

**OFFICE OF THE CITY COUNCIL**

**RESEARCH DIVISION**

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**CITY COUNCIL SPECIAL MEETING MINUTES**

**COVID-19 EMERGENCY RESPONSE**

**Remote meeting via teleconference**

 **April 6, 2020**

**11:30 a.m.**

**Location:** Remote meeting via teleconference

**In attendance:**

Council Members Scott Wilson (President), Danny Becton, Aaron Bowman, Michael Boylan, Matt Carlucci, LeAnna Cumber, Garrett Dennis, Randy DeFoor, Rory Diamond, Al Ferraro, Terrance Freeman, Reginald Gaffney, Tommy Hazouri, Joyce Morgan, Sam Newby, Ju’Coby Pittman, Brenda Priestly Jackson, Ron Salem, and Randy White

**Also**: Jason Gabriel, Peggy Sidman, Paige Johnston, Kealey West, Shannon Eller, John Sawyer – Office of General Counsel; Crystal Shemwell – Legislative Services Division; Brian Hughes, Stephanie Burch, Jordan Elsbury - Mayor’s Office; Joey Greive – Finance Department; Cheryl Brown – Council Secretary/Director; Steve Cassada and Melanie Wilkes – Council Support Services; Chief Keith Powers – Fire and Rescue Department; Jeff Clements, Yvonne Mitchell and Anthony Baltiero – Council Research Division; Kyle Billy, Kim Taylor, Brian Parks, Trista Carraher, Phillip Peterson – Council Auditor’s Office; Carla Miller and Kirby Oberdorfer – Ethics Office; Kirk Wendland – Office of Economic Development

**Meeting Convened**: 11:33 a.m.

President Wilson called the meeting to order and a roll call of the council members in virtual attendance was taken. Council Member Freeman gave the invocation and led the Pledge of Allegiance.

**2020-200** (emergency procedures for virtual meetings; waivers of Council Rules; provisions for public participation in virtual meetings; emergency action request): Assistant General Counsel Paige Johnston explained the need for the special procedures to accommodate virtual meetings without the council members being physically present in the Council Chamber and the waiver of several of the Council Rules to accommodate the extraordinary circumstances of the COVID-19 state of emergency.

Council Member Becton asked about rules specifically applying to the LUZ Committee process and the right of applicants in quasi-judicial proceedings under the emergency procedures, specifically the right of applicants and affected parties to future appeal of the outcome of the process if they feel the decision was impacted by the emergency procedures.

The motion for the **emergency action** on the bill was **approved 19-0**.

Public participation

None

Council Member Boylan suggested the possibility of adding a provision to allow a district council member to request deferral of an LUZ bill if they feel there is opposition in the public that needs to be considered. Shannon Eller of the Office of General Counsel said that the normal Council Rule regarding council members requesting deferral of any bill is already in place, and there has been discussion of holding separate virtual meetings for particular LUZ items that are controversial and likely to generate considerable public participation. She cautioned the council that if land use and zoning deferrals continue into April and May then the applicants for those bills will begin pressing for those action on that legislation in a timely manner, which they have a right to expect.

**Motion** (Boylan): add a sentence to the policy clarifying the right of council members to request deferral of actions due to the emergency conditions -

Council Members Carlucci and Becton felt that it wouldn’t hurt to add the amendment, which restates the current policy, as a matter of reassurance to the general public that their concerns will be addressed. Mr. Becton said that he will have an LUZ agenda meeting well in advance of the next committee meeting so that the public and applicants will know what items will and will not be on the agenda for action.

The Boylan motion was **approved.**

**2020-200 as amended was approved as an emergency 18-0.**

Council Member Ferraro asked to be added as a co-sponsor.

**2020-201** (small business emergency assistance program): CAO Brian Hughes said that this bill is the first of what will be several economic assistance programs to come before the Council; VyStar Credit Union was the first financial institution to be in a position to pilot a loan assistance program with the City. This program was designed with a focus on small business assistance and employment preservation that does not involve direct up-front payments, which the federal government’s stimulus program is better equipped to do.

Council Member Pittman asked if businesses that participate in this program would be precluded from accessing the federal assistance program. Mr. Hughes said they have been assured by various sources in Washington DC that that should not be the case.

