

CITY OF HIGH POINT

AGENDA ITEM



Title: Davidson County CARES Act funding

From: Eric Olmedo, Assistant City Manager

Public Hearing: N/A

Attachments: Interlocal Agreement & Resolution

Meeting Date: August 17, 2020

Advertising Date: N/A

Advertised By: N/A

PURPOSE:

Request to adopt a Resolution approving an Interlocal Agreement between Davidson County and the City of High Point regarding CARES Act funding.

BACKGROUND:

Counties in North Carolina with populations under 500,000 received funding from the Federal Government under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") as a pass through from the State of North Carolina. Davidson County received approximately \$2,977,053 in funding, since it is a unit of government with a population under 500,000. Under this act, Davidson County is required to share a portion of the funding with municipalities within the County. High Point's share of the funding based on population is \$175,482.

BUDGET IMPACT: The City will receive funding of \$175,482 to reimburse direct expenses related to the COVID-19 pandemic.

RECOMMENDATION / ACTION REQUESTED: Staff recommends and asks the Council to adopt a Resolution approving the interlocal agreement and authorize the appropriate city official to execute all necessary documents.

**RESOLUTION APPROVING AN INTERLOCAL AGREEMENT BETWEEN
THE CITY OF HIGH POINT AND THE COUNTY OF DAVIDSON FOR
PARTICIPATION IN THE DAVIDSON COUNTY LOCAL GOVERNMENT
COVID-19 REIMBURSEMENT PROGRAM**

WHEREAS, pursuant to the provisions of Section 160A-461 of the General Statutes of North Carolina, the City of High Point (“City”) is authorized to enter into interlocal agreements with other units of local government and local political subdivisions in order to execute any undertaking; and

WHEREAS, Davidson County, North Carolina (“County”) is a body politic and corporate in the State of North Carolina, established and regulated by Chapter 98 of the Public Local and Private Laws of 1941, as amended by Chapter 793 of the 1969 Session Laws of Chapter 594 of the 1985 Session Laws, and

WHEREAS, Counties in North Carolina with populations under 500,000 received funding from the Federal Government under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) as a pass through from the State of North Carolina; and

WHEREAS, Davidson County received approximately \$2,977,053 from the United States Government pursuant to the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) since it is a unit of government with a population under 500,000; and

WHEREAS, under the CARES Act, Davidson County is required to share a portion of the funding with municipalities within the County and High Point’s share of the funding based on population is \$175,482; and

WHEREAS, The CARES Act provides for payments to local government navigating the impact of the COVID-19 outbreak via the Coronavirus Relief Fund; and

WHEREAS, the CARES Act provides that payments from the Coronavirus Relief Fund may only be used to cover expenses which: (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); (2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the local government; and (3) were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020; and

WHEREAS, the United States Department of Treasury has issued guidelines with regards to the authorized use of funds allocated to local governments under the CARES Act; and

WHEREAS, under the CARES Act, the County is ultimately responsible for any expenditures from CARES Act funds; and

WHEREAS, much uncertainty remains regarding future costs the County and local municipalities will be forced to bear related to the coronavirus emergency, and

WHEREAS, much uncertainty exists as to the potential for future allocations of federal or state monies to defray those future costs, and

WHEREAS, the Parties wish to enter into an interlocal agreement to promote the most efficient distribution of resources which have been made available to Davidson County to benefit the citizens of Davidson County, and

WHEREAS, under the CARES Act, should the Office of the Inspector General determine that the funds were used in a manner contrary to the intent of the legislature or contrary to the United States' Department of Treasury guidelines, the CARES Act provides that the federal government may recoup the improperly spent funds from the County; and

WHEREAS, the County, those municipalities within Davidson County, and their residents, have suffered secondary effects of the coronavirus emergency, as the State of North Carolina has ordered the closure of non-essential businesses; and

WHEREAS, Davidson County, as the jurisdiction responsible for disbursement of funds under the CARES Act, finds that it is appropriate to use these funds to defray certain costs incurred by the City related to the coronavirus emergency; and

WHEREAS, the disbursement of funds under the CARES Act to the City is in the best interests of the County, the City and their residents.

