



Special Board Meeting

North Coast Opportunities

Large Conference Room

413 N. State St., Ukiah, CA

Video Conferencing Sites: 340 N Main St, #4, Fort Bragg, CA; 416 N. Franklin St. Fort Bragg, CA;

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

By Phone - Dial: 646-876-9923 or 669-900-6833

Meeting ID: 546-450-3098

Thursday, December 14, 2017 2:00 – 3:30pm

MINUTES

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

2. **Roll Call of Board Members** *Action*
Present: Barbara Burkey, Jeremy Logan, John Goldsmith, Robert Hartline, Teri Ullrich, Orion Walker, Michael Derry, Patty Bruder, Saprina Rodriguez, Jesse Burnett, John Kuhry, John McCowen, Aaron Obenyah, Mary Anne Petrillo
By videoconference: Bernie Norvell, Sarah Bodnar
Staff: Diann Simmons

3. **Changes/Modifications to Agenda** *Action*
No changes

4. **Introductions**
Heather Gurewitz – Candidate for Executive Director position

5. **Public Comments/Correspondence/Public Expression**
NA

6. **New Business Items** *Discussion/Action*
 - a. Approval of Heather Gurewitz for Executive Director position
Goldsmith: Both Diann and I have been talking with Heather for a while now and I'm impressed with the due diligence she's done in this process. My impression so far is that she has a wealth of experience, a fairly extensive background in economic development and has expressed that it is her #1 area of interest. She brings various things to the table that match



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the values and mission of EDFC. Her recent experience as Huffman's Field Rep has given her additional skills and full exposure to this county. She has a lot of insight she can bring to EDFC.

Presentation by Gurewitz: Heather expressed her excitement about being here and her passion for economic development. She has always been interested in public service, and served in the Peace Corps and AmeriCorps. A turning point in her Peace Corps experience was the realization at the end of a 6 month community plan development process, that everything came back to the foundation of the economy. Since then, economic development has been her trajectory. (She earned a Masters in Community and Regional Planning with a focus on Economic Development from the University of Oregon). She was an intern at the Lane County Oregon Office of Sustainability and a coordinator for the Northeast Oregon Economic Development District. When she accepted the position of the Mendocino Women's Business Center Director with West Co., she didn't plan to stay more than 3 or 4 years, but she met her husband and is here to stay.

Skills: She's experienced in feasibility studies, research and analysis, annual asset mapping, CEDS updates, etc. She is good at basic organizing and meeting facilitation and has worked with varied groups. (Her much more detailed resume was sent out to all Board members)

Her long-term goals will be to strengthen local businesses and collaborate with new and emerging industries and community partners. She wants to help develop a larger, more diversified economy that offers more employment opportunities. She's excited to dig in. She sees the future of EDFC as the lead organization for economic development in Mendocino County.

Her initial goals for EDFC:

- Improve EDFC's organization and financial management
- Identify funding opportunities and sources
- Improve our relationships with the government entities and community partners
- Improve our loan portfolio

She is aware that there is strong interest from the jurisdictions for a merge of EDFC and West Co. She sees a lot of room to work together and develop good collaborative relationships with Mary Anne Petrillo and the West Co. Board, including working together to secure and share economic development funds.

She is aware of the accountability required of EDFC. When we ask for money we need to make contributions in return. She plans to clarify what the jurisdictions need us to do and will develop specific deliverables to give back to them. She will build on her long-standing relationships with various jurisdiction staff members.



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As Heather looked at our organization and our financial status, she saw that Diann has been getting things in order. Heather put together an initial budget to see if we can meet her expectations and will work to improve our financials by increasing our funding.

She will make building our loan portfolio an initial priority and is interested in creating a balanced mix of loans. She'll set goals to bring in primary loans that are well collateralized. Additionally, there are two things from West Co. that we can use to improve our loan outcomes. All of our borrowers should take Profit Mastery, before we approve a loan. Developing a report card from West consultants would enable them to give us important information about loan applicants they have worked closely with, as we evaluate new loan applicants.

