

STATE OF NORTH CAROLINA

STOKES COUNTY

**INTERLOCAL AGREEMENT FOR THE
DISBURSEMENT OF CORONAVIRUS
RELIEF FUNDS**

THIS AGREEMENT, made and effective this ____ day of _____, 2020, by and between Stokes County, North Carolina (the “County”), and City of King (the “City”);

WHEREAS Congress enacted P.L. 116-136 on March 27, 2020, which established the federal Coronavirus Relief Fund (“CRF”) and distributed funds to States and localities with populations over 500,000, including North Carolina and four North Carolina local governments;

WHEREAS on May 4, 2020, the North Carolina General Assembly enacted Session Law 2020-04, which established a \$150 million fund to be distributed to the 97 counties that did not receive direct CRF funds;

WHEREAS on July 1, 2020, the North Carolina General Assembly enacted Session Law 2020-80, which amended Session Law 2020-04 and increased to \$300 million the CRF funds to be distributed to the 97 counties that did not receive direct CRF funds and required each such county to allocate at least 25 percent of such funds for use by municipalities within the county for allowable uses;

WHEREAS Stokes County received \$1,876,608.68 in total CRF funds for Municipal Distribution from the General Assembly, and is required to distribute \$469,152.17, representing 25 percent such funds, to municipalities; and

WHEREAS counties and municipalities receiving CRF funds may use such funds only for uses authorized by P.L. 116-136, section 601(d) of the Social Security Act, and the requirements set forth in Session Law 2020-04, as amended by Session Law 2020-80; and

WHEREAS the distribution to the three municipalities in Stokes County is based on the respective populations of said municipalities located within Stokes County; and

WHEREAS the population within Stokes County of the three municipalities is as follows:

Town of Danbury	Population of 186
City of King	Total population of 6861 of which 6170 is Located in Stokes County
Town of Walnut Cove	Population of 1355

WHEREAS the City of King's share of the CRF funds based on the above population figures is \$375,540.72;

NOW, THEREFORE, for the purpose and subject to the terms and conditions hereinafter set forth, the County and the City agree as follows:

1. Services. The City shall expend its share of CRF funds to provide services to citizens of Stokes County in response to COVID-19. The Grant funds are from the Coronavirus Relief Fund established by North Carolina Session Law 2020-04, as amended by Session Law 2020-80, Section 3.3(2), and are subject to requirements of Session Laws 2020-04 and 2020-80, P.L. 116-136, and section 601(d) of the Social Security Act. The CRF funds are restricted to the following uses: medical expenses; public health expenses; payroll expenses for public safety, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency; expenses of actions to facilitate compliance with COVID-19-related public health measures; expenses associated with the provision of economic support in connection with the COVID-19 public health emergency; and any other COVID-19-related expenses necessary to the function of government that satisfy the CRF's eligibility criteria. The City shall use the CRF funds exclusively for the purposes set forth above. If the City does not complete its plan for the distribution of CRF funds, and submit it to the County by September 1, 2020, this Agreement will immediately terminate, and the City shall return all of said funds to the County; and the County may use all of such funds for any use allowed for CRF funds. The City may not use the CRF funds for any expense that has been reimbursed by other CRF funds received.

2. Term. The services for which CRF funds may be used must have been rendered between March 1, 2020 and December 30, 2020, unless sooner terminated by mutual consent or as hereinafter provided. All CRF funds received by the City must be expended no later than December 30, 2020. Any unexpended funds must be repaid to the County.

3. Independent Contractor. The City shall operate as an independent contractor, and the County shall not be responsible for any of the City's acts or omissions. The City, its employees, and subcontractors shall not be treated as an employee with respect to the Services performed hereunder for federal or state tax, unemployment or workers' compensation purposes. Neither federal, state, nor payroll tax of any kind shall be withheld or paid by the County on behalf of the City or the employees of the City. The City is fully responsible for the payment of any and all taxes arising from the payment of monies under this Agreement. The City shall comply with the North Carolina Workers' Compensation Act and shall ensure that its subcontractors also comply. The City shall not be treated as an employee with respect to the services performed hereunder for purposes of eligibility for, or participation in, any employee pension, health, or other fringe benefit plan of the County. The City has no authority to enter into contracts or agreements on behalf of the County. The County shall not be liable to the

City for any expenses paid or incurred by the City unless otherwise agreed in writing. The City shall supply, at its sole expense, all equipment, tools, materials, and/or supplies required to provide contracted services unless otherwise agreed in writing.

