



General Board Meeting

EDFC

175 E. Church St., Ukiah, CA

Video Conferencing Site: 416 N. Franklin St., Downstairs Conference Room, Fort Bragg, CA

Video conference link: <https://zoom.us/j/5464503098>

By Phone - Dial: 408-638-0968 or 669-900-6833

Meeting ID: 546-450-3098

Thursday, January 11, 2018 2:00 – 4:00pm

MINUTES

For information, or if you need disability modification or accommodation in order to participate in this meeting, please contact EDFC office 48 hours before the meeting at 707-234-5705.

1. **Call to Order** *Action*

2. **Roll Call of Board Members** *Action*
Present: John Goldsmith, Mary Anne Petrillo, Sattie Clark, Madge Strong, Aaron Obenyah, Teri Ullrich, John Kuhry, Kevin Doble, Barbara Burkey, Robert Hartline, Patty Bruder, Orion Walker, John McCowen, Georgeanne Croskey
By videoconference: Bernie Norvell, Kyala Shea
Staff: Diann Simmons and Heather Gurewitz

3. **Changes/Modifications to Agenda** *Action*
John Goldsmith
Add to 13. b. Dan Hamburg is replaced as Director, by Georgeanne Croskey; Approval of the December financials has been moved from 6. B. to 11.

4. **Introductions**
Shannon Riley, City of Ukiah Deputy City Manager and Georgeanne Croskey, 3rd District County Supervisor
Doble asked Shannon to start coming to the EDFC meetings regularly to improve Ukiah City staff knowledge and communication with EDFC. She will also cover for Doble when he is absent.

5. **Public Comments/Correspondence/Public Expression**
The Governing Board welcomes public input. This agenda item is limited to matters that are under the jurisdiction of the Governing Board and are not listed elsewhere on this agenda. Comments are limited to three minutes per person, and 10 minutes per topic. Action on these matters is not allowed.

Petrillo: West Co. is coming out with new business workshops that are being well received. We are offering a 90 minute intensive on how to start a business. Our clients attend free and non-clients



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pay \$25. We are starting a “Profit Mastery” training in Fort Bragg starting in April and we would like to offer one in Ukiah. We are also looking for workshop speakers and presenting a new idea of creating office space in your home for rent.

6. Consent

Action

All consent items are acted upon by a single vote with no discussion, unless pulled from Consent and placed on the agenda as a regular item.

- a. Approval of November 9, 2017 General Board Meeting Minutes and December 14, 2017 Special Board Meeting Minutes

Motion by Kuhry to approve the November 9th General Board Meeting Minutes and December 14th Special Board Meeting Minutes; seconded by Burkey; Roll call: Goldsmith - yes, Petrillo – yes, Clark – yes, Strong – yes, Obenyah - yes , Ullrich - yes , Kuhry - yes, Doble - yes, Burkey - yes , Bruder - no, Hartline - yes , Norvell - yes , Shea - no , Walker abstain , McCowen – yes, Croskey – yes; motion carries

7. Executive Committee Report

John Goldsmith

Discussion

EDFC is hiring Heather Gurewitz as our new ED and her start date will be January 15th, at half-time for a transition period from her job with Jared Huffman, going full-time Feb. 1. She also volunteered to a starting salary of \$60,000, with an increase to \$75,000 when the committee is satisfied that EDFC’s income has increased enough through Heather’s efforts. The Executive Committee will be giving her a review every 90 days, based on a scope of work, deliverables and outcomes. Anyone from the board interested in participating is invited and should let Simmons know.

EDFC and West Co. are scheduled to meet with the County CEO to begin planning a collaborative effort to create a strategic plan to build the economy. This process will be expanded to include the cities and stakeholders around the county.

8. Loan Committee Report

Robert Hartline

Discussion

We have been focused on housekeeping and have two more meetings before we roll out EDFC’s new loan policy and procedures. We haven’t funded any new loans for 6 months. We received a pay-off of one of [REDACTED] loans, with the other following soon. We are expecting a pay-off of the [REDACTED] loan through a hard money lender. We weren’t willing to subordinate to that lender, so we will be taken out through the loan that is closing today. We have almost 1.4 million available for lending. There aren’t significant changes with our other loans. There are some with workable problems.

