

DATE: July 2, 2013
STAFF: Joe Frank
Bruce Hendee

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

27

SUBJECT

Second Reading of Ordinance No. 082, 2013, Appropriating Prior Year Reserves in the General Fund to Be Used for Operation of the Sister Mary Alice Murphy Center of Hope.

EXECUTIVE SUMMARY

This Ordinance, adopted on First Reading on June 11, 2013, by a vote of 5-2 (nays: Cunniff, Poppaw), appropriates funding in the amount of \$45,000 for the operation of the Sister Mary Alice Murphy Center of Hope, from January to July, 2013 (six months). Other funding partners include United Way (\$58,000), Bohemian Foundation (\$45,000) and Serve 6.8 (\$35,000). The Murphy Center, located at 242 Conifer Street, is the one-stop center in Fort Collins for homeless and near homeless persons. The operation of the Center is an important component in the community's network of housing and complimentary services so that homelessness is rare, short-lived and non-recurring in Fort Collins.

At Council's direction on First Reading, a new Section was added to the Ordinance, affirming that the provision of funds serves an important public purpose.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

ATTACHMENTS

1. Copy of First Reading Agenda Item Summary - June 11, 2013
(w/o attachments)
2. Powerpoint presentation

DATE: June 11, 2013
STAFF: Joe Frank

AGENDA ITEM SUMMARY
 FORT COLLINS CITY COUNCIL

3

SUBJECT

Items Relating to the Operation of the Sister Mary Alice Murphy Center of Hope.

- A. Resolution 2013-053 Authorizing the City Manager to Execute an Agreement with United Way of Larimer County for Funding of Operations at the Sister Mary Alice Murphy Center of Hope.
- B. First Reading of Ordinance No. 082, 2013, Appropriating Prior Year Reserves in the General Fund to Be Used for Operation of the Sister Mary Alice Murphy Center of Hope.

EXECUTIVE SUMMARY

The City has received a request for funding in the amount of \$45,000 for the operation of the Sister Mary Alice Murphy Center of Hope, from January to July, 2013 (six months). Other funding partners include United Way (\$58,000), Bohemian Foundation (\$45,000) and Serve 6.8 (\$35,000). The Murphy Center, located at 242 Conifer Street, is the one-stop center in Fort Collins for homeless and near homeless persons. The operation of the Center is an important component in the community's network of housing and complimentary services so that homelessness is rare, short-lived and non-recurring in Fort Collins.

BACKGROUND / DISCUSSION

Sister Mary Alice Murphy Center of Hope ("Murphy Center")

The Murphy Center, located at 242 Conifer Street, is the one-stop center in Fort Collins for homeless and near homeless persons; approximately 23 agencies provide services at the Center; the Center also provides showers, breakfast, phones/computers, washers/dryers, clothing, day shelter services, and more. Services available at the Center include employment resources, housing assistance, financial counseling, transportation assistance, mental health and substance abuse counseling, and more. Many believe that the Center is one of the most innovative facilities in the nation for serving the homeless and near homeless. The Murphy Center is currently owned by the United Way of Larimer County (UW) and operated by Touchstone Health Partners of Fort Collins.

During the past four years, the Murphy Center has been a major player in the local homeless service delivery system and will play an even more critical role as the region moves toward a new and improved housing model. Notable achievements of the Center include:

- Total number of visits: 110,782.
- Now averaging 156 visitors per day, up from 80 at the end of the 1st year.
- Now have 23 different agencies that provide services out of the Center.
- Total number of showers taken: 12,841.
- Total number of loads of laundry done: 4,649.
- Total number of unduplicated people provided services by a Resource Specialist: 10,148.
- 37% of the people served are part of a family with children.
- In 2012, 77% of the people that meet with a Resource Specialist report being literally homeless, a 57% increase from 2011.
- Received mail through the center: more than 800 people.
- Utilized lockers at the center: more than 250 people.
- Provided voicemail boxes: more than 150 people.
- 429 people have been assisted in getting Food Stamps.
- 106 people have been assisted in getting Aid to the Needy.
- 253 people have been assisted in getting Medicaid.
- 879 people have received mental health and/or substance abuse services.
- 1,312 households have received emergency rent assistance.
- 2,507 households have received utility assistance.

