



April 3, 2020

Secretary Steven Mnuchin
U.S. Department of Treasury
1500 Pennsylvania Ave. NW
Washington, DC 20220

To the Honorable Steven Mnuchin,

On behalf of our approximately 1,700 mayors, commissioners, council members, and other local elected officials, the Utah League of Cities and Towns (ULCT) and the Utah Association of Counties (UAC) applaud the federal supported, state managed, and locally executed approach to tackle the negative impacts of the COVID-19 pandemic. Last week, Congress enacted H.R. 748 Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act which will inject \$2.2 trillion nationally into recovery efforts for individuals, businesses, and state and local governments. Of that amount, Congress will appropriate \$1.25 billion to the State of Utah by April 24, 2020 via the Coronavirus Relief Fund (Section 601(d)).

We write this joint letter to express our support for Utah's cities, towns, metro townships, and counties receiving a justified and proportionate amount of the \$1.25 billion. We know that Congress intended for the State of Utah to retain at least \$688 million of that amount. We also know that Congress intended for the State of Utah to share the remaining \$562 million with local governments.

Our membership has three urgent requests for guidance from the Department of the Treasury.

First, we urge the Department to provide guidance for states that they must share a proportionate amount of the appropriation with cities and counties. In Utah, no cities have populations above 500,000. We believe it is vital that the Department indicate to states that the CARES Act appropriation is for all cities and counties.

Second, we urge the Department to provide guidance in the definition of "necessary expenditures" incurred due to the COVID-19 public health emergency that is broad, flexible, and expansive. For example, ULCT has compiled a non-exhaustive list of necessary expenditures that our cities experienced in the month of March (see addendum #1 below). This list is simply a starting point for the types of good faith reimbursements for "necessary expenditures" that cities, counties, and states will experience. Therefore, we believe it is critical for the Department to interpret "necessary expenditures" in a broad, flexible, and expansive manner.

Third, we urge the Department to recognize that many governments, including the State of Utah and every city and town, are in the midst of their budget processes because their fiscal years begin on July 1. Cities are proactively adjusting our budgets to plan for COVID-19 costs. We urge the Department to provide sufficient flexibility around the definition of "not accounted for in the budget most recently adopted" so as not to penalize communities who are currently budgeting for the "necessary expenditures" during July 1-December 30, 2020.

UAC and ULCT members will also face drastic revenue shortfalls from the impact of COVID-19, including likely reductions in sales tax, property tax, utility bills, and motor fuel tax. Despite those shortfalls, local governments are still providing essential services at a heightened level for public health, infrastructure, and public safety. ULCT and UAC are also collecting data about those revenue shortfalls for future consideration.

#CitiesWork



UTAH LEAGUE OF CITIES AND TOWNS

Thank you for your ongoing partnership in this unprecedented time. You can reach ULCT Executive Director Cameron Diehl at 801-910-3912 or cdiehl@ulct.org and UAC Chief Executive Officer Brandy Grace at 435-253-1623 or brandy@uacnet.org. We look forward to working with you on the next steps on the CARES Act implementation to benefit our collective constituents.

Sincerely,



Mike Mendenhall
ULCT President
Spanish Fork Council Member



Mike Caldwell
ULCT 1st Vice President
Ogden Mayor



Dawn Ramsey
ULCT 2nd Vice President
South Jordan Mayor



Gary Hill
Utah City Management Assoc.
Bountiful City Manager



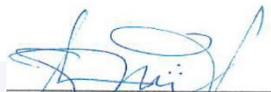
Jon Pike
ULCT Immed. Past President
St. George Mayor



Cameron Diehl
ULCT Executive Director



Ricky Hatch
UAC President
Weber Co. Clerk/Auditor



Shawn Milne
UAC Secretary
Tooele County Commissioner



Stan Summers
UAC 1st Vice President
Box Elder County Commissioner



Victor Iverson
UAC Past President
Washington County Commissioner



Shelley Brennan
UAC 2nd Vice President
Duchesne County Recorder



Brandy Grace
UAC Chief Executive Officer

#CitiesWork

ADDENDUM #1**NON-EXHAUSTIVE LIST OF “NECESSARY EXPENDITURES” INCURRED BECAUSE OF COVID-19 PUBLIC HEALTH CRISIS**

Personnel: Families First Act sick leave payroll but no credits for govt. employers, create childcare facilities, continued payment of employees not working, payroll taxes for employees who are not working but are still being paid, overtime costs (Under the CARE act most of our employees would be considered emergency responders, code enforcement, public works, etc.).

Sanitization and Public health: Fog sanitization, cleaning supplies, masks and gloves for emergency responders and other employees, plexiglass to service counters, and other changes to physical facilities, including relocation of offices to maintain adequate distance between employees.

Work from Home: Price inflation for high demand products, laptops, headsets, webcam, virtual meeting software, home internet upgrades, added licenses for various software programs to enable work from home, additional IT and HR support, legal costs, and additional phone reimbursements for workers working at home.

Closures Costs: Barricades, digital road signs, caution tape, other signage, temporary fencing, public announcements (videos, social media fees, newspaper ads, public notice bulletin boards due to public office closures).

Community Support: Contributions for stabilization of the local businesses, homeless shelters, and the homeless community, including additional space for quarantine spaces. These expenses should include related administrative costs.

Bond Issuance: Inability to sell bonds in the market, increased interest rates, added reserve or insurance requirements, reduced credit ratings due to uncertainty

Increased costs for public safety enforcement: Increased domestic violence calls, animal shelters, enforcement of facilities closures.

Front Line Workers: Costs for childcare, costs for quarantine facilities.

Cancellation of Contracts or Orders: Legal fees, mobilization costs, re-stocking fees by vendors.

Health Insurance: Utilization costs, additional workman’s compensation costs, increased costs of unemployment insurance.

Contract Employees or Rehire of Retirees: New employees hired to handle additional workload, additional shifts for critical services.

Utilities: Increased bad debt expense for utilities.