

**RESOLUTION NO. \_\_\_\_:2018**

**A RESOLUTION RELATING TO THE MOREHEAD INSPIRATION CENTER FOR MEN (RECOVERY KENTUCKY) CDBG GRANT #18-046, LEGALLY BINDING AGREEMENT WITH PATHWAYS, INC.**

**WHEREAS**, the City of Morehead, Kentucky on or about August 13, 2018 submitted a CDBG application to the Kentucky Department for Local Government requesting \$200,000 in CDBG Funds for the 2018 Morehead Inspiration Center (Recovery Kentucky) Project; and

**WHEREAS**, on September 13, 2018 the Kentucky Department for Local Government issued a letter to the City of Morehead giving preliminary approval to the 2018 CDBG application; and

**WHEREAS**, a Legally Binding Agreement between the City and Pathways, Inc. is required prior to the federal funds being released;

**NOW, THEREOFRE, BE IT RESOLVED** by the City of Morehead, Kentucky Board of City Council that the Legally Binding Agreement between the City and Pathways, Inc., a copy of which is attached hereto, is approved and Mayor James T. Trent shall have the authority to execute said agreement on the City's behalf.

Passed and adopted by the Board of City Council of Morehead this the 8<sup>th</sup> day of October 2018.

\_\_\_\_\_  
James T. Trent, Mayor

ATTEST:

\_\_\_\_\_  
Crissy Cunningham, City Clerk

## LEGALLY BINDING AGREEMENT

THIS AGREEMENT, entered into this \_\_\_\_\_ day of October, 2018 by and between the **City of Morehead**, hereinafter referred to as the Recipient and **Pathways, Inc.**, hereinafter called the Subrecipient. This agreement is being executed in two (2) original contracts, each of which is deemed an original.

WHEREAS, the Recipient has entered into Grant Agreement Number 18-046 with the Commonwealth of Kentucky, Department for Local Government (DLG) and

WHEREAS, the payment of funds to the Recipient under the terms of Grant Agreement Number 18-046 is contingent upon the Subrecipient contracting to undertake certain responsibilities, and

WHEREAS, the funds made available under the terms of the Grant Agreement Number 18-046 will directly benefit the Subrecipient,

NOW, THEREFORE, for and in further consideration of the mutual promises and covenants hereinafter contained, IT IS AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

ITEM 1: The Recipient and Subrecipient do hereby agree to carry out and perform all of the activities required of it under the terms and conditions of the Grant Agreement Number 18-046, which agreement is incorporated herein by reference as if copied in full.

The Recipient agrees to perform project activities as enumerated in Exhibit B of the Grant Agreement Number 18-046 and summarized below:

1. The Recipient agrees to perform activities as stated in the CDBG Application and given preliminary approval on September 27, 2018 as summarized below:
  - a. The Recipient shall provide that Subrecipient with CDBG Funds in the amount of \$190,000.00 (One Hundred Ninety Thousand Dollars and No Cents) for the Morehead Inspiration Center for Men (Recovery Kentucky) operational costs, which are limited to staff salaries, staff benefits, stipends, and shared staff costs.
  - b. The Recipient shall ensure that the Subrecipient implements the social recovery program model as outlined in the Recovery Kentucky Guidelines.
  - c. The Recipient shall ensure that the Subrecipient meets the National Objective of 51 percent low and moderate-income (LMI) benefit during the CDBG funding period.

- d. The Recipient shall be responsible for determining the objectives of each activity, measuring the outcomes of each activity funded with CDBG funds utilizing a performance measurement system provided by DLG. This data shall be reported to DLG on an annual basis and/or made available upon request until the project is closed.
2. The Recipient shall provide necessary administration of the project to assure compliance with all applicable State, Federal and Local Statutes, as set forth in the KCDBG Statement of Assurances signed by Mayor James Thomas Trent, on August 13, 2018 and submitted on or about that date as part of the project application.
3. The Recipient shall expend no more than \$10,000.00 (Ten Thousand Dollars and No Cents) program year in CDBG Funds to cover costs of providing Administration of the project.

