

Session 2: Getting into Business

Contractors Webinar Series:

Having a Contractor's License

Presented by:



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Administration."*

Being a Licensed Contractor Panel Discussion

Welcome



Thank you to workshop sponsors:



Thank you to series sponsors:



Mary Teichert

President

Teichert Construction



Mary has been with Teichert since 2004. She started on the front lines, working in Teichert's QA lab, and went on to serve in a number of roles across the company including GM of Teichert Precast, GM of Teichert Readymix, President of Construction, and Chief Operating Officer of Teichert Inc. before assuming her current role of company President. Prior to Teichert, she was a consultant with Bain & Co and a director of product strategy at Apple.

A construction and materials company founded by Mary's great-great-grandfather Adolph Teichert in 1887, Teichert Inc. holds California State Contractor's License #8. The Company has always had a strong commitment to serving the growth and health of California and its residents. Teichert has built and supplied materials to thousands of miles of California's highways, bridges, dams, levees, and other essential infrastructure elements. Teichert has placed the highest value on safe production for generations, as the company's official safety program was started in 1959 by Henry Teichert – long before the Occupational Safety and Health Administration (OSHA) was established in 1970.

Mary holds an MBA from Harvard Business School and a Bachelor's degree from Harvard College. She is a board member of the California Building Industry Association and chair of the CBIA Governmental Affairs committee. Mary is a board member of California's Contractor State License Board, a governor's appointee to the State of California Public Works Contract Arbitration Committee, and a member of the executive committees of the Beavers (a heavy engineering construction association) and HomeAid (the charitable arm of the North State Building Industry Association). Her community activities include volunteering at St. John's Program for Real Change and spending time with her family.

Ground rules

- Please keep your microphones on mute
- Please enter questions in the chat room and we will try and answer them during the meeting or we will save them for the Q&A period.
- There is a link to our website in the Chat Room to register for the next event, view Session 1, and download the information we are presenting tonight. As we progress more information about resources will be posted on the site.

Being a Licensed Contractor Panel Discussion

Moderated by: Mary Teichert, **President**, Teichert

Frank Fernandez
**President/Principal
Owner**
FCF General Contractor

Cindy Mitchell
President
Citadel Premium Design

Josh Estrella
Founder & President
Utilion, Inc

Judy Fletcher
Chief Lending Officer
California Capital FDC

Regina Ruffin
President/CEO
Assertive Risk
Management Solutions



Regina Ruffin

President/CEO

Assertive Risk Management Solutions



Regina Ruffin, Owner and President of Assertive Risk Management Solutions, LLC, is a seasoned industry professional well versed in strategic Risk Management, Insurance, Loss Control and Claims Management. Regina has over 20 years of leadership expertise, fundamental for oversight of an organization's operational functionality.

She has the ability to comprehensively assess an organization's risk exposure and devise a plan of action to achieve optimal and results driven solutions. During Regina's career, she has applied her executive level experience within industries that include Insurance, Utility Operations, Ambulatory Services, Construction and Higher Education. As a subject matter expert, it has been her responsibility to forecast risk for various departments throughout the organization.

Those collaborative interactions proved successful for contract review, verification of insurance requirements necessary to perform assigned projects, potential acquisitions, and fiscal year budget creation for an insurance program.

It is Regina's personal goal to ensure that companies of all sizes can focus on their business objectives without the fear of interruption from unexpected events that can affect productivity and profitability.



Cindy Mitchell

President,
Citadel Premium Design



Cynthia Mitchell, has served as president of Citadel Premium Design, Inc since 2008 and president of Citadel of Nevada since 2007. Previously she was the president of Marmitec, Corporation from 1993 to the present. As a licensed contractor for both California corporations, she currently holds a C-54 (Tile) and C-15 (Flooring) specialty contractor license and a B (General Building Contractor) license. As a license contractor in Nevada, she holds a C20 (Tiling) and C16 (Finishing Floors) license. She is currently certified as a State Women Business Enterprise (SWBE). Cynthia served on the Contractors State License Board as a board member from 2006 to 2011 serving as board chair in 2009. She has been a member of North State Building Industry Association since 1996 and served as a member of various committees and is currently the Secretary of the North State Building Industry Foundation. She has been a member of the California Association of Specialty Contractors since 2004 and served as board chair in 2007.



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Frank Fernandez

President/Principal Owner

FCF General Contractor



Frank Fernandez, is the Owner/Project Director of FCF General Contractor. Established in 2006 FCF General Contractor has developed and maintained relationships with many communities, local state and federal agencies, responding to their unique construction needs with quality and value. Before establishing FCF, Frank worked as a Construction Manager for Aberdeen Burriss Contractor, Lead Supervisor for the Davey Resource Group, and was an Avonics Technician in the Navy. Also studied Engineering at CSU-Sacramento.



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Josh Estrella

Founder & President

Utilion, Inc



Josh Estrella is the majority owner and managing partner of Utilion, Inc. an engineering and construction management services organization, and parent company of PTS Masonry, for which he serves as President. Estrella has worked in the Construction industry since age 14, first joining his father in building custom homes and remodels on the Monterey Peninsula.

