CITY OF MOUNT VERNON
CITY COUNCIL MEETING
AGENDA
June 10, 2020 6:00 p.m.
(Virtual Meeting)

The Mount Vernon City Councilmembers will be participating in this meeting via video/teleconference technology.

To virtually attend the meeting, the public may:

1. **Call the conference line:** 1-888-924-9240; Access Code: 3366211
   (please 'mute' your phone, if possible, to minimize distractions)
2. **Watch the meeting live on TV10:** Comcast/Xfinity Channel 10
3. **Watch the meeting live, online:**
   https://www.youtube.com/channel/UCUob_hcQUmd4S93YkletdrA

I. OPENING CEREMONIES

A. Call to Order
B. Roll Call of Councilmembers

II. CONSENT AGENDA

A. Approval of May 27, 2020 Regular Council Meeting Minutes
B. Approval of June 5, 2020 payroll checks numbered 110068 - 110090 direct deposit checks numbered 77227 - 77435, and wire transfers numbered 859 – 863 in the amount of $899,329.04
C. Approval of June 10, 2020 Claims numbered 9314 - 9318 and 9325 - 9450 in the amount of $1,216,416.71

III. REPORTS

A. Review of Emails from the Public
(All public comments must be sent via email to council@mountvernonwa.gov. The comments will be read aloud into the record during the public comment portion of the agenda.)
B. Councilmember Comments
C. Mayor's Report

IV. NEW BUSINESS

A. CDBG Sub recipient Agreement with Community Action of Skagit County
(Staff is requesting that Council authorize the Mayor to enter into an agreement with Community Action of Skagit County.)
(required action – motion)
(staff contact – Peter Donovan)

B. Approval of Agreement with Washington State Department of Commerce for Coronavirus Relief Funds
(Staff is requesting that Council authorize the Mayor to enter into an agreement with Washington State Department of Commerce for federal Coronavirus Relief Funds.)
(required action – motion)
(staff contact – Doug Volesky)

C. Authorization for SHB1406 –Local State-Shared Tax for Affordable and Supportive Housing
(Staff is requesting that Council approve an ordinance that would authorize the collection of tax for SHB 1406 – local state-shared tax for affordable and supportive housing.
(required action – ordinance)
(staff contact – Doug Volesky)

D. Fireworks Stands in Mount Vernon
(Staff is requesting that Council approve the retail firework stand applications received for the sale of fireworks from June 28, 2020 - July 4, 2020. The stands will be located at Haggen, Walmart and Safeway parking lots.)
(required action – motion)
(staff contact – Chief Bryan Brice)

E. For the Good of the Order:
- COVID 19 pandemic response and discussion
- Public Works Update

COMMITTEE MEETINGS

Public Works and Library Cancelled

Next Ordinance 3804
Next Resolution 977

DATE: June 10, 2020

TO: Mayor Boudreau and City Council

FROM: Peter Donovan, Project Development Manager

SUBJECT: CDBG SUBRECIPIENT AGREEMENT WITH COMMUNITY ACTION

RECOMMENDED ACTION:

Motion

INTRODUCTION/BACKGROUND:

THE FEDERAL CARES ACT PROVIDED FUNDING THROUGH HUD'S CDBG PROGRAM FOR COMMUNITIES TO ADDRESS THE EFFECTS OF THE COVID-19 PANDEMIC.

FINDINGS/CONCLUSIONS:

IN THIS PROPOSED AGREEMENT, THE CITY OF MOUNT VERNON WILL PROVIDE COMMUNITY ACTION WITH $110,000 IN HUD CDBG FUNDING FOR EMERGENCY RELIEF THAT PROVIDES ASSISTANCE TO COVID-19 IMPACTED TENANTS IN MOUNT VERNON.

RECOMMENDATION:

Staff recommends that Council authorize the Mayor to enter into this agreement with Community Action of Skagit County

ATTACHED:

Draft Agreement

DRAFT CITY OF MOUNT VERNON

COMMUNITY DEVELOPMENT BLOCK GRANT SUBRECIPIENT AGREEMENT

WITH COMMUNITY ACTION OF SKAGIT COUNTY

THIS AGREEMENT made and entered into by and between the City of Mount Vernon, a municipal corporation under the laws of the state of Washington (hereinafter referred to as the City) and Community Action of Skagit County, a Washington nonprofit corporation (hereafter referred to as Subrecipient.)

WITNESSES THAT:

WHEREAS, in the City of Mount Vernon, the COVID-19 pandemic has had adverse impacts on families and individuals with low- to moderate-income, and

WHEREAS, the Subrecipient is a nonprofit corporation helping families and individuals low-income to improve their lives through education, support, and direct assistance while advocating for just and equitable communities, and

WHEREAS, the United States Department of Housing and Urban Development (HUD) has offered the City a grant of Community Development Block Grant (CDBG) funding from the recently approved CARES Act to address the adverse impacts of the COVID-19 pandemic, and

WHEREAS, the Subrecipient has agreed to administer and implement a CDBG emergency relief project that provides CDBG-eligible, COVID-19 families and individuals with financial assistance as allowed in the Housing and Community Development Act of 1974, as amended, and in compliance with applicable local, state and federal laws, regulations and policies for the use of CDBG funds, and

WHEREAS, the City has agreed to provide the Subrecipient with one-hundred and ten thousand dollars ($110,000) to support the Subrecipient's implementation of a CDBG-funded emergency relief project that provides assistance to COVID-19 impacted families and individuals, and

WHEREAS, the City and the Subrecipient are desirous of entering into a contract to formalize their relationship.

1. <u>Services to be Provided by the Parties:</u>

   a. The Subrecipient shall complete in a satisfactory and proper manner as determined by the City the work activities described in the Scope of Work.

   b. The City will provide such assistance and guidance as may be required to support the objectives set forth in the Scope of Work and will provide funding for the services and activities as set forth below.

2. Scope of Work:

a. Activities

The Subrecipient will undertake and carry out a CDBG MEA project in a manner satisfactory to the City and consistent with any standards required as a condition of the City providing these CDBG funds. The COVID-19 emergency relief project will include the activities described in Exhibit A, attached hereto and incorporated herein and made a part hereof.

The major goal of the Subrecipient's COVID-19 emergency relief project under this Agreement will be the provision of financial assistance to CDBG-eligible households. Changes to the project's scope of work or budget, unless otherwise noted, may only be made through a written amendment to this Agreement, executed by the Subrecipient and City.

b. National Objectives

The Subrecipient certifies that the activities carried out under this agreement will meet the CDBG National Objectives, as outlined below:

The activities meet the CDBG National Objective to principally benefit persons with low- to moderate-income (LMI). The activity meets the limited clientele criteria by principally serving persons with LMI who request emergency relief.

