

MINUTES

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY BOARD OF DIRECTORS MEETING

August 9, 2016 - 12:00 P.M.

James Monroe Building, 101 N. 14th Street, 11th Floor Board Room
Richmond, Virginia

- I. Board Directors present: Vice Chairman Neil Amin, Mr. Bradley Jiulianti, Mr. John Hopper, Mr. Andrew Lock, Ms. Tracey Wiley (ex-officio member), and Mr. Linh Hoang

Board Directors absent: Chairman Gail Letts, Mr. Nicholas Jordan, and Ms. Manju Ganeriwala (ex-officio member)

Others present: Mr. James Gross (McGuireWoods, LLP), Mr. Dave Richardson (McGuireWoods, LLP), Ms. Ellen Valentine (McGuireWoods, LLP), Mr. Bill Greenleaf (VCC), Mr. Charles Kennington (Senate Finance Committee), Mr. Donald Ferguson (Senior Assistant Attorney General), Mr. Scott Parsons, Ms. Barbara Carter, Ms. Mary Jo Sisson-Vaughan, Ms. Nathalia Artus, Mr. Ousman Kah, Ms. Jennifer Mayton (SBSD), Ms. Reba O'Connor (SBSD), and Mr. Robert Summers (SBSD)

Vice Chairman Amin called the meeting to order.

- II. Approval of Minutes - On a motion by Mr. Hopper, seconded by Mr. Hoang, the minutes of the June 14, 2016 Board of Directors Meeting were unanimously approved. Voting aye: Vice Chairman Amin, Mr. Hopper, Mr. Hoang, Ms. Wiley, and Mr. Lock. Voting no: None. (Mr. Jiulianti was not present for this vote.)

III. Industrial Development Bonds - Tax Exempt Bonds - Exempt Facility Issue

- A. Covanta Holding Corporation - Arlington and Fairfax Counties - \$40,000,000. Ms. Artus presented this request to the Board. Mr. Gross explained the purpose of the project and the need for bond financing. On a motion by Mr. Hoang, seconded by Ms. Wiley, the Board of Directors unanimously approved the inducement resolution as presented, authorizing the issuance of tax-exempt bonds to finance infrastructure renovations, equipment purchase, and other related expenses for the facility to continue to process municipal solid waste into energy. Voting aye: Vice Chairman Amin, Mr. Hoang, Ms. Wiley, Mr. Jiulianti, Mr. Hopper, and Mr. Lock. Voting no: None.

IV. Industrial Development Bond Program - Taxable Bond Issuance (Qualified Energy Conservation Bonds)

- A. Virginia SAVES Green Community Program, Inc. - Richmond City - \$3,855,000. Ms. Artus presented this request to the Board. Mr. Greenleaf provided additional information on the project. On a motion by Mr. Hopper, seconded by Mr. Hoang, the Board unanimously approved the resolution

authorizing the issuance of taxable bonds to Virginia SAVES, an intermediary lending program, to finance the purchase of equipment and machinery for Randolph Macon Academy. Voting aye: Vice Chairman Amin, Mr. Hopper, Mr. Hoang, Ms. Wiley, Mr. Jiulianti, and Mr. Lock. Voting no: None.

- V. Board Review and Ratification of Loans Approved/Declined by Staff - Mr. Parsons presented the loans and credit enhancements approved and declined by Staff under its designated authority. On a motion by Mr. Jiulianti, seconded by Mr. Hoang, the Board of Directors ratified the loan decisions for June and July of 2016 made by staff. Voting aye: Vice Chairman Amin, Mr. Jiulianti, Mr. Hoang, Ms. Wiley, Mr. Lock, and Mr. Hopper. Voting no: None.

Mr. Parsons introduced and welcomed Mr. Charles Kennington, staff member to the Senate Finance Committee with responsibilities for the Commerce and Trade secretariat and its agencies and authorities.

VI. Administrative Matters

- A. Review of Financial Statements - Ms. Mackley discussed the VSBFA financial statements for fiscal years ending June 30, 2015 and 2014. She pointed out and explained the reduction in cash and increase in assets as well as a restatement of deposits held under the cash collateral program.
- B. Fiscal Year End 2016 Report - Mr. Parsons reviewed the success achieved by the Authority in 2016 and the primary areas to focus on in 2017, including the economic development program, increase usage of the SBIG fund, and continued use of SSBCI funds. He highlighted VSBFA's budget, revenue stream, leveraging factor of each program and its default rate since inception which is currently at 2% due to staff's underwriting experience. Mr. Parsons commended staff for a good year.
- C. Bond Fee Request - Mr. Parsons shared with the Board a request from a bond fee recipient (a state entity) who no longer wants to be billed. The client was advised that the Authority would not be able to do that. After a brief discussion, the Board agreed with Mr. Parsons' advice to the client.
- D. Board Appointments - Mr. Parsons announced new Board appointments made by the Governor. Mr. Linh Hoang was reappointed and was congratulated by the Board. The other two members are Mr. William Smith, a business owner from Wytheville, and Dr. Monique Johnson, Ph.D., a vice president and senior loan officer with Virginia Community Capital.
- E. SSBCI Update - Mr. Parsons reported on the SSBCI activity that is given to US Treasury on a calendar basis. During the second quarter of this year, \$1.1 million was funded from the Cash Collateral Program. He thanked the regional lending managers for generating the large volume of activity with the Authority's banking partners in support of small businesses.

- F. Virginia Velocity Tour - Ms. Wiley informed the Board about the Virginia Velocity Tour which arose out of last year's Virginia Velocity business plan competition administered by VSBFA at the request of the Department of Housing and Community Development (DHCD). This is a physical tour that takes place over five different stops across Virginia (Richmond, Roanoke, Hampton Roads, Charlottesville, and Northern Virginia). The industries identified include STEM and energy, eCommerce products, biotech, agriculture, cyber security, and food. The tour gives entrepreneurs the opportunity to network with individuals in each region and talk about regional economic development opportunities and challenges. Each day is capped with a competition, selection of a winner who will receive a monetary award. Board members were encouraged to attend and invite entrepreneurs who may be interested.

Ms. Wiley introduced Ms. Jennifer Mayton, the agency's new chief of staff who has a background in state government, along with Mr. Robert Summers and Ms. Reba O'Connor also on her staff.

- VII. Adjourn - There being no other business before the Board, Vice Chairman Amin adjourned the meeting.