Executive Committee Meeting  
Wednesday, April 5, 2017  
8:30 a.m.  
EDC-VC  
1601 Carmen Drive, Suite 215  
Camarillo, CA 93010

Agenda

Call to Order  
Roll Call

I. Amendment to the Agenda — This is the time and place to change the order of the agenda or delete any agenda item(s)

II. Public Comment

III. Approval, Executive Committee Minutes, March 1, 2017  
Attachment III  
(Action)

IV. Administration  
A. Consideration of an Agreement with Farber Hass  
Hurley LLP for Annual Auditing Services, Not to Exceed $23,000 for 2016 Financial Reports and Exempt Organization Returns. Recommendation to Approve.  
Attachment IV-A  
(Action)

B. Membership Report & Recommendations for New Members  
Attachment IV-B  
(Action)

C. Small Business Development Center Quarterly Report  
Attachment IV-C  
(Information)

D. President’s Report  
Attachment IV-D  
(Information)

V. New or Unfinished Business

VI. Executive Committee Comments

VII. Adjournment to May 3, 2017

In compliance with the Ralph M. Brown Act and the Americans with Disabilities Act, if you need a disability-related modification, accommodation, or other special assistance to participate in this meeting, please contact Kelly Noble at (805) 384-1800 x21. Notification 48 hours before the meeting will enable reasonable arrangements to be made.
EDC-VC EXECUTIVE COMMITTEE MEETING
March 1, 2017

Location: 1601 Carmen Drive, Suite 215, Camarillo

Attendance: Haider Alawami – Economic Roundtable Representative, City of Thousand Oaks
Harold Edwards – Limoneira Company
Chris Meissner, Vice-Chair – Meissner Filtration Products
Roseann Mikos – City of Moorpark
John Procter – City of Santa Paula
Carmen Ramirez – City of Oxnard
Peter Zierhut, Secretary/Treasurer – Haas Automation

Absent: Cheryl Heitmann, Chair – City of Ventura
Sim Tang-Paradis – City National Bank

Legal Counsel: Nancy Kierstyn Schreiner – Law Offices of Nancy Kierstyn Schreiner

Guests: None

Staff: Ray Bowman, EDC/SBDC Director
Marvin Boateng, Loan Officer
Kelly Noble, Office Manager
Bruce Stenslie, President/CEO

Call to Order: 8:33 a.m. Vice-Chair Chris Meissner thanked everyone for attending the meeting.

Roll Call: Kelly Noble

Amendment to the Agenda: Vice Chair Meissner stated that item IV-C, discussion the EDC-VC Loan Board, will be moved up to after IV.A.

Public Comment: None

Approval of Executive Committee Minutes: Vice Chair Meissner requested a motion to approve the minutes from the February 1, 2017 Executive Committee meeting. Harold Edwards moved to approve and file the minutes from the February 1, 2017 Executive Committee Meeting. Peter Zierhut seconded the motion. Carmen Ramirez and Roseann Mikos were not in attendance for this motion. All remaining Executive Members listed in attendance in favor, motion carried.

Administration: Consideration of a $60,000 Grant from the Morgan Family Foundation, for the period February 1, 2017 through November 30, 2017, in Support of Launching a Quarterly Indicator Report and the Development of a Business Users Guide for the Region’s Career Education Resources. Recommendation to Approve.

Stenslie noted that as previously reported, EDC-VC has for over the last three
years served as one of 13 members of the California Stewardship Network. The Network is self-governing, though essentially sustained through funding provided by the Morgan Family Foundation.

The purpose of the network is to encourage innovative thinking, regional and statewide collaboration and exchange of ideas intended to address the state’s economic, environmental and social challenges and opportunities.

A primary interest of the Stewardship Network is to look at these major California challenges from a “triple bottom line” perspective, that is, in consideration of the Economy, Social Equity and Environmental Balance.

Prior year projects have been the development of our regional Comprehensive Economic Development Strategy, an analysis of economic opportunity in local food processing and food systems, and support for local work on developing market-based groundwater trading.

