

**FRUITA CITY COUNCIL
VIRTUAL MEETING
APRIL 21, 2020
5:00 P.M.**

Public Link to Meeting

When: April 21, 2020 7:00 PM Mountain Time (US and Canada)

Topic: City Council Meeting – 4/21/2020

The link to join the meeting electronically will be posted on 4/20/2020 prior to the meeting at www.fruita.org/covid19 under City Council meetings. You may also contact the City of Fruita at (970) 858-3663 for information to connect to the meeting.

1. INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Kincaid gave the Invocation and the Pledge of Allegiance was recited.

2. CALL TO ORDER AND ROLL CALL

Mayor Joel Kincaid called the Regular Meeting of the Fruita City Council to order at 7:03 p.m. Pursuant to Resolution 2020-19 adopted by the City Council on March 17, 2020 (which adopted an Electronic Participation Policy allowing the Council to hold meetings electronically), the meeting was held with virtual access provided through Zoom.

Present via teleconference:

Mayor Joel Kincaid
City Councilor Ken Kreie
City Councilor Karen Leonhart
City Councilor Amanda Ewing
City Councilor Kyle Harvey
City Councilor Dave Karisny
Mayor Pro Tem Lori Buck

Absent:

None

Also present:

City Manager Mike Bennett
City Clerk/Finance Director Margaret Sell
Deputy City Clerk Deb Woods
Management Analyst Shannon Vassen
Members of the public

3. AGENDA – ADOPT/AMEND

Mayor Kincaid asked if there were any changes to the agenda. Deputy City Clerk Deb Woods mentioned that there was an addition of a Letter of Support on April 20, 2020 (the previous day),

to the Council Reports and Actions section of the agenda that had already been uploaded to the City's website and re-sent to the Mayor and Council. No additional changes were made to the agenda since then.

- **COUNCILOR BUCK MOVED TO APPROVE THE AGENDA AS AMENDED. COUNCILOR LEONHART SECONDED THE MOTION. THE MOTION PASSED WITH SIX YES VOTES.**

4. PROCLAMATIONS AND PRESENTATIONS

There were no Proclamations or presentations on the agenda.

5. PUBLIC PARTICIPATION

City of Fruita Management Analyst Shannon Vassen has been monitoring to see if any members of the public have sent in (via e-mail) any questions or comments. Mr. Vassen confirmed that he had not received any public comments for the Council.

6. OLD BUSINESS – CONSENT AGENDA

A. MINUTES:

- 1) **A REQUEST TO APPROVE THE MINUTES OF THE MARCH 17, 2020 CITY COUNCIL MEETING**
- 2) **A REQUEST TO APPROVE THE MINUTES OF THE MARCH 26, 2020 SPECIAL (REMOTE) CITY COUNCIL MEETING**

B. FINANCIAL REPORTS – A REQUEST TO APPROVE THE MARCH 2020 FINANCIAL REPORTS

Mayor Kincaid opened the public hearing on the Old Business – Consent Agenda. Hearing no (e-mailed in) comments from the public, he closed the public hearing and referred back to the Council.

- **COUNCILOR KREIE MOVED TO APPROVE THE OLD BUSINESS - CONSENT AGENDA AS PRESENTED. COUNCILOR LEONHART SECONDED THE MOTION. THE MOTION PASSED WITH SIX YES VOTES.**

7. PRESENTATIONS TO OUTGOING CITY COUNCIL MEMBERS

Deputy City Clerk Deb Woods displayed on the camera two plaques of appreciation/acknowledgement of service for City Councilors Dave Karisny and Amanda Ewing, both of whom will be stepping down from their seats on the City Council effective this evening.

Councilor Karisny mentioned that he wanted to continue to participate in the Livability Commission (especially the Fruita Youth Initiative part of it) and would potentially remain involved in the Land Use Code update.

8. NEW BUSINESS – SWEARING-IN OF NEWLY ELECTED COUNCIL MEMBERS AND MAYOR

Deputy City Clerk administered the Oath of Office to Mayor Joel Kincaid. She then administered the Oath of Office to Councilors:

- Heather O'Brien
- Ken Kreie
- Matthew Breman

9. NEW BUSINESS – CONSENT AGENDA

- A. LIQUOR LICENSE RENEWAL – A REQUEST TO APPROVE THE RENEWAL OF A BEER & WINE LIQUOR LICENSE FOR CAMILLA’S KAFFE LOCATED AT 206 E. ASPEN AVE.**
- B. RESOLUTION 2020-21 – APPROVING THE SUBDIVISION IMPROVEMENTS AGREEMENT (SIA) FOR THE RED CLIFFS MOBILE HOME VILLAGE #2 SUBDIVISION, PHASES 2 AND 3**
- C. RESOLUTION 2020-22 – APPROVING THE PURCHASE OF REAL ESTATE FOR ROAD RIGHT-OF-WAY AND APPROVING A DEED AND AGREEMENT FOR MULTI-PURPOSE EASEMENTS FOR THE K.4 ROAD INFRASTRUCTURE IMPROVEMENTS PROJECT AND AUTHORIZING THE CITY MANAGER TO SIGN THE CONTRACTS AND AGREEMENTS**

Mayor Kincaid confirmed with Shannon Vassen that the City had received no public comments concerning the above Consent Agenda items. Mayor Kincaid closed the public hearing on the New Business – Consent Agenda.

- **COUNCILOR BUCK MOVED TO APPROVE THE NEW BUSINESS - CONSENT AGENDA AS PRESENTED. COUNCILOR HARVEY SECONDED THE MOTION. THE MOTION PASSED WITH SIX YES VOTES.**

10. ADMINISTRATIVE AGENDA

- A. LAND USE CODE UPDATE – PLANNING & DEVELOPMENT DIRECTOR DAN CARIS**

Mr. Dan Caris pointed out that in late 2019, the Council adopted its *Fruita in Motion: Plan Like a Local Comprehensive Plan*, of which the Land Use Code update is a part.

In mid-2019, the City was awarded a Department of Local Affairs grant of \$25,000. In addition, \$75,000 was included in the 2020 Budget for the Land Use Code update, so the City has a total budget of \$100,000.

Between September and November of 2019, the City put out a Request for Proposals to land use planning groups and consultants all throughout the state and the country and Design Workshop was selected for the project. A scope of work was drafted that was broken into four (4) phases:

1. Project Initiation
2. Administration
3. Code Audit
4. Drafting of Code changes

Mr. Caris said that staff had really planned on being underway with final adoption anticipated sometime in April, but that the project has been pushed back because of COVID-19. Staff has been working with the consultant to figure out how to move forward. It was decided that many of the beginning elements such as the Project Initiation, Administration and Code Audit could take place after establishing a Technical Advisory Committee.

On February 20th, staff had the initial kick-off with the consultant and started the Code Audit, which is essentially going through all the Chapters of the Land Use Code to evaluate what is different about the Code that exists today versus what the City is trying to achieve with the *Fruita in Motion: Plan Like a Local Comprehensive Plan*.

Mr. Caris noted that on Thursday, May 7th from 4:00 to 6:00 p.m., staff will be holding a virtual meeting via Zoom with the Technical Advisory Committee, which is made up of four to six developers, engineers and architects. The Fruita Planning Commission and City Council will be invited to participate in that meeting. After that, staff will be trying to establish a set of dates to continue to work remotely on the Land Use Code update.

Mr. Caris pointed out that although the City was granted an extension to the end of 2021 for the DOLA grant award, staff is pushing for a rolling adoption in 2020.

City Manager Mike Bennett highlighted the fact that the City was able to finish the Community Plan, which sets forth the basis, goals and vision for what the Land Use Code is trying to achieve. He added that the City does not need to go out and do reiterations of large amounts of public feedback because that feedback has already been received and staff is now trying to write the detailed policy to achieve some of what was requested in the feedback by the community.

B. COVID-19 RESPONSE UPDATE – CITY MANAGER MIKE BENNETT AND CITY CLERK/FINANCE DIRECTOR MARGARET SELL

City Manager Mike Bennett noted that there is a three-page timeline in the Council packet that highlights all the efforts that the City has taken so far in responding to the COVID-19 pandemic. This timeline has been available on the City's website since Friday, April 17, 2020.

Mr. Bennett reminded everyone that the City of Fruita does not have the ability to implement any orders or restrictions that are *less* restrictive than what the county, state or federal government are doing, so in all the City's response efforts, the only thing the City is allowed to do is to adhere to those orders of the higher forms of government and implement *more* restrictive measures than them, but not less. Staff has been receiving many questions about this from the public.

One more restrictive measure that the City of Fruita has taken includes closing of the Fruita Community Center sooner than the county, state or federal government had asked, even though it was only a few days before it was ordered to be closed. Otherwise, the City of Fruita has followed suit with the County Public Health Department and further guidance from the state and federal governments.