THEREFORE, BE IT RESOLVED by the High Point City Council, that the Mayor is hereby authorized to execute the Interlocal Agreement between the City of High Point and the County of Davidson for participation in the Davidson County Local Government COVID-19 Reimbursement Program, in which the City shall receive reimbursement, in aggregate, no more than \$175,482 for COVID-19 eligible response and recovery expenses.

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Adopted this the 17th day of August 2020.

Jay Wagner, Mayor

Attest:

Lisa B. Vierling, City Clerk

NORTH CAROLINA)

DAVIDSON COUNTY)

MEMORANDUM OF AGREEMENT
FOR ACCEPTANCE OF COVID-19 RELIEF FUNDS

THIS MEMORANDUM OF AGREEMENT, made and entered this ____ day of August, 2020, by and between Davidson County, a body corporate and politic of the State of North Carolina, hereinafter referred to as “Davidson County,” and the City of High Point, a municipal corporation of Davidson County, North Carolina, hereinafter referred to as “High Point:”

WITNESSETH:

WHEREAS, pursuant to Session Law 2020-4 and Session Law 2020-80, the State of North Carolina has instituted a Coronavirus Relief Fund (CRF) and instituted a protocol to be used by counties to document the planned use of CRF monies; and

WHEREAS, such funding is limited to specific purposes and, among other things, may only be used to cover necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease; and

WHEREAS, counties and municipalities are liable to the State for any misuse or mishandling of these funds and subject to clawback and other appropriate measures, including the reduction or elimination of other State funds; and

WHEREAS, said law requires that each county be responsible for maintaining adequate documentation to support expenditures made; and

WHEREAS, Session Law 2020-80 requires that twenty-five percent (25%) of the total funding be allocated for use by municipalities within the county, and

WHEREAS, Davidson County has submitted an application to the State and the City of High Point has requested a portion of these funds.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and for the purposes set forth above the parties do hereby mutually agree as follows:

1. Davidson County will provide to High Point a sum of up to One Hundred Seventy-Five Thousand Four Hundred Eighty-Two and no/100 Dollars (\$175,482.00) of Coronavirus Relief Funds to be used by High Point solely for necessary expenditures due to the public health emergency as such expenditures are authorized by state law and the provisions of the Davidson County COVID-19 Relief Funds Plan.

2. High Point will comply with all requirements for documentation to support any and all expenditures made by High Point with funds provided by Davidson County pursuant to this program. High Point is solely responsible for ensuring that any expenditures made by High Point with funds provided by this program are eligible expenses for CRF funding.
3. High Point agrees to hold Davidson County, its officers, employees and agents free, harmless, and indemnified from risk against any and all claims suits or causes of action arising from or in any way out of the performance of the terms of this Memorandum of Agreement. High Point will reimburse Davidson County for any and all expenses incurred by Davidson County, including having to return money to the State, for any funds expended by High Point that are subsequently determined by the State to not be an eligible or appropriate use of CRF funds.
4. No assignment of the rights or obligations of High Point shall be permitted.
5. No modification, amendment or addition to this Memorandum of Agreement shall be valid or enforceable unless in writing and signed behalf of Davidson County and High Point.
6. This Memorandum of Agreement replaces any prior approved and signed agreement for Acceptance of COVID-19 Relief Funds.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Agreement to be executed this the date and year first above written.

DAVIDSON COUNTY

By: Karen Watford, Chair
Davidson County Board of Commissioners

Attested to:

Deborah J. Harris, Clerk
Davidson County Board of Commissioners

CITY OF HIGH POINT

By: Jay W. Wagner, Mayor
City of High Point

Attested to:

Lisa B. Vierling, Clerk
City of High Point

PRE-AUDIT CERTIFICATE

This contract has been pre-audited by the County Finance Officer in the manner required by the Local Government Budget and Fiscal Control Act.

Jane S. Kiker
Finance Officer