

BOARD OF DIRECTORS MEETING
AGENDA PACKET

MAY 17, 2023



AGENDA

Board of Directors Meeting

Wednesday, May 17, 2023

8:00 a.m.

Palm Desert iHub

37023 Cook Street

Palm Desert, CA 92211

In Person and Via Zoom

1. Call to Order
2. Board Member Attendance
3. New Board Member Introductions
4. Approval of April 19th, 2023 Minutes
5. Presentation:
 - Dr. Ezekiel Bonillas, DBA, MBA
 - Assistant Professor of Entrepreneurship
 - Inland Empire Center for Entrepreneurship
6. Executive Committee Report – Deborah McGarrey
7. Business Services Report – Laura James
8. CEO Report – Joe Wallace
9. Board Member Updates/Comments
10. Adjournment

Next Meeting:

Wednesday, June 21, 2023

8:00 am

Palm Desert iHub

37023 Cook Street

Palm Desert, CA 92211

In Person and Via Zoom - Hybrid

BOARD OF DIRECTORS ROSTER



Investor Agency/Organization	Representative(s)	Jul 20	Dark	Sep 21	Oct 13	NOV 16	Dec 14	Jan 18	Feb 22	Mar 22	Apr 19	May 17	Jun 21
Agua Caliente Band of Cahuilla Indians	Todd Hooks	EXC		EXC	EXC	X		X	X	X	EXC		
Charter Communications/Spectrum	Sandra Cuellar	EXC		X	EXC	EXC		EXC	X	EXC	X		
City of Cathedral City	Mark Carnevale/Ernesto Guterrez	EXC		X	X	EXC		X	X	X	X		
City of Desert Hot Springs	Roger Nunez/Russell Betts	EXC		X	EXC	EXC		X	X	X	X		
City of Indian Wells	Greg Sanders	X		X	X	X		X	X	EXC	X		
City of Indio	Waymond Fermon	X		X	X	EXC		EXC	EXC	X	X		
City of Palm Desert	Jan Harnik/Gina Nestande	X		X	X	X		EXC	X	X	X		
City of Palm Springs	Grace Garner/Ron de Harte	EXC		X	X	EXC		EXC	X	X	X		
City of Rancho Mirage	Meg Marker/Steve Downs	X		X	EXC	EXC		EXC	X	X	X		
College of the Desert	Rodrigo Garcia	X		X	X	X		EXC	X	X	X		
Desert Care Network	(To be determined)	X		X	EXC	X		EXC	EXC	EXC	EXC		
Eisenhower Medical Center	Ken Wheat	EXC		X	EXC	EXC		EXC	EXC	EXC	EXC		
GCVCC	Brandon Marley	EXC		EXC	EXC	EXC		X	EXC	EXC	EXC		
Gulf California Broadcast Co./KESQ	Jerry Upham	X		X	EXC	EXC		EXC	X	X	X		
Hunter Johnsen	Chris Hunter	X		X	X	X		X	X	X	X		
LifeStream Blood Bank	Dan Ballister	X		EXC	X	EXC		X	X	EXC	X		
Oliphant Enterprises	Richard Oliphant	EXC		X	X	X		X	X	X	X		
Osborne Rincon	Lee Osborne	EXC		X	EXC	EXC		EXC	EXC	EXC	EXC		
Pacific Western Bank	Tracy Tremblay	EXC		X	X	X		EXC	EXC	X	X		
Palm Springs Life	Paulina Larson	EXC		X	EXC	EXC		EXC	EXC	EXC	EXC		
Riverside County EDA	Joaquin Tijerina/Bob Wright	X		X	X	X		X	X	X	X		
Southern California Edison	Jeremy Goldman	X		X	EXC	EXC		X	X	EXC	X		
Southern California Gas Company	Deborah McGarrey	X		X	X	EXC		X	X	X	X		
Sunrise Company	Phil Smith	EXC		X	EXC	X		X	EXC	EXC	EXC		
The Desert Sun LOCALiQ	Tom Niva	X		X	X	EXC		EXC	X	EXC	EXC		
University of California, Riverside	Tamara Hedges/Agam Patel	X		X	X	X		X	X	X	X		
U.S. Bank	Alan Brimmer	EXC		X	EXC	EXC		EXC	EXC	EXC	EXC		
Wells Fargo Bank	Amanda Kramer/Moises Aguirre	EXC		X	X	X		X	EXC	X	X		
Honorary Board Member													
CSUSB	Dr. Jake Zhu	EXC		EXC	X	EXC		EXC	X	X	X		

BOARD OF DIRECTORS MEETING

APRIL 19, 2023

8:00 AM

CVEP - PALM DESERT IHUB

HYBRID MEETING - VIA ZOOM AND IN PERSON

37023 COOK STREET

PALM DESERT, CA 92211

Call to Order

The meeting was called to order at 8:05 am by Chair, Deborah McGarrey.

Also Present

Joe Wallace Ian Vos

Laura James

Lesla Bodnar

David Robinson

Welcome and Roll Call

Chair Deborah McGarrey welcomed the board and attendance was noted.

