



ALEDO ISD BOARD MEETING TEMPLATE

MEETING DATE: December 14, 2020

AGENDA ITEM: Consider Approval of Coronavirus Relief Fund Interlocal Cooperation Agreement between City of Aledo, Texas and Aledo Independent School District

PRESENTER: Earl Husfeld, Chief Financial Officer

BACKGROUND INFORMATION:

- The City of Aledo, Texas (the “City”) has received federal funding under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) to address and respond to the impact and effects of the COVID-19 pandemic.
- These funds were received by the City from the United States Department of Treasury under the Coronavirus Relief Fund (“CRF”) as provided for in the CARES Act. Texas school districts were not allocated any of these funds.
- The City has established a COVID-19 funding program to allow the City to grant money to school districts located in Parker County. The use of these CRF funds is to assist school districts within the County with their expenditures incurred due to the effects of COVID-19.
- The following Coronavirus Relief Fund Interlocal Cooperation Agreement outlines the terms and conditions by which the City agrees to reimburse to the District eligible expenditures, as specified in the CARES Act guidance, as funding is available from CRF funds.

FISCAL INFORMATION:

None

ATTACHMENTS:

Coronavirus Relief Fund Interlocal Cooperation Agreement between the City of Aledo, Texas and Aledo Independent School District

ADMINISTRATIVE RECOMMENDATION:

The Administration recommends the Board of Trustees approve the Coronavirus Relief Fund Interlocal Cooperation Agreement between the City of Aledo, Texas and Aledo Independent School District as presented.

CORONAVIRUS RELIEF FUND INTERLOCAL COOPERATION AGREEMENT

This Interlocal Cooperation Agreement ("Agreement") is entered into by and between the City of Aledo, Texas (the "City") and Aledo Independent School District (the "District") located within Parker County, pursuant to Chapter 791 of the Texas Government Code, to address the impact of the public health emergency with respect to the Coronavirus pandemic ("COVID-19").

GENERAL

Coronavirus Relief Fund. The City of Aledo has received federal funding under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") to address and respond to the impact and effects of the COVID-19 emergency.

1. **City Authority.** The City of Aledo, under Chapter 381 of the Local Government Code, is lawfully establishing a COVID-19 funding program (the *COVID-19 Assistance Program*), allowing the City to grant money to schools districts located within Parker County. These funds were received by the City from the US Department of the Treasury (the "Treasury") under the Coronavirus Relief Fund ("CRF"), as provided for in the CARES Act. The use of these CRF funds to assist units of local government within the County with their expenditures incurred due to the effects of COVID-19 and to potentially fund a local PPE (Personal Protective Equipment) grant program are legitimate and lawful uses of the CRF funds.

2. **Inspector General Oversight & Recoupment.** Section 601(f) provides that the Inspector General of the Treasury shall conduct monitoring and oversight of the receipt, disbursement, and use of CRF funds. If the Inspector General determines that a unit of local government has failed to comply with the use of funds rules (as described herein in Paragraphs 8-14, "Use of Funds"), the amount of CRF funds in noncompliance shall be "booked as a debt of such entity owed to the federal government." The conditions and restrictions on the use of the CRF funds follows to all recipients, from the City, to the District, to other sub-recipients that receive such funds.

GRANT

3. **Amount.** Subject to the terms and conditions of this Agreement, the City agrees to reimburse to the District for PPE, from COVID Relief Funds (CRF) contingent upon the District's request.

4. **Conditions.** Before receiving COVID Relief Funds, the District must provide the City with a description of eligible expenses.

RESPONSIBILITIES OF THE DISTRICT

5. The responsibilities of the District are:
 - a. to comply with all terms and conditions of the CARES Act;
 - b. to use COVID Relief Funds in compliance with the CARES Act;
 - c. to maintain proper and adequate records of its own expenses, and supporting documentation of the expenditures, and provide copies of, or access to such, at any time as required by the City;
 - d. to NOT reallocate any City COVID Relief Funds to another grantee/sub recipient; and
 - e. To return the Statement of Compliance Certificate by February 1, 2021.

USE OF FUNDS

6. Amounts paid from the Treasury's Coronavirus Relief Fund are subject to the restrictions outlined in the *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments* (updated September 2, 2020) and set forth in section 601 (d) of the Social Security Act, as added by section 5001 of the CARES Act. (See Exhibit A, which is incorporated by reference into this agreement.)

7. Section 601 (d) allows CRF funds to cover only those costs that:
 - a. are necessary expenditures incurred due to the public health emergency with respect to COVID-19;
 - b. were not accounted for in the most recently approved budget [of the District] as of March 27, 2020, including any amendments; and
 - c. were incurred between March 1, 2020 and December 30, 2020. See *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments*, Updated September 2, 2020. (See Exhibit A.)