9. Incoming Executive Director Report

Heather Gurewitz

Discussion

Gurewitz is very excited about taking her new position and is already doing a lot of work with EDFC. Next week she’ll go to part-time for Huffman but her priority will be EDFC. She’ll have Simmons send out her contact information to all the board members. West Co. has invited her to join their board in reciprocation. She’s accepted and looking forward to her first meeting with



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them on the 15th. She'll be working out the areas of responsibility with Simmons and focusing on getting 1.4 million in good loans. She wants input from the Marketing Committee to help get the money out. She'll also be focusing on the jurisdictions and what they need, but will be careful to not get over committed. She'll make sure we can deliver on what is asked for. It will be a balancing act.

The Community Foundation has \$10,000 in an economic development grant fund, with applications due on January 26th. She's exploring several proposals and meeting with Megan Barber Allende, CEO, to go over her ideas. One would be a program for the Redwood Forest Foundation that is looking at how to get local youth to understand career paths in forestry. They are having trouble filling the available jobs.

Kuhry - Mendocino Redwood also needs to recruit young people and would appreciate a conversation to make sure the grant would not be duplicating efforts.

10. Financial Report

Aaron Obenyah

Discussion

Obenyah handed out revised financials for Nov. and Dec. At our last meeting, we agreed to use the accrual basis more consistently, although we use a hybrid of mostly accrual for income and cash for expenses. This report reflects the change of consistent accrual for income. The USDA technical assistance is currently a pass through, although EDFC did earn TA income in the past. The big difference in expenses between the two months is due to the decrease in rent after closing the ShareSpace and moving and not showing any insurance costs.

Kuhry would like to see a report of the new RMAP and IRP funds showing a date for final use of the RMAP funds. He suggests getting a post card type flyer out to advertise the loan funds available. There is already a design that would need to be up-dated. He had some questions about why the CalCAP (the state loan loss reserve program) reserves are being shown on our financials as a negative asset. After some discussion it was suggested that a full presentation to the board of the CalCAP program and the CDFI best practices for loan loss reserves designation on financial reports.

11. Approval of December Financials

John Goldsmith

Discussion/Action

Motion to approve the December financials; seconded; Roll call: Goldsmith - yes, Petrillo - no, Clark - yes, Strong - abstain, Obenyah - yes, Ullrich - yes, Kuhry - no, Kevin Doble - yes, Burkey - no, Bruder - yes, Hartline - yes, Norvell - yes, Shea - abstain, Walker - yes, McCowen - yes, Croskey - yes; motion carries.

12. Old Business Items

John Goldsmith/Diann Simmons

Discussion/Action

a. Conflict of Interest policy

We have two documents that include portions concerning conflict of interest, but they are in conflict with each other – the By-laws and the Procurement Policy

Bruder – It's always good practice to look at the federal guidelines for this. I can share NCO's procurement policy.



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Doble – Because we are using public money, we need to look at the federal rules. It's important to have the same language in both policies.

Ullrich – This could be taken on by the Bylaws Committee.

Gurewitz - Staff can make the analysis and provide a draft, referring to federal guidelines, for the By-Laws Committee to review and recommend to the Board.

There was a discussion about the process of EDFC getting bids and comparing prices. Doble brought up that there is a distinct difference between bids and services. The choice for a service should be based on the qualification of the potential service provider, not on the lowest price. We need some form of evaluation for fair assessment. Doble, Ullrich and Goldsmith volunteered to be on the ad hoc By-Laws Committee, with Ullrich taking the lead.

Walker – Procurement policies can express our value of purchasing locally. Is that legal to do?

Ukiah has a policy that gives a local preference.

Clark – There can be other sustainability criteria. Her company has a Sustainability Policy she can share.

b. Approval of changing bimonthly Board meetings to monthly or some variation

At the January meeting it was discussed that bi-monthly meetings have made it hard to keep up with the changes that are occurring in the organization. Now that we have new ED, its an even more very valid issue.

Goldsmith – He agrees and thinks it would be easier to set a schedule for monthly meetings and cancel a meeting if not enough to work with.

Doble – More regular meetings would be more efficient. If not enough progress was made at the previous meeting, we'll know we'll be discussing it again soon.

Petrillo - Can we make the meetings shorter? We could have deeper conversations at certain meetings.

