

CITY OF BUCKLEY, WASHINGTON

RESOLUTION NO. 20-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BUCKLEY APPROVING AN INTERAGENCY AGREEMENT FOR CORONAVIRUS RELIEF FUND FOR LOCAL GOVERNMENTS AND SETTING FORTH GUIDELINES FOR THE DISTRIBUTION OF CORONAVIRUS RELIEF FUNDS TO THE BUCKLEY COMMUNITY

WHEREAS, COVID-19 is a contagious and potentially deadly virus that has been declared a pandemic event by the World Health Organization; and

WHEREAS, on March 16th, 2020, the City of Buckley declared a state of emergency related to COVID-19; and

WHEREAS, actions taken to mitigate the spread of COVID-19 have resulted in widespread social and economic disruption throughout the City of Buckley; and

WHEREAS, the City of Buckley will receive, on a reimbursement basis from the State Department of Commerce, the sum of \$146,550.00 from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); and

WHEREAS, the CARES Act and the State guidelines which provide for the distribution of the funds provide that payments may only be used to cover costs that: (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019; (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 State or government; and (3) were incurred during the period that began on March 1, 2020, and ends on October 31, 2020; and

WHEREAS, the U.S. Department of the Treasury has specifically advised that recipients such as the City of Buckley may use fund payments to provide emergency financial assistance to businesses directly impacted by the COVID-19 public health emergency. This federal guidance affords local governments, such as the City, the discretion to determine what payments are necessary. It adds that “[a] program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance.” Furthermore, “[t]he amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure[.]” The federal guidance goes on to add that businesses “affected by decreased customer demand as a result of the COVID-19 public health emergency,” are eligible for grant programs which benefit small businesses; and

WHEREAS, the COVID-19 crisis has forced governments and local businesses alike to reexamine their long-term planning. On the local government side, both the State of Washington and a number of local governments are implementing cost-containment measures in the way of service cuts and reductions in force. Already, the State has seen record unemployment and a number of Buckley businesses either have closed or are at risk of closing; and

WHEREAS, the U.S. Department of the Treasury has specifically advised that recipients such as the City of Buckley may use fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency. Such guidance extends to payments for “program[s] to assist individuals with payment of overdue or unforeseen financial costs for ... other emergency individual needs.” The City of Buckley further determines that such assistance, in the form of a program to assist individuals with payment of overdue utilities is a necessary expenditure, consistent with the City’s emergency response and appropriate in light of the exigencies of the situation to maintain both housing and essential needs for its residents; and

WHEREAS, the City Council wishes to appropriate and deploy portions of said funds within the City response and community through small business assistance and residential utility assistance as a result of COVID-19. These actions further long-standing City goals and priorities, are consistent with the

fundamental purposes of government by addressing the welfare of the residents of the City of Buckley, and the use of these funds in the manners set forth herein are necessary, appropriate and proper under both state and federal law;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BUCKLEY, WASHINGTON, AS FOLLOWS:

Section 1. Approval of Contract with Department of Commerce. The City Council hereby approves execution of the Interagency Agreement between the City of Buckley and the Washington State Department of Commerce for the Coronavirus Relief Fund for Local Governments, in substantially the form of the documents on file with the City Clerk. The proper officials of the City of Buckley are authorized to execute and implement the Interagency Agreement.

Section 2. Creation of CARES Act Relief Funds Response Programs.

The City Council establishes the following grant programs to provide community stabilization:

- A. The City Council establishes the COVID-19 City Small Business Assistance Funds Program. These funds allocated to this program shall be expended consistent with the criteria described in **Exhibit A**, attached hereto.
- B. The City Council establishes the COVID-19 Residential Utility Assistance Program. These funds allocated to this program shall be expended consistent with the criteria described in **Exhibit B**, attached hereto.

Section 3. Distribution determination of Coronavirus Relief Funds.

- A. Subject to the constraints otherwise set forth in this Resolution, the City Council directs the following sums of those of Coronavirus Relief Funds (i.e. those funds which are to be received or anticipated to be received via the interagency agreement identified in Section 1 of this Resolution), to be allocated to the following programs:
 - 1. Ninety-eight, five hundred and fifty dollars (\$98,550.00) shall be allocated to the COVID-19 City Response. These funds would be set aside to reimburse the taxpayers for City-incurred expenses associated with its COVID-19 response. These funds would serve to offset expenditures in the areas of personal protective equipment for staff and the public, additional janitorial expenses, disinfectant supplies, and a portion of the salaries associated with individuals tasked with COVID-19 response.
 - 2. Thirty thousand dollars (\$30,000) of these funds would be set aside to assist eligible residential members with their City of Buckley water, sewer and storm utility bills associated with COVID-19.
 - 3. The remaining funds, in the amount of eighteen thousand dollars (\$18,000) would be allocated to the City Small Business Assistance Funds Program. This program would take the form of assistance to eligible commercial store-front businesses in Buckley to help seating expansion for those businesses that have been affected by COVID-19 requirements.
- B. Any monies which the Council has directed their use for any of the programs identified in Subsection (A) and any subparts thereof, which have not been committed by September 30, 2020 may be reallocated by the Mayor between the programs identified in this Resolution.

