

# TOWN OF FLORENCE WORK SESSION

Mayor Tara Walter  
Vice-Mayor John Anderson  
Councilmember Kristen Larsen  
Councilmember Karen Wall  
Councilmember Michelle Cordes  
Councilmember Judy Hughes



Florence Town Hall  
775 N. Main Street  
Florence, AZ 85132  
(520) 868-7500  
www.florenceaz.gov  
Meet 1<sup>st</sup> and 3<sup>rd</sup> Mondays

**Monday, August 10, 2020**

**6:00 PM**

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Pursuant to A.R.S. § 38-431.02, notice is hereby given to the Town of Florence Council and to the general public that a Work Session of the Florence Town Council will be held on Monday, August 10, 2020, at 6:00 p.m., in the Florence Town Council Chambers, located at 775 N. Main Street, Florence, Arizona.

## **SPECIAL NOTICE REGARDING PUBLIC MEETINGS**

*Due to the risks to public health caused by the possible spread of the COVID-19 virus at public gatherings, the Town of Florence has determined that public meetings will be indefinitely held through technological means. Meetings will be open to the public through technological means. In reliance on, and in compliance with, the March 13, 2020 Opinion issued by Attorney General Mark Brnovich, and in conjunction with the Emergency Proclamation signed by Mayor Tara Walter, on March 18, 2020. The Town of Florence provides this special advance notice of the technological means through which public meetings may be accessed. While this special notice is in effect, public comment at meetings will only be accepted through written submissions, which may or may not be read aloud during meetings.*

*To attend the meeting noticed below by technological means, members of the public may:*

1. Access the link to watch a video stream on the Town website: [www.FlorenceAZ.gov/tv](http://www.FlorenceAZ.gov/tv) or view the meeting live on Cox TV Channel 11.

2. To Zoom:

Please click the link below to join the meeting:

<https://us02web.zoom.us/j/88552575351?pwd=VIJKS0FBcTRLQU80bldkL0RPNlZpUT09>

3. To call in and listen, please dial:

Telephone:

US: +1 346 248 7799 or +1 669 900 6833

Webinar ID: 885 5257 5351

Passcode: 874988

Members of the public may submit written comments relating to this meeting to Town Clerk Lisa Garcia by emailing [lisa.garcia@florenceaz.gov](mailto:lisa.garcia@florenceaz.gov) at any time until one hour prior to the posted start time for the meeting. Please be sure to include your name and address for the record as well as the meeting date (and Agenda Item #, if applicable) in the subject of your email.

If any member of the public has difficulty connecting to the meeting, they are invited to contact the Town of Florence Information Technology Helpdesk at (520) 868-7543.

The agenda for this meeting is as follows:

**1. CALL TO ORDER**

**2. ROLL CALL:** Tara Walter, John Anderson, Karen Wall, Kristen Larsen, Michelle Cordes, Judy Hughes

**3. WORK SESSION ON THE CARES ACT FUNDING.**

**4. ADJOURN TO EXECUTIVE SESSION**

Discussion and possible action to authorize the holding of an Executive Session during the Council Meeting for the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(3), (A)(4) and (A)(7) to consider its position and instruct its representatives and/or attorneys regarding:

- a. Town's position and instruct its attorneys regarding pending litigation in Maricopa County Superior Court: Town of Florence v. Florence Copper, Inc. CV2015-000325, including counterclaims.
- b. Town's position and instruct its attorneys regarding Arizona Department of Environmental Quality proceedings, related to Water Quality Appeals Board Case No. 16-002, including appellate proceedings to reviewing courts.
- c. Discussion or consultation regarding Southwest Environmental Utilities.

**5. ADJOURN FROM EXECUTIVE SESSION**

**6. ADJOURNMENT**

Council may go into Executive Session at any time during the meeting for the purpose of obtaining legal advice from the Town's Attorney(s) on any of the agenda items pursuant to A.R.S. § 38-431.03(A)(3). One or more members of Council may appear for part or all of the meeting including Executive Session telephonically.

**POSTED ON AUGUST 6, 2020 BY LISA GARCIA, TOWN CLERK, AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA, AND AT [WWW.FLORENCEAZ.GOV](http://WWW.FLORENCEAZ.GOV).**

**\*\*\* PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT (ADA), THE TOWN OF FLORENCE DOES NOT DISCRIMINATE ON THE BASIS OF DISABILITY REGARDING ADMISSION TO PUBLIC MEETINGS. PERSONS WITH A DISABILITY MAY REQUEST REASONABLE ACCOMMODATIONS BY CONTACTING THE TOWN OF**

**FLORENCE ADA COORDINATOR, AT (520) 868-7574 OR 711 TDD. REQUESTS SHOULD BE MADE AS EARLY AS POSSIBLE TO ALLOW TIME TO ARRANGE THE ACCOMMODATION.**  
**\*\*\***

	<b>TOWN OF FLORENCE COUNCIL ACTION FORM</b>	<b><u>AGENDA ITEM</u></b> <b>3.</b>
<b>MEETING DATE:</b> August 10, 2020  <b>DEPARTMENT:</b> Administration  <b>STAFF PRESENTER:</b> Benjamin Bitter Intergovernmental and Communications Manager  <b>SUBJECT:</b> Florence CARES Funding		<input type="checkbox"/> Action <input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <ul style="list-style-type: none"> <li><input type="checkbox"/> Regulatory</li> <li><input type="checkbox"/> 1<sup>st</sup> Reading</li> <li><input type="checkbox"/> 2<sup>nd</sup> Reading</li> </ul> <input type="checkbox"/> Other
<b>STRATEGIC PLAN REFERENCE:</b> <input type="checkbox"/> Community Vitality <input checked="" type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnership and Relationships <input type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input type="checkbox"/> None		

**RECOMMENDED MOTION/ACTION:**

Today’s Work Session is ‘For Discussion Only.’ If there is a general consensus amongst the Council, Staff will return for Council Action at the next available Regular Meeting.

**BACKGROUND/DISCUSSION:**

On March 27<sup>th</sup>, President Trump signed the CARES Act into law. This Act provided funding to cities, towns, counties, and states to help their communities recover from the economic impacts of the COVID-19 pandemic.

On May 27<sup>th</sup>, Governor Ducey announced that \$441 million of the \$1.8 billion that the state of Arizona received would be available to local governments to help cover the regular payroll costs of public safety personnel. In turn, this could free up some existing capacity in some local governments’ budgets that could be used elsewhere. The Town is exploring how best to utilize some of our allocation to also support local businesses and nonprofits.

Of the \$441 million allocated by the State for the AZCares fund, Florence is eligible for up to \$3,148,226. These funds are meant to cover Town expenses spent in response to the COVID-19 pandemic, and were justified by submitting the expenses for Public Safety from March 1<sup>st</sup> through December 31<sup>st</sup> (as projected). Any disbursement from the Town of these funds would still be subject to the same regulations and guidelines on the CARES Act funding from the U.S. Department of Treasury and the statutes and regulations of the State of Arizona, including the ‘Gift Clause.’

Tonight's presentation provides the Council and general public with a foundational background about CARES Act funding, and then Staff has proposed a recommendation for future Council action.

Because of the limited funds received from the State (only about 37% of what the federal government said that cities and towns should have received), and due to partisan disagreements relating to a fourth federal stimulus package, it is unlikely that the Town will receive additional funds.

In Florence, 63 small businesses have already received Payroll Protection Program forgivable loans of up to \$150,000, and one Florence business received a loan of between \$150,000 and \$300,000. These businesses range from Non-profit Organizations to LLCs and Independent Contractors to Self-Employed businesses. We do not have data on how many may have also applied for or received Economic Injury Disaster Loans or other SBA grants/loans.

Town Staff has derived a recommended program for the distribution of some of these funds, while balancing the need for the Town to retain funding to assist in its additional operational expenses as a result of the COVID-19 pandemic. This program would provide community funding of up to \$300,000 for PPE and physical equipment costs that enhance the safety of visitors and staff of their Florence-based business. Businesses would also be eligible for a reimbursement for water/sewer/electrical utility costs in the months of March, April, and May, as these utilities further promoted the health and safety of the general public and workforce. Each business would be eligible for up to \$10,000 reimbursement between the two types of public health expenses (PPE and utilities). **Funding would be on a first-come-first-served basis**, until the maximum amount of \$300,000 is reached.

Businesses would have until 10/31/2020 to apply to the Town for reimbursement of these expenses. An application will be developed, and businesses will have to submit receipts and a completed and signed application. Applications would be reviewed by an internal review team, selected by the Town Manager. As applications are approved, the team will forward recommendations on to the Town Council for action at the next available Regular Meeting.

If acceptable to Council, Staff will provide a full recommendation (including application materials, etc.) for action on or before the 9/7/2020 Town Council meeting (depending upon the adjustments necessary, if any). The goal is to provide the public with access to the funds as quickly as possible.

