

## **City of Rockford, Minnesota Council Workshop Meeting Minutes 5:00 p.m., Tuesday, November 10<sup>th</sup>, 2020**

The City Council Workshop was called to Order by Mayor Renee Hafften at approximately 5 p.m. Council members Scott Seymour and Rick Martinson were present. Debbie Buoy was absent.

City Administrator / Attorney, Dan Madsen; and City Engineer, Steve Hegland were also in attendance.

Members of the Staff and Council discussed the Covid-19 Cares Act Grant Applications of five local businesses and two local nonprofits, and reviewed the Grant Program conditions and requirements.

No formal action was taken, as these matters were set on for discussion purposes only. Discussions were concluded, and the meeting was adjourned at approximately 6 p.m.

## **City of Rockford, Minnesota Council Meeting Minutes 6:00 p.m., Tuesday, November 10<sup>th</sup>, 2020**

The City Council Meeting was called to Order by Mayor Renee Hafften at approximately 6 p.m. Council members Scott Seymour and Rick Martinson were present. Debbie Buoy was absent.

Denise Willenbring, City Administrator / Attorney, Dan Madsen; and City Engineer, Steve Hegland were also in attendance.

### **Approve Agenda and Set Consent Agenda Items:**

A **MOTION** was made Seymour, and seconded by Martinson, to approve the Consent Agenda Items 3A through 3F as listed and set the Agenda for the Council Meeting:

3A. Approve Minutes from the October 27<sup>th</sup>, 2020 Workshop and Regular Council Meeting

3B. Approve Payment of Claims, Check Number: 1295E through 1298E; Check Number 31798 through 31849; and Check Number: 502584E through 502592E totaling \$67,367.78;

3C. Approve October Building Permits

3D. Approve Public Works General Maintenance Hire

3E. Approve Awning Purchase for 8230 Main Street

3F. Approve Special Council Meeting, Friday, November 13, 2020

Motion Carried: Voting in favor; Hafften, Martinson and Seymour.

**New Business: Resolution #20-44 Detachment of Verhoven Property**

Administrator / Attorney Madsen explained that the property located at 3741 Halsey Avenue S.E., Rockford Township had a garage that was built over the property line to the south, that encroached into City Limits and upon the property owned by Wright Hennepin Electric Coop. Attorneys for Mr. Verhoven had negotiated the deed of an approximate 30 foot by 120 foot sliver of property to the Verhoven property from Wright Hennepin, which would bring that property into compliance by shifting the lot line under the encroaching garage. While this brought the property into compliance with the garage setback, it did not correct the issue of the property running across the corporate boundaries of the City of Rockford.

Staff began working with the Verhovens and the State to determine the best way to correct this issue. While annexing the property into City Limits would be the most common correction, this would subject the property to City property tax and entitle the property to City services. The alternative to this is having the Township and the Council pass matching Resolutions “detaching” the parcel from Rockford City Limits.

After discussion and review, including the benefit of adding the parcel to Rockford limits, with the increased cost and burden of providing the landlocked predominantly Township property with city governance and city services, **MOTION** was made by Martinson and seconded by Seymour, to approve Resolution #20-44 and detach the parcel from Rockford City Limits.

Motion Carried: Voting in favor; Hafften, Martinson and Seymour.

**New Business: Cares Act Grant Programs**

Administrator / Attorney Madsen explained that the City had received a total of five business applications and two nonprofit applications for the Cares Act Grant Programs established by the City of Rockford. Madsen explained and reviewed each application, including the Resolution drafted to approve each Grant, with the motions and votes as follows:

Clays, LLC

Heather Gonsior filed the application on behalf of Clays, LLC, located at 8900 Walnut Street, Suite 500, Rockford, Minnesota 55373. Clays states in their application that they would use the

grant for Rent and Utilities, but are also able to use the grant towards inventory, payroll or other qualified expenses. Clays, LLC is owned by Mark and Beth Saliterman, both residents of the State of Minnesota. While Clays, LLC has received funding through the Paycheck Protection Plan, Economic Injury Disaster Relief Loan and Wright County Cares Act loan programs, they have outstanding electric utilities, rent, garbage service, and various other expenses that are not covered by other sources. Because Clays is a restaurant, it was recommended that they meet a prima facie case of economic injury as they were required to be closed for several weeks by Executive Order of Governor Tim Walz.

