CITY OF BURTON

BURTON CITY COUNCIL MEETING

MARCH 29, 2021

MINUTES

Council Chambers	**Workshop**	**6:00 PM**

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by President Steven Heffner at 6:10 PM.

A. MEETING INFORMATION

Burton City Council Workshop
Hosted by Racheal Boggs

https://cityofburton.my.webex.com/cityofburton.my/j.php?MTID=m6688411f19efa217eeb00305ba919ffe
Monday, Mar 29, 2021 6:00 pm | 2 hours | (UTC-04:00) Eastern Time (US & Canada)
Meeting number: 182 056 6127
Password: CCW2021 (2292021 from phones and video systems)

Join by video system
Dial 1820566127@webex.com
You can also dial 173.243.2.68 and enter your meeting number.

Join by phone
+1-415-655-0001 US Toll
Access code: 182 056 6127

B. CALL TO ORDER

Council Members attending through the virtual forum must state their name and physical location for the record.

Mr. Heffner, Burton, MI
Mr. Martinbianco, Burton, MI
Mrs. Conley, City Hall
Mr. Wells, City Hall
Mr. Smith, City Hall
Mr. Fenner, City Hall

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Remote	
Dennis O'Keefe	Councilman	Late	6:22 PM
Steven Heffner	President	Remote	
Danny Wells	Councilman	Present	
Vaughn Smith	Councilman	Present	
Gregory Fenner	Vice President	Present	
Christina Conley	Councilwoman	Present	

C. STAFF PRESENT

Duane Haskins, Mayor

Charles Abbey, DPW Director/HR
Ann Abbey, Assessor
Mike Vogt, Assistant Fire Chief
Steve Phillips, IT Director
Lindsey Bice, Records Tech

D. ADMINISTRATIVE REPORT

Mayor Haskins stated after the last council meeting, I did some research to try to figure out what we were getting. There was not a lot out there. It did state the two things you could not do, which was pension and pay taxes. Everything out there was an estimate, so after talks with the MML and other agencies I got in touch with Congressman Kildee's office. There will be two different types of disbursements on the American Rescue Plan. They are an entitlement community or a non-entitlement community. Entitlement communities will get the funding directly from the federal government. For non-entitlement communities, the funding will go to the state and then the state will disperse the money to the community or the county. We are a non-entitlement community. The law was signed into effect three weeks ago, the treasury has 60 days to come up with a plan on how you can and cannot spend the money. The Congressman's Office is working diligently with the Treasury Department to try to get them to loosen the parameters on where communities will be able to spend the money on how they see fit. We could potentially see our first payment by the end of summer if things do not get held up. The $2.8 million is just an estimate, it is not a guarantee at this time.

E. COUNCIL DISCUSSION

1. Council discussion of the American Rescue Plan and the City of Burton allocation.

   Mr. Heffner stated I watched a few videos from the MML and Dan Gilmartin gave a pretty good speech on this. One thing he spoke on was entitlement cities and non-entitlement cities. He said entitlement cities are ones that get their money by way of CDBG dollars which we get, so that would make us an entitlement city which would mean we would be getting our funds directly from the federal government.

   Mayor Haskins stated I watched the webinar that Mr. Smith sent to me. What I got out of the webinar was CDBG money was a parameter that they used to estimate how much funds local municipalities will get. Entitlement communities are communities that are metropolitan, large in base, or they have their own income tax. That is what I was told by the Congressman's Office.

   Mr. Heffner stated you are right about that, they did speak about communities of 50,000 or more getting it directly from the federal government, but they also spoke about the CDBG monies.

   Mr. Abbey stated I believe the Mayor is correct and what we understand from Dan is that we get block grant monies, but we get those allocated through the state as well. Did he clarify where those CDBG funds come from? We do get them, every community is entitled to them, but ours come from the federal government disbursed to the state to the county and then down to us. I think that may be the difference.

