



MINUTES
EDC-VC BOARD OF DIRECTORS MEETING
October 15, 2020

Location: 4001 Mission Oaks Blvd, Camarillo, CA 93012 and by teleconference.

Attendance: Vance Brahosky– NSWC Port Hueneme Division (Liaison)
Dee Dee Cavanaugh – Pacific Coast Business Times
Henry Dubroff – Pacific Coast Business Times
Nan Drake, *Chair* – E.J. Harrison Industries
Carole Drulias – Mechanics Bank
Bob Engler – City of Thousand Oaks
Amy Fonzo – California Resources Corporation
Cheryl Heitmann – City of Ventura
Cynthia Herrera – Ventura County Community College District
Bob Huber – County of Ventura
Jey Lacey – Southern California Edison
Nancy Lindholm– Chambers of Commerce Alliance
Kelly Long, *Vice Chair* – County of Ventura
Chris Meissner – Meissner Filtration Products
Roseann Mikos – City of Moorpark
Shawn Mulchay – City of Camarillo
Sandy Smith – VCEDA
Andy Sobel – City of Santa Paula
Cam Spencer – Port of Hueneme/Oxnard Harbor District
Sim Tang Paradis – City National Bank
Carmen Ramirez, City of Oxnard
Brian Tucker – Ventura County West
William Weirick – City of Ojai
Peter Zierhut, *Secretary/Treasurer* – Haas Automation

Absent: Will Berg – City of Port Hueneme
Skyler Ditchfield– Geolinks
Harold Edwards – Limoneira Company
Anthony Goff – Calleguas Municipal Water District (Liaison)
IBEW Local #952
Mary Jarvis – Kaiser Permanente
City of Fillmore
Will Mitchell – Strata Solar Development
Jim Scanlon – Arthur J. Gallagher and Co
Alex Schneider – The Trade Desk
Trace Stevenson – AeroVironment, Inc.
Ysabel Trinidad – California State University Channel Islands

Legal Counsel: Nancy Kierstyn Schreiner, Law Offices of Nancy Kierstyn Schreiner

Staff:	<p>Marvin Boateng, Loan Officer Ray Bowman, EDC SBDC Director Shalene Hayman, Controller Vicki Meraz, Loan Assistant Kelly Noble, Office Manager Bruce Stenslie, President/CEO</p>
Guests:	<p>Bill Bartels, Ventura County Film Commission P.J. Gagajena, City of Moorpark Alan Jaeger, NSWC Port Hueneme Division Gloria Martinez, County of Ventura Rosie Ornealas, City of Oxnard Jennifer Quezada, Broadband Fellow</p>
Call to Order:	<p>Chair Nan Drake called the meeting to order at 3:33 p.m. Drake thanked everyone for attending.</p>
Amendment to the Agenda:	<p>None</p>
Public Comment:	<p>None</p>
Minutes:	<p>Approval of Meeting Minutes, September 17, 2020 Chair Drake asked if there were any comments on the September 17, 2020 minutes. With none, Drake asked for a motion to approve the minutes from September 17, 2020. Kelly Long motioned to approve the minutes from September 17, 2020. Bob Huber seconded the motion. Shawn Mulchay, Cynthia Herrera and Sim Tang-Paradis were not in attendance for this item. All remaining Board members listed in attendance in favor, motion carried.</p>
Financial Report:	<p>September 2020 Financials Shalene Hayman reviewed the September 2020 financials. With no questions, Drake asked for a motion to approve the September 2020 Financials. Bob Huber motioned to approve the September 2020 Financials. Amy Fonzo seconded the motion. Cynthia Herrera and Sim Tang-Paradis were not in attendance for this item. All remaining Board members listed in attendance in favor, motion carried.</p>
Administration:	<p>Lending Program Update and Overview Stenslie noted for the Board that EDC has operated revolving loan programs continuously and successfully since 1997, maintaining capacity through a full-time Loan Officer on staff and working in collaboration with banking and finance professionals serving as our Loan Board.</p> <p>Our sources of capital include the U.S. Department of Commerce, funds from several cities and the county, federal Community Development Block Grant funds, private capital and a loan program capitalized through California Proposition 10 Tobacco Tax funds, through First 5 Ventura County, for lending to support the expansion of early child education capacity. Aside from the child care expansion fund, our primary objective in lending is job creation, overall creating one job per approximately every \$15,000 loaned, against a general goal of one job per \$25,000 loaned.</p>