Goldsmith – In the past there were often presentations on a variety of subjects and he would like that to be re-incorporated.

Kuhry – Maybe that could be done on a bi-monthly schedule with a longer meeting.

Petrillo – West Co. holds monthly meetings except for December and have a strategic planning meeting half-way through.

EDFC will need to update our strategic plan with Heather. We could ask the board to meet 2x/yr. for in depth strategic planning and possibly ask members to come in person 4 times a year

Gurewitz - Let's stick with the 2hr. per meeting plan but quit early if we're done. She wants to make sure we have a good rapport and a reasonable amount of time, but in the future we can change it again if we don't need monthly meetings.

Motion by Strong to change the general board meetings to monthly for 2 hrs.; seconded by Kuhry; Roll-call: Goldsmith – yes, Petrillo – yes, Clark - yes, Strong – yes, Obenyah – yes,



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Ullrich - yes, Kuhry - yes, Doble - yes, Burkey - yes, Bruder - yes, Hartline - yes, Norvell - yes, Shea - abstain, Walker - yes, McCowen - yes, Croskey - yes; motion carries

A reminder that Executive Committee meetings are open to the whole board and notices will go out to everyone.

Walker – Concerned about the extra work for staff by holding monthly meetings. Staff feels they can handle that.

13. New Business Items John Goldsmith/Diann Simmons *Discussion/Action*

a. Approval of David Pai as Alternate Director for Mary Anne Petrillo, representing West Co

Motion by Kuhry to approve David Pai as the alternate for Mary Anne Petrillo/West Co.; seconded by Walker; Roll-call: Goldsmith – yes, Petrillo – yes, Clark - yes, Strong – yes, Obenyah – yes, Ullrich - yes, Kuhry - yes, Doble - yes, Burkey - yes, Bruder - yes, Hartline - yes, Norvell - yes, Shea - yes, Walker - yes, McCowen - yes, Croskey - yes; motion carries

b. Dan Hamburg replaced as EDFC Board Director by Georgeanne Croskey, by appointment of Board of Supervisors

c. Croskey was welcomed and gave some personal background information. She does not plan to run for the Supervisor position in the fall.

d. By-Laws changes to consider

The group that volunteered earlier in the meeting to be the ad hoc By-laws committee will meet to review the By-Laws (and conflict of interest policy) and bring recommendations for changes back to the board.

14. Committee Updates *Discussion*

a. Marketing Committee Diann Simmons

This committee hasn't met since the earlier reported Nov. meeting. They will meet soon and establish a regularly scheduled time. They will develop a budget request to bring to the Board at the next meeting. We currently have a \$1,000 grant from CalRecycle for creating and printing a basic pamphlet about our activities and loan programs.

Walker – Previously we decided that the primary focus will be creating marketing materials for getting loans out. Those materials will also assist in presenting EDFC to the local government, to help bring in more income.

Gurewitz - Part of the plan is to make general rounds of the service clubs etc. to remind them we are here.

b. Biomass Michael Derry

Derry is out of town

c. Broadband Diann Simmons



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Broadband Update from a conversation with Trish Steel, Mendocino County Manager, North Bay North Coast Broadband Consortium

AT&T Connect America: Our AT&T Area Director of External Affairs has indicated that she will be able to share information with Dan Hamburg next week about the details of the projects AT&T will be constructing in Mendocino Co. with the Connect America funds they won.

First Net: At the last minute, CA opted into the new federal nationwide public safety network – FIRST NET. AT&T won the contract to develop it across the US. This will be wireless blanket so it will mean we are going to see a lot more wireless in our county. The FCC is getting ready to reduce the Federal broadband definition, which will include mobile, which will allow them to claim more success. Whether this is adequate remains to be seen.

State funds for line extensions: The final version of California Bill 1665 – Internet for All which re-funded the CPUC’s CASF program, ended up disqualifying it’s use in Mendocino County and the other counties in in our Consortium, due to lobbying efforts by the big telecoms. But, there appears to be a potential for the final rules, still to be decided by the CPUC, to include access to funds by individual homeowners who need line extensions to connect to existing infrastructure. If included, Comcast would utilize the funds to install the infrastructure, although the homeowner would be responsible for the application and reporting. Trish Steel is asking all interested parties to contact her to begin a letter writing campaign to help persuade the CPUC to include homeowner’s in the qualified applicant list.

