure homeless programs don't duplicate services, and monitor effectiveness.

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<sup>5</sup> Resolution 7119, adopted May 5, 2015.

<sup>6</sup> The City Commission adopted *Step Up to Better Housing* in 1997 and it was updated in 2010.

<sup>7</sup> Resolution 6608, adopted 2005, created the CCH and adopted the City's 2005 plan for addressing homelessness. Resolution 6951, adopted in 2011, renamed the existing Community Commission on Homelessness (CCH) to the Homeless Issues Advisory Committee.

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## Recommendation

The City Auditor recommends:

1. The City Manager should require audit access in funding agreements. The audit access language should specify the City Auditor's access, require records be maintained for a specific period of time, and require that records be made available promptly.

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# Performance Audit: Lawrence Community Shelter

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## Scope, methods and objectives

This performance audit was designed to understand the Lawrence Community Shelters financial environment and provide the City Commission with information to understand the LCS's financial sustainability. The City Commission directed the City Auditor to conduct this performance audit July 21, 2015.

To understand the financial environment, the City Auditor reviewed the Lawrence Community Shelter's financial audits and IRS 990 forms for 2009 through 2014. The auditor also compared LCS financial data with a group of 23 other non-profit organizations that provide temporary shelter for the homeless. To assess the reliability of the financial data, the auditor reviewed the opinions of the financial audits and reviewed the instructions and regulations related to financial data submitted to the IRS. The auditor's review of the reliability of the data concluded that the data were reliable for addressing the objective of this performance audit.

The City auditor selected non-profit shelters by searching for information about shelters located in communities similar to Lawrence and by searching for non-profit agencies that provide temporary shelter for the homeless, have incomes between \$1.2 and \$1.5 million, and operate in communities with populations between 50,000 and 130,000. Similar communities are based on the analysis used in *Performance Audit: Financial Indicators* (July 2015). Other non-profits were identified by searching guidestar.org for non-profits codes as "L41 – temporary shelter for the homeless" in the national taxonomy of exempt entities. Because the specific services and programs vary among shelters, the performance audit used financial ratios and focused on medians to analyze finances, which should minimize the effect of outliers.

**Table 6 Shelters used for financial comparison**

Agency	City	State	Community Similar to Lawrence	Other non-profit shelter with \$1.2-\$1.5 million income
Attention	Boulder	CO		X
Bartlett House	Morgantown	WV	X	
Community Alternatives	Cherry Hill	NJ		X
Community Outreach	Corvallis	OR	X	
Contra Costa Interfaith Housing	Walnut Creek	CA		X
Daniel Pitino Shelter	Owensboro	KY		X
Davis Community Meals	Davis	CA	X	
Food and Shelter	Norman	OK	X	
Growing Home	Westminster	CO		X
Hope Haven	DeKalb	IL	X	
Housing Transitions	State College	PA	X	
Humility of Mary Housing	Davenport	IA		X
New Community Shelter	Green Bay	WI		X
Northland Rescue Mission	Grand Forks	ND	X	
Open Door Ministries	High Point	NC		X
Open Doors Kalamazoo	Kalamazoo	MI		X
Poverello Center	Missoula	MT	X	
Shalom Community Shelter	Bloomington	IN	X	
Shelter House	Iowa City	IA	X	
The Haven	Charlottesville	VA	X	
Torres Shelter	Chico	CA	X	
Wichita Falls Faith Mission	Wichita Falls	TX		X
Youth Crisis Center	Casper	WY		X

To understand the City's support of the Lawrence Community Shelter, the City Auditor reviewed documents including: funding agreements, the 2005 homeless services plan, the 2015 action plan, minutes of the Homeless Issues Advisory Committee, and other documents. The auditor also reviewed City financial records of payments to the LCS in recent years.

To understand the Lawrence Community Shelter's financial condition and governance the City Auditor interviewed city staff, the interim director of the LCS, and two members of the LCS board. The auditor reviewed minutes of the LCS board.

The City Auditor conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require planning and performing the audit to obtain sufficient, appropriate

evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. The City Auditor believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit evidence.

