

BOARD OF DIRECTORS MEETING
AGENDA PACKET

JULY 21, 2021



AGENDA

Board of Directors Meeting

Wednesday, July 21, 2021

8:00 a.m.

Meeting via Video Conference

1. Call to Order
2. Board Member Roll Call
3. Approval of June 16th, 2021 Minutes
4. Guest Speaker – Hunter|Johnsen
5. Executive Committee Report – Jan Harnik
6. Business Services Report – Laura James
7. CEO Report – Joe Wallace
8. Board Member Updates/Comments
9. Adjournment

Next Meeting:

Wednesday, September 22, 2021

Location TBD

8:00 a.m.

**BOARD OF DIRECTORS MEETING
WEDNESDAY, JULY 21, 2021
8:00 AM
VIA VIDEO CONFERENCE**



Call to Order

The meeting was called to order at 8:05 am by Board Chair, Jan Harnik.

Staff Members/Guests Present

Joe Wallace

Laura James

David Robinson

Lesla Bodnar

John White

Tim Jonasson

Welcome and Roll Call

Jan Harnik welcomed the board and attendance was noted.

Minutes

On a motion by Phil Smith, seconded by Oscar Ortiz, the minutes of the May 19th, 2021 were approved as presented....all in favor.

Presentation - College of the Desert

John White from College of the Desert [COD] presented the board with an update of COD's regional activities and the status of expansion and development of various sites throughout the valley. He noted that he is working with Joe Wallace and CVEP as a summer intern as part of his program Kansas State University, Graduate School of Education. John White said that the campus planned for Palm Springs will be "shovel ready" in about 18-24 months, and that the first building planned for the campus will be the accelerator. He mentioned that they are doubling their campus space in Indio, and that the auto training facility will be going up in Cathedral City off of Perez Road. Discussion followed by a vigorous Q&A session, with it being noted that MacKenzie Scott {Jeff Bezo's ex-wife}, has donated \$18m to COD.

Executive Committee

Jan Harnik noted that the Executive Committee met via video conference and had various items to present to the board.

She asked that the board review the memorandum from the Nominating Committee [included in packet] with the following recommendations for FY 2021-22 - Jan Harnik, Chair; Todd Hooks, Vice-Chair; Rick Axelrod, Treasurer; Joel Kinnamon, Secretary and Deborah McGarrey, Member at Large. On a motion by Dick Oliphant, seconded

by Sandra Cuellar, with one abstention by Deborah McGarrey, the FY 2021-22 Nominating Committee Slate of Officers was approved as presented...all in favor.

Jan Harnik then asked Joe Wallace to present the Executive Summary of the CVEP FY 2021-22 budget. He reviewed the information with the board and noted that the detailed spreadsheets used to compile the budget were available to any board member for review. He also noted that monthly detailed financials prepared by Osborne|Rincon are also always available for review by any board member. On a motion by Deborah McGarrey, seconded by Sandra Cuellar, the CVEP FY 2021-22 budget was approved as presented....all in favor.

The policy formation committee was discussed - Deborah McGarrey will represent the Executive Committee and then asked for four board volunteers to serve on the committee. Utilizing the mission and goals of CVEP, a policy platform will be developed to help give staff guidance when letters of support and opposition are requested by various local entities. Committee volunteers include: Jennifer Cusack, Joaquin Tijerina, Sandra Cuellar and Tim Jonasson. The committee will meet and then present their conclusions to the board.

Business Services Report

Laura James gave an update on the activities of the Business Services team - the full report is included in the packet. She also asked the board to review the Marketing and Communications Report included in the packet.

CEO Report

Joe Wallace reintroduced Ken Wheat from Eisenhower Medical Center. In the past he has had a meeting conflict with the board meeting, but, looks forward to participating fully on the CVEP board again. He also introduced Tim Jonasson from HR Green and Tim noted that he is happy to be on the CVEP board and looks forward to working with his fellow board members. Joe Wallace then gave an overview of CVEP organizational activities - the full report is included in the packet.

