

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

December 19, 2024

The Annual Portfolio Review meeting of the Maryland Small Business Development Financing Authority convened at 11:00 a.m. via teleconference only at 470-869-2200/meeting ID 428-245-6027.

The following were in attendance at this meeting:

Authority Members	MMG Staff
Les Hall	Stanley Tucker
Mara Sierocinski	Anthony Williams
Chuck Martin	Randy Croxton
Sharon Pinder	Tim Smoot
	Alex Agwuna
	Marcella Nazario
	Asu Suka
	Mark Harrison
	Michael Howard
	Robin Harris

Attorney General's Office  
Roop Vijayan, Assistant Attorney General

NOTE: Andy Fish, Senior Director, Department of Commerce was also present.

**AGENDA**

MSBDF A Annual Portfolio Review

The closed session of the December 12, 2024, meeting was summarized. The Authority Board meeting was attended by Les Hall, Mara Sierocinski, Gina Ramsey, Chuck Martin, and Sharon Pinder. The meeting was closed to comply with requirements of the Maryland Public Information Act so that there would not be disclosure of confidential, commercial, and financial information associated with the applicants. The meeting was closed to discuss the modification requests of Alodia Brands Inc. and CPB 1, LLC, t/a Chaps Pit Beef Glen Burnie; and the new requests of A.M. & Son Electric, LLC and DXC Trading, LLC. All the requests were approved.

1. Alodia Brands, Inc. –Modification to allow a lien on property, line of credit into term loan, \$250k.
2. CPB1, LLC dba Chaps Pit Beef Glen Burnie - Modification to allow a re-amortization of the remaining loan principal of about \$289,840 over 8 years at 6%, monthly payments reduced from \$5,207 to \$3,809.
3. A.M. & Son Electric, LLC. – New Deal. Approved \$500,000 of bonding line of credit.
4. DXC Trading, LLC – New Deal. Approved Term Loan of \$60,000.

## **REPORT**

**Presenter:** Les Hall

**Comments:** The FY25 appropriations includes \$5.360M of state of funds and about \$14m in federal SSBCI funds up to November 26, 2024.

The approval activity results in a remaining appropriation of state funds of approximately \$4.335 and federal SSBCI remaining funds of approximately \$11.825M (availability to be approved as authorized by the Maryland General Assembly).

There is robust demand for the state funds that may fully utilize the remaining balance before the end of the current fiscal year. There will soon be discussion between the Department and MMG as to how to approach the remaining fiscal year if the program runs out of funds. At that point, the program may have to cease approving new transactions.

The Department will monitoring quarter to quarter the availability of funds and will keep the board fully apprised of the status.

The general assembly sets the spending authority for the program, consistently at \$5M (both state special funds and state general funds). It would be helpful if that

spending authority was increased to a higher level. The remaining appropriation is \$4.275M.

**Discussion:** **Appropriations.** It was suggested that MMG schedule a meeting with the Secretary to discuss the appropriations matter. MMG confirmed they will be meeting with the Secretary. Mr. Smoot informed the meeting that he spoke with the Secretary's chief of staff and that someone was working on some language that would remedy the spending authority increase. Mr. Smoot communicated that the probability of the program running out of money is 99.99% (mid-February) based upon what has been done so far this FY and what is in the pipeline. The department has provided the program with an additional \$5M, but the program is unable to use it because of the spending cap.

**LTG Fund/SB Fund availability of funds to pay claims.** The amount of the cash available to lend would only be affected if the program had to pay a claim not the appropriation. The department will provide periodic updates regarding the progress. As a first step, there is an appropriation. The objective is to live within the appropriation and not come back to the department each year for an increase. There is recognition of robust demand for the program. There will be meetings to discuss and to devise a plan to address the continuing growing demand. Over the last few years, the program has exceeded what was appropriated on several occasions. We are trying to find a way to more effectively manage the process of approving transactions and having adequate funds.

**Request Additional Funds.** There is opportunity to request additional funds in the event the program runs out of money. In the interim, some transactions may have to shift to MCBIF or SSBCI. MMG will work through this process by working with COMMERCE, The Black Caucus, and the Governor's Office to facilitate this process.

