



**REQUEST FOR COMMISSION ACTION**  
**CITY OF INDEPENDENCE**  
**August 13, 2020**

**Department** Finance

**Director Approval** Lacey Lies

**AGENDA ITEM** Consider signing a Coronavirus Relief Fund Resolution to participate in the SPARK Relief Fund.

**SUMMARY RECOMMENDATION** Approve the Resolution to participate in the SPARK Relief Fund.

**BACKGROUND** As part of the C.A.R.E.S Act, Montgomery County was awarded approximately \$6.2M to be distributed throughout the county to eligible participants via the SPARK Relief Fund. The City of Independence has been selected as a SPARK grant recipient. Attached is the Coronavirus Relief Fund Resolution which was adopted by the Montgomery County Commission. The resolution must be signed and returned as soon as possible. The resolutions outline the type of expenditures eligible for funding and assures the issuing party that the City will comply with reporting requirements. Pending state approval, the funds awarded can be disbursed after this Resolution has been submitted.

**BUDGET IMPACT** The monies received from this relief fund are intended to be reimbursements for unbudgeted or unexpected expenditures directly related to COVID-19 as well as future projects intended to help mitigate the spread, respond to, or invest in the long-term economic recovery of Independence, due to COVID-19.

**SUGGESTED MOTION** I move to adopt the Coronavirus Relief Fund Resolution as presented.

**SUPPORTING DOCUMENTS** Coronavirus Relief Fund Resolution

## **City of Independence, Kansas Coronavirus Relief Fund Resolution**

**WHEREAS**, securing the health, safety, and economic well-being of our residents is this City of Independence's top priority;

**WHEREAS**, City of Independence is facing both a public health and economic crisis – the pandemic and public health emergency of COVID-19 – which has resulted in illness, quarantines, school closures, and temporary closure of businesses resulting in lost wages and financial hardship to Kansas citizens;

**WHEREAS**, the World Health Organization declared a pandemic on March 11, 2020;

**WHEREAS**, on March 13, 2020, the President of the United States pursuant to Sections 201 and 301 of the National Emergencies Act, 50 U.S.C. § 1601, et seq. and consistent with Section 1135 of the Social Security Act, as amended (42 U.S.C. § 1320b-5), declared a national emergency that the COVID-19 outbreak in the United States constitutes a national emergency beginning March 1, 2020;

**WHEREAS**, as of this date, in Montgomery County, Kansas there have been 170 reported positive cases of COVID-19, including 5 deaths with a likely second wave of COVID-19 cases expected in the Fall;

**WHEREAS**, the City of Independence must remain flexible to account for the evolving nature and scope of the unprecedented public health emergency posed by COVID-19, while also simultaneously beginning the process of safely, strategically, and incrementally reopening business and facilitating economic recovery and revitalization;

**WHEREAS**, for the aforementioned and other reasons, and in recognition and furtherance of my responsibility to provide for and ensure the health, safety, security, and welfare of the people of the City of Independence, City of Independence has determined that the evolving public health and economic threats posed by COVID-19 require a proactive approach to provide immediate financial relief and long-term economic investment in the City of Independence;

**WHEREAS**, in these challenging times, this City of Independence will do whatever it can to avoid immediate dangers to the health, safety, and welfare of our constituents and prepare for future waves of COVID-19;

**WHEREAS**, on June 16, 2020 the State Finance Council approved the Strengthening People and Revitalizing Kansas (SPARK) Taskforce's proposal to distribute money to Montgomery County, Kansas help address the health and economic challenges inflicted by COVID-19 based on Montgomery County, Kansas's population and impact from COVID-19 with funds provided for reimbursement of COVID-19 related costs and as direct aid unless otherwise approved by the SPARK Taskforce.

**WHEREAS**, to ensure that all educational and municipal entities within counties receive Coronavirus Relief Funds to meet their respective health and economic challenges, the SPARK Taskforce Executive Committee passed a motion on June 2, 2020, to direct counties

to allocate and share Coronavirus Relief Funds with public educational and municipal entities within their counties.

**WHEREAS**, Montgomery County, Kansas adopted a Resolution to accept and distribute funds to cities with in Montgomery County, Kansas.

