

**MINUTES**  
**EDC-VC BOARD OF DIRECTORS MEETING**  
**October 18, 2018**

- Location:** 4001 Mission Oaks Boulevard, Camarillo 93012
- Attendance:** Al Adam – City of Thousand Oaks  
Haider Alawami – City of Thousand Oaks, Liaison, ED Managers Roundtable  
Gerhard Apfelthaler – California Lutheran University  
Amy Fonzo – California Resources Corporation  
Cheryl Heitmann – City of Ventura  
Nancy Mayerson – Mayerson Marketing & Public Relations  
Chris Meissner, *Chair* – Meissner Filtration Products  
Roseann Mikos – City of Moorpark  
Brian Miller – County of Ventura  
Susan Mulligan – Calleguas Municipal Water District (liaison)  
Marissa Nall – Pacific Coast Business Times  
John Procter – City of Santa Paula  
Carmen Ramirez, *Vice Chair* – City of Oxnard  
Laurel Shockley – Southern California Edison  
Sandy Smith – VCEDA  
Tony Trembley – City of Camarillo  
William Weirick – City of Ojai  
John Zaragoza – County of Ventura  
Peter Zierhut, *Secretary/Treasurer* – Haas Automation
- Absent:** Will Berg – City of Port Hueneme  
Dee Dee Cavanaugh – City of Simi Valley  
Gary Cushing – Chambers of Commerce Alliance  
Kristin Decas – Port of Hueneme/Oxnard Harbor District  
Victor Dollar – VCLA (liaison)  
Nan Drake – E.J. Harrison Industries  
Harold Edwards – Limoneira Company  
Ron Galaviz – Lead Builders, Inc.  
Greg Gillespie – Ventura County Community College District  
Jim Scanlon – Arthur J. Gallagher and Co  
Alex Schneider – The Trade Desk  
Cari Shore – Rabobank  
Tony Skinner – IBEW Local #952  
Trace Stevenson – AeroVironment, Inc.  
Sim Tang-Paradis – City National Bank  
Ysabel Trinidad – California State University Channel Islands  
Ernie Villegas – City of Fillmore
- Legal Counsel:** Nancy Kierstyn Schreiner, Law Offices of Nancy Kierstyn Schreiner

<b>Staff:</b>	<p>Marvin Boateng, Loan Officer  Ray Bowman, EDC SBDC Director  Clare Briglio, Communications Director  Shalene Hayman, Controller  Kelly Noble, Office Manager  Bruce Stenslie, President/CEO</p>
<b>Guests:</b>	<p>Brian Went, Matter Labs  Erick Went, Matter Labs  Joseph Lee Suh, SBA</p>
<b>Call to Order:</b>	<p>Chair Chris Meissner called the meeting to order at 4:12 p.m. Meissner thanked everyone for being here today.</p>
<b>Amendment to the Agenda:</b>	<p>None</p>
<b>Public Comment:</b>	<p>None</p>
<b>Minutes:</b>	<p><b>Approval of Meeting Minutes, September 20, 2018</b>  Chair Meissner asked if there were any comments on the September 20, 2018 minutes. With none, Meissner requested a motion to approve the minutes from the September 19, 2018 meeting. Laurel Shockley moved to approve and file the minutes from the September 20, 2018 meeting. Al Adam seconded the motion. All listed in attendance in favor, motion carried.</p>
<b>Financial Report:</b>	<p><b>September 2018 Financials</b>  Shalene Hayman reviewed the financials from September 2018.</p> <p>Chair Meissner asked if there were any questions. With none, Meissner requested a motion to approve and file the September 2018 Financials. John Zaragoza motioned to approve and file the July 2018 Financials. Bill Weirick seconded the motion. All board members listed in attendance in favor, motion carried.</p>
<b>Discussion on “EDC Invest.” Connecting Early Stage Businesses to Second Round Venture Capital</b>	<p>Stenslie stated that it has been widely observed and agreed that a gap in the regional network of supports for entrepreneurship is ready and efficient access to venture capital.</p> <p>Toward closing that gap over the last several years several regional venture challenge forums, business accelerators and other assets have emerged and play a role in contributing to the entrepreneurial ecosystem.</p> <p>Our role at EDC has primarily been concentrated on business technical assistance and, relative to capital, more on access to debt financing. EDC Invest is our first organized and deliberate move into facilitating business access to equity investment.</p> <p>Stenslie introduced Erick and Brian Went from Matter Labs who provided an introduction and overview of the program, its structure, partners and intended outcomes. Explaining that the EDC Invest Program creates a pathway for connecting early stage firms to second round venture capital investment. The program consists of three stages:</p> <ul style="list-style-type: none"> <li>• Identification, assessment and technical assistance to early stage firms, assisting in their preparation for pitching to equity investors. This activity is led by EDC’s Small Business Development Center and Matter Labs.</li> </ul>

