

**RESOLUTION 2020-015**

**A RESOLUTION EXPRESSING THE INTENT OF THE GOVERNING BODY OF THE CITY OF PAOLA, KANSAS TO ACCEPT ANY FUNDS APPROPRIATED TO THE CITY BY STATE OF KANSAS THROUGH THE STATE'S CORONAVIRUS RELIEF FUND AS DISTRIBUTED BY MIAMI COUNTY AND ACKNOWLEDGING THAT ACCEPTANCE AND USE OF FUNDS SHALL BE SUBJECT TO TERMS DESIGNED TO ENSURE TRANSPARENCY, EQUITY, AND ACCOUNTABILITY IN THE LAWFUL USE OF THE FUNDS.**

**WHEREAS**, securing the health, safety, and economic well-being of our residents is CITY OF PAOLA'S top priority;

**WHEREAS**, CITY OF PAOLA 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 MIAMI COUNTY there have been 133 cases reported positive cases of COVID-19, and 0 deaths, with a likely second wave of COVID-19 cases expected in the Fall;

**WHEREAS**, CITY OF PAOLA 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 our responsibility to provide for and ensure the health, safety, security, and welfare of the people of CITY OF PAOLA, CITY OF PAOLA 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 to communities within CITY OF PAOLA;

**WHEREAS**, in these challenging times, CITY OF PAOLA 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 \$6,894,296 to MIAMI COUNTY to help address the health and economic challenges inflicted by COVID-19 based on MIAMI 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 with their counties.

WHEREAS, MIAMI COUNTY adopted a Resolution to accept and distribute funds to cities within MIAMI COUNTY, KANSAS.

**Be it resolved that**, pursuant to the authority vested in the PAOLA CITY COUNCIL, 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 mitigate the spread of COVID-19 and invest in long-term economic recovery, the PAOLA CITY COUNCIL accepts any funds appropriated to CITY OF PAOLA by the State of Kansas through the State's Coronavirus Relief Fund and distributed by MIAMI 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 city 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 the effective and timely oversight of local and state spending, CITY OF PAOLA will comply with reporting requirements established by MIAMI COUNTY.

6. To ensure transparency and accountability in the deliberation, expenditure, and oversight processes associated with CRF funds, CITY OF PAOLA, 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, CITY OF PAOLA 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, CITY OF PAOLA 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 PAOLA 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 PAOLA understands and agrees that any unspent funds must be returned to the State for recoupment. CITY OF PAOLA understands that MIAMI 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 SPARK Taskforce will be made publicly available by the Governor's Office of Recovery, including supporting documentation submitted by CITY OF PAOLA to MIAMI County.

This document shall be filed with the Paola City Clerk. It shall become effective as of August 12, 2020.

ADOPTED AND APPROVED by vote of the governing body of the City of Paola, Kansas on August 11, 2020.

CITY OF PAOLA, KANSAS

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Artie Stuterville, Mayor

ATTEST:

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Stephanie Marler, City Clerk