The approximate \$2.5M cost of construction of the Center was funded through a collaboration of private foundations, private resources, and the cities of Fort Collins and Loveland. Since 2004, the City has contributed approximately \$90,000 in CDBG and General Fund dollars to build the facility, and as such has a legal and financial interest. In addition, the City has funded several of the agencies that occupy the Center. As equity partners on the land (along with the City of Loveland), City staff has met with United Way and Serve 6.8 officials. Our goal, moving forward, is a smooth transition on executing new legal documents, and ensuring that parameters for property use tied to federal funding are clear. One of these parameters includes federal limitations on inherently religious activities such as worship, religious instruction, or proselytization. We are also interested in being sure that the Murphy Center has a critical role to play in the future in the "Continuum of Care" for the homeless and near homeless.

Ownership and Operations of the Center

The Murphy Center opened in March, 2009. At that time, the United Way (UW) committed to owning/funding/operating the Center for one year, hoping to find someone who would take over operations of the Center from United Way in year two. Funding was secure for the first three years of operation, until March 2012; the Center was originally intended to be transferred debt free. The original plan was for Touchstone Health Partners to take over the facility, and over several years, plans for the transition were discussed. Last March 2012, those plans started to fall apart when Touchstone announced it was no longer interested in taking over the Center. Subsequently, United Way had to search for a new owner/operator. UW had serious but unsuccessful discussions with several potential agencies about taking over the facility, including but not limited to, Catholic Charities and the Salvation Army. UW was also left with the challenge of more than \$180,000 in additional expenses to continue operations of the facility. United Way had to use general reserves not intended for this purpose while it searched for a new partner. United Way also seriously considered closing or curtailing services at the Center when reserve funding ran out in December 2012. Instead, United Way chose to keep the Center operating and sought community partners to cover the \$180,000 in extra costs.

Last November, a small group of interested stakeholders met to discuss the future of the Murphy Center. The group consisted of Gordan Thibedeau (United Way), Randy Ratliff (CEO Touchstone Health Partners), Cheryl Zimlich (Bohemian Foundation), Alison Hade, City of Loveland (Community Partnership Department), Julie Brewen (FCHA), Bryce Hach (Homeward 2020), and Joe Frank (Social Sustainability Department). Last January, the group met with Mark Orphan, Pastor of the Timberline Church Missions and Outreach program, and Mike Walker, Timberline Church Local Outreach Director, about potentially taking ownership and operation of the Center.

Serve 6.8 is the "community service" arm of the Timberline Church. "Serve 6.8" is in reference to two passages in the bible (Micah and Isaiah). Serve 6.8's stated mission is "people serving our community to demonstrate God's love in tangible ways to people in Northern Colorado with no strings attached." Serve 6.8 has said "We partner with many local organizations to promote their mission, provide volunteers, and offer assistance." Serve 6.8 has been involved in a variety of "ministries" and partnerships in the community, some involving the homeless. Serve 6.8 was heavily involved in the High Park Fire recovery efforts. Serve 6.8 now has 501(c)3 status, and is a separate entity from the Timberline Church.

Serve 6.8 submitted a letter of intent to assume ownership and operation of the Murphy Center, and most appear to be comfortable with them. United Way is satisfied that it has the resources and mission to take over and successfully operate the facility. Mark Orphan and Mike Walker will be the primary managers of the Murphy Center. They indicated that the Center will continue to deliver current services and will keep the current professional staff. Serve 6.8 will also be using volunteers. At this time, Serve 6.8 is doing its due diligence, developing a business plan, completing necessary agreements, talking with the cities of Fort Collins and Loveland, etc. Serve 6.8 has said that they have recently embarked on a fund raising campaign for the Murphy Center, with a goal of \$5 million; having already raised about \$750,000. The goal is to complete the ownership/operation transition on/around July 1, 2013.

