

ROBIN J. ELACKATT
Mayor

VASHAUNDRA EDWARDS
Councilmember at Large Position No. 1

LYNN CLOUSER
Councilmember at Large Position No. 2



CHERYL STERLING
Councilmember District A
JEFFREY L. BONEY
Councilmember District B
ANTHONY G. MAROULIS
Mayor Pro Tem
Councilmember District C
FLOYD EMERY
Councilmember District D

CITY COUNCIL SPECIAL MEETING MINUTES

The City Council of the City of Missouri City, Texas, met in special session on **Thursday, January 14, 2021**, at the City Hall, Council Chamber, 2nd Floor, 1522 Texas Parkway, Missouri City, Texas, 77489, at **6:00 p.m.** to consider the following:

Due to the COVID 19 Disaster and the Center for Disease Control's recommendation regarding social distancing measures, the Mayor, City Council, City Staff members, and members of the public were not physically present during this meeting. The meeting was made possible through the cloud-based video conferencing platform Zoom.

1. ROLL CALL

Mayor Elackatt called the meeting to order at 6:00 p.m.

Those also present: Mayor Pro Tem Maroulis, Councilmembers Emery, Boney, Edwards, Sterling, and Clouser; City Manager Jones, Assistant City Manager Atkinson, City Attorney Iyamu, City Secretary Jackson, Acting Fire Chief Partida, and Director of Communications Walker. Also present: Rosa Rios Valdez of BCL of Texas.

2. DISCUSSION/POSSIBLE ACTION

(a) Discuss the proposed administration of a small business loan program on behalf of the City.

Assistant City Manager Atkinson presented an overview of the small business loan program. Ms. Valdez discussed borrower eligibility, loan underwriting to support business growth needs, loan underwriting for commercial real estate, and loan underwriting for all Missouri City growth fund borrowers.

Mayor Elackatt requested that Assistant City Manager Atkinson explain how the proposed program was initially brought before City Council. Assistant City Manager Atkinson explained that the City Manager presented this item before City Council during the FY 2021 budget process and \$1.59 million was allocated for the program and expenses. City Manager Jones noted that approving the proposed administration of a small business loan program was part of the initial steps of implementing the framework; followed by City Council approving the underwriting criteria and appointing the appropriate oversight individuals; then to develop a take to market strategy for City Council consideration and approval; and, finally to launch the program. Discussion ensued regarding BCL's role, services, fee structure and processes.

Mayor Pro Tem Maroulis asked how a business could take on additional debt if they were going through tough times and in need of more foot traffic. Ms. Valdez stated they would not be looking at marginal troubled loans and if business could keep their doors open now, they would not recommend that they take on additional debt and undergo consultations to determine alternative remedies. Mayor Pro Tem Maroulis stated businesses were requesting relief, in need of foot traffic and believed the proposed small business loan program was geared more for new businesses. Ms. Valdez stated they were able to offer solutions depending on the circumstance. City Manager Jones stated the proposal was intended for businesses who want to grow, expand and move into Missouri City. Mayor Pro Tem Maroulis stated that in listening to consultants, local businesses were looking to survive in the current environment.

Councilmember Sterling believed the program was a good opportunity for struggling businesses. Councilmember Edwards thanked Ms. Valdez for her presentation and stated the program would be a great program to bring to the city.

Councilmember Clouser thanked Ms. Valdez for her presentation and asked what were to happen if a business were to sell if enrolled in the program. Ms. Valdez stated the new owner could assume or prepay the debt. City Manager Jones stated the process would be similar to selling a home. Councilmember Clouser asked if the program was targeted for all businesses in Missouri City. Ms. Valdez stated that was correct. Councilmember Clouser asked if residents were aware that their tax dollars would go into the loan program. City Manager Jones stated yes, as stated in the presentation and in previous presentations, that it would be the Missouri City loan fund. Councilmember Clouser expressed concerns with businesses which may default on City tax payer loans. City Manager Jones stated Missouri City would not be required to pay back anyone else's loan and most cities look at this as an investment into their businesses and drive business growth.

Councilmember Sterling stated she believed this was a win-win situation for Missouri City. Councilmember Boney stated that any business that loans money was as risk of losing it and any loan could be defaulted on. He added that there was no guarantee that loans would be paid back. Councilmember Sterling clarified the goal of the program was to drive more tax dollars into the City. City Manager Jones stated that was correct. Ms. Valdez stated what was not presented today was that, through the life of the loan, the fee the City would pay them was all-encompassing and service the loans.

Councilmember Emery asked how a positive assurance was measured. Ms. Valdez explained processes in place to verify businesses would be able to repay the debt. Councilmember Emery asked Assistant City Manager Atkinson to explain the \$90,000 budgeted from the \$1.59 million approved in the FY 2021 budget. Assistant City Manager Atkinson stated part of the \$90,000 was for the fee to service the program. City Manager Jones stated the amount would be less, should the City move forward with BCL. Councilmember Emery stated he believed the \$90,000 was for an additional employee. City Manager Jones answered no; however, City Council approved in the FY 2021 budget two economic development coordinators and the City was in the process of hiring a director of economic development.

Mayor Elackatt asked for the type of action needed for this agenda item. The City Manager requested direction from City Council.

Councilmember Sterling moved for the City to proceed with the small business loan program. Councilmember Edwards seconded. **MOTION FAILED.**

Ayes: Councilmember Edwards and Councilmember Sterling
Nays: Mayor Elackatt, Councilmember Clouser, Councilmember Boney,
Councilmember Maroulis and Councilmember Emery

3. **ADJOURN**

The special City Council meeting adjourned at 8:15 p.m.

Minutes PASSED AND APPROVED this the 1st day of February 2021.

Maria Jackson, City Secretary