

**NORTHWEST ARCTIC BOROUGH ASSEMBLY  
RESOLUTION 19-29**

**A RESOLUTION OF THE NORTHWEST ARCTIC BOROUGH  
ASSEMBLY APPROVING AND ADOPTING REVISED POLICIES AND  
PROCEDURES FOR THE VILLAGE IMPROVEMENT COMMISSION,  
AND FOR RELATED PURPOSES.**

**WHEREAS:** Chapter 11.08 of the Borough Code establishes the Village Improvement Commission (VIC) and sets parameters for the Village Improvement Fund (VIF); and

**WHEREAS:** under the Borough's April 2017 Memorandum of Commitment (MOC) Agreement with Teck Alaska, the Borough agreed to establish the VIF fund "targeted at critical infrastructure and programs for the 11 villages within the Northwest Arctic Borough;" and

**WHEREAS:** under the Borough's MOC Agreement with Teck Alaska, the parties also stipulated that the Borough "retains sole control of the VIF" but that the Borough would establish a "consultation and review protocol" for "meaningful participation from all 11 villages" that has been established under the VIC; and

**WHEREAS:** to meet this requirement, the VIC adopted and approved revised Policies and Procedures under VIC Resolution 19-19 in order to more effectively administer funds, process applications, and improve procedures; and

**WHEREAS:** the Borough Assembly wishes to review and adopt the revised VIC Policies and Procedures for implementation.

**NOW THEREFORE BE IT RESOLVED:** the Northwest Arctic Borough Assembly hereby approves adoption and implementation of the revised VIC Policies and Procedures.

**PASSED AND ADOPTED THIS 25<sup>th</sup> DAY OF JUNE 2019.**

  
\_\_\_\_\_  
Nathan Hadley, Jr., Assembly President

**PASSED AND APPROVED THIS 25<sup>th</sup> DAY OF JUNE 2019.**



**Lucy S. Nelson, Mayor**

**SIGNED AND ATTESTED TO THIS 25<sup>th</sup> DAY OF JUNE 2019.**



**Stella Atoruk, Borough Clerk**





# Northwest Arctic Borough

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## Village Improvement Commission – Policies & Procedures

	Name	Title	Signature	Date
Authorized by	Marie Greene	Village Improvement Commission Chair		
	Nelson Walker, Jr.	Village Improvement Commission Co-Chair		
	Nathan Hadley, Jr.	Village Improvement Commission Assembly		

Effective Date: \_\_\_\_\_

Considered and Approved by:

Village	VIC Member	Signature	Date
Ambler	Morgan Johnson		
Buckland	Ethel Webber		
Deering	Alvin Iyatungak, Sr.		
Kiana	Nelson Walker, Sr.		
Kivalina	Myra Wesley		
Kobuk	Henry Horner		
Kotzebue	Marie Greene		
Noatak	Vincent Onalik		
Noorvik	Stacy Jack		
Selawik	Tanya Ballot		
Shungnak	Fred Sun		

**1. PURPOSE**

The purpose of these Policies and Procedures is to outline the process for how the Village Improvement Commission (VIC) will ensure reasonable community input into how the Village Improvement Fund (VIF) is distributed in the Region. These Policies and Procedures also describe how VIF funds will be fairly allocated, distributed to Villages, and determined as eligible for VIF Funding. All of the procedures contained within this document were originally developed jointly by members of the VIC over facilitated meetings in October 2017 and February 2018, and revised to update and refine some of the processes and procedures. The policies and procedures in this document are intended to meet the requirements of the Memorandum of Commitment (Section 3b) between the Northwest Arctic Borough and Teck.

**2. INTRODUCTION**

The VIF is targeted at critical infrastructure and critical programs for the 11 Villages within the Northwest Arctic Borough: Ambler, Buckland, Deering, Kiana, Kivalina, Kobuk, Kotzebue, Noatak, Noorvik, Selawik, and Shungnak. The VIC was created to meaningfully involve village representatives in the distribution of the VIF. This procedure outlines the VIC's approach to village engagement into VIF decisions, definition of fair distribution of funds, and project eligibility criteria.