**A VOTE OF NO WOULD MEAN:**

Not applicable

**A VOTE OF YES WOULD MEAN:**

Not applicable

**FINANCIAL IMPACT:**

Staff recommends that the Florence CARES grant provide up to \$300,000 to local small businesses, reimbursing successful recipients for costs incident to improving public health.

**ATTACHMENTS:**

PowerPoint Presentation on Florence CARES funding



# Florence CARES Funding

Helping Florence Return Stronger



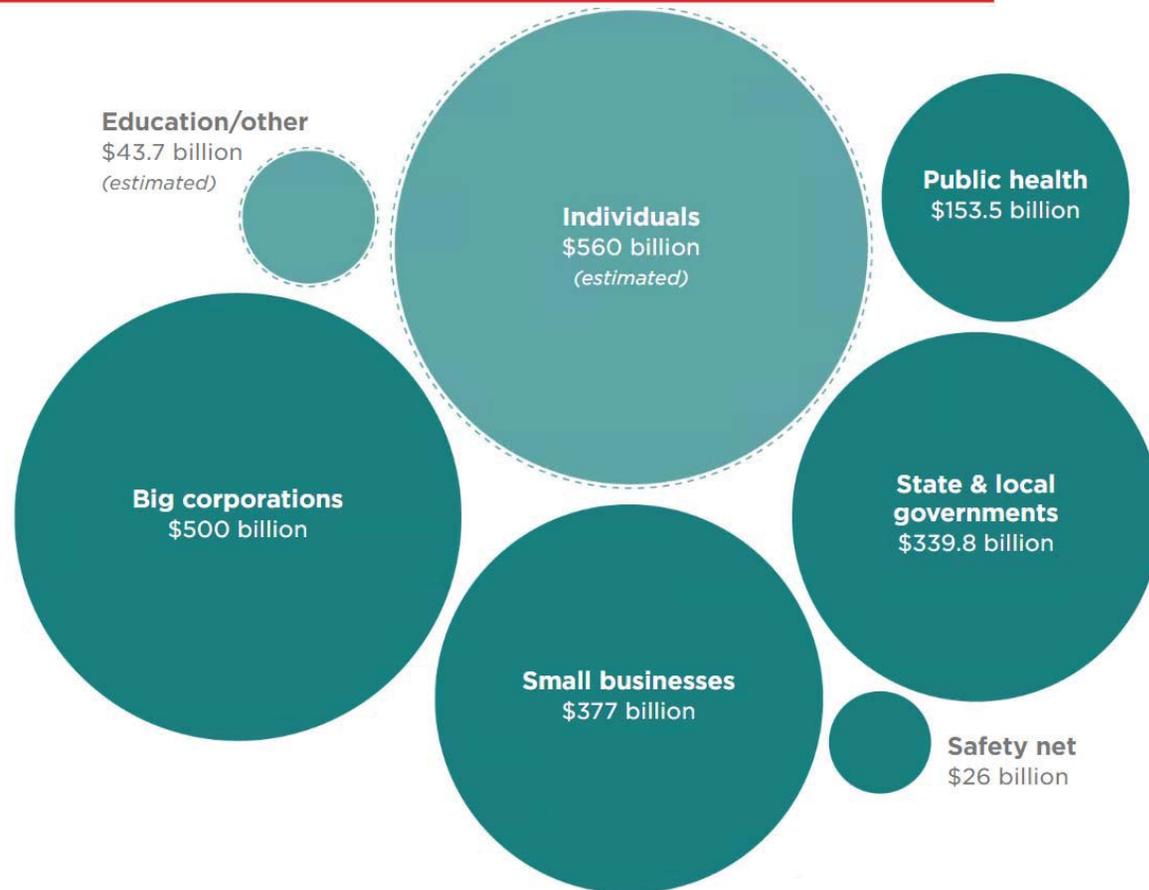
# Background

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- The *Coronavirus Aid, Relief, and Economic Security Act*, also known as the CARES Act, is a **\$2.2 trillion** economic stimulus bill passed by the 116th U.S. Congress and signed into law by President Donald Trump in March 2020.
- The Act provided funding of various forms and was distributed through various mechanisms.