Stenslie informed the Executive Committee that while in each of the past years we had wide latitude in developing our local project, for 2017 the Foundation and Network set a priority for concentrating on advancing the priorities of the California Economic Summit. This year the directed priorities are for improving our local connection and contributions to the Stewardship Network itself and, most especially, for contributing to the goal of “one million more skilled workers,” specifically by strengthening relationships between workforce and community colleges.

Following are excerpts from our grant proposal. In keeping with the Foundation’s guidelines, $45,000 of the grant is dedicated to the workforce/community college component, and $15,000 may be used for CSN engagement, which includes this year a concentration on social equity and shared prosperity.

Workforce and Community College Engagement: EDC-VC will establish an on-line portfolio of regional funding and resources and user’s manual to improve worker and business access to the information and training essential for efficient access and use of the region’s resources contributing to career advancement and opportunities for higher earnings.

Our project builds on substantial progress on this activity, funded through the California Careers Pathway Trust, “VC Innovates,” in a partnership between the VC Office of Education and the VC Community College District.

While VC Innovates has contributed to the development of innovative approaches to the education experience, there remains a gap in the development of resources to guide business and incumbent workers as consumers of career education offerings.

Existing career pathways resources also lack connection to information from the Workforce Development Board on local career opportunities and to the occupations and sectors paying living wages.

This project, will contribute to closing those gaps for business and worker value by designing a resource guide and user’s manual customized to their needs.

Project leadership will include the Ventura County P-20 Council—which includes both private sector leadership and a full spectrum of educators,
from pre-school through University--assuring broader linkage to education, and will be delivered through the Community College system, leveraging the College’s mission relative to vocational instruction.

There is mounting evidence that the Ventura County economy is increasingly leaving behind our lower income families and wage earners. A 2016 report by the Brookings Institute reveals that on measures of "inclusion," that is, looking at broadly shared prosperity, our County currently ranks 95th out of the largest 100 US metro areas.

"Inclusion" in this instance includes 3 measures: median wage, relative income poverty rate, employment to population ratio. Keeping the indicators constant, five years ago we ranked 61st, ten years ago 36th.

By these and other measures--job creation, local GDP, annual average wages--we are moving in the wrong direction, though local leadership appear unaware of this negative trend.

We address the problem by developing, publishing and commenting on a quarterly indicator report that highlights our comparative economic standing, launching an effort to improve awareness and influence action to combat the negative trend.

Stenslie noted that with Executive Committee and full Board approval, staff will develop a contract agreement with the Community College District for the Business Users Guide and agreements with the Center for Economic Research and Forecasting and the Pacific Coast Business Times for the Quarterly Indicator Report. We anticipate having contracts in place no later than April.

Vice Chair Meissner asked for a motion for the Executive Committee to approve and forward to the full Board of Directors our receipt of a grant in the amount of $60,000 from the Morgan Family Foundation, for the period February 1, 2017 – November 30, 2017, in support of launching a Quarterly Indicator Report and the development of a Business Users Guide for the region’s career education resources. Peter Zierhut motioned to approve and forward to the full Board of Directors our receipt of a grant in the amount of $60,000 from the Morgan Family Foundation, for the period February 1, 2017 – November 30, 2017, in support of launching a Quarterly Indicator Report and the development of a Business Users Guide for the region’s career education resources. Carmen Ramirez seconded the motion. All Executive Members listed in attendance in favor, motion carried.

Discussion with the EDC-VC Loan Board
Vice Chair Meissner asked for introductions around the room, including members of the EDC-VC Loan Board: Steve Madsen who has been retired from baking for 2.5 years, Don Tello from Santa Paula Community Bank and Patty Turnage from Pacific Western Bank. Stenslie noted that as an essential part of our lending programs, EDC-VC maintains a volunteer loan board, comprised of five members, four with long professional experience in banking and finance, the fifth with experience in economic development services and program administration.

The loan board’s professional banking expertise contributes an objective and thorough review of loans, helps manage risk and connects us and our clients to the judgment of commercial credit considerations.
Today's discussion is to:
- assure familiarity and connection between the loan board and executive committee;
- further mutual understanding of respective roles, and
- facilitate introduction and exchange of ideas for program and organizational advancement.