One of the efforts that the City has been doing repetitively over the course of the coronavirus outbreak is putting out information on the home page at fruita.org/covid19 on a daily basis to make sure that the public is aware of all the updated and current information. Staff has also posted links to the Mesa County Public Health Department, CDC, Public Health and Environment for the state, and the Governor's pages. The City also puts out information on its social media pages such as Facebook. Current news includes:

- Two more cases of the coronavirus reported in the County for a total of 37, a majority of which have recovered.
- Results from over 200 tests for the virus came back at zero positive results.
- Stay-at-Home order will be lifted beginning next week at the state level.
- Letters were sent to owners of short-term rentals urging that they honor the Governor's Stay-at-Home order (larger hotels have already been contacted) by refraining from renting to visitors.

City Clerk/Finance Director Margaret Sell reviewed the accessible financial impacts of the COVID-19 pandemic, noting that it will be some time before the City will know what exactly those impacts are. Major revenue sources will not be seen for another month or possibly two before staff can determine the overall consequences of the virus on the economy related to sales tax.

Mrs. Sell provided a short, 90-day look out and explained that as time goes on and staff receives more data, the information will be presented for the long-term effects going through the end of 2020.

Mrs. Sell presented a memorandum with a breakdown of the City's three major funds: General Fund, Community Center Fund and the Sewer Fund. Each have different revenue sources and have been impacted by the pandemic a little differently.

Mrs. Sell explained that tax revenues account for 86% of the total General Fund revenues. March, April and May 2020 estimates for reductions in revenues range from \$.5 million to about \$618,000. Those revenue sources include property tax, which make up about 15% of the total General Fund revenues and amounts to about \$1.4 million. These have a fairly stable outlook; staff doesn't really anticipate any significant impacts from the pandemic on property tax revenues.

The most significant impact will be the result of waivers of late charges and interest charges from the county on past due property tax payments until April 30, 2020. There may be a potential moving forward for increased foreclosures based on the current economic conditions in the City of Fruita and in Mesa County.

County sales tax (0.5% of the total 2.0% in county sales tax) is received by the City of Fruita for public safety purposes. These account for 31% of the City's General Fund revenue or \$2.4 million. There is considerable time lag on the numbers for county sales tax because March sales tax numbers are typically available to Fruita in May and then distributed to the City by the county in June, but the State of Colorado has granted a 30-day extension for payment of March taxes from April 20 to May 30, which means the City of Fruita may not know what the full impact of COVID-19 will be on county sales tax until June. The rough estimate at this point is at an \$182,000 to \$212,000 reduction in that revenue over the 90-day period.

City sales tax impacts are very similar. They make up 24% of total General Fund revenues (approximately \$2.1 million) and staff estimates an approximate \$160,000 to \$186,000 reduction over the next 90 days. The time lag on receiving the data is the same as the one for county sales tax.

Use tax on building materials and vehicles make up 10% of the City's General Fund revenue. Estimates are at a \$180,000 to \$110,000 reduction in those revenues and it is estimated that the use tax on motor vehicles will be more heavily impacted than the use tax on building materials.

Other revenues in the General Fund are about 14% (\$1.2 million) of total General Fund revenues and rough estimates on those reductions are at about \$85,000 to \$110,000.

Mrs. Sell stated that on the positive side, the City of Fruita's year-to-date sales tax revenues through February 2020 are at \$142,000 ahead of budget for the first two months of the year, which will offset some of the anticipated decreases.

On the expense side in the General Fund, the following measures have been taken to reduce or offset reductions in revenues:

- Hiring freeze on non-essential positions
- Evaluation of Capital Equipment purchases
- Reductions for professional development
- Reductions for tuition reimbursements
- Use of Contingency Funds to offset revenue losses
- Use of a portion of \$2 million in operating reserves

Mrs. Sell gave an overview of the COVID-19 impacts on the City's Sewer Fund.

Sewer revenues are primarily for monthly user charges consisting of both residential (86% of the charges), commercial accounts (remaining 14%) and tap and plant investment fees. Reductions in those revenues is estimated at approximately \$60,000, or 2% of the total revenue. Residential accounts are billed at a flat rate and staff does not really anticipate any significant impact on those

revenues. Commercial accounts are based on actual water consumption, and the April bill for March use came in at down less than 1%, so staff does not anticipate a huge impact for March but does anticipate larger impacts in April and May as business are closed and use less water consumption. Staff estimates the commercial accounts being billed at about a 50% reduction for April and May.

