

**City of Blaine**  
**Request for Council Action**  
**Meeting Date: July 27, 2020**

**Subject:** Interlocal cost sharing agreement related to COVID-19 health crisis

**Department:** City Manager

**Prepared By:** \_\_\_\_\_  
(Digital Signature)

**Agenda Location:**     Consent Agenda     Council Action     Unfinished Business

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**Attachments:**

1. Interlocal Agreement and Addendum 1
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**Background/Summary:**

The federal government passed the CARES Act and provided funding to Washington State that the state has made available on a per capita basis to cities and counties. Blaine is eligible to receive approximately \$162,000 in cost reimbursement for COVID-19 response. A total of \$16.3 million was allocated to Whatcom County and the cities within the county. The majority of the funding is going to be spent on four broad categories: Public Health Emergency Response; Economic & Business Response; Food, Schools, Housing & Human Services Response; and Essential Government Services.

Blaine is using most of our funds for purchase of PPE, retrofitting facilities with protective equipment, filling staffing needs for COVID response (such as extra janitorial), and specific business response (such as outfitting the Peace Portal Drive lane closures for dining). Staff has estimated that our direct spending will be in the vicinity of \$150,000. This leaves some funds unallocated. At an administrative and executive level there has been a uniform, informal commitment by all the local governments to ensure that every dollar of CARES Act funding available to us gets spent locally in Whatcom County. As such, the City Manager proposes that \$10,000 of the City's CARES Act funding be allocated to the countywide effort to support local businesses through a grant program. Proportionally, Blaine has been hit harder than most other local jurisdictions due our close connection to the border. This means our contribution is smaller than other communities on a per capita basis.

The interlocal agreement (ILA) is a mechanism for cost sharing of programs that benefit the businesses and residents of the county. The programs are varied, as noted above. Blaine would be contributing towards the business relief grant program. The total amount of money available, not our specific allocation, is what dictates the amount that will be distributed to qualifying businesses. There will be a total of \$3.4 million in grant funding for business relief. Through a grant ranking process local communities will have some influence on grant awards.<sup>1</sup> It is expected that there will not be enough funding to satisfy all eligible requests.

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<sup>1</sup> Please refer to memo by Community Development Service Director in Council packet for more details on local involvement in grant distribution.

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**Budget Implications:**    Current Budget    New Budget Request    Non-Budgetary

CARES Act funding was not included in the budget. COVID-19 pandemic response was not included in the budget. The two items will result in unanticipated expense and unanticipated revenue. The contribution to the program described in the ILA is a new budget request of \$10,000 that will be offset by a \$10,000 CARES Act reimbursement from Washington State Department of Commerce.

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**Recommendation:**

The City Manager recommends the Council approve the Interlocal cost sharing agreement related to COVID-19 health crisis, thereby authorizing the City Manager to enter into the agreement on behalf of the City.

**Reviewed By:**

City Manager \_\_\_\_\_ Finance Director \_\_\_\_\_ City Clerk \_\_\_\_\_  
(Digital Signature) (Digital Signature) (Digital Signature)

**INTERLOCAL COST SHARING AGREEMENT RELATED TO  
COVID-19 HEALTH CRISIS**

This Agreement is made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_ 2020, between Whatcom County (“County”) and the Cities of Blaine, Everson, Ferndale, Nooksack, and Lynden (“Cities”), all municipal corporations of the State of Washington located in Whatcom County, for the purposes of supporting a coordinated use of the local CARES Act federal dollars and cost sharing related to the COVID-19 health crisis. Hereinafter, the County and the Cities may be referred to as "Parties," collectively, or as a "Party," individually.

