

MINUTES
EDC-VC BOARD OF DIRECTORS MEETING
November 21, 2019

- Location:** Meissner Filtration, 1001 Flynn Road, Camarillo 93012
- Attendance:** Haider Alawami – City of Thousand Oaks, Liaison, ED Managers Roundtable
Larry Buckley – Ventura County Community College District
Dee Dee Cavanaugh – City of Simi Valley
Gary Cushing – Chambers of Commerce Alliance
Phillip Deneef – Geolinks
Harold Edwards – Limoneira Company
Amy Fonzo – California Resources Corporation
Bob Huber – County of Ventura
Nina Kobasyashi – Mechanics Bank
Jey Lacey – Southern California Edison
Kelly Long – County of Ventura
Roseann Mikos – City of Moorpark
Manuel Minjares – City of Fillmore
Will Mitchell – Strata Solar Development
Michele Newell – VCEDA
Carmen Ramirez, *Chair* – City of Oxnard
Andy Sobel – City of Santa Paula
Tony Trembley – City of Camarillo
Ysabel Trinidad – California State University Channel Islands
Brian Tucker – Ventura County West
William Weirick – City of Ojai
- Absent:** Gerhard Apfelthaler– California Lutheran University
Will Berg – City of Port Hueneme
Vance Brahosky – NSWC Port Hueneme Division
Kristin Decal – Port of Hueneme/Oxnard Harbor District
Nan Drake, *Vice Chair* – E.J. Harrison Industries
Henry Dubroff – Pacific Coast Business Times
Bob Engler – City of Thousand Oaks
Anthony Goff – Calleguas Municipal Water District (Liaison)
Cheryl Heitmann – City of Ventura
Chris Meissner – Meissner Filtration Products
Jim Scanlon – Arthur J. Gallagher and Co
Alex Schneider – The Trade Desk
Tony Skinner – IBEW Local #952
Trace Stevenson – AeroVironment, Inc.
Sim Tang Paradis – City National Bank
Peter Zierhut, *Secretary/Treasurer* – Haas Automation
- Legal Counsel:** Nancy Kierstyn Schreiner, Law Offices of Nancy Kierstyn Schreiner

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

Guests: Brian Ganley, Chief Information Officer, County of Ventura
Bill Simmons, I-Prise
Joel Angeles, Supervisor Bob Huber, County of Ventura

Call to Order: Chair Carmen Ramirez called the meeting to order at 3:36 p.m. Ramirez thanked everyone for attending.

Amendment to the Agenda: None

Public Comment: None

Minutes: **Approval of Meeting Minutes, October 17, 2019**
Chair Ramirez asked if there were any comments on the October 17, 2019 minutes. With none, Ramirez asked for a motion to approve the minutes from October 17, 2019. Haider Alawami motioned to approve the minutes from October 17, 2019. Bob Huber seconded the motion. All Board members listed in attendance in favor, motion carried.

Financial Report: **October 2019 Financials**
Bruce Stenslie briefly reviewed the October 2019 financials explaining that Shalene Hayman had a funeral to attend.

Ramirez requested a motion to approve and file the October 2019 Financials. Dee Dee Cavanaugh motioned to approve and file October 2019 Financials. Tony Trembley seconded the motion. All Board members listed in attendance in favor, motion carried.

Presentation and Discussion **Regional Broadband Strategy, County of Ventura and Pacific Coast Broadband Consortium**
Stenslie stated that as previously reported, Ventura, Santa Barbara and San Luis Obispo County stakeholders in broadband have formed what is called the Broadband Consortium of the Pacific Coast. EDC-VC serves as fiscal agent for the group, now managing a third round of funding, this new one—just approved last month and effective November 1, 2019—is a three-year grant, 450,000, received through the California Public Utilities Commission. Our tri-county consortium is one of some 14 active regional consortia throughout the state.

The CPUC funding for the Consortium is essentially for planning and regional coordination of effort, not implementation of infrastructure solutions. A summary of the Consortium’s priorities moving forward is attached.

In support of the goals of the several regional consortia, California Forward, in collaboration with the California Emerging Technology Fund and the Governor’s Office of Business and Economic Development, have released a draft paper for guiding California’s policy and practice for broadband investment, deployment and adoption.

Bill Simmons, the lead for the Broadband Consortium, Provided an overview of the

Consortium's current priorities and activities.

Brian Ganley, Ventura County Chief Information Officer, Provided an overview of the County's vision and strategy for leveraging regional resources and improving broadband deployment throughout the region.