Mrs. Sell stated that there may be some additional impacts from plant investment and tap fees based on what kind of building and construction is going on in the community. Currently, the City is running about \$30,000 ahead of last year during the same time period on plant investment fees, which were budgeted conservatively at about \$360,000. This is less than the \$467,000 that the City actually received last year. The reduction is estimated at about 23% without having any impact on the budgeted sewer revenues, so it is more or less a neutral outlook.

On the expense side, the City of Fruita has taken the following measures:

- Delay on filling vacant positions
- Line time reductions are possible for:
 - Professional Development
 - Tuition Reimbursement
 - Use of a portion of the \$368,000 in operating reserves, which is net of the reserve that is attributed to loan payments of \$55,000

Mrs. Sell stated that the Community Center Fund is seeing a pretty significant impact. The FCC closed on March 14th or 15th and the City did not bill for any attendance or daily passes since then. Staff estimates the reduction in revenue will range from \$400,000 to \$417,000 over the next 90 days. The Community Center Fund receives \$0.01 of the City sales and use tax revenues and staff estimates revenue reductions of about \$80,000 to \$93,000.

The other area that will be hard-hit is charges for services at the FCC. 43% of the Community Center Fund is from charges for admissions and activities at the FCC. Over the next 90 days, staff estimates reductions in revenues of about \$324,000. Expense cutting measures that have taken place include:

- Part-time employees have been furloughed until the facility reopens.
- Staff is evaluating the possibility of postponement of some of the Capital Equipment purchases that were scheduled for this year.
- Hiring freeze
- Delay in filling vacant positions
- Potential line item reductions in:
 - Professional Development
 - Tuition Reimbursements
 - Use of a portion of the \$458,000 in operating reserves

Mrs. Sell summarized by saying that the City of Fruita is not experiencing any cash flow issues so staff does not anticipate any issues or concerns. The revenues will be delayed and the lack of data currently makes it hard to predict with any degree of accuracy what the City is looking at. She

explained that she put together the above 90-day forecast, but as the data rolls in (in about 30 days), staff will look into June through December to see what impacts the pandemic might have on all Funds in the coming days to determine if any additional measures might be necessary to preserve the financial condition of the City.

Mayor Kincaid asked whether the Council would be receiving financial updates every 30 days or if it would be further out than that and Mrs. Sell responded that she is looking at the data every day but she does not anticipate any of the sales tax data until the first week or so of May. She added that staff can update the Council at that time, but the data might not reflect a complete picture yet.

Mayor Kincaid supposed that the Council would likely receive an update at the second meeting in May.

City Manager Mike Bennett added that the City was fortunate to have healthy reserves and Fund Balances to help Fruita through this time. He recapped that it is unknown how much of a shortfall the City might see, but staff is certain that revenues will be down so cost saving measures are being implemented. Mr. Bennett added that those measures will not likely cover the shortfall completely, which means that the City's reserves will have to be utilized.

Mr. Bennett continued that so far, there is no available financial aid for cities under 500,000 population and that what staff is hearing at the state and federal levels is that the next round of stimulus funding (which is referred to as "the fourth round") also does not include any funds for shortfalls for local governments, but hopefully will be able to help local businesses with their shortfalls. He said there is potential for financial assistance for local governments in "round five," but that is not something that staff can completely rely upon.

Mr. Bennett pointed out that the City of Fruita maintains healthy Fund Balances and reserves, but not exorbitantly. He said that this has helped with Fruita's credit rating and that the City spends the right amount of money in order to provide the core services, which is the City's primary focus as a municipal government.

Mr. Bennett said that the next topic for the Council is the matter of reopening the economy. The City has links on its website to the state plan and there is further written detail still to come from the Governor's office on the state's three-phase plan for reopening pursuant to the Governor's presentation which took place the previous day at 4:00 p.m.

Mr. Bennett explained that Mesa County is working on a plan and there are drafts of it that have been put out in the media, but as of 4:00 earlier in the day, Mr. Bennett said he was on the phone with all the hospital administrators including the Mesa County Public Health Department and other city and county staff to go over a new draft of the plan that is much more detailed. It is very similar to the state plan, but it does have some earlier dates of openings for businesses. Mesa County has this request in to the state, the Governor and the Public Health Department to approve the modifications to the state plan for Mesa County based on very specific measures.

The Mesa County plan is based on measures of tracking the current results of testing for the coronavirus and not only has the county started receiving far less new cases and even though there is more ability to test, there are much less people with the symptoms currently.