The total amount of loans made from all funds is approximately \$20 million, with a current open portfolio of approximately \$6 million. Our loan loss ratio is under 7%, which is extremely competitive in our field considering our niche is lending to firms denied access to commercial credit.

Stenslie turned the item over to the EDC Loan Officer Marvin Boateng. Marvin reviewed the loan portfolio, our service priorities and resources for supporting loan applicants and for business access to capital generally.

Marvin also addressed lending and access to capital activity in the COVID-19 context, including impacts both to the risk of new lending and to the existing portfolio.

Update on Ventura County Film Commission and Film Liaison Activity

Stenslie noted for the board that In 2013 our Board approved a two-year pilot to launch a more active role as the Ventura County Film Commission. The approved action established both the framework for funding—through voluntary assessments or contributions from the County, the cities and other stakeholders—and the contract function of “Film Liaison.”

In 2015 our Board re-affirmed its support for the Film Commission activity, and we have budgeted for it in each year since, in our current budget anticipating a \$55,000 work plan, with revenue contributed by EDC, the County, cities and other potential stakeholders.

Funding levels for the County and cities are set in consideration of several variables: relative amount of film activity in the jurisdiction; the relative share of our Liaison work in supporting that activity; the jurisdictions’ interest, ability to pay and value placed on film activity; our actual costs in carrying out the work. The volume of film activity in any area may vary considerably year to year, though we rely more on long term trends for setting funding levels, rather than adjusting annually based on recent activity.

Film Commission and Liaison activities are to facilitate communication between industry and location representatives, specifically to help avoid conflicts and to improve the over-all filming experience for all parties. We are not a permit issuing entity, rather an ambassador for the greater purpose and collaboration of partners.

Our intended purpose and outcomes are an increase of well-managed film activity, resulting in an increase in film shoots, film industry spending, local job retention and creation.

An essential support for the Film Commission is an annual \$15,000 contribution from the County of Ventura. In exchange for that support, the County requires an annual update, looking for an increase in overall film activity and a report on the distribution of permits issued for filming throughout the region. That report to the County Board is scheduled for a meeting yet to be determined in mid-November.

Stenslie turned the item over to the Ventura County Film Liaison Bill Bartels who updated the Board on the last year’s Film Commission activities and a preview of the presentation to the County Board of Supervisors.

Film activity was up again in 2019, continuing a steady year-over-year increase since 2013. What has especially improved this year is the detail reported by each of the cities.

Consideration to Delegate Authority to the President/CEO to Sign Grant Agreements for Small Business Development Services, Continued Funding from the Governor’s Office of Business and Economic Development, Estimated \$140,000 for the Capital Infusion Program and \$450,000 for the Technical Assistance Expansion Program, Both for the Term October 1, 2020 through September 30, 2021. Recommendation to Approve.

Stenslie noted 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 core 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 has provided some share of the required cash match. That has mostly been in the form of the Capital Infusion Program (or CIP, the subject of recommendation #1 above), 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 estimated 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 has not yet been received, though we anticipate it to be presented some time in mid to late October. Today's recommended action is to assure we can access the funding as soon as possible after they submit it for our review and signature.

Prior year program performance outcomes were 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.

This 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. Program activity and outcomes are reported under the unified banner of the SBDC contract.

As noted above for CIP, today's recommended action is to help assure we can access the funding as soon as possible after receiving, reviewing and approving the proposed agreement.

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.

We anticipate an initial allocation of this fund at considerably less than the \$450,000 estimated in the action listed above, though as our grant that just ended was for more than \$525,000 (high owing to several one-time special projects and for COVID-19 initial response), there may be opportunity to amend additional funds into the agreement throughout the year.

Chair Drake requested a motion that the Executive Committee delegate authority to the

President/CEO to sign grant agreements and modifications with the Governor’s Office of Business and Economic Development (GOBiz) for Small Business Development Center services, for the term October 1, 2020 – September 30, 2021, subject to legal review, for consideration the following actions:

1. Approval of a Capital Infusion Program (CIP) Agreement, estimated at \$140,000.
2. Approval of a Technical Assistance Expansion Program (TAEP) Agreement, estimated at \$450,000.

Bill Weirick motioned that the Executive Committee delegate authority to the President/CEO to sign grant agreements and modifications with the Governor’s Office of Business and Economic Development (GOBiz) for Small Business Development Center services, for the term October 1, 2020 – September 30, 2021, subject to legal review, for consideration the following actions:

1. Approval of a Capital Infusion Program (CIP) Agreement, estimated at \$140,000.
2. Approval of a Technical Assistance Expansion Program (TAEP) Agreement, estimated at \$450,000.

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

Small Business Development Center Program Year-End Report, for October 1, 2019 – September 30, 2020

Stenslie noted that the Long Beach Community College District serves as the regional “Lead Center” for federal Small Business Development Center services for Los Angeles, Ventura and Santa Barbara Counties. Long Beach secures the core funding from the U.S. Small Business Administration, then sub-contracts to local direct “service centers,” or “sub-recipients,” of which EDC-VC is one.

Our service area is all of Ventura and Santa Barbara Counties, with leeway and expectation to serve businesses throughout Los Angeles County as well for services relating to international trade, disaster preparation and recovery and access to capital. And during the pandemic crisis, SBDC’s are instructed to serve businesses without regard to their location.

We have successfully operated this program since 2010, consistently exceeding performance benchmarks, earning contract renewals.

Our core SBA funding for the program runs on a January-December basis, with other state and local funding running either on a June 30 or September 30 year-end.

Given that the standard federal fiscal year ends September 30, the California SBDC network recently adjusted its system to track and measure performance outcomes on a September 30 year end basis.

Including budget adjustments just approved last month, our funding for this program includes the following (consistent with our budget model, we are displaying revenue here as projected through December 31):

- SBA/SBDC: \$475,000 (renewing on January 1 for 2021)
- SBDC CARES Act: \$267,187 (anticipating similar amount for 2021)
- CA GOBiz CIP: \$145,000 (anticipating similar amount, renewing October 1)
- CA GOBiz TAEP: \$525,749 (anticipating up to \$450,000, renewing October 1)
- Biz Enhancement: \$118,000 (contributed by cities and county, renewed annually)
- TOTAL: \$1,480,936**

We are required to provide a 100% non-federal match to the SBA/SBDC allocation of \$475,000, not less than half in cash, the other share by indirect or in-kind contributions. We meet the cash match contribution by a combination of the GOBiz \$145,000 and the local \$118,000. That total of \$263,000 represents a roughly \$25,000 “over-match” of the 50% cash obligation, which gives us room to “breathe,” that is, it assures we don’t come up short, provides additional cash for actual services and helps reduce our need to secure and document in-kind contributions.

One other point on revenue, some \$100,000 of the TAEP funding in 2020 has been for special research and development projects, including the statewide SBDC data tracking dashboard system. We anticipate some continuing contribution for that in 2021, though scaled back for maintenance versus the higher costs of development and implementation.

Our service delivery is primarily through the provision of direct, one-on-one professional consulting, using a corps of some 30 business advisors. Our strategy is to develop direct advising or consulting relationships with business clients, customized around specific scopes of work responsive to their needs for growth and profitability and, in crisis times, for surviving through disaster.

Our contract goals and current outcomes follow below; preliminary data is displayed on our website at <https://edcollaborative.com/economic-strategy/economic-impact-data/>. All reported outcomes (or “milestones”) must be documented by signed agreement from the businesses served.

