

MINUTES
EDC-VC EXECUTIVE COMMITTEE MEETING

July 1, 2020

- Location:** EDC-VC, 4001 Mission Oaks Blvd., Founder’s Room, Suite A-1, Camarillo, CA 93012 and <https://zoom.us/j/8349665509>.
- Attendance:** Haider Alawami– Economic Roundtable Representative, City of Thousand Oaks
Nan Drake, *Chair* – E.J. Harrison Industries
Harold Edwards – Limoneira Company
Cheryl Heitmann – City of Ventura
Kelly Long, *Vice Chair* – County of Ventura
Chris Meissner– Meissner Filtration Products
Peter Zierhut, *Secretary/Treasurer* – Haas Automation
- Absent:** Dee Dee Cavanaugh – City of Simi Valley
Bob Engler – City of Thousand Oaks
- Legal Counsel:** Nancy Kierstyn Schreiner – Law Offices of Nancy Kierstyn Schreiner
- Guests:** Brian Miller – County of Ventura
- Staff:** Marvin Boateng, Loan Officer
Clare Briglio, Communication Director
Kelly Noble, Office Manager
Bruce Stenslie, President/CEO
- Call to Order:** 3:28 p.m. Chair Nan Drake thanked everyone for attending.
- Roll Call:** Kelly Noble
- Amendment to the Agenda:** None
- Public Comment:** None
- Approval of Executive Committee Minutes** **Executive Committee Meeting, June 3, 2020**
Chair Nan Drake requested a motion to approve the minutes from June 3, 2020 Executive Committee meeting. Cheryl Heitmann moved to approve and file the minutes June 3, 2020 Executive Committee meeting. Haider Alawami seconded the motion. Kelly Long was not present for this item. All remaining Executive Members listed in attendance in favor, motion carried.
- Administration** **Consideration to Amend the EDC Employee Handbook, Section 6.14, Vacation Time. Recommendation to Approve**
Stenslie stated that EDC maintains an Employee Handbook, approved by the Board of Directors, establishing the guidelines for employee benefits and policies.

Section 6.14 addresses Vacation Time (see attachment). Employees earn vacation time on a formula tied to years of service with EDC. From month 4 through the end of year three employees earn 12 days annually; from year four and forward employees earn 18 days annually.

Adopted policy requires that all employees take at least one week (consecutive five days) of leave annually, as a matter of promoting a healthy break from work and also to help assure that no single in-office function is wholly dependent on only one person.

Adopted policy also limits the accumulation of accrued hours of earned vacation to twice the current annual benefit. For example, an employee with EDC for five years could accumulate no more than the equivalent of 36 days (twice the allowed 18 days annually), or 288 hours. That limitation is intended to help manage our financial liability for accrued benefits.

Given the recent increase in workload resulting from the pandemic, and staff putting off vacations, several staff are now near or already over the maximum amount of accumulated leave. Given this circumstance the recommendations are to alleviate the potential loss of employee benefits.

That noted, the first recommendation is intended as a permanent adjustment, allowing employees to request and receive up to two weeks of payout on their accumulated leave. This helps us keep the accumulated hours at a lower amount, allows a pay out to employees whose workload interferes with their ability to take leave, and also allows us, under the current circumstance, to cash out excess accumulated leave, removing the liability from an annual carry-forward.

The second recommendation is purely a response to the current crisis workload. The recommended increase in the allowance for accumulated leave is temporary, through the end of 2021, though we would also allow through calendar 2022 for employees to take time off (or receive partial pay-out) to reduce any accumulated leave in excess of the baseline twice annual amount.

Chair Nan Drake requested a motion for the Executive Committee to approve:

- 1) An amendment to the Employee Handbook, Section 6.14, establishing an increase from the current allowance of a payout of an employee's accrued vacation time of one week to two weeks annually.
- 2) An amendment to the Employee Handbook, Section 6.14, establishing a temporary increase, through December 31, 2020, for an employee to accumulate up to a revised three times the hours of annual accrual allowance, up from the current limit of twice the annual accrual allowance.

Harold Edwards motioned to approve:

- 1) An amendment to the Employee Handbook, Section 6.14, establishing an increase from the current allowance of a payout of an employee's accrued vacation time of one week to two weeks annually.
- 2) An amendment to the Employee Handbook, Section 6.14, establishing a temporary increase, through December 31, 2020, for an employee to accumulate up to a revised three times the hours of annual accrual allowance,

up from the current limit of twice the annual accrual allowance.