- Firms that are determined to be potentially ready for second stage financing present their business plans and capital requests to a panel of six to ten local industry leaders. Each panel is customized to assure industry and topical expertise. Panel members complete a rigorous evaluation of the presentation and business plan.
- The panelist's evaluations are shared in confidence with a group of over 200 capital groups, organized through a partnership with OCTANe LaunchPad™, a stakeholder partner in the California Small Business Development Center network. The ultimate goal of the program is for businesses to secure new capital investment through this network.

Through expert technical assistance and panel guidance, EDC Invest provides meaningful, analytical, and actionable feedback to our region's entrepreneurs. The program supports their ability to prioritize and focus resources on areas that are most critical to success and prepare them for venture capital partnership.

Erick and Bryan Went, of Matter Labs, provided an overview of some of the recent program activity, providing detail from one of the businesses that participated in the program.

## Administration

### **Consideration for the Receipt of an Estimated \$98,000 from the U.S. Small Business Administration, for a Portable Assistance Grant in Support of Economic Recovery in the Ojai Valley. Recommendation to Approve.**

Stenslie noted that as a follow up to our work in disaster recovery from the Thomas Fire we were invited by the SBA to apply for a "portable assistance" grant. These grants carry a dual purpose: 1) to deliver a targeted economic recovery and resilience program and service for a severely impacted region; and 2) to design the project in such a manner that it may be shared and duplicated in other regions (thus, the "portability").

The total funds available nationwide under this SBA solicitation were \$1 million, with projects limited to \$100,000 each. Eligible applicants were limited to regions that had suffered either from a federally declared disaster in 2017 or otherwise suffered from a sudden and severe economic dislocation.

Our proposal, developed in coordination with the Long Beach Lead SBDC Center and informed by extensive input from Ojai area businesses, has been selected as one of ten projects nationwide. We anticipate receiving grant documents any day, with a project term of one year, October 2018 through September 2019.

Broadly speaking, our goals are to:

- help improve the profitability and sustainability of the existing business base, and
- increase local opportunity for employment and income through entrepreneurship, generating a broader industry and occupational mix that will help sustain the existing economic base of hospitality, arts, retail and education.

Several elements of this project are aligned with other new funding we are receiving through the Governor's Office and Lead Center, concentrating on building service provider and business capacity for disaster preparation and recovery.

We anticipate working with the Ojai Valley Chamber of Commerce, Ojai Business

Association, local bank and finance institutions and the City on various aspects of the work plan. Should the Board of Directors approve the recommended actions, we will proceed on the grant and related agreements and bring this item to the full board on October 18.

Chair Meissner asked for a motion, that the Board of Directors

- 1) Approve the receipt of an estimated \$98,000 in new grant funds from the U.S. Small Business Administration and Long Beach Small Business Development Lead Center, in support of Post-Thomas Incident economic recovery in the Ojai Valley.
- 2) Delegate authority to the President/CEO to sign agreements to secure the funds and to contract with local partners for project delivery, as appropriate, subject to legal counsel review.

William Weirick motioned to

- 1) Approve the receipt of an estimated \$98,000 in new grant funds from the U.S. Small Business Administration and Long Beach Small Business Development Lead Center, in support of Post-Thomas Incident economic recovery in the Ojai Valley.
- 2) Delegate authority to the President/CEO to sign agreements to secure the funds and to contract with local partners for project delivery, as appropriate, subject to legal counsel review.

Roseann Mikos seconded the motion. All Board members listed in attendance in favor, motion carried.

#### **Consideration of the Annual Fraud Risk Minimization Review Checklist.**

##### **Recommendation to Approve.**

Stenslie noted for the Board that the EDC-VC is governed by several policies relating to fraud risk minimization.

- First is our bylaws, Section 7.2, which requires that we contract annually for an independent audit of our corporate accounts, financial statements and internal controls.
- Second, we maintain an “Administrative, Fiscal and Internal Control Procedures” manual and Employee Handbook.
- Third, and the subject of this agenda item, is our “Fraud Risk Minimization Review” policy adopted in May 2007.