**RECITALS**

**WHEREAS**, the County and City enter into this Agreement pursuant to and as authorized by the Interlocal Cooperation Act (Chapter 39.34 RCW);

**WHEREAS**, on February 29, 2020, the Governor of the State of Washington proclaimed that a State of Emergency exists in all counties in the State of Washington due to the outbreak of novel coronavirus (COVID-19);

**WHEREAS**, on March 10, 2020, the Whatcom County Executive declared a Whatcom County public health emergency due to the spread of COVID-19 in the community;

**WHEREAS**, the ongoing risk to public safety, health, and welfare posed by COVID-19 across Whatcom County requires the continued unified response by local governments to minimize the wide-ranging impacts of COVID-19 in our communities;

**WHEREAS**, Whatcom Unified Command is primarily responsible for providing the coordinated County-wide response to the COVID health crisis;

**WHEREAS**, to date Whatcom Unified Command has deployed substantial financial resources in response to COVID. Expenditures have included but are not limited to establishing isolation and quarantine housing in Bellingham, procuring and supplying PPE county-wide, securing on-call COVID-related transportation (Cabulance) service, providing temporary shelter, meals, and services for vulnerable members of the community, and providing direct assistance to nursing and long-term care facilities suffering the disproportionate impacts of COVID;

**WHEREAS**, it is expected that such COVID-related expenditures will continue in the coming months;

**WHEREAS**, to date the Parties have cooperated in maximizing and prioritizing their resources to respond to the community's most pressing needs consistent with their respective governmental obligations and functions;

**WHEREAS**, cost and revenue sharing between the Cities and the County during this emergency is necessary to ensure the most effective and cost-efficient response to the COVID emergency County-wide;

**WHEREAS**, the continued cooperation between the Cities and County is essential to the ongoing protection of public health and safety throughout Whatcom County;

**WHEREAS**, to the extent reasonably practicable, the Cities and the County are committed to identifying and jointly pre-approving those COVID-related expenditures that may be subject to cost-sharing under this Agreement prior to incurring such expense;

**WHEREAS**, the Parties, as independent governmental entities, have received or anticipate receiving revenue from state and federal sources including a Washington State of Department of Commerce COVID-19 Outbreak Emergency Housing Grant; FEMA Public Assistance Program; and the CARES Act and are committed to seeking and utilizing additional funds from all available sources;

**WHEREAS**, the Cities and County are also committed, however, to sharing those COVID-related costs that will not be reimbursed or covered by state or federal funding sources, as appropriate and under the terms of this Agreement;

**WHEREAS**, the Parties agree that a cost and revenue sharing agreement will promote and maximize the public health, safety, and welfare of their residents;

**WHEREAS**, the Parties currently seek to establish a cost sharing agreement for the CARES Act Relief Funding as further articulated in Addendum No. 1 to this Agreement.

**NOW, THEREFORE**, and in consideration of the mutual promises and covenants contained herein the Parties agree as follows:

**1. PURPOSE OF AGREEMENT.** The purpose of this Agreement is to provide for ongoing joint cooperation in the use of the local CARES Act federal stimulus dollars to implement COVID-19 response action items and to formalize the cost and revenue sharing related to such action items. As of the date of this Agreement, the Parties have identified funding allocations for eligible cost

categories. The terms of this joint action item and the related cost sharing are set forth in Addendum No. 1, which is attached hereto and incorporated into this Agreement. It is anticipated that future responsive action items may also require joint cooperation and cost and revenue sharing during the health crisis and the recovery period. When applicable, the Parties will enter into subrecipient agreements that bind the subcontractor to follow all applicable terms of the CARES Act Funding Agreement and incorporates 2 CFR Part 200, Subpart F audit requirements. Therefore, the Parties hereby commit to work in good faith toward establishing joint cooperation and cost and revenue sharing agreements specific to additional action items and expenditures, the terms of which will be memorialized as addenda to this Agreement.

**2. JOINT ACTION ITEMS AND LIMITATIONS.** Specific action items that the Parties deem appropriate for cost and revenue sharing will be established through addenda to this Agreement. Any addenda shall include the total cost committed by each Party for the action item, the allocation of costs to each Party, and the roles and responsibilities assigned to each Party related to the action item. The County and the Cities may agree to cost or revenue sharing by the Parties for additional action items, however, that any such agreement must be reduced to a written addendum to this Agreement and executed by the Parties. The Parties agree to establish and maintain appropriate budget spending thresholds to satisfy the funding commitments set forth in Addendum No. 1.