Our process for making a loan is generally initiated by our full-time Loan Officer, Marvin Boateng. Marvin meets with the client, shares the loan application process, collects and evaluates the business plan, financials and other material.

Marvin provided a complete overview of the loan program, its processes, types of loans made, risk profile, etc.

In discussion it was noted that the loan board serves several valuable functions, including:

1) reassuring our public and private capital investors and board of directors that there is deliberate, professional, group oversight to all lending decisions, helping to mitigate risk and maximize the value of our services;
2) assuring that loan recommendations are at “arms length,” separated from the influence of loan applicants approaching city staff, elected officials, board members;
3) confirming that our niche in lending is not overlapping or duplicating commercial finance, yet remains connected to best practices in banking.

Vice Chair Meissner thanked the Loan Board committee members for being at the table today and for their on-going contributions to EDC-VC and our clients. Meissner continued with stating that he has been on the board almost since the EDC-VC started and the professional structure is great at the EDC-VC for the loan program. The Loan Committee Members said they really enjoy being on the loan board and are glad to contribute.

Membership Report
Stenslie commented that as noted in prior months, we are currently in a push for 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, economic significance of the business and sector as well as the personal and professional characteristics of the individual members representing the industries and firms we recruit.

Several firms are high priorities, particularly in the manufacturing, high-tech, health care, biotech and finance & insurance sectors, as well as others.

President’s Report
Stenslie stated there is nothing additional to report

| New or Unfinished Business: | None |
| Executive Committee | None |
Comments:

Closed Session
Real Property
Negotiations
Pursuant to
Government Code
Section 54956.8

Property: 1601 Carmen Drive, Suite 215, Camarillo CA
Entity Negotiators: Bruce Stenslie, Nancy Kierstyn Schreiner
Negotiating Party: Ventura Investment Company
Under Negotiation: Terms and Payment

Vice Chair Meissner announced that the Executive Committee is going into closed session at 9:50 a.m. Ray Bowman, Marvin Boateng and Kelly Noble stepped out.

Report Out of
Closed Session

The Executive Committee returned from closed session at 10:07 a.m. The Executive Committee reported the following:

The negotiators are directed to seek and secure an initial extension through June 30, 2018, with three six month extensions at our option, ending December 31, 2018, June 30, 2019 and December 31, 2019, and to change the notice periods on exercising the options from one month and three month terms to 30 days and 90 days, respectively. In addition, the President/CEO is authorized to sign the lease agreement with those terms, and to bring the agreement to the full board for ratification.

Adjournment to
March 1, 2017

10:07 a.m.

Minutes taken by Kelly Noble
Memo

To: Executive Committee  
From: Bruce Stenslie  
Date: April 5, 2017  
Re: Recommendation to Approve an Agreement with Farber Hass Hurley, LLP, for Audit Services, $23,000 for 2016 Financial Reports and Exempt Organization Returns

RECOMMENDATION

It is recommended that the Executive Committee delegate authority to the President/CEO, subject to legal review and approval of the full board of directors, to sign agreements as appropriate securing Farber Hass Hurley LLP to provide audit services for our financial statements for the year ended December 31, 2016, and to prepare the exempt organization returns, for a total amount of $23,000.

BACKGROUND

As required by our bylaws, Section 7.2, and per the conditions of our several grants and contracts, EDC-VC contracts with an outside CPA firm for the annual audit of our financial statements. To assure alignment of the financial details and for timely submittal, we include in that contract the preparation of our exempt organization returns.

For the last ten years we have contracted with Poindexter & Company for these services. We have had an effective working relationship with Mr. Poindexter, but we are moving on with the selection of a new auditor, given several considerations. For one, Mr. Poindexter, as a small firm, has become disinclined to continue the costly and time-consuming certifications required to complete our Single Audit as prescribed by OMB Circular A-133 for organizations in receipt of federal financial assistance over $500,000. For another, we have for several years been considering the benefit of changing auditors as a matter of due diligence and assuring a fresh perspective on our finances and internal controls.