# CARES Act Distributions





# CARES Act Funds

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- Individual Relief - **\$300 billion**
  - Direct payments to taxpayers.
  - Up to \$1,200 per adult, plus \$500 for each dependent.
- Unemployment Benefits Increase - **\$260 billion**
- Major Industry Loans - **\$208 billion**
- Small Business Loans - **\$300 billion**
- Paycheck Protection Program - **\$300 billion**



# CARES Act Funding for Small Business

## Funding Options

In addition to traditional SBA funding programs, the CARES Act established several new temporary programs to address the COVID-19 outbreak.



### Paycheck Protection Program

This loan program provides loan forgiveness for retaining employees by temporarily expanding the traditional SBA 7(a) loan program.

[Learn more](#)



### EIDL

This loan will provide economic relief to small businesses and non-profit organizations that are currently experiencing a temporary loss of revenue.

[Learn more](#)



### SBA Express Bridge Loans

Enables small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 quickly.

[Learn more](#)



### SBA Debt Relief

The SBA is providing a financial reprieve to small businesses during the COVID-19 pandemic.

[Learn more](#)

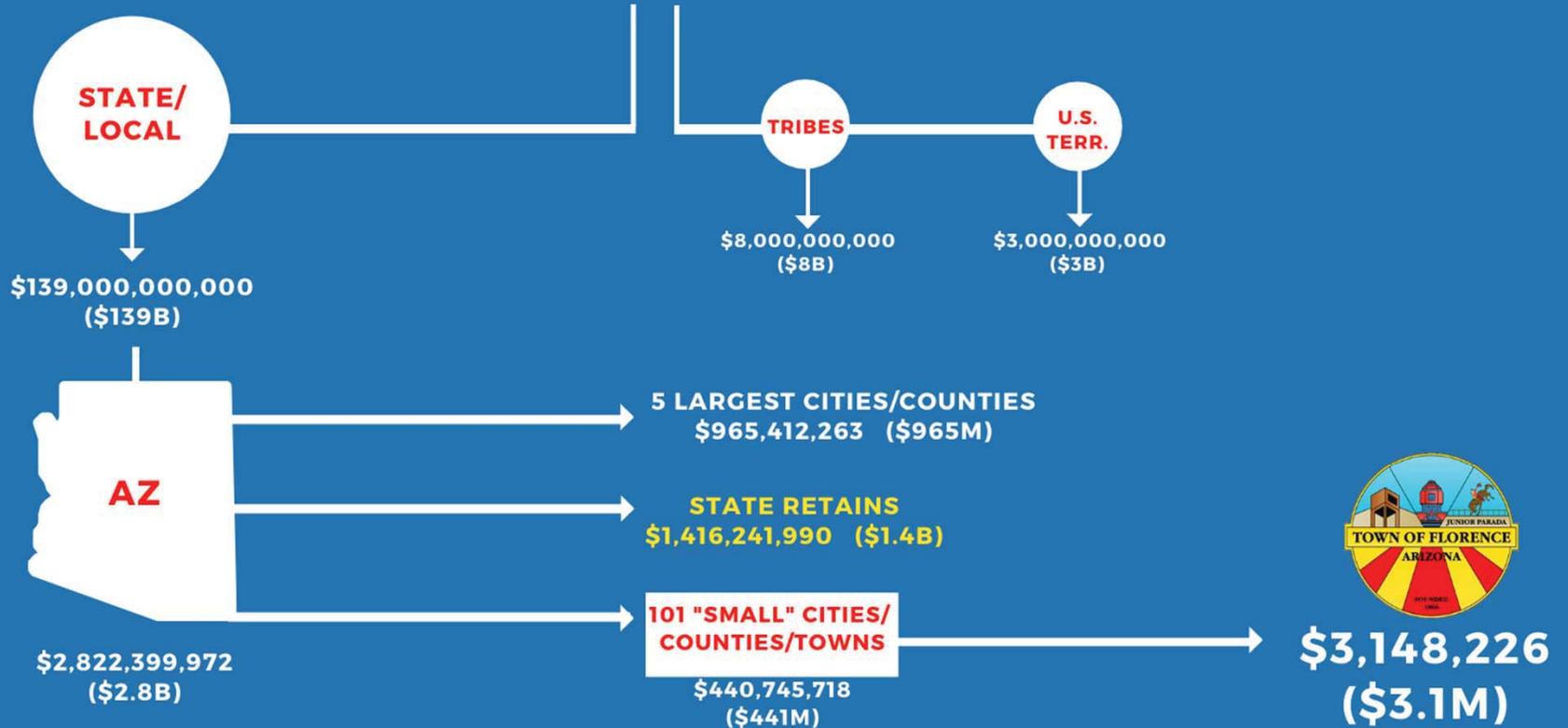


# CARES ACT



CREATION OF THE  
CORONAVIRUS  
RELIEF FUND

\$150,000,000,000  
(\$150B) FUND





# CARES Distribution to Cities

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- Federal guidance from U.S. Department of Treasury said that 45% of the funds received by the State should be allocated to cities, counties, and towns.
  - Under this scenario, Arizona cities, counties, and towns would receive **\$1,270,079,987**.
  - Through the AZCares Fund, cities, counties, and towns received only **\$440,745,718**.
  - This equates to only **34.7%** of the amount that should have been allocated under the Treasury guidelines.
  - Furthermore, cities in Maricopa County and Pima County received access to a greater percentage of funds, due to those Counties receiving an allocation directly from the federal government.



# AZCARES Fund

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- Florence was allocated \$3.1M from the Governor's AZCARES Fund.
- These funds are meant to cover the costs of Public Safety response to the COVID-19 pandemic.
- To receive the funds, we submitted payroll costs/projections from March 1<sup>st</sup>, 2020 through December 31<sup>st</sup>, 2020.
- The Town's public safety expenses during this time justified the \$3.1M reimbursement into the General Fund.



# Concerns

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1. There may not be any more money allocated to local governments.
2. The Town's fiscal year 2020-2021 budget proposed to reduce fund balance by \$1.7 million. Retaining AZCARES Funding could help reduce the impact on the Town's "rainy day" funds.



How do we balance our desire to assist small businesses within our community, with our need to maintain the vital services that these funds were meant to protect (e.g., public safety)?

3. Giving money to small businesses could violate the Arizona Constitution.