The Subrecipient will verify that the limited clientele criteria is met, with the Subrecipient collecting documentation of data showing the size and annual income of the household receiving a benefit, confirming that the beneficiary is LMI at the time the applicant is determined to be eligible for CDBG assistance, in compliance with CDBG regulations and guidance.

Note that after a households is confirmed to be eligible for CDBG emergency relief and begins to receive relief within 12 months, the household remains eligible for CDBG-funded assistance, whether on not the household's income rises to exceed 80 percent of AMI.

c. Activity Budgets and Potential Program Income

Activity budget is outlined in Exhibit B "Proposed Project Budget" attached hereto and incorporated herein and made a part hereof.

CDBG funds will be used for direct financial assistance to CDBG-eligible households and for the reimbursement of the Subrecipient's direct costs of implementing the project.

The project is not expected to produce any program income.

d. Levels of Accomplishment – Goals and Performance Measures

Activity goals and performance measures are outlined in Exhibit A. The number of households to be assisted is expected to be forty or more.

e. Staffing

Staff assigned to listed activities will be competent to perform assigned duties.

f. Performance Monitoring

The City will monitor the performance of the Subrecipient against activities and performance measures as stated above, on an annual basis if not more frequently.

The Subrecipient shall submit a CDBG Beneficiary and Outcomes Report to the City on a semi-annual basis. Payments will be withheld if reports are missing or incomplete.

Substandard performance as determined by the City will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, Agreement suspension or termination procedures will be initiated.

g. Compliance with Federal Regulations

Administration of program and activities are subject to federal HUD regulations as described in Exhibit C, attached hereto and incorporated herein and made a part hereof.

3. Time of Performance:

All activities described under the Scope of Work shall be conducted over the course of the current Year, beginning with a written notice to proceed from the City to the Subrecipient and ending on or before December 31, 2020. A written six-month extension to this ending date may be obtained from the City.

4. Consideration:

The City shall contribute fifty thousand dollars ($110,000.00) to accomplish the scope of work as detailed in Exhibit A.

As allowed by CDBG regulations and guidance, the CDBG funds may be used to:

a) Provide direct financial assistance and emergency relief for CDBG-eligible households, not to exceed a total of one-hundred thousand dollars ($100,000).

b) Provide reimbursement to the Subrecipient for the direct costs of implementing the project, not to exceed ten thousand dollars ($10,000)

5. Administration

The Subrecipient shall appoint a liaison who shall be responsible for the Subrecipient's overall administration of the CDBG-funded activities and the overall coordination with the City. The Subrecipient shall also designate one or more representatives who shall be authorized to sign invoices. The names of the liaison and representatives shall be specified by letter to the City.

6. Payments with CDBG Funds

a) The City shall use CDBG funds only for the activities specified in attached Exhibit A, and only after adequate documentation provided to the City by the Subrecipient.

b) Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 24 CFR 84.21.

c) The City will make a timely payment to the Subrecipient after said payment request is received and approved by City personnel.

d) The Subrecipient shall submit a CDBG Beneficiary and Outcomes Report to the City on a semi-annual basis. Payments will be withheld if reports are missing or incomplete.

7. Relationship:

The City and Subrecipient intend that an independent contractual relationship be created by this contract. Subrecipient is not considered to be an employee of the City for any purpose, and neither the Subrecipient nor any employee of the Subrecipient shall be entitled to any of the benefits the City provides for the City's employees, including but not limited to health insurance, sick or annual leave, or worker's compensation. Subrecipient specifically represents and stipulates that the Subrecipient is engaged in the business of providing the services set forth in this contract, and that Subrecipient is fully registered and legally authorized to conduct such business, and pays all necessary taxes and assessments levied against such business.

8. Suspension, Termination, and Close Out:

If the Subrecipient fails to comply with the terms and conditions of this contract, the City may pursue such remedies as are legally available, including, but not limited to, the suspension or termination of this contract.

9. Changes, Amendments, Modifications:

The City may, from time to time, require changes or modifications in the Scope of Work to be performed hereunder. Such changes, including any decrease or increase in the amount of compensation therefore, which are mutually agreed upon by the City and the Subrecipient shall be incorporated in written amendments to this contract.

10. Assignability:

The Subrecipient shall not assign any interest on this contract, and shall not transfer any interest on the contract (whether by assignment or novation), without prior written consent of the City.

11. Reports and Information:

The Subrecipient, at such time as and in such form as the City may require, shall furnish the City such periodic reports and information as it may request pertaining to the work or services undertaken pursuant to this contract, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this contract.

12. Insurance:

Prior to commencing work, Subrecipient shall procure and maintain at Subrecipient's own cost and expense for the duration of the Agreement the following insurance placed with insurers against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work or services hereunder by the Subrecipient, its agents, representatives, employees or subcontractors. Subrecipient shall maintain limits no less than:

Commercial General Liability: One million dollars ($1,000,000) combined single limit per occurrence for bodily injury and property damage, and two million dollars ($2,000,000) aggregate. Coverage shall be on an "occurrence" basis. The City of Mount Vernon shall be named, by endorsement, as an additional insured on the Subrecipient's insurance policy as respects this contract. Such insurance as carried by the Subrecipient is primary over insurance carried by the City.

Comprehensive Automobile Liability Insurance: One million dollars ($1,000,000) combined single limit per accident for bodily injury/property damage.

Evidence of Subrecipient's Insurance shall be presented to the City prior to the execution of the agreement. In the event of non-renewal, cancellation, or material change in coverage, thirty (30) days written notice will be furnished to the City prior to the date of cancellation, non-renewal or change.

13. Compliance with Local Laws:

The Subrecipient shall comply with all applicable laws, ordinances, and codes of the state and local government and the Subrecipient shall hold and save the City harmless with respect to any damages arising from any tort done in performing any of the work embraced by this contract.

14. Audits and Inspections:

The City or their delegates shall have the right to review and monitor the financial and other components of the work and services provided and undertaken as part of the contract by whatever legal and reasonable means are deemed expedient by the City.

15. Hold Harmless:

The Subrecipient agrees to indemnify and hold harmless the City, its appointed and elective officers and employees, from and against all loss and expense, including attorney's fees and costs by reason of any and all claims and demands upon the City, its elected and appointed officers and employees from damages sustained by any person or persons, arising out of or in consequence of the Subrecipient's and its agents' negligent performance of work associated with this agreement.

This agreement contains all terms and conditions agreed to by the City and the Subrecipient.

