

# **MINUTES OF THE ANNUAL MEETING**

**DATE:** Thursday, December 8, 2011

**TIME:** 8:30 - 10:30 AM

**PLACE:** Newton White Mansion  
Enterprise Road  
Mitchellville, MD

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## **Call to Order**

The meeting began with a one-hour networking session and continental breakfast. Approximately 80 people were in attendance, including representatives from financial institutions, elected and appointed officials, business owners and operators, resource partners, borrowers and vendors.

In the absence of the Chairman of the Board and 1st Vice Chair, the 2nd Vice Chair, Mr. Howard Stone, called the meeting to order at 9:30 a.m. Mr. Stone welcomed the guests and recognized our distinguished guests.

Ms. Jacqueline Clay delivered the Invocation and explained the Election Process for 2 nominees to the Board of Directors.

Mr. Stone introduced the Guest Speaker, The Honorable Rushern L. Baker, III, Prince George's County Executive.

## **Leadership Commitment**

County Executive Baker began his remarks by introducing his young guest, Master Justin Wells, who is shadowing him today. He invited Justin to make a few remarks.

Master Wells introduced himself and stated he was excited to have the opportunity to shadow the County Executive for a day. He currently attends Wood Stream Academy in Largo and resides in Mitchellville.

Mr. Baker reviewed the challenges he encountered within the first four months of office -- an indictment of the former County Executive, a significant flooding of the County and the entire first floor of the administration building, a hurricane and an earthquake.

He also acknowledged some of his successes including the AAA Bond Rating and the addition of the Fitch rating agency.

He discussed his approach to finding and hiring highly qualified individuals to join his Administration and more specifically the Economic Development & Public Infrastructure (ED&PI) Team. He introduced Ms. Carla Reid, Deputy Chief Administrative Officer; Mr. David Iannucci, Assistant Deputy Chief Administrative Officer; and Mr. Aubrey Thagard (in abstention), Assistant Deputy Chief Administrative Officer. The ED&PI Team is comprised of all agencies and non-departmental organizations that have any impact on economic development. His philosophy is that shared resources, skills and knowledge will yield higher outcomes.

Mr. Baker complimented Ms. Shelly M. Gross-Wade for her outstanding leadership and management of FSC First in these tough economic times and stated his appreciation for her partnership and involvement in the planning and implementation of the newly established EDI Fund.

## **Bridging the Gap - Year in Review**

Susan D. Wagner, Executive Vice President of FSC First, highlighted the significant achievements of the operations. Ms. Wagner welcomed guests to our Annual Meeting and explained the value and correlation of this year's theme-"Builder of Bridges, Champion of Success". She shared that although the economy continued to be slow; FSC used it as an opportunity to evaluate our existing programs and services and continued to build bridges and coalitions with our many partners. At year-end, ten (10) new loans were approved and awaiting settlement including \$1,430,000 in SBA 504 loans, \$553,000 in Small Business Growth Fund loans, \$100,000 in Asset Based Lending loans, and a \$100,000 City of Bowie loan. She noted that FSC experienced a growth in demand in loan requests for the Small Business Growth Fund where loan approvals, fundings and fee income exceeded goal. Four loans totaling \$535,000 were funded during the fiscal year, more than doubling the portfolio balance.

Ms. Wagner then highlighted a few of the many activities and outcomes for the last year:

- FSC evaluated their entire portfolio and developed client profiles for each of its core products which were incorporated into our Business Development and Marketing Strategies.
- To further leverage the loan pipeline, a Business Development Strategy focusing on strengthening our relationship with our many bank partners was developed.
- Hosted by the County Executive and his Economic Development Team, we held the first ever Banker's CEO Roundtable where the County Executive invited those banks to do more business in our County.
- FSC submitted applications for awards to U.S. Treasury for Community Development Financial Institution funds and to Prince George's County Department of Housing & Community Development for Community Development Block Grant funds.

- To identify alternative sources of revenue, FSC hired a consultant to develop the FSC First Fund Development Plan to supplement our County Grant.
- In preparation for online loan application submission, we developed and launched the 1<sup>st</sup> Phase of our website.
- The entire staff of FSC, continued advocacy and resource development efforts on behalf of FSC First. Ms. Wagner noted that FSC is everywhere!
- Working with Mr. Sherman Ragland, FSC Board Member, we coordinated and facilitated the first Commercial Real Estate Seminar and conducted a jointly held Small Business Networking Seminar with Capital One Bank.
- At the request of the County Executive, we developed an Institutional Partners Coalition with various other county agencies to determine the State of the Small Business Economy and conducted the first online Needs Assessment Survey.

Ms. Wagner announced that there were many other initiatives but felt that those mentioned demonstrates FSC's commitment to being the premier provider of financing while building bridges and fostering collaboration.