**3. COST SHARING WITH LOCAL FUNDS.** The Parties commit to work in good faith to identify and reach agreement regarding uncovered expenditures appropriate for cost sharing under this Section. Cost sharing for such uncovered expenditures shall be subject to the same process set forth in Section 2, including the need for an addendum to this Agreement to identify specific obligations, and the Parties are hereby authorized to execute such addenda. Each Party's specific financial obligation related to an uncovered expenditure, including contribution percentage, will be identified in the applicable cost sharing addenda.

**4. SUBRECIPIENT AGREEMENTS.** When applicable, the Parties will enter into subrecipient agreements that bind the subcontractor to follow all applicable terms of the CARES Act Funding Agreement and incorporates 2 CFR Part 200, Subpart F audit requirements.

**5. REPORTING.** At the request of either the County or the Cities, the responding Party shall prepare and provide to the requesting Party a report showing revenue and expenses related to the COVID-19 health crisis, including cost shared by the Parties to this Agreement.

**6. ASSETS.** The ownership and disposition of any assets acquired by either Party through expenditures for which cost sharing has occurred under this Agreement, if any exist, shall be set forth in the applicable addenda.

**7. EFFECTIVE DATE, DURATION AND TERMINATION.** The County and Cities agree that this Agreement shall be effective as of the date it is executed and shall continue in effect as long as needed to effectuate the cost sharing contemplated in this Agreement. When the cost sharing contemplated herein is complete, this Agreement shall automatically terminate.

**8. NOTICES.** Any notices or actions required as a result of this contract shall be directed to the following:

WHATCOM COUNTY EXECUTIVE'S OFFICE  
311 GRAND AVENUE, SUITE 108  
BELLINGHAM, WA 98225

CITY OF BLAINE CITY MANAGER'S OFFICE  
435 MARTIN STREET, STE. 3000  
BLAINE, WA 98230

CITY OF EVERSON MAYOR'S OFFICE  
P.O. BOX 315  
EVERSON, WA 98247

CITY OF FERNDALE MAYOR'S OFFICE  
P.O. BOX 936  
FERNDALE, WA 98248

CITY OF LYNDEN MAYOR'S OFFICE  
300 4<sup>TH</sup> STREET  
LYNDEN, WA 98264

CITY OF NOOKSACK MAYOR'S OFFICE

103 W. MADISON  
NOOKSACK, WA 98264

**9. COMPLIANCE WITH LAWS.** The Parties, in performance of this Agreement, agree to comply with all applicable local, State and/or Federal laws and ordinances.

**10. RELATIONSHIP OF PARTIES.** The Parties hereto recognize and agree that they are independent governmental entities and that this Agreement does not establish a separate entity. Except as expressly provided for herein, nothing in the Agreement shall be construed to limit the discretion of the governing bodies of each party. Neither party shall assume any liability for the direct payment of any salary, wages or other compensation of any type to any of the other party's personnel performing services hereunder. No agent, employee or other representative of the Parties shall be deemed to be an employee of the other party for any reason. This Agreement shall not be construed or interpreted such that either party hereto is held to be an agent of the other party.

**11. DISPUTE RESOLUTION.** In the event of a dispute between the Parties arising from this Agreement or any obligations hereunder, the dispute shall first be referred to the operational officers or representatives designated by the Parties to have the responsibility of administering this Agreement. Said officers or representatives shall meet as soon as possible, and in any event the initial meeting shall be held within thirty (30) days of either Party's request for a meeting to resolve the dispute. The Parties covenant to make a good faith attempt to resolve the dispute at this meeting. In the event that the Parties are unable to resolve any dispute arising under this Agreement, or other dispute or disagreement arising from the implementation of the terms of the Agreement, the Parties agree that mediation will be a condition precedent to arbitration. The Parties agree to jointly select a mediator. In the event that mediation is unsuccessful the Parties agree to submit the matter to arbitration. Each Party shall bear its own costs and expenses related to dispute resolution.

