

Montgomery County Economic Development Corporation
Board of Directors Meeting
May 17, 2021
Via Zoom

Meeting Minutes

The following Directors were present:

Robby Brewer, Principal, Lerch, Early & Brewer (Chair)
Kevin Beverly, Former President & CEO Social & Scientific Systems (Vice Chair)
Elana Fine, COO, VWG Wealth Management (Secretary)
Carmen Larsen, Aquas Inc. (Treasurer)
Anthony Featherstone, Executive Director, WorkSource Montgomery
Angela Graham, President & CEO, Quality Biological
Matthew Lee, President & CEO at FASTech, Inc.
Dr. Sanjay Rai, SVP for Academic Affairs, Montgomery College
Ola Sage, CEO, CyberRx
Tien Wong, CEO, Lore Systems, Tech 2000, Opus8, Inc.
Jerome Fletcher, Assistant Chief Administrative Officer, Montgomery County (Ex-officio)
Andrew Friedson, Councilmember, Montgomery County (Ex-officio)

Other members of the public were present, consistent with the requirements of the Open Meetings Act and in accordance with the Corporation's Bylaws. A full list of participants is enclosed.

Board Chair Brewer called the meeting to order at 8:30 am.

Consent Agenda

Mr. Brewer presented the Consent Agenda consisting of the open session minutes and the closed session statement from the April 19, 2021 Board meeting. Mr. Beverly corrected his title and requested that he be listed as Former President of Social & Scientific.

Mr. Forde moved to approve the minutes with stated corrections. Ms. Fine seconded the motion. The motion passed unanimously.

MCEDC Draft FY22 Workplan Template

Mr. Tompkins presented a draft of the MCEDC FY22 Workplan, noting that it largely reflects a continuation of the work conducted in FY21. Next year's workplan template follows the same template as last year, which reflects a desire for a brief shortened document. Mr. Tompkins highlighted key areas of focus such as federal engagement, hospitality, nonprofits support and developing an inclusive economy. Mr. Tompkins noted that a detailed operating plan will be presented to the Board in June at the Annual Meeting along with additional metrics for newly established objectives.

Mr. Brewer noted that the County Council is finalizing its budget deliberations which include a possible increase to MCEDC's budget to fund additional priorities. Council legislation, Bill 10-21, is also pending to authorize MCEDC to take responsibility for the development of a Montgomery County comprehensive economic strategy. Both actions are expected to impact MCEDC's final budget and workplan.

Mr. Beverly raised a question about the coordination between the state and the county regarding the mask mandate and whether the voice of the business community was being considered in the process. Councilmember Friedson explained the County's metric-based reopening plan and discussed efforts to obtain feedback from businesses. Mr. Fletcher also discussed the County's outreach efforts and noted that more can be done to capture feedback from the business community.

Mr. Wu acknowledged and thanked Councilmember Friedson for working with MCEDC to address concerns regarding the implementation of Bill10-21.

Ms. Graham inquired about the status of MCEDC FY21 metrics and how those results are being communicated to the business community. Mr. Tompkins noted that communications efforts have increased as compared to prior years. Ms. Graham noted that communicating MCEDC's progress is critical to help change the narrative that the county is not business friendly. Mr. Brewer requested that an update on the metrics be presented to the Board in June as part of the FY22 workplan discussions.

Review and Approval of Board-Member Related Transactions

Mr. Tompkins provided an overview of two requests for financial support from organizations where a Board member serves in a leadership role. Pursuant to board policy, Mr. Brewer discussed the process that the Board will follow to review and approve the requests.

The board discussed examples of other types of transactions that the Board may need to review if a Board member is involved (e.g., sponsorships, partnerships and memberships). Such discussions will be clearly reflected on the Board meeting agenda, as necessary.

Montgomery Moving Forward Funding Request

The Board discussed Mr. Beverly's disclosure of the leadership position that he holds with Montgomery Moving Forward (MMF).

Mr. Forde moved that Mr. Beverly's leadership position with Montgomery Moving Forward may pose a potential conflict of interest and that he should be recused from participating in a discussion on whether to support MMF in the amount of \$5,000. Ms. Graham seconded the motion. The motion passed unanimously.

Mr. Beverly was electronically removed from the discussion at 9:06 am.

Mr. Forde expressed support for the request but expressed his concern about potentially providing financial support to an organization where a Board member serves in a leadership role.

Ms. Graham inquired about the return on previous investments to MMF and cautioned providing support not tied to business outcomes. Mr. Brewer noted that this funding would support the organization's early care and education initiative which is aligned with MCEDC's position on workforce development.

Ms. Larsen noted the importance of aligning with organizations that help augment the mission of MCEDC.