4. Reports. Beginning October 1, 2020, and then quarterly thereafter, the City shall report to the County and to the North Carolina Office of State Budget and Management on the use of CRF funds until all funds are expended and accounted for. City shall also comply with any reporting requirements set forth by the State of North Carolina or by the CARES Act or other federal requirement. When the City has completed its services, but in no event later than December 30, 2020, the City shall provide a complete Report containing a summary of its services completed, the amounts expended, and their impact on the community. Failure to provide any required Report shall constitute a breach of this Agreement.

5. Records, Audit. The City agrees that it will supply such records, information or verification relating to expenditures of the funds or the operations of the City as may reasonably be requested by the County. The City agrees that the County shall have access to the records and premises of the City at all reasonable times, and the City agrees to submit such reports as the County shall request pertaining to the funds disbursed herein or the operation of the City. The City shall maintain a written accounting and documentation of all of its receipts and disbursements relating to the CRF funds which are the subject of this Agreement. The County reserves the right to require a certified audit pertaining to the use of the CRF funds, or may perform the audit through the use of its staff. The City shall furnish to the County a copy of its audit report performed by a certified public accountant as soon as such becomes available to the City.

6. Termination. The County may terminate this Agreement for any violation thereof by the City. In the event of termination, the City shall promptly remit any payments received which the County deems to have been disbursed in violation of this Agreement. The County may terminate the Agreement based upon, but not limited to, the following reasons, which shall be determined in the sole discretion of the County:

- a. Improper use of CRF funds;
- b. Failure to comply with the terms of this Agreement;
- c. Submission to the County of reports which are incorrect or incomplete in any material respect;
- d. Any circumstance rendering the completion of the Services improper, illegal, or infeasible; or
- e. Failure to make satisfactory progress in completion of the Services.

7. Indemnification. The City agrees to indemnify, defend, and hold the County harmless from and against any and all claims, expenses (including attorney fees), costs or liability for acts or omissions of the City relating to this Agreement, the use of CRF funds, or services provided pursuant to it. If the federal government or the State of North Carolina, or any agency of either, determines that the City has expended CRF

funds in an illegal or disallowed manner, City shall reimburse the County for the amount of such disallowed expenses.

8. Notice. All notices permitted or required to be given by one party to the other party shall be addressed and delivered in writing as follows:

For the County:

Jake Oakley.
County Manager
PO Box 20, 1014 Main Street
Danbury, NC 27016

For the City:

Susan O'Brien, Director of Finance and Personnel
City of King
PO Box 1132, 229 South Main Street
King, NC 27021

9. Assignment. The City may not assign its obligations under this Agreement unless it has received prior written approval from the County, which may be withheld at the sole discretion of the County.

10. Waiver. No action or failure to act by the County shall constitute a waiver of any of its rights or remedies or as approval or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

11. Governing Law. This Agreement shall be governed by North Carolina law, except that provisions regarding conflicts of laws shall not apply. The venue for any legal proceeding shall be in Stokes County, North Carolina.

12. Survival of Provisions. All obligations arising prior to termination of this Agreement and all provisions of this Agreement allocating responsibility or liability between the parties shall survive the completion of services and termination of this Agreement.

13. Modification. This Agreement may only be modified in writing and signed by both the City and by the County Manager or other authorized County official.

14. Miscellaneous. The City shall comply with all applicable laws and regulations including but not limited to federal, state and local laws regarding business permits, certificates, and licenses that may be required to carry out the services to be performed under this Agreement. This agreement is intended for the benefit of the County and the City, and not for any other party. If any provision of this Agreement shall be unenforceable, the remainder of the Agreement shall be enforceable to the extent allowed by law.

IN WITNESS WHEREOF, the authorized officials of the County and the City have set their hands and seals as of the day and year first above written.

STOKES COUNTY, NORTH CAROLINA

(SEAL)

By: _____
Jake Oakley, County Manager

Date: _____

ATTEST:

Shannon Shaver, Clerk to the Board

Date: _____

GRANTEE

City of King, NORTH CAROLINA

(SEAL)

By: _____
Homer Dearmin, City Manager

Date: _____

ATTEST:

Nicole Branshaw, Clerk to the Board

Date: _____