

Northeast Michigan Council of Governments

80 Livingston Blvd Suite U-108 | PO Box 457 | Gaylord, MI 49734 | Voice: 989.705.3730 | Fax: 989.705.3729 | nemcog.org

**MEETING NOTICE**

**NORTHEAST MICHIGAN COUNCIL OF GOVERNMENTS  
BOARD OF DIRECTORS**

**Thursday, May 20, 2021  
10:00 a.m. – 12:00 p.m.**

**Video Conference: GoToMeeting**

**Please join my meeting from your computer, tablet or smartphone.**

<https://global.gotomeeting.com/join/482462997>

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**Access Code: 482-462-997**

**AGENDA**

- I.** Call to Order
- II.** Roll Call
- III.** Approval of Minutes – April 15, 2021 Meeting
- IV.** Financials: No report this month due to annual leave
- V.** **Special Presentation:** Ruth Ann Largent, Director of Broadband Operations  
*Presque Isle Electric & Gas (PIE&G) Fiber Buildout Update*
- VI.** President's Report
  - A. Regional Project Review
  - B. Other
- VII.** Director's/Staff Report
- VIII.** Committee Reports
  - A. RPI Collaborative
  - B. Finance Committee
  - C. Other
- IX.** Previous Business
- X** New Business
  - A. CEDS Resolution of Adoption
  - B. Other
- XI.** County/Board Updates
- XII.** Public Comment
- XIII.** Adjournment – next meeting is June 17, 2021



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# MINUTES OF THE NORTHEAST MICHIGAN COUNCIL OF GOVERNMENTS

## BOARD OF DIRECTORS' MEETING

April 15, 2021

Video-conference: Go-To-Meeting

### **Call to Order**

The Northeast Michigan Council of Governments (NEMCOG) Board of Directors meeting was called to order by Robert Heilman, President, at 10:00 a.m. A quorum was declared.

### **Roll Call**

Board Members

Present: Dan Gauthier, Dave Karschnick, John Wallace, Carey Jansen, Dawn Hubbard, Rob Pallarito, Carl Altman, Robert Heilman, Marisue Moreau, Doug Baum, Danny Mitchell, Kim Awrey, Sheila Phillips, Nathan Skibbe, Adam Poll, and Scott McLennan

Staff Present: Diane Rekowski, Denise Cline, Karen Cole and Theresa Huff

Guest: Sara McCauley, Eric Cline and Rod Taylor

### **Approval of Minutes**

R. Heilman presented the Minutes of the March 18, 2021 meeting. S. Phillips moved, seconded by D. Baum to approve the minutes as presented. Yes all, motion carried.

### **Financial Report**

K. Cole reviewed the March 31, 2021 financial statements. D. Karschnick moved, seconded by J. Wallace; to receive and file the March 31, 2021 Financial Report as presented. Yes all, motion carried.

### **President's Report**

**Regional Project Review:** R. Heilman stated there are (5) Federal Grant project for regional review; (3) other projects for regional review and (2) public notices. D. Baum moved, second by S. McLennan to support all projects as presented. Yes all, motion carried.

### **Director's/Staff Report**

**MI Association of Regions (MAR):** None.

**Projects/Staff – D. Rekowski**

- Staff, Christina McEmber resigned. Hired Eric Szymanski for the Regional Planning position and he will begin on April 19, 2021.
- Interviewing for a Case Manager in Alpena.
- The Comprehensive Economic Development Strategy for the Region is out for the 30day review. Send any comments/input to D. Rekowski or D. Cline.
- Completing two Next Cycle Grants for Alpena and Crawford Counties.

**Adjournment**

The meeting was adjourned at 10:15 a.m. by R. Heilman. The next meeting will be May 20, 2021. Details will be provided as to whether it will be in person or virtual.

Presentation from Treasury followed at 10:30 a.m.



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### Regional Project Review For May, 2021

#### Region 9 Federal Grant Applications

#	Total	From	Applicant	Project
1	\$321,094	DHHS	NEMCSA	COLA grant to help with increased operating costs and increase wages of all Head Start and Early Head Start staff by 1.22%
2	\$2,996,124	DHHS	NEMCSA	American Rescue Plan Grant for COVID. This is for Head Start, Delegate HS, and Early Head Start to prepare, plan and respond to COVID. The term is from 4/1/21 until 3/31/23.

