



MINUTES
EDC-VC EXECUTIVE COMMITTEE MEETING

April 10, 2018

- Location:** EDC-VC, 4001 Mission Oaks Blvd., Suite A-1, Camarillo, CA 93012
- Attendance:** Haider Alawami– Economic Roundtable Representative, City of Thousand Oaks
Harold Edwards – Limoneira Company
Cheryl Heitmann – City of Ventura
Chris Meissner, *Chair* – Meissner Filtration Products
Carmen Ramirez, *Vice Chair* – City of Oxnard
Anthony Trembley – City of Camarillo
Peter Zierhut, *Secretary/Treasurer* – Haas Automation
- Absent:** John Procter – City of Santa Paula
Sim Tang-Paradis – City National Bank
- Legal Counsel:** Nancy Kierstyn Schreiner – Law Offices of Nancy Kierstyn Schreiner
- Guests:** Paul Stamper, County of Ventura
- Staff:** Ray Bowman, SBDC Director
Kelly Noble, Office Manager
Bruce Stenslie, President/CEO
- Call to Order:** 8:31 a.m. Chair Chris Meissner thanked everyone for attending the meeting.
- Roll Call:** Bruce Stenslie
- Amendment to the Agenda:** None
- Public Comment:** None
- Approval of Executive Committee Minutes** **Executive Committee Meeting, March 8, 2018**
Chair Meissner requested a motion to approve the minutes from the March 8, 2018 Executive Committee meeting. Tony Trembley moved to approve and file the minutes from the March 8, 2018 Executive Committee Meeting. Haider Alawami seconded the motion. All Executive Members listed in attendance in favor, motion carried.
- Administration** **Consideration of the 2017 Business Plan Executive Summary and Supplement. Recommendation to Approve.**
Stenslie stated that in late 2008 and early 2009 our Executive Committee and full Board spent considerable time in reviewing and updating our Business Plan. For final action, we concentrated on developing an up-to-date Executive Summary and Supplement on Priorities in Regional Economic Competitiveness, rather than on a long and detailed plan.

In each year since, we have updated the Plan's "Objectives and Work Plan" to remain current with program and service activities and priorities.

Stenslie noted for the Executive Committee that the Business Plan Executive Summary is used primarily for internal purposes, to document our annual work plan priorities. The Business Plan is useful for grant applications and for sharing with other stakeholders our operational priorities. The Supplement, by contrast, is used more as an external document, to highlight larger regional economic priorities.

Both of these documents are supplemented by numerous professionally developed outreach materials, program service overviews and success stories. These collateral materials are mostly targeted to clients that may benefit from our services and to partner organizations that serve as referral resources. All of these materials may be mixed and matched, customized to purpose and to the particular stakeholder or client target.

There are two recommended changes, one to the Executive Summary, another to the Supplement:

- Executive Summary, Section C, Program Delivery, item §5: In 2017 we introduced the issue of working on improving business to career education resources. The only change in this section is to change from "introducing" a new item to "continuing" the effort.
- Supplement, 2nd column, added a new bullet: "Advocate for increased investment in high-quality early child education as a strategy to drive our highest returns in educational achievement, health, and economic productivity."

This latter item isn't really new—we've long featured it in other materials, maintained a dedicated loan program—though it hasn't until now been specifically called out in this document. This may become a higher priority over the next couple of years, so staff is recommending we include it in this document.

Stenslie also informed the Executive Committee that while neither part of our Business Plan nor part of our general marketing materials, we also maintain two other useful background documents. These tend to be more useful as supporting information for key stakeholders or potential grantors.

Chair Meissner asked for a recommendation that Executive Committee approve and forward to the full board of directors the updated 2018 Business Plan Executive Summary and Supplement.

Tony Trembley motioned to approve and forward to the full board of directors the updated 2018 Business Plan Executive Summary and Supplement.

Carmen Ramirez seconded the motion. All Executive Members listed in attendance in favor, motion carried.

Update and Discussion, Report on Regional Entrepreneurship Ecosystem

Stenslie recalled for the Executive Committee that in November 2017 our board approved a contract with Xopolis: Urban Analytics, for the development of an assessment of our regional entrepreneurial ecosystem. There are several elements to the agreement, including:

- contributing expertise toward and producing an objective assessment of our regional entrepreneurial ecosystem, including a ranking system,
- a summary of regional strengths and weaknesses,
- facilitation and development of strategies for improving stakeholder communication and information sharing, and
- providing both assessment tools and a written report.

Today's agenda item is to review the contractor's draft of a ranking tool, with consideration of several indicator metrics: Density, Connectivity, Fluidity and Diversity. The first attachment to the staff memo provides short descriptions of what is measured by each of these indicators. Also included are the actual rankings per Xopolis's analysis, including a composite score.

Small Business Development Center Quarterly Report

Stenslie stated that today's report addresses outcomes for January through March of 2018, or for three months, 25% of the program year.