Ms. Sage expressed concern about the language used in the request ("year-end gift") and asked that the original request be amended to include a more specific purpose for the support.

Mr. Wu noted that MCEDC has implemented all of the recommendations from the Office of the Inspector General (OIG)'s report which include providing a letter to the Board member outlining the conditions of the support.

Ms. Fine and Ms. Graham asked for clarification regarding the difference between the terminology of a contribution and a sponsorship. Ms. Fine noted that a contribution indicates that there is no expectation of results. Ms. Graham noted that she does not support generic contributions. Ms. Fine agreed that the letter should be amended to reflect a specific ask and reiterated that MCEDC should not provide generic gifts that are not tied to specific results.

Ms. Larsen moved to approve a \$5,000 award to MMF with the condition that the request is modified to reflect that the funds are being provided as a sponsorship to support the early childhood education initiative, and that the funds are considered to be commercially reasonable

and represents fair market value. Ms. Sage seconded the motion. The motion passed unanimously. Dr. Rai and Mr. Beverly were not present for the vote.

Mr. Beverly was readmitted to the meeting at 9:30 am.

Hispanic Chamber of Commerce of Montgomery County Membership Request

The Board discussed the Hispanic Chamber of Commerce (HCC)'s request for membership at the \$5,000 level and discussed Ms. Larsen's role in a leadership position with the organization.

Ms. Fine moved that Ms. Larsen's leadership position with HCC may pose a potential conflict of interest and that she should be recused from participating in a discussion on whether to provide support to HCC. Mr. Forde seconded the motion. The motion passed unanimously. Dr. Rai was not present for the vote.

Ms. Larsen was removed from the meeting at 9:33 am.

Mr. Brewer noted that although HCC has requested MCEDC's support at the \$5,000 level, the staff recommends renewing its membership at the \$2,500 level which is consistent with support provided to other similar chambers (mid-level).

Mr. Tompkins provided an overview of the membership organizations and chambers that MCEDC currently supports.

Ms. Sage discussed the past Board's previous concerns about supporting chamber memberships due to the criticism received by the former Department of Economic Development. Ms. Sage requested that the decision to support membership be revisited at a later time. Ms. Sage also noted that the membership request was not included in the Board materials. Mr. Tompkins noted that the request came in the form of a simple invoice and forwarded a copy of the invoice to the Board during the meeting.

Ms. Graham asked that the staff take a look at how the requests are being approved to ensure that they are aligned with what MCEDC is trying to accomplish. Ms. Fine recognized that while the staff has an extensive process for vetting requests and ensuring mission alignment, an elevated level of communication and involvement may be required from the Board when a Board member is involved in a request for support.

Mr. Wu noted that MCEDC is actively engaged with minority chambers as a tactical means of promoting a more inclusive economy and forming greater collaborations with these chambers is part of the organizational strategy to increase the connectivity with small minority owned businesses.

Mr. Beverly noted that MCEDC should be clear about what the demonstrated value of the membership is and that the support of the organization is more than a routine transaction.

Ms. Sage noted that it would be helpful to receive additional clarification about how this membership will directly benefit MCEDC.

Ms. Sage moved to approve a membership at the \$2,500 level with the condition that the full request is provided to the Board, and that the membership is considered to be commercially reasonable and represents fair value. Mr. Lee seconded the motion. The motion passed unanimously. Ms. Larsen was not present for the vote.

Ms. Larsen rejoined the meeting at 10:00 am.

President & CEO Report

Economic Advisory Panel Activities

Mr. Wu summarized the outcomes of the first two meetings of the Economic Advisory Panel (EAP) including reaching consensus on focus areas and identifying action plan subcategory priorities. The EAP Meeting Three is scheduled for June 10. The goal of the third meeting is to refine and establish a consensus on implementation and execution of the focus area action plans. Mr. Wu discussed Dr. Pollard's transition to the Nevada State College and noted that she is expected to attend the June meeting.

MCEDC Focus on Nonprofits

Mr. Wu asked Mr. Stewart to discuss MCEDC's efforts to support local nonprofits. With the most nonprofit organizations in the state, there are almost 7,000 nonprofits in Montgomery County employing a significant percentage of the workforce. The MCEDC Business Development team has created a focus to support and attract nonprofits. This has never been a previous organizational priority. Mr. Stewart noted that MCEDC's administration of the Nonprofit Grant program will help further economic development in the county. Mr. Beverly suggested promoting the county's nonprofit sector as an asset for businesses with employees that wish to be connected to organizations with a social purpose (e.g., housing, education, childcare, etc.).

