



a path to a positive future

Mr. Tom Markus  
City of Lawrence, KS  
P.O. Box 708  
Lawrence, KS 66044  
E-Mail: tmarkus@lawrenceks.org

Dear Mr. Markus,

I write to follow up with you on your discussion with two LCS board members, your recent letters to me and Mr. John Tacha, and your email to me dated March 30, 2017.

First, with respect to the discussions about forgiveness of the debt owed by LCS to the City of Lawrence on our current physical facility, please consider this a formal request by LCS to have the City Commission act upon that request. As you know, we owe a balloon payment on the building in 2028, eleven years from now. We propose that the City forgive 1/11 of the then-remaining balance each year, with appropriate adjustments to the amortization schedule for the balance remaining after such reduction, such that, upon such reduction of the balance in 2028, the balance on the loan will be \$0.00.

This action by the City of Lawrence would benefit LCS and the community in numerous ways. First, it would reduce our operating expenses by gradually decreasing the monthly payment on the loan as portions of the balance are forgiven. Second, LCS would be debt free as of 2028, thereby permitting us to have a very valuable asset on our books in the form of the building and giving us great financial flexibility going forward. Third, this reduction would contribute to our long-term sustainability plan and would ensure the viability of the shelter in our community when so many other shelters across the state have had to close their doors. Finally, this forgiveness would enable LCS to focus on programming to move individuals out of homelessness.

Regarding your email to me of March 30, I have consulted with the LCS Board of Directors. To my recollection, the only substantive in-person conversation we had with city officials about city funding (outside of the usual city budgeting process) and charging guests to stay at LCS was during a meeting in Craig Weinaug's office last summer attended by myself, LCS board members Mr. Joe Baker, Mr. John Magnuson and Mr. Todd York, Mr. Craig Weinaug, Commissioner Stuart Boley, and Ms. Casey Toomay. With respect to the issue of City funding, I do not believe that I or we

committed to not seeking any additional funding from the City, which I take to mean funding beyond that which the City provided to LCS during the 2016 budgeting cycle or provides to LCS going forward. I do recall stating that we would not be making any emergency or supplemental requests in 2016, unlike the summer of 2015, when we had to make a supplemental request in order to continue at our then-current level of operations. We certainly believe that it is appropriate to make this request as a part of the usual annual budgeting cycle rather than waiting until 2028.

With respect to our commitment to seek alternative sources of funding, we remain and will remain true to that commitment. We are constantly on the lookout for ways that we can generate revenue, from grant opportunities that fit our mission and capabilities to cultivation of individual and corporate donors who support our mission to fundraising events that offer a great return on the time, energy and money invested. We are partnering with other agencies to leverage federal funds into the community. These grant funds will not pay for operating expenses. Rather, they are directed towards programming for vulnerable populations.

With respect to the issue of charging guests to stay at LCS, we discussed the issue at that meeting last summer. Commissioner Boley asked us to analyze the question more carefully, and we had a number of formal and informal discussions among our board members over the following months. We did not develop any definitive plans, as this addition of revenue for the Shelter would have other implications for individuals transitioning into the community. We have discussed the idea both internally as a staff and with our Board. We will continue to do so and would like to have joint conversations within the larger context of the affordable housing movement in the community. We welcome innovative ideas that would contribute to obtaining affordable housing.

Thank you for the opportunity to have the City Commission receive this request. If you or the Commission needs any further information from LCS germane to the issues described herein, please contact me.

Yours Very Truly,

A handwritten signature in black ink, appearing to read 'Trey Meyer', is positioned above the printed name.

Trey Meyer  
Lawrence Community Shelter  
Executive Director

cc: Ms. Jackie Counts  
Mr. John Magnuson