**Be it resolved that**, pursuant to the authority vested in Montgomery County Commission, including the authority granted to this body by constitutional home rule in order to begin the process of safely, strategically, and proactively providing the resources the city needs to both mitigating the spread of COVID-19 and invest in long-term economic recovery, Montgomery County Commission accepts any funds appropriated to City of Independence by the State of Kansas through the State’s Coronavirus Relief Fund and distributed by Montgomery County, Kansas pursuant to the following terms designed to ensure the lawful use of funds and transparency, equity, and accountability:

1. Section 5001 of the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, as codified in 42 U.S.C. § 801, provides the eligible purposes for which Coronavirus Relief Fund (“CRF”) payments may be used. Under 42 U.S.C. § 801(d) funds may be used for:
  - a. necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19);
  - b. not accounted for in the budget most recently approved for the county as of March 27, 2020; and
  - c. incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.
2. The following are examples of public health expenditures allowed pursuant to paragraph 1.a. above and 42 U.S.C. § 801(d):
  - COVID-19 related expenses of public hospitals or clinics
  - COVID-19 testing and quarantine costs
  - Payroll of employees substantially dedicated to COVID-19 mitigation or response
  - Expenses for establishing and operating public telemedicine capabilities
  - Technological improvements to facilitate distance learning
  - Improving telework capabilities
  - Grants to small businesses to reimburse the costs of business interruption caused by required closures
  - Government payroll support program

- Unemployment insurance costs related to COVID-19
3. The following are examples of public health expenditures NOT allowed pursuant to paragraph 1.a. above and 42 U.S.C. § 801(d):
    - Damages covered by insurance
    - Payroll or benefits for employees not substantially dedicated to mitigating or responding to COVID-19
    - Expenses that will be reimbursed under any federal program
    - Reimbursement to donors for donating items or services
    - Workforce bonuses other than hazard pay or overtime
    - Severance pay
    - Legal settlements
  4. Additionally, as outlined in guidance issued by the Congressional Research Service on April 14, 2020, “Coronavirus Relief Fund payments may not be used to directly account for revenue shortfalls related to the COVID-19 outbreak. Such funds, however, may indirectly assist with revenue shortfalls in cases where expenses paid for by the Coronavirus Relief Fund would otherwise widen the gap between government outlays and receipts.”
  5. To ensure effective and timely oversight of local spending, the City of Independence will comply with reporting requirements established by Montgomery County, Kansas.
  6. To ensure transparency and accountability in the deliberation, expenditure, and oversight processes associated with CRF funds, the City of Independence, will comply with all requirements of the Kansas Open Meetings Act.
  7. The COVID-19 pandemic has disproportionately impacted racial minorities within the State of Kansas, illustrating long-standing health disparities for African-American, Latino, and other racial minority populations in the United States. Accordingly, the City of Independence will consider and incorporate efforts to address such disproportionate impacts on racial minorities in its direct aid plan.
  8. As provided in 42 U.S.C. § 801(f), the Inspector General of the Department of the Treasury determines whether CRF payments have been used for eligible purposes. Fund payments that are deemed to have been used for ineligible purposes are treated as a debt owed by the implementing government to Treasury. This resolution signifies that, upon approval, the City of Independence agrees to cooperate with any audits or inquiries by the Department of the Treasury concerning CRF funds and agrees to pay any debt incurred to the Department of the Treasury due to ineligible expenditures of appropriated CRF funds.

9. City of Independence understands that the United States Department of the Treasury or the Governor's Office of Recovery may issue guidance regarding the transfer, expenditure, reimbursement, or other use of CRF funds.
10. City of Independence understands and agrees that any unspent funds must be returned to the State for recoupment. City of Independence understands that Montgomery County, Kansas must return all unspent funds no later than December 30, 2020, and will make any unspent funds available for return prior to December 30, 2020. All reconciliation documents submitted to the SPARK Taskforce will be made publicly available by the Governor's Office of Recovery, including supporting documentation submitted by the City of Independence to Montgomery County, Kansas.

This document shall be filed with the County Clerk. It shall become effective as of the 14<sup>th</sup> day of August, 2020.

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Title: