



**MINUTES**  
**EDC-VC EXECUTIVE COMMITTEE MEETING**  
May 6, 2015

**Location:** 1601 Carmen Drive, Suite 215, Camarillo

**Attendance:** Brian Gabler – Economic Roundtable Representative, City of Simi Valley  
Kathy Long, *Secretary/Treasurer* – County of Ventura  
Roseann Mikos, *Chair* – City of Moorpark  
Sim Tang-Paradis – City National Bank  
Mike Tracy – City of Ventura

**Absent:** Harold Edwards – Limoneira Company  
Sylvia Muñoz Schnopp – City of Port Hueneme  
Peter Zierhut – Haas Automation

**Legal Counsel:** Nancy Kierstyn Schreiner – Law Offices of Nancy Kierstyn Schreiner

**Guest:** None

**Staff:** Ray Bowman, SBDC Director  
Shalene Hayman, Comptroller  
Kelly Noble, Office Manager  
Bruce Stenslie, President

**Call to Order:** 8:34 a.m. Chair Roseann Mikos welcomed everyone.

**Roll Call:** Kelly Noble

**Amendment to the Agenda:** None

**Public Comment:** None

**Approval of Executive Committee Minutes, March 4, 2014** Chair Roseann Mikos requested a motion to approve the minutes from the March 4, 2015 Executive Committee meeting. Kathy Long moved to approve and file the minutes from March 4, 2015. Brian Gabler seconded the motion. All listed in attendance in favor, motion carried.

**Administration** **Review of the EDC-VC Fiscal Year 2014 Draft Auditor’s Report and Financial Statements. Recommendation to Approve and Forward to the Full Board of Directors.**  
Stenslie stated that 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—recently completed in draft by Poindexter and Company, CPA, for our FY 2014—has been included with today’s meeting materials. Also included separately are the auditor’s presentation letter and adjusting and reclassifying journal entries.

Shalene Hayman, Controller, presented the audit, noting that Mr. Poindexter will be available to present the audit to our full board on May 21. Shalene explained that the audit provides an unqualified opinion for the representation of our financial statements (see Auditor's Reports and Financial Statements, page 2 of 20, "Opinion").

The auditor also reports no significant adjustments and only five minor adjustments to the trial balance originally received for audit (see Auditor's Cover Letter, page 2).

Hayman reminded the Executive Committee that in 2013 we had one finding, relating to "net assets released from restrictions." The 2014 report includes no recommendation for additional follow-up as our corrective action for the recording of assets has resolved that finding.

Hayman went through the draft audit asking if there were any questions. Mike Tracy asked what determines a high risk audit. Hayman replied that most of our funds are restricted and loan funds. These are the biggest component of our audit. Mark Poindexter will be able to answer this question in more detail at the full Board meeting.

Stenslie stated that he would like to commend the excellent work of Kelly Noble and Shalene Hayman for their exercise of our financial control systems, and commend and thank Mark Poindexter for his analysis and assistance in the audit process.

Roseann Mikos asked for a motion that the Executive Committee approve the FY 2014 draft audit as prepared by Poindexter and Company, CPA, and forward to the full Board of Directors for final approval. Kathy Long motioned to approve the FY 2014 draft audit as prepared by Poindexter and Company, CPA, and forward to the full Board of Directors for final approval. Brian Gabler seconded the motion. All listed in attendance in favor, motion carried.

### **Membership Report and Appointment of New Members**

Stenslie noted for the Executive Committee that our bylaws, Section 2.2, identify our full board as a maximum of 36 members, including up to 24 from the private sector (which may include up to four members from public, special district or quasi-public organizations, such as CSUCI and the Port of Hueneme) and 12 from the public sector.

The public sector seats are *defined specifically* as one elected official from each of the ten cities and two members of the County Board of Supervisors. These public sector seats are all filled.

We currently show 19 private sector members, with a total of 24 available seats. Three of the 19 members cover their dues through in-kind contributions. Our *budget* goal is for 19 cash memberships. Our leadership goal is to fill all available openings.

