

**PROVIDENCE BUSINESS LOAN FUND, INC.**

**WEDNESDAY, MAY 6, 2020**

**DRAFT BOARD OF DIRECTORS REMOTE MEETING MINUTES**

Pursuant to Rhode Island Governor Gina Raimondo's Executive Order No. 20-05, dated March 16, 2020 and the State of Emergency declared in the State of Rhode Island and the City of Providence, a virtual meeting of the Providence Business Loan Fund, Inc. (PBLF) Board of Directors was held remotely in Zoom webinar format on May 6, 2020 in order to minimize any possible transmission of COVID-19. The Board of Directors meeting was called to order at 12:03 P.M., with Theresa Agonia, Vice-Chairperson presiding. Roll call of the members and legal counsel was conducted. A quorum was present.

**MEMBERS IN ATTENDANCE**

Members in attendance included Theresa Agonia, Deputy Chief of Staff, Office of Mayor Jorge O. Elorza (Vice-Chairperson), Doris Blanchard (Treasurer), Daniel Murphy (Secretary), John (Jack) Bentz, Allyson Cote, David Piccerelli and Peter Quattromani.

**MEMBERS ABSENT**

Members not in attendance were Nicole Pollock, Chief of Staff, Office of Mayor Jorge O. Elorza (Chairperson, Mayor's Elorza's Designee) and Stephen DelSesto, Esq.

**STAFF MEMBERS IN ATTENDANCE**

Staff members in attendance included Kathy Abbate and Jonathan Hernandez.

**OTHERS IN ATTENDANCE**

Others in attendance were Stephen A. Izzi, Esq., Moses Ryan Ltd., PBLF legal counsel; Sally Brito, Director of Fiscal Operations, City of Providence Department of Planning and Development; and Thomas Hoagland, Executive Director, PBLF.

**NEW LOAN REQUESTS / PROGRAMS – FOR CONSIDERATION AND ACTION**

The agenda item entertained by the Board of Directors was New Loan Requests/Programs for Consideration and Action. Mr. Hoagland presented the requests.

The first agenda item entertained by the Board of Directors was the request from Rent Sons, Inc., Patrick Brown, CEO, 55 Cromwell Street, Providence, Rhode Island, 02907, for approval to increase its emergency loan previously approved at the April 16, 2020 PBLF Board of Directors meeting. The board approval that was granted was in the amount of \$50,000.00 and the Borrower is requesting approval of an increase to its loan to \$100,000.00. Mr. Hoagland presented the request. The Borrower received a contract with the state to deliver meals to COVID-19 patients and came back to PBLF to request an increase to its loan. The board questioned whether this request was discussed at its last meeting. Mr. Hoagland responded in the affirmative, but that the matter was not on the agenda so the board could not vote on the request at that time. The contract amount was questioned, which is not known.

A motion was then made by John Bentz and seconded by David Piccerelli to approve the request of Rent Sons, Inc. for an increase in its loan approval to \$100,000.00 from \$50,000.00. It was questioned whether there was any further discussion. The board raised questions with regard to the financials of the business and whether it was a start-up company. Mr. Hoagland responded that it is not a start-up. The company was started in 2019 and has been operating for one and a half years. Mr. Hoagland also indicated that the sons and daughters of the business are not W-2 employees and do not count toward the job creation statistics. The business has given Jonathan Hernandez their job creation information. Mr. Hernandez confirmed that the company will have enough jobs created to support the higher loan amount. The board indicated that it was just raising some concerns. The board questioned whether Mr. Hoagland recommends the loan. Mr. Hoagland responded in the affirmative. A vote was then taken on the motion. None of the directors were opposed to the motion and none of the directors abstained from the vote on this loan request. The motion passed by unanimous vote.