With that background, we developed and released a Request for Proposals (RFP) for the audit services earlier this year. The RFP was distributed to several local and regional CPA firms. Our interests were to secure cost-effective bids, prioritizing local firms, and developing an engagement with the highest level of technical and professional assistance available.

RECOMMENDED AGREEMENT, FARBER HASS HURLEY LLP (FHH)

We received only one formal proposal, with two other firms indicating an interest but given current workloads and time frames for the completion of the 2016 audit expressed a disinclination to bid. As anticipated, Poindexter & Company did not submit a proposal.

The proposal from FHH (see attached) met all of our conditions and standards. That noted, the original proposal was for a range at $25,000 to $28,000, not including the exempt organization returns. In negotiation, we secured a firm price of $23,000, inclusive of the returns.
While considerably higher than the $18,375 we had paid in 2016 for the 2015 audit and returns, we anticipated an increased cost in our 2017 budget. That noted, the negotiated amount of $23,000 is higher than the $21,000 that we budgeted. Given that our budget anticipates $26,365 in net income, the price is not problematic. Moreover, we believe the proposal is fully within a reasonable range, given the unfamiliarity, and uncertainty, of a new auditor engagement.

Farber Hass Hurley, http://fhhcpas.com/, is a highly regarded local firm, with main offices in Camarillo and Chatsworth and satellites in Oxnard, Valencia and Phoenix. FHH is widely considered the region’s top audit firm, with 75% of its revenue derived from audit services. FHH possesses the deep experience in Single Audits and non-profit organizations that matches our needs. The lead staff for the audit are identified on page 2 of their proposal, attached.

**NEXT STEPS**

With the Executive Committee’s approval, we’ll move the recommended action to our full Board on April 20. We’ll also move forward the discussion with FHH right away for scheduling the audit field work.

Should you have any questions or comments, please contact me anytime at 384-1800, x 24 (office), 794-0455 (cell), or bruce.stenslie@edc-vc.com.

C: Audit Proposal, Farber Hass Hurley LLP
Audit Proposal

Economic Development Collaborative – Ventura County

March 15, 2017

Farber Hass Hurley LLP

Michel Abedian, CPA
Michael Hurley, CPA
P: 818-895-1943
www.fhhopas.com
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Mr. Bruce Stenslie, President/CEO
Economic Development Collaborative – Ventura County
1601 Carmen Drive, Suite 215
Camarillo, CA 93010

We are pleased to propose to provide audit services for the financial statements of Economic Development Collaborative – Ventura County (EDC-VC), for the year ended December 31, 2016.

If selected, Farber Hass Hurley LLP will plan to perform an audit of the statement of financial position as of December 31, 2016 and the related statements of activities, functional expenses, cash flows and the Schedule of Expenditures of Federal Awards for the year then ended in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our engagement will also include reporting on:

Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.

Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

We will plan the audit assuming that the books and records are in reasonable condition and that there will be assistance from the officers and employees of EDC-VC.

**Firm Profile**
EDC-VC and Farber Hass Hurley are a good match in size and scope for this engagement. Our 40 person firm is large enough to meet the high quality needs of your organization, but not so large that your engagement will not be given the resources and attention it deserves. Our firm is predominately audit oriented, over 75% of our revenue is from audit and audit related services. Our training is focused on providing audit services to a more sophisticated organization, like EDC-VC. Our staff are all familiar with not-for-profit organizations and the issues surrounding donations, non-cash or service donations, restricted donations, investments, endowment accounting and the Uniform Prudent Institutional Funds Act laws that govern all endowments. We have been peer reviewed many times with clean reports. The most recent peer review report inspection report is attached.
Audit Team
Michel Abedian will be the engagement partner on the engagement. He has fifteen years of experience in public accounting. Prior to joining Farber Hass Hurley LLP, he specialized in auditing public and private companies with Ernst & Young LLP in a variety of industries such as, manufacturing, service, and entertainment. He has performed multiple Public Company, Not-for-Profit, and Employee Benefit audit engagements. He graduated from California Lutheran University and is a member of the AICPA and California Society of CPAs.

