

RESOLUTION 18-2020

**A RESOLUTION OF THE CITY OF VADER ESTABLISHING
THE CITY OF VADER CARES ACT SMALL BUSINESS
RELIEF GRANT PROGRAM**

WHEREAS, on February 29, 2020, Governor Jay Inslee proclaimed a State of Emergency for all counties throughout the state of Washington as a result of the coronavirus disease 2019 (COVID-19) outbreak in the United States and confirmed person-to-person spread of COVID-19 in Washington State; and

WHEREAS, on March 23, 2020, Governor Inslee imposed a "Stay Home – Stay Healthy" Order throughout Washington State which prohibited all people in Washington State from leaving their homes or participating in social, spiritual, and recreational gatherings of any kind regardless of the number of participant, and all non-essential businesses in Washington State from conducting business, within the limitations provided by Proclamation 20-25 and its subsequent amendments; and

WHEREAS, the economic downturn resulting from the state of emergency and resulting "Stay Home – Stay Healthy" Order have had a tremendous adverse economic effect on the Citizens of the City of Centralia and many businesses located in Centralia; and

WHEREAS, on June 29, 2020, Governor Inslee announced the Safe Start Washington plan to reopen Washington and modify physical distancing measures while minimizing the health impacts of COVID-19; and

WHEREAS, the adverse economic conditions caused by COVID-19 has citizens and businesses looking to local, state and federal government for economic relief; and

WHEREAS, Article 8, Section 7, Washington State Constitution, provides that "No county, city, town or other municipal corporation shall here-after give any money, or property, or loan its money, or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm; and

WHEREAS, the test used by Washington courts to determine whether there has been a gift of public funds consists of two questions: 1) were the funds expended to carry out a fundamental purpose of the government, and 2) were the funds given with donative intent and what the public received in exchange. If the answer to question #1 is "yes," then there has been no gift of public funds and the inquiry ceases; and

WHEREAS, on March 17, 2020, the Washington Attorney General's Office issued a memorandum that states: "In general, constitutional restrictions on use of public funds should not be an impediment to state and local efforts to combat COVID-19, because expenditures being made in furtherance of this effort in this time of crisis further fundamental public purposes, such as protecting the public health and welfare; and

WHEREAS, the March 17, 2020 AG's Memorandum also states that "Given the public health crisis our state is facing, there is a strong basis for state and local governments to make expenditures for the primary purpose of protecting and promoting public health which

may have an incidental benefit on private citizens and entities;" and

WHEREAS, on April 6, 2020, the Washington Attorney General's Office issued a memorandum that states "Given the unprecedented health crisis that Washington faces, loans or grants are likely permissible if a local government can establish a clear nexus between such programs and either protecting the local economy or promoting compliance with public health guidelines;" and

WHEREAS, the Washington Attorney General's Office April 6, 2020 memorandum opines, that under Article VIII, Section 7 of the state constitution, a local government may provide cash assistance to low-income individuals who have lost their jobs or are struggling financially due to COVID-19. Further, the opinion stated a local government "probably, with sufficient safeguards in place" may provide grants or loans to small businesses struggling with the State-ordered closure of their businesses; and

WHEREAS, the scrip program under consideration by the City would only be made available to those Citizens who have established residency within the city limits of Vader; and

WHEREAS, the scrip under consideration would only be able to be redeemed once, and only at participating businesses located within the Vader City Limits; and

WHEREAS; the City Council of the City of Vader finds that the city staff have adequately addressed concerns raised by the State Auditor in the Council memo accompanying this Resolution; and

WHEREAS, the City Council of the City of Vader finds that the issuance of scrip to citizens of the City and redemption of such scrip by participating businesses within the City serves the fundamental purpose of protecting the public welfare by ensuring continuity of commerce for our community who have all been hit by both COVID-19 and the economic downturn and that sufficient financial controls are in place to ensure all funds are accounted for and spent only in the manner allowed under the described grant program.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VADER, WASHINGTON, that the City of Vader will fund the issuance of scrip in an amount not to exceed \$20,000.00 (exclusive of the costs of producing such scrip and the administrative costs of managing the program) as follows:

Section 1. The specifications for the scrip and program guidance for grant implementation are outlined as Exhibit A, attached hereto and incorporated herein by reference.

Section 2. The city clerk/treasurer is hereby directed to earmark \$20,000 of the City's allocated CARES Act funds for this purpose.

