



Economic Development & Financing Corporation

6. **Consent:** *Action*
Approval of November 14, 2019 Board Meeting Minutes

Motion by Ullrich to approve the November 14, 2019 Board Meeting Minutes

Seconded by Burkey

Roll-call: Sattie Clark-abstain, Barbara Burkey-yes, John Haschak-yes, Shannon Riley-yes, Teri Ullrich-yes, Madge Strong-yes, John Goldsmith- yes, Robert Hartline-yes, Minerva Flores-abstain

Motion passed

7. **Executive Committee Report** John Goldsmith *Discussion*

The Committee has been talking about a recommendation to Board for an organization focus for the immediate future. Previous to Gurewitz's hire, the Board historically promoted different interests they had as projects. When she was hired, there was a shift to focus on getting the organization to a fiscally sound position, and those efforts have been successful. We've got a lot of funds on hand for lending and an opportunity to expand. The discussion is whether to concentrate efforts in the near future on deployment of loans, which will improve our fiscal position, and ultimately generate money for projects. Or, do we start working on projects much sooner? We will be coming to the board with a recommendation by the next meeting.

8. **Executive Director Report** Heather Gurewitz *Discussion*

It's the time of year to say thank you to the board for showing up and participating and especially to the Executive and Loan Committees. Over the last 2 years, there's been a lot of work done by everyone. She appreciates the recent evaluation and honest feed-back, and she's looking forward to what we'll do in the next year. As a part of her current leadership training class under the Community Foundation, she'll be sending out a Leadership Performance Index to Board members, peers and staff and would appreciate feedback. We are starting to move out of crisis mode and she's happy with our staff team. She feels like EDFC is at a point where we can transform. She's learning how she can accept help and would like to get more board members engaged.

Update on projects: A decision about where to focus will be important as the grant season comes up, to help decide what we go after.

- **EDA Economic Recovery and Resiliency Project** is still on hold, while West hires a coordinator for the county. We are waiting for the county to schedule a meeting to revise the scope of work.
- **Fire Safe Council** – This is contract work to evaluate the feasibility of a chipper program. The case study has been completed and Heather is ahead of schedule on putting together the analysis and business plan.
- **ZoomProspector** – We are still working out bugs on the MLS info. The property input resource isn't reliable so we are working with a local realtor to get accurate listing information.



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- **Google Analytics and Google Ads** – Wilder got a non-profit account set-up for us. Heather has the Analytics figured out but could use help in figuring out how to work with Google Ads.
- **Marketing** – Robert Gernert will be in charge of working on Marketing, with hopes the previous committee members are still interested in working with him to revise the marketing plan. **Marketing Report** – Gurewitz put up a new report that will be monthly, showing outreach activities, new applications and loan activity, Facebook traffic, etc.
- **25th Anniversary Planning** - Barbara Burkey has volunteered to head up the planning, with Diann’s help, but we’ll need more volunteers to help.
- **Client Stories** – Patty Bruder suggested having client stories presented at Board meetings. Heather would appreciate Board member help on getting this going.
- **Outreach** – Staff is trying to rethink how to approach accessing potential clients in rural communities to improve our efforts.
- **DPO** – The Gilberts just made a tiny profit and need to create a strategic plan for the next several years. Heather doesn’t have time to do this work and would like to set-up an ad hoc committee from the board and investors to work with Sarah and Matt.
- **Loan Program** – 2 new loans totaling \$258,000 were made this month, with Robert doing a great job of building the pipeline. Heather and Robert implemented a CRM (Client Relationship Management) system to track client activity, leads and deals.

ACTION ITEM: Diann will send an email with committees list before the next board meeting and include a request to join.

9. **Financial Report** Heather Gurewitz *Discussion*

a. **November Financials**

One of the two new loans closed included the new loan fund combining IRP and EDA. We are still working out the details of how to enter it in our books, so the financials are not ready yet.

ACTION ITEM: Heather will send link when ready to all of the Board

b. **November Loan Portfolio Performance Report**

Gurewitz – Introduced a more visually friendly format. Increases of loan inquiries resulted from Robert’s work and the publicity for our disaster assistance low interest loan right after the PG&E planned outage. Several long-term loans in default were written off, bringing down the at-risk rate.

10. **Acceptance November Financials** John Goldsmith *Action*
Deferred to next meeting.