IN WITNESS WHEREOF, the City and the Subrecipient have executed this agreement as of the date and year last written below:

CITY OF MOUNT VERNON	COMMUNITY ACTION OF SKAGIT COUNTY
_____	_____
Jill Boudreau, Mayor	Bill Henkel, Executive Director
Date:_____	Date:_____

Attest:

_____

Doug Volesky, Finance Director

Approved as to form:

_____

Kevin Rogerson, City Attorney

EXHIBIT A

Scope of Work

To accomplish the goal of providing emergency relief financial assistance for CDBG-eligible households, the major tasks that the Subrecipient will perform include, but are not necessarily limited to, the following:

Activity #1: Determining the CDBG-eligibility of potentially eligible households, based on (a) the household having an annual household income that does not exceed 80 percent of the area median income (AMI), adjusted for household size by HUD, and (b) a showing of adverse financial impacts as a result of the COVID-19 pandemic. Documentation will be collected and retained from each household that is considered eligible for CDBG MEA.

Activity #2: Determining which CDBG-eligible households will be offered CDBG-funded financial assistance based on criteria that the City and the Subrecipient agree are appropriate for the allocation of the limited amounts of CDBG funding available through this agreement.

Activity #3 For each household to be assisted, determining with household how the CDBG-funded financial assistance will be used and confirming that there will be no "duplication of benefits;" that is, no assistance is being received from another source for the same purpose and the amount of assistance provided does not exceed the total identified need.

Activity #4 For each household to be assisted and based on how the financial assistance will be used, documenting in an environmental review record (ERR) that considers whether the CDBG use will have any adverse environmental impacts. (If the CDBG use does not entail construction or ground disturbing activities, the ERR will usually confirm the use is categorically excluded and exempt from further environmental review.)

Activity #5 For each household to be assisted, providing financial assistance to a third party on behalf of the household in a lump sum payment or payments and documenting the delivery and receipt of those funds.

Activity #6 Providing adequate documentation to the City along with a request for reimbursement of funding that will be used for emergency relief financial assistance payments and for the reimbursement of the Subrecipient's direct costs of the project's implementation.

Exhibit B

Proposed Project Budget

Direct financial assistance on behalf of households	$100,000.00
Subrecipient direct expenses for implementation	$ 10,000.00
Total budget and compensation not to exceed	$110,000.00

DATE: June 10, 2020

TO: Mayor Boudreau and City Council

FROM: Doug Volesky, Finance Director

SUBJECT: APPROVAL OF ST DEPT. OF COMMERCE – CORONAVIRUS RELIEF FUNDS CONTRACT

RECOMMENDED ACTION:

Staff recommends that Council authorize the Mayor to enter into an agreement with the Washington State Department of Commerce for federal Coronavirus Relief Funds.

INTRODUCTION/BACKGROUND:

Through the Coronavirus Relief Fund (CRF), the CARES Act provides for payments to State, Local and Tribal governments navigating the impact of the COVID-19 outbreak. The Treasury will make payments from the Fund, thru grants from the Washington State Department of Commerce, to local governments in Washington State.

The CARES Act requires that the payments from the Coronavirus Relief Fund only be used to cover expense 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.

Funds will be provided to cities and counties with populations under 500,000 that were ineligible to receive direct funding under the CARES Act. Each county will receive a minimum distribution of $250,000 and each city will receive a minimum distribution of $25,000.

FINDINGS/CONCLUSIONS:

The City of Mount Vernon has been awarded funds through the CRF in the amount of $1,072,200. The Office of Financial Management (OFM), developed the allocation methodology and determined the jurisdiction amounts. The allocations were based on 2019 population estimated for each jurisdiction.

The CRF may only be used for costs incurred by local governments in response to the COVID-19 public health emergency during the period of March 1, 2020 thru October 31, 2020. All final requests for reimbursement must be submitted no later than November 15, 2020.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments. The use of these funds are very broad and flexible, and can be used for both operating and capital expenditures.

There are six primary eligible cost categories as follows:

1. Medical expenses
2. Public health expenses
3. Payroll expenses
4. Expenses of actions to facilitate compliance with COVID-19 related public health measures
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, and
6. Any other COVID-19 related expenses

The intent of these funds is to help jurisdictions cover the immediate impacts of the COVID-19 emergency. Both direct costs to the jurisdiction and costs to their communities.

Once the City has a signed contract, it will be routed to the Department of Commerce for signature. It generally takes two to four weeks to fully execute a contract. Once executed by Commerce a fully executed copy will be scanned and a pdf copy emailed to the City which will then have access to the funds.

RECOMMENDATION:

Staff recommends that Council authorize the Mayor to enter into this agreement with the Washington State Department of Commerce for federal Coronavirus Relief Funds.

ATTACHED:

Interagency agreement with the City of Mount Vernon and the Washington Department of Commerce

Washington State Department of Commerce

Interagency Agreement with

City of Mount Vernon

through

the Coronavirus Relief Fund for Local Governments

For

Costs incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) during the period of March 1, 2020 thru October 31, 2020.

Start date: March 1, 2020

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FACE SHEET

Contract Number: 20-6541C-256

Washington State Department of Commerce
Local Government Division
Community Capital Facilities Unit
Coronavirus Relief Fund for Local Governments

1. Contractor	**2. Contractor Doing Business As (optional)**
City of Mount Vernon 910 Cleveland Ave MOUNT VERNON, Washington 98273	

3. Contractor Representative	**4. COMMERCE Representative**	
Doug Volesky Finance Director (360) 336-6207 dougv@mountvernonwa.gov	Randi DuPrey Project Manager (360) 522-3737 Fax 360-586-5880 randi.duprey@commerce.wa.gov	P.O. Box 42525 1011 Plum Street SE Olympia, WA 98504-2525

5. Contract Amount	**6. Funding Source**	**7. Start Date**	**8. End Date**
$1,072,200.00	Federal: **X** State: Other: N/A:	March 1, 2020	October 31, 2020

9. Federal Funds (as applicable)	**Federal Agency:**	**CFDA Number:**	**Indirect Rate (if applicable):**
$1,072,200.00	US Dept. of the Treasury	21.019	10.00%

10. Tax ID #	**11. SWV #**	**12. UBI #**	**13. DUNS #**
XXXXXXXXXXXXXX	SWV0007361-12	603375240	N/A

14. Contract Purpose

To provide funds for costs incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) during the period of March 1, 2020 thru October 31, 2020. Final invoices must be received by November 15, 2020.

15. Signing Statement

COMMERCE, defined as the Department of Commerce, and the Contractor, as defined above, acknowledge and accept the terms of this Contract and Attachments and have executed this Contract on the date below and warrant they are authorized to bind their respective agencies. The rights and obligations of both parties to this Contract are governed by this Contract and the following documents hereby incorporated by reference: Attachment "A" – Scope of Work, Attachment "B" – Budget & Invoicing, Attachment "C" – A-19 Certification, Attachment "D" – A-19 Activity Report

FOR CONTRACTOR	**FOR COMMERCE**
Jill Boudreau, Mayor	Mark K. Barkley, Assistant Director, Local Government Division
Date	Date
	APPROVED AS TO FORM ONLY BY ASSISTANT ATTORNEY GENERAL 05-01-2020. **APPROVAL ON FILE.**

SPECIAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
FEDERAL FUNDS

1. AUTHORITY

COMMERCE and Contractor enter into this Contract pursuant to the authority granted by the Interlocal Cooperation Act, Chapter 39.34 RCW.

