

## RECORD OF PROCEEDINGS

Minutes of

VILLAGE OF FORT RECOVERY COUNCIL

Meeting

BEAR GRAPHICS 800-325-8094 FORM NO. 10148

Held September 01, 20 20

**CALL TO ORDER:** Mayor Dave Kaup called to order the Special Council Meeting on September 1, 2020 at 7:00pm to discuss expenditures of the CARES Act funds and the possible establishment of a Small Business Relief Grant Program.

**Roll call** was conducted with the following council members present: Cliff Wendel, Luke Knapke, Greg Schmitz, Scott Pearson and Al Post. Absent Erik Fiely.

**Also Present:** Randy Diller, Roberta Staugler, Alex Schoen, Bailey Cline, Leslie Gartrell, Bill Kincaid

**Mayor:** We are here to take a look at a possible grant for Village of Fort Recovery businesses.

**Diller:** We advertised it as discussion of expenditures and possible establishment of a Small Business Relief Grant Program from the CARES Act funds. As you know we received \$39,239.19 in June and since then we received an additional \$19,619.60. We are up to almost \$59,000 in CARES funds. They are not changing requirements on how the funds are spent. We have a few options, the one that seems to be making the rounds and makes a lot of sense is a COVID-19 Small Business Grant Program. It would allow us to subgrant funds to small businesses with requirements we put in place. The schools are also an eligible subgrantee but they are getting a lot of their own funds right now.

A breakdown of permissible uses of funds: 1. Medical expenses 2. Public Health & Related Measures 3. Personnel 4. Equipment 5. Economic support. We purchased a drop box for outside the office for use when we were closed. We will be ordering some new hand dryers for restrooms at the parks, a touchless type system. We can qualify for disinfection of public areas. We had minimal expenses to provide paid sick time to public employees. We can use funds for payroll only if the employee whose service was substantially dedicated in response to COVID; this will not apply to us. (Bill Kincaid arrived) We had some equipment, zoom and networking fees to allow employees access from home. We are prohibited from using the funds for property tax, utility fees, business interruption or costs already included in our most recent budget. The touchless items were not in our budget; therefore, they qualify. We cannot stockpile supplies or prepay expenses.

One of the approved disbursements of the funds is to create a Small Business Grant for businesses. It would seem we have a lot of business' impacted. I talked to some this morning; from their responses I believe we have people interested. I have heard from some which do not like that this can be used to bail out businesses. With any grant we have received, it is from the taxpayer. If we don't take it someone else will, it does not make sense to let it go back if we can keep it here. I remember when John Boehner would not submit his district for funding, and as I told him, I appreciate that you think that away, the only people you are hurting are your constituents. You are doing it out of principal and I appreciate it.

I have come up with a draft, based on some others that we received. We also received more direction from OBM. For the relief program, we have roughly \$50,000, so businesses can apply for up to \$5,000. They have to know that they must substantiate that expense. The thing about this is it must be for expenses between March 15 and 60 days after they receive the funds. Schmitz: What is the time line, it is still going on? Diller: It is for unforeseen expenses because of COVID, they can't pay for RE taxes, they must have an invoice and a cancelled check. That number is going to be less or more depending on the number of applications received.

**Kaup:** There will be a thought process on how that is given out. That number may not be as big a deal. They must say I need \$3,500 for this, not I will apply for \$5,000 and I will figure it out later. They must show a decline beginning with March 15th to the end of May. There are still restaurants closing at 11PM. They must show a minimum of a 10% decrease in revenues. It does not mean anything other than to the committee who is looking at the

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applications. Kaup: So, I guess the first thing we need to do is put a committee together? Diller: Is this something the village wants to put together? Kaup: Does Council have concerns? Diller: It must be that they didn't overspend, it is something that occurred out of COVID. Post: Can it be for liquor & wine stores, restaurants and bar's? Diller: It cannot be for restaurants and bars. Knapke: From my standpoint, you can do everything, and you are still showing a 20% reduction. There are some businesses that never had to shut down. Groceries, I don't think they can show a loss, maybe some restaurants. Diller: The thing about business in this area is they worked very hard to come up with unique ways to sell, it took a lot of effort. Kaup: Is it based on last year's numbers? Diller: Yes. Do you want me to continue pursuing this program? Post: I would say go for it; the rest of council agreed.