Kelly Long seconded the motion. All Executive Members listed in attendance in favor, motion carried. Drake stated that staff will bring a line-item change to the full Board at its meeting on July 16.

Consideration to Ratify Approval of a Contract with the City of Camarillo for the Administration of a Business Loan Program Capitalized by the City Totaling \$975,000 by Four Installments through July 1, 2023 and a \$15,000 Management Fee for the Term Ending June 30, 2021, and an Additional \$90,000 through June 30, 2025. Recommendation to Approve.

Stenslie noted that EDC has served as an alternative lender since our first year of business in 1996. Loan funds are capitalized by several public and private sector entities including the U.S. Department of Labor, First 5 Ventura County, federal Community Development Block Grant funds through the City of Ventura, other City of Ventura funds, and several private banks and institutions. Our purpose in lending is investing in regional business and job growth and retention.

Given the COVID-19 business crisis, and consistent with the City's adopted economic development strategy, the City of Camarillo approached EDC about developing and launching a new loan program for businesses within the city.

The program design is as a Revolving Loan Fund, meaning that as loans are made and principle and interest are paid, the returned funds stay in the program pool for re-lending.

The city's investment in loan capital is agreed to as follows, for a total of \$975,000:

- July 1, 2020: \$300,000
- July 1, 2021: \$225,000
- July 1, 2022: \$225,000
- July 1, 2023: \$225,000

The city also agrees to provide a \$15,000 fee, for the year July 1, 2020 through June 30, 2021, for a total financial contribution of \$990,000.

EDC's role is to partner with the City in outreach to local businesses; engagement with loan applicants; screening of applicants and technical assistance through our Small Business Development Center; review of applications; development of loan recommendations and credit memoranda; coordination and management of the Loan Board; funding and servicing the loans, including collection of payments and maintenance of the loan fund pool.

Loans are targeted to a range of \$10,000 to \$50,000, with some flexibility, requiring city approval, for lower or larger amounts. Loans will be made at 4.25%, allowing our inclusion of these loans in the CA IBank loan guarantee program at 95% (for disaster related loans). Maximum loan terms are six years. For more detail see the contract agreement, distributed separately.

Based on the assumption of fully lending the new funds available on an annual basis, and using a standard amortization schedule, the fund is projected to operate on a revolving basis, with some \$225,000 available annually after the four years of the city's investment.

EDC's management fee is projected to be drawn annually, after the first year, from the interest earned on the portfolio.

The City approved the agreement at its Council meeting on June 24 and requested our signature the next day. With our Executive Committee's approval, and legal review, the agreement will be forwarded to our full Board for final approval.

Drake requested a motion that the Executive Committee approve and forward to the full Board of Directors ratification of the President/CEO's signature to a contract with the City of Camarillo for the Administration of a Business Loan Program, Capitalized by the City at \$975,000 by four annual installments through July 1, 2023 and a \$15,000 management fee for the term ending June 30, 2021 and an additional \$90,000 through June 30, 2025. Chris Meissner motioned to approve and forward to the full Board of Directors ratification of the President/CEO's signature to a contract with the City of Camarillo for the Administration of a Business Loan Program, Capitalized by the City at \$975,000 by four annual installments through July 1, 2023 and a \$15,000 management fee for the term ending June 30, 2021 and an additional \$90,000 through June 30, 2025. Peter Zierhut seconded the motion. All Executive Members listed in attendance in favor, motion carried.

Consideration of a \$20,000 Contract with the Ventura County Workforce Development Board for the Management of the Website Business Forward Ventura County and Delegation of Authority to the President/CEO to Accept Additional Public and Private Sector Funds to Support the Website and Follow-Up Business Services. Recommendation to Approve.

Stenslie stated that Ventura County as a region has lacked a comprehensive business service resource and assets communication tool *that is effective for connecting the region's service providers to existing and prospective business need and demand*. This gap undermines our ability to promote economic growth and secure economic prosperity through a program of business retention and growth, entrepreneurship and attraction.