Mike Hurley will be the concurring partner. He is a managing partner with Farber Hass Hurley LLP. He has been the engagement partner on over 300 audits. He is a member of the California Society of CPAs Peer Review Committee, a past chair person, and as such has performed over 600 reviews of other CPA firms including their not-for-profit audit engagements. He served six years on the National Peer Review Committee of the AICPA and reviewed the work of the largest firms in the country. Mike started his firm in 1986 specializing in audits of more complex entities including SEC reporting companies. The firm enrolled in the AICPA’s SEC practice section when it was founded. The firm has audited both SEC reporting companies and Not-for-Profit organizations for 30 years. His network of auditing experts around the nation can be used to resolve any accounting or auditing issues that may arise for EDC-VC. He graduated from Oregon State University. He is a CPA in California, Hawaii and Arizona.

Chad Anaya will be the senior accountant on the engagement. Chad has participated on over 75 financial statement audits. He has almost seven years of experience with Farber Hass Hurley LLP and has been the auditor in charge of the audit fieldwork on several public companies audits. He graduated from San Diego State University. He is a licensed CPA and a member of both the AICPA and California Society of CPAs.

Each member of the engagement team can answer most every accounting question that arises. We encourage open and frequent communications regarding issues that arise during the year. We believe it is easier to record the transactions properly on a timely manner than make audit adjustments at the end of the year. EDC-VC can contact any of the staff throughout the year. We do not charge for simple answers so as to encourage such communications. If a request becomes time consuming, we will ask for permission prior to incurring any billable time.

We believe in engagement continuity. We will expect that all of these individuals will work on the audit engagement for the foreseeable future.

As part of our firm policy, lead partners are rotated every five years to bring a fresh look to the audit engagement while maintaining firm continuity and overall audit quality. We add a level of unpredictability to our audit program each year so as to address the issue of familiarity.
Audit Approach
The engagement team members are all experienced auditors, not tax practitioners who perform audits as summer filler work. We plan our audit and set our scope of testing to efficiently meet professional standards. We scale our audit approach to your operations. For organizations with strong accounting staffs, we can focus on testing of controls over transactions to reduce our testing of balances. For organizations with less segregation of duties, we do more substantive testing. Your organization will benefit from our experience with performing internal control testing under the Sarbanes-Oxley rules as well as our experience with many similar not-for-profit organizations with Federal and State funding sources. Our audit program will mirror your organization’s strengths as well as risks. We will complete a significant amount of our analysis and confirmation process prior to arriving at your offices to reduce disruption to your operations and to keep costs low. We will plan to complete our audit and have a clean report, board communications and, if necessary, a management letter regarding any internal control weaknesses well before your requirements.

Communications with Management and the Board throughout the year
Your Organization will benefit by having frequent contact with our partners and audit staff throughout the year. We will always be available to Management and Board members during the year if a question arises. In addition, we will reach out to the Board to make inquiries about fraud and whistleblowers. We will reach out to Management to affirm the Organization is tracking budgeted results and making inquiries of any changes in the operations. If, for any reason, there is a difference in opinion on an accounting issue, we will discuss the matter thoroughly with management before inviting board participation in a conversation about a matter that could affect the audit opinion.

Investment in Technology and Knowledge
We invest in equipment and technology tools every year, however, we are most proud that our professional staff obtain, on average, 110 hours of continuing education each year. The professional standards require 40 hours per year, we are almost three times the minimum requirement. We believe in educating our staff to aid them in helping your organization obtain the most effective and efficient services possible. We have many audit tools at our disposal for data mining, fraud risk assessment, sampling methodology, but those are commonly available to all audit firms. It is the quality of our staff in the field that will make a difference to your organization.
Proposed Fees
Our firm specializes in providing audit services to organizations with higher standards, more complexity that the typical not-for-profit entity. We will be a cost effective, high quality provider of audit and accounting services. Our cost for the annual audit is expected to be $25,000 to $28,000, which does not include preparation of the annual information returns. We understand the first year always involves more work than future periods. We will show our commitment to your organization by absorbing the excess costs. Our fee will not exceed that estimate without written prior consent of the Board. We will meet all deadlines. We will keep Management informed of our progress and any impediments along the way as a matter of routine. Selecting our firm will give the Board, and Management, peace of mind.

