

**MINUTES OF THE DECEMBER 7, 2016
SIERRA ECONOMIC DEVELOPMENT CORPORATION (SEDCorp)
SPECIAL BOARD OF DIRECTORS MEETING**

Members Present: Patricia Borelli, Howard Levine, Diann Patton, Matt Spokely, Ed Scofield, Kathie Pacileo-Jenkins, James Importante, Shiva Frentzen,

Members Absent: Maryann Argyres, Kim Douglass, Jon Gregory, Jennifer Montgomery, William Seiffert, Dale vanDam

Staff Present: Kristin York, Interim Director; Kelley Selvy, Loan Administrative Assistant

Guests Present: Amanda Uhrhammer, Nevada County Counsel; Kay Ann Markham, El Dorado County; Krista Minges, USDA Rural Development, Greg York, USDA Rural Development; Karen Rich, USDA Rural Development; Joe McClure, SBA; Carrie Ellenwood, SBA.

1. Customary Items

The December 7, 2016 Special Board Meeting of the Sierra Economic Development Corporation Board of Directors was called to order at 2:10 p.m. by SEDCorp Chair, Howard Levine, at the Auburn City Hall 1225 Lincoln Way, Auburn.

a. Flag Salute

b. Roll Call

Roll was taken, a quorum was present.

c. Guest Introductions

The guests in attendance introduced themselves.

2. Public Comment

Members of the public shall be allowed to address the Board on items not appearing on the agenda that are of interest to the public and within the subject matter jurisdiction of the Board.

No public comments were made.

3. Consent Items

a. Agenda

b. Adoption of Minutes

c. Approval of November 2016 Financial Reports

A motion was made and seconded (Frentzen, Scofield) and it was unanimously agreed to accept the Agenda and the Financial Reports as presented. Patti Borelli abstained. Approval of the Minutes was postponed until the January meeting.

4. Board Resolution (Recommended Board Action) Attachment A

Adopt a Resolution amending resolution of No. 16-03-S to allow the Business Management/Loan Officer to be the sole signatory on checks of up to \$1,100 for the expenses approved by Interim Executive Director.

A motion was made and seconded (Jenkins, Borelli) and it was unanimously agreed to approve the Resolution Amendment as presented.

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5. Board Discussion Items

- a) Press Release Response Discussion
- b) Financial Update
 - i) Check signing process
 - ii) Operating Cash Flow Projection
- c) Transition Plan Update
 - i) US EDA Position on EDD
 - ii) Plans for continuing EDD and new management structure
 - iii) Gold Country Broadband Consortium update
 - iv) Loan Portfolio status & recommended actions (Rabobank, Wells)
 - v) USDA, SBA, City of Lincoln
- d) EPIC status and potential action
- e) Disposition of physical assets and corporate archives
- f) Executive Committee conference call December 21st.

Kristin indicated the existing cash flow is sufficient and there is enough cash to get to the end of February, barring any large unforeseen expenses. She will also be talking to Amanda Uhrhammer about an acceptable structure for a new JPA in the next few weeks. She has discussed some of the issues with the EDA and together they feel there is a lot of opportunity for the Counties to move to the next level.

Malinda Matson from the EDA indicated the current legal relationship is with SEDCorp and a transfer of the management of the District is possible, however there is no standard way of creating a new relationship. Malinda stated the correct way to begin the process is for SEDCorp to notify the EDA before they dissolve that they can no longer carry out their current function for the District and would like to transfer it to another organization. She indicated that transferring it to an organization with a structure similar to Central Sierra Economic Development District would not work. She also encouraged the Board to try to find an organization existing within the counties, or to create one, that the management of the JPA could be transferred to. Malinda did not feel the EDA would approve a single county's management of the grant. Once a new organization has been identified, the EDA would need to clear their ability and capacity to manage a District and they would need to submit an application to be the new Financial Agent.

It was reported that there is a discrepancy in the amount of matching funds that were reported to the EDA and what has been identified in the bookkeeping for the Grant year 2015 through November 2016. Because the matching funds are mostly derived from membership dues and grants, Kristin agreed to provide detail on the correct amount of match that was paid, what is still owed to SEDCorp in membership dues and how the grants that were not obtained or were returned may have affected the ability to provide the matching funds. Malinda indicated the EDA requirement is that the matching funds and the grant funds be expended at the same time and there may be a need to bill for the discrepancy if there is one.

Kristin recommended the Board allow her to draft Resolutions as indicated on her handout to pay off Wells Fargo and the SBA and a small portion of the USDA debt. She would then proceed with the negotiation of the transfer of the USDA loan portfolio to Safe Bidco and the Rabobank loan portfolio to 3Core. There is also the possibility of a transfer of the SBA loan portfolio to Sierra Business Council.

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The Board gave their consent for Kristin and Amanda to move forward drawing up the necessary Resolutions, letters and the cancellation of obligated USDA funds. The Board also gave their approval for Kristin to verify the requirement for dissolving EPIC.

6. CLOSED SESSION

Pursuant to Government Code §§54956.9 (b) (1) General Counsel is requesting a closed session with the Board of Directors to discuss one matter in which there is a significant exposure to litigation..

The Board adjourned to a Closed Session at 2:55 PM and reconvened at 3:05 PM. There was nothing to report out of closed session.

7. Interim Director Report

Kristin provided her report in item number 5.

8. New Business / Items for Next Agenda (Next meeting January 4, 2017)

9. Adjourn The meeting was adjourned at 3:10.

Transcribed by:


Kelley Selvy