

HARTFORD BUSINESS REVOLVING LOAN FUND COMMITTEE

Meeting Minutes

September 2nd, 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 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, Jake Glenshaw, GMEDC VISTA Volunteer and Kim Souza, Hartford Selectboard Representative

With quorum met, Committee Chair Kevin Raleigh called the meeting to order at 8:32 a.m.

Minutes

Frank Klymn made a **motion** to approve the minutes from the August 12, 2020 HBRLF Committee Special Meeting, Ryan Scelza seconded the motion and the motion passed unanimously, with abstentions from Kevin Raleigh and Jay Zanleoni as they had not been present at the August 12th meeting.

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

Ryan Scelza made a **motion** to go into Executive Session due to the proprietary nature of the information in the July 2020 Loan Summary Report. Frank Klymn seconded the motion, and the motion passed.

The Committee went into Executive Session at 8:33 a.m.

At 8:39 a.m. the meeting came out of Executive Session. No action was taken.

Discussion of HBRLF response to COVID-19

Hartford Business Economic Recovery Grant

The grant lottery had taken place on August 14th with Ryan Scelza, Bob Haynes and Mark Condon meeting via zoom. An online random sequence generator was used to choose the 25

grant recipients out of the 46 received applications (all applications had been deemed eligible). The payments to the 25 awardees were formally approved at the Hartford Select Board's August 25th meeting. On August 26th, Mark Condon sent out emailed notifications to all the applicants and the Town Finance Office mailed out checks.

Mark Condon notified the Committee that he had subsequently heard from one business and found that their application had been missed. It had been submitted prior to deadline but the emailed submission had ended up in his junk mail and not seen.

Kim Souza said that she had heard from another business owner who said she had hand-delivered the application to Town Hall but had not been included on the list of applicants. Lori Hirshfield said she would look for the missing application.

The question was raised that if there was a second round of grants, would the applicants that weren't chosen in the first round have to go into another lottery or automatically get grants. Kevin said he believed any second round would go to all the eligible applicants from the first. Lori said it was her understanding that the information provided to the public and the Selectboard was that any qualified applications not funded would be put into a second lottery should that be held.

The Committee asked the status of the funds that would replenish the HBRLF accounts of which a portion could be used towards a second round of grants. Lori said the CDBG closeout agreement with the State on the Village at White River project still needed to be finalized but it should be shortly. The amount the Town expected to see was around \$146K.

The Committee members all stated that it had been their understanding that a second round of grants would just be for those that had already applied and not been chosen in the lottery. Jay Zanleoni thought the people who got their applications in on time should be the ones rewarded. Lori thought some of the materials that had gone out indicated a second round would include a new period to apply. Mark Condon noted that the program's information sheet that was part of the application form read as follows:

"If the number of eligible applicants exceeds the available funds, awardees will be chosen randomly by lottery on August 14th, 2020. Eligible applications not chosen this round will be retained should more funding become available for a second-round lottery."

Ryan asked what the amount would be to cover the applicants not chosen in the first-round. Kevin said that with 21 businesses not picked in the lottery plus two more applications that possibly beat the deadline but were missed would be 23 times \$2,000 = \$46,000.

Bob noted that second round did not need to match the first round's amount of \$50K and that the Committee and Select Board could decide to use more or less of any new funds that are received.

Lori said she would still advocate for the second round to include an open period to accept new applications.

Loan Deferrals

Kevin stated that all the borrowers from the HRLF had been offered a total of six-months in deferrals of principle and interest payments. Five of the six borrowers had accepted the deferrals which are now coming up on ending.

Lori said how the deferrals were done on the ACH payments was that the Finance Office had to request a three-month hold on the drawdowns with the borrowers' banks. Once that period finished the ACH would automatically begin again.

Kevin said that while each business is different, some of these should be in a condition to start paying again. Crystal Pearson said that at her position at the Wells River Savings Bank a lot of people are now able to resume their loan payments.

Frank suggested that letters be sent to each borrower notifying them the date that their principle and interest payments are resuming.

The Committee decided that another automatic deferral to all borrowers would not be offered.

Flexibility of loan interest fees

Bob Haynes suggested that the Committee could look at the interest rates being charged both on new loans and existing loans to see if any adjustments should be made. He noted that the Town is not borrowing money to relend like some RLFs are doing. He speculated that one of the reasons we aren't seeing more new loan applications is the interest rate although noted we are usually the last money in.

Kevin said the Committee guidelines state a standard interest rate, Prime plus 1 or 2% he thought, but would need to look it up. The Committee has done some special rates given different circumstances though. He noted Prime is currently at 3.75% so some of the current loans are above rate.

Ryan asked if the Committee had ever adjusted an interest rate. Kevin noted that one business with a loan had closed but the owner was good enough to want to continue paying. Since it was a work-out, the rate was adjusted down for him to continue paying.

GMEDC Administrative Contract

Bob Haynes said he had asked for this to be on agenda as GMEDC's contract to provide administrative services to the HBRLF had expired in June 2019 and has been on a month-to-month since. Lori said the extension must go the Select Board and she would see about getting it on their agenda.

Bob stated that like all organizations, COVID-19 has impacted GMEDC's income. Given the large amount of work GMEDC put in to administering the grant program, which was above the normal services on our contract, Bob requested that the Committee consider awarding GMEDC an additional \$2,000 fee to cover some of the time put into it.

Kevin stated that he would be in favor of this given that GMEDC went above and beyond on this project to see that it was carried out.

Motion: Ryan Scelza made a motion to recommend to the Select Board that GMEDC be awarded an additional \$2,000 fee for their support work on the Economic Recovery Grant Program. Jay Zanleoni seconded the motion which passed unanimously.

Bob thanked the Committee for this support. He then praised Lori Hirshfield for her work on the grant program and stated that it really had been her baby, that she was the one to really push it along and that it would not have happened without her.

Other Business

Kevin Raleigh announced that the December meeting would be his last meeting as he was stepping down as a Committee member. He asked if the Committee would like to now discuss which member would take over as Chair.

Frank suggested it would be better to discuss at the next meeting. Crystal said it would be better to make sure a person was interested in taking on the role of Chair prior to nominating them.

Adjournment

Jay Zanleoni made a motion to adjourn the meeting, Ryan Scelza seconded the motion and the motion passed unanimously.

The meeting adjourned at 9:25 a.m.