Mr. Bennett said if the numbers stay the same, Mesa County plans to initiate the first phase of their plan and will continue to watch the data over two-week increments, which may require the county to make adjustments. These could be reverting back to more strict restrictions depending on the number of cases of COVID-19 in Mesa County. Mr. Bennett called the county fortunate to be able to get started in the process of reopening businesses with certain precautions.

Mr. Bennett reminded everyone that with these plans as they are rolled out, the City can only implement measures that are more stringent, but not less.

Mr. Bennett concluded his report by talking about the concept of City-provided financial assistance because when businesses suffer, the City suffers because its main sources of revenues come from customers of businesses who are paying a sales tax that then in turn, helps pay for the City's core services.

Mr. Bennett stated that first and foremost, the City must stay focused on its core mission, which is providing public safety, sewer, streets, traffic control, all public utilities and other services for businesses and residents alike.

City staff has been coordinating with their Economic Development Partners such as the Fruita Area Chamber of Commerce, Grand Junction Economic Partnership (GJEP), all the Chambers in the Valley, the Business Incubator Center, the Workforce Center, Colorado Mesa University and each of the cities and Mesa County. Mr. Bennett said they have all been very helpful in making sure that the City is getting information out as fast as it is coming in and trying to make sure businesses have the ability to access the information.

Staff has also put out a webinar with the assistance of the City Attorney to help people with questions about the CARES Act. The City's Engineering Department has created a GIS map and the Planning & Development Department helped to map out the businesses that are open with their hours of operation and website addresses.

Mr. Bennett said there has been a lot of cross-sharing with the Economic Development Partners and with the Fruita Chamber, who has just recently launched a great effort to help businesses through a very specific program utilizing gift cards for local businesses.

Mr. Bennett stated that there are economic development funds that the City has designated and set aside for possible economic development in the future including \$25,000 allocated to the Foreign Trade Zone for a total of \$30,000. He said that these funds can be considered by the City Council for matching incentives from the state or other agencies and in thinking about how Fruita's businesses are struggling (and even though \$30,000 is not a lot of money), the City's goals remain focused upon start-ups and expansions in growth of the local existing businesses prior to the relocation of new businesses.

Mr. Bennett proposed that the City Council create a loan fund with the \$30,000 in economic development funds to help Fruita's small businesses. He also pointed out that there is an existing loan fund that the City created with the Business Incubator Center years ago when the City gave the BIC \$30,000, who in turn, has given many loans to help businesses start up in Fruita. Mr. Bennett said the BIC is capable of managing, administering and selecting qualified recipients of

loans for the City and rather than “re-creating the wheel,” he was proposing that Fruita utilize the BIC to do the same for a new possible loan fund.

Mr. Bennett noted that the current loan fund has about \$15,000 that is lendable in addition to the \$30,000 in economic development funds. He said that one of the biggest gaps for small businesses that they are struggling with during this time is the ability to make a mortgage or rent payment or two.

Staff would like to create a simple process that could be relatively quick using criteria that would include such things as:

- Must have a “brick and mortar” location within the City
- Must be in good standing with the City and the state regarding taxes or business licenses
- Must have a survival plan that outline the specific steps that a business can identify to survive through the pandemic (the BIC can assist with this)
- A requirement concerning the maximum number of employees (less than 50 or 40, for example)
- Must have been forced to close the business or reduce services dramatically

The City of Fruita can create the criteria and the BIC can administer the loan program. If it is a program where the loans will need to be paid back by the businesses, then there will be about a 16% (or slightly less) payment to the BIC for the administration of the fund depending upon the criteria. If it will be a forgivable type of program, the payment to the BIC will be closer to 8%.

Mr. Bennett said the City can choose whether the loans would include any interest or not, what the payback timeframe would be and additionally, if the Council wants to increase the amount from the \$30,000 and potentially the \$15,000, the City could look at utilizing next year’s increase in lodging tax revenues that has an economic development component to it. While staff knows that lodging tax revenues are going to go down during the COVID-19 pandemic, it is estimated that in a normal year, the City receives anywhere from \$120,000 to \$150,000 per year in lodging tax revenues. It is not anticipated that the higher end will be achieved in 2020 or in 2021, but because those funds have been designated for the potential use of economic development, the City could take only a portion (1/4 of the total in economic development funds, for example) and apply for matching grant funds. The City of Fruita could then create grants as low as \$1,500 or as high as \$3,000 to help businesses make a portion of or completely cover the businesses’ mortgage or rent payment(s).