Section 3. The application forms for both residents and businesses are attached as

Exhibit **B**, attached hereto and incorporated herein by reference .

Section 4. The grant program applications, enrolled businesses and other grant information will be posted on the City of Vader Website as soon as practicable.

Section 5. The scrip issued under this program will have no cash value and shall expire on November 30, 2020. Businesses enrolled and participating in the grant program must seek reimbursement no later than December 10, 2020.

Section 6. The Council will receive reports concerning the described grant program no less than monthly following approval.

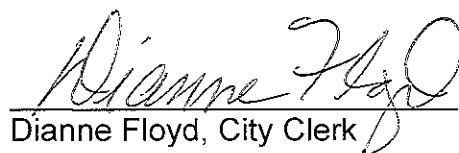
Section 7. The clerk/treasurer will inform the Council promptly at any time it becomes apparent that financial controls are inadequate .

Section 8. This grant program may be discontinued at any time it is determined by the City Council to be in the best interest of the City, or until funds allocated are depleted, whichever is earlier.

ADOPTED by the City Council of the City of Vader, Washington and executed by its Mayor at a regularly scheduled meeting thereof this 24th day of September, 2020.


Joe Schey, Mayor

ATTEST/AUTHENTICATED:


Dianne Floyd, City Clerk

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
RESOLUTION NO.: 18-2020

9/24/2020

Exhibit A

General program description and duration.

The goal is to provide economic relief to the Citizens of Vader and to City of Vader businesses, through the issuance of scrip designated as *Little Falls Loot* of \$25 dollar denominations. This scrip can be redeemed only by participating businesses within the Vader City Limits. The **City of Vader CARES Act Relief Grant** will be in effect until November 30, 2020 or when the Vader City Council cancels the program.

1. The Scrip.

- The City of Vader will develop and print "*Little Falls Loot*" scrip. It will be issued with sequential serial numbers and be imprinted with the City of Vader seal.
- The Denomination of all scrip issued will be \$25.
- The scrip will be published with a November 30, 2020 expiration date.
- Scrip will have no cash value and shall not be valid without the imprint of the City of Vader seal.
- Storage of scrip will be secured within the City Hall safe.
- The scrip will be inventoried and secured by the Clerk/Treasurer of the city.
- The inventory will be maintained with proper segregation of duties between staff members.
- A log of issued scrip will be maintained noting to whom the scrip was issued, date issued, and the date redeemed.
- Each scrip must be logged out by City Hall prior to distribution.

2. Award

The awarding of scrip will be based on residency. All Applicants must reside within Vader City Limits. Applications must be signed by the requestor and proof of residency must be provided.

A. Amount. The amount awarded to any applicant shall be determined according to the schedule as shown on the application.

B. Limitations on Award. Because the duration of the COVID-19 is unknown, and therefore, the extent of the financial hardship resulting from the emergency cannot be predicted with certainty, and because the CARES Act grant funds are limited, no more than one application per residence will be accepted.

C. All grants are processed on a "first-come, first-served" basis until the program is terminated or all CARES Act grant funds have been expended. Award of a grant should not be construed as an obligation of the City to award future grants.

3. Issue.

Upon verification of approval of the application scrip shall be issued:

A. Recording the issue of scrip, by serial number, on the inventory log kept for that purpose, and noting the applicant for which the scrip is drawn.

B. The maximum amount allowed for each household application will be \$750 seven hundred fifty dollars.

C. The clerk/treasurer shall keep all copies of approved applications along with the Inventory Log and make both available for inspection in accordance with the Public Records Act (42.56 RCW).

4. Redemption.

A. After honoring scrip for purchase the scrip may be redeemed by any business within Vader City Limits who has agreed to participate with the terms of the **City of Vader CARES Act Relief Grant Agreement**. Participation is granted by the City of Vader after processing and approving a signed application.

B. Scrip may be not be used to purchase:

- Alcoholic beverages of any kind.
- Cannabis products of any kind.
- Tobacco products of any kind.
- Firearms or ammunition.

C. Scrip may be used to purchase all other goods and for personal services provided by a licensed or certified:

- Auto Repair Facility or Technician;
- Barber;
- Child Care Facility or Provider;
- Contractor;
- Cosmetician;
- Accountant, Architect, Doctor, Engineer, Lawyer, Surveyor; or
- Information Technology Service Provider

D. Grant recipients are responsible for the payment of any taxes or fees that apply to any transaction for which scrip is to be redeemed, whether the transaction involves the use of scrip alone, or in conjunction with cash, check, or credit card.