Diller: We have some legislation we need to pass. We can do it one of two ways: 1. Advance the funds with them bringing back proof of how funds were spent. 2. Reimburse them with a one-time check when they show proof of expenses. They have 60 days to show how the money was spent. Wendel: Will they have to show it on paper? What if a business was open, shut down and wasn't even open during that time? Diller: They had to be in business on March 1<sup>st</sup> and still in business on September 1<sup>st</sup> of this year. Post: What if they were shut down? Wendel: Their revenue had to be more than 10% down, some may have shut down before or were open and then closed. Diller: Was it due to their business or COVID? Wendel: I think the biggest challenge is who gets it. Diller: It must be a business inside the corporation limits, and had to be in business on March 1<sup>st</sup>. If it was only open this year, we have problems. They must show loss due to COVID. Kaup: Do we ask for what their losses were with expenses, instead of giving them \$4,000 and then have them come back to say I only need \$3,600 wouldn't it be easier, by saying these are my expenses? Diller: We are basically asking for that; they need to be able to prove it. Kaup: They will be asked to put on the application their losses and proof of the loss. Financials for March, April and May will be a part of the application along with their 2019 federal tax form. They give us permission to access it from the tax dept for the purpose of verifying revenue. They have to show a loss or we won't consider the application, it's just one piece of this but is the biggest part of whether they qualify.

Kaup: Let's say it's all said and done and it is now October or November, will we have to go thru to make sure of how they spent the money? Diller: It must be appropriately spent as part of the grant. Knapke: And it needs to be actively operational? Diller: Yes prior to COVID and remaining in operation today.

Wendel: They need to meet the criteria, and we need an out if they don't fit the criteria. Kaup: Can they get it if they have used payroll protection? Diller: Yes, but payroll will not be considered an eligible expense. Wendel: Will you mail it to everyone? Diller: We will probably hand deliver it. Some people don't read social media. We will hand deliver next week, will not go to those that have more than 50 employees.

**RES 2020-17 A RESOLUTION TO AUTHORIZE THE CREATION OF THE COVID-19 SMALL BUSINESS RELIEF PROGRAM.** Pearson made a motion to suspend the readings, this was seconded by Schmitz. Vote all yes. Post made a motion to approve the resolution, seconded by Pearson. Vote all yes.

Diller: In the resolution you direct myself to direct the program. The other thing authorized is that the Mayor create the COVID committee. I think it should be mostly consisted of village people and no more than five members. One of which should be a council member and one banker or accountant. Pearson: I agree with that.

Kaup: Ok, it will be myself, Randy, Bert, Luke, and I will reach out to Shawn or Eric at the banks since they are not eligible. We will have to get together by September 18th. We will review them as they come in; at that meeting we can get together to discuss. We can release their name if they received funds, but not their financial details. Schmitz: We have to release how much they get? Diller: Probably how much they get.

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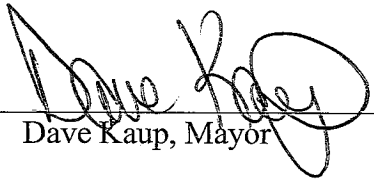
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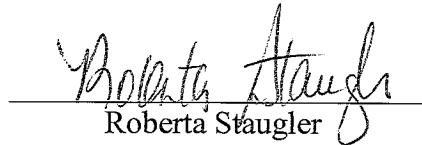
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Minster has their own CIC Board, reviewing their applications. He said he had four or five applications so far.

Pearson made the motion seconded by Schmitz to approve the Mayors appointment of the COVID committee which will be the Mayor, Randy Diller, Roberta Staugler, Luke Knapke and a bank representative either Eric Brackman or Shawn Robinson. Vote all yes.

Wendel made a motion to adjourn the meeting, seconded by Knapke. Meeting adjourned at 7:37 pm.

  
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Dave Kaup, Mayor

  
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Roberta Staugler