2. ACKNOWLEDGMENT OF FEDERAL FUNDS

Funds under the Contract are made available and are subject to Section 601(a) of the Social Security Act, as amended by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), and Title V and VI of the CARES Act.

The Contractor agrees that any publications (written, visual, or sound) but excluding press releases, newsletters, and issue analyses, issued by the Contractor describing programs or projects funded in whole or in part with federal funds under this Contract, shall contain the following statements:

> "This project was supported by a grant awarded by US Department of the Treasury. Points of view in this document are those of the author and do not necessarily represent the official position or policies of the US Department of the Treasury. Grant funds are administered by the Local Government Coronavirus Relief Fund thru the Washington State Department of Commerce."

3. CONTRACT MANAGEMENT

The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Contract.

The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Contract.

The Representative for the Contractor and their contact information are identified on the Face Sheet of this Contract.

4. COMPENSATION

COMMERCE shall pay an amount not to exceed the contract amount listed on the Face Sheet for the performance of all things necessary for or incidental to the performance of work under this Contract as set forth in the Scope of Work (Attachment A).

5. EXPENSES

Contractor shall receive reimbursement for allowable expenses as identified in the Scope of Work (Attachment A) or as authorized in advance by COMMERCE as reimbursable.

Travel expenses may include airfare (economy or coach class only), other transportation expenses, and lodging and subsistence necessary during periods of required travel. Contractor shall receive compensation for travel expenses at current state travel reimbursement rates.

6. INDIRECT COSTS

Contractor shall provide their indirect cost rate that has been negotiated between their entity and the federal government. If no such rate exists a *de minimis* indirect cost rate of 10% of modified total direct costs (MTDC) will be used.

7. BILLING PROCEDURES AND PAYMENT

COMMERCE shall reimburse the Contractor for eligible Project expenditures, up to the maximum payable under this Contract. When requesting reimbursement for expenditures made, Contractor shall submit all Invoice Vouchers and any required documentation electronically through COMMERCE's Contracts Management System (CMS), which is available through the Secure Access Washington (SAW) portal. If the Contractor has constraints preventing access to COMMERCE's online A-19 portal, a hard copy A-19 form may be provided by the COMMERCE Project Manager upon request.

The voucher must be certified by an official of the Contractor with authority to bind the Contractor. The final voucher shall be submitted to COMMERCE no later than November 15, 2020.

COMMERCE will pay Contractor upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to the Representative for COMMERCE not more often than monthly.

The invoices shall describe and document, to COMMERCE's satisfaction, reimbursable expenditures as set forth under the Scope of Work (Attachment A) and Budget & Invoicing (Attachment B). The invoice shall include the Contract Number as stated on the Face Sheet.

Each voucher must be accompanied by an A-19 Certification (Attachment C) and A-19 Activity Report (Attachment D). The A-19 Certification must be certified by an authorized party of the Contractor to certify and attest all expenditures submitted on the voucher are in compliance with the United States Treasury Coronavirus Relief Fund ("Fund") Guidance for State, Territorial, Local, and Tribal Governments:

https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf

The A-19 Activity Report must be submitted which describes, in Excel spreadsheet and narrative form, a detailed breakdown of the expenditures within each applicable budget sub-category identified in the voucher, as well as a report of expenditures to date. COMMERCE will not release payment for any reimbursement request received unless and until the A-19 Certification and A-19 Activity Report is received. After approving the Invoice Voucher, A-19 Certification and Activity Report, COMMERCE shall promptly remit a warrant to the Contractor.

Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.

COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.

Duplication of Billed Costs

The Contractor shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Contractor, if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for that service.

Disallowed Costs

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

Should the Contractor be found to spent funds inconsistent with federal laws, rules, guidelines, or otherwise inappropriately, it is the responsibility of the Contractor to reimburse Commerce for any amount spent on disallowed costs.

8. AUDIT

Contractor shall maintain internal controls providing reasonable assurance it is managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements that could have a material effect on each of its federal programs; and prepare appropriate financial statements, including a schedule of expenditures of federal awards.

If the Contractor is a subrecipient and expends $750,000 or more in federal awards from any and/or all sources in any fiscal year, the Contractor shall procure and pay for a single audit or a program-specific audit for that fiscal year. Upon completion of each audit, the Contractor shall:

A. Submit to COMMERCE the reporting package specified in OMB Super Circular 2 CFR 200.501, reports required by the program-specific audit guide (if applicable), and a copy of any management letters issued by the auditor.
B. Submit to COMMERCE follow-up and developed corrective action plans for all audit findings.

If the Contractor is a subrecipient and expends less than $750,000 in federal awards from any and/or all sources in any fiscal year, the Contractor shall notify COMMERCE they did not meet the single audit requirement.

The Contractor shall send all single audit documentation to auditreview@commerce.wa.gov.

9. DEBARMENT

A. Contractor, defined as the primary participant and it principals, certifies by signing these General Terms and Conditions that to the best of its knowledge and belief that they:

i. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.

ii. Have not within a three-year period preceding this Contract, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;

iii. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of federal Executive Order 12549; and

iv. Have not within a three-year period preceding the signing of this Contract had one or more public transactions (Federal, State, or local) terminated for cause of default.

B. Where the Contractor is unable to certify to any of the statements in this Contract, the Contractor shall attach an explanation to this Contract.

C. The Contractor agrees by signing this Contract that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by COMMERCE.

D. The Contractor further agrees by signing this Contract that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," as follows, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

LOWER TIER COVERED TRANSACTIONS

i. The lower tier Contractor certifies, by signing this Contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
ii. Where the lower tier Contractor is unable to certify to any of the statements in this Contract, such contractor shall attach an explanation to this Contract.

E. The terms **covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded**, as used in this section, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact COMMERCE for assistance in obtaining a copy of these regulations.

10. LAWS

The Contractor shall comply with all applicable laws, ordinances, codes, regulations, and policies of local, state, and federal governments, as now or hereafter amended, including, but not limited to:

United States Laws, Regulations and Circulars (Federal)

Contractor shall comply with Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Award, 2 CFR 200, Subpart F – Audit Requirements.

Contractor shall comply with the applicable requirements of 2 CFR Part 200, including any future amendments to 2 CFR Part 200, and any successor or replacement Office of Management and Budget (OMB) Circular or regulation.