**12. SEVERABILITY.** It is understood and agreed by the Parties hereto that if any part, term, or provision of this Agreement is held by the courts to be illegal, the validity of the remaining provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this Agreement did not contain the particular provision held to be invalid.

**13. ENTIRE AGREEMENT.** The Parties agree that this Agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are

excluded. Further, any modification of this Agreement shall be in writing and signed by both Parties. Both Parties recognize time is of the essence in the performance of the provision of this Agreement. The Parties agree that this Agreement supersedes any previous agreement between the Parties regarding the services and obligations set forth herein.

**15. FURTHER ACTS.** Each Party agrees to perform any further acts and execute and deliver any further documents that may be reasonably necessary to carry out the provisions and intent of this Agreement. The Parties recognize that additional written agreements may be necessary prior to implementation of any specific action item.

**Executed this \_\_\_\_ day of \_\_\_\_\_, 2020 for WHATCOM COUNTY.**

\_\_\_\_\_  
Satpal Sidhu, County Executive

Approved as to form:

\_\_\_\_\_  
Civil Deputy Prosecuting Attorney

**Executed this \_\_\_\_ day of \_\_\_\_\_, 2020, for CITY OF BLAINE.**

\_\_\_\_\_  
Michael Jones, City Manager

Attest:

\_\_\_\_\_  
Samuel Crawford, City Clerk

Approved as to form:

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

Executed this \_\_\_\_ day of \_\_\_\_\_, 2020, for CITY OF EVERSON.

John Perry, Mayor

Attest:

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Finance Director

Approved as to form:

City Attorney

Executed this \_\_\_\_ day of \_\_\_\_\_, 2020, for CITY OF FERNDALE.

Greg Hanson, Mayor

Attest:

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Finance Director

Approved as to form:

City Attorney

Executed this \_\_\_\_ day of \_\_\_\_\_, 2020, for CITY OF LYNDEN.

Scott Korthuis, Mayor

Attest:

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Finance Director

Approved as to form:

City Attorney

Executed this \_\_\_\_ day of \_\_\_\_\_, 2020, for CITY OF NOOKSACK.

James Ackerman, Mayor

Attest:

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Finance Director

Approved as to form:

City Attorney

Executed this \_\_\_\_ day of \_\_\_\_\_, 2020, for CITY OF SUMAS.

Kyle Christensen, Mayor

Attest:

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Finance Director

Approved as to form:

City Attorney

## ADDENDUM NO. 1

CARES ACT RELIEF - KEEP WHATCOM SAFE WORKING AND HEALTHY					
COVID-19 Response Program	Countywide TOTAL	Whatcom County	City of Bellingham	Small Cities*	Description
Public Health Emergency Response	\$5,000,000	\$5,000,000			Health Department Response, Unified Command efforts, I/Q Facilities, Testing, PPE
Economic & Business Response	\$3,461,575	\$2,500,000	\$700,000	\$261,575	Business Assistance Grant Program through REP in development. Implementation of Child Care Taskforce recommendations
Food, Schools, Housing & Human Services Response	3,356,575	\$2,500,000	\$700,000	\$156,575	Food Security, Digital Infrastructure, Housing Security, Human Services
Essential Government Services	\$4,091,270	\$2,000,000	\$1,303,300	\$787,970	County/City Operations Impacted, Courtroom Technology, etc.
Reserves/ Unallocated	\$391,500	\$391,500			
<b>Total</b>	<b>\$16,300,920</b>	<b>\$12,391,500</b>	<b>\$2,703,300</b>	<b>\$1,206,120</b>	

\*The Small Cities will be utilizing their allocated portion of CARES Act for Essential Government Services. This cost allocation agreement is for the Economic & Business Response and Food, Schools, Housing & Human Services Response, as outlined below. If additional dollars are available from the Small Cities dollars can be utilized as mutually agreed upon by the parties.