The presentation was followed by discussion and several questions about next steps in the plans for deployment. Staff will continue to update the Board.

Administration

Ratification of Grant Agreements for Small Business Development Center Services, Funding from the Governor's Office of Business and Economic Development, \$140,000 for the Capital Infusion Program and \$200,000 for the Technical Assistance Expansion Program, Both for the Term October 1, 2019 through September 30, 2020. Recommendation to Approve.

Stenslie noted for the Board that EDC has served as the Ventura and Santa Barbara Counties Small Business Development Center (SBDC) since 2010. The primary funding is through the U.S. Small Business Administration (SBA). The SBDC grant has generally ranged between \$375,000 and \$475,000 annually, on a calendar year term. The SBA requires that grantees provide a match to the federal funds, not less than half of the match in cash.

Over the last several years the Governor's Office of Business and Economic Development (GOBiz) has provided some share of the required cash match. That has mostly been in the form of the Capital Infusion Program (or CIP), which for EDC has ranged from as low as \$45,000 up to \$140,000. These funds are specifically intended to improve local SBDC capacity to facilitate business access to capital. This year's funding of \$140,000 is the same as the prior year, all of which contributes to our SBDC program required cash match of an estimated \$240,000 annually.

The funding is delivered to us through the same regional structure as for our regular SBA funding, that is, through grant agreement from the regional lead center, Long Beach City College. The grant agreement was presented to us on October 28. We signed the agreement immediately as it is a renewal of an existing program and already several weeks into the program term.

Program performance outcomes are to provide technical assistance to 300 firms seeking access to capital, resulting in \$18 million in new capital infusion. The outcomes are captured and reported under the single banner of our Small Business Development Center program. We have fully expended these funds and exceeded our outcome goals for this fund in prior years.

Technical Assistance Expansion Program (TAEP) was a new program starting in October 2018, also funded through the Governor's Office of Business and Economic Development and also, like the CIP program noted above, with funding distributed through our lead SBDC center, Long Beach City College.

The program's purpose is to leverage and supplement existing federal programs, expanding its reach to a larger number of firms and resulting in more outcomes in capital infusion and new business starts. Though the funding is made available effective October 1, 2019, final outcome goals—for total clients served, new capital infusion and new business start-ups—will not be assigned until the issuance of our new SBDC contract starting January 1. Program activity and outcomes are reported under the unified banner

of the SBDC contract.

The grant agreement was presented to us on October 24. We signed the agreement immediately as it is a renewal of an existing program and already several weeks into the program term.

Unlike the Capital Infusion Program noted above, the TAEP funds are not intended as cash match, rather are to augment and expand the work of Small Business Development Centers, Women's Business Centers, Minority Business Centers and other programs funded by the federal government to serve small business.

You may recall that our first allocation of this fund, for the period October 2018 through September 2019, was for \$475,000. That larger fund was secured prior to GOBiz attaching regulations requiring that 80% of the fund be spent on direct client assistance. That volume of direct client advising is not currently feasible with the administrative capacity supported by these funds. Still, we do anticipate receiving additional funding under this program category during the year, though that will be negotiated based on performance and, potentially, on new flexibility in the program regulations.

Stenslie concluded that these two funds appear sustainable for the next several years, having been approved not only in the Governor's budget, but by legislative action, for a five year term, 2018 through 2023.

Ramirez requested a motion that the Board approve the following actions, subject to legal review:

1. Ratify approval of the Capital Infusion Program Agreement CN 99772.7 (CIP), \$140,000, for the term, October 1, 2019 through September 30, 2020;
2. Ratify approval of the Technical Assistance Expansion Program CN 99774.2 (TAEP) Agreement, \$200,000, for the term, October 1, 2019 through September 30, 2020;
3. Delegate authority to the President/CEO to approve modifications to the agreements.

Tony Trembley motioned to approve the following actions, subject to legal review:

4. Ratify approval of the Capital Infusion Program Agreement CN 99772.7 (CIP), \$140,000, for the term, October 1, 2019 through September 30, 2020;
5. Ratify approval of the Technical Assistance Expansion Program CN 99774.2 (TAEP) Agreement, \$200,000, for the term, October 1, 2019 through September 30, 2020;
6. Delegate authority to the President/CEO to approve modifications to the agreements.

William Weirick seconded the motion. All Board members listed in attendance in favor, motion carried.

