

**CITY OF KALAMA
CITY COUNCIL WORKSHOP
COVID-19 – RECOVERY PLANNING
MAY 21, 2020 @ 6 PM**

Mayor Mike Reuter opened the workshop at 6pm. Present were Councilmembers Jon Stanfill, Sandra Macias Hughes, Wendy Conradi, Steve Kallio, and Matthew Merz. City Staff present were City Administrator Adam Smee, Clerk/Treasurer Coni McMaster, Director of Public Works Kelly Rasmussen, and Police Chief Ralph Herrera. City Attorney Sam Satterfield was also present. The meeting was held virtually through a Zoom meeting. There were 6 additional attendees which included Jim Bain, Emily Moore, Shannon Johnson, and Jim Hendrickson.

1. Business Community Aid – What should this look like?

A. Countywide Plan-CEDC Administration

City Administrator Adam Smee explained that CEDC is working with the County to offer a way to distribute funds to the business community and would like to put all funding together including any available from the cities. In the previous discussion, he felt the Council wanted to keep the funds for distribution to Kalama businesses or residents. The matrix for evaluation of applications from the CEDC does include good information.

B. Local Administered Plan

Clerk/Treasurer Coni McMaster explained that after reviewing the available information on the CARES funding from the Department of Commerce (DOC), the funds can be used by the City to provide aid to the business community provided the application process is well documented that it meets the appropriate criteria for use of the funds. The City may have \$50-60,000 for an aid package. Staff needs the Council to provide information on what kind of aid the City wants to offer and then staff can bring back an application and evaluation process to the Council for final approval. She requested that Councilmembers Macias and Merz work with her on the application and criteria in the next two weeks using samples from the CEDC and other sources. Once we establish what kind of aid and a process, she will review the information with the DOC to ensure that it meets the funding criteria. The funding is a reimbursement to the City, so the City will need to use some of the reserve funds and then request reimbursement from DOC, so it is vital that we know what we decide to do meets the rules. There was some discussion regarding the applications being a public record under a request for information and they would be, with certain information able to be redacted under the law such as ID or SS numbers. Councilmember Kallio asked about the City matching the funds from the government with the surplus it has from the first quarters. City Attorney Sam Satterfield explained that this could fall under the gifting rules. Clerk McMaster also noted that any “surplus” funds from the first quarter will likely be needed to cover losses in the second quarter. Clerk McMaster asked the Council to provide direction to the Staff so we can work on a proposal to bring back for final approval. (Note: *There was an issue with the computer which lost the connection for about 5 minutes in the middle of the discussion*)

Councilmember Conradi asked how many businesses Kalama has? Clerk McMaster estimated 50-60 including the industries have Kalama addresses. There were about 225 surveys sent out from the business license list, but these included all contractors and out-of-town licensees. There was discussion about giving a set amount to all businesses and that the City should use only 10 % for

helping residents. The money provided will mean different things or help business differently and not mean the same to all. Councilmember Merz suggested that funding be available only if the business was fully or partially closed, and has under 25 employees. Councilmember Kallio stated he didn't think the City should use the funds to reimburse our expenses but use all for the community aid. Administrator Smee explained that we have had substantial expenses and are looking at reduced revenues in the future. What looks like surplus is actually cash flow based on the receipt of the first half of the annual property tax payments which come in twice a year. These are funds the City needs to pay expenses as we move through the rest of the year and we cannot run at a deficit. Kalama has been pretty frugal and will still have some of the aid funds to give to community. Other cities won't have any from he has heard on the weekly countywide updates. The City will still need to make modifications such as shields for social distancing and a safe work environment for City Hall and the Library to open back up which will be some additional costs. The funding is available through October so all reporting can be completed by year end. The funding will be audited and is only for virus related expenses. It was asked how much are reserves right now? Administrator Smee estimated about \$5 to \$5.5 million with much of this dedicated to sewer/water and loan reserves. The General fund has about 600,000 which is based on the adopted financial policy of the City which is 25% of annual revenues or funds equal to one quarter of expenditures to have on hand. These policies have been adopted and updated by Council over the years as they affect our bond rating. Councilmember Stanfill asked about providing directions to staff for the application process and that it could be wide open. Who would judge the applications? The Council could do it or assign a committee. The CEDC is using a two-phase approach with a staff review and a second by the policy makers. Staff isn't sure that Kalama needs a two-tier approach. Councilmember Kallio noted that the process needs to be as transparent as possible, to avoid any appearance of favoritism and have well documented decisions. The criteria needs to be clear in order to help avoid any appearance of favoritism. There was more discussion on funding just any type of business with a single amount to all or using a range to address the different needs of the different types of business. The idea of a basic amount that can be given to each business so everyone gets didn't appear to be a wise approach. Councilmember Kallio suggested that citizens be included in the review process so they can see and help vouch for how we do it. It was suggested that staff black out name and business on the applications when presented for review, so the decision is clearly based on needs. Staff would take the parameters to begin setting a framework, trying to keep it simple but moving forward as soon as possible. It was noted that not all businesses incurred the same financial hardship. It was noted that the funds are eligible for the replacement of lost revenue. The funds, if not used during the first round, could be opened to a second round of requests. For residential consideration it was suggested that the person had to have received no stimulus or unemployment to qualify for individual help. The City is able to ask for this information and for documentation to verify the answers. The time was nearing 7pm so it was noted that with the County Commissioners holding a meeting tomorrow the request under item 2 is addressed.

C. City Sponsored Aid

a. Downtown Open-Air Weekends Friday- Sunday

City Administrator Smee noted this was an idea from the Mayor that businesses once they can open under Phase 2, will only be at 50% capacity for seating to maintain distancing the City could look at allowing sidewalk, parking areas or street closures to allow for some outdoor dining to generate more customers. The City might be able to use some of the funds to facilitate the costs of setting this up. It was suggested this be put onto the agenda for the upcoming meeting to continue this discussion.

2. Planning for Reopening

A. Request for County To pursue Early Reopening

The workshop adjourned at 6:59pm. These minutes are not verbatim. A recording of the meeting can be provided upon request.

Mayor Mike Reuter

Clerk/Treasurer