

Citizens' Finance Advisory Commission Minutes

December 8th – 6:00 PM

City of Loveland Council Chambers, 500 E. 3rd Street, Loveland, CO 80537

Committee Members Present: Bob Foley, Jim Atkins, Bruce Finger, Ralph Trenary, Jon Smela, John Case, Jodi Radke, Dave Clark, Erik Trenary, and Aurora Randolph.

Staff & Council Liaison Present: John Hartman, Cathleen McEwen, Betsey Hale, Alan Krcmarik, Mike Scholl and Dawn Wirth.

Public Present: Tony Adams.

CALL TO ORDER:

Ralph Trenary called the meeting to order at 6:28 PM.

APPROVAL OF MINUTES:

Ralph asked if there were any changes to the November minutes. **Motion was made and seconded to approve the minutes as submitted. Motion passed 8-0.**

REGULAR AGENDA:

Job Development Fund

City staff Alan Krcmarik, Mike Scholl and Betsey Hale gave a group presentation on a proposed Job Development Fund. Betsey began by giving a brief overview of the City's current Economic Development Policy and its intended purpose.

Mike Scholl, Senior Planner, gave background history on the downtown redevelopment plan as a member of the Downtown Development Team. He explained the strategic plan and ultimate goal in a value driven downtown that city funding for projects is not required.

Alan Krcmarik continued the presentation by explaining the current investment portfolio and the proposed investment. The proposal would allow staff to use the investment portfolio to lend money as a type of bond to potential businesses who would be creating new jobs in Loveland. Due to the current state of the economy, banks are not lending full loan amounts, leaving businesses without enough capital for the full project. The proposed bond would be a short-term higher interest loan, similar to the construction loan used to start the project, and cover the small gap between bank financing and the full amount of capital required. This is not for permanent long term loans, but is intended to last no more than 3 years and be paid back in full when the project obtains long term financing for the project. Further discussion ensued on the details of the proposal and the eligibility criteria of the businesses.

Concern was raised that the financial risk is being transferred from the bank to the City. Risk mitigation is being drafted in the Investment Policy. Discussion ensued regarding a recommendation for Council to revise the policy. Alan asked if any members would like to assist in drafting a new policy and Jim Atkins volunteered.

Motion was made to recommend endorsing the Job Development Fund contingent upon Council amending of the Investment Policy. Motion was seconded. Further discussion ensued. Original motion and its second were withdrawn and an amended motion was drafted.

Motion was made stating, "Contingent upon City Council amending the Economic Development Policy, CFAC recommends to City Council that they allow investments in the Loveland Job Development Fund." Motion was seconded and passed 7-0.

Discussion ensued on proper procedure for presenting the recommendation to Council. Decision was made to include the recommendation as part of the staff report item cover sheet.

REPORTS:

Council Update

Cathleen gave a brief update on the latest Council meeting. She announced that she took a course at the National League of Cities Conference on guarding the government checkbook and suggested that copies of those handouts be given to CFAC. Brief discussion ensued. John Hartman ensured members would get copies.

Director Update

John Hartman announced that next Tuesday, the City Manager will be making a presentation on public outreach to develop strategies on achieving financial sustainability to City Council. Current projections indicate that General Fund revenues will grow at the same pace as projected expenditures for existing services. He explained there are a couple of opportunities for commission members to be a part of subcommittees as a result of the public outreach initiative on the budget and the Capital Expansion Fees (CEF) working group that will examine and provide recommendations on CEF fees to City Council. Discussion continued on those potential opportunities.

Announcement

Ralph announced that tonight will be Bob Foley's last meeting as his term expires at the end of the month. He presented Bob with a Certificate of Appreciation and thanked him for his participation on the commission.

Ralph stated he would be unable to attend the next Council Meeting and requested that another commission member attend next Council Meeting. Jim Atkins and John Case both plan to attend.

Jim Atkins would like to thank Ralph for his time and effort. He also commended Aurora Randolph on her article published in the Reporter Herald.

Jodi and other members thanked the City for the holiday dinner.

ADJOURNMENT:

Motion was made and seconded for adjournment. Meeting was adjourned at 8:39 PM.

Minutes respectfully submitted,

Dawn Wirth, Secretary to the Board