11. **New Business** Heather Gurewitz *Discussion/Action*

a. **EDA Loan Fund for Sonoma County – Discussion and Action on Resolution**



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EDFC has developed a strong working relationship with Sonoma County's Economic Development Board (Sonoma EDB) in our role as the liaison to SMEDD/Sonoma Mendocino Economic Development District. Sonoma EDB applied for the same EDA RLF loan fund we were awarded. Due to legal issues from their county counsel, the Sonoma EDB is not being allowed to accept the award to establish a loan fund for Sonoma County. Our regional representative from the EDA suggested Sonoma turn over the fund to EDFC. We have already done a lot of ground work for the fund with our own award. It would only be for Sonoma County and earned interest from the loans would support our staffing. The Sonoma EDB says there's a desperate need for a non-bank loan fund in their county. [They do not have a county based lender]. The fund would total \$1 million fund with \$800,000 from EDA and a match of \$200,000 [from a grant already approved], the same terms as our current fund. There are details to work out.

Discussion: Concerns included the travel burden and amount of time staff (with recent loss of one staff) for Sonoma County loans; will this new fund activity diminish staff time available to focus on Mendocino County and it's needs and the commitments we have to our jurisdictions. Would the support from Sonoma County be enough to not impact our local focus?

Responses: Staff emphasized they feel they can handle lending in Sonoma Co and still keep the focus on Mendocino County and local commitments. The income stream from loan interest would help support activities here. A lot of outreach efforts in Mendocino rural areas aren't bringing much return. Historically, it has been a concern that Mendocino and Lake aren't a big enough market area to support our operating income needs; our portfolio size does not reflect the number in typically healthy portfolios. Discussions with Sonoma EDB indicates they expect to give us strong referral support. Details of what we need and what they can offer, would be set forth in an MOU.

ACTION ITEM: Gurewitz will bring more details back to the board at the January meeting including a draft MOU with Sonoma EDB and interest income projections.

Clark asked that an ad hoc committee be established to do a SWOT (strengths, weaknesses, opportunities and threats analysis) – to look at the pros and cons.

ACTION ITEM: Simmons will email the full board with a request.

12. TIMED ITEM - 3:00pm CAMEO presentation – Local Entrepreneurial Ecosystem

(We will be posting the LEEP Presentation on the EDFC website in the next week)

Heidi Pickman is from our partner organization - California Association for Microenterprise Opportunity. CAMEO worked with EDFC and local stakeholders to launch a survey to 80 businesses, elected officials and community members that identified strengths and gaps in Mendocino's businesses ecosystem and provided information that can be incorporated into Mendocino County's strategic 5-year plan.

Rural areas offer special challenges to economic growth. Business closures currently are greater than business starts.



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A solution is local place-based economics - wealth stays in the community. A lot of research has been done on how to build local economic ecosystems. These ecosystems are built with the 5 C's: Coaching (training and individual consulting), Capital (money), Connections (to markets and networks), Climate (regulations, policy, are local jurisdictions friendly to new businesses), and Culture (how acceptable is entrepreneurship)

They developed a Toolkit which includes details on the 5 C's, case studies, community activities ideas, resources and a road map to follow. It can be accessed on the web:

<https://cameonetwork.org/wp-content/uploads/2019/11/CAMEO-LEEP-white-paper-2019.pdf>

The Key Takeaways from the Survey were:

- Mendocino has coaching resources, but not well known
- Access to capital is an issue
- Need digital skills training: social media and website
- Mindset change to expand markets to outside county
- Good local culture, engage youth
- Most room for improvement: regulatory and policy

Dream Big Goals:

- Digital competency for branding, selling, networking (Coaching)
- Provide industry-specific expertise (Coaching)
- Expand business coaching services (Coaching)
- Bring in a Kiva Hub to provide zero-interest loans (Capital)
- Locally-owned broadband access (Connections)
- Create hacker, maker and incubator spaces for entrepreneurs (Connections)
- Create a robust internally-facing "Produce/Buy Local" campaign (Culture)
- County Economic Development staff focused on small business (Climate)
- Create Task Force to ensure codes and ordinances are business friendly (Climate)

13. Next Meeting Date and Time

January 16th - 2:00 – 4:00 PM **NOTE THIS IS THE 3rd Thursday**

14. Adjourn at 4:05pm