# Concern 1 - New Stimulus Package?

- Congress has debated various proposals for another stimulus package.
- Partisan proposals have come out of both chambers.
  - HEROES Act – Passed by House
  - HEALS Act – Proposed by Senate Leadership
- Compromise?
  - Both bills include additional funding for:
    - Individual stimulus payments
    - Additional unemployment benefits
    - Expansion of the Payroll Protection Program
    - Over \$100B in new funding for schools



# Concern 2 - Recent Increased Expenses

- The Town does not have access to PPP or EIDL.
- Like other businesses, the Town has seen a loss of revenue and increased expenses for certain items used in response to COVID-19.
- These include:
  - Emergency Communications / Mobile Radios
  - Technology Upgrades
  - Citizen Complaint Portal
  - Technology/Laptops/etc.
  - PPE
  - Plexiglas and other physical protections
  - Business License Fee waivers
  - Increased jail costs
  - Federally-mandated leave (and associated overtime) due to FFCRA
  - Additional turnout gear
  - Revenue Loss (due to closure of pool, Parks/Rec. programming, slower economy due to pandemic, etc.).
  - COVID Leave given to certain frontline employees
  - Matching funds required for FEMA public assistance
  - Event cancellations (Country Thunder, Rodeos (?))



## Concern 3 - Arizona's Gift Clause

- Found in the Arizona Constitution, Article 9 §7, and reads as follows:

*"Neither the state, nor any county, city, **town**, municipality, or other subdivision of the state shall ever give or loan its credit in the aid of, or make any donation or grant, by subsidy or otherwise, to any individual, association, or corporation, or become a subscriber to, or a shareholder in, any company or corporation, or become a joint owner with any person, company, or corporation."*

- Money can be provided to other entities if giving the money or subsidy promotes a public purpose.
- Each expenditure of money must be analyzed like the consideration in any contract. In other words, is the city/town getting a direct benefit from something that is of equal or similar value in return for what they are giving?



# Other Communities

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- Queen Creek
- **\$5.2M direct, plus benefits from Maricopa County's \$399M**
- \$500,000 (10% of total) to local businesses
  - Grant program to reimburse businesses for costs incurred in connection with enhanced sanitization, employee safety, and customer safety.
  - Eligible businesses include for-profit, small businesses located at a physical, commercial address in Queen Creek that hold a valid Queen Creek business license.
  - Grant money will be distributed based on the number of full-time equivalent employees (FTE) or contractors the business employed on March 1, 2020. For each FTE or contractor, the grant program will provide \$500 per employee to be used to offset the expenses in connection with enhanced sanitization, employee safety, and customer safety. Maximum eligible award per business is \$12,500. Businesses can begin applying on Monday, July 20 by visiting [InvestTheQC.com/Together](https://InvestTheQC.com/Together).