ITEM 2: The Recipient and Subrecipient do hereby agree to carry out and perform all of the activities required of it under the terms and conditions of the Grant Agreement Number 18-046, which agreement is incorporated herein by reference as if copied in full. "Subrecipient Activities" agrees for this project shall consist of the following:

The Subrecipient also agrees to perform project activities as enumerated in Exhibit B-2 of the Grant Agreement Number 18-046 and summarized below:

1. The Subrecipient shall perform activities as stated in the CDBG Application and given preliminary approval on September 27, 2018 as summarized below:
  - a. The Subrecipient shall use CDBG Funds for the Morehead Inspiration Center for Men (Recovery Kentucky) operational costs, which are limited to Morehead Inspiration Center for Men staff salaries, staff benefits, stipends and shared staff costs.
  - b. The Subrecipient shall implement the social recovery program model as outlined in the Recovery Kentucky Guidelines and application.
  - c. The Subrecipient shall collect and compile the necessary client income data and provide evidence that the project meets the National Objective of 51 percent low and moderate-income (LMI) benefit during the CDBG funding period. This information must be reported to DLG on an annual basis and/or made available upon request.
  - d. The Subrecipient shall collect and compile the necessary data (payrolls, receipts and performance measures) and provide evidence that the CDBG Funds were used as stated in paragraph a. The Subrecipient shall also measure the outcomes of each activity funded with CDBG Funds utilizing a performance measurement system provided by DLG. This data shall be reported to DLG on an annual basis and/or made available upon request until the project is closed.

- e. The Subrecipient shall provide necessary administration of the project to assure compliance with all applicable State, Federal and Local Statutes, as set forth in the KCDBG Statement of Assurances signed by Mayor James Thomas Trent on August 13, 2018 and submitted on or about that date as part of the project application.

Item 3: The Recipient shall expend no more than \$10,000/program year in CDBG Funds to cover costs of providing administration of the project.

The Recipient and Subrecipient further agrees as follows:

- A. To maintain for a period of five (5) years following project closeout all financial records and documents relative to disbursement of any CDBG or other funds identified in and required by the Grant Agreement. Such records include, but are not limited to, ledgers, bank statements, contracts, invoices and reports.
- B. To grant access to inspect, copy, audit and examine at all reasonable times employment and financial records to any duly authorized representative of the Commonwealth, HUD, Inspector General and General Accounting Office of the United States for a period up to five (5) years following completion of closeout procedures.
- C. To comply with all State and Federal laws and regulations pertinent to the project.
- D. That no transfer of grant funds by the Recipient to the Subrecipient shall be or be deemed an assignment of grant funds, and that the Subrecipient shall neither succeed to any rights, benefits or advantages of the Recipient under the terms of the hereinabove described Grant Agreement Number 18-046 nor attain any rights, privileges, authorities or interest in or under the said agreement.
- E. That the Subrecipient acknowledges nothing contained in the said agreement, nor in any contract between the parties hereto, nor any act of the Commonwealth, the Recipient or any other party shall be deemed or construed to create any relationship or third-party beneficiary, principal and agent, limited or general partnership or joint venture, or of any association or relationship involving the Commonwealth.
- F. That the Recipient shall not be liable to the Subrecipient or any party except the Commonwealth, for the completion of, or the failure to complete, any activities which are a part of the project herein contemplated, except those specified in Exhibit B-2 of the said Grant Agreement Number 18-046.
- G. None of the Subrecipient's designees, agents, members, officers or employees, has or shall have any interest, direct or indirect, in any contract or subcontract or the proceeds thereof, for work to be performed in connection with the project herein contemplated at any time during or after such person's tenure with the Subrecipient.

- H. The obligations of the parties are totally contingent upon the obtaining of a Release of Funds from the Kentucky Department for Local Government (DLG) and no project activities other than environmentally exempt activities may occur until the release is achieved.
- I. Recipient and Subrecipient agree and accept that all applicable provisions of the Grant Agreement Number 18-046 are incorporated into and made a part of this Legally Binding Agreement.
- J. The Legally Binding Agreement Standard Provisions attached to this Agreement as Exhibit 1 are considered to be an integral part of this Agreement. These provisions are subject to change from time to time as Federal laws and regulations are promulgated. The Subrecipient will be notified in writing if any changes occur.
- K. Either party may cancel this Legally Binding Agreement at any time for cause or may cancel without cause on thirty (30) days written notice.
- L. The Recipient and Subrecipient further agrees that at no time will the facility (Morehead Inspiration Center) be utilized for general governmental purposes.

**Recipient: City of Morehead**

**Examined as to form and legality:**

\_\_\_\_\_  
James Thomas Trent, Mayor

\_\_\_\_\_  
Recipient Attorney

Commonwealth of Kentucky, County of Rowan  
Subscribed, sworn to and acknowledged before me by James Thomas Trent,  
Mayor by and through its resolution on this \_\_\_\_\_ day of October 2018.

My Commission expires:

\_\_\_\_\_  
Notary Public

**Subrecipient: Pathways, Inc.**

\_\_\_\_\_  
Kimberly K. McClanahan, CEO

Commonwealth of Kentucky, County of Boyd  
Subscribed, sworn to and acknowledged before me by Kimberly K. McClanahan,  
CEO by and through its resolution on this \_\_\_\_\_ day of October 2018.

My Commission expires:

\_\_\_\_\_  
Notary Public