**3. SCOPE**

These Policies and Procedures are only applicable to VIF funds; they do not apply to the General Funds of the Northwest Arctic Borough.

**4. RESPONSIBILITIES**

Village Improvement Commission (VIC):

1. To ensure that residents in the villages have input into how the VIF is spent and are able to meaningfully participate in how the VIF is spent.
2. To decide how the VIF will be fairly distributed around the region.
3. To decide what projects will be eligible for VIF funds.
4. To identify projects to be funded through the VIF as identified on the Community Priority List developed through VIF community meetings.
5. To help plan and implement those projects that are funded by the VIF.

6. To ensure that funding is expended on projects/program as applied for.
7. To review the VIF annual report to Teck by mid-March, or at the direction of the VIC, of the reporting year.
8. To advise NAB regarding the VIF.
9. To support development and update of (as needed) VIF Community Priority Lists. The Community Priority List acts as a reference to the needs of the community and makes any project on the Priority List eligible for funding, pending review.

Northwest Arctic Borough:

10. Retains sole control over the VIF per the Memorandum of Commitment.
11. Ensures all projects are approved by the VIC and all VIF expenditures are within the approved budget.
12. Ensures that VIF funds are utilized for VIF recommended projects, programs, and/or goals.
13. Reviews and approves VIC recommendations for project funding under the VIF.

VIF Staff:

1. To assist applicants with the application process.
2. To track awardee/grantee progress monthly.
3. To report/act on the progress of project/programs per application.
4. To report to the VIC on awardee/grantee progress quarterly.
5. To advise and recommend to the VIC to suspend or continue a project/program.
6. Providing a written notification and/or explanation for approved/denied proposals to the applicant.
7. To administer VIF funds in accordance to NAB code.
8. To provide meeting summaries for distribution following VIC meetings, including actions taken.

VIF Awardees:

1. To submit a written application according to the VIF/VIC application

- guidelines and stages.
2. To provide a monthly project/program progress report to the VIF staff.
  3. To provide a detailed monthly project/program financial report to VIF staff.
  4. To ensure that VIF funds are expended in accordance with the application.
  5. To comply with award requirements. There are consequences for misuse of funds that will be at the discretion of the VIC, including but not limited to:
    - suspension of further funding
    - additional review by the VIC
    - ineligibility for a future or similar award
    - cancellation of the subject contract
    - return of misappropriated funds, if appropriate.Misappropriation of funds may result in contract termination and affect future project eligibility.

## 5. PROCEDURE

### Community Involvement in VIF Process.

The VIC agreed that supporting community input into the VIF will proceed in the following ways:

1. Commissioners will use the VIF community priority lists identified by the communities to make informed decisions around which projects to select for funding.
2. After VIC meetings, Commissioners will inform community leadership (such as IRA and City representatives) about the results of the VIC meeting.
3. Commissioners will regularly communicate with the communities about VIC activities including updates on Community Projects (budgets, progress, any delays). Information can be shared using over social media, VHF, and other related means.
4. Commissioners will host a minimum of two community meetings

per year to obtain input and suggestions into the prioritization of projects and share information on other related VIC activities.

Community meetings should:

- o Include advance notice to the community through VHF, public notices, social media, advertising, or notes for students to take home to parents
- o Provide door prizes to attract a wider audience
- o Include a sign-in sheet
- o Review, discuss, or update VIF Community Priority Lists

**A. Annual allocation of funds**

The Northwest Arctic Borough Code requires that funds will be distributed in the following manner:

5. 30% per year to be invested in a sustainability fund.
6. Up to 70% per year may be distributed on ~~a project by project~~ an application-by-application basis. ~~Project applications~~ Applications will be open to all 11 villages. ~~Projects~~ Applications will be assessed using the same criteria (see *project eligibility criteria* below), and ~~all 11 commissioners will be involved in the decision~~ the Commission will review applications to approve or decline ~~the project~~ applications for VIF funding. All ~~projects~~ applications recommended for funding by the VIC will be sent to the Northwest Arctic Borough Assembly for final decision.

