

**FRUITA CITY COUNCIL  
SPECIAL MEETING (VIRTUAL)  
APRIL 23, 2020  
5:00 P.M.**

**Public Link to Meeting**

When: April 23, 2020 at 5:00 PM Mountain Time (US and Canada)

Topic: City Council Meeting – 4/23/2020

The link to join the meeting electronically will be posted on 4/20/2020 prior to the meeting at [www.fruita.org/covid19](http://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 5:03 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 Matthew Breman  
City Councilor Kyle Harvey  
City Councilor Heather O'Brien  
Mayor Pro Tem Lori Buck

**Absent:**

None

**Also present:**

City Manager Mike Bennett  
City Clerk/Finance Director Margaret Sell  
Management Analyst Shannon Vassen  
Executive Director of Business Incubator Center Jon Maraschin  
Members of the public

**3. AGENDA – ADOPT/AMEND**

Mayor Kincaid asked if there were any changes to the agenda. Management Analyst Shannon Vassen stated that there were no changes to the agenda.

- **COUNCILOR O'BRIEN MOVED TO APPROVE THE AGENDA AS PRESENTED. COUNCILOR BUCK SECONDED THE MOTION. THE MOTION PASSED WITH SIX YES VOTES.**

#### **4. ADMINISTRATIVE AGENDA**

##### **A. FRUITA SMALL BUSINESS EMERGENCY ASSISTANCE FUND**

##### **1) RESOLUTION 2020-23 – AUTHORIZING A SHORT-TERM INTERFUND LOAN FROM THE GENERAL FUND TO THE ECONOMIC DEVELOPMENT FUND AND AUTHORIZING THE ESTABLISHMENT OF THE FRUITA SMALL BUSINESS EMERGENCY ASSISTANCE FUND**

Mayor Kincaid noted that Jon Maraschin from the Business Incubator Center (BIC) was also present in the virtual meeting.

The City of Fruita allocated \$30,000 in the 2020 Budget for economic development purposes. Staff is proposing that the City borrow \$33,900 from the 2021 Lodger's Tax revenue from an increase of 3% that was recently passed by voters at the City's 2020 Municipal Election. In addition, there is \$15,000 that remains in a loan fund through the BIC that was set aside for economic development five or six years ago. The lendable amount of money could potentially amount to \$75,000.

Mr. Bennett reviewed the loan provisions and eligibility criteria outlined in Exhibit A of Resolution 2020-23 and explained that the text in red includes discussion points and alternatives for the Council to consider.

Mr. Maraschin pointed out that many of Fruita's businesses are seasonal and rely heavily on the tourist season, which is not going to come in 2020. He said that the businesses who have made efforts such as finding other income, selling inventory and making hard choices like changing their business model will likely require \$3,000 to \$4,000 to get through the next couple of months.

Mr. Maraschin noted that the BIC expects to have 40 to 50 businesses apply for loan funds and Mr. Bennett added that there are probably more than twenty that would qualify for a \$3,000 loan.

Mr. Maraschin clarified that the loans through the BIC will not be publicly disclosed and it will not be the City Council that will approve them. He added that the fiduciary responsibility will lie completely with the BIC, who will not be influenced by any elected official.

After lengthy discussion, the Council reached consensus on the following:

- The loan fund should not include forgivable loans.
- Loan amounts will be equal to or the lesser of: 1) operating expenses over a two-month period or, 2) \$3,000.
- The loans will be payment- and interest-free until 2021.
- The terms on the loans will be for 24 months.
- The interest rate on the loans will be prime plus 2%.

- The business will have to document how they are going to get through the pandemic.
- Eligibility criteria of the loans will include:
  - Applicants must have been “adversely impacted” due to the COVID19 pandemic
  - Applicants must meet all other criteria listed in Exhibit A of Resolution 2020-23.
  - No elected officials or senior management of the City of Fruita will be eligible to qualify for a loan from these emergency funds.
- The total amount of \$60,000 will be available to lend out while the \$15,000 that remains in the loan fund that was previously given to the BIC will stay where it is.
- The red paragraph in Exhibit A will be deleted.
- The word “less” (than 20 full-time employees) will be replaced with the word “fewer” (under “Eligibility for Loan).

- **COUNCILOR BUCK MOVED TO APPROVE RESOLUTION 2020-23 – AUTHORIZING A SHORT-TERM INTERFUND LOAN FROM THE GENERAL FUND TO THE ECONOMIC DEVELOPMENT FUND AND AUTHORIZING THE ESTABLISHMENT OF THE FRUITA SMALL BUSINESS EMERGENCY ASSISTANCE LOAN FUND. COUNCILOR KREIE SECONDED THE MOTION. THE MOTION PASSED WITH SIX YES VOTES.**

**2) RESOLUTION 2020-24 – AMENDING THE 2020 BUDGET AND TRANSFERRING BUDGETED AND APPROPRIATED MONEYS IN THE GENERAL FUND AND APPROPRIATING A PORTION OF THE GENERAL FUND OPERATING RESERVE FUND BALANCE FOR TRANSFER FROM THE GENERAL FUND TO THE ECONOMIC DEVELOPMENT FUND TO ESTABLISH THE FRUITA SMALL BUSINESS EMERGENCY ASSISTANCE LOAN FUND**

- **COUNCILOR BUCK MOVED TO APPROVE RESOLUTION 2020-24 - AMENDING THE 2020 BUDGET AND TRANSFERRING BUDGETED AND APPROPRIATED MONEYS IN THE GENERAL FUND AND APPROPRIATING A PORTION OF THE GENERAL FUND OPERATING RESERVE FUND BALANCE FOR TRANSFER FROM THE GENERAL FUND TO THE ECONOMIC DEVELOPMENT FUND TO ESTABLISH THE FRUITA SMALL BUSINESS EMERGENCY ASSISTANCE LOAN FUND. COUNCILOR O’BRIEN SECONDED THE MOTION. THE MOTION PASSED WITH SIX YES VOTES.**

Mr. Maraschin explained the BIC’s process moving forward as follows:

1. The BIC will create a fillable pdf loan fund application and put it on their webpage by the following Monday or Tuesday (April 27 – 28, 2020).
2. By Wednesday, April 29<sup>th</sup>, the BIC will do a Press Release and post on social media as well as work with the Chamber and FWorks to notify as many business owners as possible.

3. The BIC will number the applications as they come in and the money will be available on a first-come, first-served basis to maintain integrity.

Mr. Bennett added that staff would put the information out through all its channels including the City's website. He requested that the BIC work with City staff on creating the application and the timeframe of when it would be made available.

## **5. ADJOURN**

With no further business before the Council, the meeting was adjourned at 7:05 p.m.

Respectfully submitted,

Debra Woods  
Deputy City Clerk  
City of Fruita