#### Other Projects for Review

1	Notice of Intent: DNR Parks and Recreation: Harrisville Start Park Pedestrian Bridge Replacement – This project will be to development/replace a pedestrian bridge between day use area and campground. \$50,000 MDNR Fund
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#### Public Notice

##### Black River Limited Partnership, Project No. 11730-003 ORDER GRANTING EXTENSION OF TIME TO FILE ANNUAL GAGING AND FLOW COMPLIANCE REPORT (Issued May 5, 2021.)

1. On March 26, 2021, Black River Limited Partnership, licensee for the Alverno Hydroelectric Project No. 11730, 1 filed an extension of time request to submit its Annual Gaging and Flow Compliance Report for 2020 pursuant to ordering paragraph (D) of the April 16, 2003 Order Modifying and Approving Gaging And Flow Compliance Plan pursuant to License Article 405 (2003 Order). 2 The project is located on the Black River in Cheboygan County, Michigan, and does not occupy federal lands.

#### **Background**

2. Ordering paragraph (D) of the 2003 Order requires the licensee to file annual compliance reports with the resource agencies and the Commission. The compliance reports must include monitoring data, specific information from operating logs, and a summary of flow and water level compliance, as well as any other information necessary to determine operational compliance. The licensee must file the reports with the Michigan Department of Environment, Great Lakes, and Energy, 3 Michigan Department of Natural Resources, and the U.S. Fish and Wildlife Service by January 31 of the year following the year in which the data were collected. The agencies must be given 30 days in which to provide comments to the licensee regarding the annual reports. The licensee must file the annual reports, along with evidence that the report was supplied to the resource agencies, and copies of any responses received, with the Commission by March 31.

1 Black River Limited Partnership, 97 FERC <J[ 62,194 (2001). Errata Notice, issued on September 13, 2002.

2 Black River Limited Partnership, 103 FERC <I[ 62,018 (2003).

3 Formerly the Michigan Department of Environmental Quality

#### **Extension of Time Request**

The licensee's March 26, 2021 filing requests an extension of time to file its Annual Gaging and Flow Compliance Report for 2020 with the Commission. The filing explains that licensee has been working on preparing a license amendment application for the project. The amendment application is specifically related to the management of project operations and Black Lake levels. The licensee performed several flow measurements and has been compiling data to support its amendment application. The licensee has been regularly communicating with the resource agencies regarding project operations and the resource agencies have operational data for all of 2020. The licensee is requesting to extend the deadline to file its annual report with the Commission until June 30, 2021, which will allow the licensee to finalize the report and provide the resource agencies a 30-day review period.

#### **Review**

4. The licensee has been progressing on its amendment application that will address an ongoing noncompliance proceeding regarding the operations of the project. The amendment application will request to revise the operating requirements of the license and include a revised Gaging and Flow Compliance Plan. While Commission staff acknowledges that the amendment application has a higher priority than the Annual Gaging and Flow Compliance Report for 2020, the licensee must still satisfy its license requirements in a timely manner. The licensee's filing was before the deadline and while the reasons advanced by the licensee to justify the extension of time request are marginal, the request should be approved. Commission staff once again reminds the licensee that it should be more cognizant of all license requirements, including the timing of these requirements. The Commission may consider future instances of oversight and/or staff management inefficiencies that lead to noncompliance as a violation of the license.

The Director orders:

(A)Black River Limited Partnership's, request to extend the deadline to file its Annual Gaging and Flow Report for 2020, for the Alverno Hydroelectric Project No. 11730, filed on March 26, 2021, pursuant to ordering paragraph (D) of the April 16, 2003 Order Modifying and Approving Gaging And Flow Compliance Plan pursuant to License Article 405 is approved. The extended deadline to the file the annual report is June 30, 2021.

(B)This order constitutes final agency action. Any party may file a request for rehearing of this order within 30 days from the date of its issuance, as provided in §313(a) of the Federal Power Act, 16 U.S.C. § 8251 (2018), and the Commission's regulations at 18 C.F.R. § 385.713 (2020). The filing of a request for rehearing does not operate as a stay of the effective date of this order, or of any other date specified in this order. The licensee's failure to file a request for rehearing shall constitute acceptance of this order.

