



TOWN OF RANDOLPH, VERMONT

Economic Development Council

Minutes of April 2, 2020

Members present: Mary Richter (*no quorum*)

Guests: Valerie Schoolcraft, Andrea Gould Easton, Zac Freeman, Peter Reed, Julie Iffland

Town of Randolph: Joshua Jerome

Selectboard Liaison: Perry Armstrong

Public Attendees: None

1. Call to Order
2. Public Comment – None present
3. Approval of Agenda (*no quorum*)
4. Approval of Minutes - Minutes from March 5, 2020 (*no quorum*)

Topics Discussed:

The group met to discuss Coronavirus (CoVID-19) relief benefits available and brainstorming how to communicate and support local businesses and the community.

How can we support businesses who are still operating with this new normal for the next 2 to 4 months and then start the transition to recovery?

Resources

- CARES Act 2020 (Coronavirus Aid, Relief, and Economic Security Act)
Since passage the CARES Act, Josh has been getting daily calls from businesses who need help and how to access resources.
- SBA (Small Business Association) <https://www.sba.com/vermont/>
Paycheck Protection Plan (PPP) is a great program for small businesses loans that are forgivable. No grants. Businesses need to have a banking relationship. Northfield Savings Bank (NSB) existing customers, Vermont Community Capital stopped has no capacity for new loans, they are focusing on retaining their existing portfolio.

Perry forwarded Disaster COVID-19 Business Leading 201 April 2, 2020 (appended)

\$10,000 Grant effective Mar 30, 2020 businesses need to reapply. Businesses are encouraged to Apply / reapply and get their applications into the pipeline to: (1) Economic Injury Disaster Loan (EIDL) and (2) Paycheck Protection Program (PPP).

Minimum of 3 weeks for applications to be processed with SBA.

Additional Alternatives

- ACCD (Agency of Commerce and Community Development) <https://accd.vermont.gov/>.
- SBDC (Small Business Development Center) <https://americassbdc.org/>
There will be funding to hire and manage post emergency to recovery efforts.
- RAMAN (Randolph Area Mutual-Aid Network) <https://racdc.com/covid19>
RAMAN located on the RACDC website has information. Julie has a group of volunteers gathering information from “I Need Help” and “I Want to Help” online forms.

Support and Communication

There is an email distribution list with approximately 129 business. Create a Resource Center providing, products and processes for businessowners to reach out for guidance with knowledgeable consultants.

Ideas were shared and Josh will create a program and to reach out to businesses, contacting SBA, local resources, and coordinate with RAMAN’s efforts.

Communication can include: (1) Newsletter, (2) Mailings, (3) Zoom for “Open Mic” for businesses, inviting experts with a Q&A segment at the end. Keep a recorded session on the Cloud for access. ARA has had sessions utilizing financial consultants and (4) You Tube videos.

Educational guidelines and support how to budget and manage funds received from the Relief program. Reach out to Capstone if they are offering this service.

Other Business

Local layoffs. Josh will review and compare to the 2017 census as regional layouts will be significant.

Josh reached out landlords and renters a couple of weeks ago. Little feedback.

Zac reported Gear House will be in good standing. Vermont Mountain Bike Association (VMBA) <https://vmba.org/covid-19-response/> trails are closed along with lodging.

Dunkin’ donuts offered gift cards to Gifford Medical Center.

Food Shelf have pre-bagged daily pick up.

Vermont Food Bank is receiving donations.

Consensus from the group is to meet more often.

Next Zoom Meeting: April 9, 2020 at 5 pm

Adjournment: 6:09 PM

Respectfully Submitted,
Mary V. Richter

Note: This agenda may be modified 24 hours prior to meeting. At the discretion of the Chair, the Board may deviate from the order of subjects above. The Town of Randolph provides equal access to its programs and services. To request a specific accommodation, contact the Town at 802-728-5433 or 800-253-0191 *TTY) or email AdminAssist@randolphvt.org. The Town offices are wheelchair accessible.

MODIFIED Disaster COVID-19 Business Lending 201 APRIL 2, 2020

With the passage into law of the CARES Act business owners have some options for financial assistance available to apply to now, and others through Vermont banks available shortly. Please note the changes to 201 are in yellow. As soon as we have additional information, a 301 version of this document will be created and distributed.

There can be no duplication of use of funds among all of these programs. Keeping very detailed records of your actions (as noted below) is paramount. As these programs are defined and delivered, we will have an understanding of how the programs interrelate (work together in concert and impact each other). At this point we do not have that information.

Available to apply for now:

1) Economic Injury

The SBA EIDL is applied for on-line via the SBA portal and has two components (and apply only at <https://www.sba.gov/funding-programs/disaster-assistance>. Note there are now many scammers on line so only use this site):