# Other Communities

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- **Maricopa**
- **\$6.0M direct**
  - \$1.7M (28% of total) to local businesses and non-profits
    - Small Business Reemergence Program - \$1.35M
    - Non-Profit Program - \$350,000
  - Includes assistance for mortgage or lease payments from March to May, and any PPE related expenses.
  - Program does not include funding for lost revenue.
  - Funding cycle closed in late July.
    - Council ultimately authorized \$569,000 of grants (or 10% of total).



# Other Communities

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- **Scottsdale**
- **\$29.6M direct, plus benefits from Maricopa County's \$399M**
- \$8.5M (29% of total) to local businesses
  - \$3 million for care for vulnerable citizens;
  - \$450,000 for residential utility assistance program;
  - \$5 million for business assistance programs;
- \$21.1M (71% of total) for city operations and expenses
  - \$3.1 million for community facilities safety upgrades;
  - \$1.5 million for arts and culture programs;
  - \$100,000 for public health communication;
  - \$2.2 million for city buildings safety retrofits;
  - \$871,232 for telework/technology expenses;
  - \$1.3 million for PPE/sanitation/cleaning;
  - \$2.2 million for emergency response;
  - \$2 million for future COVID-19 resurgence preparation;
  - \$4 million for public safety; and
  - \$3.8 million for unallocated funds remaining.



# Recommended Guidelines to Follow

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- Reimburse expenses that have assisted in improving the “public health” within the Town of Florence.
- Under U.S. Treasury guidance, CARES funds must be spent by 12/31/2020. To ensure adequate processing time, the Town should receive applications **through 10/31/2020**.
- Grants should be provided instead of loans. Loan processing requires immense administrative burden and slow processes.
- Require physical brick-and-mortar storefront in the Town limits. Do not duplicate or overlap programs offered by Pinal County.
- Must have held a Town business license as of January 1<sup>st</sup>, 2020, and currently hold a valid Town business license.
- Cannot reimburse for lost revenue.



# Recommended Guidelines

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- Must be qualified as a “small business” as defined by the Small Business Act (15 USC 631, *et seq.*), that has implemented a program designed to undertake activities and will incur continuing expenses in connection with enhanced sanitation. <https://www.sba.gov/federal-contracting/contracting-guide/basic-requirements>
- Provide up to **\$500 PER EMPLOYEE** reimbursement and/or utility payment, up to **\$10,000** per business. Cap total grant amount at **\$300,000** to local businesses (or about 10% of total allocation). First come, first served basis.



# Eligibility Criteria

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- Reimbursement will be for costs incurred in connection with enhanced sanitization, employee safety, and customer safety, which may include, but is not limited to:
  - Disinfection of interior spaces and other high touch areas of small businesses;
  - Provision of personal protective equipment (including respirator masks, general face masks and gloves) for employees and customers, and the implementation of policies and practices that require employees and customers to wear respirator and/or general face masks;
  - The installation and maintenance of any physical barriers, such as Plexiglass shields, booths, or other barriers designed to limit the exposure of customers and employees to droplets and/or aerosols;
  - Creation of signage and programs designed to allow for delivery of goods, or curbside pickup of goods, along with the dedication of parking areas for such purposes;
  - Installation and maintenance of additional hand sanitizer stations;
  - Installation and/or maintenance of HVAC systems to include MERV 13 or higher air filters; and
  - Employment expenses related to the above activities.



# Eligibility Criteria

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- Businesses can also apply for utility reimbursement for water, wastewater, and electrical utilities paid while the 'Stay At Home' Order was in effect (i.e., the months of March, April, and May).
- As these services are necessary for the public health of the community, they are deemed eligible for reimbursement.
- The combined maximum grant award between protective equipment reimbursement and utility reimbursement is \$500 per employee (up to \$10,000 total per business).



# Application/Approval Process

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- Businesses will submit application and copy of receipts and supporting documents.
- Review Board, consisting of a representative from Finance, Grants, Legal, and Administration, will review the application for completeness and conformity with eligibility criteria.
- Review Board will gather recommendations and place these on the Consent Agenda for the next available Town Council agenda.
- Every two weeks, Council will have a chance to approve the recommendations of the Review Board.



# Direction

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- Town Staff will adapt this recommendation to the desires of Council and present the ultimate program guidelines and application materials for Council Action at the September 7<sup>th</sup> Town Council Meeting.
- Questions/Comments?