Kelly Houff Chief, Engineering Resources Branch Division of Hydropower Administration and Compliance

**RESOLUTION OF ADOPTION**

**NE MI COMPREHENSIVE ECONOMIC DEVELOPMENT  
STRATEGY (CEDS): 2021-2025**

WHEREAS, Northeast Michigan continues to experience high and persistent unemployment; and

WHEREAS, the Northeast Michigan Council of Governments (NEMCOG) desires to alleviate this situation and to stabilize and improve the Region's economy, and

WHEREAS, NEMCOG's Regional Collaborative Development Council (CDC) has provided input and review of the 2021-2025 Comprehensive Economic Development Strategy (CEDS) to reflect accomplishments over the past years and the development of strategies to attract and retain jobs in the Economic Development District consisting of Alcona, Alpena Cheboygan, Crawford, Montmorency, Oscoda, Otsego and Presque Isle Counties, and

WHEREAS, the CDC has approved the 2021-2025 Comprehensive Economic Development Strategy (CEDS), and

WHEREAS, the 2021-2025 CEDS provides strategies that once implemented will lead to improved prosperity for the 8-county region,

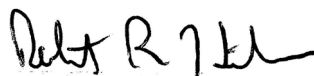
THEREFORE BE IT RESOLVED that the Northeast Michigan Council of Governments Board of Directors does hereby adopt the 2021-2025 Northeast Michigan Comprehensive Economic Development Strategy (CEDS).

Moved by Scott McLennan, seconded by Doug Baum to adopt the above Resolution, at a meeting of the NEMCOG Board on May 20, 2021.

Ayes 13 Nays 0

Dated: May 20, 2021

Attested by Robert Heilman, President  
Northeast Michigan Council of Governments



# Northeast Michigan Economic Recovery Report

## April/May 2021

### **COVID Related News and Updates:**

With vaccinations now widely available, public health officials report that COVID-19's grip on our state is beginning to weaken.

Michigan's cases and positive tests remain high compared to other states but have seen sharp declines since the state experienced an alarmingly high surge of cases in March and April. Many experts report that we are seeing the swift and beneficial impact of increasingly high rates of vaccination. Even so, many counties in Northeast Michigan have high positivity rates and residents that are not vaccinated, not fully vaccinated or may be immunocompromised should continue to exercise caution and practice CDC recommended safety guidelines when out in the community

Regional Cases and Testing <i>Data Pulled May 15, 2021</i>				
County	7-Day Average	Prior Week Avg.	Positive % Last 7 Days	Prior Week %
<b>Alcona</b>	1	3	3.5	16.2
<b>Alpena</b>	4	9	9.4	18.4
<b>Cheboygan</b>	2	7	9.5	21.2
<b>Crawford</b>	2	3	8.5	11.8
<b>Iosco</b>	5	6	9.9	13.2
<b>Montmorency</b>	3	3	10	16.1
<b>Ogemaw</b>	6	7	10.9	17.5
<b>Oscoda</b>	2	3	15.6	23.1
<b>Otsego</b>	3	6	3.6	12.9
<b>Presque Isle</b>	3	4	11	18
<b>Roscommon</b>	3	3	5.9	7.6

Vaccination Progress by County <i>Data Pulled May 15, 2021</i>				
County	First dose	Both doses	% First Dose	% Second Dose
<b>Alcona</b>	4,842	3,430	52.6	37.3
<b>Alpena</b>	12,545	10,057	52.6	42.1
<b>Cheboygan</b>	11,118	8,811	51	40.4
<b>Crawford</b>	5,846	4,723	49.9	40.3
<b>Iosco</b>	11,156	8,391	51.7	38.9
<b>Montmorency</b>	4,159	3,197	51.7	39.8
<b>Ogemaw</b>	7,416	5,637	42.3	32.1
<b>Oscoda</b>	2,851	2,129	41.7	31.1
<b>Otsego</b>	10,580	8,791	52.9	43.9
<b>Presque Isle</b>	6,359	4,915	58.2	45
<b>Roscommon</b>	10,656	7,774	51.5	37.6

With cases and rates falling, it should be no surprise that hospitalizations and deaths have followed this trend as well. As of May 17<sup>th</sup>, Munson Health System is reporting only 2 hospitalizations in Northeast Michigan for COVID, one each in Otsego and Grayling. In addition, according to state data, only 3 COVID-related deaths were reported to have occurred on May 15<sup>th</sup>. Again, this positive news appears to be a direct product of increasing vaccination rates in the region and the state.