E. The scrip has no cash value. Scrip may not be exchanged for cash. When scrip is tendered for payment, businesses may not issue change. No cash back.

F. Participating businesses shall verify that the scrip has a serial number and is imprinted with the seal of the City of Vader.

G. The scrip expires on November 30, 2020. Participating merchants may submit a **CARES Act Relief Grant Reimbursement** request form with tendered scrip attached, at any time before the deadline of December 10, 2020.

H. City Hall staff shall mark redeemed scrip as paid out with the word "PAID" on the reverse of each scrip and shall indicate the scrip was redeemed by entering a "Y" in the redemption column of the scrip inventory log.

I. Duration. The City will honor scrip redemption until December 10, 2020, the final date for participating businesses.

J. Upon termination of this program, the City Hall staff shall inventory the unissued scrip and preserve them for future use or other disposition that the City Council or Mayor may direct.

5. Recordkeeping. The Clerk/Treasurer shall maintain all records created in furtherance of this program according to the most recent Retention Schedule published by the Office of the State Archivist and shall make such records available in accordance with the Public Records Act (42.56 RCW).

Exhibit B

**CITY OF VADER CARES Act *Little Falls Loot*
APPLICATION**

This application is for the City of Vader CARES Scrip Program. This alternative currency can be used at participating businesses within Vader city limits. The applicant must show that they are a resident of the City of Vader by providing a utility account number or other reasonable documentation. The applicant must provide reasonable documentation proving income. If approved the applicant is entitled to a one-time issuance of up to \$200 depending on the number of persons in the household. By accepting this scrip, the applicant agrees to abide by the terms and conditions of the program. The applicant acknowledges that limited application information may be subject to the Washington Public Records Act, RCW 42.56 and should consider this when deciding whether to apply. The city will discontinue this program on 11/30/2020 or when funds are exhausted.

PERSONS IN HOUSEHOLD	1	2	3+
SCRIP AMOUNT AWARDED	\$100	\$150	\$200

Name: _____

Address: _____

Phone Number: _____

Utility Account Number: _____ Identification _____

Number of Members in Household: _____

I hereby certify that the above information is true and correct to the best of my knowledge. I agree to provide the documents listed above to the City of Vader. I understand that the scrip will be awarded in accordance with the above schedule and is for use only within the City of Vader at participating businesses.

Signature

Date

Return Completed Application forms and documentation to City Hall or email to vadercity@centurylink.net with document copies. Little Town Loot can only be issued in person at City Hall (9:00 am to 3:00 pm Monday - Thursday) closed for lunch Noon-1:00 pm

Office Use only

Verified City Resident _____ Verified # in Household _____ Application Approved (Y/N) _____

Scrip Numbers issued _____

Date Application Approved _____

Exhibit B

CITY OF VADER

CARES Act *Little Falls Loot* SCRIP

MERCHANT PARTICIPATION AGREEMENT

This agreement to participate in the **City of Vader *Little Falls Loot Scrip* Program** is made by and between the City of Vader and _____, a business licensed by the State of Washington and the City of Vader to do business within the Vader City Limits.

The parties agree:

1. To abide by all terms and conditions of the program, including, but not limited to:
 - a. Accepting City of Vader *Little Falls Loot Scrip* as valid payment for any product or service normally provided by the merchant. The merchant shall not accept scrip for any of the following:
 - Alcoholic beverages
 - Cannabis products
 - Tobacco products
 - Firearms or ammunition

2. The merchant will accept scrip for any of the following Personal services provided by licensed or certified entities including, but not limited to:
 - Barbers
 - Cosmetologists
 - Car repair and maintenance technicians
 - Accountants, Architects, Doctors, Engineers, Lawyers, Surveyors; or
 - Information Technology Service Providers

3. The merchant while accepting accept scrip will:
 - Ensure the collection of any taxes or fees imposed by any governmental agency during the transaction.
 - Prohibit the exchanging of scrip for cash.
 - NOT give any cash back on any scrip transaction.

Mayor, Joe Schey

Merchant Authorized Signature

_____ Name	_____ Phone#	_____ Email address
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Return Completed Agreement forms to City Hall 317 8th Street.