The United Way and Serve 6.8 has been very transparent in the transition process, including involving key stakeholders early on, working with existing Murphy Center staff, presenting to the North Fort Collins Business Association, informing Murphy Center customers, working with staff from the cities of Loveland and Fort Collins, informing Murphy Center funders, informing Timberline Church members, and providing interviews and information to the local press. UW/Serve 6.8 intends to do additional outreach when the transfer of ownership/operation finally occurs, and Serve 6.8 has indicated that they plan to hold a formal "opening" event later this year, possibly as part of National Homeless Month.

An article of the Murphy Center written by Sarah Jane Kyle, and published in the June 2, 2013 Coloradoan on the Murphy Center transition is attached (**Attachment 1**)

Funding Request

The United Way is seeking funding partners to continue the operation of the facility. The Center's monthly operating cost is about \$38,600; approximately 85% of that is personnel and 15% is operations. United Way has a federal grant that covers about \$8,100 per month; the net monthly cost is approximately \$30,500. Six months of operations costs approximately \$183,000. United Way's proposal is that it provides \$58,000, the Bohemian Foundation and the City each provide \$45,000 and Serve 6.8 provides \$35,000, for the operation of the Murphy Center from January to July, 2013 (6 months). The City of Loveland was approached to participate in funding but declined; less than 10% of the Murphy Center visitors are from Loveland, and because the participation is so low, it declined to participate in the one-time funding of operations.

According to Gordan Thibedeau, Executive Director of the United Way:

"There are two reasons that we are seeking continuation funds to support the operation of the Murphy Center. First, it was our intent to transfer ownership no later than December 31, 2012, which did not happen. Second, we have been unable to secure additional grant funding to support the operation primarily because we play a "pass through" role. We were able to overcome this concern for the first 4 years of funding but foundations have become increasingly interested in having the funds go directly to the service provider."

Funding Alternatives

During the May 28 Work Session, Council specifically asked staff to consider making the funds available to a different agency (not United Way) that could potentially benefit from leveraging the City funds. There are four alternatives that the City Council could consider to fund the operations of the Murphy Center:

- A. "United Way" Option - Approve the original funding request to United Way in the amount of \$45,000, for operating expenses incurred between January 1 and June 31, 2013. The funds would go directly to United Way for additional expenses they incurred to continue the operation of the facility.
- B. "Touchstone" Option - Approve the funding request, in the amount of \$45,000, with the direct recipient of the funds being Touchstone Health Partners, for operating expenses incurred between January 1 and June 31, 2013. The funds would go directly to Touchstone Health Partners for expenses they incurred during this time period. Touchstone is the only agency at the Murphy Center that incurs significant operating expenses. Touchstone has said they would then reimburse United Way.
- C. "Serve 6.8" Option - Approve the funding request, in the amount of \$45,000, with the direct recipient being Serve 6.8 for future operating expenses. Serve 6.8 has not incurred any direct operating costs of the facility. So, if it is the recipient of the funds, the funds would be used to cover future operating costs (after July 1, 2013). The reasoning behind this is different from the other options; funding future operations (saving Serve 6.8 and/or United Way from having to do it) rather than reimbursing UW for past expenses. Since this option would no longer be framed as a sort of "emergency", it also raises a question of why Serve 6.8 should not just apply for the funds through the City's Competitive Process like other social service agencies.
- D. "Do nothing" option – No City funding.

According to agency representatives, the "benefit" to Touchstone or Serve 6.8 in receiving the City funds, for instance, to leverage other funds, is not significant, because the funds would already have been spent, and would not be available to "match" other grants. The funds would show up on their balance sheet as a contribution from the City; the City's financial support is important to other potential funders.