Section 4. Administration of Stabilization Programs. The administration of the programs set forth in Section 2 shall be subject to the following parameters and guidelines:

- A. The City Administrator or his designees are authorized to take and execute any additional measures or documents that may be necessary to administer these programs and the

interagency agreement authorized in Section 1 of this Resolution and to make necessary changes to the administration of these funds which are consistent with this Resolution, excepting that changes to maximum grant amounts or maximum funding amounts shall be approved by the Buckley City Council.

- B. City staff shall develop any application documents to ensure that the process is as simple, streamlined, and easy for the applicant as possible.
- C. The City Administrator will provide a report to City Council documenting the grant funding, the amount of the funding, the need and remaining grant fund balance.
- D. The City Council makes the express determination that, notwithstanding any provision of the Buckley Municipal Code or internal policy to the contrary, that any such contracts necessary to implement Section 3 of this Resolution are within the scope of the emergency management authority contained within Section 2.96 of the Buckley Municipal Code and/or Resolution 20-08 ("A Resolution Of The City Of Buckley, Washington Declaring And Proclaiming An Emergency Relative To COVID-19") and are not subject to competitive bidding or other similar requirements associated with the City's emergency response.

Section 5. Legislative Findings. To the extent that legislative findings are necessary, the recitals set forth above are hereby adopted as the City Council's legislative findings in support of the funds, policies, expenditures and other actions undertaken pursuant to this Resolution. The Council reserves the right to supplement its findings at a later time, if in its sole discretion, it deems it necessary to do so.

Section 6. Retroactive Ratification of Actions Taken. Any and all actions taken by the City Mayor or City staff related to either the Interagency Agreement identified in Section 1 or the Assistance Programs outlined herein that occurred prior to the authorization provided in this Resolution are hereby ratified and approved.

Section 7. General Provisions.

- A. This Resolution shall be implemented consistent with applicable law and subject to the availability of funding.
- B. This Resolution is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the City of Buckley, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

Section 9. Effective Date. This Resolution shall take effect immediately upon its adoption.

ADOPTED BY THE CITY COUNCIL ON AUGUST 25, 2020.


Patricia Johnson, Mayor

ATTEST:


Treva Percival, City Clerk

APPROVED AS TO FORM:


Phil Olbrechts, City Attorney

Posted: August 27, 2020

EXHIBIT A
COVID-19 CITY SMALL BUSINESS ASSISTANCE FUNDS PROGRAM
GRANT CRITERIA & PROCEDURES

To assist small, locally-operated Buckley-based for-profit businesses, the City of Buckley is committing up to Eighteen thousand dollars (\$18,000.00) to the COVID-19 City Small Business Assistance Program, an emergency fund that provides working capital grants in amounts up to \$3,000 to qualifying small businesses.

Criteria for All Applicants

All applicants must meet the following criteria for financial support:

- 1) Businesses physically located within City boundaries.
- 2) Businesses that have a City of Buckley business license and meet the following requirement:
 - a. Have been continually licensed with the City of Buckley since March 16, 2019 to the present
- 3) Experienced a loss of 25% or more in revenue due directly to COVID-19 impacts (comparing March 1, 2019 – July 30, 2019 with March 1, 2020 – July 30, 2020).
- 4) Businesses with ten (10) or fewer full-time equivalent employees (FTEs) whose primary workstation is within the City of Buckley.

The number of FTEs is determined by calculating the sum of each employee's average number of hours paid per week, divided by 40, and rounding the total to the nearest tenth. The maximum for each employee is capped at 1.0.

- 5) Businesses in good standing, current on all City taxes and fees due, current on all State and City regulatory requirements, and no outstanding code violations. For the purposes of this requirement, the business is not disqualified if it has taken advantage of an extension of taxes and fees, or other regulatory requirements, if those obligations have been suspended or deferred by appropriate local or state directives.
- 6) Unless exempt, have available for inspection a written Safety Plan outlining how its workplace will prevent the spread of COVID-19 that is at least as protective as the requirements from the Washington State Department of Labor & Industries. If the State of Washington has issued guidance for the business' specific industry, the Safety Plan must also be compliant with any industry-specific guidance.
- 7) As a condition of receiving a grant, the business must also commit to the following minimum requirements: (a) cooperate with public health authorities in the investigation of cases, suspected cases, outbreaks, and suspected outbreaks of COVID-19; (b) cooperate with the implementation of infection control measures, including but not limited to isolation and quarantine and follow the cleaning guidelines set by the CDC to deep clean and sanitize; (c) comply with all public health authority orders and directives; and (d) comply with all Department of Labor & Industries interpretive guidance, regulations, and rules and Department of Labor & Industries-administered statutes.
- 8) Grants may be used to leverage funding from a public or private financing program.

Grant Guidelines

Tier 1 Businesses.