Contractor shall comply with Omnibus Crime Control and Safe streets Act of 1968, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, Title IX of the Education Amendments of 1972, The Age Discrimination Act of 1975, and The Department of Justice Non-Discrimination Regulations, 28 C.F.R. Part 42, Subparts C.D.E. and G, and 28 C.F.R. Part 35 and 39.

11. ORDER OF PRECEDENCE

In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Special Terms and Conditions
- General Terms and Conditions
- Attachment A – Scope of Work
- Attachment B – Budget & Invoicing
- Attachment C – A-19 Certification
- Attachment D – A-19 Activity Report

GENERAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
FEDERAL FUNDS

1. DEFINITIONS

As used throughout this Contract, the following terms shall have the meaning set forth below:

A. "Authorized Representative" shall mean the Director and/or the designee authorized in writing to act on the Director's behalf.

B. "COMMERCE" shall mean the Department of Commerce.

C. "Contract" or "Agreement" means the entire written agreement between COMMERCE and the Contractor, including any attachments, documents, or materials incorporated by reference. E-mail or facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.

D. "Contractor" shall mean the entity identified on the face sheet performing service(s) under this Contract, and shall include all employees and agents of the Contractor.

E. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers.

F. "State" shall mean the state of Washington.

G. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this Contract under a separate contract with the Contractor. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

2. ALL WRITINGS CONTAINED HEREIN

This Contract contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind any of the parties hereto.

3. AMENDMENTS

This Contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

4. ASSIGNMENT

Neither this Contract, work thereunder, nor any claim arising under this Contract, shall be transferred or assigned by the Contractor without prior written consent of COMMERCE.

5. CONFIDENTIALITY AND SAFEGUARDING OF INFORMATION

A. "Confidential Information" as used in this section includes:

i. All material provided to the Contractor by COMMERCE that is designated as "confidential" by COMMERCE;

ii. All material produced by the Contractor that is designated as "confidential" by COMMERCE; and

iii. All personal information in the possession of the Contractor that may not be disclosed under state or federal law.

B. The Contractor shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Contractor shall use Confidential Information solely for the purposes of this Contract and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law. The Contractor shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Contractor shall provide COMMERCE with its policies and procedures on confidentiality.

COMMERCE may require changes to such policies and procedures as they apply to this Contract whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures. The Contractor shall make the changes within the time period specified by COMMERCE. Upon request, the Contractor shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Contractor against unauthorized disclosure.

C. Unauthorized Use or Disclosure. The Contractor shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

6. COPYRIGHT

Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by COMMERCE. COMMERCE shall be considered the author of such Materials. In the event the Materials are not considered “works for hire” under the U.S. Copyright laws, the Contractor hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to COMMERCE effective from the moment of creation of such Materials.

“Materials” means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. “Ownership” includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, the Contractor hereby grants to COMMERCE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that the Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to COMMERCE.

The Contractor shall exert all reasonable effort to advise COMMERCE, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. The Contractor shall provide COMMERCE with prompt written notice of each notice or claim of infringement received by the Contractor with respect to any Materials delivered under this Contract. COMMERCE shall have the right to modify or remove any restrictive markings placed upon the Materials by the Contractor.

7. DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, Agreement terms and applicable statutes and rules and make a determination of the dispute. The Dispute Board shall thereafter decide the dispute with the majority prevailing. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

8. GOVERNING LAW AND VENUE

This Contract shall be construed and interpreted in accordance with the laws of the state of Washington, and any applicable federal laws, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

9. INDEMNIFICATION

Each party shall be solely responsible for the acts of its employees, officers, and agents.

10. LICENSING, ACCREDITATION AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Contract.

11. RECAPTURE

In the event that the Contractor fails to perform this Contract in accordance with state laws, federal laws, and/or the provisions of this Contract, COMMERCE reserves the right to recapture funds in an amount to compensate COMMERCE for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Contractor of funds under this recapture provision shall occur within the time period specified by COMMERCE. In the alternative, COMMERCE may recapture such funds from payments due under this Contract.

12. RECORDS MAINTENANCE

The Contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

The Contractor shall maintain records that identify, in its accounts, all federal awards received and expended and the federal programs under which they were received, by Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the federal agency, and name of the pass-through entity.

The Contractor shall retain such records for a period of six (6) years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by COMMERCE, personnel duly authorized by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

13. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to normal completion, COMMERCE may suspend or terminate the Contract under the "Termination for Convenience" clause, without the ten calendar day notice requirement. In lieu of termination, the Contract may be amended to reflect the new funding limitations and conditions.

14. SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

15. SUBCONTRACTING

The Contractor may only subcontract work contemplated under this Contract if it obtains the prior written approval of COMMERCE.

If COMMERCE approves subcontracting, the Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Contractor to amend its subcontracting procedures as they

relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. Contractor shall incorporate 2 CFR Part 200, Subpart F audit requirements into all subcontracts. The Contractor is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to COMMERCE for any breach in the performance of the Contractor's duties.

Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.

16. SURVIVAL

The terms, conditions, and warranties contained in this Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Contract shall so survive.

17. TERMINATION FOR CAUSE

In the event COMMERCE determines the Contractor has failed to comply with the conditions of this contract in a timely manner, COMMERCE has the right to suspend or terminate this contract. Before suspending or terminating the contract, COMMERCE shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

COMMERCE reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by COMMERCE to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this contract are not exclusive and are in addition to any other rights and remedies provided by law.

18. TERMINATION FOR CONVENIENCE

Except as otherwise provided in this Contract, COMMERCE may, by ten (10) business days written notice, beginning on the second day after the mailing, terminate this Contract, in whole or in part. If this Contract is so terminated, COMMERCE shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination.

19. TERMINATION PROCEDURES

Upon termination of this contract, COMMERCE, in addition to any other rights provided in this contract, may require the Contractor to deliver to COMMERCE any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

COMMERCE shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Contractor and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree

with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. COMMERCE may withhold from any amounts due the Contractor such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Contractor shall:

A. Stop work under the contract on the date, and to the extent specified, in the notice;

B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;

C. Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;

E. Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the contract had been completed, would have been required to be furnished to COMMERCE;

F. Complete performance of such part of the work as shall not have been terminated by the Authorized Representative; and

G. Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Contractor and in which the Authorized Representative has or may acquire an interest.

20. TREATMENT OF ASSETS

Title to all property furnished by COMMERCE shall remain in COMMERCE. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in COMMERCE upon delivery of such property by the Contractor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in COMMERCE upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by COMMERCE in whole or in part, whichever first occurs.

A. Any property of COMMERCE furnished to the Contractor shall, unless otherwise provided herein or approved by COMMERCE, be used only for the performance of this contract.