Recognizing this communication gap already in 2010, and seeking to enhance our recovery from the Great Recession, the VC Workforce Development Board accessed federal ARRA funding to address the need. The Workforce Board launched, and has maintained since then, the *Ventura County Grows Business (VCGB)* website, featuring information equally on each of the cities and county and providing profiles of the region's business and workforce services and assets. At the time it was created, it served to fill a gap for promoting the region.

That value noted, a recent survey and analysis of the service providing partners indicates that none are receiving significant referrals through VCGB.

Our conclusion through a multi-partner participatory process for evaluating our current state is that *VCGB* is not wholly meeting the current needs of the region, either by connecting businesses to services for retention and growth or by marketing the region's assets for business attraction.

For a solution moving forward, the County Chief Executive Office (as lead on the VC Economic Vitality Strategic Plan), Workforce Development Board staff and other stakeholders have agreed to discontinue the investment in *Ventura County Grows Business* and redirect resources and funding to EDC—as a regional, full service economic development corporation—for the development and maintenance of a new online

resource, with a working title of *Business Forward Ventura County*.

Accordingly, EDC has initiated the development of a new web platform that improves on the functionality of the VCGB, both relative to referrals to services and for clear messages on business growth and retention and attraction. A significant cost in the project is staffing the resource, for assurance that we are engaging the businesses that look to the site for access to services. Much of the funding for the project is for that staffing.

For launching the project and staffing we have secured funding from the Ventura County Community Foundation and now, for the recommended action in this item, through the Workforce Development Board. We have also approached the City Managers and County Executive Office for additional funding and are confident we have the full budget for launch.

We are on target for a July 1 release. As we are early in this project—and have had the extraordinary interruption of COVID-19—the July launch will be “minimally viable,” with several improvements to be implemented over the next one to two months.

The recommended actions are to approve the new funding from the Workforce Development Board and to delegate authority to the President/CEO to accept additional financial contributions, not to exceed \$100,000 in total. We are asking for that delegation as we anticipate that any city and county contributions will not be through a contract vehicle, rather as additional partner/member contributions to EDC.

Drake requested a motion that the Executive Committee

- 1) Approve a \$20,000 contract with the Ventura County Workforce Development Board for EDC’s management of the new website “Business Forward Ventura County,” and
- 2) Delegate authority to the President/CEO to accept additional public and private sector contributions in support of Business Forward Ventura County for the term July 1, 2020 through June 30, 2021.

Cheryl Heitmann motioned to:

- 1) Approve a \$20,000 contract with the Ventura County Workforce Development Board for EDC’s management of the new website “Business Forward Ventura County,” and
- 2) Delegate authority to the President/CEO to accept additional public and private sector contributions in support of Business Forward Ventura County for the term July 1, 2020 through June 30, 2021.

Harold Edwards seconded the motion. With Kelly Long and Peter Zierhut recusing, all Executive Members listed in attendance in favor, motion carried.

Mid-Year Budget Update and Summary of Activities in Response to the Impacts to Business and Economy by COVID-19

Stenslie stated that given the influx of several new grants and contributions, staff anticipates developing a mid-year budget amendment. Given the recent completion of our 2019 audit, and some still changing variables in new funding, staff plans to bring such amendment to the Board in September. At today’s meeting, staff will summarize the new resources and budget implications, all positive for this year.

President's Report

Stenslie gave updates on the following

- Creative Economy Report in production: Total economic impact, Ventura and Santa Barbara Counties is 38,000 jobs (direct, indirect and induced); total labor income of \$2.5 billion, generating over \$6.5 billion in total economic output, contributing 5.2% of the region's GRP.
- 2020 Update on Entrepreneurial Ecosystem Report, including the 58 county comparisons; from 2018 to 2020 Ventura dropped from 9th to 10th (Contra Costa jumped from 10th to 8th) Santa Barbara County from 11th to 13th (Sacramento and Riverside Counties jumped ahead).

Stenslie provided additional information on COVID-19 response activities and resources. Supervisor Long also provided detail on the County's actions and strategies.

New or Unfinished Business

Chair Nan Drake had to leave the meeting at this time. Vice Chair Kelly Long resumed the meeting. There was no new or unfinished business.

Executive Committee Comments:

Members provided updates on what they're each seeing in response to COVID-19 in their cities and industries.

Adjournment

At 4:50 pm. Vice Chair Kelly Long announced that the meeting is adjourned to September 2, 2020.

Minutes taken by Kelly Noble