As of May 17<sup>th</sup>, 56.5% of Michiganders 16 years and older have received their first dose of a COVID-19 vaccine. The region, on a county-by-county basis, is headed in that same direction with many counties boasting a near or greater than 50% 1<sup>st</sup> dose vaccination rate at this time. Presque Isle is leading

the pack with 58.2%, slightly above the state average. Meanwhile, Ogemaw and Oscoda county have the furthest to go, posting 42.3% and 41.7% respectively.

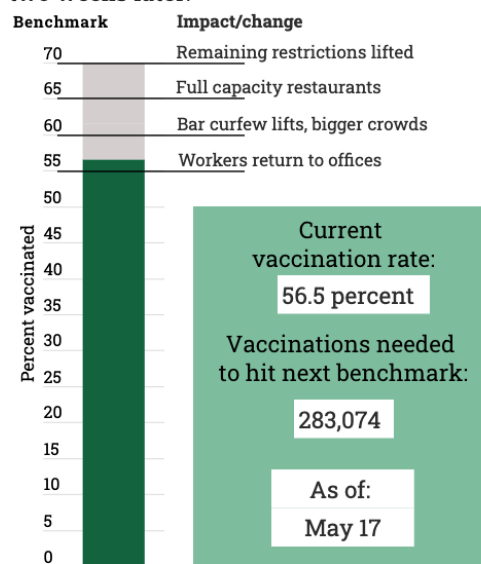
The rate of vaccination, other than an indicator of a community's increased resilience against the virus and its impacts, is important as - statewide – it will be a leading indicator for when businesses and other activities gain resume normal, pre-pandemic operations. This is according to a new “Vacc to Normal” plan announced by Governor Whitmer this month. The Governor's plan calls for a gradual re-opening as vaccination benchmarks are achieved. Two weeks after the state hits 55%, which it did last week, businesses will be able to have those employees who have been working remotely return to in-person work. Once the state hits a rate of 60%, bar curfew limits are expected to be lifted as well as the gathering of larger crowds. At 65%, restrictions on restaurant capacity will end entirely. At 70%, any remaining restrictions are expected to be lifted.

While these plans provided a clear path forward for Michigan, concerns and complications remain. First, the rate of vaccination has begun to slow down and some estimates, based on state polling, indicate that upwards of 25% of Michigan residents have no plans or desire to be vaccinated. This, of course, could slow the complete lifting of existing restrictions. Beyond these concerns, new guidance recently released by the CDC has created confusion for many.

On Thursday, the CDC updated its guidance regarding safety precautions and COVID-19, including saying that masking outdoors regardless of vaccination status is unnecessary and that those individuals who are fully vaccinated – meaning the requisite wait period following their second dose – can cease to practice masking and social distancing in most settings. (The exceptions noted in the CDC guidance including continuing to mask and social distance in health care settings, long-term care facilities and on public transportation.) CDC recommends that unvaccinated individuals continue to mask, practice social distancing and, ultimately, get a COVID-19 vaccine. Upon this announcement, the state of Michigan issued a [new order](#) reflecting the changes – announcing that vaccinated Michiganders could stop masking and social distancing in most cases. While this is welcome news for many, concerns over personal responsibility, populations ineligible for vaccination, privacy and enforcement have all arisen as a result.

## Path to normalcy

Gov. Gretchen Whitmer has said her administration will relax COVID-19 restrictions as more people get vaccinated. Once the state hits each percentage, the change **will occur two weeks later**.



Source: Michigan Department of Health and Human Services, CDC data on vaccines  
— Mike Wilkinson

Bridge



Concerns over who is responsible for demonstrating that those who are going unmasked have been voiced by retail, restaurant and other business representatives throughout the state. The Governor's new order requires businesses to continue to make a good faith effort to ensure that unvaccinated individuals continue to mask, though it is exceedingly difficult to understand the limits of that responsibility and how one could reasonably expect businesses to enforce that. Private businesses may continue to require masks should they choose. For example, Meijer has already announced that it will keep the mask mandate in place. In addition to the state order, Michigan businesses are required to operate under MIOSHA's COVID-19 safety rules. At the time this was written, mask provisions remain in effect for businesses. This may mean that some establishments allow vaccinated customers to go unmasked but still have to require their employees to mask until further notice. In addition, challenging discussions are expected at local schools and other settings that educate and care for children that are not currently eligible to receive the vaccine.

The Governor and her representatives at MDHHS have indicated that this doesn't change much in their "Vacc to Normal" plan. While masking requirements may be adjusted further – especially as it relates to the MIOSHA workplace safety rules – at this time, all other restrictions appear to remain in place.