B. The Contractor shall be responsible for any loss or damage to property of COMMERCE that results from the negligence of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices.

C. If any COMMERCE property is lost, destroyed or damaged, the Contractor shall immediately notify COMMERCE and shall take all reasonable steps to protect the property from further damage.

D. The Contractor shall surrender to COMMERCE all property of COMMERCE prior to settlement upon completion, termination or cancellation of this contract

All reference to the Contractor under this clause shall also include Contractor's employees, agents or Subcontractors.

21. WAIVER

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by Authorized Representative of COMMERCE.

Scope of Work

This funding is made available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and Section V and VI of the CARES Act, for costs incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19). Under the CARES Act, the Coronavirus Relief Fund may 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); AND**

2. **Are 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.**

These funds may be used to reimburse for expenditures incurred during the period of March 1, 2020 thru Oct. 31, 2020. Please note: In order to ensure all funds have been fully utilized prior to the US Treasury's December 30, 2020 end date, the State of Washington must closeout contracts by October 31, 2020. All final requests for reimbursement must be received no later than November 15, 2020.

Expenditures must be used for necessary actions taken to respond to the public health emergency. These may include expenditures incurred to allow the local government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

Payments may be used only to cover costs <u>not</u> accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either:

1. The cost cannot lawfully be funded using a line item, allotment, or allocation within that budget; OR

2. The cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The "most recently approved" budget is the enacted budget for the relevant fiscal period for the particular government. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

<u>Allowable expenditures include, but are not limited to</u>:

1. Medical expenses such as:
   a. COVID-19-related expenses of public hospitals, clinics, and similar facilities.
   b. Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
   c. Costs of providing COVID-19 testing, including serological testing.
   d. Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
   e. Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.

2. Public health expenses such as:

a. Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
b. Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
c. Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
d. Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
e. Expenses for public safety measures undertaken in response to COVID-19.
f. Expenses for quarantining individuals.

3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
   a. Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
   b. Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
   c. Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
   d. Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
   e. COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
   f. Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.

5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
   a. Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
   b. Expenditures related to a State, territorial, local, or Tribal government payroll support program.
   c. Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

Budget & Invoicing

The Contractor shall determine the appropriate budget and use of funds within the following 6 budget categories and their sub-categories:

1. Medical
2. Public Health
3. Payroll
4. Actions to Comply with Public Health Measures
5. Economic Support
6. Other Covid-19 Expenses

The Contractor shall submit invoice reimbursement requests to the Commerce Representative using the Commerce Contract Management System's (CMS) Online A-19 Portal. Each reimbursement request must include:

1. A-19 Certification form – An authorized party of the local government will certify each invoice (A19) submitted for reimbursement and attest that all incurred expenditures meet the US Treasury Department's guidance: https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf
2. A-19 Activity Report
3. A detailed breakdown of the expenditures incurred within each applicable budget sub-category on the A-19 Activity Report.

The A-19 Certification and Activity Report templates will be provided with the executed contract. The documents are included in Attachment C and Attachment D for reference.

Receipts and proof of payment for costs incurred do not need to be submitted with A-19s. All contractors are required to maintain accounting records in accordance with state and federal laws. Records must be sufficient to demonstrate the funds have been used in accordance with section 601(d) of the Social Security Act. Commerce reserves the right to audit any costs submitted for reimbursement. The Contractor shall comply with Commerce A-19 audits and provide the appropriate records upon request.

Washington State Department of Commerce

LOCAL GOVERNMENT CORONAVIRUS RELIEF FUNDS CERTIFICATION

I, **<FIRST, LAST NAME>**, am the **<TITLE>** of **<LOCAL GOVERNMENT>**, and I certify that:

1. I have the authority and approval from the governing body on behalf of the Local Government to request reimbursement from the Department of Commerce (Commerce) per contract number **<COMMERCE CONTRACT NUMBER>** from the allocation of the Coronavirus Relief Fund as created in section 5001 of H.R.748, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") for eligible expenditures included on the corresponding A-19 invoice voucher for report period **<REPORT PERIOD FROM A-19>**.

2. I understand that as additional federal guidance becomes available, a contract amendment to the agreement between Commerce and the Local Government may become necessary.

3. I understand Commerce will rely on this certification as a material representation in processing this reimbursement.

4. I certify the use of funds submitted for reimbursement from the Coronavirus Relief Funds under this contract were used only to cover those costs that:
   a. Are *necessary expenditures* incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
   b. Were not accounted for in the budget most recently approved as of March 27, 2020; and
   c. Were incurred during the period that begins on March 1, 2020, and ends on October 31, 2020.

5. I understand the use of funds pursuant to this certification must adhere to official federal guidance issued or to be issued on what constitutes a necessary expenditure. We have reviewed the guidance established by U.S. Department of the Treasury[1] and certify costs meet the required guidance. Any funds expended by the Local Government or its subcontractor(s) in any manner that does not adhere to official federal guidance shall be returned to the State of Washington.

Footnote:
1 – Guidance available at https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf (4/30/2020)

6. I understand the Local Government receiving funds pursuant to this certification shall retain documentation of all uses of the funds, including but not limited to invoices and/or sales receipts in a manner consistent with §200.333 *Retention requirements for records* of 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Such documentation shall be produced to Commerce upon request and may be subject to audit by the State Auditor.

7. I understand any funds provided pursuant to this certification cannot be used as a revenue replacement for lower than expected tax or other revenue collections.

8. I understand funds received pursuant to this certification cannot be used for expenditures for which the Local Government has received any other emergency COVID-19 supplemental funding (whether state, federal or private in nature) for that same expense.

I certify that I have read the above certification and my statements contained herein are true and correct to the best of my knowledge.

_____
Printed Name

_____
Title

_____
Signature

_____
Date:

CRF A-19 Activity Report
INSTRUCTIONS

INSTRUCTIONS:

A completed CRF A-19 Certification and Activity Report must be submitted with each A-19 reimbursement request. The A-19 Activity Report must be submitted as an Excel spreadsheet, not a PDF. You must also include a detailed breakdown of the individual expenditures reported in **Column F** for each applicable sub-category included on the A-19 Activity Report.

There are 6 primary budget categories;

1. Medical Expenses
2. Public Health Expenses
3. Payroll expenses for public employees dedicated to COVID-19
4. Expenses to facilitate compliance with COVID-19-measures
5. Economic Supports
6. Other COVID-19 Expenses

Each primary budget category includes sub-categories and provides an option to add "other" sub-categories not listed.

Follow the below instructions when completing the A-19 Activity Report:

1 **REPORT PERIOD** - *Enter* the report period into **Cell D1** of the A-19 Activity Report.
- **a** This should match the report period entered on the corresponding A-19.
- **b** Report period should include MM/YY to MM/YYYY, i.e. 03/20, March 2020, 03/2020, etc.