   Mr. Heffner stated either way, we will be getting it. We wanted to talk tonight to discuss where Council wanted to see these funds go once we get them.

Mr. Martinbianco stated we have not consulted with Plante Moran to see if there is a mechanism they need us to use. I would assume we need to set up a special revenue fund and delegate the money only from that account. We need to get reimbursed from past cost, and any physical improvements that have to be made. Any special services relating to police and fire, we need to be reimbursed for that first. Keeping that in a quarantine fund so to speak, which would take five votes to get it out of there, would make it more of a community decision as to how we move forward. I think talking to Pam Hill would help us gather a lot of ideas since we can't use this for a retirement, which is one of our big issues. Infrastructure, sewer, the bond we just agreed to go through, if those are allowable, that would be where we should focus on spending this money.

Mr. Wells asked, what is the time frame on when we can expect to get this money?

Mr. Heffner stated it has to be spent by 2024. It was my understanding we should get it within 60 days if it comes from the county.

Mr. Wells stated in my mind it's pretty simple, roads, firm up our Police Department, firm up our DPW, take care of the infrastructure of the city. We can’t waste this.

Mr. Martinbianco stated this is not like the old Federal Revenue Sharing Program that was established years ago. They are not trying to bail out cities, they are trying to make us whole for any expenditures that we have incurred or could potentially incur because of the COVID crisis. To think you are going to get more police officers and DPW workers and fix the roads is not going to happen, nor is that what this is intended for. It is for problems that occurred directly relating to Covid-19. Once the regulations come out to state what we can and can’t do, we will have specifics.

Mr. Wells stated according to this information we are premature even having this meeting and throwing these ideas out there. I would wait until we have more information and have an idea what we are looking at and where we can spend this money. I don't know where we are out any money as far as Covid. I think the administration has done a really good job at keeping the city running at minimum. I don't know that we have lost a lot of money, but what we have lost is work, time, maintenance and people. Until we know what we are going to get, when we are going to get it, and what we can spend it on, we are just spinning our wheels here tonight.

Mr. Heffner stated I agree with you to an extent, Mr. Wells. It did say we could use it on sewer, water or broadband. What does any of that have to do with Covid?

Mr. Wells said, exactly.

Mr. Heffner stated if we can use it on water, sewer, and broadband, I believe we could use it on streets. That is infrastructure also. The government is very specific on things we can't do, they stated at the bottom the things we cannot use it on. It said we can use it on infrastructure, so I think there is a possibility that we can use it on streets.

Mayor Haskins stated if we can use it on streets that would be ideal. Through the Metropolitan Alliance Committee and going over our TIP projects, they were the ones that said more than likely it is not going to be approved to be used on streets and roads. We won't know whether that happens or not until the Treasury Department makes up their mind.

Mr. Heffner stated Mr. Wells we know this meeting is early, but every community is receiving some type of dollars. So every contractor is going to be busy. We want to be on the ball here and get things done.

Mr. Wells stated I agree with you and I was excited to come to this meeting to find out everyone's thoughts and what we can do with this money.

Mr. Heffner stated we do know it can be used for parks and recreation.

Mayor Haskins read an email he received from Congressman Dan Kildee’s office regarding the American Rescue Plan.

Mrs. Conley stated I would like to see the money go towards streets, the blight on main roads, and our Veterans Park.

Mr. O’Keefe stated this text that we received does not tell us much as far as how they came up with the dollar amounts and what we can spend the funds on. I agree with you Mr. President as far as infrastructure and the roads being part of our infrastructure. In here it states "in addition, the language allowing for the investment of these funds in water, sewer, and broadband infrastructure will provide our communities an opportunity to invest in infrastructure that has taken a backseat to other critical budget needs over the past decade." If roads don't fit in there, what does? If that is where the money is going, the entire city will benefit from that.

Mr. Heffner stated this is a chance that we could almost revitalize neighborhoods.

