

Legislation Text

File #: BILL NO. 20-158, **Version:** 1

An Ordinance Approving the CARES Act Budget for the City of Lee's Summit and Approving and Authorizing the Mayor to Execute an Intergovernmental Agreement with Jackson County, Missouri to Accept CARES Act Funds. (Note: First reading done by Council on August 18, 2020. Passed by unanimous vote.)

Issue/Request:

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") established the Coronavirus Relief Fund (the "Fund") and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States, local governments with a population over 500,000; and Tribal governments. The CARES Act provides that payments from the Fund 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 (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 State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

Jackson County (the "County") received \$122.7 million from the Fund. Although the CARES Act does not require the County to share the funds with the City of Lee's Summit, the County Legislature approved appropriation of CARES Act funding for the City of Lee's Summit for an amount not to exceed \$5,921,537 on June 29, 2020 with Ordinance 5372. This appropriation to each local government within Jackson County will be formalized through intergovernmental agreement executed by County Executive Troy Schulte.

The County gave the City two options to receive its allocation:

- Option 1: Distribution Agreement. The County will distribute the allocated funds based on a budget that is submitted to the County. The County will then administratively approve the proposed budget, which is incorporated into the intergovernmental agreement between the City and the County. All components of the plan must meet eligibility requirements under the CARES Act. The City will receive the money upfront and then be responsible for subsequent allocation of those funds through its specific contracting processes.
- Option 2: Reimbursement Agreement. Similar to federal grants, under this option the County reimburses the City for all costs incurred with the City's pre-approved spending plan. The City can choose either to have the County pay invoices or seek reimbursement of costs incurred for COVID relief. Under this proposal, the County will retain all responsibility should costs be later deemed ineligible.

After reviewing both options, City Staff recommends Option 1, a Distribution Agreement, and the attached intergovernmental agreement reflects that option.

Pursuant to the intergovernmental agreement, if a jurisdiction chooses to use some or all of the funds for sub-recipient

awards, such as Business-Industry response or recovery, the County expects the awarded allocation to be within such local government's appropriation.

Proposed City Council Motion:

I move for adoption of an Ordinance Approving the CARES Act Budget for the City of Lee's Summit and Approving and Authorizing the Mayor to Execute an Intergovernmental Agreement with Jackson County, Missouri to Accept CARES Act Funds

Stephen A. Arbo, City Manager

Mike Snider, Fire Chief