

## **Small Business Advocacy Council**

January 29, 2009

### **Meeting minutes**

**Attendees:** Dino Autiello, Tracy Baran, Nancy Blount, Kelly Carello, Sherri Carrera, Mike Clarkin, Amintha Cinotti, Alan Crisman, John Cronin, Barbara Cullen, Mark Deion, Shawn Donahue, Karla Driscoll, Arthur Dwyer, Darlene Evans, Sidney Goldman, Fred Hashway, Conni Harding, Mark Hayward, David Lucier, Laura McNamara, Ed Mazze, Don Nokes, Phil Papoojian, Clay Rockefeller, Miriam Ross, Michael Saul, Caroly Shumway, Paula Silva, Peter Weill, Herb Weiss, Bill White, Caroline Wells, Carrie Zaslow,

**Lt. Governor Roberts** called the meeting to order at 8:40 a.m. and welcomed the members of the Small Business Advocacy Council (SBAC) and guests.

**Lt. Governor Roberts** introduced Michael Saul.

**Michael Saul** gave an overview of current Economic Development Corp. (EDC) activities including the STAC grants, Every Company Counts, Rhode Island Renewable Energy Fund and the EDC's loan activities.

**Michael Saul** indicated that the EDC strategic review document was sent to the Chairmen of the review committee. The document included an eleven-point plan to reinvent the mission and focus of EDC.

**Michael Saul** discussed the Governor's economic stimulus plan, and he focused on portions of the plan that include new small business lending commitments from banks, the recapitalization of the small business loan fund, reinstating the SBA loan tax credit, and the provision that would create a \$25 million small business loan guarantee fund. He noted that these new provision would give EDC the ability to provide capital starved companies with liquidity that could be used either as a bridge loan or for new growth.

**Lt. Governor Roberts** introduced Bill White, President of Coastway Credit Union

**Bill White** stated that despite downturn, Coastway is continuing to lend to small businesses. In fact, he stated he would be surprised if he did not meet his \$25 million lending commitment this year. He stated that all lenders would rather hear about problems up front, rather than when a crisis is well under way, so he suggested that businesses owners stay in regular contact with their bankers. In addition, Bill noted that Coastway was considering becoming a state-chartered bank so that they could further increase their small business lending.

**Phil Papoojian** of the Smaller Business Association of New England (SBANE) said that the consensus among his members was that larger banks were not lending to smaller businesses. Credit lines were also being altered or drying up completely.

**Mark Deion** of Deion & Associates stated that the state SBA tax credit is a good job creator and should be reinstated.

**Ed Mazze** stated that the challenge was that small businesses fear government and fear bankers. However, there was a need to reach out to those businesses that have had bad relationships in the past and explain in plain language how you can help them. That is why the Buy Local RI program is working, and that is what EDC needs to sell its loan programs to businesses and legislators.

**Lt. Governor Roberts** asked whether the federal stimulus provisions would supplant the need for state action on small business lending.

**Fred Hashway** of the Economic Development Corp. stated that the federal provisions were temporary, and that the state would be wise to act to ensure stimulus continues beyond federal provisions.

**Cap Wiley** stated that banks are being instructed to watch their loan portfolios and not to lend. He stated that the secondary SBA market is frozen and wondered whether the state could use the pension fund to help stimulate the secondary loan market.

**Jerry Meyer** from the East Greenwich Chamber of Commerce asked if Coastway would loan \$5,000 to \$10,000 to very small businesses.

**Bill White** stated that they would, and that they are doing so right now. Bill stated that Coastway and local banks would be very supportive of Buy Local RI.

**Lt. Governor Roberts** thanked the panelists and meeting attendees and adjourned the meeting at 10:00 a.m.