The next agenda item entertained by the Board of Directors was the emergency loan request of Taste of India, Ashwani Kumar, 230 Wickenden Street, Providence, Rhode Island, 02903, in the amount of \$25,000.00. Mr. Hoagland presented the loan request. Mr. Hoagland noted one correction. The Borrower is Taste of India, Inc. Mr. Hoagland provided a brief history of the business. Mr. Hoagland stated that the business was stable and profitable and is happy to recommend approval of the loan. The board questioned whether the Borrower has applied for or received any of the Paycheck Protection Program funds. Mr. Hoagland responded that the Borrower has not applied, but if they do receive the funds, they cannot duplicate any expenses that we reimburse for with the PPP funds.

Upon a motion made by David Piccerelli and seconded by John Bentz, it was voted to approve the emergency loan request of Taste of India, Inc. in the amount of \$25,000.00 as presented. None of the directors were opposed to the motion and none of the directors abstained from the vote on this loan request. Motion passed by unanimous vote.

The next agenda item entertained by the Board of Directors was the emergency loan request of Rodriguez Meat Market, LLC, Felix Rodriguez, 400 Hartford Avenue, Providence, Rhode Island, 02909, in the amount of \$75,000.00. Mr. Hoagland presented the loan request. Mr. Hoagland provided a brief background of the business and overview of the collateral being pledged. PBLF will have a second position mortgage on the building, which has substantial equity and is sufficient collateral for the loan. Mr. Hoagland noted that he is happy that we are getting into the neighborhoods. It was questioned whether the business has been operating during the crisis. Mr. Hoagland responded in the affirmative.

A motion was then made by Peter Quattromani and seconded by Doris Blanchard for the approval of the emergency loan request in the amount of \$75,000.00 to Rodriguez Meat Market, LLC, as presented. The board questioned who PBLF will be second to on the property being pledged as collateral. PBLF legal counsel Stephen Izzi responded that the senior mortgage is a private mortgage held by a trust located in Cranston. The senior mortgage is in the amount of \$150,000.00 that is on two (2) properties owned by Mr. Rodriguez. The properties are located at 398 Hartford Avenue and 408 Hartford Avenue and the private mortgage covers both properties. Mr. Hoagland indicated that we will make the PBLF mortgage cover both properties also. Attorney Izzi stated that would be his recommendation. The board stated that the financials presented of the business, the tax returns for 2017 and 2018, were just prepared a week ago and that it would want to see the ones for 2019 when prepared. Mr. Hoagland responded that he will request them. The board wants to see consistency, even if financials were prepared through December 31, 2019 for submission to PBLF. Mr. Quattromani stated that he agreed and amended his motion to approve the loan request to be conditioned upon the submission of the 2019 financials and tax returns. Ms. Blanchard agreed to amend her second of the motion and seconds the amended motion. None of the directors were opposed to the motion and none of the directors abstained from the vote on this loan request. Motion passed by unanimous vote. The loan approval is subject to the submission of 2019 financials and tax returns.

Ms. Agonia stated that Katherine Hypolite noted that PBLF received twenty-five (25) pre-applications and gave kudos to the PBLF team, which has been very busy. Ms. Agonia noted that PBLF has also been getting the loan funds out. Mr. Hoagland added that through today, PBLF has approved nine (9) loans for a total of \$725,000.00, inclusive of the loans approved today. Of the loans approved, five (5) have been documented and closed. Mr. Hoagland is working with Mr. Hernandez on the loan requisitions and funding. We are also working on the other loan documents. Mr. Hoagland added that Fearless Fish has indicated that it will not take its PBLF loan. Mr. Hoagland has an additional loan application completed and will present it to the board next week.

EXECUTIVE SESSION

The next item on the meeting agenda was Executive Session. There were no matters for discussion in Executive Session.

REPORT ON ACTION TAKEN IN EXECUTIVE SESSION

Executive Session was not convened and therefore there was no report.

MOTION AND VOTE TO SEAL MINUTES OF EXECUTIVE SESSION

Executive Session was not convened and therefore there was not a motion and vote to seal the minutes of Executive Session.

A motion to adjourn was made by John Bentz and seconded by Daniel Murphy and the meeting was adjourned at 12:23 P.M.