

**MINUTES**  
**EDC-VC BOARD OF DIRECTORS MEETING**  
**June 17, 2021**

- Location:** 4001 Mission Oaks Blvd, Camarillo, CA 93012 and by teleconference.
- Attendance:** Gerhard Apfelthaler – California Lutheran University  
Vance Brahosky – NSWC Port Hueneme Division (Liaison)  
Dee Cavanaugh – City of Simi Valley  
Nan Drake – E.J. Harrison Industries  
Bob Engler – City of Thousand Oaks  
Amy Fonzo – Aera Energy  
Daniel Groff – City of Moorpark  
Amber Hair – Pacific Coast Business Times  
Bob Huber – County of Ventura  
Mike Johnson – City of Ventura  
Nina Kobasyashi – Mechanics Bank  
Jey Lacey – Southern California Edison  
Ari Larson – City of Fillmore  
Kelly Long – County of Ventura  
Chris Meissner – Meissner Filtration Products  
Rosie Ornelas – Economic Development Representative/City of Oxnard  
Andy Sobel – City of Santa Paula  
Peter Zierhut, *Secretary/Treasurer* – Haas Automation
- Absent:** Stephanie Caldwell– Chambers of Commerce Alliance  
Kristin Decas – Port of Hueneme/Oxnard Harbor District  
Skyler Ditchfield– Geolinks  
Harold Edwards, *Vice Chair* – Limoneira Company  
Randy Haney – City of Ojai  
Cynthia Herrera – Ventura County Community College District  
Mary Jarvis – Kaiser Permanente  
Vianey Lopez – City of Oxnard  
Will Mitchell – Strata Solar Development  
Shawn Mulchay – City of Camarillo  
Tracy Perez – VCEDA  
Misty Perez – City of Port Hueneme  
Jim Scanlon – Arthur J. Gallagher and Co  
Alex Schneider – The Trade Desk  
Trace Stevenson – AeroVironment, Inc.  
Brian Tucker – Ventura County West (Liaison)  
Sim Tang Paradis – City National Bank  
California State University Channel Islands  
IBEW Local #952
- Legal Counsel:** Nancy Kierstyn Schreiner, Law Offices of Nancy Kierstyn Schreiner

**Staff:** Marvin Boateng, Loan Officer  
Shalene Hayman, Controller  
Kelly Noble, Office Manager  
Bruce Stenslie, President/CEO

**Guests:** Haider Alawami, City of Thousand Oaks  
PJ Gagajena, City of Moorpark  
Doug Halter, City of Ventura  
Alan Jaeger, NSWC Port Hueneme Division  
Jeffrey Lambert, VCCF  
Gloria Martinez, VCEVSP

**Call to Order:** Chair Kelly Long called the meeting to order at 3:33 p.m. Long thanked everyone for attending.

**Amendment to the Agenda:** None

**Public Comment:** None

**Minutes:** **Approval of Meeting Minutes, May 20, 2021**  
Chair Long asked if there were any comments on the May 20, 2021, minutes. With none, Long asked for a motion to approve the minutes from May 20, 2021. Andy Sobel motioned to approve the minutes from May 20, 2021. Mike Johnson seconded the motion. With Bob Huber abstaining, all remaining Board members listed in attendance in favor, motion carried.

**Fiscal Year Ending December 31, 2020, Audit and Financial Statements** **Fiscal Year Ending December 31, 2020, Audit and Financial Statements; Michel Abedian, Farber, Haas, Hurley LLC. Recommendation for Receipt and Acceptance**  
Stenslie stated, as per our bylaws, Section 7.2, we contract annually for an independent audit of our corporate accounts, financial statements and internal controls. That audit and related materials—by Farber Hass Hurley LLP, for our FY 2020—was distributed to the Board prior to today’s meeting.  
  
Stenslie added that along with the financial statements, the auditor’s report includes a “single audit” report on internal control over financial reporting and compliance for our U.S. Department of Commerce funded revolving loan program, as required by OMB Circular A-133.  
  
This is our fourth audit by Farber Hass Hurley LLP, after several years by Poindexter and Company. Our procurement for this service four years ago allows two more years for contracting the audit work by Farber Hass Hurley LLP, at our option.  
  
Stenslie commended the excellent work of Kelly Noble, Shalene Hayman and Marvin Boateng for their exercise of our financial control systems, and for their assistance in the audit process.  
  
Stenslie introduced the auditor, Michel Abedian from Farber Hass Hurley LLP.  
  
Michel Abedian went through the financial statements explaining that the audit provides an unqualified opinion for the representation of these financial statements.  
  
Board members and the auditors had a brief discussion about the audit report, with the

auditor answering questions on the details. Abedian asked the Board if they feel there is any significant event or potential fraud or transaction that has an effect on the financial statement. None were offered.

Long stated that It is recommended by the Executive Committee that the Board approve the draft Auditor's Report and Financial Statements for Fiscal Year Ending December 31, 2020. Bob Huber motioned to approve the draft Auditor's Report and Financial Statements for Fiscal Year Ending December 31, 2020. Nan Drake seconded the motion. All Board members listed in attendance in favor, motion carried.