Other areas she's been thinking about are increasing referrals, positioning ourselves to better compete for loans in our market and starting to evaluate the impact that climate change will have on our economy and how to move forward to address those changes. Focusing on industry clusters would be an effective way to approach growing the economy, for example, by maximizing things like green jobs or helping to form cooperatives to deal with increasing rules for small business owners. She's very excited about our role as a CDFI and the opportunities it offers for us to work with our low income communities through activities such as developing an IDA program, making very small microloans, etc.

Questions:

Goldsmith – Because you live in Fort Bragg, how would you handle commuting to our office in Ukiah.

Gurewitz – Initially I will be in Ukiah 3 days a week, spending 2 overnights. I would telecommute the last 2 days.

McCowen - How soon could you start?

Gurewitz – I hope to be participating in mid-January, but it will be a juggling act. I'll need to have a transition period from my position with Jared Huffman, but I'm prepared to make the transition quickly to EDFC full time.

McCowen – You are obviously well qualified. We have been discussing a merge with West and bringing the two orgs closer together. If we have a new ED, then we won't be looking at a merge, but a closer collaborative relationship.

Goldsmith – We have some financial/funding hindrances to a full merge, but we are committed to as close an alignment as we can do.

McCowen – How will you form a closer working relationship between EDFC and West to take the role together as the primary economic development entity for Mendocino Co. and at the same time also maintain effective working relationships with individual cities?

Gurewitz – I haven't talked with anyone yet, but my thoughts are that the solution may be to possibly create a consortium between the 2 orgs, with the Executive Committees from



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each meeting regularly, every quarter or 6 months, possibly creating a single consortium committee. West has a very specific mission and funding. And EDFC has a lending mission and an economic development mission. I'm interested in exploring with the county the possibility of their CDBG program income, which they can use however they choose, being designated to economic development, for example, splitting it 3 ways with 1/3 to EDFC, 1/3 to West and 1/3 to build a loan fund, or a matching IDA, etc. This income would give us the means to develop a formal relationship.

Petrillo - From the West perspective, not only does Heather know West, as a staff person and board member, she also knows our new services and the work we are doing now. We've already been working together. Along with putting a formal structure in place, there will be the ability to benefit from each other on a daily basis to strategize and plan for the county. It's a huge opportunity.

McCowen - What post fire recovery ideas do you have?

Gurewitz – I haven't gotten there yet. There's already a lot of work going into strategizing such as making sure local talent is used to rebuild, improving conditions to improve safety under similar conditions.

Petrillo – There's the recovery part, but ongoing we need to work directly with the county to get data that is current to be able to make projections and seize the opportunities.

McCowen – We'll be holding an Economic Development workshop in January with the County, EDFC and West, as a preliminary step before going to the whole community.

Burkey – The biggest industry in county right now is cannabis. What thoughts to you have on that for EDFC?

Gurewitz – It is tough for a federally funded organization (USDA and CDFI) to lend to cannabis related businesses. In a recent conversation with a person in Oregon, I asked them what have they done. They confirmed they can't do anything related to cannabis while they have federal funds. I do expect things to change a lot in the next year or so. If there was a separate specific fund for supporting cannabis, which would need to be approved by the funders, I would be willing to work with it.

McCowen - I think it may take 5 years.

Goldsmith – This has been discussed and it certainly will be looked at. There are possible avenues that could work that we will explore.

Logan – What are examples of deliverables to the jurisdictions?

Gurewitz – For example, for the county we could do an annual state of the economy report specific to Mendocino Co. We could hold semi-annual economic development summits bringing all the jurisdictions and community partners together. I can do feasibility studies, analysis or research that would have a set cost associated with it for my work. I will have to be careful what I offer and that the compensation is adequate. But there will also be times when what we offer will not be based on the return to us, like right now Willits needs a lot of help but is not able to pay for it. Fort Bragg may contribute more but not need services as much as Willits.

