



Agenda

City Commission Work Session

City of Kalamazoo

Tuesday, March 31, 2020

6:00 PM

Electronic Meeting at Zoom.us - Webinar ID 554 096 136

A. CALL TO ORDER/ROLL CALL

B. DISCUSSION/ACTION ITEMS

1. Adoption of a RESOLUTION authorizing the conduct of City Commission meetings by electronic means during a declared statewide or local state of emergency and under the terms of an Executive Order suspending portions of the Open Meetings Act. **(Action: Motion to adopt the resolution)**
2. Approval of the use of \$2 million from the Foundation for Excellence Aspirational Fund to create the Kalamazoo Small Business Loan Fund program; amend the Fiscal Year 2020 Budget for the same amount; and authorize the City Manager to sign all documents related to the implementation of the program. **(Action: Motion to approve)**

C. COMMUNICATIONS

D. CITIZEN COMMENTS

E. COMMISSIONER COMMENTS

F. ADJOURNMENT



City Commission Agenda Report

City of Kalamazoo

Date: **3/31/2020**

Item: **B.1.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: Clyde J. Robinson, City Attorney

DATE: March 31, 2020

SUBJECT: Electronic Meetings Resolution

RECOMMENDATION:

It is recommended that the City Commission adopt a Resolution authorizing the conduct of City Commission meetings by electronic means during a declared statewide or local state of emergency and under the terms of an Executive Order suspending portions of the Open Meetings Act.

BACKGROUND:

With the declaration of a state of emergency by Governor Whitmer in response to the novel coronavirus (COVID-19), pursuant to Executive Order 2020-15 public bodies are permitted to meet electronically so as to conduct public business while restricting or limiting public gatherings and meetings so slow or retard the spread of contagious disease. The Michigan Open Meetings Act requires public bodies to be physically present, hold meetings open to the public in public places, and permit public comment.

In holding electronic meetings under the Executive Order, City Commissioners would not be required to physically meet in a public place but would instead use telephone conferencing or video conferencing in a manner which permits participation by both members of the Commission and the general public.

While the ability for electronic meetings exists, it can present challenges. These include the fact that some individuals may not have access to the equipment to participate or have equipment that makes it difficult to participate in a meeting. Additionally, when many persons are engaged in a meeting, there needs to be a mechanism for the chair of the meeting to recognize speakers, whether they be members of the public body or a member of the public. Finally, there needs to be a method to mute the unintentional disturbance of an electronic meeting from extraneous noise such as a barking dog.

The attached rules attempt to address these concerns by moving Public Comment to the beginning of the meeting, requiring a member of the public desiring to move an item from the Consent Agenda during Public Comment, limiting Public Comment to only that designated portion of the meeting, and restricting each speaker to 3 minutes. Except during the Public Comment portion of the meeting, the ability of the public would be muted.

STRATEGIC VISION ALIGNMENT:

This is an internal matter and is consistent with the Good Governance Strategic Goal.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

There is an expense to holding meetings electronically. However at this writing the cost is unknown.

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. _____

**A RESOLUTION AMENDING CITY COMMISSION RULE 10.1
TO GOVERN ELECTRONIC MEETINGS**

Minutes of a regular meeting of the City Commission of the City held on April 6, 2020, at 7:00 o'clock p.m., local time, by electronic means

PRESENT, Commissioners:

ABSENT, Commissioners:

WHEREAS, Governor Gretchen Whitmer in response to the novel coronavirus (COVID-19) outbreak has declared a State of Emergency and issued an Executive Order temporarily suspending those portions of the Michigan Open Meetings Act, MCL 15.261 *et seq.* requiring meetings of public bodies to be in a physical place open to the public and requiring the physical presence of members of the body; and

And the City Commission desiring to continue to conduct public business in a manner permitting both the general public and members of the City Commission to participate by electronic means;

NOW, THEREFORE, IT IS RESOLVED that City Commission Policy 10.1, City Commission Rules is amended to add following provisions:

1. MEETINGS (Amended by adding the following paragraph.)

The City Commission may meet and conduct its regular, special and emergency meetings by electronic means using telephonic conferencing or video conferencing technology without regard to the physical place and physical presence requirements of the Open Meetings Act (OMA), MCL 15.261 *et seq.* when the Governor has declared a statewide or local State of Emergency and has issued an Executive Order suspending provisions of the OMA. Meetings of the City Commission will be held in compliance with the Governor's Executive Order or any extension of the Executive Order by the Legislature. The City Commission may adopt rules governing the orderly conduct of electronic meetings while permitting the electronic attendance and participation of the public during the meeting.

3. AGENDA FOR REGULAR BUSINESS MEETINGS; **ELECTRONIC MEETINGS** (Amending the title and by adding the following paragraph.)