#### **Economic and Labor Market Update:**

As we begin to see the positive impact that vaccines are having on the health effects of COVID-19, the impact on the economy is more mixed.

The state's seasonally adjusted unemployment rate edged down slightly in March to 5.1%. (As of writing this, April's numbers have not yet been released but are expected this week.) Meanwhile, total employment grew by 8,000. The state's number of unemployed declined for the third consecutive month in March. While these are positive signs and the state's Bureau of Labor Market Information and Strategic Initiatives (LMISI) reports that the labor market was stable in March, concerns over the long-term impact of the pandemic remain.

<b>County</b>	<b>Unemployment Rate April 2021</b>	<b>Rank</b>
Alcona	7.4	60
Alpena	6.0	38
Cheboygan	13.1	82
Crawford	7.3	59
Iosco	7.5	63
Montmorency	10.2	81
Ogemaw	8.5	75
Oscoda	8.3	73
Otsego	6.9	54
Presque Isle	9.5	79
Roscommon	9.9	80
State Average	5.1%	-

Year-over-year, Michigan's labor force declined by 4.4%, a rate far greater than the nationwide figure of 1.3%. While the state and nation continue to demonstrate incremental gains in the labor market, Northeast Michigan continues to underperform the rest of the state with county unemployment rates ranging from 6% (slightly above the state average) to 13.1% or more than double the state average. This is, unfortunately, generally consistent with the region's situation – regardless of the impact of the pandemic. The chronic nature of these unemployment figures is demonstrated in recent regional jobless rate reporting from LMISI that shows that regional unemployment, on average, is not far off from pre-pandemic levels. (In fact, this same report for

prior months shows a 9.3% unemployment rate in December of 2020 for the region.) While rates are similar, it is important to note that the size of the civilian labor force is smaller and the number of unemployed remains above pre-pandemic levels.

#### **Northeast Lower Michigan LMA**

(Alcona, Alpena, Cheboygan, Crawford, Iosco, Montmorency, Ogemaw, Oscoda, Otsego, Presque Isle, Roscommon counties)

	Mar 2021	Feb 2021	Mar 2020	Over the Month		Over the Year	
				Numeric	Percent	Numeric	Percent
Civilian Labor Force	79,300	78,700	79,400	600	0.8%	-100	-0.1%
Employed	72,600	71,900	72,800	700	1.0%	-200	-0.3%
Unemployed	6,700	6,800	6,700	-100	-1.5%	0	0.0%
Unemployment Rate	8.4	8.6	8.4	-0.2	XXX	0.0	XXX

#### **Northeast Lower Michigan LMA**

(Alcona, Alpena, Cheboygan, Crawford, Iosco, Montmorency, Ogemaw, Oscoda, Otsego, Presque Isle, Roscommon counties)

	Feb 2021	Jan 2021	Feb 2020	Over the Month		Over the Year	
				Numeric	Percent	Numeric	Percent
Civilian Labor Force	78,700	79,300	79,800	-600	-0.8%	-1,100	-1.4%
Employed	71,900	71,200	73,700	700	1.0%	-1,800	-2.4%
Unemployed	6,800	8,100	6,200	-1,300	-16.0%	600	9.7%
Unemployment Rate	8.6	10.2	7.7	-1.6	XXX	0.9	XXX

#### **Emerging Regional Issues:**

**Businesses and Workforce:** Area businesses continue to experience significant strain and pressure on their operations. In addition to the challenges and confusion surrounding new orders and the CDC mask guidance, businesses continue to report significant staffing challenges with many in the hospitality industry considering or already making the decision to have a more limited schedule due to the lack of availability of workers. The small gains seen in the labor market in March were primarily in the hospitality industry. So, it does appear that there is some increase in seasonal employment but it is seemingly unlikely that there will be enough workers to address the significant shortage reported by employers.

There has been significant speculation that workers are staying out of the market due to the lack of enforcement around work search requirements, coupled with the significant additional unemployment benefits (\$300 a week) provided by the federal government. However, the state

has announced that work search requirements will likely be reinstated by end of May, if not sooner. This is a response, in part due to employer concerns about disincentivizing work. Further, the legislature is currently considering providing \$1,000 return-to-work bonuses using some of the Federal CARES act funds that have not yet been appropriated.

