



Cleveland Transformation Alliance

Minutes of the Board of Directors – Special Meeting

May 15, 2020 | 10:30 AM

Via Public Cisco Webex Event Hosted by Cleveland Metropolitan School District

In Attendance

Baumgartner, Mark
Bingham, Anne
Friedman, Lee
Gibson, Richard
Gordon, Eric

King, Brooke
Klupinski, Stephanie
Mullin, Ann
Price, Monyka
Randel, Erin

Reyes, Jose
Rosskamm, Alan
Ruiz, Victor
Williams, Helen
Zachariah, Sajit

Absent

Jackson, Mayor Frank
Downing, Diane
Heard, Robert

Jordan, Sharon Sobol
Marbury, Shana
Napoli, Augie

Patterson, Jeffrey
Payton, Kevin
Tenney, Turkessa

Other Attendees

Tahan, Colleen

Cleveland Transformation Alliance Staff

Marnecheck, Meghann
Stacy, Eli

Welcome

Dr. Monyka Price called the meeting to order at 10:40 AM. Dr. Price gave an opening statement and hoped the participants were staying safe. Dr. Price stated that the members should have received documents from First Federal of Lakewood for review for the meeting, then turned it over to Ms. Meghann Marnecheck.

Paycheck Protection Program (PPP) Loan Discussion and Vote

Ms. Meghann Marnecheck at 10:41 AM stated that since the last meeting of the Transformation Alliance Board, she and Greater Cleveland Partnership Director, Finance & Accounting, Colleen Tahan, had revisited the PPP Loan calculations. The new calculation made the PPP Loan option more appealing to pursue because the requested amount came to \$16,700.00. Ms. Marnecheck highlighted there was a high probability that philanthropic



funding reductions could affect CTA due to the Coronavirus Pandemic for months to come. Therefore, Ms. Marnecheck feels it is in the Alliance's best interest to pursue other financial resources. Ms. Marnecheck shared that the loan amount had been approved, and felt there was a high probability that the loan will be forgiven. Therefore, the special board meeting was needed to authorize Ms. Marnecheck to accept and sign the loan documents. Ms. Marnecheck then opened the floor for questions.

Ms. Lee Friedman received guidance, as College Now CEO, that the Small Business Administration would not audit a loan less than \$2,000,000.00. Therefore, there was virtually no risk to CTA. Ms. Friedman spoke with multiple accounting firms and legal firms about the risk, and they confirmed that it was low risk. Ms. Marnecheck reiterated Ms. Friedman's statement and said that she had received the same information and guidance.

Ms. Ann Mullin stated the loan documents with First Federal Lakewood were numbered 1-7, and page 7 said that "it was the full extent of the agreement." The CARES Act documentation was an addendum after it. Ms. Mullin asked if First Federal of Lakewood would come back later and ask for repayment because the paperwork was separate. Ms. Marnecheck informed the Board that First Federal of Lakewood sent the whole document together. However, if the Board desired, that they could approve the motion with the caveat that Ms. Marnecheck needed to verify the loan documents were a single packet before she signed. Ms. Mullin said if all of the papers came together in one unit, then she was comfortable.

Dr. Monyka Price asked what would occur if CTA had to repay the PPP Loan? Ms. Marnecheck advised the Board that CTA would have 24 months for repayment and would be able to repay the loan from loan funds received, and the interest rate is 1%.

Dr. Price asked if repayment of the loan was necessary when would CTA be made aware? Ms. Marnecheck stated that a request for loan forgiveness has to be completed. CTA would be informed if the application was denied. If approved, the loan will be entirely forgiven.

Ms. Marnecheck asked Colleen Tahan to weigh in if she could confirm if that was accurate, but due to technical difficulties she was unable to respond and provide additional input during the call.

Mr. Eric Gordon reminded the Board that multiple members had to leave the meeting at 11:00 AM.



Ms. Lee Friedman reiterated that acceptance of the PPP Loan would be of minimal risk to the CTA. Ms. Meghann Marnecheck agreed.

Ms. Meghann Marnecheck asked if there were any more questions, comments, or concerns?

Dr. Monyka Price asked for a motion at 10:52 to authorize the executive director to sign and accept the PPP Loan. Dr. Sajit Zachariah made the motion, Mr. Mark Baumgartner seconded the motion. Fourteen board members approved the proposal, and Ms. Anne Bingham abstained. Ms. Bingham abstained due to a possible conflict of interest because First Federal of Lakewood is her employer. However, she would not personally benefit from CTA getting the loan.

Adjournment

Dr. Monyka Price adjourned the meeting at 10:54 AM. The next meeting of the Board of Directors will be June 8, 2020, at 5:30 PM, with the location pending information and insight from the State of Ohio and Mayor's Office.