

MINUTES

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

BOARD OF DIRECTORS MEETING

March 12, 2019 – 12 p.m.

101 N. 14th Street, 11th Floor Board Room

Richmond, Virginia

- I. Board Directors present: Temporary Chairman Mr. Michael Joyce, Mr. Corey Holeman, Mr. William Smith, Mr. Linh Hoang, Dr. Monique Johnson, the Honorable Manju Ganeriwala, and Mr. Ronnie Johnson

Board Directors absent: Chairman John Hopper, Vice Chairman Neil Amin, and Ms. Tracey Wiley

VSBFA Staff: Mr. Mark Heede, Ms. Linda Gilbert (via telephone), Ms. Robin Foster, and Ms. Todd Boyle

Others present: Mr. Don Ferguson (Senior Assistant Attorney General), Mr. Douglas Sbertoli (Williams Mullen)

Temporary Chairman Michael Joyce called the meeting to order at 12:05 p.m.

Mr. Ronnie Johnson was introduced as the new board director. Mr. Johnson had previously taken the oath of office and is confirmed as a voting director.

- II. Approval of Minutes: On a motion by Mr. Hoang, seconded by Mr. Holeman, the January 8, 2019 Board of Director Meeting minutes were unanimously approved. Voting aye: Temporary Chairman Joyce, Mr. Holeman, Mr. Smith, Mr. Hoang, Dr. Johnson, the Honorable Manju Ganeriwala, and Mr. Johnson. Voting no: None.

- III. 501(c) (3) Tax-Exempt Bond Modification: The Virginia Museum of Fine Arts – City of Richmond. Modifications to VSBFA Refunding Revenue Bonds Series 2014A and 2014 B.

Mr. Douglas Sbertoli, Partner of Williams Mullen and counsel for both SunTrust (the Bank) and The Virginia Museum of Fine Arts (VMFA) presented for approval the interest rate adjustments and the modification to a financial covenant. This is at the request of both the VMFA and the Bank.

The interest rate adjustments are due to the change in the Maximum Federal Corporate Tax Rate effective 1/1/2018 and both debt instruments were automatically adjusted upward. This modification will decrease the rate schedule on both instruments. Also requested was to modify the financial covenant regarding permitted indebtedness in the Bond Purchase and Loan Agreement dated 6/1/2014 to be Amended and Restated.

Mr. Sbertoli stated an analysis was completed and because this was not a new issue, he is of the opinion that the Treasury Board did not need to approve. It was agreed that this matter could be discussed outside the meeting with the Mr. Sbertoli, the Honorable Manju Ganeriwala, and any other appropriate parties.

On a motion from the Honorable Manju Ganeriwala and seconded by Dr. Johnson the Board unanimously approved the motion to modify existing bonds 2014A and 2014B *subject* to the determination as to whether or not this matter must come before the Treasury Board.

Voting aye: Temporary Chairman Mr. Joyce, Mr. Holeman, Mr. Smith, Mr. Hoang, Dr. Johnson, the Honorable Manju Ganeriwala, and Mr. Johnson. Voting no: None.

IV. Board Review and Ratification of Loans Approved/Declined by Staff:

Mr. Heede presented loans for January and February 2019. Mr. Heede also provided the Board Summary.

Mr. Heede explained new forms such as the boarding data and updates to the credit memo to achieve efficiency in the loan process.

Mr. Hoang and several members agreed to ask that on the summary information that VSBFA use “K” for a symbol of thousands instead of “M”.

The new microloan approved for Bageladies generated conversation on purchase order loans and other types of loans that could be in line with the VSBFA mission.

Discussion was held on IDA’s, Mr. Heede’s work with Unbound Virginia, companies like People Inc. for start- up (pre- revenue) companies.

Discussion on the loan delinquency, default rate, successful microloan program, loan volume, goals, and economic development led to dialog among the Board, Mr. Heede, and Ms. Mayton. Ms. Mayton suggested these topics be further investigated at the Board retreat.

On a motion by Mr. Holeman, a second by the Honorable Manju Ganeriwala the board ratified all staff approved and declined loans.

Voting aye: Temporary Chairman Mr. Joyce, Mr. Holeman, Mr. Smith, Mr. Hoang, Dr. Johnson, the Honorable Manju Ganeriwala, and Mr. Johnson. Voting no: None.

V. Other Business:

Members motivated by the loan discussion asked Mr. Heede to give consideration for a board retreat in the near future.

Mr. Heede reviewed several general assembly bills that potentially affected the VSBFA:

- **HB 2192/SB 1331 Public school buildings and facilities; modernization**
- **SB 1559 C-PACE loans; shoreline resiliency improvements**
- **HB 2153 Virginia Small Business Emergency Bridge Loan Fund; created**
- **HB 2741 Clean Energy Advisory Board; established, solar energy installation rebates.**
- **HB 23.47 Small Business Investment Grant Fund; recapture of awards**
- **HB 2348 Economic development investments and grants; increases minimum wage requirements**

VI. Adjourn

Temporary Chairman Joyce adjourned the meeting at 1:36 p.m.