**The emergency request was approved 19-0.**

Public participation

None

In response to a question from Council Member Hazouri about how the City will instruct and walk businesses through the application and approval process, Mr. Hughes said that VyStar will handle the application process since they have expertise in that area as part of their day-to-day business. Council Member Ferraro cautioned that the smallest companies don’t have the manpower or expertise to deal with complicated processes and urged that the City do what it can to assist those companies in successfully accessing the program. Brian Hughes described the combination of grants and loans that will be made available to businesses. Jenny Vipperman of VyStar Credit Union described VyStar’s expertise in dealing with very small businesses and its commitment to deliver results in 5 days from application to funding distribution. Council Member DeFoor asked about the extent of the City’s total potential liability for the program. Mr. Hughes said that the City would provide a $250 grant for each application to cover processing costs, will make a $1,000 grant to the first 3,000 successful applicants, will cover loan interest if the applicant company keeps 50% of its employees on payroll, and will provide 10% additional interest forgiveness each year for companies that keep 100% of their employees. The City’s total exposure is expected to be $28-29 million; this bill appropriates $9 million to get the program started. CFO Joey Greive said his staff has run several different scenarios based on numbers of total applications received and varying repayment levels and they anticipate the City’s maximum out of pocket commitment is $26 million under the worst case scenario, but it could be as low as $6 million in the best case.

Council Member Priestly Jackson asked if there is a requirement that the retained employees are required to be Jacksonville residents (there is not) and requested that loan recipients at least be required to report the residence of their retained employees so that the success of the program in supporting Jacksonville residents can be determined. Ms. Priestly Jackson asked for clarification of when the employee count baseline is determined; that will be as of February 28th. Ms. Priestly Jackson asked about the marketing of the program to high need businesses (such as day care centers). Jenny Vipperman described the “undesirable business” list which is composed of businesses that are more likely to have financial challenges based on historical data. In response to another question, Mr. Hughes said that the Mayor’s Office hopes that some of the City’s investment in this recovery program could be reimbursed by the federal government in the future.

Council Member Pittman echoed the need to direct resources to very small businesses (hair salons, car washes, barber shops, etc.) in the minority community which need as much help as possible. Jenny Vipperman described VyStar’s accommodations for those types of businesses (no minimum loan amount, waiver of minimum credit score requirement, etc.). Ms. Pittman urged creative and wide-spread publicity to market the program to the widest possible range of companies. In response to a question from Council Member Becton about ways to give preference to businesses that are currently closed versus those still in some degree of operation, Brian Hughes said that the initial emphasis was to keep the administrative burden as light as possible and to get the funds on the street as quickly as possible, so those decisions are being left up to VyStar as the program administrator. Ms. Vipperman noted that many operating businesses are on a razor’s edge and these loans may be the difference between staying open and becoming a closed business. Mr. Becton asked that the underwriting fees for loans of over $5,000 be waived by VyStar or that the threshold be increased to some higher level. Ms. Vipperman explained VyStar’s subsidy of application fees and underwriting costs. Mr. Becton asked for clarification of direct hire versus contract employee retention and how that might impact the loan application process. Council Member Newby echoed the importance of serving businesses currently under forced closure to help them survive the crisis. Council Member Boylan asked about VyStar’s financial commitment and their expectation of the number of loans that will be requested. Ms. Vipperman said that VyStar’s commitment is $50 million in loans.

**2020-201 was approved as an emergency 19-0.**

**2020-179** ($1,401,975 federal emergency preparedness grant): Todd Smith, JFRD Emergency Preparedness Division, explained that Jacksonville is one of eight cities in the country to get this grant that will support two personnel dedicated to logistics supply chain analysis, along with resources for training and planning exercises.

President Wilson discharged the bill from the NCSPHS and Finance Committees.

Public participation

None

**A motion to approve the bill as an emergency was approved 19-0.**

In response to a question from Council Member Becton, Mr. Smith described the benefits of the grant and how the City will be better positioned to deal with shocks and disruptions to the supply chain for emergency-related equipment and supplies. Mr. Becton suggested that the Northeast Florida Regional Council is already is already in the disaster planning business and might be a better place to handle this function, possibly by the City contracting with the Council to perform the function with the grant proceeds. Mr. Smith said that the grant application was only open to cities and noted that the City has the capability and desire to handle this function in-house. Council Member Ferraro indicated his intention to file legislation to withdraw the City from the Northeast Florida Regional Council in the future.

**Motion**: amend the bill to insert emergency action language – **approved 19-0**.

**2020-179 was approved as amended as an emergency 19-0.**

President Wilson asked the council members to consider how well this week’s committee process worked for discussion at the full Council meeting next week.

Council Member Freeman gave the closing benediction.

**Meeting adjourned:** 1:33 p.m.

Minutes: Jeff Clements, Council Research Division

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4.7.20 Posted 1:30 p.m.