2 **COLUMN E** - *Enter* the total amount of all previous reimbursement requests submitted to Commerce for each applicable sub-category.

3 **COLUMN F** - *Enter* the total amount being requested in the current reimbursement request for each applicable sub-category.

4 **COLUMN H: USE OF FUNDS** - You must include a general description of the use of the funds being requested for each applicable sub-category. Keep descriptions as concise as possible, but include adequate context to demonstrate how these funds helped address the COVID-19 emergency. If applicable, please consider:

- **a** Providing a brief description of the specific activities performed.
- **b** Identifying specific populations served.
- **c** Identifying specific programs created or utilized.
- **d** Including any known or intended outcomes, results, or community impacts.

5 **OTHER SUB-CATEGORIES** - Budget categories 1-5 include a placeholder to add an additional sub-category if necessary.
- **a** *Enter* a **Title** for other expenses added within the appropriate budget category.
- **b** *Enter* titles into **Cells**: **D10**, **D19**, **D27**, **D36**, and **D41**.
- **c** There is only one "other" placeholder in each budget category section. Please combine multiple "other" sub-categories added to the same budget category.

6 **OTHER BUDGET CATEGORIES** - Budget category 6 is where you should include any eligible expenditures that don't fall under budget categories 1-5.
- **a** *Enter* a **Title** for these "other" expenses within budget category 6.
- **b** *Enter* titles into **Cells D44 - D48**.
- **c** There are only 5 entry fields available within Budget Category 6.

Coronavirus Relief Fund
A-19 Activity Report

Report Period:

Eligible Expenditures	Previously Reported Expenditures	Current Expenditures this Invoice	Total Cumulative Expenditures	Brief Description of Use of Funds
1 Medical Expenses				
A. Public hospitals, clinics, and similar facilities	$ -	$ -	$ -	
B. Temporary public medical facilities & increased capacity	$ -	$ -	$ -	
C. COVID-19 testing, including serological testing	$ -	$ -	$ -	
D. Emergency medical response expenses	$ -	$ -	$ -	
E. Telemedicine capabilities	$ -	$ -	$ -	
F. Other:	$ -	$ -	$ -	
Sub-Total:	$ -	$ -	$ -	
2 Public Health Expenses				
A. Communication and enforcement of public health measures	$ -	$ -	$ -	
B. Medical and protective supplies, including sanitation and PPE	$ -	$ -	$ -	
C. Disinfecting public areas and other facilities	$ -	$ -	$ -	
D. Technical assistance on COVID-19 threat mitigation	$ -	$ -	$ -	
E. Public safety measures undertaken	$ -	$ -	$ -	
F. Quarantining individuals	$ -	$ -	$ -	
G. Other:	$ -	$ -	$ -	
Sub-Total:	$ -	$ -	$ -	
3 Payroll expenses for public employees dedicated to COVID-19				
A. Public Safety	$ -	$ -	$ -	
B. Public Health	$ -	$ -	$ -	
C. Health Care	$ -	$ -	$ -	
D. Human Services	$ -	$ -	$ -	
E. Economic Development	$ -	$ -	$ -	
F. Other:	$ -	$ -	$ -	
Sub-Total:	$ -	$ -	$ -	
4 Expenses to facilitate compliance with COVID-19-measures				
A. Food access and delivery to residents	$ -	$ -	$ -	
B. Distance learning tied to school closings	$ -	$ -	$ -	
C. Telework capabilities of public employees	$ -	$ -	$ -	
D. Paid sick and paid family and medical leave to public employee	$ -	$ -	$ -	
E. COVID-19-related expenses in county jails	$ -	$ -	$ -	
F. Care and mitigation services for homeless populations	$ -	$ -	$ -	
G. Other:	$ -	$ -	$ -	
Sub-Total:	$ -	$ -	$ -	
5 Economic Supports				
A. Small Business Grants for business interruptions	$ -	$ -	$ -	
B. Payroll Support Programs	$ -	$ -	$ -	
C. Other:	$ -	$ -	$ -	
Sub-Total:	$ -	$ -	$ -	
6 Other COVID-19 Expenses				
A. Other:	$ -	$ -	$ -	
B. Other:	$ -	$ -	$ -	
C. Other:	$ -	$ -	$ -	
D. Other:	$ -	$ -	$ -	
E. Other:	$ -	$ -	$ -	
Sub-Total:	$ -	$ -	$ -	
TOTAL:	**$ -**	**$ -**	**$ -**	

DATE: June 10, 2020

TO: Mayor Boudreau and City Council

FROM: Doug Volesky, Finance Director

SUBJECT: AUTHORIZATION FOR SHB 1406 – LOCAL STATE-SHARED TAX FOR AFFORDABLE AND SUPPORTIVE HOUSING

RECOMMENDED ACTION:

Staff is requesting that Council approve an ordinance that would authorize the collection of tax for SHB 1406 – Local state-shared tax for affordable and supportive housing.

INTRODUCTION/BACKGROUND:

SHB 1406 – Local state-shared tax for affordable and supportive housing allows local jurisdictions (cities and counties) to impose a local state-shared sales and use tax to fund affordable or supportive housing.

SHB 1406 allows a county or city to enter into an interlocal agreement with other local government or public housing authorities to pool the tax receipts received and pledging those taxes to bonds. This would allow the City to enter into an agreement with the County or Housing Authority for project related use of the revenue.

The consumer does not pay this tax, and the effective sales tax rate remains the same. Instead, this tax is credited against the 6.5% state sales tax.

The potential annual city revenue is estimated at being $62,865.

FINDINGS/CONCLUSIONS:

To impose this tax, the City must adopt both of the following items:

1. A resolution of intent to adopt legislation by Jan. 28, 2020
2. Legislation to authorize the tax by July 28, 2020

City Council adopted resolution #972 on January 22, 2020, which was a resolution of intent to adopt legislation. This action is to approve legislation to authorize the tax by July 28, 2020.

RECOMMENDATION:

Staff is requesting that Council approve an ordinance that would authorize the collection of tax for SHB 1406 – Local state-shared tax for affordable and supportive housing.

