

**CITY OF UNALASKA
UNALASKA, ALASKA**

RESOLUTION 2017-70

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH ILIULIUK FAMILY HEALTH SERVICES, INC. FOR DISBURSEMENT OF EMERGENCY ASSISTANCE FUNDS FOR THE OPERATION OF THE CLINIC.

WHEREAS, Iliuliuk Family Health Services, Inc., is a 501(c)(3) non-profit organization that was founded in 1972, as a non-profit healthcare center; and

WHEREAS, Iliuliuk Family Health Services, Inc., serves all persons requesting treatment, regardless of their ability to pay, and promotes physical, psychological, social and spiritual health and well-being; and

WHEREAS, Iliuliuk Family Health Services, Inc., is the only provider of after-hours Urgent Care Services for the citizens of Unalaska; and

WHEREAS, Ordinance 2017-14 authorized grant funds for an Emergency Assistance Support program to be made available to Iliuliuk Family Health Services, Inc. for emergency support of clinic operations through December 31, 2018; and

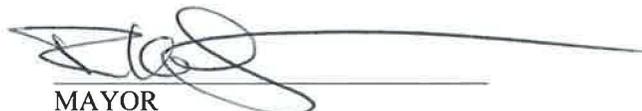
WHEREAS, the City of Unalaska has determined that providing such assistance is in the public interest of the citizens of Unalaska, many of whom depend on the clinic for their primary medical care; and

WHEREAS, these grant funds may be used to support the clinic's efforts to re-structure their operations in a manner that will lead to long-term sustainability of the organization; and

WHEREAS, terms and conditions have been established for how the funds will be disbursed, the documentation that will be required to determine that a financial emergency exists and the reporting requirements necessary for compliance with the grant.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves the Emergency Assistance Support Request Grant Agreement between the City of Unalaska and Iliuliuk Family Health Services, Inc., as presented; agrees to fund the program for an amount not to exceed \$500,000; and authorizes the City Manager to sign the agreement on behalf of the City of Unalaska.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 12 DAY OF December 2017.


MAYOR

ATTEST:


CITY CLERK



MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: NANCY PETERSON, CITY MANAGER
DATE: DECEMBER 12, 2017
RE: RESOLUTION 2017-70 AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH ILIULIUK FAMILY HEALTH SERVICES, INC. FOR DISBURSEMENT OF EMERGENCY ASSISTANCE FUNDS FOR THE OPERATION OF THE CLINIC

SUMMARY: The City Council approved a budget amendment on November 28, 2017 to set aside funding in the amount of \$500,000 for Clinic Emergency Assistance Support. City administration has worked with the staff of Iliuliuk Family Health Services, Inc. to develop the terms and conditions for the agreement that will enable the City to disburse the emergency assistance funds to the clinic. Staff recommends approval of Resolution 2017-70.

PREVIOUS COUNCIL ACTION: Council heard a presentation by the IFHS Executive Director at their October 10, 2017 meeting. No formal action was taken, but the general consensus was to have the City Manager explore options for an Emergency Assistance Agreement with the Clinic and to draft a budget amendment that would allow for some level of support to be provided.

The City Council approved Ordinance 2017-14, creating a budget amendment to set aside grant funding in the amount of \$500,000 for the Clinic Emergency Assistance Support on November 28, 2017.

BACKGROUND: The Iliuliuk Family Health Services, Inc. has requested emergency funding from the City of Unalaska to assist with the operation of the Clinic, if needed. The City Council approved setting aside up to \$500,000 of grant funds to be disbursed to the Clinic, if a financial emergency arises in their operations. Resolution 2017-70 approves the Agreement, including the terms and conditions for how the funds will be disbursed, as well as documentation that will be required to determine that a financial emergency exists.

DISCUSSION: The purpose of providing the grant funds to the Clinic is to provide them with a “safety net” for the upcoming months as they make changes in their operations in order to increase their revenues and decrease their expenses. Some of their proposed changes include items such as reducing their rates and fees which may initially result in lower revenues while they work to rebuild their client base. They also propose new expenditures such as adding a tele-pharmacy program which down the road will result in new revenues, but has an initial cost of approximately \$55,000. The availability of these grant funds will support the clinic’s efforts to re-structure their operations in a manner that will lead to long-term sustainability of the organization.

The budget amendment approved on November 28, 2017 set aside \$500,000 of grant funds to support emergency assistance requests from the IFHS Clinic, if needed. The next step in providing the funding to the clinic is to define the terms and conditions of the Agreement which will establish the requirements for determining that a financial emergency exists and allow for the disbursement of the funds.

City Administration and the Clinic have agreed to the following terms and conditions:

I. Grantor agrees as follows:

- a. To make funds available in an amount not to exceed \$500,000, to the Grantee for the purpose of funding emergency support for the operation of the Iliuliuk Clinic, under the following terms and conditions:
 1. Evidence of the need for emergency support shall be demonstrated if the Grantee's operating cash reserves fall below \$400,000;
 2. Funds shall be provided as a reimbursement for expenditures;
 3. Funds shall be made available on a monthly basis. Funding provided in any month shall not exceed the amount required to increase the Grantee's operating cash reserves to \$400,000; and
 4. Funds shall be made available through December 31, 2018.

II. Grantee agrees as follows:

- a. To provide the following documentation as evidence to demonstrate the need for an emergency support request:
 1. Current Balance Sheet;
 2. Income Statement; and
 3. Reconciled Bank Statements for all cash and investment accounts through the month end period preceding the request.
- b. Grantee shall expend City emergency support funds only to support maintaining operations of the Iliuliuk Clinic.
- c. Grantee shall not expend funds for any new capital projects or programs, with the exception of the Tele-Pharmacy program, without prior written approval through a resolution by the City Council.
- d. Prior to distribution of any funds, the Grantee shall establish and maintain a financial management system conforming to generally accepted accounting principles, that demonstrates the following capabilities:
 1. The financial management system shall do the following:
 - Provide accurate, current, and complete disclosure of all financial transactions relating to the City of Unalaska's emergency support;
 - Track City emergency funds in a separate account in the agency's accounting system;

- Effectively control and account for all City funds and property and/or equipment purchased with those funds; and
 - Provide accounting records supported by source documentation.
- e. Grantee shall provide a written monthly report of the Clinic’s status, including a current Balance Sheet, Income Statement, Bad Debt writ-offs and a narrative overview of Clinic operations. Reports shall be provided by the 10th of each month, beginning January 10, 2018.
 - f. Grantee shall provide a written quarterly report to the City Council, documenting the current financial status and the projected cash reserves for the upcoming quarter. Reports shall be provided on March 31, June 30, September 30 and December 31, 2018.
 - g. Grantee shall continuously look for operating efficiencies to reduce the need for emergency support.
 - h. Grantee must immediately notify Grantor, in writing, of any significant changes in revenues and/or expenditures.
 - i. Grantee shall submit a copy the FY2017 audited financial statements no later than January 31, 2018.

City Administration met with Mr. Kaech, Clinic Executive Director, and Ms. Dumais-Allen, Clinic CFO on December 5th to review the terms and conditions. There were no issues or concerns with the recommended requirements and the clinic confirmed their ability to comply.

ALTERNATIVES: Council may choose to add additional terms or conditions or remove certain terms or conditions.

FINANCIAL IMPLICATIONS: Funding will be provided to the Clinic, in an amount not to exceed \$500,000, under the terms and conditions established by the proposed Agreement. Funding for the Emergency Assistance Support will be available through December 2018.

LEGAL: The City Attorney has reviewed the Grant Agreement.

STAFF RECOMMENDATION: Staff recommends moving forward with the Agreement as attached.

PROPOSED MOTION: I move to approve Resolution 2017-70.

CITY MANAGER’S COMMENTS: The recommended terms and conditions of the Grant Agreement establish clear requirements for determining “need” and define the manner in which funds will be disbursed. The terms and conditions also identify the documentation requirements and the performance obligations with which the Clinic must comply in order to receive funds from the program.

CITY OF UNALASKA

Iliuliuk Family and Health Services, Inc. Emergency Assistance Support Request - Grant Agreement

This Agreement is entered into this ____ day of _____ by and between the Iliuliuk Family and Health Services, Inc., an Alaskan non-profit corporation ("Grantee") and the City of Unalaska, an Alaskan municipal corporation ("Grantor").

WHEREAS, Grantor has appropriated funds for an Emergency Assistance Support Request based in part, on a finding that providing such assistance is in the public interest of the citizens of Unalaska many of whom depend on Grantee for their primary medical care; and

WHEREAS, funding, in an amount not to exceed \$500,000, has been budgeted and shall be made available to the Grantee based on the terms and conditions outlined in this Agreement.

NOW THEREFORE, for and in consideration of the mutual covenants herein contained, the parties hereto acknowledge and agree as follows:

I. Grantor agrees as follows:

- a. To make available funds in an amount not to exceed \$500,000, to the Grantee for the purpose of funding emergency support for the operation of the Iliuliuk Clinic, under the following terms and conditions:
 1. Evidence of the need for emergency support shall be demonstrated if the Grantee's operating cash reserves fall below \$400,000.
 2. Funds shall be provided as a reimbursement for expenditures;
 3. Funds shall be made available on a monthly basis; Funding provided in any month shall not exceed the amount required to increase the Grantee's operating cash reserves to \$400,000.
 4. Funds shall be made available through December 31, 2018.

