



**MINUTES**  
**EDC-VC EXECUTIVE COMMITTEE MEETING**

April 5, 2017

- Location:** 1601 Carmen Drive, Suite 215, Camarillo
- Attendance:** Haider Alawami– Economic Roundtable Representative, City of Thousand Oaks  
Chris Meissner, *Vice-Chair* – Meissner Filtration Products  
Roseann Mikos – City of Moorpark  
John Procter – City of Santa Paula  
Carmen Ramirez – City of Oxnard  
Sim Tang-Paradis – City National Bank
- Absent:** Harold Edwards – Limoneira Company  
Cheryl Heitmann, *Chair* – City of Ventura  
Peter Zierhut, *Secretary/Treasurer* – Haas Automation
- 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:** 8:37 a.m. Vice-Chair Chris Meissner thanked everyone for attending the meeting.
- Roll Call:** Kelly Noble
- Amendment to the Agenda:** None
- Public Comment:** None
- Approval of Executive Committee Minutes** Vice Chair Meissner requested a motion to approve the minutes from the March 1, 2017 Executive Committee meeting. Carmen Ramirez moved to approve and file the minutes from the March 1, 2017 Executive Committee Meeting. Sim Tang-Paradis seconded the motion. All Executive Members listed in attendance in favor, motion carried.
- Administration** **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.**  
Stenslie noted for the Executive Committee that 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.

Stenslie stated that 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, staff 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.

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 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 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.

Stenslie concluded stating that 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.

Vice Chair Meissner asked for a motion for the Executive Committee to 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. John Procter motioned to 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. Carmen Ramirez seconded the motion. All Executive Members listed in attendance in favor, motion carried.

### **Membership Report & Recommendations for New Members**

Stenslie stated, 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.

Stenslie stated that 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.

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.

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.

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.

Vice Chair Meissner asked for a motion 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. Sim Tang-Paradis motioned 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. Carmen Ramirez seconded the motion. All Executive Members listed in attendance in favor, motion carried.

### **Small Business Development Center Quarterly Report**

Stenslie stated that today's report addresses outcomes for January through March of 2016, 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 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.

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.

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.

Stenslie informed the Executive Committee that 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.

<b><u>Performance Goals</u></b>	<b><u>Outcome Target</u></b>	<b><u>Outcomes thru March</u></b>
<b>Long Term Clients</b> (5+ hours)	320	78
<b>Capital Infusion</b>	\$25,000,000	\$17,391,946
<b>Business Start-ups</b>	62	27

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

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.

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.

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.

#### **President's Report**

Stenslie shared information from several recent economic forums, on projections relating to job growth and the cost of housing.

**New or Unfinished Business:** None

**Executive Committee Comments:** Sim Tang-Paradis announced that the City National Bank 2017 Economic Market Forecast is on May 3<sup>rd</sup> at the Four Seasons in Westlake Village. We are thinking about having our next Executive meeting prior to the forecast that day. Details to come.

**Adjournment to May 3, 2017** Adjourned to May 3, 2017.

Minutes taken by Kelly Noble