

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2023-42

A RESOLUTION OF THE UNALASKA CITY COUNCIL ADOPTING REVISED GUIDELINES FOR THE COMMUNITY SUPPORT PROGRAM

WHEREAS, the City of Unalaska has a history of providing funding assistance for the community's non-profit and community service organizations that dates back to 1975; and

WHEREAS, the Unalaska City Council has continued to refine the administration of the Community Support Program by revising the guidelines, most recently on December 27th, 2016; and

WHEREAS, the Unalaska City Council has consistently supported the Culture Camp program offered to the citizens of Unalaska by Qawalangin Tribe of Unalaska; and

WHEREAS, the Community Support Program's guidelines limit program eligibility to tax exempt §501(c) organizations; and

WHEREAS, the Unalaska City Council wishes to amend the Community Support Program eligibility guidelines to allow providing support to the Culture Camp program; and

WHEREAS, City staff has identified potential administrative improvements to the Community Support Program by simplifying the deadlines for reporting and disbursement of funds.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves the revisions to the Community Support Program Guidelines shown in Exhibit A.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on November 7, 2023.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Estkarlen P. Magdaong
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Cameron Dean, Planning Director
Through: William Homka, City Manager
Date: November 7, 2023
Re: Resolution 2023-42: Adopting Revised Community Support Program Guidelines

SUMMARY: Every year, City Council supports local organizations through the Community Support Program, which is governed by the attached guidelines. Staff proposes revising the guidelines to (1) allow support for the Qawalangin Tribe's Camp Qungaayuḡ and (2) standardize funding and reporting deadlines for all recipients.

PREVIOUS COUNCIL ACTION: Each year from FY06 through FY17 Council established a special committee charged with reviewing and scoring the applications using the Council-approved evaluation tool.

On December 27, 2016 Council passed Resolution 2016-78 eliminating the Grant Review Committee, allowing Staff to do a preliminary review of all applications and then pass the application reviews and other informational documents to Council.

In December 2019 Council passed Resolution 2019-64 to increase the funding percentage from 3.4642% to 3.5% of the city's general fund revenue average for the past five (5) years. The purpose of the increase was to round the percentage up to a simple decimal number. The award amounts have varied over the years from 3.03% to 3.91%.

BACKGROUND:

(1) Eligible applicants:

The current guidelines state that applicants must be "tax exempt under §501(c) of the Internal Revenue Service Code." However, City Council has consistently awarded funding through the program to the Qawalangin Tribe of Unalaska for Camp Qungaayuḡ, even though the Tribe is not a §501(c) non-profit. Council last discussed the issue on April 26, 2023 while determining funding amounts for the FY24 grant and ultimately awarded funding to the Tribe.

(2) Funding schedule and reporting deadlines:

Awardees requesting less than \$25,000 receive their grant as a lump sum in August, while larger requests are disbursed monthly throughout the year beginning in July. Smaller requests also have a different end of year reporting deadline than other organizations.

DISCUSSION:

(1) Eligible applicants:

On February 8, 2022 the City of Unalaska passed Ordinance 2022-02 amending Title 6.40 of the Unalaska Code of Ordinances to provide a limited exemption from sales tax to federally recognized tribes. While preparing the analysis for this issue, the subject of non-

profit vs. government entity was discussed concerning the Q-Tribe. Although the City has funded the Tribe's Camp Qungaayuḡ for many years, the tribe is not a non-profit. Unalaska's Community Support Grant policies have always specifically stated the following requirement on page 2:

"Eligibility: Entities eligible for the program shall be community-based and regional non-profit organizations that are tax exempt under §501(c) of the Internal Revenue Service Code. Eligible entities must use City funds for the delivery of local programs and services that provide health and safety resources or enhancement of the quality of life for residents. All eligible non-profits wishing to apply for City funding must complete an application."