<u>Performance Goals</u>	<u>Annual Outcome Target</u>	<u>PY Total Outcomes</u>
Clients Served:	821	1,823
Capital Infusion	\$35,000,000	\$118,281,256
Business Starts	48	37

The goals and targets are assigned by the Lead Center. The “Clients Served” category is new, replacing the former “Long-Term Clients” measure. This is a minor shift, though welcome, as the “long-term clients” measure encouraged a commitment of hours served to clients, without regard to economic outcomes.

For performance, we far exceeded goals in clients served and capital infusion, though were low in business starts (an extremely challenging year for start-ups, though we are still counting, and may have a few more for the final report).

For this year with the rush of COVID-19 we more than doubled our previous high point number for clients served, 898 in 2019 and as compared to 637 in 2018. The shift in client profile is primarily to more Service establishments, 399 in the year just ended. Other sectors with large numbers include 182 in Accommodation & Food; 152 in Manufacturing; 149 in Health Care & Social Assistance; 141 in Arts & Entertainment; 128 in Professional & Scientific Services; and 122 in Retail.

Of course, all things related to the SBDC program—service strategy, staff and advisor deployment, goals and outcomes—for this year have been completely disrupted by COVID-19. As noted in previous reports, our programmatic response was immediate and broadscale.

- To accommodate the rush of client need for assistance we hired and trained several part-time staff to support a hot-line call center operation, providing information and referral, program intake and access to advising services.

- We developed a comprehensive state of the art web page on COVID-19 resources (<https://edcollaborative.com/covid19/>) and continue to update it weekly and distribute to some 18,000 Constant Contact subscribers dozens of bulletins and announcements on federal, state and local resources.
- We developed and launched a whole new program of informational webinars on topics, just for example, ranging from federal loan program eligibility to social media and e-commerce strategies to considerations for a business to manage an organized closing to negotiating tenant/landlord issues.
- We organized and deployed an emergency strike team of staff and advisors to provide client assistance in accessing our own loan funds and, especially, the fast-evolving new federal loans and grants (PPP and EIDL).
- We organized new capacity to facilitate business understanding of impacts of new legislation to worker health benefits, business responsibilities in employee management and the nuances of unemployment insurance.
- We developed templates for several industry sectors for a turn-key resources for business compliance with state and local orders for re-opening and safety protocols.
- We hired two new regular staff, one to support our lending and capital access services (and to provide support for our existing loan portfolio clients) and another to support our on-going client, community and partner communications.
- We launched a whole new regional web resource, <https://businessforwardvc.com/>, in support of regional efforts to improve the networking of resources responsive to business need and to begin to communicate more strategically that Ventura County is a great place for business relocation.
- We partnered with the County of Ventura and Women's Economic Ventures to facilitate some 4,000 firms accessing County sponsored \$5,000 grants.
- We continue to re-engineer our teams and services for optimal response to the continuing pandemic disaster.

President's Report

Stenslie commented that our upcoming Annual Meeting in January will this year be a lower-key affair. We are not planning to solicit sponsorships, though we may look to sponsor a larger public event later in the year, or after, assuming, groups are allowed again to convene. Still, we will hold the annual meeting on January 21 with our usual succession of officers, a summary of activities in the year past and a look ahead to priorities for 2021.

Committee/Liaison Reports:

Naval Surface Warfare Center – Alan Jaeger thanked Kristin Decas from the Port, Bruce Stenslie and EDC and Erick and Bryan Went from Matter Labs for their partnership. Alan shared that the Virtual Coastal Trident event last month was a real success.

VCEDA – Sandy Smith noted that the award nominations for the BOC meeting on 01/15/2020 are due on November 1st.

Economic Developers Roundtable – None

Ventura County Lodging Association – Brian Tucker shared that at the group's website, <https://venturacountycoast.com/>, members and the public may access a wealth of information on the region's tourism economy and resources.

Calleguas Municipal Water District – None.

**New or Unfinished
Business:**

None

Board Comments:

None

Adjournment:

Meeting adjourned at 5:00 p.m. Our next meeting is November 19, 2020, 4001 Mission Oaks Blvd, Camarillo and by teleconference.