In addition to struggling to find workers, depending on the industry, high demand, pandemic disruptions and other matters are creating supply chain challenges that are also impacting businesses – particularly those that may involve durable goods required for construction. As has been widely reported, spikes in lumber prices and other housing materials have more than doubled during the pandemic. Demand for housing and a lack of new houses being built during the shutdown has created a significant demand that will have far-reaching impacts. As the economy begins to move again domestically, global production and operations continue to be impacted by COVID disruptions – especially those operations in countries that may not yet have access to vaccines or the ability to control the virus’s spread. These factors continue to create challenges domestically.

While federal and state governments continue to try to address the needs of businesses created by pandemic orders, it is clear that demand for assistance, in many cases, continues to outstrip the availability of help. In recent weeks, the Small Business Administration launched the Restaurant Revitalization Fund (RRF), which was provided for in the American Rescue Plan Act (ARPA) and intended to fund relief for dining/bar/other food establishments hardest hit by the pandemic. Just over a week after the fund launched, it had more than a quarter of a million requests totaling \$65B in requested funds. The RRF was funded up to \$28.6B by Congress, meaning that requests are already double the available funding. Further, Congress mandated that priority review of these funding requests go to women, veteran and other socially/economically disadvantaged business owners. This priority group has already submitted applications totaling \$29B in requests, signaling that the majority of the funds would go to priority populations. Advocates are trying to put pressure on Congress to commit additional funds to the RRF given the significant shortfall currently demonstrated.

### **Broadband:**

Broadband continues to be a top priority for economic resiliency and development throughout the region. The region was already faring well in terms of the number of private providers awarded funds through recent competitive grants and auctions for local broadband built out. Even so, those efforts may get an additional boost from the distribution of ARPA funds to local governments.

According to Tom Stephenson of Connect Michigan (in referencing federal Treasury Guidance), ARPA funds distributed to local governments can be used for broadband projects, among other things. Opportunities for the use of ARPA to support broadband in the region include but may not be limited to:

- Investments designed to provide services meeting adequate speeds to unserved and underserved households<sup>1</sup> and businesses,

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<sup>1</sup> Unserved or underserved areas are those lacking access to a wireline connection capable of delivering at least 25/3 Mbps.

- Investments to help meet or exceed symmetrical upload and download speeds of 100 Mbps,
- Investments that help encourage/promote integration of affordability options into program design, and
- Investments that prioritize support for networks owned, operated by, or affiliated with local government, non-profits, and co-operatives.

The Connect Michigan team plans to spend the coming months connecting directly with local Michigan Township Association (MTA) chapters and other local governments to inform and support their efforts to further broadband availability and quality in the region.

### **Childcare and Education:**

Childcare has long been an issue of concern for employers, families and policymakers alike. However, the pandemic has both exacerbated and elevated those concerns. The pandemic created enormous hurdles for both childcare providers and families in need of care. In many cases, child care centers and providers ceased providing care during the shutdown. While it is reported that approximately 65% of those facilities statewide have reopened, that still leaves a significant gap in a system that was already short on affordable, accessible and quality care for Michigan families.

These issues were exacerbated for working families that lost their jobs or saw a decline in income during the pandemic. Some families simply were not able to continue to afford to pay for the same care. Others chose to exit care out of concern for their childrens' health and welfare. At the same that families were experiencing these challenges, providers – like all businesses – were faced with a changing and increasingly expensive landscape to operate. Further, they too face even greater worker shortages as a result of COVID protocols that can and often do put providers out of required child care licensing ratios, limiting their ability to provide reliable care in some cases.

Economic developers in the region and beyond have identified childcare as a growing concern and inhibitor of economic growth. Lisa McComb of the Otsego Economic Alliance has begun to gather a group to discuss the challenges facing childcare in the region and potential opportunities to improve the environment for families and businesses, including the providers themselves. On a recent call, just two area providers reported having a total waitlist of over 100 families waiting for care. Concerns over onerous and expensive licensing requirements were echoed by many on the call. Further, reports that desperate families may be using older children to provide care while they work raised concern for many

The group is gathering the data available about the region's current childcare landscape and demands and plans to continue meeting. There has been some discussion about engaging state officials to advocate that funding that the state has received to support childcare in Michigan (upward of \$1.4B) be used to help ameliorate some of the region's challenges. (Notably, the [Michigan legislature has not been willing to advance disbursement of these funds until](#) and unless the Governor cedes some of her authority related to health orders as well as reconsiders making mandates for toddlers.) If and when the funds do begin to move, it is expected that they will be largely directed at further subsidies for working families, hazard pay for workers and

other like items, though nothing concrete has been identified at this time. Further, it should also be noted that recent Federal guidelines related to payments to local government state that childcare support is an eligible expense, providing both an opportunity for local action and a potential reason for Lansing to not feel full financial responsibility for stabilizing this system.