The change proposed in the attached draft guidelines explicitly includes Camp Qungaayuḡ as an eligible program:

"Eligibility: Entities eligible for the program shall be community-based and regional non-profit organizations that are tax exempt under §501(c) of the Internal Revenue Service Code. The Qawalangin Tribe of Unalaska's Camp Qungaayuḡ shall also be eligible. Eligible entities must use City funds for the delivery of local programs and services that provide health and safety resources or enhancement of the quality of life for residents. All eligible non-profits entities wishing to apply for City funding must complete an application."

(2) Funding schedule and reporting deadlines:

The different schedule and reporting deadlines have caused confusion for recipients and complicated administration of the grant in the past. Staff suggests adjusting the funding and reporting for smaller organizations to match the deadlines for larger organizations without changing how their funds are disbursed, or how much reporting is required.

Under the proposed changes, smaller organizations would receive their lump sum grant in July at the same time monthly payments begin for larger organizations. End of year reports from all recipients would be due on August 31 of the following year.

No change is proposed for organizations requesting more than \$25,000.

ALTERNATIVES: Council may accept the proposed changes to the Community Support Guidelines, modify them, or reject them entirely.

FINANCIAL IMPLICATIONS: Financial implications will depend on the amount with which Council chooses to fund grant requests. While more applicants may become eligible for the program, approving each request is a Council decision.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends approval of Resolution 2023-42.

PROPOSED MOTION: I move to adopt Resolution 2023-42.

CITY MANAGER COMMENTS:

ATTACHMENTS:

- FY25 Community Support Program Guidelines Draft

2023-42: Exhibit A

City of Unalaska



FY25 Community Support Program Guidelines

CITY OF UNALASKA

Community Support Program

GENERAL INFORMATION

Purpose: The City Council of the City of Unalaska has established a Community Support Program to provide funds in the form of annual grants to assist with the operating budgets for local and regional non-profit agencies that provide health and safety resources or the enhance the quality of life for residents of Unalaska. All City funds awarded under the Community Support Grant program must directly benefit the community of Unalaska.

Scope: Funding through the Community Support Program is available to local and regional non-profit entities whose requests meet the described purpose of the program for the delivery of local programs and services, or programs and services that provide direct benefits to local residents.

Eligibility: Entities eligible for the program shall be community-based and regional non-profit organizations that are tax exempt under §501(c) of the Internal Revenue Service Code. The Qawalangin Tribe of Unalaska's Camp Qungaayux shall also be eligible. Eligible entities must use City funds for the delivery of local programs and services that provide health and safety resources or enhancement of the quality of life for residents. All eligible non-profits/entities wishing to apply for City funding must complete an application.

General Program Guidelines

Application:

- Applications will be made available at City Hall, Planning Department, each year based on the City's annual budget preparation calendar. All interested, eligible, non-profit entities must complete and submit an application. Applications and assistance are available through the City of Unalaska, Department of Planning. Applicants must abide by all requirements set forth in the application.

Submission of Application:

- Completed applications must be submitted to the City of Unalaska, Planning Department on the application form(s) provided by the City, in the format and order outlined in the application, must include all required attachments, and must be submitted by the deadline set in the application.

Planning Review

- Planning shall review all submissions. If an application is missing information, or other corrections are needed, the applicant will be contacted and given seven calendar days, starting the day after contact, to submit a correction. If the applicant declines the correction offer, or a corrected application is not submitted by the correction deadline, the original application will stand as the official submission.
- After review, Planning will prepare a summary. The summary, along with the applications, will be submitted to City Council.

City Council Review and Evaluation:

City Council will review all grant applications. In an effort to avoid conflicts of interest and to promote fairness, any Council Member who is an employee, board member, or has any other association with an agency that has applied for City funding, should recuse themselves from the application review of their associated agency.

Applications will be reviewed and evaluated as follows:

1. Copies of applications and Planning's summary will be provided to City Council. Applications will be evaluated by Council based on:
 - applicant responses and adherence to application requirements;
 - timeliness and completeness of submission; and
 - overall funding available based on the funding formula.