**Financial Report:**

**May 2021 Financials**

Shalene Hayman reviewed the May 2021 financials. Following brief discussion, Chair Long asked for a motion to approve the May 2021 Financials. Bob Engler motioned to approve the May 2021 Financials. Dee Dee Cavanaugh seconded the motion. All Board members listed in attendance in favor, motion carried.

**Administration:**

**Consideration to Delegate Authority to the President/CEO and Chair for Approval of Anticipated Contracts with the City of Ventura, \$175,000 Community Development Block Grant Microlending Program, and \$25,000 for Servicing a Code Compliance and Commercial Rehabilitation Loan Program, for the Period July 1, 2021 – June 30, 2022.**

The EDC-VC has managed these loan programs for the City of Ventura since the year 2000. We have made 107 loans over this period, for a total of \$4.4 million, creating more than 350 sustained jobs, for an average cost per job created of about \$13,000. The recommended actions are to continue this service for another one-year period, commencing July 1, 2021.

The programs' purposes are to advance the city's strategy for investing in business growth in its downtown and other commercial neighborhoods, to spur economic growth by assisting business owners to overcome some of the hurdles to successful entrepreneurship, and to add to the city's employment pool.

The two contracts serve different lending goals for the City and augment our countywide lending resources.

- The Microloan contract is funded by Community Development Block Grant funds, is directed to small business entrepreneurs, and is intended to support job creation for low- and moderate-income workers. While this year's contract is not yet finalized, we anticipate that it will establish our access to \$150,000 in loan capital, for at least three loans, not to exceed \$50,000 each.
- Also not yet finalized for 2021-22, the Rehabilitation and Code Compliance Loan contract is funded by city general funds and is intended to support the creation of businesses and jobs by lending to firms that are rehabilitating properties or addressing property code compliance issues. The total pool of funds available for lending includes an estimated \$597,000 for commercial rehabilitation and \$171,000 for code compliance. Commercial rehabilitation loans may range from \$10,000 to \$50,000; code compliance loans may range from \$10,000 to \$25,000. Exceptions on the lower end of the ranges may be considered by the City.

In both contracts our services are to:

- provide technical assistance to loan applicants,
- develop and fund new loans in the number prescribed, and
- service the existing portfolio.

The over-riding consideration in all activities is to support job creation and retention.

The city takes the lead in identifying eligible loan recipients through its economic development program. The EDC-VC partners with the City in this outreach through our Small Business Development Center and provides all loan underwriting, servicing and general loan administration.

Maximum loan terms are seven years. Loans are currently being made at 5.50%, facilitating affordable capital through this program to the city's small business owners and entrepreneurs. Additional detail on allowable uses of funds is outlined in the attachment to this memorandum.

The goal of the lending programs is to create at least one job for each \$25,000 loaned. As noted above, the cumulative performance is one job created per every \$13,000 loaned, far exceeding our baseline goals. Along with the job creation, the lending has also contributed to the retention of more than 100 additional jobs.

The loan program has also performed well in managing risk, with less than 5% of the loan fund charged off by the loan board. Considering all loans both charged-off and at-risk of non-payment, the rate increases to 5.75%. The contracts specify that underwriting standards must be tightened if more than 25% of the loans are in collection or liquidation, with such a high ceiling reflecting the loan pool's purpose to facilitate access to capital for the purpose of job creation and for businesses unable to secure commercial credit.

Staff presents a comprehensive summary of our total lending activity annually. Our next update is anticipated for our September or October 2019 meeting. Members may request a copy of the loan portfolio at any time.

Long asked for a recommendation that the Board of Directors authorize, subject to legal review, the President's and Chair's signature approvals of two anticipated contracts with the City of Ventura, for the period July 1, 2021 through June 30, 2022, for the management and administration of the City's:

1. Microloan Program, \$25,000 for business technical assistance and underwriting services to fund a minimum of two loans, with loans not to exceed \$50,000 each, out of a loan pool of \$150,000, and for servicing the existing loan portfolio.
2. Rehabilitation and Code Compliance Loan Program, \$25,000 for underwriting services to fund a minimum of two commercial rehabilitation loans not to exceed \$50,000 each and two code compliance loans not to exceed \$25,000 each, and servicing of the existing loan portfolio.

Bob Huber motioned, subject to legal review, the President's and Chair's signature approvals of two anticipated contracts with the City of Ventura, for the period July 1, 2021 through June 30, 2022, for the management and administration of the City's:

3. Microloan Program, \$25,000 for business technical assistance and underwriting services to fund a minimum of two loans, with loans not to exceed \$50,000 each, out of a loan pool of \$150,000, and for servicing the existing loan portfolio.
4. Rehabilitation and Code Compliance Loan Program, \$25,000 for underwriting services to fund a minimum of two commercial rehabilitation loans not to exceed \$50,000 each and two code compliance loans not to exceed \$25,000 each, and servicing of the existing loan portfolio.

Nan Drake seconded the motion. With Mike Johnson recusing himself, all remaining Board members listed in attendance in favor, motion carried.

