



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

MEMORANDUM

EXECUTIVE SUMMARY

TO: James K. Scholl, City Manager
Sarah Spurlock, Assistant City Manager

FROM: Carolyn Sheldon, Senior Grants Administrator

DATE: September 11, 2014

RE: **Approval of the attached Second Amendment to Agreement between the City of Key West and the Southernmost Homeless Assistance League (SHAL). Authorize any necessary budget amendments or transfers associated with the Second Amendment. Authorize the City Manager to execute the Second Amendment to Agreement.**

ACTION STATEMENT:

This resolution will approve the attached Second Amendment to Agreement between the City of Key West and the Southernmost Homeless Assistance League (SHAL). Also, this resolution will authorize any necessary budget amendments or transfers associated with the Second Amendment and authorize the City Manager to execute the Second Amendment to Agreement.

BACKGROUND:

A second amendment to the City's agreement with SHAL is needed to provide sufficient supporting documentation for the 2013 Emergency Solutions Grant (ESG) awarded to the City for the operation and maintenance of the Keys Overnight Temporary Shelter (KOTS). The grantor is requiring the SHAL Agreement to be amended to include expenses not currently in the Agreement and to ensure SHAL, as the City's KOTS manager/operator (subcontractor), is required to comply with subcontractor grant requirements as described in ESG Contract #KPZ19.

The original Agreement with SHAL was entered into on October 1, 2011 and ended September 30, 2012 (Resolution 12-096). The First Amendment to Agreement, entered into on August 9, 2013, extends the original Agreement on a month to month basis until such time the City Commission determines the daily management of KOTS should be solicited and made available to other qualified service providers (Resolution 13-095).

Key to the Caribbean – Average yearly temperature 77° F.

PURPOSE AND JUSTIFICATION:

For Fiscal Year 2015, the City is allocating \$444,118.00 (plus utilities and repairs/maintenance) for SHAL to manage/operate KOTS. With the 2013 ESG grant, the City can be reimbursed up to \$54,442.00 of eligible expenses for the operation of KOTS. Of the \$54,442.00 grant funding, up to \$52,273.00 may be paid to SHAL for case management, maintenance/supplies and equipment. These costs were not included in the SHAL Agreement. The remaining amount of \$2,169.00 of the grant funding is for the City's administrative costs.

The Emergency Solutions Grant requires matching funds of an equal amount, dollar for dollar.

OPTIONS / ADVANTAGES / DISADVANTAGES:

1. The City Commission can approve the Second Amendment to Agreement between the City of Key West and the Southernmost Homeless Assistance League (SHAL). Included in the Second Amendment is an amount of up to \$52,273.00 of eligible expenses that may be paid to SHAL for expenses reimbursable by the 2013 Emergency Solutions Grant (ESG). This will meet the grantor's requirement to provide sufficient supporting documentation for the 2013 ESG grant awarded to the City for the operation and maintenance of the Keys Overnight Temporary Shelter (KOTS).
2. The City Commission can reject the Second Amendment to Agreement between the City of Key West and SHAL. If the City Commission chooses to reject the Second Amendment, the City will not meet the grantor's supporting documentation requirement and any funding from the 2013 ESG grant will not be available for reimbursement of eligible expenses.

FINANCIAL IMPACT:

With the approval of the Second Amendment to Agreement, grant revenue Account 001-0000-331.69-00 will increase by \$2,169.00, the amount for the City's administration costs. Grant revenue of \$52,273.00 is currently budgeted in Fiscal Year 2015. The essential services and operations expenditures funded by the 2013 Emergency Solutions Grant (ESG) are budgeted in Fiscal Year 2015, Account 001-6901-569.34-00.

RECOMMENDATION:

Staff recommends that the City Commission select Option 1, approving the Second Amendment to Agreement between the City of Key West and the Southernmost Homeless Assistance League (SHAL).