Mr. Fenner stated leading off from the paragraph Mr. O'Keefe was just reading on, “Clear guidance from US Treasury will be critical to helping local governments determine eligible expenses”. Without that we are all guessing here. That same paragraph does speak to water and sewer funds. I can see where Mr. O'Keefe would lead us to believe roads would fall under infrastructure there. Because we do get TIP money and other grants for the roads, I am not sure they are going to want to include that in this. This is explaining the money will be for such things as revenue lost by income tax, parking revenue, parks and recreation, and event revenue. Unfortunately, we do not have those revenues, so I don't know what revenue we are going to have to show or prove that we are lacking in or what we are going to be able to do with this money. Until we get that clear guidance from the US Treasury, we are just spinning our wheels here.

Mr. Martinbianco stated until we have that guidance, I do not want to go around thinking we can spend money on things that may be disallowed later on. Mayor, from the time you invoked emergency status last year when employees were laid off and sent home, how much of our unemployment costs were accrued?

Mayor Haskins stated we never laid anyone off.

Mr. Martinbianco stated I'll stand by my previous statement, we cannot make exclusions or availability for funds until we have clear guidance on where we can put it. Which comes at a bad time for us seeing as how next week we get presented with a budget. When it comes in, I would like to see it get put into a special revenue fund which would make it easier for federal compliance with respect to Plante Moran when they come in to do the audit.

Mr. Smith stated if we can use it for roads, I think we should use it for local roads. This is explicit as far as investment in water, sewer, or broadband infrastructure. I look at our water fund and it is getting better. It is going to take some clarification from the Treasury Department as far as anything we want to do on the water side. I do believe the administration probably has a plan on how best to use this as far as both the water and sewer funds and how we can maximize the benefits of this money. Water and sewer is here, we know these funds can be used for that. I suggest the administration and council decide how to leverage this money and what we have in the budget under water and sewer that can be slid over to save money.

Mr. Wells stated listening to everybody here, I would like us to proceed with patience and caution. They may pass through another major infrastructure bill that could be just for roads and water and sewer and then we already used our $2 million on that and beat ourselves out of it. It is going to be a while before we see any of this money. I would like to wait and see what happens.

Mr. O'Keefe stated I do not believe we should even talk about this money at budget time. We don't have it yet, so we should go on as usual. I think Mr. Martinbianco had a good idea as far as putting this money in a separate GL account that way if anyone wants to look at it, it's all there.

Mr. Heffner stated on our previous discussion regarding the Metropolitan Alliance and the TIP, I don’t believe they cover local streets. Do we receive any money for local streets, Mr. Abbey?

Mr. Abbey stated that is correct. TIP program is only for federally funded major roads.

Mr. Heffner stated whatever we get for local roads comes from us.

Mr. Abbey said, that is correct.

Mr. Heffner asked, how far could we go on local roads with $2 million?

Mr. Abbey stated it could go a long way on local roads depending on what we do with them and how we target our areas. We have been doing a lot of work on that with the administration, targeting different scenarios even without this money.

Mr. Heffner stated my point is, if they pass another infrastructure bill like Mr. Wells stated, and we received another two or three million dollars, would we be able to put that towards the local streets as well?

Mr. Abbey stated it wouldn't even touch it. You could put the $2 million and even $3 million more into the roads. In the next infrastructure bill, I believe they were targeting highways, expressways, major roads and bridges.

Mr. Wells stated I am looking at the 2023 projects from the county. They have Bristol Road from Fenton Road to Saginaw Street. They have new federal money of $1.244 million to use on that project; our cost would be $142,000. The other project is Court Street to North Davison Road. They received $744,507 that saved us $85,000 on that street. There is also Lapeer Road to I-69, we already did this but now they have money to do it.

Mr. Abbey stated Mr. Wells you are correct. They just released that, their meeting was 10 a.m. on Thursday. There are some problems with that proposal; it all looks good on the surface, like it saves us some money, because you go to a 90-10 math from an 80-20 math. The problem is that you are responsible for both your PE and CE. On both of those projects, they end up costing us a considerable amount of money to move forward for the year. We do not get reimbursed for the construction engineering or the design engineering. Therefore, it does not end up being a true 90-10.