After discussion and review, including consideration of the recommendation of Staff and the information contained in the Memorandum and Resolution regarding the impact of Covid-19 on Clays, LLC and the importance of the requested grant award, **MOTION** was made by Seymour, and seconded by Martinson, to approve Resolution #20-45 awarding the grant in the full amount of \$10,000 to Clays, LLC and that funds be provided to Clays, LLC after receipt of documentation that electric utilities, labor, garbage service and other expenses that have been paid.

Motion Carried: Voting in favor; Hafften, Martinson and Seymour.

#### Red Vest, LLC

Loyal Staskivige, owner of Red Vest, LLC, filled out the application on behalf of the bar, located at 8210 Bridge Street, Rockford, Minnesota 55373. The Red Vest stated in their application that they would use the grant for loan repayment for a loan taken out through the City of Rockford Emergency Loan Program, but are also able to use the grant towards inventory, payroll or other qualified expenses. The Red Vest is owned solely by Loyal Staskivige, who is a resident of the State of Minnesota. The Red Vest stated that they have received funding through the Paycheck Protection Plan, but have outstanding debt including the Emergency Loan which funded payroll, rent and other expenses that allowed them to remain open for business. Because the Red Best is a bar, it was recommended that they meet a prima facie case of economic injury as they were required to be closed for several weeks by Executive Order of Governor Tim Walz. After additional discussion and review, **MOTION** was made by Mayor Hafften, and seconded by Martinson, to approve Resolution #20-46 and award Red Vest, LLC the grant in the full amount of \$10,000.

Motion Carried: Voting in favor; Hafften, Martinson and Seymour.

#### ABC Lettering

Cheryl Barningham, owner of ABC Lettering, has filled out the application on behalf of her business, located at 8200 Bridge Street, Rockford, Minnesota 55373. ABC Lettering stated in

their application that they would use the grant for rent, electric utilities, property taxes and inventory and payment to suppliers. ABC Lettering is owned by Timothy and Cheryl Barningham, who are residents of the State of Minnesota. ABC Lettering stated that they have not received funding through the Paycheck Protection Plan, Economic Injury Disaster Relief Loan, Wright County Cares Act loan program or any other grant or loan programs. ABC Lettering has not provided any financial documentation, stating that they have not completed their 2018 or 2019 taxes. ABC Lettering is not a business that was closed by Executive Order, but state that they have suffered financial impact through the restrictions placed upon schools and youth sports associations. ABC Lettering provides that much of their revenue comes from schools, youth sports and the hospitality industry, so those closures and restrictions have caused a financial burden and hardship on their business.

After discussion and review, **MOTION** was made by Martinson, and seconded by Seymour, to approve Resolution #20-47 and provide a grant in the amount of \$8,000 contingent upon ABC Lettering providing some type of financial documentation, quick books report or other showing their revenues and expenses in the target timeline of the Cares Act Grant Program.

Motion Carried: Voting in favor; Hafften, Martinson and Seymour.

#### Brothers Eatery

Guillermo Calle, owner of The Brothers Eatery, filled out the application on behalf of the restaurant, located at 8230 Bridge Street, Rockford, Minnesota 55373. Brothers Eatery does not state a specific use for the grant in their application, but would be able to use the grant for rent, electric utilities, inventory, payroll or other qualified expenses. Brothers Eatery is owned by Geronimo, Guillermo and Elmer Calle, who are all residents of the State of Minnesota. Brothers Eatery stated that they have not received funding through the Paycheck Protection Plan, Economic Injury Disaster Relief Loan, Wright County Cares Act loan program or any other grant or loan programs. Because Brothers Eatery is a restaurant, it is recommended that they meet a prima facie case of economic injury as they were required to be closed for several weeks by Executive Order of Governor Tim Walz. Brothers Eatery has not provided financial documentation, but they opened in March / April of 2020, which was during the pandemic. They would not have any financials for 2019 that would be available to review.

