

FINANCE COMMITTEE MEETING

March 26, 2020

5:15 p.m.

City Council Chambers

The City of Jackson Finance Committee met at 5:15 p.m. on Thursday, March 26, 2020 in the City Council Chambers of the Jackson City Hall. Attending were Finance Committee members Mayor Wayne Walter, Alderman Brandon Finck and Alderman Dave Cushman. Also attending were City Administrator Matt Skaret, City Attorney Brad Anderson, Community and Business Development Specialist Thomas Nelson of Community and Economic Development Associates (CEDA) and Recording Secretary Dave Maschoff. (All Finance Committee members were present.)

CONTINUE DISCUSSION ON EMERGENCY ASSISTANCE TO LOCAL BUSINESSES DUE TO THE COVID-19 PANDEMIC

City Administrator Matt Skaret reported the City of Jackson's Revolving Loan Fund Committee met by telephone conference call at 12 noon on March 26th. He said that meeting went well. Skaret said the Revolving Loan Fund Committee members were all very supportive of doing something to assist local businesses due to the Covid-19 pandemic. He said the Committee just discussed assistance that may be available to businesses through the Revolving Loan Fund Program.

Skaret provided Finance Committee members a slightly revised program informational sheet and application. He noted the Jackson Emergency Small Business Assistance Loan Program is only for businesses that are shut down under the Governor's Executive Order which pertains to restaurants, bars and other places of accommodation. Skaret noted the Revolving Loan Fund Committee supported limiting the zero percent interest loan program to businesses affected by the Governor's Executive Order to shut down.

Skaret said there might be comments from other businesses that aren't shut down who feel they should also be included in the loan program as well. He said the argument there could be that these businesses affected by the Governor's Executive Order will be closed at least until May 1st.

Cushman pointed out a lot of those businesses that were shutdown didn't receive a warning. He said those businesses were basically told they were going to be done tomorrow. Cushman said the efforts are to try and take some of the stress off of those businesses who rely on patrons and didn't see the shutdowns coming. He noted some businesses may have seen a downturn in business, but they are still open. Cushman pointed out if a business could demonstrate a need, they could still fill out the application and apply for a loan. He said it doesn't mean the zero percent interest loan will be approved, but the business can still apply.

Nelson noted that the application criteria will look at the businesses specifically affected by the Governor's Executive Order. He said those businesses were actually shutdown by the Governor's Order.

Finck said the applications for the zero interest loans will go through the Economic Development Office but the Revolving Loan Fund Committee will screen the applications and make recommendations for approval to the City Council.

Skaret said loan documents and security collateral would be needed for the loan application.

Finck noted there would be a lien on the business so in case the business was sold, the Revolving Loan Fund would be repaid the amount that's remaining on the zero-interest loan. He said the loan would not be an assumable loan by the next owner.

Attorney Anderson asked if there would be any limits imposed on the amount of money from the Revolving Loan Fund that will be used for the zero-interest loan program.

Finck said the amount available for the program would be capped at 50 percent of what's currently available in the Revolving Loan Fund Program. He explained if that cap is reached, the program can be reassessed. Finck said by capping the amount available for the zero-interest loan program at 50 percent, that still leaves a healthy balance in the Revolving Loan Fund for projects if something comes up.

Regarding the donation to the Jackson Chamber of Commerce, Finck said the City is limited on donating \$50,000 per year. He noted since the City had already donated \$15,000 for 2020 to the Chamber of Commerce, only another \$35,000 could be further donated to the Chamber this year.

Nelson noted that a lot of other cities are also developing similar assistance programs that the City of Jackson is working on.

Attorney Anderson asked if the dollar amount of the zero interest loans are going to be tied to the amount that the businesses can demonstrate they need assistance with.

Finck said they would. He explained the need would be based basically on utility bills, rent, mortgage, anticipated payroll, property taxes, the things that takes working capital to make the business work to get through this period. Finck said he foresees a lot of the loans will be for \$5,000 to \$10,000. He said it's hoped the loans will fill the void while the businesses are shut down and they reopen again. He explained the monthly payments on the loan would begin 180 days after the loan is taken out. Finck said the filing fee could be added to the note.

Skaret explained if a business takes out the loan on April 15th, they will begin the monthly payments on October 15th.