## **Discussion, Planning and Process for Strategic Planning, Partnering with Mission Met for Planning Services**

Stenslie noted, since driven to extraordinary levels of service by the disruption of the Thomas and Hill-Woolsey Fires from late 2017 through 2019, and by the impacts of COVID-19 since March 2020, EDC (like all businesses and service organizations) has operated in a constant state of restructuring, urgency and innovation.

Over the course of that three and a half years, we have more than doubled our operating budget and staff; integrated more than 20 new professional business advisors into our service corps of now more than 50; diversified our service offerings to meet and respond to business need; rebranded the organization; and through it all emerged as the nation's highest performing Small Business Development Center (SBDC). We continue to re-engineer our teams and services for optimal response to disruption and embrace our evolving role in regional and national leadership for business resilience.

All that growth and activity (further summarized below), and particularly its pace of change and the emotional charge of disaster, has come with a high cost in organizational stress. That stress has impacted employee well-being, disrupted our alignment of governance and program, and resulted in uncertainty among staff, board and stakeholders about what's next for us organizationally. We have remained true to mission but are fast evolving as a larger, more diverse and broadly regional and purposed EDC.

To manage all that disruption the time is now to step back, assess our condition, capacity and purpose, and initiate a strategic planning exercise to re-center the organization. For this, we have contracted with [www.missionmet.com/](http://www.missionmet.com/) (agreement attached), a deeply experienced and familiar partner through our SBDC, with four outcomes intended:

- Vision: A clear multi-year vision to guide the organization, especially as it relates to the geographic area served and our programmatic direction.
- Strategic Plan: A practical and focused strategic plan to lead the EDC towards its vision.
- Alignment: An even stronger alignment between the staff and board.
- Execution: A documented process for ensuring that the strategic plan gets executed.

Our purpose in going forward is to assure our organizational sustainability as a public/private partnership, dedicated to enhancing regional economic competitiveness, and to optimize our efficiency and community value, while remaining committed to:

- quality customer service,
- a business-demand driven model of collaborative learning, and
- triple bottom-line, outcome oriented, transparent and data driven accountability.

The strategic planning process will include extensive on-going work with Eric Ryan, co-founder of Mission Met and also involve: one-one-one interviews with Executive Committee members and staff; an estimated five in-person group meetings with board members and stakeholders, an on-line survey for inputs, a retreat for board and staff, and production of a strategic plan report including detail on execution.

Through the end of June the process will focus on document, activity and organizational review. We anticipate the one-one interviews to occur mostly in August, the group meetings in August or September, board and staff retreat and final plan completion and adoption in November.

Primary oversight of the process will be through the Executive Committee and by a smaller staff/Officer steering committee.

**Consideration of Draft Findings and Takeaways, Profile of COVID-19, Community, Business, Non-Profit and Worker Impacts, Informing an Inclusive and Equitable Economic Recovery in Ventura and Santa Barbara County**

Stenslie provided a brief overview of the study EDC has commissioned from Dr. Jamshid Damooei at California Lutheran University. The full report will be delivered to the Board in July.

**President's Report**

Stenslie thanked Marvin Boateng and Vicki Meraz of staff for success in securing a \$50,000.00 grant from CIT Bank. Stenslie mentioned that we are bringing on a new contract partner, Guy Smith, in Santa Barbara, to help with our outreach and service coordination. Guy is formerly Dean of Business at Santa Barbara City College, Vice President at Antioch and has held several other leadership positions in business services for the Santa Barbara County region. Stenslie mentioned that the CA Economic Summit will be held on November 9<sup>th</sup> and 10<sup>th</sup>, as a "hybrid event," both in person and on-line activity.

**Committee/Liaison Reports**

**Naval Surface Warfare Center-Port Hueneme Division-** Vance Brahosky informed the Board that Fathomwerx will be working with a whole cohort of interns over the next several months. There are several on-going initiatives.

**VCEDA-None**

**Ventura County Industry Council (VCIC)-**Chris Meissner shared that VCIC is forming a Board of Directors and Incorporating. They are happy to work with the EDC.

**Ventura County Lodging Association-None**

**Calleguas Municipal Water District-None**

**Economic Developers Roundtable-**Rosie Ornelas mentioned that the County is planning more rounds on the business assistance grant program. Separately, the City of Oxnard has launched its 1<sup>st</sup> CDBG loan/Grant program in collaboration with EDC.

**New or Unfinished Business:**

Dee Dee Cavanaugh mentioned that the federal government just announced that Juneteenth is a federal holiday, creating some uncertainty in the banking industry about the observance of the holiday by federal banking institutions this year. Kelly Long mentioned to remain alert to rolling power outages. Nan Drake mentioned that Harrison will be picking all 3 barrels once a week due to the food waste program coming soon.

**Board Member Comments**

There was a brief exchange, with several board members providing detail on their experience, relative both to impacts and recovery from COVID-19.

**Adjournment:**

Meeting adjourned at 4:47 p.m. Our next meeting is July 15, 2021, 4001 Mission Oaks Blvd, Camarillo and by teleconference.