Federal and State Tax Exempt Organization Returns for 2018. Recommendation to Approve.

Stenslie stated that the Board of Directors approved our 2018 financial statements and audit at its May meeting.

Stenslie commented that as a package of services, our auditor, Farber Hass Hurley LLP, also prepares our required annual federal and state "exempt organization" tax and information returns.

The federal and state filings are required annually to maintain our non-profit, tax exempt corporate status. The financial data in the tax returns ties to our audited statements.

The returns have been separately provided to each Board member and copies are available in the EDC office.

Having shared a copy of the draft returns with the board on November 15, staff has filed the returns to meet our deadline with U.S. Internal Revenue Service and California Franchise Tax Board. Should the board adopt any changes today, staff will file amended returns.

In discussion it was identified that there are errors on the forms, still showing our old office address.

Ramirez requested a motion that the Board approves the EDC-VC 2018 Federal Return of Organization Exempt from Income Tax, Form 990, and 2018 California Exempt Organization Annual Information Return, Form 199, subject to the correction of our office address. Roseann Mikos motioned that the Board approve the EDC-VC 2018 Federal Return of Organization Exempt from Income Tax, Form 990, and 2018 California Exempt Organization Annual Information Return, Form 199, with the correction of our office address. Dee Cavanaugh seconded the motion. All Board members listed in attendance in favor, motion carried.

Report and Discussion, California Economic Summit

Stenslie shared with the Board that the eighth California Economic Summit was convened in Fresno, November 7 and 8, with some 900 in attendance. The materials distributed at the summit may be accessed at <https://caeconomy.org/>.

The Summit was organized around four primary concentrations, with working group breakout discussions listed by the “checks” below:

- **Housing, Mobility & Connectivity**
 - ✓ “All of the Above”: Defining Where to Build
 - ✓ Housing & Infrastructure Investment Tools
 - ✓ Regional Solutions to Homelessness
 - ✓ Broadband Access
- **Lifelong Learning**
 - ✓ Strong Workforce Program (CA Community Colleges)
 - ✓ Financing the Full Cost of College
 - ✓ Cradle to Career Early Adopters Grant
- **Ecosystem Vitality & Working Landscapes**
 - ✓ Water Sustainability
 - ✓ Land Use & Groundwater
 - ✓ Ecosystem Services
- **Prosperous Economies, Thriving Workers**
 - ✓ Forest Resilience & Economic Development
 - ✓ Regions Up Prosperity Strategy
 - ✓ Advancing Manufacturing

While each of these topics has local relevance, of particular interest to us as an economic

development organization is the “Regions Up Prosperity Strategy.” The goal of this working group, and process moving forward in 2020, is to finalize a regions up prosperity framework that will be used to inform the development of California economic development strategy, presumably in the form of legislation and resources to the regions.

President’s Report

Stenslie announced that EDC is the very pleased recipient of a \$50,000 grant from CIT Bank and \$10,000 from City National Bank.

- CIT is a top 50 national bank, primarily online though with a regional network in Southern California under OneWest Bank. This is our first engagement with CIT. The CIT contribution is to support our provision of technical assistance to clients seeking capital and for loan loss reserve. We will also use the fund to purchase new loan program management software.
- The City National Bank contribution is part of an ongoing and generous investment in EDC by the bank. We will use the City National Bank fund for loan loss reserve.

Staff Development of a Draft Regional Integrated Business Services Marketing Proposal.

Currently branded as Ventura County Grows Business, staff has led a workgroup look at its productivity and efficiency, and is working on an alternative structure, anticipated to be released in December.

Imminent Release of the Economic Indicator Report. This is a project long stalled while we waited for more movement and participation from California Forward on a parallel statewide effort. The statewide activity is now back in motion, though not yet finalized. With a statewide product now anticipated in 2020, we’re ready to move forward, put a product in play, then work in collaboration with state partners to align our efforts. Our intent is to release a report in January for data through the end of 2019.

Committee/Liaison Reports:

VCEDA

None

Naval Surface Warfare Center-Port Hueneme Division

None

Economic Developers Roundtable

None

Ventura County Lodging Association

Brian Tucker provided an overview of the growth patterns for the region in overnight stays and spending.

Calleguas Municipal Water District

None

New or Unfinished Business:

None

Board Member Comments:

None

Adjournment:

Meeting adjourned at 45:15 p.m. Our next meeting is January 16, 2020 at the Hyatt Regency Westlake.