



## MINUTES

### VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

#### BOARD OF DIRECTORS MEETING

September 8, 2020, 12:00 P.M.

By Public Teleconference

(866) 845-1266, 65069804#

- I. Chairman Hopper opened the meeting and welcomed the Board and guests. Mr. Pisons was asked to conduct a roll call for the telephonic meeting:
  - A. Board Directors present: Chairman John Hopper, Vice Chairman Neil Amin, Mr. Linh Hoang, Mr. Michael Joyce, Mr. Sanjay Puri, Ms. Tracey Wiley, The Honorable Manju Ganeriwala, Mr. Corey Holeman, Mr. William Smith, and Mr. Ronnie Johnson
  - B. Board Directors absent: None.
  - C. VS BFA Staff present: Mr. Howard Pisons, Ms. Anna Mackley, Ms. Linda Tackett, Ms. Karen White, Ms. Barbara Carter, Ms. Robin Foster, and Ms. Todd Boyle
  - D. Others present: Ms. Floral Hezel, Senior Assistant Attorney General; Mr. Kevin White, Butler Snow; Mr. T.W. Bruno, McGuireWoods LLP; Ms. Susan Ohmsen and Mr. Anthony Walters, YMCA of South Hampton Roads; Mr. Scott Warren and Ms. Helen Dow, Goodwill of Central and Coastal Virginia; and Ms. Sarah Berday-Sacks, JLARC
- II. Chairman Hopper called the meeting to order and read the Emergency Declaration allowing public board meetings and hearings to be held by toll free telephonic conferencing due to the COVID-19 state-of-emergency.
- III. Approval of Minutes

On a motion by Mr. Joyce, seconded by Mr. Hoang, the August 11, 2020 Board of Directors Meeting minutes were unanimously approved. Mr. Pisons called the roll for the vote: Voting aye: Chairman Hopper, Mr. Joyce, Mr. Hoang, Vice Chairman Amin, Ms. Ganeriwala, Mr. Johnson, Mr. Holeman, Ms. Wiley, Mr. Puri, and Mr. Smith. Voting nay: None.
- IV. The Public Hearing declared open at 12:09 p.m. Mr. Pisons presented instructions for giving responses and voting during the teleconference meeting.
  - A. 501 c 3 Tax-Exempt and Taxable Bond Application

YMCA of South Hampton Roads – Cities of Norfolk, Portsmouth, Chesapeake, Franklin, Suffolk, Virginia Beach, and South Boston and Counties of Accomack, Northampton, and Halifax -- \$24,830,000. Ms. Mackley presented the application for the board’s approval of the issuance of tax-exempt bonds to the YMCA of South Hampton Roads. The bond proceeds will refund the Y’s outstanding tax-exempt debt obligations. Mr. Kevin White,

bond counsel with Butler Snow, reviewed the resolution and the process and structure of the issuance. Ms. Susan Ohmsen, Executive Vice President and CFO of the YMCA, responded to questions on the transaction and interest rates. Mr. Anthony Walters, YMCA's CFO, and Ms. Ohmsen remarked on the organization's finances, membership, attendance, and child care operations during COVID 19. Mr. Walters also commented on activities and changes made to continue their operations as well as meeting their fundraising goals.

On a motion by Ms. Ganeriwala, seconded by Mr. Holeman, the Board of Directors unanimously approved the resolution as presented. Mr. Pisons called the roll for the vote: Voting aye: Chairman Hopper, Mr. Joyce, Mr. Hoang, Vice Chairman Amin, Ms. Ganeriwala, Mr. Johnson, Mr. Holeman, Ms. Wiley, Mr. Puri, and Mr. Smith. Voting nay: None.

The Public Hearing closed at 12:31 pm. No questions, comments or requests were made from the public.

V. 501 (c) 3 Tax-Exempt Bond Request

A. Goodwill of Central and Coastal Virginia, Inc. – Ms. Mackley briefly described the bond request and then introduced Mr. T.W. Bruno, bond counsel with McGuireWoods LLP, to the Board. Mr. Bruno presented to the Board the amendment to an existing bond originally issued by VSBFA in 2010 and then amended and restated in March of this year to reduce the interest rate and fix the interest rate through the maturity date of the bond. The request is not for any actual amendments to the debt instrument but to the covenants. Mr. Bruno provided background on Goodwill's different loans and slightly different covenants, and the decision to amend them to have the same base set of covenants, and make them consistent across the board. The resolution would authorize the Chairman or Vice Chairman to sign the amendment document and any of the ancillaries. Mr. Bruno and Mr. Scott Warren of Goodwill, answered the Board's questions on fixed rates and the effect of COVID-19.

On a motion by Vice Chairman Amin, seconded by Mr. Joyce, the Board of Directors unanimously approved the resolution as presented. Mr. Pisons called the roll for the vote: Voting aye: Chairman Hopper, Mr. Joyce, Mr. Hoang, Vice Chairman Amin, Ms. Ganeriwala, Mr. Johnson, Mr. Holeman, Ms. Wiley, Mr. Puri, and Mr. Smith. Voting nay: None.

VI. Board Review and Ratification of Loans Approved and Declined by Staff

On a motion by Mr. Joyce and seconded by Mr. Hoang, the Board ratified the loans presented. Mr. Pisons called the roll for the vote: Voting Aye: Chairman Hopper, Mr. Joyce, Mr. Hoang, Vice Chairman Amin, Ms. Ganeriwala, Mr. Johnson, Mr. Holeman, Ms. Wiley, Mr. Puri, and Mr. Smith. Voting Nay: None.

VII. Other Business

Chairman Hopper thanked everyone for their patience, support, and attendance during the telephonic meeting format being used. He commented on the staff's current operating challenges with one less team member and requested the Board's support identifying someone that would

be interested in the vacant regional lending manager position and a good fit for the team.

Mr. Pisons then informed the Board of the Authority's personnel situation. The regional lending manager position vacated by Ms. Joni Marshall in August needs to be filled, and a plan to hire an accounting professional to manage fund accounting, general ledger and financial statement responsibilities is in development. It is Mr. Pisons' goal to report financial results and work plan goals/results to the Board quarterly. Mr. Pisons also stated that a regional lending manager will be needed to manage the portfolio for the new \$10MM RLF program that is funded by a CARES Act Supplemental Economic Development Administration Award.

Ms. Wiley followed up on Chairman Hopper's request to board members for their support with recruitment of the vacant RLM position. She commented on managing existing daily programs through the COVID-19 shift, requesting permission to fill vacancies due to the state's hiring freeze, and looking at ways to scale up staff for some of the existing responsibilities but also for the new EDA RLF program preliminarily planned to launch in Q1 2021. Ms. Wiley also informed the Board that final reviews have concluded for the ARMICS audit, JLARC, and an APA study. Staff was tasked with managing those reviews during the same timeframe. There will be some reports from those reviews.

Mr. Pisons discussed the status of Rebuild VA for the Board. The program was launched on August 10<sup>th</sup> with just over 3,000 applications received. He spoke about the decline in applications, problems with eligibility requirements, and non-essential businesses impacted by EO 53. After feedback from ineligible applicants, constituents, various state representatives, mayors, etc., changes were made to allow Cares Act funding recipients to apply for a Rebuild VA grant, and eligibility was expanded to include the goods and services providers in the supply chains of the primary eligible businesses that Rebuild VA has targeted.

The Board was given an update on the Small Business Investment Grant Program (SBIG) that the VSBFA launched on July 15, 2020. Ms. Mackley said twenty completed applications processed by Ms. Boyle should deploy just over \$500M of the \$812M available. More applications are being received and the fund is expected to be fully deployed.

Mr. Pisons remarked that planning for the new EDLF award was overlapping with the Rebuild VA and SBIG grant programs and stretching resources. He noted that the June 30, 2020 financial statements were submitted to the DOA and plans to share them with the Board at the October meeting. He also stated that the Authority's liquidity is still strong since there has not been a bigger demand for VSBFA programs due to COVID-19.

Chairman Hopper broached the time line to respond to JLARC. Ms. Wiley shared that responses to technical comments have been submitted and she would be responding to questions from the Commission next Monday. Ms. Sarah Berday-Sacks, JLARC representative, stated that JLARC's findings were shared with the Legislative Commission, and in the Monday meeting that can be watched live. She continued that the full report will be posted on their website no later than the day after the briefing for the public to review.

VIII. The meeting was adjourned at 1:26 pm.