Businesses qualifying under Tier 1 will be eligible for priority funding of grant awards are in alignment with the following criteria and shall be entitled to Tier 1 priority status.

Businesses meeting the following additional criteria shall be entitled to Tier 1 status:

- 1) Businesses that collect and remit sales tax to the State of Washington, with a minimum sales tax remission to the State of Washington in the amount of \$5,000 in 2019; and
- 2) Businesses that have a customer-driven store-front and visible presence within any of the commercial areas within the City of Buckley.

For the purposes of this criteria, a business has a “store-front and visible presence within any of the commercial areas,” of the City if the business is located in one of the following zones: Historic Commercial (HC); Central Commercial (CC); Neighborhood Mixed Use (NMU); and General Commercial (CC).

Tier 2 Businesses.

Businesses which do not meet the Tier 1 requirements are identified as Tier 2 businesses. All businesses not qualifying under Tier 1 will be placed for priority funding of grant awards in alignment with Tier 2 priority status.

Exclusions from the Program.

Entities meeting one or more of the following criteria are excluded from receiving grants under this Program:

- 1) Businesses that have more than ten (10) FTEs whose primary workplace is within the City of Buckley; or
- 2) Businesses that qualified as an “essential business” and remained open to the public or worked under normal operating conditions from March 16, 2020 to July 31, 2020, unless the business can prove a loss of 25% revenue due to COVID impacts (comparing March 1, 2019 – July 31, 2019 with March 1, 2020 – July 31, 2020);
- 3) Nonprofits and governmental entities.
- 4) Grants cannot be made to businesses owned, or partially owned, by managers, officers, directors, employees or other public officials associated with the City of Buckley.

Uses of Grant Funds

All grant recipients are subject to the following limitations on the use of grant funds.

Grant funds eligible for:

1. Payment of rent or required monthly loan payments
2. Payments of essential wages, taxes, and normal benefits to employees essential to maintain business; provided such expenses have not been and, to the best knowledge of the recipient, will

not be reimbursed under any federal, state or regional program, including any grant or loan programs.

3. Normal operating costs that are included in “cost of goods sold” on businesses’ income statement (raw materials for manufacturers, component pieces for assemblers, items for resale for retailers, food for restaurants, etc.)
4. Normal operating expenses that are included in “operating expenses” on businesses’ income statement (utilities, insurance, professional services, etc.)
5. Normal draw or wages on a weekly or monthly basis to owner
6. Increased costs which are necessary to comply with safety-compliance measures or regulatory compliance associated with COVID-19.

Grant funds may not be spent on the following:

1. Any expense that would not be considered an eligible business expense by IRS rules
2. Political contributions
3. Bonuses to owners or employees
4. Wages to any member of owner’s family who is not a bona fide employee
5. Charitable contributions
6. Gifts or parties
7. Draw or salary to owner that exceeded the amount that they were paid on a weekly or monthly basis for the same period last year
8. Pay down or pay off debt by more than required in underlying debt instrument.
9. Payment of local, state or federal taxes or assessments.
10. That portion of payroll and other employee- or business-associated costs for which the Recipient has received or expects to receive reimbursement from other federal, state or regional funds (e.g. Payroll Protection Program or unemployment insurance).

Identification of Grant Recipients.

Initial applications shall be received for a period of three weeks. In the event that the total number of grant funds requested by qualified applicants exceeds available funds for a given tier, the City will randomly select qualified applicants within that tier to receive grant awards. Any remaining funds, after this initial distribution, shall be distributed on first-come first-served basis to qualified applicants.

EXHIBIT B
RESIDENTIAL UTILITY ASSISTANCE PROGRAM
GRANT CRITERIA & PROCEDURES

To assist Buckley-based residents, the City of Buckley is committing up to thirty thousand dollars (\$30,000.00) to the Residential Utility Assistance Grant Program, an emergency fund that provides grants to qualifying City of Buckley utility residents. These grants shall be used for delinquent or past due utility assistance. The following are the criteria for financial support:

Criteria for All Grant Programs:

1. The applicant must live within the city limits and use City of Buckley service area utilities (water, sewer and storm) as of March 16, 2020 and continuing through the date of application;
2. Utilities must have been for services provided after March 1, 2020.
3. The applicant must certify that they have sustained a substantial loss of income due to COVID-19 and that the funds used from one or more of the programs below is necessary to address the direct impacts of COVID-19. This may be verified by proof of outstanding City of Buckley utility account as evidenced by the most recent monthly billing(s).

Check all that apply and provide supporting documentation

- a. Death of immediate family member due to COVID-19
 - b. Loss of job or income due to COVID-19
 - c. Sudden illness or injury due to COVID-19
 - d. Substantial loss of funds due to COVID-19
 - e. Severely disabled or ill household member due to COVID-19
 - f. Other
4. Utility customer must be eligible for and be willing to set up a utility payment plan for any remaining balance not covered by the Residential Utility Assistance Program.
 5. Amount of Assistance. The maximum available for a residence is \$500.00 to be applied toward the most outstanding utilities: water, sewer and storm