

RESOLUTION NO. 2020-5
Coronavirus Relief Fund Memorandum of Understanding

WHEREAS, securing the health, safety, and economic well-being of the citizens of the City of Chetopa, Kansas is the top priority for the governing body of the City of Chetopa; and

WHEREAS, the state of Kansas 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 locally;

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 Labette County there have been 138 reported positive cases of COVID-19, including 0 deaths with a likely second wave of COVID-19 cases expected in the Fall;

WHEREAS, the City of Chetopa 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 community, the governing body of City of Chetopa 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 community;

WHEREAS, in these challenging times, the governing body of the City of Chetopa 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 Labette County to help address the health and economic challenges inflicted by COVID-19 based on Labette County'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, the Board of County Commissioners of Labette County adopted a Resolution to accept and distribute funds to cities and other entities within Labette County.

THEREFORE, pursuant to the authority vested in the Chetopa City Council, in order to begin the process of safely, strategically, and proactively providing the resources the community needs to both mitigate the spread of COVID-19 and invest in long-term economic recovery, the Chetopa City Council accepts any funds appropriated to the City of Chetopa by the State of Kansas through the State's Coronavirus Relief Fund and distributed by Labette County 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 Chetopa will comply with reporting requirements established by Labette County.
 6. To ensure transparency and accountability in the deliberation, expenditure, and oversight processes associated with CRF funds, the City of Chetopa will comply with all applicable requirements of the Kansas Open Meetings Act and Labette County.
 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 Chetopa will consider and incorporate efforts to address such disproportionate impacts on racial minorities in its proposed 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 Memorandum of Understanding signifies that, upon approval, the City of Chetopa 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 by said City, and to indemnify Labette County for any liability incurred by Labette County to the Department of the Treasury with respect thereto.
 9. The City of Chetopa 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. The City of Chetopa understands and agrees that any unspent funds must be returned to the State for recoupment. The City of Chetopa understands that Labette County 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 Chetopa to Labette County.

11. The City of Chetopa understands and agrees that any funds designated or may be designated to the City of Chetopa from Labette County is not permanent or binding, and Labette County reserves the right to retain the funds, divert the funds to another entity or adjust the amount to be dispersed at the sole discretion of Labette County. Labette County reserves a claw-back provision, or the right to the return of any CRF funds issued from Labette County to the City of Chetopa that has not been spent.
12. The City of Chetopa understands and agrees that any CRF funds cannot be used to reimburse for funds already received from other government programs, outside donations, or other COVID-19 related sources of income. The City of Chetopa is required to disclose all information and sources of funding when applying to receive reimbursements or direct transfer of CRF funds. Intentional failure to disclose such funds can result in loss of participation within the program. Any moneys incorrectly used under the rules and regulations of this MOU, state law or federal law will be reimbursed by The City of Chetopa immediately.

This document shall be filed with the County Clerk. It shall become effective as of the date executed.

EXECUTED BY THE GOVERNING BODY this 18th day of August, 2020 for the City of Chetopa, Kansas

Tammy Bushong, Mayor

ATTEST: _____
Toni A. Crumrine, City Clerk

Lonie R. Addis, Chairman of the
Labette County Board of County
Commissioners

ATTEST: _____
Gena Landis, Labette County Clerk