II. Grantee agrees as follows:

- a. To provide the following documentation as evidence to demonstrate the need for an emergency support request:

1. Current Balance Sheet
 2. Income Statement
 3. Reconciled Bank Statements for all cash and investment accounts, through the month end period preceding the request.
- b. Grantee shall expend City emergency support funds only to support maintaining operations of the Iliuliuk Clinic.
- c. Grantee shall not expend funds for any new capital projects or programs, with the exception of the Tele-Pharmacy program, without prior written approval through a resolution by the City Council.
- d. Prior to distribution of any funds, the Grantee shall establish and maintain a financial management system conforming to generally accepted accounting principles, that demonstrates the following capabilities:
1. The financial management system shall do the following:
 - Provide accurate, current, and complete disclosure of all financial transactions relating to the City of Unalaska's emergency support;
 - Track City emergency funds in a separate account in the agency's accounting system;
 - Effectively control and account for all City funds and property and/or equipment purchased with those funds; and
 - Provide accounting records supported by source documentation.
- e. Grantee shall provide a written monthly report of the Clinic's status, including a current Balance Sheet, Income Statement, Bad Debt write-offs and a narrative overview of Clinic operations. Reports shall be provided by the 10th of each month, beginning January 10, 2018.
- f. Grantee shall provide a written quarterly report to the City Council, documenting the current financial status and the projected cash reserves for the upcoming quarter. Reports shall be provided on March 31, June 30, September 30 and December 31, 2018.
- g. Grantee shall continuously look for operating efficiencies to reduce the need for emergency support.
- h. Grantee must immediately notify Grantor, in writing, of any significant changes in revenues and/or expenditures.

- i. Grantee shall submit a copy the FY2017 audited financial statements no later than January 31, 2018.

Indemnity. Grantee acknowledges that Grantor is serving only as a funding source for the agency and, as such, is not liable in any manner for any claims or damages arising during or as a result of the services provided by the agency. Grantee shall defend and save harmless Grantor, its employees, elected officials, volunteers, and representatives from and against all losses, damages, liabilities, expenses, and claims demands against Grantee which arise from or relate to services provided by Grantee during the term of this Agreement.

Insurance. Grantee shall provide a current certificate of insurance reflecting the following coverage:

- *Commercial General Liability:* insurance of not less than \$1,000,000 per occurrence
- *Workers' Compensation:* coverage no less than is required by Alaska State Statute
- *Professional Liability:* required for agencies providing medical, legal and/or counseling services with commercially reasonable limits of liability
- *Additional Insured:* The City of Unalaska shall be named as an additional insured on all policies except Professional Liability and Workers' Compensation
- *Waiver of Subrogation:* a waiver of subrogation in favor of the City of Unalaska must be in place
- *Cancellation:* All policies must have a 30 day cancellation clause requiring at least 30 days advance notice to City of cancellation of coverage.

Discrimination Prohibited. To the extent consistent with the purpose for which funds are made available under this program, the services and facilities provided by Grantee will be available to the general public, and Grantee shall not discriminate in the administration of these services based on race, religion, color, national origin, age, sex, physical or mental disability, marital status, changes in marital status, pregnancy, or parenthood.

Grant Cancellation. Grantor reserves and may exercise the right to rescind this grant upon not less than fourteen (14) days advance written notice to Grantee and seek recovery of payments made under the grant if the grant application or other information provided by Grantee relating to the proposed services is found

to contain incorrect or misleading information or if this Agreement is violated by Grantee.

Applicable Laws. Grantee shall comply with all local, state, and federal ordinances, statutes, laws, and regulations applicable to the services provided by Grantee. Violation of any such ordinance, statute, law, or regulation is a violation of this grant agreement.

Records and Audit. By accepting this emergency support and signing this Agreement, Grantee or designee may become subject to inspection and audit by Grantor at all reasonable times.

As a result, Grantee may be required to permit Grantor or designee to have access to its records and financial statements during regular business hours upon not less than twenty-four (24) hours advance written notice for a period of one year from the date of receipt of the Final Report.

Notices. All notices required or permitted under this Agreement shall be personally delivered or sent by certified mail, postage prepaid, to the parties at the following addresses:

To Grantor: City of Unalaska
Attn: City Manager
P.O. Box 610
Unalaska, Alaska 99685

To Grantee: Iliuliuk Family and Health Services, Inc.
Attn: Chief Executive Officer
PO Box 144
Unalaska, AK 99685

Any notice or demand which must be given or made by the Grantor or the Grantee shall be in writing and shall be complete if personally delivered or sent by United States certified mail to the address shown above, or to such other address as each of the parties may designate in writing from time to time.

Integration and Modification. This Agreement is fully integrated and contains the entire agreement between the parties hereto with respect to its subject matter.

Amendments. This Agreement may not be modified or amended except by a document signed by both parties hereto, and any purported amendment or modification shall be without legal effect until reduced to writing and signed by both parties hereto.

Severability of Clauses of Agreement. If any clause, or provision, herein contained, shall be adjudged to be invalid or unenforceable, it shall not affect the validity or enforceability of any other clause or provision of this Agreement or give any cause of action in favor of either party as against the other.

Applicable Law. This Agreement shall be governed by the laws of the State of Alaska. The venue for any dispute between the parties shall lie exclusively with the courts for the Third Judicial District for the State of Alaska at Anchorage, or, alternatively, with the United States District Court for the District of Alaska at Anchorage, unless a non-waivable federal or Alaska law should require to the contrary.

In WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement on the respective date indicated below.

CITY OF UNALASKA

GRANTEE

By: _____

By: _____

Its: City Manager

Its: Chair, Board of Directors

Dated: _____

Dated: _____