We previously reported that two of the current cash memberships are at some risk for continuation: Dignity Health and Macerich. It appears Dignity Health is continuing as a member. Macerich has declined to continue, as a matter of corporate priorities. On other, we recently took action for the appointment of a

new member, Citizen's Business Bank, which has since declined to pay membership dues, owing to its start-up status in Ventura County. They anticipate reconsidering in 2016. Accordingly, we have removed from our current roster, attached, both Macerich and Citizen's Business Bank.

There was no action today on this item.

**Review of Layoff Aversion Contract Renewal with the Workforce Investment Board of Ventura County, \$95,000 for the Period 07/01/15 – 06/30/16. Recommendation to Approve.**

Stenslie explained that this is a continuation of a program that we have successfully operated since 2002. Funding for this activity comes through the WIB's annual allocation of federal Workforce Investment Act funds, specifically the category of funding called "Rapid Response."

Rapid Response funds are used primarily by the local workforce system—the County of Ventura's Job & Career Centers—to assist in the re-employment of workers who have been laid off. A parallel priority and goal—with the service provided by EDC-VC—is referred to as "layoff aversion," that is, to work with businesses at-risk of decline, to help stabilize them and to keep their workers employed.

There are two primary outcomes:

- 1) Retention of jobs at-risk of layoff. *In 2014-15 our contract goal is for 80 jobs retained; through March we had secured 108.*

Our proposed goal for 2015-16 is to continue at 80 at-risk jobs retained.

- 2) Connection of at-risk workers to specific skills training, in such instance that the training is part of a strategy to help the workers and businesses improve their competitive position and the continued employment of the at-risk workers. *In 2014-15 our contract goal is for 60 workers trained; through March we had trained 81.*

Our proposed goal for 2015-16 is to continue with a goal of 60 workers trained, leveraging non-WIA funds (e.g., CA Employment Training Panel, California Community College funds, private employer, etc.).

The proposed budget is \$95,000, same as the 2014-15 program year, though may be subject to change based on final allocations of federal funds to the state and county. If the dollar amount changes, there will be a corresponding adjustment to the outcome goals.

It should be noted that for EDC-VC's current fiscal year, *this is new revenue*, not included in our adopted budget. We estimate that approximately \$48,000 would be drawn down and expensed under this agreement prior to the end of December, with the balance carried forward to our 2016 fiscal year.

Roseann Mikos asked for a motion that the Executive Committee approve the and forward to the full Board a contract (separately distributed) with the County of Ventura, for Business Retention and Layoff Aversion Services, for \$95,000, for the period July 1, 2015 through June 30, 2016. Mike Tracy motioned to approve the and forward to the full Board a contract with the County of

Ventura, for Business Retention and Layoff Aversion Services, for \$95,000, for the period July 1, 2015 through June 30, 2016. Sim Tang-Paradis seconded the motion. With Kathy Long and Brian Gabler abstaining, all listed in attendance in favor, motion carried

### **Update on Film Commission and Film Liaison Activities.**

Stenslie noted for the Executive Committee that our Board previously 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.” As highlighted in our recent budget presentation and adoption, we have included \$65,000 in revenue and \$60,000 expense for 2015.

For the first year of activity under the authorized program, Karen Kelley served in the role as Film Liaison. Karen moved into the position of the regional liaison having served for several years in the same function for the City of Ventura, through the Ventura Visitors and Convention Bureau. Karen opted not to continue in the function fairly late in 2014, and since she left we’ve had a gap in the service.

Recruiting to fill the Liaison has been challenging, particularly considering our high expectations for knowledge, skill and performance along with a limited budget. All parties that presented the industry knowledge came with a history of engagements in various elements of the industry, which we deemed manageable, though the expectations for long-term commitments and six figure contract allowances were not.

Moving forward, we have identified a solution to carry us through the term of the pilot project, through the end of 2015. I have executed a contract with Bill Bartels, in an amount not to exceed \$52,500, to serve as the Film Liaison. Bill formerly served as the Assistant and Interim City Manager in Fillmore and as a long-time appointed member of the Ventura County Planning Commission. He currently owns his own private consulting firm, GreenSource, Inc. He provides consulting services to a wide variety of business clients and is currently a contractor with our SBDC. In his consulting practice he has also represented the Fillmore & Western Railroad and has extensive knowledge of the film industry.