The program is funded by the US Small Business Administration (SBA), through an annual national appropriation over the last several years at approximately \$115 million. With the new budget agreement, the funding level is up to approximately \$130 million. Our SBA-contributed funding, now estimated at \$470,000, is secured through a contract with Long Beach City College, which serves as the "lead center" for Los Angeles, Ventura and Santa Barbara counties.

Our core program service area is all of Ventura and Santa Barbara Counties. Of the total of \$470,000, \$370,000 is targeted to these two counties, with the balance supporting our role as the regional lead (including Los Angeles County) for international business consulting.

The SBA funding for our two county area comes to us with a 100% match requirement, not less than half in cash, the rest in-kind. The cash portion comes from the cities and County of Ventura (approximately \$88,000), and for Santa Barbara County from Santa Barbara City College and Scheinfeld Center for Entrepreneurship and Innovation (a total estimated \$45,000). We also receive an estimated \$85,000 from the Governor's Office of Business and Economic Development, targeted to facilitating business access to capital. This fund may also be used as a match to the SBA contribution.

Our SBA funding to serve as the lead in international business consulting for the entire LA region does not require a cash match

The baseline SBDC program is focused on delivering specific economic outcomes (summarized below, concentrated on new capital infusion, new jobs created) with small business clients, generally defined as any firm with fewer than 500 employees. Most clients we serve employ fewer than 30 workers, though there is wide distribution by size.

The primary service activity is direct, professional client advising and technical assistance, organized around scopes of work focused on assisting businesses achieve positive economic outcomes. To deliver that service we maintain some 30 consultants on contract, available to business at no cost.

Per SBA regulations, there are three contractual performance goals: long-term

client engagement (a process, not outcome measure, meaning five hours or more of technical assistance), capital infusion and business start-ups. Our outcome targets are prescribed by our SBDC lead center in Long Beach.

In 2017, we exceeded our outcome measures for new business starts and capital infusion. We were just under our goal for the number of long-term clients.

The outcome data displayed below is *preliminary* for the period January through March 2018, with the “outcome target” number representing the full year goal. The prescribed goals for Long-Term Clients and Business Start-ups are unchanged from 2017. The goal for Capital Infusion has been increased by \$10 million.

<u>Performance Goals</u>	<u>Outcome Target</u>	<u>Outcomes thru March</u>
Long Term Clients (5+ hours)	316	50
Capital Infusion	\$35,000,000	\$25,663,600
Business Start-ups	60	13

All outcomes are documented by signed agreement from the businesses served.

Through this three month period we are already 73% of the way to reaching the annual capital infusion goal. We are just three points short of our benchmark goal for the quarter in business starts. For long-term clients we’re only at 16% (versus first quarter goal of 25%), though we are at about where we’d expect to be this early in the year. We anticipate exceeding all the measures by year end.

Stenslie updated the Executive Committee informing that the Thomas Fire has impacted our program in several ways. For one, we have added a lot of clients for whom we have only a few hours and little prospect for significant outcomes. These are small service firms for whom our goals are mostly to help them stabilize and survive, not often for growth or expansion. For another, we’ve had to dedicate significant resources to recovery work, impacting our capacity to target resources on existing clients and others for whom growth is a priority. We don’t anticipate any long-term impacts to our outcomes, though the short-term interruption is substantial.

In addition to tracking economic outcomes, we also pay close attention to the distribution of our services by region and industry sector. We continue to have an extremely diversified industry mix. Staff will present a display of the distribution at the time of our meeting.

Membership Report

Stenslie stated that as noted in prior months, we are actively recruiting new members, with a key consideration to fill vacancies relative to gaps in industry sector representation.

Our recruitment considerations include not only distribution and diversity by industry sector but also by region of the county, significance of the business and sector as well as the personal and professional characteristics of the individuals representing the industries and firms we recruit.

Current under-represented sectors on the board include:

- Wholesale and Retail Trade

- Real Estate and Development
- Health Services Sector
- Leisure and Hospitality
- Firms Highly Associated with Region's Lifestyle Advantages

Several subsectors also remain high priorities, especially biotech and medical devices.

Presidents Report

Stenslie mentioned that he, Vanessa Bechtel, VCCF, Alexandria Wright, VCCCD, participated in a two day workshop at Stanford's Graduate School of Education, March 29-30, organized to improve collaboration between civic groups and community college leadership.

Stenslie also mentioned that he had an opportunity earlier this month to help kick off the regional robotics competition for middle and high schools. Stenslie noted that the Gene Haas Foundation is a supporter of the international robotics competition, recently contributing \$7 million for scholarships and other support. Committee members thanked Peter.

New or Unfinished Business:

Peter Zierhut mentioned that there is a new Opportunity Zone program under national tax policy, intended to incentivize investment in disadvantaged areas. In Ventura County, eligible areas are in Oxnard, Port Hueneme, Santa Paula and on the east edge of Ventura.

Executive Committee Comments:

None

Adjournment to May 8, 2018

At 9:39, Meissner announced that the meeting is adjourned to May 8, 2018.

Minutes taken by Kelly Noble