After additional discussion and review, **MOTION** was made by Mayor Hafften, and seconded by Seymour, to approve Resolution #20-48 and grant in full amount of \$10,000 upon receipt of electric utilities, labor, garbage service, rent and other expenses that have been paid.

Motion Carried: Voting in favor; Hafften, Martinson and Seymour.

#### Billy's Bar & Grill

Keith Greeninger, owner of KCG Hospitality, Inc, dba Billy's Rockford Bar, filled out the application on behalf of the restaurant, located at 8060 Highway 55, Rockford, Minnesota 55373. Billy's states in their application that they would use the grant for Rent and electric utilities but are also able to use the grant towards inventory, payroll or other qualified expenses. Billy's is owned solely by Keith Greeninger, who is a resident of the State of Minnesota. Billy's states that they have not received funding through the Paycheck Protection Plan, Economic Injury Disaster Relief Loan, Wright County Cares Act loan program or any other grant or loan programs. Because Billy's is a restaurant, they meet a prima facie case of economic injury as they were required to be closed for several weeks by Executive Order of Governor Tim Walz. They have provided financial documents that are on file. On that basis, and with the showing of need, it is recommended that Billy's be awarded the grant in the full amount of \$10,000, and that they be asked to provide documentation of those electric utilities, labor, garbage service and other expenses that have been paid.

After additional discussion and review, **MOTION** was made by Martinson, and seconded by Seymour, to approve Resolution #20-49 and award Billy's Rockford Bar the grant in the full amount of \$10,000.

Motion Carried: Voting in favor; Hafften, Martinson and Seymour.

#### RiverWorks Food Shelf

Denise Kesanen, Executive Director of the RiverWorks Food Shelf, filled out the application on behalf of this nonprofit, located at 8230 Cedar Street, Rockford, Minnesota 55373. The Food Shelf provides that they would use their grant for payroll and electric utilities. The RiverWorks Food Shelf is a Minnesota Nonprofit Organization. The Food Shelf stated that they have received funding through the Paycheck Protection Plan and Economic Injury Disaster Relief Loan, but they still have financial need based upon the impact of the pandemic on their nonprofit. As provided in the supporting documents, and as witnessed in the community, labor costs increased dramatically during this pandemic is volunteer staff resigned due to fear of the Coronavirus. At this same time, the Council discussed the demand for food and services at the food shelf increased dramatically based upon the unemployment rate and people displaced due to closure of their employer by Executive Order of Governor Tim Walz.

After discussion and review, **MOTION** was made by Martinson, and seconded by Mayor Hafften, to approve Resolution #20-50 and award the grant in the full amount of \$15,000 to the RiverWorks Food Shelf and provide the funding after documentation and receipt of those electric utilities, labor, inventory, garbage service and other qualified expenses that have been paid.

Motion Carried: Voting in favor; Hafften, Martinson and Seymour.

### Rockford Lions

Lions President, Scott Soukup, filled out the application on behalf of this nonprofit. No physical address is listed for this nonprofit, but the Rockford Lions do hold bi-monthly meetings at the Park Shelter located in Riverside Park, Rockford, Minnesota 55373. The Rockford Lions provide that they would use their grant for community needs, assumedly in the form of donations to be provided pursuant to their program. The Rockford Lions is a Minnesota Nonprofit Organization. The Lions stated that they have received funding through the Paycheck Protection Plan that was used towards payroll and rent for gaming operations. As provided in the supporting documents, the Lions were unable to hold fundraisers and events due to restrictions during the pandemic, and they suffered losses in lawful gambling proceeds due to closure of their pull-tab location by Executive Order of Governor Tim Walz.