Mr. Wells stated I agree that it's a problem but we are still getting more money to do those projects. We have to continue fixing our roads. Every neighborhood I've stopped in lately, it is all about the roads. We have to fix them right before they continue falling apart and end up in our sewers causing more problems.

Mayor Haskins stated the money that Mr. Wells is talking about is two-fold, to a certain degree. Another municipality in the area was not ready for it, whereas Burton is ready to move forward. The rough estimate of moving projects around, we are looking at losing probably $800,000. I'm not sure where we can make up that money by trying to move projects around to make it more steadfast. Like Mr. Abbey said, we are still in talks with them, the money's there, the projects are there, we need to keep it the same so we aren't losing that type of money. If it were $90,000 or $100,000, we might be able to make it up on the backside but $800,000 is a large chunk of money. That is where the issue is.

Mr. Wells stated my point of that whole conversation is this; we are trying to figure out where we can spend this money. People have money out there. Do we want to lay money out? The Mayor makes a good point, do we want to put money into these projects and find out later we could have got more money to do the project if we had just been patient?

Mr. O'Keefe stated I would bet that the national infrastructure bill that is passing will not trickle down to local roads and streets. It is going to be for the entire country and they will probably use it on airports, trains and other things. It is not going to happen.

Mr. Heffner stated this is the most we have talked about local streets in 20 years. Hopefully, we started something tonight that won't end here.

Mr. Smith asked if this $2.8 million will have any impact on the current budget that is being worked on. Or will you have a contingency plan for the 1.4 million dollars if it becomes available this year?

Mayor Haskins stated for budget purposes no, the budget is almost done. When we spoke with the Congressman's Office as far as a timeline on when we might receive our first half of this, it was not even feasible to try to implement it into the budget. When we receive the parameters on what we can and cannot do with the money, we will come right to you with a plan and see how we want to progress. Local streets as well as parks were ideas I also had in mind. If I do not receive the money until the end of summer and we are able to use it on local roads, we would not be able to get those projects started until next spring.

Mr. Fenner stated I would like to caution us until we receive these funds. I do not want to mislead our residents into thinking this is something that we can do. I think we should make it clear to everybody that our hands are tied until we get the guidelines.

Mr. Abbey stated I don't think it was a total waste because the Mayor had some ideas and we've been working hard. You all have some independent ideas on what we can and can't do, I do not want to discourage anyone. The Mayor and I have had discussions with our Controller's Office, if a project makes sense financially and we can get it done, we will jump on it. I think that is how we will stay ahead of this, if we keep doing our engineering and keep our plan out there. We need to find an aggressive way to fix dilapidated roads that have been going on for many years.

Mr. Martinbianco stated we've totally ignored the one component that the federal government has raised in regards to broadband. I don't know how many city properties would be available that might be amenable to this new 5G technology. Perhaps somebody may approach us and want to make an offer on the property because it's located in a great cell station.

Meeting was adjourned at 7:01 PM.

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COMMENTS - Current Meeting:

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ATTACHMENTS:

- ARP Information Sheet & FAQ (PDF)

American Rescue Plan Act of 2021
Coronavirus State and Local Fiscal Recovery Funds Fact Sheet

Summary

The American Rescue Plan Act of 2021 creates new Coronavirus State and Local Fiscal Recovery Funds to keep first responders, frontline health workers, teachers, and other providers of vital services safely on the job as states, local governments, Tribes, and territories roll out vaccines and fight to rebuild Main Street economies. Funds are available until December 31, 2024.

Now that the legislation has been cleared by Congress, all matters of execution—including allocations of funding, regulations prescribing eligible uses of payments, and resolving matters of statutory ambiguity—will be determined by the guidance and regulations promulgated by the Secretary of the Treasury, which will be determinative.