For agencies receiving previous funding from the City, in addition to the above, the following below will also be taken into consideration:

- timeliness of required reporting from the previous grant year;
 - adherence to grant management requirements;
 - agency performance as demonstrated through reports and financial audits as required for each agency; and
2. City Council will determine the Community Support Program total funding available based on a percentage of the average revenue for the General Fund and Bed Tax fund for the five most recently complete fiscal years.
 3. **During the City's budget cycle, grant applicants will be required to present their request to Council. An applicant representative must also attend Council meetings when the agenda contains Community Grant business** to provide additional information and answer any questions Council may have regarding their agency's application.
 4. After reviewing all Community Grant submissions, Council will determine grant recipients and funding levels.

Disbursement of Grant Awards:

Grantees will be notified of their awards by the City Department of Planning. Upon receipt of this notification, the Grantee shall sign a grant agreement with the City. **Awards under \$25,000 are disbursed in August-July of 2024, in one lump sum. Awards \$25,000 and over will be disbursed in equal monthly payments, beginning in July of 2024.** Grant payments will be mailed to the Grantee's address listed in the application paperwork unless other arrangements have been made. Programs will not be funded retroactively.

GRANTEE RESPONSIBILITIES

Administering the Community Support Grant

Grantee shall manage grant funds in accordance with this City of Unalaska FY25 Community Support Program Guidelines adopted by Unalaska City Council. Grantee shall abide by the requirements set forth in these guidelines, the grant agreement, and the grant application.

I. General Responsibilities:

1. All Grantees shall sign a grant agreement prior to the disbursement of funds.
2. To the extent consistent with the purpose for which funds are made available under this program, the services and facilities provided by the 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.**
3. All promotional or printed material for any program funded in whole or in part through the City of Unalaska Community Support Program shall include the following statement: **“This program is partially funded by the Citizens of the City of Unalaska.”**

II. Financial Management

4. The Grantee shall establish and maintain a financial management system conforming to generally accepted accounting principles.
5. The financial management system shall do the following:
 - Provide accurate, current, and complete disclosure of all financial transactions relating to the City of Unalaska Community Support Program;
 - **Track City grant 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 from the agency’s accounting system.**

III. Use of City Funds

6. **Grantee shall expend City grant funds only to perform the services, functions and activities described in the FY25 grant application and budget approved by Unalaska City Council.**
7. **Grantee must contact Planning immediately for the following budget changes:** Please submit change(s) in writing, explain the reason for the change, and provide a copy of the revised budget:
 - Any change within the budget category greater than **\$2,500;**
 - Any transfer of funds between budget category;
 - Use of funds which would deviate from the budget category on the original budget; and

- If a position funded by the City becomes vacant it must be reported to Planning immediately, and a new budget plan submitted for review as soon as possible;
 - **Budget changes under \$2,500, though not immediately reportable, must still be shown on a revised budget submitted with the next required report.**
8. Budget changes are reviewed by Planning. Changes within a budget category that do not exceed **\$5,000** will be reviewed by Planning. Council will be notified via the City Manager's report of changes within a budget category in excess of **\$5,000**, or of transfers between budget categories.

IV. Return of City Funds

9. **Unexpended funds: All unexpended FY25 grant funds will be returned to the City of Unalaska by August 31, 2025.** Requests to reallocate unexpended FY25 funds must be submitted to Planning by **July 31, 2025**.
10. **Unauthorized use of funds:** Any funds not spent as authorized in the grant will be subject to review and return.
11. **Failure to fulfill the terms of the Agreement:** Should a grantee fail to fulfill the terms of the application and agreement with the City, or should a grantee, for any reason, no longer provide the services identified in the application, unexpended funds will be returned to the City. Additionally, equipment purchased with City funds will be returned to the City within thirty (30) days of the failure of the entity to fulfill the terms of the grant awarded by the City

V. Reporting Requirements

Grantees will submit reports to Planning as required. Frequency of reporting and requirements are based on the amount of funding received. The City reserves the right to require additional or more frequent reporting.