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**Performance Audit: Lawrence Community Shelter**

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**Appendix A: Recommendations of 2005 Plan**

### **Mental Health Services**

The City Commission request Lawrence Memorial Hospital to reopen the crisis mental health inpatient unit.

An emergency outreach team be developed and funded which would include medical and clinical staff to address physical health, mental health, and substance abuse for persons experiencing homelessness.

Additional housing be made available for persons released from the state mental health hospital who have no home to which to return.

Additional social detox services be provided, such as those currently provided by DCCA in Wichita.

The City of Lawrence develop clear policy guidelines and provide training for police officers on appropriate intervention with persons suffering from mental illness.

### **Emergency and Shelter Facilities**

Our community make available emergency shelter with separate accommodations for individual males, individual females, families and teens as well as individuals who are intoxicated or involved in substance abuse.

Emergency shelter facilities should include beds, showers, daily meals, laundry facilities, dayrooms, gender separation, provision of basic clothing and short-and long-term storage of personal items.

Scope of shelter to be provided in the community should include additional transitional housing/residential centers (see more under Housing).

### **Case Management and Programming**

Four new case managers shall be employed to work with individuals experiencing homelessness and at-risk for homelessness.

One new outreach caseworker shall be employed to work with individuals experiencing homelessness and at-risk for homelessness.

Case management and program components as described in the plan shall be implemented if not already in practice by the service providers.

As soon as possible, the HIMS [Homeless Management Information System] (scheduled for completion in 2005) shall be implemented.

A 24/7 information hotline shall be established for homeless and low income/near homeless individuals and families in need of assistance.

### **Housing Program**

The City continue to provide HOME funds to the Lawrence Douglas County Housing Authority for its transitional program for homeless.

The Lawrence-Douglas County Housing Authority expand its targeted eligible population for HOME Transitional Housing to include precariously housed.

The City purchase land/property where possible for affordable rental housing development.

The Lawrence-Douglas County Housing Authority endeavor to expand its HOPE Building program to serve the chronically homeless who may not have dual diagnosis.

### **Jobs Program**

A meeting be convened of agencies willing to assist in job readiness efforts.

A meeting be convened with Downtown and area businesses to discuss possible partnerships and working with the candidates as they are identified as ready to enter the workforce.

A meeting be convened with appropriate City departments to determine possible temporary and full-time job opportunities that are a match to the candidates from the Jobs Program.

Cost components:

Public transportation for those enrolled in the jobs component will need to be underwritten by the city. Assuming that at any one time there will be 25-50 people enrolled in a variety of job readiness programs, and assuming that the use of the "T" is a minimum of two times per day, the cost would be based on that usage year around.

Other employment related costs for work are such things as steel toed shoes, safety glasses, safety gloves and hard hats. This is dependent on the type of work the candidate is placed into, but most jobs require some type of safety gear. The cost of this gear is up to \$100 for all the above requirements. Perhaps an arrangement for payback on this gear can be developed and is no unusual.

### **Community Quality of Life**

A Community Commission on Homelessness be established to work with existing service providers

and agencies to facilitate and make recommendations to the City and County Commissions regarding implementation of this plan. This body will include a diverse group representing neighborhood organizations, neighborhood residents, community members who are homeless, the Lawrence Police Department, businesses, landlords, service providers, city and county governments, funding entities, private-sector housing providers, faith-based organizations and health service providers. This body will, with the support of City and/or County staff:

- a. Oversee and implement the Task Force Homeless Services Plan;
- b. Use facts to support plan recommendations/priorities/action;
- c. Evaluate progress toward stated goals at regularly scheduled meetings;
- d. Oversee wide implementation of the Homeless Management Information System (HMIS) among service providers using social security numbers or other variables to identify participating individuals.
- e. Avoid duplication of services and make available services more efficient;
- f. Have general homeless information available through a 24-hour hotline;
- g. Continue to support annual or semi-annual surveys of homeless individuals to determine demographic information, monitor service effectiveness, and gather opinions and concerns of those experiencing homelessness.
- h. Produce and deliver an annual report assessing the implementation and progress of the Task Force Plan, the 10-year plan and include information from annual and semi-annual surveys of homeless persons to the City Commission;
  - i. It is recommended that this report be presented for review at one of the quarterly meetings with the City Commission, Douglas County Commission, and the Lawrence School Board representatives each year; and"
  - ii. The Commission shall be empowered to solicit any non-confidential data from service programs (statistics, mission statements, etc.) in order to facilitate the annual report.
- i. Establish a broad-based funding plan after exploring varied funding possibilities.

