



MINUTES

Monday, March 30, 2020

Work Session

Remote

Approved: May 27, 2020

CALL TO ORDER

Mayor Sharon Konopa called the meeting to order at 4:00 p.m.

ROLL CALL

Councilors present: Mayor Sharon Konopa and Councilors Rich Kellum, Bill Coburn, Bessie Johnson, Alex Johnson II, and Mike Sykes were present by video. Dick Olsen was present by telephone.

Councilors absent: None.

Emergency Loan Fund – Seth Sherry

4:03 p.m.

Economic Development Manager Seth Sherry said the idea of offering small emergency loans is to bridge the gap before other state and federal funds become available, and to try to protect local businesses from taking on predatory loans. The proposed program would offer loans of between \$5,000 and \$15,000 to be used for rent payments, operating expenses, and other business costs. The loans could not be used to pay a business owner's personal debts. No payments would be due for the first six months of the loan, and interest-only payments would be made for months 7-12. The rest of the loan would be amortized over four years.

Community Lending Works (CLW) set up a similar program for Lane County, Eugene, and Springfield a couple of weeks ago. This proposal would use \$200,000 from the City's economic opportunity ("Pepsi") fund, plus a four percent fee to CLW.

Lynn Meyers of CLW said the process includes a two-page application, and providing basic financial information and a written emergency plan. Businesses will need to show they were viable before COVID-19 happened. The goal is to get money quickly to businesses that need it. In Lane County, they were able to start putting funds into accounts within five days. He said there will be significant losses, as some businesses won't survive even with help. Losses could be 30 percent or more.

Councilor Rich Kellum said small-business owners often pay business expenses with a personal card. He asked if CLW would look at personal credit cards as part of their approval process. Meyers said no, but they will have a conversation about the business's plan.

Councilor Alex Johnson II asked if the loans would be called in if the economy turns around sooner than expected. Meyer said no. He said there would also be no prepayment penalty.

Councilor Mike Sykes asked if Albany can afford to lose 30 percent on these loans. Sherry said there is over \$2 million in the economic opportunity fund. We could start with \$200,000 and add more later if we wanted to.

Meyers said these are unprecedented times. We don't know what the losses may be, but we do know that businesses need capital in their hands immediately. Kellum said we could lose some money, but we will definitely lose if we lose the businesses. Over the long term, we'll get the vast majority of the money back.

Councilor Dick Olsen said he thinks it's the right thing to do.

City Manager Peter Troedsson said in the next few months Albany will face much bigger problems than losses on this \$200,000. Losing the businesses would probably be a bigger loss than the \$200,000.

MOTION: Johnson II moved to authorize the city manager to enter an agreement with Community Lending Works to offer small loans to Albany businesses. Johnson seconded the motion, which passed 6-0.

Amending Resolution No. 6873, Extending the Local State of Emergency

MOTION: Johnson moved to ratify the mayor's approval of Resolution 6874. Sykes seconded the motion, which passed 6-0.

Business from the Council

4:45 p.m.

The council discussed whether to allow RVers to park in local parking lots because RV parks are closed. No decision was reached or direction given.

City Manager Report

Troedsson discussed graphs of police and fire calls showing the effect of COVID-19 (see agenda file).

Adjournment

There being no other business, the meeting was adjourned at 5:01 p.m.

Respectfully submitted,

Reviewed by,

Allison Liesse
Deputy City Clerk

Peter Troedsson
City Manager