12. **Grantees receiving less than \$25,000 per year from the City of Unalaska for an ongoing program, or a single program or event shall submit the following:**
- **Annual Report (due July–August 31, 2025)**: report shall describe the success of the program, how the goals and objectives set forth in the program were met, and shall contain a financial report detailing the expenditure of City funds.
13. **Grantees receiving more than \$25,000 per year from the City of Unalaska shall submit the following:**
- **Mid-Year Report (due January 31, 2025)**. Contains the information for FY25 quarters 1 & 2 and will consist of:
 - ✓ **Cover letter:** written on grantee's letterhead, addressing City Council. Cover letter should contain the time period of the report and explain that which cannot be reflected in the financial or goals' report spreadsheets.
 - ✓ **Financial report spreadsheet: Using the spreadsheets provided by the City,** complete FY25 quarters one and two on the spreadsheet, and include as backup, the financial

- documents printed from the software program used to manage the grant.
- ✓ **Goals report spreadsheet: Using the spreadsheets provided by the City**, complete FY25 quarters one and two on the spreadsheet.
- **Final report (Due August 31, 2025)** contains the information for quarters three and four and summarizes the entire year:
 - ✓ **Cover letter with brief annual wrap up commentary:** on grantee's letterhead, addressing City Council. The report should contain the time period of the report. should contain financial and goal highlights for quarters three and four, then summarize the entire year, including how fiscal year ended up (was money returned?), and a goals summary (were goals met?).
 - ✓ **Financial report spreadsheet: Using the spreadsheets provided by the City**, complete FY22 quarters three and four to complete the spreadsheet. Include as backup for the whole year, the financial documents printed from the software program used to manage the grant.
 - ✓ **Goals report spreadsheet: Using the spreadsheets provided by the City**, complete FY22 quarters three and four to complete the spreadsheet.
- **Financial Audit (due 7 months after the Grantee fiscal year end):** grantees receiving \$25,000 or more shall submit an Audited Annual Financial Statement performed by a recognized CPA firm within seven (7) months after the Grantee's fiscal year end.

14. Grantee must notify the City immediately of the following:

- Grantee is no longer able to deliver programs or services as described in the approved application and budget, for whatever reason;
- Grantee is no longer able to abide by the terms and conditions of these guidelines or the signed grant agreement, for whatever reason; and
- Grantee's non-profit status has changed.

Failure to submit reports or to notify City as required in a timely manner may result in immediate cessation of all current grant funding. Future grant applications may not be considered if a grantee fails to meet its reporting and notification requirements, or if reports are consistently submitted late, or Grantee fails to notify the City as required.

Reports may be hand delivered to City Hall, Department of Planning, emailed, or mailed. Other notifications, etc. may be reported via telephone.

City of Unalaska
 Dept. of Planning
 PO Box 610, Unalaska AK 99685
 planning@ci.unalaska.ak.us
 Phone: 907 581-3100
 Fax: 907 581-1417

VI. Insurance

Grantees receiving \$25,000 or more must 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 and Employers Liability:** coverage no less than is required by Alaska State Statute;
- **Professional Liability:** insurance of no less than \$1,000,000 per occurrence required for agencies providing medical, legal and/or counseling services;
- **Commercial Auto Liability:** insurance of no less than \$1,000,000 per occurrence required for agencies that own an automobile.
- **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 on all policies;
- **All policies must have a 30-day cancellation clause.**

VII. Licenses

Grantee shall obtain and maintain current all local, State, and Federal professional and business licenses required for operation, and comply with all required local, State, and Federal regulations and requirements.

VIII. Tax Exempt Status

Grantee shall submit all annual paperwork required to keep and maintain tax exempt status. Loss of tax exempt status may result in loss of City funding.

POLICY HISTORY

12/17/02 Council adopted Community Support Guidelines by Resolution 2002-88.

12/08/03	Revised by Resolution	2003-76
12/13/05	Revised by Resolution	2005-75
12/12/06	Revised by Resolution	2006-57
12/28/10	Revised by Resolution	2010-75
12/08/15	Revised by Resolution	2015-68
12/28/16	Revised by Resolution	2016-78