

**CO-APPLICANT AGREEMENT BETWEEN THE MUNICIPALITY OF
SKAGWAY, ALASKA AND THE DAHL MEMORIAL CLINIC, A
DIVISION OF THE MUNICIPALITY OF SKAGWAY**

This Co-Applicant Agreement (“Agreement”) is entered into effective October 23, 2015 by and between the Municipality of Skagway Borough Assembly (hereafter Assembly) and the Dahl Memorial Clinic Board of Directors (hereafter Board) and which may be collectively referred to as “the Parties”. The Municipality may also be referred to interchangeably as the Borough, as the Municipality of Skagway is a Borough under the laws of the State of Alaska.

WHEREAS, the Municipality of Skagway through the Dahl Memorial Clinic applied for and received a grant from the United States Department of Health and Human Services Health Resources and Services Administration (“HRSA”), pursuant to Section 330 (e) of the Public Health Services Act to support the planning and delivery of medical services to medically underserved populations;

WHEREAS, as a condition of the receipt of the Section 330 grant funds, the Clinic must have a governance structure that complies with HRSA requirements, including the establishment of a governing board with certain powers relating to the Clinic;

WHEREAS, the Dahl Memorial Clinic is not an independent, private corporation, and is not a separate legal entity from the Municipality, but rather is a division of the Borough, and owned and operated by the Municipality as a division of the Borough;

WHEREAS, the Municipality established the Dahl Memorial Clinic Board of Directors (may be referred to hereafter as Board) to act as the governing board over the Clinic, and the Assembly and Board have agreed that the Municipality will serve as the Section 330 public entity grantee and the Clinic Board of Directors will operate as the “Co-applicant” governing board consistent with the requirements of Section 330, the law’s implementing regulations and the policies of HRSA, as related to clinics owned and operated by a municipality such as the Dahl Memorial Clinic, distinct from clinics owned and operated by private, non-profit corporations;

WHEREAS, in order to accomplish their joint interests, the Assembly and the Board through this Co-Applicant Agreement wish to define their responsibilities with respect to the governance and operation of the Clinic consistent with Section 330 rules and regulations, as well as the terms and conditions set forth in HRSA policies regarding co-applicants, as related to clinics owned and operated by a municipality such as the Dahl Memorial Clinic, distinct from clinics owned and operated by private, non-profit corporations;

WHEREAS, the Assembly **and the Co-Applicant Board** establishes policies and procedures designed to ensure the Clinic’s provision of preventive, primary and supplemental health care services (including health education and enabling services) to the residents of the Borough of Skagway and visitors to the Borough of Skagway and other areas as may need services, regardless of an individual’s or family’s ability to pay;

THE ASSEMBLY AND THE CLINIC BOARD AGREE AS FOLLOWS:

Section 1. Establishment of Co-Applicant Board:

The Dahl Memorial Clinic is owned by the Municipality of Skagway, and operated by the Municipality of Skagway, for the benefit of the community and the residents and visitors to the Skagway Borough. Skagway Municipal Codes 3.02.010, 3.02.040 and 3.17.010-.055 establishes the Dahl Memorial Clinic Board of Directors Governing Board. The Board will serve as the primary governance structure for the Clinic ~~and will do so in conjunction with the Skagway Borough Assembly~~, and shall exercise the governance powers for the Clinic as set forth in that Municipal Code.

Section 2. Purpose:

The Board shall oversee the implementation of the Section 330 grant and operation of the Clinic in accordance with the terms of this Agreement and the Municipal Code provisions outlined in Section 1 above, and with any By-Laws that may in the future be adopted by the Board ~~with the approval of the Assembly~~. **The bylaws shall not conflict with the fiscal and personnel policies of the Municipality, and which shall at all times be in accordance with federal and state statutes and regulations.** The Board shall provide leadership and guidance in support of the Clinic's mission in accordance with federal, state and municipal laws in coordination with the Assembly through this Agreement.

Section 3. Membership and Appointment:

A. Membership

As set forth in the Municipal Code, membership on the Board will comply with Section 330 requirements. The Board shall consist of nine (9) voting members who are residents of the Skagway Borough. The Board shall consist of at least 51% consumers of the Clinic and at least one Board member shall be a member of the Skagway Traditional Council. The user members of the Board shall be representative of the geographical areas served by the Clinic and, as a group, shall represent the Clinic's user population as to ethnicity, location of residence, race, gender, age, and economic status.

No more than two of the non-user members may receive more than 10% of their income from the healthcare industry as required by HRSA. Due to the extremely remote geographic area of Skagway and its population of less than 1,000 people, it is important to encourage and maintain persons to serve on the Board and at the same time prohibit members from serving if there is a conflict of interest under the Board policies or Municipal Code. In recognition of the potential for conflicts of interest, no Board member's **parent**, spouse, domestic partner, child or sibling may be an employee of the Municipality ~~or the Clinic~~ who is involved in the fiscal or personnel policies applicable to the Clinic. **Board members shall not be a relative of a clinic employee.**

B. Appointment

The Board shall nominate persons for appointment to the Board to the Mayor. The Mayor shall consider those persons along with any other persons who express interest in service on the Board and are otherwise eligible to serve under HRSA guidelines to recommend to the Borough Assembly for confirmation by the Borough Assembly.