Burnett – What role do you see technology playing here in the future?



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Gurewitz – It depends on what happens with our broadband. I see huge potential on the coast. There are quite a few people who moved up here and are telecommuting. We couldn't get a really big company up here, but many people like our lifestyle and can telecommute. We can work on attracting those individuals. They spend their out-of-area earnings here. Reliable broadband is the key to that.

Petrillo – West is working on increasing business owners' skills in utilizing technology.

Walker – Are you interested in utilizing the DPO for more projects?

Gurewitz - I am aware there is still more DPO money to be lent out before we raise more funds, but I see how it will pay out well and work for EDFC. That's what is exciting about economic development - it is not set in stone, it's cutting edge.

McCowen – When you are going to visit governments, it's important to also meet with tribal communities.

Gurewitz - I agree. I've interfaced a lot with Tribal administration people and the BIA and look forward to the opportunity to work more with the tribes. I've learned that it's not enough to just invite Tribal Chairs to meetings. We need to develop a relationship.

Burnett – On the Tribal side, they have to discriminate what is valuable for them to put time into, what fits with their priorities.

Gurewitz – I have a lot to learn and grow into around working with the Tribes.

McCowen – There are unique opportunities on tribal land.

Goldsmith – Are there any other questions:

Walker – Has the Executive Committee discussed Heather's compensation?

Goldsmith – We have agreed to her request for \$75,000 full time, but Heather was concerned about our ability to pay her and did some deep digging into our financials to see if we could afford to hire her. She is willing to compromise by putting in less time for a lower salary until our financial situation improves. She is very aware of where we stand financially and is committed to improving our financial well-being by bringing in more funds for loans and administration.

Simmons – The CDFI \$350,000 grant award includes the option to use a percentage, about \$72,000, for administrative costs. It will come in sometime this spring.

Goldsmith – Heather plans to set specific goals to obtain more money.

McCowen - I believe Heather's enthusiasm, skills and contacts will allow her to bring in more than enough to justify the salary.

Burnett – We checked on the range of salaries for this position across N. CA and \$75,000 is on the low end.

Gurewitz left the room during the vote.

Motion by Burnett to approve hiring Heather Gurewitz as EDFC's new Executive Director; seconded by Rodriguez; Roll-call: Burkey – yes, Logan – yes, Goldsmith – yes, Hartline – yes, Ullrich – yes, Walker – yes, Derry – yes, Bruder – yes, Rodriguez – yes, Burnett – yes, Kuhry – yes, McCowen – yes, Obenyah – yes, Norvell – yes, Bodnar – yes, Petrillo – yes; motion carries!



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Gurewitz returned and was congratulated.

- b. Approval of application for 2018 CDFI - Community Development Financial Institutions Small and Emerging CDFI loan
 - 1. Current 2017 award of \$350,000 is a grant with no match required
We've been informed that our award will be a grant instead of the loan that we applied for. All of the awards in our category for 2017 are being made as grants.
 - 2. New 2018 application for a SECA loan using DPO as match
At this point, we are very competitive and it is important to put in another application. There is a possibility that next year's SECA awards will also be made grants instead of loans. We are asking for approval to complete and submit a new loan application for the 2018 funding round.

Motion by Kuhry to approve application for a new loan in the CDFI 2018 funding round; seconded by Walker; Roll-call: Burkey – yes, Logan – yes, Goldsmith – yes, Hartline – yes, Ullrich – yes, Walker – yes, Derry – yes, Bruder – yes, Rodriguez – yes, Burnett – yes, Kuhry – yes, Norvell – yes, Bodnar – yes, Petrillo – yes; motion carries

7. Next Meeting Date and Time

January 11, 2017 - 2:00 to 4:00 pm

Discussion

8. Adjourn 4:40pm

Action