

MINUTES OF A REGULAR MEETING OF THE
INDEPENDENCE CITY COUNCIL
TUESDAY, SEPTEMBER 1, 2020 –6:30 P.M.

1. CALL TO ORDER.

Pursuant to due call and notice thereof, a regular meeting of the Independence City Council was called to order by Mayor Johnson at 6:30 p.m.

3. PLEDGE OF ALLEGIANCE.

Mayor Johnson led the group in the Pledge of Allegiance.

2. ROLL CALL

PRESENT: Mayor Johnson, Councilors Betts, Spencer, McCoy (virtual) and Grotting (virtual)

ABSENT: None

STAFF: City Administrator Kaltsas, Assistant to Administrator Horner

VISITORS: Ali Howe (virtual)

3. ****Consent Agenda****

All items listed under Consent Agenda are considered to be routine by Council and will be acted on by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- a. Approval of City Council Minutes from the August 18, 2020 Regular City Council Meeting.
- b. Approval of City Council Minutes from the August 13, 2020 City Council Workshop.
- c. Approval of Accounts Payable; Checks Numbered 19846-19876 (Checks 19830-19845 were voided).

Motion by Spencer, second by Betts to approve the Consent Agenda with the addition of check 19877 for WHPS. Ayes: Johnson, Betts, Spencer, McCoy and Grotting. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED.

4. SET AGENDA – ANYONE NOT ON THE AGENDA CAN BE PLACED UNDER OPEN/MISC.

Johnson noted Ali Howe would give a presentation on the Orono Referendum.

5. REPORTS OF BOARDS AND COMMITTEES BY COUNCIL AND STAFF

Spencer attended the following meetings:

- Hennepin County Environmental Meeting
- LICA Wetland Restoration Meeting

Grotting attended the following meetings:

- Met with Kaltsas regarding the LMCC internet mileage

McCoy attended the following meetings:

- None

Betts attended the following meetings:

- Police Commission Meeting

Johnson attended the following meetings:

- Interfaith Fellowship Caring for Kids Breakfast (zoom)
- Met with Representative Jerry Hertaus (zoom)
- Met with Representative Emmer (zoom)
- Haven Homes Advisory Committee Meeting (zoom)
- Webinar on Governor's Authority
- Police Commission Meeting

Horner attended the following meetings:

- Met with BKV architects

Kaltsas attended the following meetings:

- Two Meetings with MnDOT and Hennepin County on County Road 90 project

6. Ali Howe- Orono School Board member

Johnson introduced Howe. Howe stated she was newly elected to the Orono School Board and is a 15 year resident of Independence. She has two sons at Orono Schools. Howe said the proposed referendum for new technology replaces the old levy in asking for a new one with updated needs. Howe played a youtube video from Dr. Karen Orcutt that discussed the referendum. Orcutt noted they are focused on maintenance and replacement of core technology infrastructure. They reduced the levy from 5.023 to 4.516 times the net tax capacity of the district. Howe said as a parent she sees how important this technology is and a strong system is needed. Johnson asked if the school makes sure everyone has a device. Howe said K-5 is provided by the district but middle and high schoolers need to have their own. There are stipends and other alternatives if needed. Betts asked how many hours a day they use their device. Howe said it varies but with distance learning the time used has changed dramatically. Howe said teachers are very cognizant about screen time. Johnson asked if the 4.516 was based valuation. Kaltsas said that rate would stay flat for ten years. Grotting thanked Howe for her time and presentation. He noted it was an intangible levy which makes it harder.

7. Cares Act Funding for Local Businesses.

- a. Review draft program criteria and provide direction to staff.

Kaltsas said the City has determined that the encouragement and the financial support of economic development and redevelopment in the City is in the best interests of the health, safety, success and common welfare of the citizens of Independence. The 2020 COVID-19 Pandemic has presented significant challenges and economic impacts to many residents and businesses.

In March 2020, the World Health Organization declared the worldwide outbreak of COVID-19 coronavirus to be a pandemic (the "Pandemic" or "COVID-19" or "virus"). The Governor of Minnesota has issued a series of executive orders to help limit the spread of COVID-19. (the "Executive Orders"). The U.S. Center for Disease Control and Prevention (the "CDC") has issued a series of directives to limit personal interaction to slow the

spread of COVID-19. These actions have had significant adverse effects on local businesses, including closure, significant reduction in revenues, and loss of employees. The continuation of these events will have short- term and long-term effects on the well-being of the community.

