



CLIMBER Small Business Loan Program
Oversight Board
Meeting Minutes
November 19, 2020

Board Members in Attendance:

Treasurer Dave Young, Board Chair
Akasha Absher
Peter Calamari
Rosy McDonough
Doug Price

Additional Attendees:

Jim Eke, DPS Staff
Erin Gallegos, Treasury Staff
Sean Gould, OEDIT Staff
Steve Johnson, CHFA ED
Jeff Kraft, OEDIT Staff
LeeAnn Morrill, First Assistant Attorney
General & General Counsel to the AG
Mary Wickersham, Treasury Staff

2:04— 2:05 Welcome, roll call: Dave Young

- Peter indicated that he would need to leave the Board meeting at around 3:30.

2:06 – 2:11: Introductions

- Dave introduced LeeAnn Morrill, the First Assistant Attorney General and General Counsel to the Attorney General. LeeAnn is filling in for Emily Buckley, who is on maternity leave. LeeAnn addressed the board.
- Dave Young introduced Jim Eke, who has been hired as the Climber Program Director and Treasury's Debt Manager. Jim's first day with the Board and Treasurer's Office will be Monday, December 7th. Jim addressed the Board.

2:12 — 2:13 Meeting minutes from previous meeting: Dave Young

- Peter moved approval of the minutes from the November 5, 2020 Oversight Board meeting. Akasha seconded the motion.
 - Akasha Absher – Yes
 - Peter Calamari – Yes
 - Rosy McDonough – Yes
 - Doug Price – Yes
 - Dave Young – Yes

2:13 — 2:26 Updates:

- **Fundraising:** Mary Wickersham, Peter Calamari
 - The volunteer fundraising team is conducting calls with banks to get contribution commitments to meet the Board's CLIMBER program launch deadline. Governor Polis is assisting with those calls. Mary recognized the fundraising efforts of the fundraising chairs Kent Thiry and Blair Richardson, and thanked Peter for being on the calls with the banks. She also thanked Doug for being on calls when Peter could not participate.
- **Timeline:** Mary Wickersham, Jeff Kraft
 - The Board's initial work is close to being finished. Mary will update the end dates on the spreadsheet and send a new version to the Board. The timeline is a constantly evolving product and can be modified as needed in the future. Staff is making progress with CHFA in that the MOU has been signed and the contract is under discussion. Additionally, Mary will be meeting with the CHFA project team to get their work started.
- **Tax Credit Sale:** Mary Wickersham, Dave Young
 - Mary indicated the tax credit sale is on track for December 18th. Dave and Mary had a discussion on including the Gantt chart spreadsheet as part of the legislative report due November 30th.
- **Legislative Special Session:** Dave Young
 - Dave updated the Board on the Governor's call for a Legislative Special Session that will start on Monday, November 30, 2020. Treasury is working to develop a bill for the Special Session that will improve the statutes regarding insurance premium tax credit sales.

2:26 — 3:29 CLIMBER products and underwriting terms—refinancing and adjustments for underserved and demographics: Jeff Kraft, Sean Gould, Akasha Absher, Rosy McDonough

- Sean presented information regarding the historic and current lack of capital for underserved communities, for women-, minority-, and veteran-owned small businesses, and for rural small businesses. He indicated that entrepreneurs face geographic, demographic and wealth barriers exasperated by a capital market structure that does not support many of the entrepreneurs he identified. The data and research analysis he presented shows that there is a need for government programs to address the shortfalls in the private market and federal programs. The CLIMBER program is designed to fill those gaps. Rosy emphasized that this statement shows the importance of why the Board is so important in serving these communities and Colorado as a whole.

- The Board reviewed the CLIMBER products and underwriting terms document. Jeff summarized past topic discussions and stopped for further discussion in places that still need work. The definition of working capital will need additional review by the Attorney General's Office. Mary indicated she received some questions from lenders regarding provisions to ensure that businesses are using the funds appropriately. Jeff recommended the Board allow CHFA to finalize the borrower use of funds certification since it is extremely technical. Steve Johnson from CHFA said his attorneys would be able to craft some wording to protect the Fund. When the Board votes on this section, it would vote on guidelines and guidance for CHFA. The Board conducted a discussion on direct tracing of the business' funds, and on loan terms and credit enhancement. Jeff presented document changes and those items that need further consideration. Issues discussed were refinancing, credit enhancement, line of credit and credit card payments. Mary explained that some potential contributors were confused and hesitant that the loans may not all be term loans. CHFA would like some more precise language regarding the credit card payments for the benefit of the bankers. CLIMBER loans would need to be repaid first if there were deleveraging efforts.
- Akasha moved for approval of the two documents presented by Jeff, incorporating the edits made and subject to final approval by the Attorney General's Office. Doug seconded the motion.
 - a. Akasha Absher – Yes
 - b. Peter Calamari – Yes
 - c. Rosy McDonough – Yes
 - d. Doug Price – Yes
 - e. Dave Young –Yes

3:27 — 3:40 CLIMBER legislative report: Mary Wickersham

- The Report is required by statute and will be sent to the Joint Budget Committee and the other members of the General Assembly. The first report is due November 30th and is required every six months during the deployment period of the fund. Once that period is over the report will become an annual report. The Board was asked to send comments and suggestions regarding the draft report to Mary and she will incorporate them into the final report. Once finished the board will meet to approve the report.
- As he had indicated at the beginning of the meeting he would need to do, Peter left the meeting at 3:32.

3:40 — 3:41 Public comments: facilitated by Dave Young

- Written Comments
 - There were no written comments.
- Verbal Comments
 - There were no verbal comments.

3:41 – 3:42 Next steps/meetings: Dave Young, Mary Wickersham

- Mary will send times around for the legislative report approval meeting during the week of November 23, 2020.

The meeting was adjourned at 3:42 p.m.