Our contract scope through the end of 2015 is focused on building the infrastructure and systems for a sustainable and economically impactful Film Liaison function. Priorities include:

- Re-build and re-design of the FilmVentura.com website and related on-line resources;
- Re-build contacts between the industry and local jurisdictions, supported by a data management system;
- Identification, testing and implementation of improved processes to secure, track and report data on a monthly basis for filming setup, shooting days and strike days;
- Expand the partnership with the lodging associations to increase room stays generated by film activity.

## Small Business Development Center Quarterly Report

Stenslie stated that today's report addresses outcomes for the first three months of 2014. The program is funded by the US Small Business Administration (SBA), through an annual national appropriation of approximately \$113 million. Our SBA-contributed funding of \$325,000 is secured through a contract with Long Beach City College, which serves as the "lead center" for Los Angeles, Ventura and Santa Barbara counties. Our program service area is all of Ventura and Santa Barbara Counties. Our \$325,000 SBA grant allocation must be matched 100%, half of that in cash, half in-kind. The total program cash budget is \$487,500.

The SBDC program is focused on delivering specific economic outcomes (summarized below, concentrated on new capital infusion, new jobs created) with small business clients, generally defined as any firm with fewer than 500 employees. Most clients we serve employ fewer than 30 workers, though there is wide distribution by size.

The primary service activity is direct, professional client advising and technical assistance, organized around scopes of work focused on assisting businesses achieve positive economic outcomes. To deliver that service we maintain some 30 consultants on contract, available to business at no cost. The total direct services consulting budget is approximately \$190,000, or some 40% of the cash available in the total contract.

Per SBA regulations, there are three contractual performance goals, concentrating on long-term client engagement, capital infusion and business start-ups. Our outcome targets are prescribed by our SBDC lead center in Long Beach.

For this year, our target for Long-Term Clients was lowered by 12; our target for Capital Infusion was increased by \$4,000,000; and our target for Business Start-ups was increased by two. The outcome data displayed below is for the 2015 program's first quarter, January through March.

<u>Performance Goals thru March</u>	<u>Outcome Target</u>	<u>Outcomes</u>
<b>Long Term Clients</b> (5+ hours)	206	32
<b>Capital Infusion</b>	\$20,000,000	\$4,852,000
<b>Business Start-ups</b>	40	4

*All outcomes are documented by signed agreement from the businesses served.*

At the end of this reporting period we are behind on prior year performance and on 2015 goals. We are essentially at contract goal in Capital Infusion and expect to continue our high performance on that measure. We exceeded our goal for New Business Starts in 2014 and expect by mid to late year this program cycle to exceed goals again. In past years we have been just shy of goal in "Long-Term Clients," that is, on the process measure for how many clients for whom we've dedicated more than five hours, though we have not prioritized reaching that measure as we find higher value in concentrating services on clients for whom we generate economic outcomes, not hours served. That noted, we project a reasonable likelihood of reaching the contract

goal.

In addition to tracking economic outcomes, we also pay close attention to the distribution of our services by region and industry sector. We continue to have an extremely diversified industry mix. We have a priority this year to reach a higher number of clients in historically lesser served areas.

**President's Report**

Stenslie provided information on resources available to business through the Governor's Office of Business and Economic Development, information from the California Budget and Policy Center on the reduction in California of funded child care slots, and information on upcoming events at the Port of Hueneme.

**New or Unfinished Business:** None.

**Executive Committee Comments:** Brian Gabler mentioned that the Simi Valley Chamber has a new Director that is coming from Williams/Grand Canyon Chamber. Kathy Long stated that the Board of Supervisors approved new contributions to the Boys & Girls Clubs of Ventura County, leveraging matching funds. Long also updated the Executive Committee on the Shadow Box at the State Capitol.

**Adjournment:** 9:48 a.m.

Minutes taken by Kelly Noble