	SMALL CITIES CONTRIBUTIONS*					
COVID-19 Response Program	Ferndale	Lynden	Blaine	Nooksack	Everson	Sumas
Economic & Business Response	\$100,000	\$100,000	\$10,000	\$48,150	\$55,000	\$10,000
Food, Schools, Housing & Human Services Response	\$45,000	\$50,000				
<b>Total</b>	<b>\$145,000</b>	<b>\$150,000</b>	<b>\$10,000</b>	<b>\$48,150</b>	<b>\$55,000</b>	<b>\$10,000</b>

\*Blaine, Nooksack, Everson and Sumas have all committed contributions and are still deciding how to prioritize those dollars. For the purposes of these charts, the allocations have been split between Economic Response (\$61,575) and Food, Schools, Housing & Human Services (\$61,575).

Specific Program Areas with Coordination between Whatcom County and the Cities:

Business & Economic Recovery - Whatcom Restart				
	Whatcom County	Bellingham	Small Cities	Total
City Center & Fairhaven Business Grants		\$500,000		\$500,000
Countywide Business Grants	\$2,000,000		\$261,575	\$2,261,575
Child Care Grants	\$500,000*	\$200,000		\$700,000
				\$3,461,575

\*County may need to increase Child Care contribution to \$600,000 from \$500,000 based on need and reduction in Small Cities contribution.

- A Business Assistance Team, that includes small city representation, has been established by Mayor Fleetwood to advise on a grant program which will be made available to businesses throughout Whatcom County.
- Criteria, eligibility and application materials have been drafted and will guide the overall implementation of the program.
- The county-wide allocation will be calculated based on number of employees per jurisdiction.
- Bellingham will allocate additional funding to the City Center and Fairhaven business districts.
- The County allocation will be for businesses in unincorporated Whatcom County, City Centers and small cities
- The Regional Economic Partnership will oversee the application process with input from local jurisdictions.
- \$15,000 maximum grant amount– simple reimbursement process based on expenses.
- Criteria weighted to need, adaptation, likelihood of success.

Childcare will be a separate funding process. The Childcare Recovery Taskforce, led by the Opportunity Council's Childcare and Early Learning Department, will provide advice on the allocation of the Childcare dollars. Staff is expecting to receive recommendations in the next week or two.

Food, Schools, Housing & Human Services Recovery – A Healthy Whatcom			
	Whatcom County	Bellingham	Small Cities
Food Security	\$400,000	\$200,000	\$156,575*
Housing Security	\$700,000		
Behavioral Health	\$350,000		

Homeless	\$550,000	\$500,000	
Digital Infrastructure (Schools)	\$500,000		
Total	\$2,500,000	\$700,000	\$156,575

\*Small cities allocation for Food, School, Housing and Human Services will be used from where there is the most need and decided in consultation with the Small Cities.

- Food delivery to residents, including senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
  - Developing program with the Whatcom County Food Security Network – waiting on guidance.
- Housing security to ensure residents, including senior citizens and other vulnerable populations, to mitigate COVID-19 effects on stable housing and to enable compliance with COVID-19 public health precautions.
  - Rent/Mortgage Payments to 80% AMI, Agency Staffing Costs to distribute assistance, Motel Stays
  - Compliance with COVID-19 public health precautions
- Care for behavioral health homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
  - Lighthouse Mission COVID-19 relocation, PPE, sanitation and Janitorial support for housing program
  - Technology for telehealth, Behavioral Health support in housing and residential treatment facilities
- Facilitate distance learning, including technological improvements tied to school closings.

Public Health Emergency Response - A Safe Whatcom

- Payroll expenses for public safety, public health, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID19 public health emergency.
- Expenses associated with Isolation and Quarantine Facilities.
- Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for public health or safety workers in connection with the COVID-19 public health emergency.
- Costs of providing COVID-19 testing, including serological testing.
- Cost for Telemedicine capabilities.

Essential Government Services

- Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund’s eligibility criteria.
- County and City operations, Courtroom improvements, telework technology, etc.

Reserves/Unallocated

- Additional priorities that may arise to respond to the COVID-19 public health emergency