Conclusion
We are extremely pleased to be given the opportunity to propose to work with EDC-VC. The Company and Farber Hass Hurley LLP have an opportunity to match needs with skills, and we look forward to building this relationship.

If you have any questions, please, do not hesitate to call me.

Sincerely,

Michel Abedian
Farber Hass Hurley LLP
YANARI WATSON MCGAUGHEY P.C.

DALE M. YANARI (1947-2004) ♦ RANDY S. WATSON ♦ G. LANCE MCGAUGHEY ♦ DON W. GRUENLER
FINANCIAL CONSULTANTS/CERTIFIED PUBLIC ACCOUNTANTS

System Review Report

January 15, 2016

To the Partners of
Farber Hass Hurley LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Farber Hass Hurley LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended September 30, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under Government Auditing Standards; audits of employee benefit plans and examinations of service organizations (Service Organization Control [SOC 1]).

In our opinion, the system of quality control for the accounting and auditing practice of Farber Hass Hurley LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended September 30, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Farber Hass Hurley LLP has received a peer review rating of pass.

YANARI WATSON MCGAUGHEY P.C.

Yanari Watson McGaughey P.C.

9250 EAST COSTILLA AVENUE, SUITE 450
GREENWOOD VILLAGE, COLORADO 80112-3647
(303) 792-3020
FAX (303) 792-5153
web site: www.ywmcpa.com
Memo

To: Executive Committee
From: Bruce Stenslie
Date: April 5, 2017
Re: Membership Report and Recommendation for New Member, AeroVironment, Represented by Trace Stevenson, Vice President and Deputy General Manager

Recommendation: It is recommended that the Executive Committee approve and recommend to the full Board an EDC-VC membership for AeroVironment, represented by Trace Stevenson, Vice President and Deputy General Manager, Unmanned Aircraft Systems.

Membership Background: Our bylaws, Section 2.2, identify our full board as a maximum of 36 members, including up to 24 from the private sector (which may include up to four members from public, special district or quasi-public organizations, such as CSUCI and the Port of Hueneme) and 12 from the public sector. See attached for our current roster, pending today’s recommended action.

Public Sector: The public sector seats are defined specifically as one elected official from each of the ten cities and two members of the County Board of Supervisors. These public sector seats are all filled and membership dues are all current.

Private Sector: Not including today’s recommended action, we have 19 members, out of a total of 24 available seats. Of the 19 private sector seats, currently three are “in-kind” (out of a maximum allowable of five), for the Pacific Coast Business Times, Mayerson Marketing and the Chambers of Commerce Alliance. Our budget goal is for 19 cash memberships, or to fill at least three vacancies in 2017, each paying a cash membership. Our leadership goal is to fill all available openings.

Recommended Action: Previously identified priorities for filling vacancies have included additional manufacturing firms, globally engaged businesses, defense contractors and firms based in the east county. AeroVironment, a manufacturing firm with concentrations in unmanned aerial vehicles (UAV) and energy technologies, meets all of those markers.

The firm employs some 500 workers in Simi Valley and has been growing in Ventura County. It is currently diversifying its product lines in response to the rapid commercial expansion of UAV applications, electric cars and renewable energy systems.

Our recommended action is to add AeroVironment to our Board of Directors, as represented by Trace Stevenson, VP and Deputy General Manager, Unmanned Aircraft Systems. See attached bio and excerpt from the AeroVironment web page, at www.avinc.com/about.

Current Status Report: As noted in prior months, we are currently in a push for 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, economic significance of the business and
sector as well as the personal and professional characteristics of the individual members representing the industries and firms we recruit.

Prior months' reports included a more detailed summary of priorities in recruitment. The current or immediate focus is on the following firms:

- Health Services Sector: Kaiser Permanente, https://healthy.kaiserpermanente.org/;

Several others remain high priorities, particularly in the biotech, medical device and finance & insurance sectors, as well as others.