8. **“Necessary Expenditure.” Condition.** The use of the money is limited to "necessary expenditures." The Treasury intends for broad interpretation of the word *necessary*, meaning "reasonably necessary for its intended use in the *reasonable judgment* of the government officials responsible for spending the Fund payments." The Treasury's standard, *reasonable judgment*, adopts a **subjective**, not objective standard. **The City of Aledo is reimbursing from a portion of its CRF funds specifically for the eligible expenditures in category(s) 2 related to public health expenses resulting from COVID-19.**

Funds may not be used to fill shortfalls in governmental revenue to cover expenditures that would not otherwise qualify under section 601(d). REVENUE REPLACEMENT IS STRICTLY

PROHIBITED AND IS NOT A PERMISSIBLE USE OF FUNDS.

9. **“Due To” Condition.** The requirement that expenditures be incurred "due to" the public health emergency created by COVID-19 means that expenditures must be used for actions taken to respond to the public health emergency.

10. The District expressly agrees without qualification or exception to adhere and comply with section 601 (d) and the accompanying guidelines regarding its spending and uses of the COVID Relief Funds.

REMEDIES

11. **Indemnity.** To the extent allowable by law, the District shall defend, indemnify, and hold harmless the City and its officers, commissioners, employees, volunteers, and agents, from any and all costs and expenses, damages, liabilities, demands, causes of action, suits, charges, or legal or administrative proceedings, claims and losses, including, without limitation, attorneys' fees and costs, caused by or arising out of any act or omission of the District relating to the terms of this Agreement, including but not limited to any ineligible expenditure.

12. **Recoupment.** If the City, or its designee, reasonably determines that all or a portion of the District's expenditure of *COVID-19 Assistance Program Funds* is an ineligible expenditure, then the District shall immediately reimburse the City in an amount equal to the amount of the ineligible expenditure from funds of the District other than *COVID-19 Assistance Program Funds* granted pursuant to this Agreement, and provide to the City evidence of such reimbursement. The District shall have 30 days of receipt of the City's determination of an ineligible expenditure to reimburse the County for such expense. In the event the City has to enforce this Agreement, it shall be entitled to recover its reasonable attorney's fees and costs incurred in doing so.

13. **Offset.** To the extent allowable by law, the City reserves the right in its sole discretion to apply any money, damages or costs incurred as a result of a material breach of this agreement by the District against the future distributions from the City to the District.

OTHER

14. **Attorney's Fees and Costs.** The City shall be entitled to recover its reasonable and necessary attorney's fees, costs and expenses, from the District in the event the City must enforce the terms of this Agreement in any way, including, but not limited to, litigation or mediation to the extent allowed by law.

15. **Law and Venue.** The laws of the State of Texas shall govern this Agreement, except where clearly superseded by federal law. Venue of any dispute shall be in a court of competent jurisdiction in Parker County, Texas.

16. **No Assignment.** The District may not assign this Agreement.

17. **Entire Agreement.** This Agreement supersedes and constitutes a merger of all prior oral and/or written agreements and understandings of the parties on the subject matter of this Agreement and is binding on the parties and their legal representatives, receivers, executors, successors, agents and assigns.

18. **Amendment.** Any Amendment of this Agreement must be by written instrument dated and signed by both parties.

22. **Severability.** No partial invalidity of this Agreement shall affect the remainder unless the public purpose to be served hereby is so greatly diminished thereby as to frustrate the object of this Agreement.

23. **Survival.** All provisions of this Agreement that impose continuing obligations on the parties, including but not limited to payment, agreement purpose, and confidentiality shall survive the expiration or termination of this Agreement.

24. **Waiver.** No waiver by either party of any provision of this Agreement shall be effective unless in writing, and such waiver shall not be construed as or implied to be a subsequent waiver of that provision or any other provision.

25. **Signature Authority.** The signatories hereto represent to each other that they have the full right, power, and authority and have been given any approvals necessary to enter into this Agreement to bind the respective parties for which they sign, and to perform their obligations hereunder, and that the consent of no other parties is needed to fully effectuate this Agreement.

EXHIBITS

26. This list of exhibits is included with this agreement and incorporated herein, as appropriate:

1. Exhibit A: Treasury Guidance and Treasury/TDEM FAQs

Signatories:

Kit Marshall

City Authorized Official

ISD Authorized Official

Mayor

Title

President, Board of Trustees

Title

11-18-20

Date

December 14, 2020

Date