Mr. Bennett asked for the Council’s thoughts on moving forward with a loan fund for Fruita’s businesses and recommended that the Council schedule a Special (virtual) Meeting on Thursday, April 23, 2020 to have a discussion on and to consider staff’s very specific proposal or proposals for a loan fund based on the Council’s current feedback. He stressed that time was of the essence as the hope is to begin the application process the following week (beginning April 27th) and trying to make the awards the following week (beginning May 4th).

Mr. Bennett emphasized that the decisions made for loan fund awards need to be based on criteria set forth by the City and then the BIC would be the ones making the decisions on which businesses will be awarded the loans.

Mr. Bennett asked the Council whether there was consensus on scheduling the Special (virtual) meeting as he described.

Councilor Heather O'Brien asked if staff was bringing the proposals to the Council at the Special Meeting or if the Council was to collectively decide on the criteria at the Special Meeting.

Mr. Bennett responded that staff would prepare proposals to bring to the Council for their consideration based on the Council's current feedback (at this meeting), although the criteria could be discussed at the Special Meeting as well if necessary.

The Council came to a consensus to hold a Special Meeting on April 23rd to discuss and consider staff's proposal(s) for a loan fund for Fruita's businesses.

Councilor Buck liked the concept of the loan being a no-interest one (not a forgivable one), but one where the money would be paid back without interest tacked onto it. She also liked the idea of taking funds out of the new lodging tax increase and that anywhere between \$1,500 and \$3,000 is a good number for amounts to lend out. She added that the City would need to determine whether a business was adversely affected by the coronavirus and establish criteria that would be very simple and trackable because otherwise, businesses probably will not apply if it is too complicated.

Councilor Buck said she didn't have a good sense on the timeframe in which the loans should be paid back to the City but that it shouldn't be too soon.

Councilor Leonhart agreed with Councilor Buck but added that for the amount of money being lent, the loans being forgivable might help someone stay in business, so she encouraged the Council to have more discussions about that.

Councilor Kreie concurred with everything that had been said and added that the money had been set aside for economic development and he likes the idea of supporting the businesses that already exist in Fruita.

Councilor Harvey said he thought it would be great for the Council to have a conversation on Thursday (April 23rd) and he liked the idea of seeing a couple of different proposals from staff. He also agreed with everything that had been said already.

Councilor Breman agreed that the Council should proceed with a Special Meeting on April 23rd. He asked the City Manager to clarify that the cost for the BIC to administer the loans is 16%.

Mr. Bennett pointed out that Jon Maraschin was in the virtual audience and would be attending the virtual Special Meeting on April 23rd as well. He continued that in general, when the BIC administers loan programs that are paid back, those often are much larger loans with state and federal requirements that necessitate a lot of administrative work and so, the fee for such is at 16%. Mr. Bennett explained that if a loan was to be forgivable, the BIC's fees would be about half the

amount (of 16%) because it would cut out a lot of the time and work to administer the loan. He said he thought staff would be proposing something that would be somewhere in between depending on the criteria but he also agreed that the process should be fairly simple to a certain degree.

Mr. Bennett said that staff would be bringing more information to the Council at the April 23rd Special Meeting concerning proposed structures for the loan program and that Jon Maraschin would be participating in the meeting also.

Councilor O'Brien said that what she hoped to see in staff's proposal is an explanation of what the need might be; how many small businesses Fruita has, what the average cost of their rent or mortgage is and whether \$1,500 to \$3,000 would be sufficient, especially considering some of the businesses are restaurants that aren't going to be able to reopen soon depending on the number of cases of COVID-19 in the county. She supposed that some businesses might also have back-pay and asked how staff came up with the amounts of \$1,500 to \$3,000. Councilor O'Brien wondered if there had been any conversation about helping businesses meet their payroll needs in addition to helping them with their rent or mortgage.

Mr. Bennett responded that staff has ideas and can gather more information, but will not have an average of what everyone's rent or mortgage is because there is not a way to capture that initially. He added that the City is limited on how much money it actually has and the loan program is not going to solve everything or be the one thing that helps. Mr. Bennett continued that the current stimulus being undertaken is for payroll and there are other loan programs for other aspects, but there has not been any potential aid for rent or mortgage payments. He added that when business owners have responded to surveys (both locally, regionally and throughout the country), help with rents or mortgages has been the biggest gap and therefore that is why staff is proposing to help with those. In talking with the Economic Development partners, they are hearing the same thing from business owners; that they need help with their rent or mortgage.