From 2006-2012, Estrella served as an Army Ranger, deploying six times in support of the Global War on Terror. Following his military service, he returned to California, settling in Sacramento. Prior to his partnership forming Utilion, Inc. in 2019, he worked for a Civil Engineering firm specializing in Water/Wastewater treatment plant design, construction management and asset management



Judy Fletcher

Chief Lending Officer

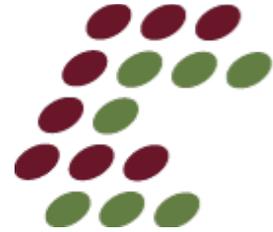
California Capital FDC



Judy Fletcher is the Chief Lending Officer for California Capital overseeing its Microloan and State Loan Guaranty programs. With over 20 years of experience in designing lending programs and packaging and underwriting SBA loans, Judy has extensive knowledge of government lending guidelines. She also has extensive experience helping business owners understand and navigate through complex loan requirements and processes. When not working, Judy enjoys volunteering with the UC Davis Arboretum, tending her own garden, walking and swimming. As opportunities for social gatherings open up, she looks forward to singing once again with the Davis Community Chorale and traveling.



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CaliforniaCapital
Financial Development Corporation

LICENSED CONSTRUCTION CONTRACTORS

LOAN PRESENTATION

Presenter:

Judy Fletcher

Chief Lending Officer

California Capital Financial Development Corporation

May 12, 2021

Understand the Five C's of Credit



Character



Credit



Capital



Cash Flow



Collateral

What Matters Most to Lenders

- Whether you ask for a loan from a bank or a non-traditional lender, the lender will consider:

- *Character*

- ❖ A business owner who:

- ❖ Knows the business
 - ❖ Has the ability to run it well (management experience)
 - ❖ Has a history of repaying debt
 - ❖ Follows through on commitments, including completing a business plan and projections
 - ❖ Seeks Technical Assistance (TA)
 - ❖ Not always a requirement, but provides lender confidence that the business owner is prepared
 - ❖ Sometimes criteria for approval includes TA and may be required as condition of loan
 - ❖ Communicates honestly with the lender



What Matters Most to Lenders

- *Credit*

- ❖ FICO - credit score calculated from credit report information
- ❖ Factors include:
 - ❖ How much you owe on personal and/or business accounts
 - ❖ Balance on accounts compared to total credit available
 - ❖ Payment history (late payments, collection accounts, bankruptcy)
- ❖ Provides a good indication of how likely business owner will repay debt
- ❖ Order copy of credit report at no cost from annualcreditreport.com



What Matters Most to Lenders

- *Capacity/Cash Flow*

- ❖ Sufficient cash flow to repay debt (cash flow = income – operating expenses and other debts)
- ❖ Whether buying or starting a business, there is a solid business plan and two years of projections prepared on month-to-month basis
 - ❖ Business Plan-critical to loan application
 - ❖ Management-will seller consult, and for how long, to help bid contracts and manage costs
 - ❖ Projections need to be reasonable and detailed
 - ❖ Cost Buildup per Contract to include labor, equipment, materials (COGS); includes indirect costs, overhead (15%), and profit (5%)



What Matters Most to Lenders

- *Collateral*

- ❖ Collateral is an asset that a borrower offers to a lender to secure the loan
- ❖ Collateral covers at least part of the lending risk
- ❖ Should a borrower stop making payments, the lender can seize the collateral to recoup the losses
- ❖ It is something of value (“tangible asset”) that you own or will buy with loan funds (truck, equipment, property, etc.)
- ❖ Loan Guaranty
 - ❖ Most lenders require any business owner with 20% or more ownership to personally guaranty the loan
 - ❖ Personal Guaranty is a promise to repay the loan even if the business fails



What Matters Most to Lenders

- *Capital/Contribution*
 - ❖ Investment from the business owner (called “equity injection”)
 - ❖ It is the business owner’s own money that is put into the business that shows “skin in the game”
 - ❖ Typically, 10-20% for start-up and new businesses
 - ❖ Ask lender to explain its injection requirement
 - ❖ Ask lender if money spent prior to the loan being approved will qualify as injection
 - ❖ Keep all paid invoices and receipts
 - ❖ Funds that are gifted (no expectation of repayment) may qualify as part of injection





CONTACT INFORMATION

Seek Guidance!

To sign up to register for a loan consultation, go to <https://cacapital.org/business-loans/> and “click here to get started”

Judy Fletcher
Chief Lending Officer

lendingteam@cacapital.org

California Capital Women’s Business Center (WBC) Advisors

www.cacapital.org

Small Business Development Center (SBDC) Business Advisors

<https://financing-simplified.com/start>

Q & A

Thank you for joining the MWBE:
Having a contractor's license webinar

**Join us May 12th, 5 – 6:30 pm, for our
next discussion on getting into
business.**

Register on Eventbrite.