Minutes

On a motion by Roger Nunez, seconded by Greg Sanders, the minutes of the March 22nd, 2023 meeting were approved as presented...all in favor.

Presentation: LifeStream

Dan Ballister from LifeStream, updated the board members about the organization and their current needs. He reviewed their fundraising goals.

Executive Committee Report

Deborah McGarrey informed the board that the executive committee will meet later this week and the report will be delivered at the next board meeting.

Board Development/Business Services Report/Marketing and Communications Report

Laura James reviewed her Economic Development presentation, Part 3. A copy of her presentation and her report are included in the packet.

CEO Report

Joe Wallace presented his report – a copy is included in the board packet.

Board Member Updates

None at this time.

Adjournment

There being no further business, the meeting was adjourned at 9:10 a.m.

BUSINESS SERVICES REPORT
MAY 17, 2023

Business Services Updates

- Since we last met, CVEP held the following events:
 - April 24: Meet the Entrepreneurs at Palm Desert iHub
 - April 27: Riverside County Fast Pitch Finale at UCR ARTS in Downtown Riverside (sponsor)
 - May 10: Morning Insights at Palm Desert iHub

- Upcoming events:
 - June 14: Morning Insights at Palm Desert iHub
 - Date TBD: Business 101

- Kalyse LaForey Stewart is our summer intern from California Baptist University; last week she began work with iHub client company TwinCare. Ms. Stewart will be extensively researching the competitive landscape for TwinCare.

She is also slated to do projects with Hello Computer, Inc. and The Greater Palm Springs Film Alliance, spending approximately 3-4 weeks with each company. Ms. Stewart attended the Riverside County Fast Pitch Finale as our guest to gain an understanding of the kinds of entrepreneurs we work with.

- Laura James represented CVEP at the Innovation Incubator (IN2) Channel Partner Meeting and National Renewable Energy Laboratory (NREL) Industry Growth Forum in Denver, CO from May 1-3. CVEP receives a stipend for attending. Attendance also unlocks the possibility of funding awards for pilot projects in entrepreneurship and innovation in the energy and agtech sector, as well as other, smaller Channel Partner funding awards.
- New Data Digest published: Proportion of the CV Population with Health Insurance.
- CVEP has submitted a proposal to the Desert Healthcare District to conduct an analysis of the following:
 - Quantifying the economic impacts of lack of access to healthcare
 - Analyzing the relationship between lack of access to healthcare and economic growthThe project, if it moves forward, is estimated to take up to six months to complete.
- CVEP applied and was approved to become a Google Scholarship partner. CVEP will provide scholarships to Google's Cybersecurity Certificate program, which also includes job placement assistance. More details to come as we design and launch the program to be as equitable and beneficial as possible.

- iHub projects over the last month include:
 - RivCo Fast Pitch Finale practice with Moducan Corporation
 - Orchestrating the Meet the Entrepreneurs events
 - Identifying/coordinating intern projects
 - Interviewed one new iHub applicant: CareVirtue. Admitted to the Palm Springs iHub.
 - Arranged and attended meeting with Hello Computer Inc. and College of the Desert Health Sciences and Education department. Goal: unbiased product feedback from early childhood education experts.
- Community impact projects include: CSUSB Advancement Executive Committee, IEGO, SCE Community Advisory Panel, College of the Desert Computer Information Systems (CIS) Advisory Committee, Palm Desert Chamber of Commerce Lunch Speaker.
- Events attended in the past month include: GCVCC Legislative Breakfast, Riverside County Business Conference, Indian Wells State of the City, Cathedral City State of the City.

Investor Spotlights

- Investor Spotlights:
 - Desert Hot Springs
- Investor content shared in insights and on social media (partial list):
 - Riverside County (Innovation Month)
 - LifeStream Blood Bank (Blood Drive Info)
 - Palm Desert (iHub)
 - Palm Springs (iHub)

A reminder: please add Laura@cvep.com to your media lists!

CEO REPORT

MAY 18, 2023

Operational Highlights April 2023

1. IEGO has advised CVEP that the RFP to serve as the sub-convenor for developing the economic development plan for the Coachella Valley and the Morongo Basin should be made available in June. We are poised to respond positively to the solicitation.
2. CVEP has participated in the interview process for CSUSB-Palm Desert Campus to replace CVEP Board Member and retiring Dean Jake Zhu. The three candidates were all highly qualified and we are looking forward to working with the new campus leadership.
3. CVEP has initiated the disposal of surplus and abandoned equipment. We have a verbal agreement to sell off the surplus capital equipment in Building #12 for \$5,000. The sandbags will be sold on Ebay. The sales will begin in the next couple of weeks and processed through the CVEP PayPal account when our Ebay account is approved.
4. CVEP and CA Forward have signed an agreement to merge the California Summit that will be held at the Renaissance Hotel in Indian Wells from October 11-13, 2023, with the CVEP Economic Summit. The terms are favorable for CVEP to mitigate the uncertainties in costs for the associated event. CA Forward expects the attendance to be 800 people.
5. CVEP's Fast Pitch qualifier for the Riverside County Innovation Month, Moducan won 3rd place in an event that had a very high quality of contestants. The first and second place winners had already raised over \$1 million each in equity investments.
6. A dialog has begun regarding the changes needed to the agreements between the City of Palm Springs and CVEP with respect to the CVEP Headquarters and the Accelerator Campus. The first meeting was held on May 16, 2023, at the City of Palm Springs.
7. The Meet the Entrepreneurs event held at the Palm Desert iHub was held on April 24 at 9 am. Among those who attended were Palm Desert's Mayor Kathleen Kelley, Mayor Pro Tem Karina Quintanilla, and Councilmember Evan Trubee. Subsequently, the Palm Desert City Council voted 5 – 0 to enter negotiations with CVEP to operate the Palm Desert iHub with an extension of the existing contract through February of 2026 that coincides with the end of the lease on the facility.

