

Minority Business Initiative Advisory Board

January Meeting Minutes

Thursday, January 19, 2023

1:00 PM – 2:30 PM

Remotely Held by Teams Meeting Software
Hartford CT, Connecticut

Attendance

- Board Members Present: Chairman Howard K. Hill, Senator Doug McCrory, Commissioner Alexandra Daum, Leticia Colon de Mejias, Avery Gaddis, Roberta Hoskie, George Mathanool, Pedro Soto
- Quorum: Yes
- DECD Staff Present: Deputy Commissioner Paul O. Robertson, George Norfleet, Alvetta Spencer, Kerron Vernon and Gerry Garcia

Welcome and Introductions:

Chairman Howard K. Hill called the meeting to order at 1:05PM. He welcomed attendees to the first meeting of 2023.

Minutes:

Chairman Hill asked for a motion to approve minutes. Motion was moved by Paul O. Robertson and seconded by Leticia Colon de Mejias. Motion passed unanimously.

Introduction to Commissioner Alexandra Daum

Paul O. Robertson introduced Alexandra Daum, nominated to succeed David Lehman as Commissioner of DECD.

Commissioner Daum noted that she knows through other contexts almost everyone on the MBI board. She indicated that Paul O Robertson will be her designee to the body. She indicated the importance of MBI to DECD, and that it will continue to be important to her as well and to this new Administration. DECD is committed through Boost but also through this stand-alone body that is responsible to promote the success of minority business owners so we make sure nothing falls through the cracks. She values MBI's role to protect future entrepreneurs. She indicated that everyone on the MBI board can reach her directly to discuss matters within or outside the scope of MBI.

Leticia Colon de Mejias thanked Commissioner Daum for her willingness to be accessible and to impress upon her the importance of gathering metrics on programs. And Gerry Garcia indicated that Sheila Hummel will be joining the meeting to review Boost numbers.

Matthew Pugliese, executive director of the Community Investment Fund

Gerry Garcia introduced Matt Pugliese. Gerry indicated that MBI Board members had asked for access to the DECD program directors, an ability to establish lines of communication with them and to have the chance to learn more about DECD programs. Matthew Pugliese thanked the board for its invitation.

Matthew Pugliese presented a slide presentation overview of the program. He indicated that this same information may be found on the [website](#). CIF is focused on capital improvement projects and small business pool support (gap financing and startup funding loans and grants but no direct funding to small businesses). CIF can fund a pool that a business applies to but cannot directly fund a business. \$250K minimum application size.

He went over the application process: The CIF team reviews applications for completeness and eligibility; CIF Board reviews applications and recommends projects for approval; Governor reviews recommendations, issues final recommendations and sends to the Bond Commission for funding; and, Bond Commission issues approval of projects. He then went over the kinds of projects that can be approved, as well as the timetable for the various rounds of the program.

Leticia Colon de Mejias raised concerns about the first round of awards that appeared to go primarily to New Haven and Hartford. Commissioner Daum responded saying that this is a process governed by a 21-member board who represent a diverse swath of the state, and that DECD's role is to summarize applications but not to make decisions on the awards. Awards are determined by the Board, which includes overlap with MBI's board.

Senator McCrory thanked Matt Pagliese for his work on the project, for his accessibility, and indicated that changes have been made to the selection process to help allow board members to vote on projects in their own districts (which previously had been prohibited).

Program Update

Gerry Garcia went over planned updates for our web site and phone tree (MBCT), the launch of our first MBLive video campaign launch and associated timeline, and MBLocal's first event to be held in Torrington on February 17th. Leticia Colon de Mejias said she loved the idea of customizing events to the local communities in collaboration with their organizers and leadership.

Finance Update

Chairman Howard K. Hill raised concerns that the MBI is almost out of resources and that in order to function it will require a renewed push for funding.

Sheila Hummel went over some of the history of allocations on Small Business Express and to organizations like HEDCO, MBI programs, and other organizations. She also mentioned that there may be an allocation for small businesses in the budget and, if approved, some of these resources could fund MBI programming. Total allocated for small business is \$25M for each year.

Senator McCrory indicated that he and other board members had some ideas that he would like to work with other MBI board members on toward a plan with a budget that will specifically focus on minority communities.

Chairman Hill proposed creating a Planning and Funding Committee to look into planning and funding. He suggested Leticia Colon de Mejias, Avery Gaddis, Pedro Soto and Senator McCrory to participate on the committee. George Mathanool indicated he would be interested as well.

Sheila Hummel presented on the Boost Fund pipeline. 131 funded loans, over \$18M committed. 37 loans are in distressed municipalities. Loans to 62 of 169 towns. She presented data by county and a plan to market in southeastern CT. Of the 131 loans, 81 are to minorities, women, Native American, LGBTQ+, etc, which is 62% of the total. She also provided a breakdown by industry and organization type. Sheila Hummel mentioned that a grant program is coming online that will be administered by some among the organizations serving entrepreneurs.

Leticia Colon de Mejias asked how organizations learned about the RFP to administer a grant program, and Sheila Hummel said that it was promoted by DAS and in the Commissioner's Newsletter. Leticia Colon de Mejias indicated that bringing opportunities like these to MBI Board would have greater success reaching a broader segment of Connecticut's minority communities.

Chairman Howard K. Hill asked that the record reflect that he asked DECD to report regularly to the MBI board on DECD events and important opportunities. For example, MBI members were not invited to the DECD Summit. He indicated a desire to close this communication gap and an interest to meet with the Commissioner to ensure that the gap is closed.

George Mathanool asked for a list of Boost Fund awardees. Sheila Hummel said that this information is owned by NDC but she will check to see if it can be shared. George Mathanool indicated that he believed MBI Board members could participate in a more substantive way in recruiting businesses to the Boost program if this information were provided to MBI Board members.

Sheila Hummel discussed how Boost has sometimes been perceived as a competitor to the CDFI community because CDFI loans are at rates higher than Boost's 4.5%. She also mentioned that HEDCO and SAMA have forgivable loan programs coming online.

Pedro Soto raised concern that out-of-state application evaluators may not be as sensitive to local needs as CDFIs. Sheila Hummel said that applications are online and that this was a policy decision, so that applications can be evaluated anywhere. Sheila Hummel also indicated that DECD wants feedback on how this is working.

Chairman Howard Hill shared that he is of the view that much that happens at DECD is compartmentalized and that MBI's Board has difficulty receiving information rather than being a part of planning processes. Sheila Hummel invited board members to a planning roundtable that will be held in New Haven.

Leticia Colon de Mejia requested that Boost delineate between all women and women of color because presently all women are lumped together.

Gerry Garcia indicated that the reason why Matt Pagliese came to present to the Board and why we will seek presentations from other DECD groups in the future is so that MBI Board members can appreciate and understand better the operations of the department. DECD does not report to MBI but MBI Board members can influence the agency through its exposure to these agency representatives.

Adjourn

Howard Hill asked for a motion to adjourn. Avery Gaddis made the motion and Leticia Colon de Mejas seconded. The meeting adjourned at 2:38PM.