



3CORE

**CEDS Advisory Board Meeting
Wednesday, September 26, 2012, 10:00am
Glenn County Board of Supervisors, Memorial Hall
525 W Sycamore Street, Willows**

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Meeting Minutes

Meeting called to order by Marc Nemanic at 10:10 am.

Budget Discussion

- The 2012-13 budget is currently ahead of our planned budget because we have received large donations from Wells Fargo and Bank of America. See program report
- Personnel expenses are a little higher at this time due to contract labor expenses. Otherwise, general personnel expenses are right on track
- Loan pipeline – applications will begin to see more activity in the next quarters. Things have been slower because businesses were affected by the economic downturn of the past few years
- Banks seem to be picking up, but this may be because they have been lending less in the last year
- Many businesses may be holding their money and are waiting for the results of the election
- In the past year, we have slightly changed our procedures in terms of lending, particularly related to collateral. We are more focused on cash reserves than physical assets
- Currently our cash reserves are at 9% and our goal is for them to be at 15%
- Since 2008, we have done a substantial amount of reducing 3CORE balance sheet leverage—moving from \$3.249 million (2008) to \$1.959 million (2012).

Program Report

- SBA created a stimulus lending program structured like the IRP USDA program
 - 3CORE will lend at 9% - 12% for a total of \$1 million
- Bank of America provided a grant for the required SBA loan loss reserve
- U.S. Bank providing \$250,000 as collateral support for our Seed Fund and a \$5,000 grant to support our business mentoring services
- Community capital –New Hampshire has created a community loan fund that is now solely funded by individuals

- The NH fund lends at the rate of a 5 year CD return and if they participants are happy with the program and its results, they have the option to make another 5-year commitment or donate their contribution as a charitable gift. 3CORE is looking to model the Early State Financing Fund in a similar manner
- The goal is to open our Seed Fund and Early Stage Fund in November and December for community participants
- 3CORE received \$150,000 for the CDBG Butte County Incubation Program to begin in July 2013
- Butte County Entrepreneurial Knowledge Based report has been presented to the Butte County Board of Supervisors and will be presented at a joint event with NoRTEC, the Land Trust and 3CORE in December
- 3CORE is currently working on a regional loan fund with four other organizations
 - Rabobank will provide funding for the regional loan fund with 3CORE acting as the agent between the bank and the partner development lending organizations

CEDS

- EDA has made changes to CEDS and they would also like us to establish a strategy committee in addition to the advisory committee
 - The members should be primarily private (at least 51%)
 - Remaining members public or other economic interests
 - Private sector members must be either senior management officials or executives holding key decision-making positions in any for-profit enterprise
 - Other reps are appointed that cover the main economic interests of the region
 - Areas of concentration: Agriculture, Manufacturing, Retail Trade, IEHSS, Construction
- Marc provided the following recommendation to the board:
 - Butte, Glenn, and Tehama Board of Supervisors each recruit and recommend two (2) private sector members that (a) fall within these five (5) industry concentrations and (b) that meet EDA regulatory requirements. These six (6) appointments are to be ratified by the CEDS Advisory Board.
 - The five (5) non-governmental appointments to the CEDS Advisory Board act as the representatives of other economic interests as defined by EDA.
 - This will bring the total Strategy Committee membership to eleven (11).
- Motion to approve was made by Forest, seconded by John, all unanimously were in favor

Next meeting will be held in Biggs on November 28, 2012.

Meeting adjourned at 11:05 am