

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

December 2, 2022

The Annual Portfolio Review meeting of the Maryland Small Business Development Financing Authority convened at 10:00 a.m. via teleconference only at 470-869-2200/meeting ID 428-245-6027 due to the COVID-19 pandemic.

The following were in attendance at this meeting:

Authority Members	MMG Staff
Les Hall	Tim Smoot
Laura Pasternak	Anthony Williams
Mara Sierocinski	Mark Harrison
Chuck Martin	Randy Croxton
Gina Ramsey	Stanley Tucker
Kenny Oreagba	Robin Harris
Sharon Pinder	

Attorney General's Office
Barbara Kountz, Deputy Counsel

AGENDA

REPORT

MSBDFa Annual Portfolio Review

The closed session of the November 22, 2022, meeting was summarized. The Authority Board meeting was attended by Les Hall, Mara Sierocinski, Clem Kaikis, Kenny Oreagba and Laura Pasternak. 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 request of Domesticity, LLC; and the new requests of Calmi Electrical Company, Inc., and The Ripp'd Canvas Corporation. All the requests were approved.

1. Domesticity, LLC/Real Creative, LLC – Approve release of indemnity deed of trust on personal residence of guarantors located at 2111 Lake Montebello Terrace, Baltimore, Maryland subject to payment of \$15,000 towards payment of MSBDFA loan
2. Calmi Electric Company, Inc. - \$1,500,000 surety bond line of credit subject to approval of additional debt by Commerce VLT Program Manager
3. The Ripp'd Canvas Corporation - \$350,000 EPIP term loan subject to condition that the company and any related companies of the guarantor lease in the aggregate a minimum of 51% of the usable space in the building (including the basement) during the term of the loan

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 2023 and 2024.
2. MSBDFA Program Statistics showing the summary of loan activities for the current portfolio as of June 30, 2022, by County, Industry, and Program.
3. MSBDFA Program Statistics Ten Year Portfolio History from FY 2013 through FY 2022 including Geographic, Ethnic, and Gender Distribution Summaries; and Program Concentration Summary.
4. Schedule of Loan Losses from FY 2013 through FY 2022.

Discussion: The following was discussed:

1. Gross financing amounts/percentages by county as of June 30, 2022: Increase in activity in Baltimore City versus Prince George's County

2. Explanation of the Performance/Activity change between 2021 and 2022
3. Impact of the COVID-19 pandemic and the emergency loan funds/grants available to businesses on the 2022 performance
4. 2022 Payoffs/Graduations compared to previous years
5. Gender Distribution Summary: explanation as to the rise of financing to African American male-owned businesses versus women-owned businesses that are the fastest growing business segment.

Action Taken: The Authority accepted the report as presented.

The Open Meeting then closed at 1:25 p.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
Chairman

DATE:

01-03-23

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: December 2, 2022

Time: 10:45 am – 12:05 pm

Location: Held by conference call only due to COVID 19 pandemic at
470.869.2200/428 245 6027

Motion to close meeting made by: Laura Pasternak; Seconded by Gina Ramsey

Vote to Close Session:

	AYE	NAY	ABSTAIN	ABSENT
Celester Hall, Chair, Designee Secretary of Commerce	[x]	[]	[]	[]
Clemis Kaikis, designee of Comptroller	[]	[]	[]	[x]
Charles Martin	[x]	[]	[]	[]
Kehinde Oreagba	[x]	[]	[]	[]
Laura Pasternak	[x]	[]	[]	[]
Sharon Pinder	[x]	[]	[]	[]
Gina Ramsey	[x]	[]	[]	[]
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.

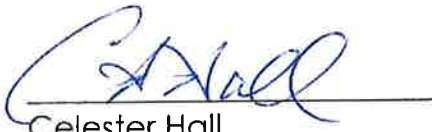
§3-305(b)(7) topics: Legal advice from counsel to the Authority with respect to the applications.

4. For each topic listed in #2, disclosure of the reason for discussing it in closed session rather than in open session:

§3-305(b)(13): Financial information of private individuals is protected from disclosure under the Maryland Public Information Act (§4-336) and confidential commercial and financial information is protected from disclosure under the Maryland Public Information Act (§4-335).

§3-305(b)(7): Protection of the attorney-client privilege.

This statement is made by Celester Hall, Chair of the Maryland Small Business Development Financing Authority, Presiding Officer.

A handwritten signature in blue ink, appearing to read "C. Hall", written over a horizontal line.

Celester Hall
Chair