- i) **The Economic Injury Disaster Loan (EIDL) available through December 31, 2020;** this is a low interest, long-term loan that has a detailed list of requirements.
 - (1) It is a working capital loan that covers the gap between expenses and revenues for the period from 1/31/20 to 12/31/20 (whether that be a complete or partial reduction of revenues from the same period last year). It does **not** cover lost sales
 - (2) It will take into consideration other loans that you have secured in relationship to COVID-19. **So all loan/financing options should be considered in concert.**
 - (3) The new application process is streamlined. To apply you need only the following:
 - (a) Your basic business info (name, address, phone, EIN, opening date of the business and opening date of the current ownership {these can be the same date})
 - (b) Your personal info (name, address, DOB, SS#, place of birth)
 - (c) The only financial info **at this point:**
 - (i) A calculation of Gross Revenues for period 2/1/19 – 1/31/20
 - (ii) A calculation of COGS (Cost of Goods Sold) for the same period
 - (iii) If you are a non-profit you will only need Operating Costs for the same period.
 - (iv) And if applicable dollar amount of rents lost as a result of the disaster.
 - (v) There is also a question regarding any compensation you have received for mitigating the economic injury of COVID-19 on your business. They ask for the dollar amount and a description.
 - (vi) Note: there is a box at the top of the agent/owner page that asks if you are owned by an entity. If this box is not checked you cannot proceed past this page.
 - (vii) You will also certify to some basic questions about your business and personal situation and that you have represented the information truthfully.
 - (4) Once you have completed the application you will have a chance to review.
 - (5) Once you hit submit you will be given a confirmation page with an application number. Print this page or screen shot it. Do not lose this number.

- (a) And begin a file of the numbers and info that you provided with this number written on the inside of the folder.
 - (6) **PLEASE NOTE:** There will be a future point where you will be contacted to provide more detailed financial and supporting information. This is not the complete application process. We still encourage you to have the list at the bottom of this document in order. And regardless these documents encompass the numbers that you should know about your business anyway so that you can make the best decisions about going forward post this current disaster.
- ii) **The Emergency Economic Injury Grant (EEIG)** is the newly added component that allows a business to request a grant/advance up to \$10,000.
- (a) To be considered for an advance/grant “up to \$10,000” a business needs to complete the streamlined EIDL application and (toward the end of that application) should check the box “to be considered” for this advance. **You must check this box.**
 - (b) At this point you will be asked for your BANKING Info:
 - (i) Bank Name
 - (ii) Account Number
 - (iii) Routing Number
 - (c) If you have already completed the previous EIDL application before 3/30 you will have to RE-APPLY for the grant/advance option. This is regardless of whether you have received a denial.
 - (i) You should have received notice of this.
 - (ii) You need to have all of the information above prepared.
 - (d) The advance does not need to be paid back under any circumstances.

Not yet available:

2) **Debt Relief Programs**

This is a group of SBA loan vehicles that will be accessed through SBA approved lenders in Vermont. These will work in concert with the EIDL and any funds lent through these programs will be considered as mitigation of the final amount lent via the EIDL. These include:

- a) **The Small Business Debt Relief Program** covers the SBA 7a, 504 and Microloan Program. These loans can be used for short and long-term working capital.
- b) **The SBA Express Bridge Pilot Program** allows small businesses that currently have a relationship with an SBA Express Lender to access up to \$25,000 with less paperwork. These loans can help small businesses overcome the temporary loss of revenue they are experiencing and can be a term loan or used to bridge the gap while applying for a direct SBA Economic Injury Disaster loan.

Not yet available:

The PPP is scheduled to come on line shortly. If you have the two-page PPP application from the local SBA Lender, they CANNOT process it yet. The banks are awaiting the SBA policy notice, which is expected by the end of this week.

There will be additional requirements outlined as the process is defined. We do know that they will need payroll information and taxes but we don't know the exact parameters yet. As soon as we know these, we will produce version 301 of this document.

- 3) **The Paycheck Protection Program (PPP) available through June 30, 2020**; is a loan specifically designed to cover payroll and payroll expenses for employers who maintain their workforce during the COVID-19 emergency. This loan will also be available thru SBA approved lenders.

There will also be some local lending coming on line in the next couple of weeks as RDC's and Towns work to re-orient their current lending programs to address the disaster. These will be smaller amounts that should be seen primarily as bridge loans while applications for the above are in process. We are, collectively, strategizing on how to best utilize these funds to help businesses as part of a broader strategy with the current Federal programs and others that may still emerge.

As part of your preparation to apply for any loan/financing option, you should make sure the following is in order and all documents are ready to be uploaded electronically:

Please note: Some or all of these documents may be needed in various applications. They will help you work with an advisor in assessing your options from the available loan/financing programs and determining which is right for you and your business in both the short and the long term.

1. A list (diary or narrative) of actions that you have taken in response to COVID-19, and direct impact you have seen. For example: 3/17/20 "laid off 2 employees" {names, # of hours typically worked and pay rate} and directed them to unemployment. Return to work date given with the date). This list will help identify economic impact.
2. Have the following financial records up to date:
 - a. Profit and Loss
 - b. Balance Statement
 - c. Sales records for 2019 and 2020 to date (this should come from QuickBooks or your POS or whatever system you use to capture daily income). Showing the actual impact on revenues is the basis of economic impact lending.
 - d. Three years of completed tax returns (personal and business). If 2019 is not complete, then a 2019 Profit & Loss Statement.
 - e. Up to date Accounts Payable.
 - f. Up to date Accounts Receivable.
 - g. An up to date list of your collateral (including your personal real estate) with item description and current replacement value.

A list of monthly expenses/revenues projected for the next 9 months. These can be estimates and can have multiple scenarios depending on whether you are staying open at full capacity/reducing open hours/closing. At this point this should be constructed based on your Profit and Loss for the same months last year: March – December.

Training materials will be forthcoming. Business assistance will continue to be provided by and available from VtSBDC (vtsbdc.org) and the Regional Development Corporation in your region.