

HARTFORD BUSINESS REVOLVING LOAN FUND COMMITTEE

Meeting Minutes

June 3rd, 2020 at 8:30 a.m.

Via Zoom and by Conference Call

This meeting was conducted in compliance with the Vermont Open Meeting Law with electronic participation. The public could join the meeting from their computer, tablet or smartphone.

Members attending online/by phone: Kevin Raleigh (Chair), Frank Klymn, Ryan Scelza and Jay Zanleoni

Others present online/by phone: Robert Haynes, GMEDC Executive Director, Mark Condon, GMEDC Executive Assistant, Lori Hirshfield, Town of Hartford Director of Planning and Development, Brannon Godfrey, Hartford Town Manager and Kim Souza, Hartford Select Board

With quorum met, Committee Chair Kevin Raleigh called the meeting to order at 8:30 a.m.

It was noted that at their last meeting the Hartford Select Board appointed a new member, Crystal Pearson, to the HBRLF Committee. She will be invited to the next meeting.

Minutes

Frank Klymn made a **motion** to approve the minutes from the March 20th, 2020 HBRLF Committee Meeting, Jay Zanleoni seconded the motion and the motion passed unanimously.

Jay Zanleoni made a **motion** to approve the minutes from the May 5th, 2020 HBRLF Committee Meeting, Ryan Scelza seconded the motion and the motion passed unanimously.

Executive Session: Review of the Loan Summary Report for April 2020

Ryan Scelza made a **motion** to go into Executive Session due to the proprietary nature of the information in the April 2020 Loan Summary Report. Jay Zanleoni seconded the motion, and the motion passed unanimously.

The meeting went into Executive Session at 8:38 a.m.

At 8:46 a.m. the meeting came out of Executive Session.

Discussion of HBRLF response to Covid-19, deferrals and loan program ideas

Motion: Jay Zanleoni made a motion to recommend to the Select Board that they extend the offer of loan deferrals to all HBRLF borrowers by another three months. Kevin Raleigh seconded the motion and opened it up for the Committee to discuss.

At the March 20th Special Meeting, the Committee voted to recommend to the Select Board that all borrows be offered a three-month deferral period on both the principal and interest on their loans due to the economic crisis caused by the Covid-19 pandemic. The Select Board approved the deferrals at their March 24th meeting. Five of the six current borrowers accepted the three-month deferrals which are now reaching their end.

The Committee discussed how long it might take businesses to recover and if a six-month extension on the deferrals might be better. Both Ryan and Jay suggested they would be more comfortable with just extending the deferrals three-months for now and then checking back in with the businesses then to see if another extension was needed.

With no more discussion requested, the Chair put the motion to recommend to the Select Board that they extend the offer of loan deferrals to all HBRLF borrowers by another three months to a full vote of the Committee and **the motion passed unanimously.**

Kevin asked if the Select Board could add this to the agenda of their next meeting. Town Manager Brannon Godfrey said he believed it could be fit on the June 9th agenda.

Kevin then brought the Committee back to the discussion from the May 5th meeting regarding possible loan or grant programs to help Hartford businesses during the economic crisis. He asked Lori Hirshfield if she had any further ideas to share.

Lori said she feels that we need to step outside of how we usually do things. She said there should be some money coming from Vermont's Economic Recovery Package and its proposed Restart Loan and Grants program. Lori suggested we could possibly tag onto that depending on what the programs end up looking like when they get past the legislature. Kevin stated that would take coordination between the Town, GMEDC and the State.

Kevin asked if we were looking at loan or grants? Given the fund's current available balance of around \$80K, we have a limited amount to help businesses even though we would like to help them all. Lori stated that while some businesses are getting by, others such as retail and restaurants have been really hurt. She asked if Bob had an update. Bob said he didn't know how any restaurants were making a go of it right now and noted that Salt Hill in Hanover has closed permanently. He stated that we would have a better idea of what the State's program will look like between June 15th-20th. There may be financial help from the ACCD to run their program. That coupled with some EDA funds coming in through ECVEDD may give GMEDC the bandwidth to handle processing whatever type grants or loans the HBRLF may decide to do. Bob suggested scheduling another Committee meeting in a month as we will know far more then. He suggested that in the meantime maybe the Select Board should be asked if we should be in favor of small grants instead of loans?

Jay asked what the matrix would be to approve these loans or grants. He noted if they were grants there would be a lot less underwriting involved. Kevin said that if it was grants, perhaps the only qualification was they be a business in Hartford. He stated that we couldn't be sitting here with our banker's hats on if they were grants.

Lori said that she was worried for these businesses and had heard from some of them that they were running out of the PPP funds. Kim Souza agreed that there is a sense of urgency. Kim suggested that the Committee could do 25 loans of \$2,000 which would still leave enough money in the fund to do one regular loan like the Committee typically does.

Lori suggested we develop a checklist to identify which businesses would qualify and also that could create tiers of who is in the most need. Kevin said he was concerned the process would be fair and equitable. He noted all businesses were hurting and even stronger businesses are having a difficult time. He said he was worried we were running the risk of someone thinking we let them down if we can't make a grant to everyone and yet if we cut the amounts given out to too small it won't benefit anyone.

Bob suggested we look at the form Woodstock is using and asked Lori to forward it to everyone again. He asked if the Select Board has considered using the 1% user tax to this purpose. Brannon stated that any use of those funds requires approval by the voters.

Bob asked about the status of the returned CDBG funds from the Village at White River project. Lori said they have been delayed a few months and that there is still a few things to be done on the closing. Bob suggested that the Select Board could approve the use of those funds at their June 9th meeting so they were ready to go once the town received them.

Kevin asked how we would notify businesses once we were ready with any loan or grant program? Lori said there were a number of lists that could be used to send email notices, such as the Chamber's, GMEDC's and others. It could also be posted on listservs.

Frank asked if the Town of Springfield was doing any such program? Bob said he did not know but would ask them. Frank questioned who would count as a "business"? Bob said that was a good question as is what qualifies them as a Hartford business?

Kevin suggested the Committee members think about the criteria and parameters for grants and loans. Each member can come up with 5 to 10 factors you would like to see considered. The Committee can then meet in early July when more is known about the State's programs.

Kim stated she was worried we were conflating Town funds with the State money. She said we didn't need to wait on the State before putting Town funds to use.

The Committee decided to meet again on Wednesday, June 24th at 8:30am. Kevin structured the members to complete their criteria lists and send them to Mark who will then forward them to Kevin and Lori. He asked that everyone do this by the middle of next week. Lori suggested a

subgroup made up of herself, Kevin, Bob, Kim and Mark could meet by phone to go over them prior to the 24th.

Adjournment

Frank Klymn made a motion to adjourn the meeting, Ryan Scelza seconded the motion and the motion passed unanimously.

The meeting adjourned at 9:36 a.m.

DRAFT