Education systems are receiving their own funds through ARPA and services to schools and students were also included as an eligible expense throughout guidance on how local governments may choose to spend their funds. We anticipate providing additional information going forward regarding the intersection of these two revenue sources.

A recent [article in the Alpena News](#) noted the decline in enrolled students in the region but similarly stated that it is too early to know whether that is an impact of the pandemic of continuing a trend that has picked up in recent years that reflects lower birth rates and families making alternative education choices.

### **Food and Farming:**

One of the projects to keep an eye on in the coming months is the reinvigoration of the Grayling Market project. Doug Baum and other local partners are once again leading an effort to obtain funds to build the Grayling Market, a regional food hub intended to further the region's food and farming industry and also to respond to the need for great self-sufficiency and control over the supply chain as a response to COVID-19. Among other things, Doug and his team will likely be returning to area partners to request letters of support for the project as they continue to promote it to potential funders as well as political decision-makers in Lansing and beyond. Should your group have an interest in engaging with or supporting the project, please reach out to Doug.

### **Health:**

As local governments consider the eligible, necessary and prioritized uses of the recently allocated ARPA funds, public health officials in the region are urging leaders not to forget about the importance of strengthening the local public health infrastructure to further protect the region from the challenges presented by the spread of COVID-19 and other illnesses. At the June NEMCOG board meeting, we expect to host a presentation highlighting what local governments should consider about their local public health needs in the context of utilizing their allocated ARPA funds. Mark Becmer, Regional Coordinator for the Region 7 Healthcare Coalition and NEMCOG board member, will be providing this report.

### **Local Government:**

While it is always a busy time to be a part of local government, the recent release of funding allocations and rules regarding ARPA funds has created a flurry of activity at the local level. For the 8-county EDA region, county disbursements alone will total nearly \$26M. This, of course, does not take into account the funds available to cities, townships, villages and schools.

Counties and metro communities must request the funds from US Treasury directly using the [US Treasury Application system](#). Individuals looking to request funds on behalf of their jurisdiction will be asked to provide the following information:

- Jurisdiction name, taxpayer ID number, DUNS Number, and address

- Authorized representative name, title, and email
- Contact person name, title, phone, and email
- Funds transfer information, including recipient's financial institution, address, phone, and routing number and account number
- Completed certification document (to be signed by the authorized representative)

<b>County</b>	<b>ARPA Funds</b>
Alcona County	<b>\$2,021,049.00</b>
Alpena County	<b>\$5,517,338.00</b>
Cheboygan County	<b>\$4,909,567.00</b>
Crawford County	<b>\$2,724,969.00</b>
Montmorency County	<b>\$1,811,855.00</b>
Oscoda County	<b>\$1,600,718.00</b>
Otsego County	<b>\$4,791,470.00</b>
Presque Isle County	<b>\$2,445,848.00</b>
<b>Total</b>	<b>\$25,822,814.00</b>

Notably, to request the funds, local governments must both have a DUNS number and a SAMS account. Many local officials have noted that they are not familiar with these systems. A DUNS number is a unique nine-character number used to identify an organization and is issued by Dun & Bradstreet. The federal government uses the DUNS number to track how federal money is allocated. A DUNS number is required prior to registering with the SAM database. Registering for a DUNS number is free of charge. SAM (System for Award Management) the official government-wide database with which to register in order to do business with the U.S. government. All Federal financial assistance recipients must register on [SAM.gov](https://sam.gov) and renew their SAM registration annually to maintain an active status to be eligible to receive Federal financial

assistance. There is no charge to register or maintain an entity's SAM registration. To aid local governments in this process and minimize any confusion on this front, NEMCOG will be partnering with MAR and MSU extension to provide a brief webinar on these two systems. Invitations and information about this event will be distributed as soon as they are available.

For communities that are non-entitlement communities (meaning not a county or metro area), their state government is responsible for distributing the funds. Funds must be distributed within 30 days of receipt by the state. In Michigan, the Treasury Department will be distributing the funds but has not yet released additional details on this process. Based on the most recent information, while county and tribal governments will need to utilize both DUNS and SAM, other local governments will only need to register for a DUNS number.