ATTACHED:

Ordinance

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MOUNT VERNON, WASHINGTON, IMPOSING THE LOCAL SALES AND USE TAX AUTHORIZED UNDER LAWS OF 2019, CH. 338 (HOUSE BILL 1406) TO BE USED FOR THE AFFORDABLE HOUSING AND RELATED PURPOSES SET FORTH THEREIN; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS, in the 2019 Regular Session, the Washington State Legislature approved, and the Governor signed, Substitute House Bill 1406 (chapter 338, Laws of 2019) ("SHB 1406") codified as RCW 82.14.540; and

WHEREAS, SHB 1406 authorizes the governing body of a city with a population of 100,000 or less to impose a local sales and use tax for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing, operations and maintenance costs of affordable or supportive housing, or rental assistance to tenants; and

WHEREAS, the tax will be credited against existing state sales taxes collected within the City and, therefore, will not result in higher sales and use taxes within the City and will represent an additional source of funding to address housing needs in the City; and

WHEREAS, the tax must be used for persons whose income is at or below sixty percent of the City median income: i) to provide rental assistance, ii) acquire, rehabilitate, or construct affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services under RCW 71.24.385, and iii) funding the operations and maintenance costs of new units of affordable or supportive housing; and

WHEREAS, there exists a housing affordability crisis within the City and the City finds that imposing the sales and use tax to mitigate this need results in direct benefits to its citizens; and

WHEREAS, in order for a city or county to impose the tax, within six months of the effective date of SHB1406, or January 28, 2020, the governing body must adopt a resolution of intent to authorize the maximum capacity of the tax, and within twelve months of the effective date of SHB 1406, or July 28, 2020, must adopt legislation to authorize the maximum capacity of the tax; and

WHEREAS, the Mount Vernon City Council, in accordance with SHB 1406, adopted Resolution 972, declaring its intent to authorize the maximum capacity of a sales and use tax.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNT VERNON, WASHINGTON, DO ORDAIN, AS FOLLOWS:

SECTION 1. Addition. That a new Chapter 3.60 of the Mount Vernon Municipal Code be added to read as follows

CHAPTER 3.60
SALES AND USE TAX FOR AFFORDABLE HOUSING

Sections:

3.60.010 Imposition of Sales and Use Tax for Affordable Housing
3.60.020 Purpose of Tax
3.60.030 Administration and Collection —Statutory Compliance

SECTION 2. Imposition of Sales and Use Tax. MVCA Section 3.60.010, "Imposition of Sales and Use Tax for Affordable Housing," is hereby established to read as follows:

3.60.010 Imposition of Sales and Use Tax for Affordable Housing

A. There is imposed a sales and use tax as authorized by Washington State Legislature Chapter 338, Laws of 2019, codified in Chapter 82.14 RCW, upon every taxable event, as defined in Chapter 82.14 RCW, occurring within the City of Mount Vernon. The tax shall be imposed upon and collected from those persons from whom the State sales tax or use tax is collected pursuant to Chapter 82.08 and 82.12 RCW.

B. The rate of the tax imposed by MVMC Section 3.60.010 shall be 0.0073 percent of the selling price or value of the article used.

C. The tax imposed under MVMC Section 3.60.010 shall be deducted from the amount of tax otherwise required to be collected or paid to the Department of Revenue under Chapter 82.08 or 82.12 RCW. The Department of Revenue will perform the collection of such taxes on behalf of the City of Mount Vernon at no cost to the City.

D. The Department of Revenue will calculate the maximum amount of tax distributions for the City of Mount Vernon based on the taxable retail sales in the City in State Fiscal Year 2019, and the tax imposed under MVMC Section 3.60.010 will cease to be distributed to the City of Mount Vernon for the remainder of any State Fiscal Year in which the amount of tax exceeds the maximum amount of tax distributions for the City as properly calculated by the Department of Revenue. Distributions to the City of Mount Vernon that have ceased during a State Fiscal Year shall resume at the beginning of the next State Fiscal Year.

E. The tax shall become effective as of August 1, 2020 (the first day of the first month that is at least thirty days after the Department of Revenue receives notice of the change) or the earliest practicable date consistent with RCW 82. 14.055.

SECTION 3. Purpose of Tax. MVMC Section 3.60.020, "Purpose of Tax," is hereby established to read as follows:

3.60.020 Purpose of Tax

A. The City may use the moneys collected by the tax imposed under Chapter 3.60 MVMC or bonds issued only for the following purposes:

1. Acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services under RCW 71.24.385; and
2. Providing the operations and maintenance costs of new units of affordable or supportive housing; and
3. Providing rental assistance to tenants.

B. The housing and services provided under MVMC Section 3.60.020 may only be provided to persons whose income is at or below 60 (sixty) percent (60%) of the median income of the City.

C. In determining the use of funds under MVMC Section 3.60.020, the City shall consider the income of the individuals and families to be served, the leveraging of the resources made available under MVMC Section 3.60.010, and the housing needs within the City.

D. The Finance Director shall report annually to the Washington State Department of Commerce, in accordance with the Department's rules, on the collection and use of the revenue from the tax imposed under MVMC Section 3.60.010.

E. The tax imposed by the City under MVMC Section 3.60.010 shall expire pursuant to the time limit set forth in RCW 82.14.540 (12) as now or hereafter amended.

SECTION 4. Statutory Compliance. MVMC Section 3.60.030, "Administration and Collection — Statutory Compliance," is hereby established to read as follows:

3.60.030 Administration and Collection —Statutory Compliance

The administration and collection of the tax imposed by Chapter 3.60 shall be in accordance with the provisions of Washington State Legislature Chapter 338, Laws of 2019, codified in Chapter 82.14 RCW.

SECTION 5. Authorization of Finance Director. The Finance Director is authorized to provide any necessary notice to the Department of Revenue to effectuate the tax enacted by this ordinance and to execute, for and on behalf of the City of Mount Vernon, any necessary

agreement with the Department of Revenue for the collection and administration of the tax enacted by this ordinance.

SECTION 6. Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

SECTION 7. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

SECTION 8. Effective Date. This ordinance or a summary thereof shall be published in the official newspaper of the City, and shall take effect and be in full force five days after passage and publication as provided by law.

PASSED by the City Council of the City of Mount Vernon, Washington, at a regular meeting thereof this _____ day of _____, 2020.

CITY OF MOUNT VERNON,
WASHINGTON

By: _____
Mayor

ATTEST:

_____
Clerk

APPROVED AS TO FORM:

_____
City Attorney

AGENDA ITEM: D

City of MOUNT VERNON FIRE DEPARTMENT

DATE: June 10, 2020

TO: Mayor Boudreau and City Council

FROM: Bryan Brice, Fire Chief

SUBJECT: FIREWORKS STAND APPROVAL

RECOMMENDED ACTION:

Staff recommends that Council approve retail firework stand applications.

INTRODUCTION/BACKGROUND:

The Fire Department has received three Retail Fireworks Stand applications for the sale of fireworks from June 28 through July 4th. The stands will be located at Wal-Mart, Safeway, and Haggen's parking lots.

FINDINGS:

All the required application criteria from both the State and the City have been met. If the City Council approves the application, the applicant will be permitted to sell fireworks for a seven (7) day period.

CONCLUSION/RECOMMENDATION:

Based on the information received, all requirements for the application process have been satisfied.

RECOMMENDATION:

Motion - Approval