

CITY OF UNALASKA  
UNALASKA, ALASKA

ORDINANCE NO. 2019-04

CREATING BUDGET AMENDMENT NO. 6 TO THE FISCAL YEAR 2019 BUDGET, ESTABLISHING A LOAN NOT TO EXCEED \$500,000 FROM GENERAL FUND UNDESIGNATED FUND BALANCE TO ILIULIUK FAMILY AND HEALTH SERVICES, INC., AS EMERGENCY FUNDING

BE IT ENACTED BY THE UNALASKA CITY COUNCIL

Section 1. Classification: This is a non-code ordinance.  
Section 2. Effective Date: This ordinance becomes effective upon adoption.  
Section 3. Content: The City of Unalaska FY19 Budget is amended as follows:

- A. That the following sums of money are hereby accepted and the following sums of money are hereby authorized for expenditure.
- B. The following are the changes by account line item:

**Amendment No. 6 to Ordinance 2018-04**

	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
<b>I. OPERATING BUDGET</b>			
<b>A. General Fund</b>			
Sources			
Current Year Budgeted Surplus	\$ 141,502	\$ 141,502	\$ 283,004
Appropriated Fund Balance	\$ -	\$ 358,498	\$ 358,498
Uses			
Loans - Notes Receivable	\$ -	\$ 500,000	\$ 500,000

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on April 9, 2019.



Dennis M. Robinson  
Vice Mayor

ATTEST:



Roxanna Winters  
Acting City Clerk



**City of Unalaska**  
**Summary of Budget Amendment and Schedule of Proposed Accounts**  
**FY19 Budget Amendment 6**

- 1) General Fund - Operating Budget  
- Add \$500,000 to Notes-Loans Receivable for Loan to IFHS Clinic

	<u>Org</u>	<u>Object</u>	<u>Project</u>	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
<b>2) <u>General Fund - Operating Budget</u></b>						
<b>Sources:</b>						
Current Year Budgeted Surplus	100	38800		141,502	141,502	-
Appropriated Fund Balance	1010049	49900		-	358,498	358,498
<b>Uses:</b>						
Loans - Notes Receivable	100	12900		-	500,000	500,000

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Thomas Thomas, City Manager  
Date: March 26, 2019  
Re: Ordinance 2019-04 creating budget amendment no. 6 to the FY19 budget, establishing a loan not to exceed \$500,000 from general fund undesignated fund balance to Iliuliuk Family and Health Services, Inc., as emergency funding

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**SUMMARY:** Iliuliuk Family and Health Services, Inc. requested emergency funding up to \$500,000 from the City for operation of the clinic and to meet a dire financial crisis. Adoption of Ordinance 2019-04 makes those funds available. Related Resolution 2019-14 provides for the terms of a loan agreement and promissory note.

**PREVIOUS COUNCIL ACTION:** On March 9, 1990, the City Council adopted Ordinance 1990-08, granting a \$200,000 loan to the clinic to meet a "serious and financially threatening crisis facing the clinic".

City Council has historically provided general funding to IFHS directly throughout its existence:

### IFHS Historical General Financial Support from City

1992	\$1,600,000	Clinic Startup
1993	\$1,077,000	Clinic Startup
1995	\$15,000	Clinic Startup
1996	\$90,000	Startup costs for mental health & substance abuse program, second floor construction & utilities
1997	\$4,000	Utilities
1998	\$4,000	Utilities
1999	\$4,000	Utilities
2000	\$4,000	Utilities
2001	\$4,000	Utilities
2003	\$23,680	Gurneys, IVACs and software
2005	\$24,999	Clinic renovation
2007	\$88,000	X-Ray Machine

Additionally, in FY2016 IFHS was provided \$50,000 of support through the CMMP for a restoration project that included painting the exterior of the clinic building and repainting the parking lot spaces.

On November 28, 2017, Council passed a budget amendment, Ordinance 2017-14, to provide \$500,000 in emergency funding for the clinic. On December 12, 2017 council adopted Resolution 2017-70 authorizing the city manager to enter into an agreement with the clinic for

disbursement of emergency assistance funds for operation of the clinic. Following these actions, clinic personnel indicated to the City that their financial situation had improved and the emergency funding was no longer needed. The funding was not supplied to the clinic.

IFHS' Behavioral Health Program has received annual funding through the Community Support Program. In FY2018, the funding for this program was \$170,000.

The clinic has also applied for a FY20 community grant for \$180,000 primarily for personnel salary and benefits. The clinic's presentation about the community grant support request is scheduled for March 26, 2019.

**BACKGROUND:** During the council meeting on March 12, 2019, council heard a presentation from clinic board members and personnel about the dire financial crisis facing the clinic, and once again requesting emergency assistance funding. Council took no formal action at this meeting, but the general consensus was to have the city manager proceed to make arrangements to have the funding made available, and to work out the terms of a loan agreement and promissory note.

**ALTERNATIVES:** Council may choose to approve the budget amendment ordinance for \$500,000 as drafted, or to revise the ordinance to increase or decrease the actual dollar amount of the budget amendment.

**FINANCIAL IMPLICATIONS:** Funding comes from the General Fund's current year budget surplus.

**LEGAL:** No legal opinion is required for the budget amendment itself. The City Attorney prepared the loan agreement and promissory note.

**PROPOSED MOTION:** I move to adopt Ordinance 2019-04 and set it for public hearing and second reading on April 9, 2019.

**CITY MANAGER COMMENTS:** This is a council decision.