The order of business for regular, special or emergency meetings conducted electronically and held during a declared statewide or local State of Emergency shall be as follows: Call to Order/Roll Call; Adoption of Formal Agenda; Communications; Public Hearings; Public Comment; Consent Agenda; Regular Agenda; Reports; Any Unfinished and New Business; Commission Comment; Closed Session; and Adjournment. An item on the Consent Agenda may be moved to the Regular Agenda for individual discussion and action at the request of any Commissioner, or by anyone participating in the meeting. A member of the public desiring to move an item from the Consent Agenda to the Regular Agenda must so request and comment on the item during the Public Comment portion of the meeting.

6. CITIZEN COMMENTS (Amended by adding the following paragraph)

During City Commission meetings conducted electronically, members of the public attending the meeting, once recognized by the chair, shall identify themselves for the record and whether they are a City resident. Comments will be limited to three minutes for each speaker unless the time is extended by the chair or by vote of the Commission. Comments by the public during meetings held electronically will be limited to the Public Comment portion of the meeting.

11. ATTENDANCE BY PHONE/VIDEO (Amended by adding the following paragraph)

In the event the Governor has declared a statewide or local State of Emergency and has issued an Executive Order suspending provisions of the Open Meetings Act, MCL 15.261 *et seq.*, the City Commission may meet and conduct its regular, special and emergency meetings by electronic means using telephonic conferencing or video conferencing technology without regard to the physical place and physical presence requirements of the OMA or this Rule.

The above resolution was offered by _____

and supported by _____.

AYES, Commissioners:

NAYS, Commissioners:

ABSTAIN, Commissioners:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on , 2020. Public notice was given and the meeting was conducted in compliance with Executive Order 2020-15 issued by Governor Whitmer on March 18, 2020 suspending portions of the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by the Act.

Scott Borling, City Clerk



City Commission Agenda Report

City of Kalamazoo

Date: **3/31/2020**

Item: **B.2.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, City Manager
Reviewed by: Laura Lam, Deputy City Manager
Prepared by: Steve Brown, Foundation for Excellence Manager

DATE: March 31, 2020

SUBJECT: Creation of the Kalamazoo Small Business Loan Fund program (KSBLF)

RECOMMENDATION:

It is recommended that the City Commission:

1. Approve use of \$2 million from the Foundation for Excellence (FFE) Aspirational Fund to create the Kalamazoo Small Business Loan Fund program (KSBLF);
2. Amend the budget to allocate the same amount from fund balance; and
3. Authorize the City Manager to sign all documents related to the implementation of the program.

BACKGROUND:

The City of Kalamazoo and the United Way of the Battle Creek and Kalamazoo Region (UWBDKR) have collaborated to develop the Kalamazoo Small Business Loan Program to rapidly deploy very-low interest Small Business Loans for entities in the city with fewer than 50 employees in the most impacted sectors of our local economy as outlined in State of Michigan Executive Order 2020-0021. This program is designed to offer life-lines to small businesses and their workers, especially businesses with workers in the category of “asset limited, income constrained, employed” (ALICE), and retains workforce capacity in this time before state and federal programs have impact.

The program is informed by several similar programs including in New York City, Chicago, and Battle Creek, and has been carefully aligned to the extent possible with existing and anticipated Michigan Economic Development Corporation (MEDC) and Small Business Administration (SBA) lending program parameters.

A partnership of local business leaders and groups are aligned with this program and able to help coordinate efforts to maximize the speed of delivery and depth of reach to eligible businesses. The City is acting decisively to do what is in its powers to reduce the negative local economic impacts of COVID-19. This is being done not just for people, but to protect the positive momentum that has been building in Kalamazoo over the past five years.

This is a loan program that retains the ability to respond to dramatic, unmet needs. This program is considered to be emergency relief and is intended to be a temporary program. Loans will be made until approved grant funds are exhausted, or upon closure of the fund, with a planned 12-month fund review meeting already scheduled for March 31, 2021, between City and United Way staff.

Guiding Principles of the KSBLF include:

- **Equity.** The Loan Fund is intended to support community members living below the ALICE threshold, marginalized and disparate populations.
- **Collaboration.** Whenever possible, dollars from the Loan Fund will be used to leverage federal, state and other local resources.
- **Short-Term Use.** The Loan Fund is designed to provide immediate, short-term resources until additional federal and state loan options become available.
- **Flexibility.** The Loan Fund is designed to be flexible in terms of how the resources are spent to meet the most critical needs of businesses and their employees.

Eligible Businesses:

The focus of the loan program will be on businesses located within the city of the Kalamazoo that have realized a significant financial hardship as a result of the COVID-19 outbreak. Loans, between \$5,000 to \$50,000, may be used for working capital to support payroll expenses, rent, mortgage payments, utility expenses or other similar expenses that occur in the ordinary course of business. A program overview is included as an attachment with additional details.