**B. Fair and equitable allocation of funds**

The VIC will consider a range of factors, including the following, when determining a fair and equitable allocation of funds between Borough communities:

- The allocation of funds among all 11 villages.
- The number of residents served by a proposed project.
- The need and impact of a proposed project.
- Whether a proposed project will serve only the immediate village area, more than one village, or serve a larger regional need.
- The extent that funds will serve as a match for a grant.

- Whether a proposed project will address an emergency, life-threatening situation, or an immediate health risk.
- Each applicant's compliance with VIC policies and procedures.
- A project's impact to greater economic growth.
- The overall impact of a proposed project.
- Village need.
- The number of projects and total amount of VIF funds awarded to a village and/or applicant.

This list is not intended to be exhaustive or inclusive. The VIC recognizes that these factors may vary.

The VIC's consideration of these factors and approval of projects shall be a conclusive determination that allocation of funds is fair and equitable. The Assembly's approval will be reaffirmation of a fair and equitable allocation. This Policy recognizes that there is no bright-line test to determine "fair and equitable" allocation of VIF funds. Reasonable minds can differ. It is understood and acknowledged that making this determination requires inherent discretion, local understanding, and consideration of a wide range of factors.

### ***C. Project eligibility criteria***

The VIC advises the Northwest Arctic Borough that the following criteria will be used to determine eligibility for funding through the VIF. The following 1416 criteria will be used to assess the merit of applications for funding under the VIF:

1. Is the applicant a not-for-profit entity such as a city, tribe, or other organization?
2. Is the project sustainable in the long-term (is the project self-sustaining)?
3. Does the project have other sources of funding, including matched funding or other grants?
4. Is the project "ready to go" (i.e., shovel ready, all equipment, resources, people, and permits in place)?

5. What is the administrative and management capacity of the organization delivering the project? (i.e., history of good financial and project management, and accountability)?
6. Will the project create local jobs (i.e., contract hire)?
7. Will the project benefit more than one village, or the region?
8. Does the project address an issue that is life threatening, or a health risk (i.e., health and safety, emergency, danger to people, the environment, or property)?
9. What is the quality of the proposal (i.e., is supporting documentation in place, applications filled out properly)?
10. What is the level of community impact (i.e., will the broader community benefit or just a few individuals)?
11. Does the project meet a Village need or priority?
12. Did the community have input and involvement with the project? Is there agreement from the community that this is a project they want supported through the VIF?
13. Is there enough VIF budget and resources available to support this project?
14. What is the timeline of the project (i.e., will it be implemented in the short-term or longer term)?
15. Is this an existing project (i.e., is it already underway)?
16. Does the project serve a valid public purpose?

The VIC advises the Northwest Arctic Borough that the following projects will not be considered for funding under the VIF:

1. Projects or funding requests that primarily benefit one individual or organization.
2. Projects or funding requests to pay off debt.
3. Funding requests for political donations or contributions to political campaigns.
4. Funding requests for advocacy or lobby groups.
5. Funding requests for projects that discriminate on the basis of race, color, creed, gender, sexual orientation, or national/ethnic origin.

- 6. Funding for projects located outside of the Northwest Arctic Borough.
- 7. Funding requests that sponsor, provide financial support, or promote active involvement in a religious activity or organization.
- 8. Funding requests from for-profit organizations.

***D. Administrative Fees for Applicants.***

VIF applicants may apply for an administrative cost allocation as part of their application. Administrative fees are paid as an additional sum on top of project award payment for certain projects that require an extensive amount of non-salary administrative expenses to complete a project. The VIC has established fee categories based on project types calculated as a percentage of the total award:

<b><u>FEE</u></b>	<b><u>PROJECT CATEGORIES</u></b>
<b>0%</b>	Purchase of supplies or equipment; grant matches; third-party contracts for services
<b>2%</b>	Construction
<b>5%</b>	Force account construction projects

This table represents the maximum amount allowed; exceptions will not be considered. The VIC retains sole discretion to approve administrative fees as part of an application. This policy establishes a preference to maximize payment of funds directly for project services, supplies, and related costs; not payment of traditional indirect costs or fees. In order to qualify for payment of administrative expenses under this section, applicants must demonstrate that: (1) additional costs by the applicant, not a third party, will be necessary to complete the project’s scope of work; and (2) these additional costs are solely related to the proposed project.

