

## RESOLUTION \_\_2720\_\_

### A RESOLUTION OF THE CITY OF CENTRALIA ESTABLISHING THE CITY OF CENTRALIA CARES COVID-19 RECOVERY SCRIP 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 Centralia; and

**WHEREAS**, only those Citizens who can demonstrate their eligibility for City assistance by being enrolled in the senior discount program with the City of Centralia Utilities or by being at or below one hundred fifty percent (150%) of the federal poverty level; and

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

**WHEREAS**, the City Council of the City of Centralia 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 Centralia finds that the issuance of scrip to citizens of the City in need of financial assistance, 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 and the necessity for the support of the poor and infirm, who are those hardest 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 CENTRALIA, WASHINGTON,** that the City of Centralia will fund the issuance of scrip in an amount not to exceed \$50,000.00 (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 finance director is hereby directed to earmark \$50,000 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 Centralia Website as soon as practicable.

**Section 5.** The scrip issued under this program will have no cash value and shall expire on September 30, 2020. Businesses enrolled and participating in the grant program must seek reimbursement no later than October 15, 2020.

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

**Section 7.** The finance director 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 Centralia, Washington and executed by its Mayor at a regularly scheduled meeting thereof this \_\_\_\_\_ day of July, 2020.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney