

HARTFORD BUSINESS REVOLVING LOAN FUND COMMITTEE

Meeting Minutes

June 24th, 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, Crystal Pearson, Ryan Scelza and Jay Zandleoni

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.

Kevin welcomed the Committee's new member, Crystal Pearson.

Minutes

Kevin asked if there were any changes or comments regarding the June 3rd Meeting Minutes as submitted? There were none.

Frank Klymn made a **motion** to approve the minutes from the June 3rd, 2020 HBRLF Committee Meeting, Ryan Scelza seconded the motion and the motion passed unanimously.

Discussion of HBRLF response to Covid-19, deferrals and loan/grant programs

Kevin resumed the discussion from the June 3rd meeting about a possible program for assistance to businesses in Hartford impacted by the economic shutdown due to the pandemic. He referred to the list of comments and possible program criteria from each committee member that GMEDC had gathered.

Kevin asked Lori Hirshfield the status of the VCDP program income funds from the Village at White River project. Lori stated that the pandemic had slowed down the state and town on the process but that she didn't think it would be too much longer before the town saw the \$150K, perhaps a month or two. Kevin said it was important to the Committee's decisions to know those funds would be available soon.

Lori noted that we had been looking at coordinating any grant or loan program with the state's upcoming program. Bob Haynes said the Legislature was finishing up on the program. It looks to be grants to sole proprietors/small business owners with five or fewer employees. The grants

will range from five thousand to fifteen thousand dollars. Once the applicants are sorted and assigned an amount, two organizations in the state will manage the funds: the Brattleboro Development Credit Corporation and Two Rivers Ottauquechee Regional Commission. Bob thought it may be ready to go in a couple of weeks.

Kevin noted that businesses in town need help now, so if we are to implement a program it should be now.

Frank Klymn said the things we need to consider are if we want to drain the RLF funds and who is going to verify the criteria of applicants. Also is this program going to be grants or loans? How much will it help the businesses? Who can process the applications?

Bob Haynes said that two weeks ago it looked like the state's program would be giving \$1 Million to each RDC to distribute plus some funds to cover the costs of doing so. This is no longer the case with the version the legislature has put forward. GMEDC is getting some funds through the EDA to hire a half-time person who will be able to help process applications for Hartford's program.

Lori said she would check with the state on next steps and the timeline for receiving the \$150K program income from the Village at White River project. Committee members noted that knowing the status of those funds, will provide more guidance on the use of the current HBRLF balance of \$85K.

Kim Souza stated a grant of \$1,500 would help a business pay rent for a month. Over 50 businesses could be assisted at that level. She worried that this was our third or fourth meeting discussing it without making a decision.

Kevin thought loans would not be as helpful and that grants were the way to go.

Ryan suggested the grant might be \$2,500 which would both be more helpful to a business as well as reduce the number of payments to be processed. He said we could put our trust and faith in people to self-certify their applications. He said we could do a cap on revenue for a business at \$250K.

Kevin said that might be a little light on the cap as businesses of all sizes are in need of help. He referred to the possible criteria he had submitted which included making sure there were no tax liens on a business. He thought the Town offices could check on those prior to awards being given out. He also suggested we do two tiers: \$1,500 for businesses with 3 or less employees and \$2,500 for 4 or more employees. Kevin said that if the Committee is going to do something it needed to get it going or otherwise tell people we aren't.

Crystal suggested we could ask for tax returns or make sure they are registered with the state. Bob asked if they would self-certify the number of employees. Kevin suggested they could supply their W3 if they have 4 or more employees. They could also give their Schedule C for FY18 or FY19 to show they are a business in town.

Frank asked how we would get the word out. Kevin said we can have the Chamber help spread the word. Bob said a notice in the Valley News should also be done. Bob said he could have GMEDC's new part-time person work on spreading the word.

Mark Condon suggested it would be far easier to process a grant program if it was for only one amount. That way we would just need a checklist of eligible and ineligible criteria to go through and there would be no need to try confirming number of employees. Two tiers would cause a lot of questions to be fielded from applicants, such as counting FTEs or actual people, counting current employees or my normal level of staff before COVID, etc.

The Committee agreed to keeping the grants to a single maximum amount of \$2,000. Kevin went over his suggested eligible and not eligible criteria:

- Either must be a registered business entity in good standing with the State of Vermont or demonstrate you are a business in the Town of Hartford (not all sole proprietorships or partnerships are registered).
- Have a physical establishment for the business within the Town of Hartford.
- Business established prior to 2020.
- Demonstrate/or certify a loss of business revenue of 50% or more related to COVID-19.
- Have no pre-existing tax liens or legal judgements prior to March 2020 and not currently filing for bankruptcy.
- No more than 40% of Grants given can come from any one business district (Identified as 1) Downtown-2) White River-3) Wilder-4) Quechee-5) Hartford/West Hartford combined).

Not Eligible:

- Investment Real Estate Entities or Individuals
- Churches
- Non-Profit Organizations
- Home based businesses
- Banks and Financial Institutions
- Any business(s), entity or individual that previously defaulted on a loan from the Town of Hartford

Lori asked if we were going with the 50% revenue loss and how we would confirm that. Kevin suggested making it a self-certification instead of checking on it. Ryan agreed that we had to put some faith and trust in the process.

Frank asked if the business had to still be open. Kevin thought they had to be operating. Frank asked who proves that. Crystal said the PPP applications required people to certify somethings and our form could do the same. Bob said it could be a question on the form if they are open or not. He noted that some businesses still weren't allowed to be open but still need help paying rent and expenses. Kevin said the question should be if they are closed permanently or not.

Lori asked about the suggested no more than 40% of grants can be given to any one business district. Kevin stated that he just didn't want all the funds used only for downtown businesses.

Bob suggested the process should be that GMEDC receives the applications, reviews them and then reports to the Committee. The Committee then reviews them and approves the grants.

Kevin asked Lori how the open meeting laws would factor in to the process. Lori said she would have to check on that. She said Special Meetings only required a two-day notice so the Committee wouldn't have to schedule meeting too far in advance for the review process. She said we would need to finalize the structure of the process and then send it to the Selectboard for approval. She noted that the process could include the Selectboard giving authority to the Committee to review and approve the applications without having to go back to the Selectboard for each application.

Lori said there was not sufficient time to get this ready for the Select Board's June 30th meeting. Brannon Godfrey said it could be added to the next meeting on July 14th. That gives the Committee two weeks to iron out the details of the program.

Frank asked if we would need a decline letter to be sent to businesses not getting the grant. Bob said that should be left up to Brannon, Lori and the Town Attorney.

Lori asked if it was going to be first-come, first served or would there be set deadlines to apply and possibly a second round later. Bob suggested we pick an amount of the HBRLF funds to be available and work from there.

Kevin suggested that he, Lori, Bob and Mark work on the draft application form in the next week.

Adjournment

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

The meeting adjourned at 9:30 a.m.