Members of the Staff and Council discussed the nature of the Lions Club and their rent and payroll expenses as qualifying expenses that could be funded by Cares Act Grant Program funds, so long as those expenses were incurred by the pandemic. After additional discussion and review, **MOTION** was made by Seymour, and seconded by Martinson, to approve Resolution #20-51 and award a grant in an amount equal to the unpaid rent and labor during the timing provisions of the grant program for expense that was not covered by any other grant program including the Paycheck Protection Program not to exceed the amount of 10,000.

Motion Carried: Voting in favor; Hafften, Martinson and Seymour.

Madsen then explained that the Small Business Grant Program was originally funded with \$40,000, and the Nonprofit Grant Program was originally funded with \$45,000. The five applications approved for the Small Business Grant Program exceeded the available funding, but only having two applications approved through the Nonprofit Grant Program left funding that could be transferred to the Small Business Grant Program.

After discussion and review, **MOTION** was made by Seymour, and seconded by Martinson, to transfer \$15,000 from the Nonprofit Grant Program for funding in the Small Business Grant Program to cover the difference in the Grants awarded.

Motion Carried: Voting in favor; Hafften, Martinson and Seymour.

### **Old Business: Resolution #20-52 Approving Third Cares Act Purchases**

Administrator / Attorney Madsen explained that the Council was being presented with a third Resolution approving Municipal Cares Act Purchases. Madsen summarized the Resolution and Memorandum stating that one purchase was for upgrades to the Public Works, City Hall, Council Chambers and Fire Department conference centers for

distanced meeting and teleconferences. Madsen explained that the Council had previously approved purchases in the amount of \$17,475.64 from Best Buy, but that Staff had been unable to clear several hurdles to purchase as a tax exempt entity and get the conference room upgrades purchased and installed in a timely manner.

Alternatively, Bill Bruce from the Sherburne Wright Cable Commission sent estimates for these same upgrades, but included necessary and important upgrades to the Council Meeting equipment in Council Chambers that would better support teleconference meetings and distance communications in light of the pandemic challenges facing the City. The total cost of the new upgrades was proposed at \$36,105.01, but putting the funding previously allocated to the Best Buy upgrades to this cost, the additional expense would be \$18,629.37.

The Council then discussed the Fire Department interest in purchasing a Lucas Machine that reduces the Firefighters contact with a patient in cardiac failure from as many as ten or more down to just three. The machine allowed for remote chest compressions that were also consistent, providing less contact with the patient and a medical benefit.

After discussion and review, including that there would still be \$113,383.03 left in Cares Act funds that could be used to support the intended purposes and many other policy considerations involved in both the Conference Room upgrades and Lucas Machine benefits, **MOTION** was made by Seymour, and seconded by Martinson, to approve Resolution #20-52 and purchases.

Motion Carried: Voting in favor; Hafften, Martinson and Seymour.

### **Staff Reports**

Members of the Staff and Council then discussed current events and provided updates regarding the Election Canvassing and Special Meeting set on for noon on Friday, November 13<sup>th</sup>, 2020; a generous grant received by the City of Rockford from the City of Greenfield in the amount of \$22,000 from Cares Act funds to support the Fire Department, and that there would be one more Cares Act Funds Resolution at the next Meeting for Council review.

### **Adjournment**

**MOTION** was then made by Seymour, and seconded by Martinson, to adjourn the meeting.

Motion Carried: Voting in favor; Hafften, Martinson and Seymour and the meeting was adjourned at approximately 6:50 p.m.

Typed this 16<sup>th</sup> day of November, 2020.

Dan Madsen

City Administrator, Special Counsel

City of Rockford Minnesota

All meetings of the Rockford City Council are video recorded and available for viewing on-line at [www.cityofrockford.org](http://www.cityofrockford.org). Meeting minutes are intended to be a general synopsis of the meetings of the City Council, and more detail regarding discussions and policy considerations is provided by watching the recording of the meeting.

Approved:

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Renee Hafften  
Mayor

Attest:

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Dan Madsen  
City Administrator, Special Counsel