**PROGRAM HIGHLIGHTS**

**Presenter:** Tim Smoot

**Comments:** The following was presented:

1. MSBDFA Performance Highlights showing the program’s average annual transaction activity over the past 10 years, current program leverage ratios, and recommended budgetary requirements for fiscal years 2026 and 2027.
2. MSBDFA Program Statistics showing the summary of loan activities for the current portfolio as of June 30, 2024, by County, Industry, and Program.
3. MSBDFA Program Statistics Ten Year Portfolio History from FY 2015 through FY 2024 including Geographic, Ethnic, and Gender Distribution Summaries; and Program Concentration Summary.
4. Schedule of Loan Losses from FY 2015 through FY 2024.
5. The program was able to get \$10M transferred (\$5M for the current FY and \$5M in FY26) with the help of the Legislative Black Caucus

**Discussion:** There was limited discussion regarding funding available for marketing.

**Action Taken:** The Authority accepted the report as presented.

The Open Meeting then closed at 11:50 a.m. upon motion made and seconded, and approved by all voting members, the meeting was closed pursuant to General Provisions Article, Section 3-305(b) (13), “to comply with a specific... statutory... requirement that prevents public disclosures about a particular proceeding or matter”, that is, the Maryland Public Information Act prohibits disclosure of trade secrets, confidential commercial and confidential financial information. Chairman Les Hall signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an exhibit.

**APPROVED:**

Celester A. Hall  
Celester A. Hall (Feb 28, 2025 17:30 EST)  
\_\_\_\_\_  
Celester A. Hall  
Chairman

**DATE:** 28/02/25

**MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY**

**PRESIDING OFFICER'S WRITTEN STATEMENT FOR CLOSING A MEETING  
UNDER THE OPEN MEETINGS ACT  
(General Provisions Article § 3-305)**

**1. Recorded vote to close the meeting:**

Date: 12/19/2024

Time: 11:30 am – 1:15 pm

Location: Meridian Management Group, Inc., 826 East Baltimore Street, Baltimore, MD 21202/Held by conference call at 267.930.4000/684 358 366

Motion to close meeting made by: Sharon Pinder; Seconded by Mara Sierocinski

Vote to Close Session:

	AYE	NAY	ABSTAIN	ABSENT
Celester Hall, Chair, Designee Secretary of Commerce	[X]	[ ]	[ ]	[ ]
Ben Seigel, designee of Comptroller	[ ]	[ ]	[ ]	[ ]
Charles Martin	[X]	[ ]	[ ]	[ ]
Kehinde Oreagba	[ ]	[ ]	[ ]	[ ]
Sharon Pinder	[X]	[ ]	[ ]	[ ]
Gina Ramsey	[ ]	[ ]	[ ]	[ ]
Mara Sierocinski	[X]	[ ]	[ ]	[ ]

**2. Citation of statutory authority to close session (check all that apply): This meeting is being closed under General Provisions Article § 3-305(b), only:**

\_\_\_\_ (1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals;

\_\_\_ (2) To protect the privacy or reputation of individuals concerning a matter not related to public business;

\_\_\_ (3) To consider the acquisition of real property for a public purpose and matters directly related thereto;

\_\_\_ (4) To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;

\_\_\_ (5) To consider the investment of public funds;

\_\_\_ (6) To consider the marketing of public securities;

**X** (7) To consult with counsel to obtain legal advice on a legal matter;

\_\_\_ (8) To consult with staff, consultants, or other individuals about pending or potential litigation;

\_\_\_ (9) To conduct collective bargaining negotiations or consider matters that relate to the negotiations;

\_\_\_ (10) To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the deployment of fire and police services and staff; and (ii) the development and implementation of emergency plans;

\_\_\_ (11) To prepare, administer, or grade a scholastic, licensing, or qualifying examination;

\_\_\_ (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct;

**X** (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter;

\_\_\_ (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, *if* public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

**3. Disclosure of the topics to be discussed, for each citation checked above:**

§3-305(b)(13) topics: Discussion and evaluation of the applications received from potential borrowers for financial assistance under programs of the Maryland Small Business Development Financing Authority, which applications include the disclosure of financial information of private individuals and confidential commercial and financial information.