**E. Procurement.**

[This policy recognizes that VIF funds are public funds dedicated for village services and projects. Public procurement will increase competition and reduce the cost of goods and services while maximizing quality. A fair and open competitive process for VIF funds will help discourage favoritism in procurement](#)

of public projects while encouraging additional vendors and service providers to compete for limited funding.

As public funds, all VIF awards must comply with best procurement practices as outlined in Borough Code Chapter 6.16 if utilizing a contractor to carry out services or contracting for purchase of supplies. If an applicant is performing construction work directly through force account, it must meet the separate force account approval criteria. VIF staff will help applicants comply with these requirements.

## 6. COMMISSION MEMBERS

A. Membership. Membership will include:

1. One member from each of the following borough communities: Ambler, Buckland, Deering, Kiana, Kivalina, Kobuk, Kotzebue, Noatak, Noorvik, Selawik, and Shungnak.
2. The Borough will retain an ex officio seat on the commission that will be nominated by the Borough Mayor and confirmed by the Assembly.
3. The Borough will solicit nominations to the Commission from the community at large, including the village and city councils from each respective village. Subject to Assembly confirmation, the Mayor will appoint the members of the Commission from among those nominated deemed suitable to serve on the Commission. Members will serve staggered three-year terms, which may be renewed.
4. If a member anticipates missing a meeting, the ~~member may appoint a substitute for no more than one meeting.~~ designated alternate member may attend in the primary member's absence. It is the primary member's responsibility to notify VIF staff and the alternate member of the anticipated absence. Alternate members may only attend meetings as participating members in place of primary Commission members. If alternate members choose to attend for informational purposes, they will not be entitled to receive travel reimbursement, meeting fees, or per diem.

B. Vacancies. A vacancy will be declared by the Borough under the following conditions:

1. If a member changes permanent residence to outside the Borough.
  2. If a member's resignation is submitted to and accepted by the Commission.
  3. If a member misses three consecutive meetings unless excused by the Commission.
  4. If the Mayor, in concurrence with the Assembly, determines that it is in the Borough's best interest to remove the member.
- C. Meetings. Regular meetings of the Commission shall be held a minimum of four times a year in person or by teleconference. Such meetings shall be scheduled by the chair and are subject to the Open Meetings Act.
- D. Commission Meeting Stipend. Other than ex officio members, each Commission member will receive compensation at the Borough's established board and commission meeting fee rate set under NABC 2.80.060 for each meeting day of the Commission member attended. Compensation does not include per diem, which may be paid separately at the established rate for Assembly members' attendance at regular assembly meetings under NABC 2.04.040(B).
- E. Community Meeting Stipend. Other than ex officio members, Primary and Alternate Commission members may request and receive compensation at the Borough's established board and commission meeting fee rate set under NABC 2.80.060 for each meeting day of a community meeting specifically called to address VIF-funded projects or village priorities as detailed in Section 5(a) of these Procedures. ~~Community meetings~~Commission members must ~~be approved~~notify the VIC Coordinator in advance ~~by the VIC Chair or Co-Chair of~~community meetings. In no event will Commission members be eligible to receive more than five community meeting fee stipends in any 365-day period. Commission members are not eligible to receive a per diem for community meetings.

## 7. CHANGE HISTORY

This is a living document and any changes will be reflected below.

Version	Effective Date	Summary of Significant Changes
1.	5/24/2018	Initial Version
2.	3/6/2019	<ul style="list-style-type: none"> <li>• Addition of "fair &amp; equitable"</li> </ul>

Version	Effective Date	Summary of Significant Changes
		criteria <ul style="list-style-type: none"> <li>• Prohibition of financial support of religious activities</li> <li>• Addition of community meeting fees and VIC Code provisions</li> <li>• Addition of administrative fees</li> <li>• General clean-up revisions</li> </ul>
3.	<a href="#">6/11/2019</a>	<ul style="list-style-type: none"> <li>• <a href="#">Addition of procurement section</a></li> <li>• <a href="#">Clarification of alternate duties</a></li> <li>• <a href="#">General clarification and clean-up</a></li> </ul>
4.		

Document comparison by Workshare 9.5 on Wednesday, June 12, 2019 8:28:21 AM

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