



DEPARTMENT OF FINANCE


Marc Elrich  
County Executive

Michael J. Coveyou  
Acting Director

MEMORANDUM

May 2, 2019

TO: Marc Elrich, County Executive

FROM: Michael Coveyou, Acting Director   
Department of Finance

SUBJECT: Transmittal: 2018 Small Business Plus! Annual Report

Attached please find the 2018 Small Business Plus! Annual Report. Since the program was initiated in 2012, the County in partnership with local community banks, has spurred the creation of over 2,100 new jobs. In addition, the County has earned a competitive rate of return on its deposits placed with participating local community banks. Additional highlights for 2018 include the addition of Revere Bank to the program.

I would like to express my appreciation and support for the engagement and support of the local community banks that are a part of this program including Eagle Bank, Congressional Bank, Capital Bank, and Revere Bank.

cc: Montgomery County Council  
Andrew Kleine, Chief Administrative Officer  
Richard S. Madaleno, Director, Office of Management and Budget  
Ohene Gyapong, Acting Director, Office of Public Information  
Montgomery County Economic Development Corporation



**DEPARTMENT OF FINANCE**

**SMALL BUSINESS PLUS!  
PROGRAM**

**2018 ANNUAL REPORT**

<https://www.montgomerycountymd.gov/bonds/plus.html>

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## Program Background

The Small Business Plus! Program was launched in the summer of 2012 as a partnership with local community banks to boost lending to local small businesses and spur job creation in Montgomery County. Through this program, Montgomery County places deposits with community banks to generate jobs for the benefit of County residents, while providing the County with a competitive rate of return on those deposits. Deposits are secured by FDIC insurance and placed with community banks, which are deemed safe and financially sound per the required minimum Green/\* Veribanc rating.

## Program Results

The Small Business Plus! Program began with an initial total deposit of \$10 million with several local community banks in 2012 and has since expanded into deposits of approximately \$50 million as of December 31, 2018, with the program generating over \$1.8 million in interest income and creating an estimated 2,132 jobs.

## Tables

<b>Table I:</b>	<b>Total County Deposits</b>		
	<b>2018 Average</b>	<b>Deposits as of 12/31/18</b>	<b>Interest Income</b>
<b>Capital Bank</b>	\$2,779,832	\$3,551,366	\$58,028
<b>Colombo Bank</b>	\$1,002,846	\$0	\$9,745
<b>Congressional Bank</b>	\$4,459,040	\$4,479,021	\$74,166
<b>Eagle Bank</b>	\$41,022,507	\$41,287,107	\$685,215
<b>TOTAL</b>	<b>\$49,264,225</b>	<b>\$49,317,494</b>	<b>\$827,154</b>

Small Business Plus! Program 2018 Annual Report

<b>Table II: 2018 Small Business Plus! Program Loans from County Deposits</b>				
	<b>Available for SBP Loans</b>	<b>Total Loans Made from Deposits</b>	<b>Loan Balance as of 12/31/18</b>	<b>Total Average Loan Balance</b>
<b>Capital Bank</b>	\$7,102,731	\$10,108,500	\$6,067,404	\$10,665,317
<b>Congressional Bank</b>	\$8,958,042	\$10,229,400	\$6,943,904	\$7,760,872
<b>Eagle Bank</b>	\$82,574,214	\$71,048,218	\$51,453,092	\$26,924,402
<b>TOTAL</b>	<b>\$98,634,987</b>	<b>\$91,386,118</b>	<b>\$64,464,400</b>	<b>\$45,350,591</b>

Note: Data in "Available for SBP Loans" column indicates the sum of County Deposits and 100% matching Bank amount.

<b>Table III: Total Estimated 2018 Jobs Created</b>	
<b>Capital Bank</b>	23.9
<b>Congressional Bank</b>	36.5
<b>Eagle Bank</b>	294.3
<b>TOTAL</b>	<b>354.7</b>

Note: Job creation estimates were derived using the U.S. Department of Commerce's Regional Input-Output Modeling System (RIMS II).

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<b>Table IV:</b>	<b>Total Interest Income Since Inception</b>							
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>TOTAL</b>
<b>Capital Bank</b>	\$1,017	\$4,887	\$6,501	\$9,689	\$11,061	\$19,146	\$58,028	<b>\$110,330</b>
<b>Colombo Bank</b>	\$0	\$0	\$0	\$0	\$0	\$1,811	\$9,745	<b>\$11,557</b>
<b>Congressional Bank</b>	\$1,161	\$6,980	\$11,742	\$15,405	\$19,152	\$33,551	\$74,166	<b>\$162,157</b>
<b>Eagle Bank</b>	\$6,952	\$51,664	\$89,588	\$134,979	\$219,052	\$320,793	\$685,215	<b>\$1,508,242</b>
<b>Monument Bank</b>	\$0	\$598	\$0	\$0	\$0	\$0	\$0	<b>\$598</b>
<b>OBA Bank</b>	\$1,941	\$6,919	\$9,193	\$0	\$0	\$0	\$0	<b>\$18,052</b>
<b>TOTAL</b>	<b>\$11,070</b>	<b>\$71,048</b>	<b>\$117,023</b>	<b>\$160,072</b>	<b>\$249,265</b>	<b>\$375,301</b>	<b>\$827,154</b>	<b>\$1,810,936</b>

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<b>Table V: Total Estimated Jobs Created Since Inception</b>								
	2012	2013	2014	2015	2016	2017	2018	TOTAL
Capital Bank	4.4	10.9	13.9	15.2	18.2	24.6	23.9	111.0
Colombo Bank	N/A	N/A	N/A	N/A	N/A	8.2	N/A	8.2
Congressional Bank	9.5	31.5	38.0	28.0	20.9	39.9	36.5	204.3
Eagle Bank	55.5	200.5	328.3	309.0	246.8	350.0	294.3	1,784.5
OBA Bank	13.2	10.9	N/A	N/A	N/A	N/A	N/A	24.1
<b>TOTAL</b>	<b>82.6</b>	<b>253.8</b>	<b>380.2</b>	<b>352.2</b>	<b>285.9</b>	<b>422.7</b>	<b>354.7</b>	<b>2,132.1</b>

Note(1): Monument Bank elected not to continue participation in the Small Business Plus! Program in 2013

Note(2): Effective September 20, 2014, OBA Bank was acquired by First National Bank Corporation of Pennsylvania and no longer headquartered in Montgomery County, therefore not eligible to participate in the Small Business Plus! Program.

Note(3): Colombo Bank was added to the Small Business Plus! Program in 2017

Note(4): Effective October 12, 2018, Colombo Bank was acquired and merged into FVCBankcorp, Inc. and no longer headquartered in Montgomery County, therefore not eligible to participate in the Small Business Plus! Program. Loan data was unavailable due to merger.