What follows is a summary of the key aspects of the recovery funds, and describes the intent of the legislation, along with a preliminary understanding of how the Treasury will execute the proposals.

- States and the District of Columbia: $195.3 billion
    - $25.5 billion will be equally divided.
    - $755 million will be allocated to make the District of Columbia whole after it did not receive a fair allocation under the CARES Act.
    - The remaining funds will be distributed based on the share of total unemployed workers.
    - If a state's combined state and local funding total is less than what they received under the CARES Act, the difference will be allocated to the state (this guarantees a minimum of $1.25 billion for each state).
    - To the extent practicable, states and the District of Columbia will receive allocations from the Department of Treasury (Treasury) within 60 days of submitting a Certification of Need.
    - If Treasury decides that a payment to a State requires additional justification, the Secretary could choose to withhold up to 50% of the allocation to each state for up to 12 months from the date the certification of need is received. Such a withholding would not be required, and if the State submits a second certification of need, the Secretary would be required to release the withheld amount by the 12-month deadline.

- Local governments: $130.2 billion divided evenly between cities and counties
    - $65.1 billion will be allocated to metropolitan cities.
        - $45.57 billion will be allocated to municipalities with populations of generally at least 50,000 using a modified Community Development Block Grant formula and sent directly from Treasury to the city.

- $19.53 billion will be allocated to municipalities with populations of generally fewer than 50,000 in states and territories, with allocations capped at 75% of the locality's most recent budget as of January 27, 2020. Funds will be sent to the state to distribute to the local community based on population within 30 days of receipt unless an extension is granted. Even if granted an extension, States must distribute the funds to the local community not later than 120 days after they receive this funding for distribution or face monetary penalty, and cannot change the allocations or impose additional requirements.
- $65.1 billion will be allocated to counties based on population and sent directly from the Department of Treasury to the counties.
- Funding will be distributed by Treasury in two tranches—one within 60 days of enactment to the extent practicable, and the second one year after the disbursement of the first tranche.

- Territories: $4.5 billion
  - $2.25 billion will be divided equally.
  - $2.25 billion will be allocated based on population.
  - To the extent practicable, territories will receive allocations from Treasury within 60 days of submitting a Certification of Need.
  - If Treasury decides that a payment to a territory requires additional justification, the Secretary could choose to withhold up to 50% of the allocation to the territory for up to 12 months from the date the certification of need is received. Such a withholding would not be required, and if the Territory submits a second certification of need, the Secretary would be required to release the withheld amount.

- Tribes: $20 billion to federally recognized Tribal governments.
  - $1 billion will be divided equally.
  - $19 billion will be divided as determined by Treasury, which is expected to engage in Tribal consultation and to make use of data previously collected from Tribes to improve the distribution formula used in the CARES Act.
  - To the extent practicable, funding will be distributed by Treasury within 60 days of enactment.

In addition to these Funds, the law creates a new $10 billion **Coronavirus Capital Projects Fund** for "critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency with respect to the Coronavirus Disease." To implement this Fund, Treasury is required to establish a process of applying for grants within 60 days of enactment. The Fund will provide:

- $100 million for each state, the District of Columbia, and Puerto Rico;
- $100 million split equally between the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Marshall Islands, Micronesia, and Palau;

- $100 million split equally between Tribal governments and Hawaii, with each receiving a minimum of $50,000; and
- The remaining $4.7 billion will be distributed to states, the District of Columbia, and Puerto Rico as follows:
    - 50% based on population
    - 25% based on rural population
    - 25% based on household income that is below 150% of the poverty line

The law also creates an additional $2 billion **Local Assistance and Tribal Consistency Fund** that will allocate $750 million to eligible revenue sharing counties (defined to include the District of Columbia, Puerto Rico, Guam, and the Virgin Islands) and $250 million to eligible Tribes for any government purpose other than lobbying. These funds will be distributed based on economic conditions of the recipient entities in fiscal years 2022 (beginning October 1, 2021) and 2023 (beginning October 1, 2022). Among other things, this fund is intended to assist counties currently reliant on the Payment in Lieu of Taxes (PILT) and Secure Rural Schools (SRS) programs, among other revenue sharing programs, but based on their real economic conditions rather than historic payments.