Member Updates

Oscar Ortiz mentioned that the City of Indio will hold a review of their housing study today at 3 pm.

Adjournment

There being no further business, the meeting was adjourned at 9:20 a.m.

Program Updates

- Regional ED Meeting was held on July 15. Most CV cities are interested in collaborating regionally on select economic and workforce data subscriptions, with CVEP administering the database(s) and cities sharing in costs. This group will continue to meet virtually on the 3rd Thursday of the month.
- MOU was signed on July 8 for additional business advising services for iHub client companies – as well as other eligible CV businesses – funded by Kaiser Permanente and offered through Pacific Coast Ventures. A three-month delay on PCV's end was caused by an interruption in staffing. Program is now ready to launch pending announcement by CVEP and PCV.
- Personally followed up with all leads from the digital remote worker attraction campaign.
- Responded to four Technology Commercialization inquiries that came through CVEP.com (one retail store, one iHub applicant, two misc.).
- Laura James presented a session on building personal wealth at the One Future Coachella Valley Student Leadership Conference on July 20.
- The Public Record podcasts recorded for CVEP/iHub in June have both premiered. The episode with Laura James and iHub client/Fast Pitch winner Bear Simerson (3c.health) launched on June 29, and the episode featuring Jan Harnik and Joe Wallace launched Tuesday, July 20. Available on Apple Podcasts and Podbean (<https://thepublicrecord.podbean.com/>).
- PPE distribution to individual organizations and businesses continues: both pick-ups and deliveries. Much hand sanitizer remains.
- iHub Updates:
 - LIFEID.health (formerly eTagz) – extensive assistance for rebranding effort. Public relations campaign, product giveaway campaign, website customer experience testing, and video testimonial campaign.
 - NiftyBank launch – 9 introductions to potential partners.
 - Nurtured – new applicant with health/wellness app; needs assistance with branding, platform design, and local connections. Founder relocated to Rancho Mirage during pandemic.
 - Yvonne White Collection – small home goods manufacturer at PS Accelerator Campus. Staffing is most pressing current need. Looking into Riverside County OTJ Training program.
 - EV Enterprises – hosted a meeting and tour of the PS Accelerator Campus with U.S. Battery Mfg., manufacturer of batteries for solar power, renewable energy, wind power, energy storage, golf car batteries, marine & RV use.
 - Palm Desert iHub – met with representatives from City of Palm Desert and CSUSB-PDC to prepare for building opening.

Intelligence Updates

- Continuing upgrades to CVEP GIS geodatabases and systems.
- Completed GIS Analysis for GPSCVB.
- Provided requested data for one affordable housing developer (Palm Desert), one market rate housing developer (Cathedral City), and one hotel developer (Palm Springs).
- Three new Data Digests posted to CVEP.com (Working-age population in CV; Precinct-level election results in CV; Working from home - CV Occupations).

Investor Spotlights

- Investor Spotlights June 16/July 21:
 - City of Desert Hot Springs
 - Sunrise Company
 - City of Indian Wells
 - KHA Architects
- Investor content shared in insights, June/July:
 - City of Indio (Authentic Indio survey)
 - City of Palm Desert (PICV)
 - LifeStream Blood Bank (blood drive information; Nine Cities Challenge)
 - UCR Palm Desert (COVID testing clinic)
 - Imperial Irrigation District (Conserve Alert; Coachella Valley Energy Commission)
 - Southern California Edison (COVID payment programs ending; Medical Baseline Allowance)
 - Riverside County (ReStart Program; virtual job fair)
 - Numerous local news items by The Desert Sun and KESQ