FINANCIAL SNAPSHOT MAY 15, 2023

Cash Positions

Cash on Deposit:	\$ 300,802
Cash Expectations thru EOM:	\$ 88,011 (AR + new billings)
Total Cash & AR:	\$ 388,813
Less Projected Ops :	\$ 35,000 (through 5/31)
Projected Cash & AR End of May	\$ 353,813 (approx. 4.3 months)

Comparison of YTD FY 22-23 and FY 21-22

Financial Metric	YTD FY 22-23	YTD FY 21-22	Year to Year Change
Revenue	\$1,067,568	\$1,132,330	-\$64,762 (-5.7%)
Expenses	\$1,049,930	\$1,009,997	+39,933 (+3.9%)
Revenue less Expenses	\$17,638	\$122,333	-\$104,695 (NA)

Comparison of YTD FY 22-23 and YTD Budget FY 22-23 (prior to mid-year adjustments)

Financial Metric	YTD FY 22-23	Budget YTD FY 22-23	Deviation from Budget
Revenue	\$1,067,568	\$1,095,790	-\$28,222 (-2.6%)
Expenses	\$1,049,930	\$1,098,533	-\$48,603 (-4.4%)
Revenue less Expenses	\$17,638	(\$2,743)	\$20,381 (NA)

1. Excludes depreciation and interest.
2. Taken from Osborne Rincon Reports for April 30, 2023, June 30, 2022, and April 30, 2022
3. Revenue shortfalls from budget are driven by delayed sales of abandoned equipment, rent collection shortages, and the Summit.
4. \$25,550 bad debt is from 2018 and was absorbed into FY 22-23 expenses.
5. Expense increases in events, utilities and other operations activities range from 12% to 29% above budgeted levels and last year's expenses.

Balance Sheet Changes Post June 30, 2022

- Cash decreased to \$319,540 from \$467,653
- Total Assets decreased to \$466,862 from \$657,076
- Liabilities decreased to \$470,097 from \$583,419 (short term liability is \$161,909)
- Total Net Assets decreased to (\$3,234) from \$73,657

Note: Abandoned Assets are **NOT INCLUDED** on the balance sheet

Mid-Year Budget Analysis: CVEP has reached the 10 month point in FY 22-23 with a positive revenue less expenses of \$17,638. This is above our amended budget of (\$2,743) by \$20,381. The contributors to lower performance relative to last fiscal year are deferring the sale of abandoned assets, lower Summit revenue, some reduced investments and increased expenses driven by inflation across all expense sectors. It is to be noted that the category of salaries and wages is under budget, so talent costs are not contributing to the deviation from the budgeted financial performance. CVEP currently has a strong cash position with 4.6 months of expenses on deposit. Additionally, the expected revenue through April 2023 should maintain a positive performance through that time. A detail of the expectations for the remainder of the fiscal year is below. It is vital to end the year with positive performance to liquidate existing assets and maintain a frugal operating discipline. It is also noted that since FY 20-21 CVEP has absorbed roughly \$400,000 in reduced funding and lost rental opportunities in our facilities.

Best Opportunity to Mitigate Risks: On February 17, 2023, all of the abandoned assets can now be sold, and the liquidation value has the potential to be nearly \$100,000. We are moving on this now. The first deal to sell off surplus equipment has been made but has not closed.

Approved Expense Budget Jan - June 2023: \$491,046

Proposed Reduced Expense Budget Feb - June 2023: \$433,941

Proposed Expense Reduction: \$57,105

	Revenue	Expense	YTD Rev - Expense
January YTD (actual)	\$871,063	\$786,701	\$84,362
February YTD (actual)	\$897,069	\$872,892	\$24,177
March YTD (actual)	\$949,587	\$965,544	(\$15,957)
April	\$1,067,568	\$1,049,930	\$17,638
May	\$21,250	\$88,985	(\$50,097)
June	\$16,250	\$90,154	(\$)
FY Totals	\$1,105,068	\$1,229,069	(\$124,001)

CVEP will be receiving some deferred income in the Spring that will strengthen our already strong cash position. We typically take in about \$85,000 so our end of fiscal year cash and AR should be in the \$350,000 range. July typically is the best cash flow month of the year.

Focusing on FY 23-24 revenue sources and selling available assets should be front of mind alongside our mission of mentoring entrepreneurs and supporting local businesses.



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