Funding Agreement

The major terms of the “funding agreement” are as follows:

1. The City shall pay the agency selected by the Council the sum of \$45,000 upon receipt of the expense report.
2. The funds will be (or must have been) used for personnel and non-personnel costs associated with the operation of the Murphy Center.
3. The agency shall submit a detailed expense report to the City for our review and approval.
4. The process and conditions of turning the facility over to Serve 6.8 should be as transparent and inclusive as possible to the critical stakeholders.
5. The existing functions of the Murphy Center as a one stop center and entry for homeless services must continue; and Serve 6.8, needs to be at the table in the discussions around a new homeless service delivery model, known as “Continuum of Care”.
6. The City shall have a representative on the advisory/leadership board of the new Murphy Center.

FINANCIAL / ECONOMIC IMPACTS

The City’s share will come from the City’s General Fund Reserves. Providing financial assistance to the Murphy Center is a long term investment. Helping people out of homelessness prevents future community costs associated with homelessness.

Typically, funding requests for human services are made thru the City’s Spring Competitive Process. The Spring Competitive Process was not a good match for the current Murphy Center situation because the funds do not become available until October 1, 2013. Also, the Competitive Process funds cannot pay for any cost of services, projects or programs expended prior to October 1, 2013.

Over the years, the City has also funded from the General Fund, several social service programs and activities, outside of the Competitive Process. For example, since 2009, the City has funded:

- Homeward 2020 (the original \$100,000 was through the exceptions process) and continue to do so with a \$25,000 sponsorship each year out of the City Manager’s Office budget (and approved through BFO), for a total of \$175,000.
- The Murphy Center Capital Campaign in 2009 (\$5,000), 2010 (\$6,000), and 2011 (\$2,000) using contingency funding.
- The United Way Temporary Winter Homeless Shelter (\$3,000 – operating costs).
- The Crossroads Safehouse, in 2010 - \$3000 – appraisal report; and, in 2010 - \$350,000 for renovation of Crossroads’ new facility, from Police Capital Improvement Expansion fees.
- The Bender Mobile Home Park relocation assistance – 2012 (\$50,000) – BFO.
- The City has also provided “sponsorships” through a donation and sponsorship line item in BFO through the City Manager’s Office (CMO). For those sponsorships that were unexpected and not funded through BFO, the CMO usually relies on Contingency or Community Opportunities funds to cover. Agencies receiving this funding include United Way, Habitat for Humanity, Crossroads Safehouse, and the Food Bank of Larimer County.

ENVIRONMENTAL IMPACTS

The funding request has no environmental impacts.

STAFF RECOMMENDATION

Staff recommends approval of Alternative B - Touchstone, because it most closely responds to the direction of Council at its May 28 Work Session. The Murphy Center plays a critical role in the delivery of services to the homeless and near-homeless in the community, a role that is likely to become more important as a new model (e.g., “Continuum of Care”) evolves in the North Front Range area. United Way has carried the cost of operating the Center for the past four years, over a year longer than originally intended. United Way has demonstrated that it needs the financial assistance of the City and the other partners, to pay for part of the costs of six months of operations of the Center.

After that time, it appears very likely that Serve 6.8 will take over the ownership and operation of the Center. Serve 6.8 has said that it intends to continue the original mission and services of the Center. Serve 6.8 also appears to have the capacity, experience and mission to continue the important services the Center now provides, and to work collaboratively toward a new homeless model.

ATTACHMENTS

1. *Coloradoan* Article, June 2, 2013, "Murphy Center travels unexpected journey", by Sarah Jane Kyle
2. May 28 Council Work Session Summary - Operation of the Mary Alice Murphy Center of Hope
3. Powerpoint presentation

COPY

COPY

Murphy Center Funding Request

- Second Reading of Ordinance No. 082-2013, Appropriating Prior Year Reserves in the General Fund to be Used for Operation of the Sister May Lice Murphy Center of Hope.
- Adopted on First Reading on June 11, 2013

1



The Murphy Center

- The one-stop center for homeless and near homeless persons;
- Services provided:
 - Counseling and referral; 23 agencies
 - Day to day needs, and more

Plays critical role in delivery of homeless services in Fort Collins

2



History



- Opened in March 2009
- Serve 6.8 has taken over ownership and operations
- For 4 years, United Way had been paying for the operation, beyond initial estimates.