CVEP Business Center Operations
Operational Highlights June 2021

1. CVEP has received notification that our second PPP loan has been forgiven. This will be moved from a balance sheet debt to a revenue category in the July 2021 financials.
2. The City of Rancho Mirage voted 5-0 to come back onto the CVEP Board of Directors for FY 21-22
3. The City of Palm Springs voted to honor the contract with CVEP to manage the iHub for a fee of \$200,000.
4. The City of Palm Springs City Council voted to reduce their annual support from \$125,000 to \$75,000 and to make two payments as opposed to a single payment in July. This does constitute a departure from the 5-year agreement that we have with Palm Springs. We are exploring other opportunities in our facilities leases to reduce the fiscal impact of this decision.
5. A settlement has been reached with Maverick for the back rent in Building #9 of the Accelerator Campus. They have paid the back rent and prepaid their rent through the end of October.
6. We received an offer of settlement from All American Products that occupies about 70% of Building #12. The offer was for 12% of the balance owed and we have made a counteroffer. This is the space that the flight school is interested in so clearing that space is a positive. Any funds we receive in a settlement are a plus.
7. \$50,000 loan that we have serviced for three years has been paid in full and we do not intend to renew the line of credit.
8. We have not yet heard from the SBA regarding our application to increase our EIDL loan by \$150,000.
9. CVEP's financial position in spite of COVID is stronger than ever and we are poised to have a good FY 21-22
10. The nine cities of the Coachella Valley and the County worked very well together to deal with pandemic related issues. The platform for regional cooperation is now in place and proven. Unfortunately, the trend toward running back to the silos seems to be happening.

Financial Snapshot July 16, 2021

CASH POSITIONS

Cash on Deposit:	\$ 422,154	
Cash Expectations thru EOM:	\$ 325,000	(AR + new billings)
Total Cash & AR:	\$ 747,154	
Less Projected Ops :	\$ 40,000	(through 07/31)
Projected Cash & AR End of July:	\$ 707,154	(approx. 7 months)

Performance to Budget FY 20-21 through May 31, 2020

COST CENTER	REVENUE BUDGET	EXPENSE BUDGET	NET BUDGET
Operations	\$775,065	\$720,880	\$54,185
iHub Accelerator	\$540,401	\$511,406	\$28,995
Totals	\$1,315,466	\$1,232,286	\$83,180

COST CENTER	YTD ACTUAL REVENUE	YTD ACTUAL EXPENSE	YTD ACT. PERFORMANCE
Operations	\$744,339	\$749,890	-\$5,511
iHub Accelerator	\$542,326	\$520,855	\$21,471
Totals	\$1,286,665	\$1,270,745	\$15,920

COST CENTER	REVENUE VARIANCE	EXPENSE VARIANCE	NET VARIANCE
Operations	-\$30,726 (-4.0%)	\$29,010 (4.0%)	-\$59,736
iHub Accelerator	\$1,925 (0.4%)	\$9,499 (1.9%)	-\$ 7,574
Totals	-\$28,801 (-2.2%)	\$38,459 (3.1%)	-\$67,310

1. Excludes depreciation and interest
2. Taken from Osborne & Rincon Report for June 30, 2021

Budget Comments on Variations:

- \$57,180 in rent collections did not happen due to anti-eviction resolution at Accelerator Campus
- IID just approved \$25,000 that was budgeted for and expected during FY20-21
- PPP Loan #2 in the amount of \$102,065 was forgiven in FY21-22 but was substantially completed in FY 20-21.
It will be booked as revenue in July 2021
- Expenses of roughly \$20,000 associated with our PPE distribution to valley businesses was not a budgeted expense.

Balance Sheet Changes Post June 30, 2020

- Cash increased to \$429,622 from \$388,246
- Total Assets increased to \$806,993 from \$765,196
- Liabilities decreased to \$445,594 from \$478,714
- Total Net Assets increased to \$361,400 from \$286,482

Future Board Meeting Guest Speakers

- August: Dark



3111 EAST TAHQUITZ CANYON WAY • PALM SPRINGS, CALIFORNIA 92262
PH: 760.340.1575 • FX: 760.548.0370 • WEB: CVEP.COM