A Community Cooperation Commission (CCC) will be formed to address common concerns and generate a mutually supportive group to creatively solve problems encountered by the housed and homeless portions of the community, including businesses and other related city entities.

- a. Coordinate communication and outreach to all interested stakeholders-including neighborhood representatives, downtown business owners, service providers, homeless persons, community members, landlords, city government, Lawrence Police Department, funding entities, private-sector housing providers, faith-based organizations, and health services.
- b. Handle neighborhood/merchant/community problems by;
  - i. Acting as liaison to neighbors, merchants, community, police, etc.; and"
  - ii. Reviewing existing ordinances with police department guidance in order to address nuisance and problem behaviors, as well as safety concerns in the context of existing ordinances and in consideration of new ordinances. Ordinances will be enforced to protect all members of the community from unsafe and/or antisocial behavior."
- c. Provide a venue for business people to talk about homeless concerns.
- d. Emphasize the need for partnership between the public and private sectors in order to address problems and to discuss barriers to funding solutions.
- e. Educate the community about issues of homelessness through events hosted by the CCC, the Coalition for Homeless Concerns, and service providers.
- f. Provide available, accurate information on the homeless population and related facts.
- g. Seek cooperation and support from the local media (education, public service announcements).
- h. Promote community-wide support of the final Task Force on Homeless Services Plan.
- i. Facilitate communication and promote programs in coordination with service agencies, community members and the Lawrence Police Department.

- j. Publicly list funding amounts and program costs.
- k. Address safety issues
  - i. CCC sub-committee will review existing ordinances with police department guidance in order to address nuisance and problem behaviors, as well as safety concerns in the context of existing ordinances and in consideration of new ordinances. Ordinances will be enforced to protect all members of the community from unsafe and/or antisocial behavior.
  - ii. Police presence in and around shelters and other service providers should be visible, friendly and supportive (ex: bike/walking patrols, one designated officer in the area as in the high schools, or possible substation nearby.)
  - iii. Involve homeless individuals as monitors to help regulate unruly

behavior in and around service facility.

- iv. The City of Lawrence will continue to post 24-hour notice before clearing out illegal campsites.

**Funding**

That the City of Lawrence provides some level of funding for homeless services and negotiates with other funding providers for the provision of additional funding.

Funding to ensure transitional and affordable housing. Funding might include such sources as a small percentage fee assessed to developers and/or landlords.

Creation of an effective, full-time position within the City of Lawrence to write and receive grants for the needs of those experiencing homelessness. Potentially, this position could pay for itself, perhaps even within the first year of employment.

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## **Performance Audit: Lawrence Community Shelter**

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### **Management's Response**

City Code requires a written response addressing agreement or disagreement with findings and recommendations, reasons for disagreement, plans for implementing solutions, and a timetable for completing such activities.



# City of Lawrence

## CITY MANAGER'S OFFICE

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November 25, 2015

Mr. Michael Eglinski  
City Auditor

Re: Lawrence Community Shelter Performance Audit

Dear Michael,

I received your performance audit report on the Lawrence Community Shelter.

Based on your interim recommendation, the City executed an agreement with the Lawrence Community Shelter for the \$51,180 of emergency funding authorized by the City Commission. The agreement outlines the permitted use of the funds, along with the documentation required to release the funds, and the reporting requirements for the Lawrence Community Shelter.

I also concur with your recommendation to require audit access in funding agreements. I have directed staff to add language to all our funding agreements, beginning with agreements for 2016 funding, requiring agencies to provide the City Auditor with access to records, requiring records be maintained for a period of three years, and requiring that records be made available promptly. Doing so will increase transparency and will help ensure that performance audits in the future will not be hampered by access issues.

Thank you for your analysis of this topic and your recommendation.

Sincerely,

Diane Stoddard  
Interim City Manager