Beyond the mechanics of how to access the funds, a [fact sheet](#) has been realized that summarizes the interim final rules regarding eligible uses of the funds. While questions remain, US Treasury has provided greater clarity on eligible expenses as well as those items that would be expressly prohibited uses of the funds.

First, broad categories of eligible expenses, as outlined in the Fact Sheet include:

- "Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;

- Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.”

Meanwhile, expressly prohibited uses of the funds include:

- Use of funds “to directly or indirectly offset a reduction in net tax revenue due to a change in law from March 3, 2021 through the last day of the fiscal year in which the funds provided have been spent”,
- Use of funds “to make a deposit to a pension fund”,
- Funding Debt Service,
- Paying Legal Settlements or Judgements
- Placing deposits into rainy day funds or financial reserves, and
- General Infrastructure, outside of water, sewer and broadband.

While treasury has placed some clear parameters on how the funds can be spent, they remain relatively flexible. Last month, NEMCOG cohosted a webinar with Michigan Treasury to discuss these funds, which was attended by over 100 participants. This is a strong indicator of the interest and attention being paid to these funds in Northern Lower Michigan.

In preparation for that webinar, NEMCOG interviewed several local government officials to better understand the financial impacts of COVID on local communities and the potential uses of these funds going forward. We found several themes among the responses we received:

- The majority of respondents did experience some losses due to COVID but the losses varied significantly based on size and their approach to managing the COVID-19 restrictions. Many were clear that they are still in the process of trying to fully understand the extent of losses. Examples of losses identified include delinquent water utility payments and taxes, loss in revenue for ambulance services, reductions in court fees, permit fees, inspection fees, etc.
- The majority of respondents also noted that their communities experienced increased costs due to COVID, many of which are still being incurred and include things like overtime for first responders, PPE, technology costs to move to virtual operations, etc.
- The majority of respondents did not layoff or furlough staff and those that did have all brought their staff back to full capacity at this time
- The majority of respondents did not make significant cuts or budget reductions **made**, though some did make some small adjustments such as scaling back on planned capital improvement projects and infrastructure, transit route changes based on cancellation of

contracts to transport special populations that were too high risk to travel, etc. Several communities noted that additional potential losses and additional changes to programs or services may still come.

- Only one community noted that they have an upcoming millage, which they are concerned may be impacted by the ARPA funds and public perception. That millage does not renew until 2023. The same community did note that a neighboring community has a millage vote upcoming this fall that they fear may face challenges now.
- The majority of respondents noted that they are planning to lean heavily on their councils/commissions and or planning committees within those bodies to determine allocation and prioritization of funds. Many of the communities referenced their Community Improvement Plans and noted they are likely to use these to guide decision making.
- The majority of respondents indicated their strong belief that resources would be prioritized for infrastructure and capital improvements. Referenced projects included replacing water and sewer infrastructure, broadband investment, solid waste treatment, upgrading local government buildings' HVAC systems and other efforts to ensure greater resiliency against future health threats and more.
- While local governments have up to three years to encumber the funds, the majority of respondents indicated that the earliest they would expend the funds would be on an 18 - 36-month timeline with most places saying it will take the full 3 years, especially when thinking about supply chain challenges and the difficulty of getting contractors for capital projects.

In addition to this outreach effort, NEMCOG staff has been made aware that there are local officials who were either unaware of their community's eligibility for these funds or in some cases considering not submitting a request for the funds for whatever reason. Many understandably have strong feelings about the process and philosophy behind the distribution of these funds. That said, these funds represent a return of taxpayer dollars to the region and the ability for local officials to help ensure that those dollars provide better value to residents than they might otherwise if being spent by officials in Washington D.C.. To that end, NEMCOG is urging local governments to submit a request for their allocated funds and help to put local taxpayer dollars back to work in the region. Recognizing the capacity constraints amongst local government, NEMCOG will also work to support local government in their pursuit and allocation of these funds, where practicable and appropriate.

**Workforce:**

On May 7<sup>th</sup>, a regional consortium comprised of area employers, education and training institutions and the Northeast Michigan Works! Workforce Agency submitted a grant application for the state's MILEAP grant. The grant funds, if awarded, would provide customized training and wrap-around support to over 400 individuals. The effort would help to support the state's goal of ensuring that 60% of the state's population has a post-secondary credential by 2030. Award announcements are expected at the month's end.