Mr. Bennett stated that there are businesses with both much lower and much higher rent or mortgage payments and one of the pieces of the criteria would be to determine whether a business has been largely impacted by COVID-19 or not. He said that for the \$1,500 to \$3,000, it would depend on how large of a pool of candidates the City might have and that staff is trying to get to an amount that has some form of impact to the most number of businesses that the City can help.

Mr. Bennett agreed that staff would like more data to make good decisions, but added that staff will have some of it to a certain degree such as what average rents are based on what the BIC and the Chambers are working on and that the amount of the loans could potentially span quite a range.

Councilor Kreie asked what would happen to the money after everything was all done; does the City pull the money out of the fund now or leave it in for good?

Mr. Bennett said he thought that was a great question and that the Council could revisit it once the loans need to be paid back to the City. He did not recommend doing anything that removes the current loan fund that the City has because it has been very helpful for start-up businesses, which is a high priority in the Fruita community.

Mr. Bennett continued that while staff could potentially use half of the loan fund during this period of time; that the City would want to replenish it if it gets used, otherwise, the City will have two loan funds for two different purposes.

Mr. Bennett said that there were many options and that the Council needs to think about a logical amount of time for the loans to be paid back. He noted that the City isn't looking to try and make money; it is just trying to assist local businesses, many of whom are receiving assistance that is not forgivable. He added that if the lodging tax increase results in additional funds for the City, staff would need to look at how to prioritize projects whether they are Parks, Open Space, Trails, public places and economic development or both.

Councilor Breman asked what the procedure is for Council members to properly share their ideas. Mr. Bennett said that Council members could email the Mayor, the other Council members or himself, but if an email goes out to all Council members, he would ask that nobody "reply all" so that the City doesn't inadvertently create a meeting that wasn't posted for the public 24 hours in advance.

Mr. Bennett noted that the loan program is a little bit different and that normally, the Council would take the discussion to a workshop setting to get more feedback and would then schedule it for another meeting with some proposals by staff. He said he would be working with Jon Maraschin closely to put the proposals together, but if any Council member had thoughts in the meantime, he would request that those ideas get emailed to him and staff will do what they can to put together a plan. Mr. Bennett added that there would be more opportunity on April 23rd for the Council to provide input.

There was consensus among the Council to hold a Special Meeting on April 23, 2020 at 5:00 p.m.

11. CITY MANAGER'S REPORT

City Manager Mike Bennett thanked Amanda Ewing and Dave Karisny for their time, dedication and assistance to the City, community and regional partnerships. He said staff would still be in touch with them because they would still be involved in many ways.

Mr. Bennett welcomed Councilors Breman and O'Brien and thanked them for their willingness to run for City Council and serve in that capacity.

Mr. Bennett also thanked the community for the amount of assistance people are providing to each other and for trying to adapt during the pandemic, stating that it was truly appreciated.

Mr. Bennett noted that in the recent past, the Council has been recognizing schools at the beginning of Council meetings but had to put those presentations "on pause" due to COVID-19. Staff would like to continue doing the presentations if the Council was okay with it, even if it is in a virtual manner for at least two more schools and then the City would start them up again in the fall.

12. COUNCIL REPORTS AND ACTIONS

A. ELECTION OF A MAYOR PRO TEM

Mayor Kincaid stated that Councilor Lori Buck had reached out to him and expressed her interest in staying on the Council as Mayor Pro Tem. He asked if anyone else was interested in the position or if they were interested in keeping Lori on as Mayor Pro Tem.

There was consensus among the Council that Lori makes a good Mayor Pro Tem because she had been Mayor for so long, she can jump in and fill that role pretty easily and is a strong leader.

- **COUNCILOR LEONHART MOVED TO ELECT LORI BUCK AS MAYOR PRO TEM. COUNCILOR BREMAN SECONDED THE MOTION. THE MOTION PASSED WITH SIX YES VOTES.**

B. DISCUSSION REGARDING BOARDS AND COMMISSIONS LIAISON POSITIONS

Mayor Kincaid said his goal for this agenda item was to get the Council members on a board that they really love to serve on. He made the comment that he enjoys being on the Fruita Chamber Board of Directors and that he really also likes the Tourism Advisory Council unless there was someone else who was very interested in them.

Mr. Bennett noted that for the boards that are not City of Fruita Boards and Commissions, staff has been serving on them as liaisons and can continue serving on them; they weren't asking to be removed from those boards.

Mr. Bennett pointed out that he is now the staff liaison for the Greater Grand Junction Sports Commission and that he has not attended any of the Colorado Municipal League (CML) Policy Committee meetings in Denver, although he had been keeping up with what they've been doing. He added that it is not required that liaisons to the CML Policy Committee attend those meetings.