The Board members shall serve ~~at the pleasure of the Assembly~~ in accordance with the Municipal Code.

Section 4. Meeting:

A. Regular Meetings

The Board shall hold regular meetings at the Dahl Memorial Clinic Conference room in Skagway, Alaska. The meetings shall be held at least once a month on a day and at a time set by the Board with proper Notice to the public.

The Board will not use an Executive Committee to substitute for regular meetings.

B. Quorum

A quorum is necessary to conduct business and make recommendations. A quorum shall constitute five members of the voting membership. A prevailing vote of at least five members of the voting majority shall be required to take any action.

The Executive Committee established by the Board shall transact the regular business of the Clinic during the interim between Board meetings, provided that any action taken by the Committee shall not conflict with the policies of the Board or the policies of the Municipality. Any action taken by the Executive Committee shall be reported at the next regular meeting of the Board and may be rescinded by Board action at the meeting.

Section 5. Roles and Responsibilities of Board:

The Board shall have the following authority as required by HRSA and consistent with state and local law:

- A.** To hold monthly meetings and maintain records/minutes that verify and document the Clinic's functioning.
- B.** To approve the annual Clinic budget, for each fiscal period with submission to the Assembly ~~for review and approval~~. The fiscal period of the Clinic shall be consistent with the fiscal period of the Municipality.

- C. To review and approve the annual audit of the Clinic Program, and provide the audit to the Assembly for its review and approval.
- D. To approve applications and renewals related to the 330 Health Care grants and provide those applications and renewals to the Assembly ~~for review and approval~~.
- E. To ~~participate in~~ **approve** the selection, evaluation, and dismissal of the Clinic's Executive Director.
- F. To establish general policies necessary and proper for the efficient and effective operation of the Clinic, and to review and approve the scope and availability of services, location and hours of services.
- G. To provide periodic evaluation of the effectiveness of the Clinic in making services accessible to Borough residents through a review of its long term strategic planning goals.
- H. To develop and implement a procedure for hearing and resolving patient grievances regarding the Clinic.
- I. To evaluate the Clinic's activities, including client satisfaction and achievement of quality improvement measures, and achievement of project objectives.
- J. To review and evaluate compliance with the quality assurance programs.
- K. To maintain compliance with applicable federal, state and local laws, rules and regulations.
- L. To develop and approve policies for billing and collections activities, including policies regarding determinations of eligibility for services, charge structure, and criteria for sliding fee discount schedules, which shall not conflict with the fiscal and personnel policies of the Municipality, and which shall at all times be in accordance with federal and state statutes and regulations.
- M. The Board shall comply with Alaska law governing the notice of meetings and maintaining records of meetings, and comply with the Alaska Open Meetings Act.
- N. The Board shall not ~~adopt any policy or practice, or take any action, which is inconsistent with or which alters the scope of any policy set by the Assembly on fiscal or personnel issues or which asserts control over any non-Clinic funds~~ **take actions which are not in compliance with the fiscal or personnel provisions set forth in the Skagway Municipal code**. The Board does not have authority to direct hiring, promotion, or firing decisions regarding any Borough employee, except as specified in Section 7A of this Agreement.

Section 6. Roles and Responsibilities of the Municipality:

The Assembly shall retain certain governance responsibilities and authorities with respect to the Clinic. The Borough Assembly shall have the sole authority to determine any policies

governing the Clinic related to fiscal and personnel matters for all Borough facilities and programs. These policies include ~~but are not limited to~~ policies related to financial management practices, labor relations and conditions of employment.

Specific responsibilities of the Borough shall include, but not be limited to, the following:

- A. Developing, adopting and periodically updating policies for financial management practices including policies and procedures designed to ensure sound financial management of the Clinic, and procurement policies and standards.
- B. Review and approval of the Clinic's annual financial audit after preparation by the Clinic and review and approval by the Board.
- C. Preparing financial and operational reports for the Clinic and any other reports reasonably requested by the Board to enable the Board to fulfill its responsibilities for the Clinic.
- D. Establishing and periodically updating personnel policies and procedures applicable to all Borough employees assigned to the Clinic. All Clinic personnel shall be employees of the Borough and shall be subject to the Skagway Municipal Code. The Borough shall be responsible for the payment of wages, fringe benefits, workers' compensation and unemployment compensation for Clinic personnel other than contracted Clinic personnel, and as may otherwise be determined by contract with the Executive Director.
- E. Disbursing Section 330 grant funds in accordance with the federally approved budget. The Assembly and Board understand and agree that the Section 330 grant funds shall be used solely for the purposes allowed by the grant. Any Section 330 grant funds remaining after the end of the fiscal year shall be disbursed at the direction of the granting authority.

Section 7. Shared Responsibilities:

The Assembly or its designee, and the Board will collaborate and coordinate as needed to ensure successful implementation of the Clinic. The Assembly and the Board shall coordinate efforts to meet their respective obligations under this agreement and shall cooperate to communicate and resolve any issues between the Assembly and the Board.

