



General Board Meeting

Community Foundation Meeting Room

204 S. Oak St., Ukiah, CA

Remote Conferencing Site(s): 416 N Franklin St. Fort Bragg, CA 95437, Downstairs Conf. Room; 541 Winifred St., Fort Bragg, CA 95437

Video link: zoom.us/j/5464503098

Phone: (408) 638-0968

Meeting ID: 5464503098

Thursday, February 13, 2020 2:00 – 4:00pm

MINUTES

- 1. **Call to Order** at 2:05pm John Goldsmith *Action*

- 2. **Roll Call of Board Members** *Action*
Present: Ted Williams, Barbara Burkey, Sattie Clark, Madge Strong, John Goldsmith, Teri Ullrich, Patty Bruder, Robert Hartline, Michael Derry, Shannon Riley
By video conference: Kyala Shea, Tess Albin-Smith, Dan Gjerde
Absent: Jeremy Logan, Aaron Obenyah, Minerva Flores, Jesse Burnett
Staff: Robert Gernert, Sheilah Rogers, Diann Simmons

- 3. **Changes/Modifications to Agenda** *Action*
None

- 4. **Introductions** *Discussion*
N/A

- 5. **Public Comments/Correspondence/Public Expression**
No Comments

- 6. **Consent:** *Action*
Approval of December 12, 2019 and January 16, 2020 Board Meeting Minutes
Motion by Riley to accept the December 12, 2019 and the January 16, 2020 Board meeting minutes
Seconded by Ullrich



Economic Development & Financing Corporation

Roll-call: Ted Williams – yes, Barbara Burkey – yes, Sattie Clark – yes, Madge Strong – yes, John Goldsmith – yes, Teri Ullrich – yes, Patty Bruder – yes, Robert Hartline – yes, Michael Derry – yes, Shannon Riley – yes, Kyala Shea – yes, Tess Albin-Smith – yes

Motion passed

7. Introduction of Interim Executive Director – Sheilah Rogers John Goldsmith

John introduced Sheilah

Sheilah Rogers – She was astounded to be recruited and has been retired for 15 years. She was the founding director of West Co. and appreciates the opportunity to work with EDFC. She’s doing her best to show up where needed. She’s finding it pleasant to come to work.

Working on: The County/EDFC/West Economic Development Administration funded Economic Recovery and Resiliency Plan (ERRP); The preliminary work is done, but there were delays in moving forward. She has confidence that it’s back with course with leadership from Mary Anne Petrillo of West who’s doing a remarkable job of leading it forward. EDFC’s role will be doing more outreach to community groups and city staff members.

LEEP – the board was given a presentation by CAMEO of the survey of business owners, which she helped conduct. It brought up the fact that young farmers are having difficulty purchasing land and need innovative ways to make land available. Our ZoomProspector can be utilized to connect young farmers with available rental farm land; we’ll be doing outreach for that.

Funding: She is looking for funding to reach new constituencies. She’s reached out to CAMEO about funding support during our transition and is looking at a Wells Fargo grant program specific to focus on diverse communities. She is also looking for sources of discretionary funds.

The Hiring Committee is working on the Job Description for a new ED to begin to post on the best job sites. We’ll send the final to all board members.

8. **Executive Committee Report** John Goldsmith *Discussion*
Rogers has covered all the new items, so no further reporting needed

9. **Interim Executive Director Report** Sheilah Rogers *Discussion*
See above

10. **Financial Report** Diann Simmons/Robert Gernert *Discussion*
a. 2nd Quarter Financials
b. January Financials
There was a short discussion of details; Madge would like the year comparisons
c. 2nd Quarter Loan Portfolio Performance Report
d. January Loan Portfolio Performance Report



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Gernert – Went over the report. He’s made some progress on chronic late payers. He’s working on 2 return applicants with improved situations and a new application new credit memo to take to loan committee; currently almost all requests are for very large loans. He’s met with a new consultant with West who is interested in referring clients to EDFC, which may increase microloan requests.

11. Acceptance 2nd Quarter and January Financials John Goldsmith *Action*

Due to late packet send out, will wait for next meeting to accept these reports.

12. New Business Robert Gernert *Discussion/Action*

a. Loan Review for Arena Cove Properties - discussion and action

Review of Credit Memo: Repair and replacement of decking and siding of a building that houses 4 businesses. Their restaurant in the building does not support new debt, but under their S corp they have very profitable other businesses that can support the debt to repair the building. They are requesting \$250,000. The Lending Manager has gotten review from Sid Harper at Savings Bank and Jeff Lucas w/ Community Development Services – good oversight on putting together the credit memo. The Loan Committee looked closely at how much debt the S corp can handle. This is based on all of their businesses and personal assets. Life insurance will be required as an added assurance and the owners/borrowers will also give us a personal guaranty. Our collateral will be a second lien on the property that has a value 4 times what their total debt will be on the property. We will add a contingency to set up the loan in draws; The Lending Manager will make site visits to assure the work is getting done before each new draw. They own all of their properties outright. The loan will be to their S corp that produces the bulk of the revenue.

The Lending Manager will work out the draws with the owners to make sure to match to their needs. These costs are firm estimates. They have already invested \$100,000 of their own capital into the project. This building is their retirement plan in 10 years.

The jobs saved by this project are significant: there are 5 spaces, with 4 being utilized, and another interested; The restaurant has 10 full time and 20 part-time employees. The other businesses have approximately 8 employees for a total of 38 saved jobs.

Request that Lending Manager obtain a copy of the contract. He has seen the bid and it is for \$350,000. The borrowers have contributed \$100,000.

Williams - Do they have a coastal development permit?
This will be verified.

Motion by Strong to approve the loan for Arena Cove Properties Inc. subject to a coastal permit and scheduled disbursements.

Seconded by Burkey



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Motion passed

- 13. Old Business** Diann Simmons/Robert Hartline/Robert Gernert *Discussion/Action*
- a. Budget Revision
Simmons went over the current revision based on actuals and assumed changes. Overall it is expected that the income will be lower than earlier projected

 - b. EDA Loan Fund for Sonoma County – Discussion and Action on Resolution
Staff discussed that they feel we have the capacity to take on this new program. It indirectly meets the mission. It will allow for a consistent stream of revenue that allows staff to focus on new projects in Mendocino County. Without this new stream of revenue it is questionable that we can sustain the organization.

Motion by Ullrich to approve accepting and applying for transfer of the EDA funding from Sonoma County to EDFC, giving the Executive Committee the authority to approve and execute the Amendment and MOU with the Economic Development Administration and Sonoma County Economic Development Board

Seconded by Williams

Roll-call: Ted Williams – yes, Barbara Burkey – yes, Sattie Clark – yes, Madge Strong – no, John Goldsmith – yes, Teri Ullrich – yes, Patty Bruder – yes, Robert Hartline – yes, Michael Derry – yes, Shannon Riley – yes, Kyala Shea – yes, Dan Gjerde - yes

Motion passed

- 14. Next Meeting Date and Time**
March 12th - 2:00 – 4:00 PM

- 15. Adjourned at 3: 47 pm**