An “Eligible Business” means a company in an industry outlined in Executive Order 2020-21, or any previous and subsequent Executive Order of similar intent (“EO”), or demonstrates it is otherwise affected by the COVID-19 outbreak, that meets the following:

- Provides support to impacted employee(s);
- Is located in the City of Kalamazoo;
- Has 50 Full-Time Equivalent (FTE) employees or less;
- Has annual revenue of \$2.5 million or less;
- Needs working capital to support payroll expenses, rent, mortgage payments, utility expenses, or other similar expenses that occur in the ordinary course of business; and
- Is able to demonstrate an income loss as a result of the EO, or the COVID-19 outbreak.

Eligible Uses:

Loans may be used for working capital to support payroll expenses, rent, mortgage payments, utility expenses or other similar expenses that occur in the ordinary course of business.

Interest Rate:

1.0% per annum. Thoughtfully chosen to maximize a business's competitiveness with anticipated rules of federal loan refinancing opportunities. This rate was also chosen to incentivize borrowers to refinance to state and federal dollars while making it as affordable as possible to remain with this loan if they cannot refinance.

Term:

No payments for 6 months after loan closing, followed by a fully amortizing 30-month term.

Repayment Terms:

Payments of principal and interest will begin at 6 months following closing and will be paid monthly on the first of the month, with all principal due to be repaid no later than 36 months following closing. Once principal is repaid, it may not be redrawn.

Decision Making Process

All KSBLF expenditures will be decided by an advisory committee of representatives from UWBCKR, City of Kalamazoo/FFE, local banks, and local economic and community development entities. UWBCKR is committed to partnership and the leveraging of federal, state, and local resources to ensure that KSBLF dollars are deployed effectively.

STRATEGIC VISION ALIGNMENT:



Shared Prosperity - Abundant opportunities for all people to prosper



Economic Vitality - A supportive infrastructure for growing businesses and stabilizing the local economy for the benefit of all.



Complete Neighborhoods - residential areas that support the full range of people's daily needs

The Mission of the Kalamazoo Foundation for Excellence is to support the goals of the City of Kalamazoo, fund aspirational investments in the city, and empower Kalamazoo residents to achieve the lives they want for themselves and their families.

The focus of the Small Business Loan Fund on ALICE working populations and retaining workforce capacity for small business aligns with these goals and missions.

COMMUNITY ENGAGEMENT:

Collaborate (two-way conversation) - the community will have a chance to shape the project by providing feedback.

City staff have consulted with several community partners including the W.E. Upjohn Institute, Kalamazoo Downtown Partnership, Southwest Michigan First, Small Business Development Center, and Local Initiatives Support Corporation.

FISCAL IMPACT:

It is recommended to utilize \$2 million from the FFE Aspirational Fund for the Small Business Loan Program. These funds were granted to the City of Kalamazoo for aspirational projects as a part of the FFE Memorandum of Understanding and can be allocated by the City Commission. These funds would be replenished as loan payments are made. It is anticipated that some funds may become uncollectible.



United Way of the
Battle Creek and
Kalamazoo Region
changethestory.org



Goal:	Provide immediate loan support for businesses hardest hit by COVID-19 in the City of Kalamazoo.
Funding:	Kalamazoo Small Business Loan Fund.
Funding Amount:	Between \$5,000 to \$50,000.
Funding Availability:	April 1, 2020.
Overview:	Provide between \$5,000 to \$50,000 for small business loans to eligible borrowers to be used to provide low-interest loans to support small businesses in the City of Kalamazoo that have realized a significant financial hardship as a result of the COVID-19 outbreak. Loans to eligible borrowers must be \$5,000 or more and are capped at \$50,000.
Eligible Businesses:	An “Eligible Business” means a company in an industry outlined in Executive Order 2020-21, or any previous and subsequent Executive Order of similar intent (“EO”), or demonstrates it is otherwise affected by the COVID-19 outbreak, that meets the following: • Provides support to impacted employee(s); • Is located in the City of Kalamazoo; • Has 50 FTE employees or less; • Has annual revenue of \$2.5 million or less; • Needs working capital to support payroll expenses, rent, mortgage payments, utility expenses, or other similar expenses that occur in the ordinary course of business; and • Is able to demonstrate an income loss as a result of the EO, or the COVID-19 outbreak.
Eligible Uses:	Loans may be used for working capital to support payroll expenses, rent, mortgage payments, utility expenses or other similar expenses that occur in the ordinary course of business.
Interest Rate:	1.0% per annum.
Term:	No payments for 6 months after loan closing, followed by a fully amortizing 30-month term.
Repayment Terms:	Payments of principal and interest will begin at 6 months following closing and will be paid monthly on the first of the month, with all principal due to be repaid no later than 36 months following closing. Once principal is repaid, it may not be redrawn.

Additional Information can be found online at changethestory.org/kalamazoo-small-business