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City of
Fort Collins

Murphy Center Funding Request

- Touchstone Health Partners is recipient of the City funds - \$45,000.
- Funding partners: City of Fort Collins (\$45k); Bohemian Foundation (\$45k); Serve 6.8 (\$35k); and United Way (\$58k)

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City of
Fort Collins

Staff Recommendation

- Per Council direction, a new Section was added to the Ordinance affirming that the provision of funds serves an important public purpose.
- Staff recommends adoption.

ORDINANCE NO. 082, 2013
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING PRIOR YEAR RESERVES IN THE GENERAL FUND
TO BE USED FOR OPERATION OF THE SISTER MARY ALICE MURPHY
CENTER OF HOPE

WHEREAS, the Sister Mary Alice Murphy Center of Hope (the “Murphy Center”) is owned by the United Way of Larimer County (the “United Way”), operated by Touchstone Health Partners (“Touchstone”), and is located at 242 Conifer Street in Fort Collins; and

WHEREAS, the Murphy Center plays a critical role in the delivery of services to the homeless and near-homeless populations in the Fort Collins area, providing employment resources, housing assistance, financial counseling, transportation assistance, mental health and substance abuse counseling, help with obtaining food stamps and Medicaid, and everyday services, such as a place to shower and wash laundry, use a computer and check voicemail; and

WHEREAS, helping people avoid or get out of homelessness promotes health, safety and the general welfare, not just for those receiving services, but also for the community in general by reducing burdens on emergency medical services and law enforcement resources; and

WHEREAS, Serve 6.8, a nonprofit corporation affiliated with Timberline Church, has expressed interest in assuming ownership and operation of the Murphy Center, and United Way and Serve 6.8 hope to complete the transition of ownership and operation in mid-2013; and

WHEREAS, United Way is seeking partners to help fund operation of the Murphy Center from January 1 to June 30, 2013, and has proposed that the following parties provide funding in the specified amounts:

United Way	\$58,000
Bohemian Foundation	\$45,000
City	\$45,000
Serve 6.8	\$35,000

and;

WHEREAS, pursuant to Resolution 2013-053, the City will provide operational funding for the Murphy Center; and

WHEREAS, homeless assistance programs support several City Council-adopted plans, including the Consolidated Housing and Community Development Plan FY2010-2014, which contains objectives and strategies for reducing and preventing homelessness, and City Plan, which targets the housing needs of special populations in the community, including the homeless; and

WHEREAS, because of the important public purpose served by the Murphy Center, the City will pay \$45,000 of funding to Touchstone upon receipt of an expense report from Touchstone demonstrating expenditures for personnel and non-personnel costs incurred in operating the Murphy Center during the six months between January 1 and June 30, 2013; and

WHEREAS, Article V, Section 9, of the City Charter permits the City Council to appropriate by ordinance at any time during the fiscal year such funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby finds that, for the reasons stated above, the City's provision of funds for operation of the Murphy Center serves an important public purpose for a significant part of the community.

Section 2. That there is hereby appropriated for expenditure from reserves in the General Fund the sum of FORTY FIVE THOUSAND DOLLARS (\$45,000) to fund operations of the Sister Mary Alice Murphy Center of Hope.

Introduced, considered favorably on first reading, and ordered published this 11th day of June, A.D. 2013, and to be presented for final passage on the 2nd day of July, A.D. 2013.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 2nd day of July, A.D. 2013.

Mayor

ATTEST:

City Clerk