



**MINUTES**  
**EDC-VC BOARD OF DIRECTORS MEETING**  
**March 16, 2017**

- Location:** Hampton Inn, 50 West Daily Drive, Camarillo
- Attendance:** Al Adam – City of Thousand Oaks  
Haider Alawami – City of Thousand Oaks, Liaison, ED Managers Roundtable  
Will Berg – City of Port Hueneme  
Dee Cavanaugh – City of Simi Valley  
Kristin Decas – Port of Hueneme/Oxnard Harbor District  
Rebekah Evans – VCLA (liaison)  
Amy Fonzo – California Resources Corporation  
Gregory Glover – City National Bank  
Cheryl Heitmann, Chair – City of Ventura  
Kelly Long – County of Ventura  
Nancy Mayerson – Mayerson Marketing & Public Relations  
Chris Meissner, Vice Chair – Meissner Filtration Products  
Roseann Mikos – City of Moorpark  
Susan Mulligan – Calleguas Municipal Water District (liaison)  
John Procter – City of Santa Paula  
Jim Scanlon – Gallagher, SBG-NIA  
Sandy Smith – VCEDA  
Maria Ventura – Southern California Gas Company  
John Zaragoza – County of Ventura
- Absent:** Gerhard Apfelthaler – California Lutheran University  
Mark Austin – City of Fillmore  
Henry Dubroff – Pacific Coast Business Times  
Nan Drake – E.J. Harrison Industries  
Harold Edwards – Limoneira Company  
Scott Eicher – Chambers of Commerce Alliance  
Ron Galaviz – Lead Builders, Inc  
Carmen Ramirez – City of Oxnard  
Laurel Shockley – Southern California Edison  
Cari Shore – Rabobank  
Tony Skinner – IBEW Local #952  
Tony Trembley – City of Camarillo  
William Weirick – City of Ojai  
Celina Zacarias – California State University Channel Islands  
Peter Zierhut – Haas Automation
- Legal Counsel:** Nancy Kierstyn Schreiner, Law Offices of Nancy Kierstyn Schreiner
- Staff:** Marvin Boateng, Loan Officer  
Ray Bowman, EDC SBDC Director  
Shalene Hayman, Controller  
Kelly Noble, Office Manager  
Bruce Stenslie, President/CEO

**Guests:** Marni Brook, Montecito Bank & Trust  
Steve Madsen, retired banker/EDC-VC Loan Board  
Petra Puls, First 5 Ventura County  
Patty Turnage, Pacific Western Bank/EDC-VC Loan Board  
Kevin Wise, Princeton Montessori School

**Call to Order:** Chair Cheryl Heitmann called the meeting to order at 4:12 p.m. Heitmann welcomed everyone and had the Board introduce themselves.

**Roll Call:** Kelly Noble

**Amendment to the Agenda:** None

**Public Comment:** None

**Minutes:** Chair Heitmann asked if there were any comments on the February 16, 2017 minutes. With none, Heitmann requested a motion to approve the minutes from the February 16, 2017 meeting. Al Adam moved to approve and file the minutes from the February 16, 2017 meeting. Kelly Long seconded the motion. All remaining board members listed in attendance in favor, motion carried.

**Financial Report:** **February 2017 Financials**  
Shalene Hayman explained we are busy getting ready for our audit. Hayman reviewed the February 2017 Financials. Chair Heitmann asked if there were any questions. With none, Heitmann requested a motion to approve and file the February 2017 Financials. John Zaragoza motioned to approve and file the February 2017 Financials. Kelly Long seconded the motion. Jim Scanlon left prior to this item. All remaining board members listed in attendance in favor, motion carried.

**Report on Lending Activity:** **Discussion with Loan Board, Presentation of Case Studies and Success Stories.**  
Stenslie introduced Marvin Boateng, Loan Officer. Marvin 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. A copy of the loan board roster is attached.

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.

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.

Loan applicants also meet with one or more of our small business consultants, who spend considerable time in evaluating the business plan and providing assistance to the loan officer in evaluating all aspects of credit worthiness. Among the several conditions of any loan that may be approved is that the business will continue to meet with our consultants, to assure we have a continuing relationship and that the business is remaining on track.

Our loan officer prepares the credit memorandum and loan recommendation, including conditions, to the loan board. Once a loan is made, all of the servicing is in house.

The loan board serves as the final decision-making authority in approving loans, by majority vote. In its deliberations the loan board considers the summary of the business plan, the financials, projections and all information, pro and con, prepared by the loan officer.

The loan board may approve the recommendation as is, add additional requirements, or otherwise amend the recommendation, relative to collateral, term, interest rate, etc.

The loan board may also turn down the recommendation, or send it back for additional information before making a final decision.

The loan officer implements the recommendations of the loan board. The loan board is also responsible for approving recommendations to discharge a bad loan.

