

# RECORD OF PROCEEDINGS

Minutes of Delaware City Council

Meeting

GOVERNMENT FORMS & SUPPLIES 844-224-3338 FORM NO. 10148

Held June 1, 2020

The work session meeting of Council held on June 1, 2020 and was called to order at 6:07 p.m. and was held remotely through Cisco Webex and streamed Live through Facebook due to the State of Emergency – Executive Order 2020-01D. The following members of Council were remotely present: First Ward Chris Jones, Second Ward Lisa Keller, Third Ward Cory Hoffman, Fourth Ward Drew Farrell, At-Large George Hellinger, Vice-Mayor Kent Shafer (arrived at 6:15 p.m.) and Mayor Riggle who presided.

Staff Present Remotely: Sean Hughes, Economic Development Director, Justin Nahvi, Finance Director, Darren Shulman, City Attorney, John Donahue, Fire Chief, Kyle Kridler, Assistant City Manager, and Tom Homan, City Manager

Economic and Community Development Institute Staff Present Remotely: Inna Kinney, Founder and CEO, Steve Fireman, President and General Counsel, and Anna Parlet, Senior Grant Writer and Development Manager

## **ITEM 2: LETTERS, PETITIONS, AND PUBLIC COMMENTS**

Brett Latta  
Via email  
376 North Sandusky Street  
Delaware, Ohio

Mr. Latta voiced his support to Business Assistance Grant Program and not supporting financial contributions to the Delaware County Finance Authority.

## **ITEM 3: ORDINANCE NO. 20-30** [Second Reading]

AN ORDINANCE DIRECTING THE CITY MANAGER TO ESTABLISH A BUSINESS ASSISTANCE GRANT PROGRAM, AUTHORIZE APPROPRIATIONS, AND DECLARING AN EMERGENCY.

The Clerk read the ordinance into the record for the second time. Council to take Ordinance No. 20-30 to a third reading.

## **ITEM 4: DISCUSSION OF REVOLVING LOAN FUND OPTIONS**

Mr. Homan discussed the previous discussions at the Finance Committee meeting and City Council meeting on the County's request to participate in an agreement for a revolving loan fund and the City's exploring a program with a non-profit. He discussed that the information provided includes a comparison of the true programs which will assist small businesses with loans. Mr. Hughes discussed that a program was needed to address the immediate need relating to the flooding and COVID-19, as well as long term assistance. He discussed that EDCI program provides business support to help businesses grow and pay the loans back. He felt that the program addresses short-term and long-term needs.

Ms. Kinney introduced herself and attendees Anna Parlett and Steve Fireman. Ms. Kinney provided background about EDCI and their mission. In the past 16 years EDCI have focused on three areas; invest, educate, and innovation. She discussed that the current focus with the

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City is to have access to capital. She discussed that their headquarters is located in Columbus, Ohio. She proposed a \$350,000 proposal for ECDI to operate the loan fund for the City of Delaware and reviewed different funding options that can be available that can benefit businesses. Mr. Fireman emphasize that ECDI is not a bank but is regulated by Department of Treasury office and subjected to many annual fiscal and compliance audits. He discussed the possibility of the program growing and that they can bring experience with business lending of all different types of businesses and experience. He discussed the technical assistance that they can provide including marketing assistance, legal services, or accounting if they are needed. These resources and services are not required but available. Ms. Kinney discussed the leverage of monies.

Mr. Farrell questioned if terms, i.e. interest rates, can change as needs change. Ms. Kinney discussed that the fund is revolving loan. Ms. Parlett discussed that the interest rates go back into the fund and the interest rate can change if during non-crisis times if the City decides to increase the fund. Mr. Jones questioned the loan approval process. Ms. Kinney discussed the policy and procedures and that the type of loans that can be done internally and some higher dollar loans will go through a different process. Mr. Hoffman discussed the comparison sheet regarding the application fee. Mrs. Keller questioned how long the loan process takes. Ms. Kinney discussed that this depends on the loan and usually smaller loans are done immediately. Mr. Fireman discussed that on more complicated applications that they try to get some immediate funds while they go through the underwriting process. Mr. Hughes discussed past relationships with ECDI while working in Madison County. Vice-Mayor Shafer questioned the use of the bridge loan and if they get turned down from the loan. Mr. Fireman discussed that they would continue to work with the business to continue to grow the building and that they would be responsible for the loan that was already processed.

Council discussed their preference on the revolving loan options. Mr. Homan requested direction for staff to help prepare legislation for the June 8 Council meeting. Mr. Farrell discussed meeting with downtown businesses and their concerns on taking loans out right now, but that feedback received was they would like the lower interest rate and flexibility. He discussed his preference for the ECDI proposal. Mrs. Keller also discussed her preference of the ECDI proposal. She discussed that there was an email received that the concessions in the County MOU may be removed. Mr. Farrell discussed his preference for the City process to be apolitical. Mr. Hoffman voiced his initial support to both loan processes, but that ECDI has multiple agreement templates that can be structured and revocable. He was hoping to have the County MOU be changed to their previous request and is currently supportive with the ECDI. Vice-Mayor Shafer discussed his preference to do both programs and show the County their support. Mr. Hellinger voiced his support to move forward with the ECDI program. Mr. Jones discussed his support for the ECDI program and that he liked the long-term support that they can provide to the businesses.

**Motion:** Mrs. Keller motioned to direct staff to prepare legislation appropriating \$350,000 for a City revolving loan fund program managed

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by ECDI under terms provided in their proposal, seconded by Mr. Hellinger. Motion approved by a 7-0 vote.

Mr. Shulman discussed that separate legislation can be written if Council decides to provide funds to the County also. Mr. Nahvi discussed the financial impact for the City to participate in both programs.

## **ITEM 5: ADJOURNMENT**

**Motion:** Mrs. Keller motioned to adjourn the meeting. The meeting adjourned at 7:56 p.m.

  
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Mayor Carolyn Kay Riggle

  
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Elaine McCloskey, Council Clerk