She then mentioned that FSC could not do what we do without the support of the many people who share in the vision of FSC First. She thanked the employees of FSC First, those businesses represented at the event; The Goddard School, Pridgen Funeral Home, BK Lass, and TDP, LLC. She also acknowledged and thanked the Board of Directors, FSC's Loan Review Committee, our Banker's Task Force and all of our strategic partners who attended the meeting.

The meeting was then turned over to Mr. Brian Smith, FSC First's Controller, who will present the FY 2011 Financial Statements.

## **Financial Update**

Brian P. Smith, CPA - Controller of FSC First, reported from the Audited Financial Statements for the fiscal year ended June 30, 2011. He stated the organization experienced a substantial deficit during the period, primarily due to the reduction in the County grant and because while the organization operated at or below budgeted expenses, there was unrealized revenues due to the continual lag in the economy. He thanked County Executive Rushern Baker for recognizing the significant value that FSC First brings to the Economic Development & Public Infrastructure Team and for restoring the prior year's reduction to the FY 2012 operating budget.

Mr. Smith appealed to Mr. Baker to be mindful that while the County contributes 60% of the organizations operating budget, it is essential that there be increased resources to match the increased responsibilities associated with FSC First role in implementing the recently announced Economic Development Incentive (EDI) Fund.

## **Board Election Results**

Mr. Smith announced the results of the Election Ballot previously distributed at the beginning of the meeting for the purpose of affirming the interim election of Mr. Christopher Mills and Mr. Jason Wilder to the FSC Board of Directors. Mr. Mills was elected by a majority vote of 13 and Mr. Wilder was elected by a unanimous vote of 15.

## **Champion of Success** - Forecasting our Future

Shelly M. Gross-Wade, President & CEO of FSC First, reported on the resource development process the organization has undertaken to prepare for its future successes and forecasted the FY 2012 activities that will grow the organization's revenues and enhance its quality of service. She announced the following:

- **Increased the revolving loan fund to \$3.5 Million** by attracting TD Bank with an initial line of credit limit of \$100,000; increased and renewed commitments of all other participating institutions. The current 12 bank partners were introduced.
- **Capital One Bank** has approved a *\$22,000 Community Foundation Grant* to supplement FSC First's operations. Those funds will be used to sponsor 2 specific outreach events, fund a part-time position to provide administrative support to the Loan Administration division, and further upgrades to the organizations re-designed website -- [www.fscfirst.com](http://www.fscfirst.com). In addition, Capital One Bank has implemented a new "*Second Look*" program whereby they have committed that any business loan requested declined in Prince George's County will be assured a second look by referral to FSC First.
- **Maryland Department of Housing & Community Development** has chosen FSC First to be its first intermediary lender in the newly established *MicroEnterprise Loan Fund*. The initial funding of \$250,000 will be available in the first quarter of calendar year 2012 and will further diversify the economic development finance tool chest for Prince George's County businesses. She stated microloans will range from \$2,500 to \$25,000.

- **Prince George's County Economic Development Incentive (EDI) Fund** -- FSC First has partnered with the County Administration to underwrite, close, fund and service the \$50 Million EDI Fund. It is anticipated that approximately \$3.75 Million of the \$7 Million allocated for year 1 will be closed and funded to support up to 10 new companies. She stated there are approximately 75 companies that are receiving loan packaging assistance by the Prince George's County Economic Development Corporation (EDC). EDC will forward the applications to FSC First for underwriting during the first quarter of 2012.
- **Restructured Loan Review Committee (LRC)** -- to further streamline the loan approval process, the Board of Directors of FSC First has appointed a 12-member LRC. The Committees will be divided so that Committee "A" meets the 2nd Tuesday monthly, and Committee "B" meets the 4th Tuesday monthly. This will significantly reduce the current demand on the volunteers' time which is estimated to be an average of 8 hours. Ms. Gross-Wade introduced the 2012 Loan Review Committee members:
  - Mr. Dale Skinner, Vice President, Capital One Bank
  - Ms. Kathlene Hand, Vice President, The Columbia Bank
  - Mr. B. Kyle Bayliss, Capital Region Director, Small Business Development Center
  - Ms. Dawn Medley, Director Business Lending Programs, Maryland Department of Housing & Community Development
- **Board of Directors** -- Ms. Gross-Wade introduced the 2012 Board of Directors, summarized the qualifications of the 2 incoming Board members as a result of the election process, and introduced the 2012 Board of Directors:

- Christopher Mills, Vice President, PNC Healthcare Banking
- Jason Wilder of Wilder Strategy, Financial Services.

### **Closing Remarks**

In closing Ms. Gross-Wade thanked the audience for their continued interest and support of FSC First. She thanked and introduced the FSC First staff, acknowledge the corporate sponsors and wished everyone a happy and prosperous New Year.