Should you have any questions, please contact me at 384-1800, x24 (ofc), 794-0455 (cell), bruce.stenslie@edc-vc.com.

Att: EDC-VC Board Roster, April 2017 (pending approval)
Trace Stevenson, VP and Deputy General Manager, AeroVironment
"About Aerovironment," www.avinc.com/about
# EDC-VC Board Membership

April 2017 (pending appointment, highlighted)

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<th>Industry/Sector</th>
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<td>Higher Education</td>
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<td>Oxnard Harbor District</td>
<td>Port &amp; Harbor Operations</td>
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<td>E.J. Harrison Industries</td>
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<td>Cheryl Heitmann, Chair</td>
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<th>Non-Voting Members</th>
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<tr>
<td>Rebekah Evans, Board Liaison</td>
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<td>West Ventura County</td>
<td>Accommodation Business Assoc.</td>
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<td>Haider Aiwami, Board Liaison</td>
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<td>City of Thousand Oaks</td>
<td>Economic Development Services</td>
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<td>Tbd, Board Liaison</td>
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<td>Regional</td>
<td>Federal Gov’t, National Security</td>
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<td>Susan Mulligan, Board Liaison</td>
<td>Callegas Municipal Water District</td>
<td>Regional</td>
<td>Water Distribution</td>
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<td>Nancy Kierstyn Schreiner</td>
<td>Law Office, EDC-VC Legal Counsel</td>
<td>Regional</td>
<td>Legal Services</td>
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<tr>
<td>Bruce Stenslie, EDC-VC President</td>
<td>EDC-VC President</td>
<td>Regional</td>
<td>Economic Development Services</td>
<td>54172</td>
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</table>

Full Board/Vacancies: EDC-VC bylaws identify full board membership to include up to 24 private sector members, up to four of which may be filled by public agencies.

The full board is a maximum of 36 members, with 12 public sector seats. The 2017 budget goal is for 22 private sector members; the strategic goal is to fill all seats.
Trace Stevenson has 15 years of experience in the defense industry. He is responsible for strategic and tactical execution of the UAS business segment.

Trace currently heads the International business segment in which he is responsible for all execution and support of international customers from over 40 countries.

Trace has held various leadership roles within AeroVironment. His prior role was the Director of Strategic Initiatives in which Trace was responsible for the execution of the UAS top initiatives such as establishing joint ventures in foreign countries.

Trace earned Bachelor Degrees in Business and Economics at the University of Kansas.
About Us

Since AeroVironment’s beginnings more than 40 years ago, our scientists and engineers have sought innovative solutions to many of our most difficult security, energy and infrastructure management challenges. But as remarkable as our products are, it’s the actionable intelligence they provide our customers that most clearly defines our company.

From the moment we developed our breakthrough unmanned aircraft systems, we understood their primary benefit—giving people the ability to see the situation ahead. With AeroVironment’s sophisticated eyes in the sky, we could provide life-saving intelligence, reconnaissance and surveillance for our troops on the battlefield. Today, AeroVironment has become the acknowledged expert and largest supplier of small, unmanned aircraft systems (UAS) to the Pentagon and to dozens of allied nations.

As effective as our small UAS have become on the battlefront, they promise to be equally life-saving on the home front. AeroVironment’s family of integrated and interoperable UAS also gives law enforcement personnel and first responders the ability to see and assess the situation ahead. While AeroVironment’s information solutions will significantly change the way farmers and energy providers monitor and manage their assets.

Although the AeroVironment story began in the air, early on we also understood the impact our energy technologies could have on the ground—leading to our role in the development of the GM Impact, the prototype for the world’s first commercially produced electric vehicle. Since then, our EV test systems and charging solutions have fast become the intelligent choice for electric vehicle manufacturers, fleet managers and drivers, paving the way for a cleaner, more sustainable world.
ATTACHMENT IV-C
Memo

To: Executive Committee
From: Bruce Stenslie
Date: April 5, 2017
Re: Small Business Development Center (SBDC) 1st Quarter Report, 2017

Overview: Today’s report addresses outcomes for January through March of 2016, or for three months, 25% of the program year.