Shared responsibilities include:

- A. Selecting, evaluating and dismissing the Clinic Executive Director as follows:

- i. Selection/Hiring:

- Applications for the Clinic Executive Director will be initially screened by the Assembly, or the Borough Manager if so designated by the Assembly, **consistent with Municipal code.** ~~for conformance with minimum criteria specified in the job announcement. The Assembly and Board shall collaborate consistent with the Municipal Code to interview and select the Clinic Executive Director, with approval by the Board and the Assembly.~~ **Co-Applicant**

Board has the authority for approval for the selection and dismissal of a project director or chief executive officer of the clinic; this action requires no other approval.

ii. Annual Evaluation or Evaluation as Otherwise Determined by Contract:

It shall be the Board's and the Assembly's (or the Assembly's designee) responsibility to evaluate and provide feedback to the Executive Director on his/her performance related to operation of the Clinic.

iii. Removal/dismissal:

The Board has authority, after consultation with the borough attorney, to remove the Clinic Executive Director from his/her Clinic responsibilities; but the Board has no authority to terminate Municipal employment. The Board will establish objective criteria, consistent with the objective criteria used by the Municipality for its employees, for guiding any recommendation to dismiss the Clinic Executive Director **from Municipal employment**. The Assembly, or the Borough Manager, if so designated by the Assembly, will make the final decision whether to ~~accept the recommendation of the Board to terminate his/her employment with the Municipality~~ **retain and** or reassign the individual to another position or program **within the Municipality**.

B. Developing long range and operational plans for the Clinic.

The Assembly shall participate in the planning process. The Board will approve all long range, strategic and operational plans.

C. Developing the Clinic's annual operating and capital budgets.

i. All Clinic budgets will be initially approved by the Board and forwarded to the Assembly and the Borough Manager for review and action.

ii. The Clinic budget, **funding for which has been approved and adopted by the Assembly**, is reviewed and approved ~~as required by Municipal Code~~.

iii. ~~Should the Assembly make any adjustments, the Clinic budget will go back to the Clinic Board for approval.~~

D. Implementing the Clinic's policies and procedures for ensuring quality of care at the Clinic.

The QI committee established by the Board will implement the Quality Improvement ("QI") plan and procedures, including conducting QI audits, collecting and reporting QI data to the Board and preparing required data for submission to HRSA. The Board will approve the Clinic's Quality Improvement Plan and procedures and provide the Plan to the Assembly.

E. Assuring that the Clinic is operated pursuant to all applicable program requirements and grant conditions, related federal statutes, rules, and regulations, and other Federal, State, and local laws and regulations.

Section 8. Borough Support of Board:

The Municipality shall offer support for the Clinic, as needed, for such as personnel and equipment for taking minutes of meetings, noticing meetings of the Board and maintaining archives of Board documents as required by law.

Section 9. Term:

This Agreement shall begin on October 23, 2015 and shall remain in effect during the project period of any/all Section 330 grant awards the Municipality of Skagway receives with the Clinic as its co-applicant, unless terminated at an earlier date. Subject to any Federal and/or State regulatory approval which might be required to terminate the operation of the Clinic, nothing in this Agreement is intended to require, nor should be construed to require, that the Clinic remain in operation, or that the Assembly apply for any grant funding, including continued Section 330 funding, for the Clinic.

Section 10. Modification or Termination of the Co-Applicant Agreement:

Notwithstanding any other provision in this Agreement to the contrary, if the Clinic no longer receives funding under Section 330 of the Public Health Services Act or any successor to or substitute Act(s), this Agreement shall terminate.

Modifications, amendments or waivers of any provision of this Agreement shall be made only by written mutual consent of the Borough Assembly and the Clinic Board and signed by the Mayor and the Board President.

Any party may terminate this Agreement upon sixty (60) days written notice to the other party. A copy of any notice of termination shall be provided to HRSA as the granting authority.

Section 11. Agreement to Cooperate for the Benefit of the Community of Skagway:

The Board recognizes and acknowledges that the Clinic is a division of the Municipality of Skagway. The Board and the Assembly will use their best efforts to carry out the terms of this Agreement in the spirit of cooperation necessary as between the Borough's governing body, the Assembly, and one of its divisions, the Clinic. ~~The Board understands and acknowledges that the Assembly has the ultimate responsibility and authority to act in the best interests of the community and that~~ The Board agrees to assist the Assembly in providing the highest quality service to the community through the operation of the Clinic.

Section 12. Dispute Resolution.

The Clinic Co-Applicant Board and the Municipality will use their best efforts to carry out the terms of this Agreement in the spirit of cooperation and will resolve by negotiation any disputes or conflicts occurring hereunder.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

Municipality of Skagway

Dahl Memorial Clinic Board of Directors

Mark Schaefer, Mayor Date
Date

Cory Thole, President/Chairperson Date

ATTEST:

Emily A. Deach, Borough Clerk Date

APPROVED AS TO FORM AND CONTENT:

Robert P. Blasco Date
Borough Attorney, Municipality of Skagway