Mr. Bennett also noted that the Museum of Western Colorado (MWC) typically has had and still prefers that an elected official serve as a liaison to the board and that Public Works Director Ken Haley has been serving on that board for the last two years.

Councilor Harvey noted that he was on the (One) Riverfront Commission and had been going to the meetings for the first fifteen to twenty minutes, but he wasn't really getting a whole lot out of it for City Council and Fruita purposes.

Mr. Bennett, the Mayor and the Council members discussed the Boards and Commissions and all liaison positions were filled.

Councilor O'Brien was appointed to the Planning Commission. She confirmed with the City Manager that in case she starts feeling overwhelmed with that appointment as well as the appointment as Council Liaison to the Parks and Recreation Advisory Board, she would be allowed to step down from one of the boards and let someone else take over her seat. Mayor Kincaid said he didn't want anyone to feel overwhelmed and asked Councilor O'Brien to contact him should she begin to have any concerns.

Mayor Kincaid requested that staff send out an updated list that outlines the liaison appointments to all the Council members.

C. APPROVING A LETTER OF SUPPORT FOR THE GRAND VALLEY EQUINE ASSISTED LEARNING CENTER TO APPLY FOR STATE HISTORICAL FUNDS TO PURCHASE MOON FARM LOCATED AT 1360 18 ½ ROAD IN FRUITA (ADDED TO THE AGENDA ON APRIL 20, 2020)

City Manager Mike Bennett stated that Mayor Pro Tem had brought up this agenda item in the past during Council updates and that the Grand Valley Equine Assisted Learning Center had contacted her regarding applying for a grant to continue with the purchase of Moon Farm. He said he thought it would be a great fit. Councilor Buck said it would be a great partnership and would keep Moon Farm in its historic state. They plan on keeping all the outbuildings and staying open to the public but with the addition of an arena to do equine therapy, which reaches from children all the way to veterans and anybody in between who needs a little something extra.

- **COUNCILOR BUCK MOVED TO APPROVE THE LETTER OF SUPPORT FOR THE GRAND VALLEY ASSISTED EQUINE CENTER TO PURCHASE MOON FARM. COUNCILOR HARVEY SECONDED THE MOTION. THE MOTION PASSED WITH SIX YES VOTES.**

D. COUNCIL REPORTS AND ACTIONS

COUNCILOR LORI BUCK

Lori said she had nothing to report from Boards and Commissions meetings, but that she wanted to give City staff a very big “thank you!” for taking care of an irrigation situation that occurred the previous weekend. She received a call on Friday night from an individual that had their irrigation system torn up due to the City sewer project and by Monday morning, there was a plan to take care of the problem and get it straightened out. Lori said the homeowner was also very complimentary about how well and quickly City staff worked on it.

COUNCILOR KEN KREIE

Ken reported that he had sent an email to Senator Gardner requesting that municipalities get considered when developing the stimulus plan. The bill has been finalized but not signed yet. Senator Gardner told Ken how they are dividing up the money - the state was going to get \$1.7 billion and the top five communities with populations over 500,000 are going to be able to apply for some of that money, but then the rest of the money would be left to the state to use as they saw fit. Ken was also told that Congress did not obligate states to give money to municipalities.

COUNCILOR KAREN LEONHART

Karen thanked the Fruita community for supporting the increase in the lodging tax and she added that hopefully at the next municipal election, more than 32% will get out and vote.

Karen also reported that School District #51 has been connecting with families who are struggling to help with food and whatever other services the District can assist with.

COUNCILOR MATTHEW BREMAN

Matthew reported that he attended the last Grand Junction Economic Partnership (GJEP) meeting and the only thing of relevance to Fruita is that GJEP has been actively involved working on the reopening plan for Mesa County.

MAYOR JOEL KINCAID

Joel reported that the Fruita Area Chamber of Commerce will be rolling out the “Love Local” campaign the following day and has been partnering with the Palisade Chamber and the Downtown Development Authority (DDA) in Grand Junction on it. They don’t have as much interest as they would like from businesses yet, but Joel noted that in Durango, they raised \$130,000 for local businesses. The program sells gift cards with 100% of the proceeds going to the actual business that the card is for.

13. ADJOURN

With no further business before the Council, the meeting was adjourned at 8:42 p.m.

Respectfully submitted,

Debra Woods
Deputy City Clerk
City of Fruita