Funding Background: The program is funded by the US Small Business Administration (SBA), through an annual national appropriation of approximately $115 million. Our SBA-contributed funding of $425,000 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. Funding for that activity is $325,000 from SBA, which must be matched 100%, half in cash, half in-kind. The cash portion comes from the cities and County of Ventura, and for Santa Barbara County from Santa Barbara City College and Scheinfeld Center for Entrepreneurship and Innovation. We also receive $45,000 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.

Regional Lead for International Business: We receive an additional $100,000 in SBA funds, to serve as the international business lead for the entire LA region. That portion of our contract does not require a match.

Outcomes/Service Activity: 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.

Contractual Goals: Per SBA regulations, there are three contractual performance goals, concentrating on long-term client engagement, capital infusion and business start-ups. Our outcome targets are prescribed by our SBDC lead center in Long Beach.

For this year, our target for Long-Term Clients was increased marginally, from 310 to 320; our target for Capital Infusion was unchanged at $25 million; and our target for Business Start-ups was increased marginally, from 60 to 62. We have absorbed higher increases in years’ past, and now are set with contractual goals at the top end for our region.
In 2016, we exceeded all our outcome measures. Copies of the 2015 year-end reports for both EDC-VC and the full three county region are attached for reference. You may note from these that we significantly out-performed the region as a whole.

The outcome data displayed below is preliminary for the period January through March 2017, with the "outcome target" number representing the full year goal.

<table>
<thead>
<tr>
<th>Performance Goals</th>
<th>Outcome Target</th>
<th>Outcomes thru March</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Term Clients (5+ hours)</td>
<td>320</td>
<td>78</td>
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<tr>
<td>Capital Infusion</td>
<td>$25,000,000</td>
<td>$17,391,946</td>
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<tr>
<td>Business Start-ups</td>
<td>62</td>
<td>27</td>
</tr>
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</table>

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

Outcomes through March: Through this three month period we are on track to significantly exceed the capital infusion goal and essentially to meet year-end goals for long-term clients and business starts. We anticipate exceeding all the measures by year end.

International Trade Activity: As noted above, we serve as the lead for all SBDC international trade technical assistance for Los Angeles, Ventura and Santa Barbara counties. We exceeded our goals for that activity in 2016 as well. Activity and reporting for that service is coordinated with the other centers throughout the region and is not yet updated for 2017. Details will be shared as they become available.

Regional and Sector Distribution of Clients: 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 update the distribution displays on time for our full Board meeting later in April.

Should you have any questions or comments, please contact me at 384-1800, x 24 (office), 794-0455 (cell), or bruce.stenslie@edc-vc.com.
Memo

To: Executive Committee
From: Bruce Stenslie
Date: April 5, 2017
Re: President's Report

Local, Regional and Other Community Meetings/Partnerships
Following is an abbreviated list of recent past, current and upcoming activities:

- March 29, Ventura County General Plan Update, Economic Development Advisory Group Meeting, Ventura.
- March 31, EDC-VC Loan Board Meeting.
- April 6, CALED Executive Committee and California Enterprise Development Authority, Teleconferences.
- April 10, Assembly Member Irwin, Cybersecurity Briefing, Camarillo.
- April 10, Presentation to the Oxnard Harbor District Commissioners, World Trade Center Discussion.
- April 12, Economic Developers Roundtable, Camarillo.
- April 13, Workforce Development Board of Ventura County, Executive Committee, EDC-VC Layoff Aversion Contract Evaluation.
- April 13, Pacific Coast Business Times, Women in Business, Santa Barbara.
- April 19, California Stewardship Network, Teleconference.
- April 20, First 5 Ventura County Regular Meeting, Camarillo.
- April 21-23, Start-up Weekend, Camarillo.
- May 4-5, Southern California Association of Governments, General Assembly, Panelist, Palm Desert.
- May 17, World Trade Week Event, Port of Hueneme.
- May 24, Maritime Advanced Systems & Technology, Expo, Port of Hueneme.

Should you have any questions or comments, please contact me at 384-1800, x 24 (office), 794-0455 (cell), or bruce.stenslie@edc-vc.com.