Nelson said he would also refer businesses to State and Federal resources when they become available. He said timing is really the big problem. Nelson said he doesn't know the timeline of when those programs or funding will be available to be applied for or actually be utilized.

Cushman said the zero percent loan program through the Revolving Loan Fund is simple, quick and very responsive. He said plan is to unveil this program by Tuesday, March 31st.

Finck said the purpose is to have a program available with no red tape.

Cushman said our businesses need us now, not in two weeks. He said the businesses need to know there's something out there to ease some of the burden so although they're not open, they at least can breathe now.

Finck said he talked to six business owners in the last two days waiting for a program to be unveiled by the City.

Cushman said the zero percent interest loans would be limited to businesses directly affected by the Governor's Emergency Executive Order 20-04.

FINCK/CUSHMAN moved and it was unanimously carried for the Finance Committee to recommend to the City Council to approve the Jackson Emergency Small Business Assistance Loan Program due to the Coronavirus (Covid-19) Governor's Emergency Executive Order 20-04 pertaining to the closure of bars, restaurants, and other places of accommodation.

DONATION TO THE JACKSON CHAMBER OF COMMERCE

Skaret distributed information to the Finance Committee and those attending regarding a donation to the Jackson Chamber of Commerce to help support, promote and assist Jackson downtown businesses during the Covid-19 pandemic and the Governor's Emergency Executive Order 20-04 pertaining to the closure of bars, restaurants, and other places of public accommodation. He said the Chamber of Commerce could use the donation for a program to assist businesses.

Finance Committee members discussed details of the donation to the Chamber of Commerce.

Following discussion, the Finance Committee members decided to make a donation of \$35,000 to the Jackson Chamber of Commerce.

CUSHMAN/FINCK moved and it was unanimously carried for the Finance Committee to recommend to the City Council to approve making an extra \$35,000 appropriation for 2020 to the Jackson Chamber of Commerce to help support, promote and assist Jackson Downtown Businesses during the Covid Virus Pandemic.

EMERGENCY ORDINANCE DECLARING A LOCAL EMERGENCY

Skaret informed the Finance Committee that City Attorney Brad Anderson has prepared an Emergency Ordinance for the City Council to consider at their upcoming special City Council meeting. He explained the ordinance would allow the City to declare a local emergency and allow the City Council, if the need arises, to meet by conference call. Skaret explained if the City Council has declared a local emergency, it gives the City more flexibility within the open meeting laws.

Attorney Anderson said the ordinance basically says if the Mayor, City Council or City Administrator deem that it's unsafe to have a public meeting in person, the meeting can be done by teleconference of some sort. He suggested getting the machinery in place before everyone gets sick and they can't make it to the meeting. Attorney Anderson said the Schoolboard, the County and the Townships are going to utilize the teleconference technology. He noted getting the machinery in place in case it's needed. Attorney Anderson said the ordinance is not requiring the City Council to have teleconference meetings, but is giving them the ability to do it if the need arises. He said the teleconference meetings would apply to any kind of staff or committee meetings of the City at any level.

Skaret said he would also have the City Council approve an Emergency Operations Plan. He said it basically would be consistent with what the City is currently doing but it would give the City Administrator, and whoever else the Council wants, the flexibility as we go forward to adjust some of the schedules of the City Departments. For example, Skaret said the schedules may be adjusted for the Street Department because the City doesn't want all the Street Department personnel getting sick all at the same time. He said there could be a staggered schedule with half of the department staff rotating each week to work. Skaret said if the City is asking employees to stay home, he thinks the City still needs to pay them their regular wages.

Finck asked if the City would qualify for reimbursement through the Federal Covid-19 Relief legislation that's being approved.

Skaret said the City might be eligible to receive reimbursement. He said the City will have to track all of their expenses in relation to the Covid-19 pandemic.

MAYOR WALTER'S CALL FOR A SPECIAL CITY COUNCIL MEETING

Mayor Wayne Walter called for a Special City Council meeting to be held at 6:30 p.m. on Monday, March 30th, 2020 in the Council Chambers of the Jackson City Hall.

Mayor Walter said the meeting will be conducted with social distance practices followed by the Councilmembers, City Staff and the public.

ADJOURNMENT

With no further business, the Finance Committee meeting was adjourned at 6:24 p.m.

David A. Maschoff, Recording Secretary