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.

Following and during Marvin’s overview there were questions and discussion.

Chair Heitmann and the board thanked the loan board for their contributions.

#### **Administration:**

**Ratification of Receipt 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.

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.

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 three 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 appears largely 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.

The Executive Committee approved the recommended action on March 1. With full Board ratification, 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.

Chair Heitmann requested a motion that the Board ratify 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. Nancy Mayerson motioned that the Board ratify 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. Chris Meissner seconded the motion. Jim Scanlon left prior to this item. All remaining board members listed in attendance in favor, motion carried.

**Ratification of a Second Amendment to Our Office Lease with Carmen Professional Building, LLC, Extending the Term through June 30, 2018, with a 3% Increase to \$4,116.00/month, with Lessee Options for Three Consecutive Six Month Extensions, through December 31, 2019, at \$4,240.00/month, Inclusive for the Term of the Extensions. Recommendation to Approve.**

Stenslie noted that we have occupied our current space, at 1601 Carmen Drive, Suite 215, Camarillo, since 1996, with several renewals. The current lease with the Carmen Professional Building, LLC, was executed in 2007, for a five year term. We extended the lease by a "first amendment" in 2012 for an additional five years, through February 2017. We have been in communication with the building management over the last several months, in consideration for renewal.

While we are wholly satisfied with our offices and lease conditions, approximately one year ago we were introduced to a potentially high value new office space opportunity that may materialize in 2018.

The Ventura County Transportation Commission (VCTC) has purchased a former county building—more recently owned by the City of Camarillo Redevelopment Agency—in Old Town Camarillo, at 2220 Ventura Boulevard. Following the state mandated dissolution of Redevelopment Agencies, VCTC was able to secure the property for its occupancy at an extremely low cost, though the property will require extensive tenant improvements which will take approximately one year. VCTC is hopeful for occupancy by June of 2018. Given the need for extensive improvements, that timeline may be optimistic.

The building at 2220 Ventura Boulevard is larger than VCTC needs for its own space. EDC-VC has been invited to occupy the balance of the building as a lessee. It's an attractive offer, offering an excellent central location, good parking, appropriate scale, opportunity to design our own space, opportunity to share conference rooms and other joint space with VCTC, lower costs, and less volatile relative to future rental costs in the Camarillo real estate market.

Given the potential future opportunity described above, we sought the most flexible yet cost-effective conditions we could reasonably secure for extension of our current lease at 1601 Carmen Drive.

To that end, we have signed a second lease amendment to our current lease for a term ending June 30, 2018, that is, extended to the earliest date the VCTC building may be ready for occupancy.

We have added to that term three six month extensions, at our option, through December 2019, for remaining at our current location. These options give us the security to accommodate any delays in the preparation of the VCTC building, *should we so decide to move.*

In addition, we have secured agreement for reasonable monthly lease costs at 1601 Carmen Drive through the extended term and option periods.

- For the term ending June 30, 2018, a 3% increase over prior, to \$4116/month, or approximately \$1.74/sf.
- For the term through the three optional extensions, an additional 3%, fixed through December 31, 2019, if exercised, to \$4,240/month, or about \$1.79/sf.

In order to secure a timely agreement, the Executive Committee, with specified conditions met, directed the President/CEO to sign the lease extension as attached, and to return to the full Board for ratification of our action.

Staff will continue the dialogue with VCTC and report to the Executive Committee and Board any movement on the discussions.

Chair Heitmann requested a motion that the Board ratify a second amendment to our office lease with Carmen Professional Building, LLC, extending the term through June 30, 2018, with a 3% increase to \$4,116.00/month, with lessee options for three consecutive six month extensions, through December 31, 2019, at \$4,240.00/month, inclusive for the term of the extensions. Sandy Smith motioned that the Board ratify a second amendment to our office lease with Carmen Professional Building, LLC, extending the term through June 30, 2018, with a 3% increase to \$4,116.00/month, with lessee options for three consecutive six month extensions, through December 31, 2019, at \$4,240.00/month, inclusive for the term of the extensions. Roseann Mikos seconded the motion. Jim Scanlon left prior to this item. All remaining board members listed in attendance in favor, motion carried.

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

Stenslie informed the Board of Directors that we are currently negotiating a one year extension on our contract with the Workforce Development Board.

#### **Committee/Liaison Reports:**

##### **VCEDA**

Nothing to report.

##### **Economic Developers Roundtable**

Nothing to report

##### **Ventura County Lodging Association**

Rebekah Evans shared promotional materials with the board, including a bicycle light and a summary of accomplishments.

##### **Calleguas Municipal Water District**

Susan Mulligan shared a water supply update.

#### **New or Unfinished Business:**

None

#### **Board Member Comments:**

None

#### **Adjournment:**

Meeting adjourned at 5:28 p.m. to April 20, 2017.