Frequently Asked Questions

How can recipient governments use relief allocations from the State and Local Fiscal Recovery Funds?

The Department of Treasury will issue guidance detailing its interpretation and implementation of eligible uses, but the statutory language specifically authorizes use of the funds. Each of the following is a separate allowable use of the funds for the recipient:

- To respond to the pandemic or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- For premium pay to eligible workers performing essential work (as determined by each recipient government) during the pandemic, providing up to $13 per hour above regular wages;
- For the provision of government services to the extent of the reduction in revenue due to the pandemic (relative to revenues collected in the most recent full fiscal year prior to the emergency);
- To make necessary investments in water, sewer, or broadband infrastructure;

In addition, a recipient may transfer its allocation to a private nonprofit organization, Tribal organization, public benefit corporation involved in the transportation of passengers or cargo, or special-purpose unit of State or local government, if the recipient government so chooses. The recipient entity would need to use the funds consistent with the purposes listed above.

The recipient government must send Treasury periodic reports with a detailed accounting of the uses of the funds (States and territories must also provide all modifications to tax revenue sources since March 3, 2020).

The language explicitly prohibits funds from being deposited into a pension fund.

States and territories are also prohibited from using the funds to offset, either directly or indirectly, a tax cut made since March 3, 2021.

While the State and Local Fiscal Recovery Fund eligible uses are broader than those of the CARES Act Coronavirus Relief Fund, guidance previously released for the Coronavirus Relief Fund may provide insight into how Treasury may interpret and implement these American Rescue Plan provisions.

How will state and local governments receive the relief allocations?

States and territories will receive their allocations within 60 days of submitting to Treasury a certification signed by an authorized officer that the funds are needed to respond to the pandemic and will be used in compliance with the eligible uses. If Treasury decides that a payment to a state requires additional justification, the Secretary could choose to withhold up to 50% of the allocation to each state and territory for up to 12 months from the date the certification of need is received. Such a withholding would not be required, and if the state or territory submits a second certification of need, the Secretary would be required to release the withheld amount by the 12-month deadline.

Funding for counties, metropolitan cities, and nonentitlement units of local government (generally those under 50,000 inhabitants) will be separated into two tranches. To the extent practicable, Treasury is required to send out the first tranche (equal to 50% of the recipient's allocation) within 60 days of enactment, and the second tranche (the remaining 50%) not earlier than one year after the first disbursement. Counties, metropolitan cities, and nonentitlement units of local government are not required to submit a signed certification of need to Treasury.

Because it could take a full year for Treasury to calculate and disburse the allocations for nonentitlement units of local government, Treasury is instead required to send the amounts intended for those recipients to each state (including territories) within 60 days. States and territories would then have 30 days to disburse the funds to the nonentitlements based on population. Because of the potential administrative burden of evaluating the eligibility for all of these smaller localities, a state could, if necessary, ask Treasury for up to three extensions for distributing one or more of those allocations. The state or territory would need to justify why the extension is warranted, and would have **no** authority to change the amount of, or attach additional requirements to, the payments allocated to the intended local government recipients.

Why have the allocations on the estimates spreadsheet changed over time?