Restaurant Relief Grants – Phase III

Mr. Wu discussed the launch of the third phase of the Restaurant Relief Grant program. The County is expected to approve the appropriation of state funds to MCEDC for \$3.8M on May 18. The media announcement and communications activities for the program have been completed (e.g., website updates, press release, flyers, etc.). Mr. Tompkins discussed the program guidelines and process for awarding grants. Mr. Wu encouraged the Board to share information about the program with local restaurants.

Council Bill 10-21

Mr. Wu reported that the PHED Committee met to consider Bill 10-21 which transfers the responsibility for the development of the County's economic development strategy from the County Executive to MCEDC. The Committee voted unanimously to move the bill to the full Council for approval. The PHED Committee amended the bill to: (1) extend the deadline for MCEDC's submission of the economic development strategy to December 31, 2021; (2) require periodic updates to the Council on plan development; and (3) reference racial equity and environmental sustainability as expected outcomes of the strategy.

Mr. Wu stated that the Council's review of the MCEDC \$1 million budget enhancement is now going to be postponed in order for the County to determine if the proposed initiatives can be covered under federal guidelines through the Congressionally passed American Rescue Plan Act (ARPA) funds. The County Executive had requested the MCEDC \$1 million budget enhancement be funded through ARPA. Mr. Wu noted that it initially does not appear that the budget enhancements would qualify for ARPA funding and discussed the potential need for a work-around solution with the County Executive and the County Council.

Economic Development Grant Program for Nonprofits

Mr. Wu discussed the administration of a new MCEDC grant program for nonprofit organizations with state funds provided through the Maryland Department of Housing & Community Development. The grant program will be announced in June with the application period opening in July.

Commerce Cabinet

Mr. Wu discussed the Commerce Cabinet's continued focus on the Downtown Silver Spring Impact Project and the requests for federal funding assistance. MCEDC and the County Executive has been working with both Congressman Raskin and Senator Van Hollen on federal appropriations to support two initiative components: 1) creating a craft brewery and food and arts district and; 2) exploring the development of a climate change clean tech hub.

Ms. Sage inquired about the status of Councilmember Glass' bill (11-21) regarding the livestreaming of Board meetings. Mr. Wu noted that a hearing will be scheduled in June. Mr. Wu noted that conversations are still ongoing and that a meeting with Councilmember Glass' staff and MCEDC is scheduled this week. Mr. Wu offered to recirculate the Office of Legislative Oversight's report concluding that the bill would have a negative impact.

Treasurer's Report

Ms. Larsen reviewed the financial statements for the period ending April 30, 2021. No questions or issues of concern were raised by the Board. Ms. Larsen noted that the Finance & Audit Committee will meet to review the draft FY22 operating budget, conduct an annual review of financial policies and procedures, and conduct its annual self-assessment.

WorkSource Montgomery Update

Mr. Fletcher updated the Board on WorkSource Montgomery's activities on behalf of Mr. Featherstone who departed the meeting early. Mr. Fletcher reported that the job service centers will open on November 1 on an appointment basis. In addition, WSM received ARPA funding to expand its apprenticeship program. Mr. Featherstone will work closely with MCEDC to ensure that the program is aligned with the efforts of both organizations.

Annual Board of Director Meeting

Mr. Brewer noted that the annual meeting of the Board of Directors will be held on June 21 and highlighted key agenda items including the reappointment of Board members, the election of officers, and the review and approval of the FY22 budget and workplan.

Adjournment

The meeting was adjourned at 10:30 am.

MCEDC Board Meeting Attendees May 17, 2021 Via Zoom

1. Kevin Beverly, Social & Scientific Systems
2. Robby Brewer, Lerch, Early & Brewer
3. Ronald Daversa
4. Sharon Disque, Gaithersburg Office of Economic Development
5. Elana Fine, VWG Wealth Management
6. Anthony Featherstone, WorkSource Montgomery
7. Jerome Fletcher, Montgomery County Government
8. Cindy Gibson, Montgomery County Government
9. Angela Graham, Quality Biological
10. Romola Ghulamali, MCEDC

11. Stacey Hardy, MCEDC
12. Carmen Larsen, Aquas Inc.
13. Matthew Lee, FASTech, Inc.
14. Kristin O'Keefe, MCEDC
15. Dr. Sanjay Rai, Montgomery College
16. Cindy Rivarde, Rockville Economic Development, Inc.
17. Ola Sage, CyberRx
18. Gene Smith, Montgomery County Government
19. Brad Stewart, MCEDC
20. Bill Tompkins, MCEDC
21. Benjamin Wu, MCEDC
22. Tien Wong, Lore Systems, Tech 2000, Opus8, Inc.