With the completion of our 2017 annual audit we have a baseline from which to conduct this annual review.

Though corrected since 2008, our annual audits prior to then had identified an area of concern around our separation of administrative and fiscal duties, based on our small staff.

To help assure our continuing exercise of appropriate administrative controls, this review follows up in more detail on the separation of duties as practiced, along with attention to spending limits, documentation, physical protection of assets and general problem detection.

A copy of the policy/checklist is attached in your packet. Staff recommends that the Executive Committee certify this Annual Review has been conducted, as attested by the EDC-VC President.

The Executive Committee reviewed this recommendation and checklist at its meeting of October 9 and moved to forward the recommendation to the full Board of Directors.

Chair Meissner asked for a motion, recommended by the Executive Committee, that the Board of Directors certify the Annual Fraud Risk Minimization Review Checklist as presented. Peter Zierhut motioned to certify the Annual Fraud Risk Minimization Review Checklist as presented. John Zaragoza seconded the motion. All Board members listed in attendance in favor, motion carried.

### **EDC Web Site Update**

Stenslie commented that we have previously reported progress on the following:

- Obtained quotes for graphic design work and engaged Elena Trevino Designs for logo redesign
- Obtained new URL: edcollaborative.com
- Initiated update on social media handles, e.g., @edcollaborative Twitter/FB/Instagram
- Adopted new logo and sub logos
- Email address changes and Outlook integration

For current status, we have just completed:

- Updated business cards and full business suite stationery
- New one-sheet format for program and initiative summaries

We are continuing to work on:

- Continuing clarification and definition for the roles of staff and consultants
- Update success story format
- Update advisor roster
- And for on-going work, social media updates with new EDC language and branding
  - ✓ Instagram
  - ✓ Facebook
  - ✓ LinkedIn
  - ✓ Twitter

Clair Briglio went through the new website for the Executive Committee pointing out the highlights. Members thanked Clare for a job well done.

### **President's Report**

Stenslie handed out our current SBDC report asking the Board to please take a look at our outcomes this year and that we will have an update after the final quarter. Bragging rights to follow.

Stenslie mentioned that we had over 100 at our Broadband Summit last week. The summit was informative and engaging.

Stenslie also mentioned that on November 13<sup>th</sup>, here at the Ventura County Nonprofit Center, we will be holding NAVAC Industry Days. Please register if you would like to attend.

The Board also discussed the General Board Meeting time with a suggestion that the meetings start at 3:30. Consensus agreed.

<b>Committee/Liaison Reports:</b>	<p><b>VCEDA</b></p> <p>Sandy Smith spoke about the BOC. He stated that they had a great panel and judged that the event was a success by the attendees staying until the completion of the program. We are working on things that came out of the BOC and what the takeaways were.</p> <p><b>Economic Developers Roundtable</b></p> <p>Haider Alawami stated that we are doing what we can in collaboration with the other cities.</p> <p><b>Ventura County Lodging Association</b></p> <p>None</p> <p><b>Calleguas Municipal Water District</b></p> <p>Susan Mulligan gave the Board an update on the Southern California Water Situation.</p>
<b>New or Unfinished Business:</b>	None
<b>Board Member Comments:</b>	None
<b>Closed Session, Real Property Negotiations Pursuant to Government Code Section 54956.8</b>	<p>A. Property: 4001 Mission Oaks Blvd, Camarillo, CA 83012  Entity Negotiators: Bruce Stenslie, Nancy Kierstyn Schreiner  Negotiating Party: Ventura County Community Foundation (VCCF)  Under Negotiation: Terms and Payment</p> <p>B. Property: 4001 Mission Oaks Blvd, Camarillo, CA 83012  Entity Negotiators: Bruce Stenslie, Nancy Kierstyn Schreiner  Sublessee Negotiating Party: Matter Labs Under Negotiation: Terms and Payment</p> <p>Entered into closed session at 5:36 pm.</p>
<b>Report Out of Closed Session, If Any</b>	Came out of closed session at 5:45pm with a unanimous motion to approve both A & B, with "A" amending our five year lease with VCCF to include an additional 2,400 square feet of office space, with two five year options, and "B" approving a five year sublease agreement with Matter Labs to occupy 54% of the new lease space.
<b>Adjournment:</b>	Meeting adjourned at 5:47 p.m. to November 15, 2018