- **States**: The bill was amended in the Senate to replace the minimum base payment to states of $500 million with a total state- and local-level combined allocation equal to what the states received under the CARES Act, guaranteeing a minimum of $1.25 billion for each state.
- **Counties**:
  - A correction was made to an error in the way the CDBG allocations were weighted across counties. This resulted in a greater number of urban counties receiving the CDBG markup (up to 14, from 11 previously) and a subsequent reduction in the amounts received by other counties.
  - A correction was made to a data sorting error that resulted in the wrong population inputs being used for roughly 3% of all counties.
- **Metropolitan Cities**:
  - A correction was made for an error in the way the CDBG allocations were weighted across metro cities. This resulted in increases in the projected assistance to each metropolitan city by about 9%.
  - Eligible metropolitan cities that did not receive a FY2020 CDBG award and were therefore left off initial runs were manually identified and added when possible.
- **Nonentitlement Units of Local Government**: The estimates gained more precision over time based on updates to how Treasury will calculate the nonentitlement allocation for each state, as well as a change to the definition of "nonentitlement unit of local government" to more accurately cover active local governments performing the functions of municipalities, as had been the intent. For example, the prior definition would have inadvertently made non-governmental entities eligible for allocations, which while

appropriate for the CDBG program, was not the policy intent of the state and local funding in the American Rescue Plan.

What will cause final allocations to differ from the estimates spreadsheet?

- Interpretation and implementation decisions by the Department of Treasury, including the possibility of using the FY2021 CDBG formula for metro cities or 2020 population data for counties and nonentitlements (that data was not available at the time that the Congressional Research Service's preliminary estimates were calculated).
- The cap on nonentitlement allocations at 75% of the entity's most recent budget as of January 27, 2020. Congressional Research Service analysts do not have local budget information sufficient to calculate this cap, so it is not reflected in the estimates.
- Redistribution of funds from inactive counties to the local governments within the county.
- Potential addition of eligible metro cities that did not receive a FY2020 CDBG award and were therefore not included on the spreadsheet.
- Projected amounts for nonentitlements may be divided between more than one nonentitlement government to the extent that eligible nonentitlement governments have overlapping populations (for example, residents of a village government and town government in New York). In cases where an eligible government does not appear on this list but another government representing some or all of its population is listed, the total estimate provided represents all of the nonentitlement funding attributable to the government's underlying population. Treasury guidance on how to distribute amounts for overlapping government will be determinative.

What if a city, town, village, or township is not included on the estimates spreadsheet?

The updated spreadsheet is <u>not</u> a comprehensive list of eligible nonentitlement units of local government; rather, it uses publicly available data to estimate how Treasury might interpret the law.

The legislation defines "nonentitlement unit of local government" as either:

(1) Any "municipality" (as defined by the Census) that is a city, county, town, township, parish, village, or other general purpose political subdivision of a State; Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa, or a general purpose political subdivision thereof; a combination of such political subdivisions that, except as provided in section 5306(d)(4) of this title, is recognized by the Secretary; and the District of Columbia.

or,

(2) any non-municipality (as defined by the Census) that is a town or township and which:

(i) possesses powers and performs functions comparable to these associated with municipalities,

(ii) is closely settled, and
(iii) contains within its boundaries no incorporated places as defined by the United States Bureau of the Census which have not entered into cooperation agreements with such town or township to undertake or to assist in the undertaking of essential community development and housing assistance activities.

The Treasury Department will determine how this will be interpreted and implemented.

In cases where an eligible government does not appear on this list but another government representing some or all of its population is listed, the total estimate provided represents all of the nonentitlement funding attributable to the government's underlying population. Treasury will determine how such amounts are divided among such overlapping units of government.

What about cases where a local government appears more than once?

The legislation provides for funding to cities (including both metro cities and nonentitlements) and counties to be separate and distinct. In cases where cities are also incorporated as counties, those governments should expect to receive funding both as a city and as a county.

However, any case where a local government is listed once as a city – either as both a metro city and a nonentitlement government, or twice as a nonentitlement government – is likely the product of error inherent in the estimating process. For any government that is listed as both a metro city and a nonentitlement government, the metro city estimate is likely to be more accurate. In cases where a government is listed more than once as a nonentitlement, any duplication should be ignored and the estimate should only be counted once, keeping in mind that some states have governments with identical names in different counties.