Federal Broadband Initiatives: Unfortunately, the new federal broadband initiatives that are coming out of this administration will most likely not be useful in California as they are focused on funding to utility cooperatives. There are few cooperatives left in CA, as they were mostly bought out by Edison in the 40’s and 50’s.

Kuhry – There is still a chance to save net neutrality – it’s going to congress. It’s important to let our reps know.

Gurewitz - Huffman is already in favor.

Crosky is happy to give the report in the future as she attends the BAMC meetings.

15. Next Meeting Date and Time

Discussion

February 8, 2018

16. Member Updates

Discussion

For members who have discussion items – limited to two minutes per topic

Ullrich – Community First, the former Mendo Lake Credit Union, is 6 months into our merge and things are now flowing well. Looking up!

McCowen – The NCRA – North Coast Railroad Authority went on record that the rail area banking the Eel River Canyon is very unstable terrain – “We have one slide. It’s 108 miles long” making it less probable there will be any effort to restore it. NCRA does want to restore service to Willits,



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which would be a benefit for freight rail to Redwood Valley and could hook up with the Skunk Train.

Strong – People in Willits are excited about the upcoming Community Foundation grant that could help create a venue for local artisans and local food to co-exist, which would be attractive to tourists. The most recent WELL newsletter features the upcoming event on Feb. 25th – “How to Make Willits Thrive”, that will present ideas of how to turn your passion into profit. EDFC and West Co. will be on the panel, along with the newly formed Willits Tourism Board.

Shannon Riley asked if the tourism board is being funded with TOT – transient occupancy tax. **Strong** isn’t sure and doesn’t think there’s a well developed budget yet.

Walker – There will be a HOUSING EXPO sponsored by the County, Mendocino College, Community Foundation and KZYX in March at the College, bringing together businesses in construction etc. The college is also putting together a series of seminars focused on the re-build process starting on March 24th. There will be more details coming.

Goldsmith – Will the expo focus on the housing shortage?

Bruder – It will be targeted toward fire survivors trying to re-build.

Gurewitz - Can we help support contractors?

Petrillo – West has reached out to North Coast builders about accessing money to start businesses. They may need extra funds to do that. On the coast, people are trying to find ways to ease the housing shortage. There’s a lot being done right now.

Walker – Now is the time for contractors to start a business.

McCowen – In talking with county staff, they welcome the participation of anyone to help get the word out.

Petrillo – We are in a real transition time. Cannabis growers need other jobs. How can they plug into these construction opportunities?

Doble – Ukiah is working hard to bring clarity to general information about housing. Affordable housing has been subsidized but we need market rate housing. The approval process needs to be revamped and shortened. In California it’s normal for the approval of a construction project to take 2-5 years with all of the public hearings, CEQA etc. As things are, we won’t get the housing we need in the next 10 years. It discourages most people not in the development world.

Clark – It’s almost impossible to get new employees due to no housing for them. The Planning Dept. is holding a Rebuilding 101 meeting at Eagle Peak Middle School on January 17th.

Strong – I became the Mayor of Willits in Dec.

Shannon Riley – The Ukiah United Methodist Church released an RFQ for development and reuse of their site. They want to keep the main church area for their use and develop the rest for lodging etc.



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McCowen – The Supervisors appointed an oversight committee for mental health including Sheriff Allman, Carmel Angelo, CEO, and others including representatives designated by the Supervisors. The first public meeting (subject to the Brown Act) will be held January 24th. We expect a robust discussion. The committee will make recommendations to the supervisors.

McCowen thinks the county should hire the previous consultant to do another assessment of what we have, what we need and the cost. A homeless assessment will be out in 60 days. Once we have this data, the question will be who and how we serve.

Petrillo – The count they are doing for this assessment is finding that most of our homeless are local and not coming in from outside.

McCowen – Two thirds are long-term, chronically homeless (longer than 1 year) and many much longer.

Petrillo – the long-term factor is one of the reasons we aren't making progress with decreasing Homeless population. This assessment is preliminary to significant conversations and decisions each jurisdiction will be making.

17. **Adjourn** **3:45**

Action