

ITEM #:	<u>24</u>
DATE:	<u>09-09-25</u>
DEPT:	<u>CMO</u>

COUNCIL ACTION FORM

**SUBJECT: AMENDMENT TO ASSET CONTRACT WITH THE SALVATION ARMY FOR
FY 2025/26**

BACKGROUND:

Starting in FY 2024/25, The Salvation Army (TSA) has been providing emergency shelter through managing a hotel voucher program at a significantly larger scale than has been previously provided by the organization to meet community needs. In FY 2024/25, the City allocated \$130,000 for emergency shelter/hotel vouchers through the Analysis of Social Services Evaluation Team (ASSET) process. Story County allocated \$100,000 and United Way of Story County allocated \$16,228. For the 2024/25 fiscal year, TSA reported that 547 unique clients were served through the hotel vouchers.

For FY 2025/26, the City Council approved \$120,000 for emergency shelter at a unit rate of \$75.91, which includes 24 hours of shelter and one meal per person. Story County has approved \$88,000 for this service, and United Way of Story County has approved \$16,228. The City's current contract with TSA is included as Attachment A.

As of August 20, 2025, \$53,820.19 (approximately 45% of the annual allocation) of City funding has been expended and \$66,179.81 remains. Due to the year-round need for sheltering services, staff was concerned about the rate of expenditures, and, therefore, in early August requested TSA pause the hotel voucher program until the City and TSA develop and agree on a plan going forward.

Staff has been engaged in several conversations with TSA in August and attached is an amendment outlining additional requirements for the emergency shelter hotel voucher services. **The contract amendment (attached) does not add any additional funds to any of the ASSET services TSA provides; however, it includes Exhibit B (see Attachment C) which provides additional requirements for TSA's emergency shelter services to be reimbursable by the City.**

The key elements include:

1. A payment/reimbursable schedule that outlines a schedule for the use of the remaining funds.
2. Criteria for eligibility for hotel voucher recipients and documentation requirements
3. Requiring TSA to develop or incorporate into its intake process for the hotel voucher program a process asking the potential recipients of the service a set of questions to learn more about their situation and needs. TSA would disclose this information to the City at an aggregate level for client confidentiality purposes.
4. Requiring TSA to develop an agreed upon form for hotel voucher recipients to opt out of

allowing TSA to discuss their situation with service providers at the Homelessness Outreach Services Team meetings.

5. Requiring TSA to provide at an aggregate level the information outlined in number 3 above information for clients that were served through the hotel voucher program.

ALTERNATIVES:

1. Approve the contract amendment to the ASSET contract with The Salvation Army for FY 2025/26.
2. Deny the amendment.

CITY MANAGER'S RECOMMENDED ACTION:

The City and TSA remain committed to serving the community through emergency temporary sheltering. The proposed amendment to the existing ASSET contract with The Salvation Army is an opportunity to outline expectations of the emergency shelter services program while establishing a schedule for expenditure of the remaining of hotel voucher funds for the rest of the fiscal year.

Additionally, the amendment includes a process for gathering information from participants receiving a hotel voucher that will be shared with the City at the aggregate level. This information has the potential to provide critical insight into community needs around sheltering, which can help inform policymakers for the future.

The needs for sheltering outweigh funding available, as homelessness is a nation-wide issue that is complex and difficult to address. **This amendment will allow for the City and TSA to continue their partnership in assisting unsheltered individuals/families through the emergency sheltering/hotel voucher program.** Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

ATTACHMENT(S):

[Attachment A: FY2025-26 TSA Agreement.pdf](#)

[Attachment B: FY2025.26 TSA First Amendment.pdf](#)

[Attachment C: FY2025.26 TSA - First Amendment - Exhibit B.pdf](#)