After evaluating alternative means of assistance to help local businesses adapt common practices to protect the health of customers and employees and thereby establishing the means for successful operation, the City has determined that this assistance conforms with federal law,

Department of Treasury guidance, and state law governing business subsidies and advances the general health, safety and welfare of the community as a whole. Qualifying City of Independence businesses eligible to receive a grant in the following amounts:

- Reimbursement for Protection Related Equipment, Updates, Training: ***\$1,000***
- Reimbursement for Technology Related Equipment/Software Updates: ***\$1,000***

The total amount of grant funds available is \$50,000. The grant may only be used for costs directly related to activities needed to adapt the business to operations related to COVID-19. Eligible activities include:

Protection Related Equipment, Updates, Training

- Building improvements, equipment and furnishings
- Personal protective equipment
- Sanitizing supplies
- Signage
- Employee training
- Printing
- Advertising
- Supplies needed to restart operations
- Other extraordinary costs directly related to COVID-19 – such as loss in revenue due to mandated closures, etc. ***Technology Related Equipment Updates***

- Development or enhancement of a business website
- Development or enhancement of an online ordering or delivery system utilizing a web or mobile application-based service.
- Development or enhancement of a Point of Sale (POS) system, inventory management system, Human Resource Information System (HRIS), or accounting system, that allow a business to more efficiently and effectively operate and manage their business.

Grant funds may be used to reimburse a business for expenditures made for eligible activities after March 1, 2020 and prior to the receipt of the grant if used for approved costs and can be documented. Grant funds may be used to pay for regular business expense including payroll, rent, or to supplement lost revenue due to closures and or reduced operations to support social distancing.

The grant cannot be used to pay taxes or utilities. The grant application must include a description of the plan for operating under the restrictions of COVID-19, the proposed use of grant funds and the relationship to COVID-19.

Documentation of expenses requested for reimbursement must accompany the application if already incurred. In submitting the application, the business will commit to using the grant funds only for these approved uses. Grant funds awarded shall not be used to pay expenses that have been paid for with other state or federal sources.

The City Council will make the final determination of eligibility and the amount of the requested grant to approve:

ELIGIBLE BUSINESSES

Businesses that meet the following criteria are eligible to submit grant applications:

- The business must be in operation at the current location within the City at the time of application and have been operating since at least January 1, 2020.
- Eligible businesses must be within the city limits of Independence and in a commercial zoned district or allowed by conditional or interim use permit as defined by the City's approved Land Use Map.
- The business must be registered with the Minnesota Secretary of State unless it is a sole proprietorship or partnership that is not required to file with the Secretary of State's Office to do business in Minnesota.
- The business cannot be delinquent on any fees or charges with the City.
- The grant application must be signed by the business owner.

INELIGIBLE BUSINESSES

- Non-profit or religious organizations.
- Corporate or multi-state chains. Franchisees are considered eligible businesses.
- Businesses in default conditions prior to March 1, 2020.
- Businesses that primarily derive income from any of the following: passive investment, real estate transactions, property rentals/property management.

APPLICATION

Applications will be accepting during a three-week period beginning September 4, 2020 and ending September 25, 2020. If applications exceed the funding available, the grant administrator will select loan recipients using a lottery system. Failure to submit required documentation will result in ineligibility for the grant award. Notices of award will be made the week of October 5, 2020.

AGREEMENT AND REPORTING

Upon acceptance of the application and notice of award of grant funds, the business will enter into a grant agreement with the City of Independence prior to the disbursement of funds. Grant recipients must agree to complete and submit all applicable documentation requested by the City.

TAX IMPLICATIONS

The City of Independence makes no claims or can offer any tax advice on how grant funds will be recognized or treated by others. Applicants are encouraged to speak to an accountant, attorney, or other trusted advisor as to these effects.

Johnson asked how much might be available for the City. Kaltsas said there is 280,000 so he has been utilizing these funds for City technology upgrades like touchless keypads and some set aside for Public Safety as well. Kaltsas said about 300k could be captured with payroll expenses. Betts said stables may be eligible. Kaltsas said if this is approved by Council then the City will put the notice out to businesses in community. Johnson noted Orono schools have asked for money as well as the Loretto Fire Department. Spencer asked if the businesses would need to provide us with their preparedness plan. Kaltsas said not necessarily.

Motion by Grotting, second by Spencer to proceed with the grant program through the Cares Act Funding for Local Businesses for the City of Independence. Ayes: Johnson, Betts, Grotting, McCoy and Spencer. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED.

8. Consider Regular City Council Meeting Date Change for the November 3, 2020 Meeting due to the National Election.

Kaltsas noted Council would need to pick an alternate meeting time due to the General Election on November 3, 2020. It was determined that Monday, November 9, 2020 would be scheduled instead of November 3, 2020.

Motion by Spencer, second by Betts to approve the new meeting date for City Council moved to November 9, 2020 instead of November 3, 2020 due to the General Election. Ayes: Johnson, Betts, Grotting, McCoy and Spencer. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED.

9. OPEN/MISC.

10. ADJOURN.

Motion by Betts, second by Spencer to adjourn at 7:44 p.m. Ayes: Johnson, Betts, Grotting, McCoy and Spencer. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED.

Respectfully Submitted,
Trish Gronstal/ Recording Secretary