



MINUTES

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

BOARD OF DIRECTORS MEETING

October 13, 2020, 12:00 P.M.

By Public Teleconference

(866) 845-1266, 65069804#

- I. Vice Chairman Amin 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: Vice Chairman Neil Amin, Mr. Michael Joyce, Mr. Sanjay Puri, Ms. Tracey Wiley, The Honorable Manju Ganeriwala, Mr. Corey Holeman, Mr. Ronnie Johnson, and Ms. Susana Marino
 - B. Board Directors absent: Mr. William Smith, Chairman John Hopper, and Mr. Linh Hoang
 - C. VSBFA 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: Mr. Don Ferguson, Senior Assistant Attorney General; Ms. Alexis Chandler, Ms. Alethia Nancoo, and John Hutchinson, Squire Patton Boggs LLP; Ms. Amanda Baxter, Mr. Michael Altman, and Mr. Matt Harris, Transurban; Mr. Reece Layman, and Mr. Craig Reaney, CIBC Bank; Mr. Ben Djiounas, JP Morgan; and Ms. Jennifer Mayton and Ms. Kathryn Dolan, DSBSD
- II. Vice Chairman Amin 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

A motion was made by Mr. Joyce and seconded by Ms. Ganeriwala to approve the September 8, 2020 Board of Directors Meeting minutes. Ms. Wiley questioned the attendance of Dr. Johnson at the September meeting since she resigned from the board. On a motion by Mr. Holeman, seconded by Ms. Ganeriwala, the September 8, 2020 minutes were unanimously approved with the removal of Dr. Monique Johnson's name. Mr. Pisons called the roll for the vote: Voting aye: Vice Chairman Amin, Mr. Holeman, Ms. Ganeriwala, Mr. Joyce, Ms. Marino, Mr. Johnson, Ms. Wiley, and Mr. Puri. Voting nay: None.

Vice Chairman Amin introduced new board member, Ms. Susan Marino, and Mr. Pisons welcomed her to the board. Ms. Marino, who is President and CEO of the Northern Virginia Hispanic Chamber of Commerce, spoke about her work and activities with the organization.

- IV. The Public Hearing declared open at 12:12 p.m. Mr. Pisons presented instructions for giving responses and voting during the teleconference meeting.

A. Tax Exempt Transportation Bond Application

Capital Beltway Express LLC – Fairfax County – \$410,000,000. Ms. Mackley presented the application for the board’s approval of a bond issuance of up to \$410,000,000 for Capital Beltway Express LLC, a special purpose entity wholly owned by Transurban Operations Inc. Project Next will finance a two-mile extension of the 495 HOT lanes in Fairfax County as well as some related improvements. Transurban Operations is the leading developer and operator of advanced electronic tolls. Mr. Altman reviewed the project’s preliminary finance structure and interest only payment period. Ms. Baxter discussed the details of Project Next’s extension, planned improvements and future enhancements. Mr. Altman responded to the board’s questions on revenue projections, the effect of COVID-19 reducing traffic and decreasing toll revenue, construction timeline, and bond rating.

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

The Public Hearing closed at 12:32 pm. No questions, comments or requests were made from the public.

V. Board Review and Ratification of Loan Declined by Staff

Ms. Mackley briefly reviewed the declined loan. Mr. Joyce asked if there is currently a lack of demand for that loan product. Ms. Mackley responded that demand is down due in part to a lot of small businesses received funding through the SBA EIDL or PPP programs. She stated that a lot of small businesses are not on a position to borrow at this point. There has been a lot of activity in the child care program but not the microloan. On a motion by Mr. Joyce and seconded by Mr. Johnson, the Board ratified the loan presented. Mr. Pisons called the roll for the vote: Voting Aye: Vice Chairman Amin, Mr. Joyce, Mr. Johnson, Ms. Ganeriwala, Mr. Holeman, Ms. Wiley, Mr. Puri, and Ms. Marino. Voting Nay: None.

VI. Other Business

- A. Review of VSBFA 2020 Financial Statements -- Ms. Mackley informed the board that the financial statements are management prepared and unaudited statements. Ms. Mackley reviewed the balance sheet, investment funds, restricted and unrestricted cash, liabilities, and revenues and expenses. She described VSBFA’s fund accounting system.
- B. VSBFA Response to JLARC Audit Report -- Mr. Pisons reviewed VSBFA’s responses to recommendations 8 through 15 in the JLARC report and Policy Option 3. See attachment.
- C. Mr. Pisons discussed VSBFA’s personnel needs. He summarized the open positions to be filled as follows: an RLM position vacated in August; a new RLM position to manage the portfolio of the new EDA grant fund that we plan to launch in Q1 2021; an accounting

professional, preferably a CPA, for funding accounting, financial reporting, and general ledger development; and replacing the Executive Assistant retiring in November.

- D. With regard to a question for starting a pilot loan program for small business startups suggested by JLACR, Mr. Pisons said the current Microloan program, having declined in recent years is a bigger priority right now, and we are not adequately resourced to start a pilot right now, especially with the current staff vacancies.
- E. Mr. Pisons requested a brief update on the agency's Rebuild VA Grant Program from Ms. Tracey Wiley and Ms. Linda Tackett. Ms. Wiley commented that the Administration has received the recommendation that was put together in the last week which includes additional expansion for the grant, to allow for additional award increases on the thresholds that were already set, and to broaden the different sectors as well as look at ways to align with the state's current definition of small businesses.

Ms. Tackett, Regional Lending Manager, joined the Rebuild team in August. Ms. Tackett reported that she has been the responder to all agency inquiries through both incoming calls and emails. The phone call and email volume has been high and Ms. Tackett has been focused on returning all inquiries within the same day in order to promote a positive client service experience and to promote positive public relations for the agency. Ms. Tackett reported that she is managing the Rebuild VA online emails that total over 100 emails per day. Many of these inquiries pertain to program eligibility and documentation requirements. Ms. Tackett stated that while this has been time consuming with the bulk of her day committed to Rebuild VA, she has maintained a keen focus on ensuring quality service and response time.

- F. Ms. Mackley provided an update on the SBIG program. Approximately 400 applications have been received with \$813,000 to award.

VII. The meeting was adjourned at 1:51 pm.