



## COMMISSION MEETING

July 17, 2014  
1:00 p.m. – 3:00 p.m.

Ventura County Office of Education  
5100 Adolfo Dr.  
Camarillo

### OPENING

1. **Welcome and Introductions – Chair Dominguez**
2. **Approval of Minutes from June 19, 2014**
3. **Agenda Approval and Review of Commission Packets**
4. **Public Comments/Correspondence**  
*(Speaker request forms should be completed and submitted within 15 minutes after opening call to order. Public correspondence will be received.)*
5. **Presentation: Pre-K Expansion, El Centrito Family Learning Centers - Joseph Castañeda, Executive Director (10 minutes)**

**The following items will be reviewed and discussed by the Commissioners for appropriate action.**

### CONSENT AGENDA

Consent Agenda Items 6 and 7: Review and approve unless an item is pulled for separate action by the Commission and moved to the Regular Agenda for consideration. Consent items are to be routine and non-controversial. All items are approved as recommended without discussion.

6. **Receive and File the First 5 Ventura County Financial Reports as of May 31, 2014**
7. **Recommendation to Amend Lease Agreement with Don Carlton Realty Company to Add Storage Space**  
*(Recommended action would grant the Executive Director authority to modify the existing lease with Don Carlton Realty Company to acquire on-site storage space through the end of the current lease which expires on December 31, 2015. No new allocation of funds is needed for the current fiscal year, as expenditures were budgeted in the approved FY 2014-15 budget.)*  
**Documents on file with the Executive Director**  
**Executive Director recommends approval as proposed**

**REGULAR AGENDA**

**8. Recommendation to Update Operating Procedures for Community Investment Loan Fund – Petra Puls**

*(Recommended action would modify the operating procedures for implementation of the Community Investment Loan Fund, which include: changing EDC-VC's remittance of borrower payments from monthly to quarterly, adding procedures for waiving late fees, modifying loan origination fees, and updating the loan approval process.)*

**9. Strategic Planning Discussion – Commission**

*(Commissioners will engage in discussion about strategic planning in FY 2014-15 and will review the Commission's current vision, mission and guiding principles.)*

**10. Report from Executive Director – Claudia Harrison**

- (a) Report on Administrative Operations
- (b) Update on Commission Initiatives
- (c) Update on Statewide First 5 Activities

**11. Commission Member Comments**

*(Government Code Section 54954.2(a) states: "No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.")*

**CLOSED SESSION**

**12. Performance Review of Employee (Govt. Code, Section 54957)**

*(The Commission will go into closed session to discuss the performance evaluation of the Executive Director.)*

**RETURN TO OPEN SESSION**

**13. Discussion and Consideration of Changes to Executive Director's Objectives, Performance Goals and Compensation for Fiscal Year 2014-15**

*(The Commission will consider changes, if any, to the goals, objectives, and compensation of the Executive Director for the current fiscal year.)*

**14. Next Meeting:**

Thursday, August 21, 2014, County Office of Education, 5100 Adolfo Dr., Camarillo

**15. Future Meetings**

Thursday, September 18, 2014, County Office of Education, 5100 Adolfo Dr., Camarillo  
(Please note this meeting will start at 1:30 p.m.)

Thursday, October 16, 2014, County Office of Education, 5100 Adolfo Dr., Camarillo

Thursday, November 20, 2014, County Office of Education, 5100 Adolfo Dr., Camarillo

Thursday, December 18, 2014, County Office of Education, 5100 Adolfo Dr., Camarillo

**In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Kathy Rangel at 648-9990 or via the California Relay Service. Reasonable advance notification of the need for accommodation prior to the meeting (48 hours advance notice is preferable) will enable us to make reasonable arrangements to ensure accessibility to this meeting.**

**FIRST 5 VENTURA COUNTY  
COMMISSION MEETING  
MINUTES**

**June 19, 2014**

Commissioners Present: Reyna Dominguez, Bruce Stenslie, Stan Mantooth, Michael Gollub, Ida Hatfield, Barbara Marquez-O'Neill

Commissioners Absent: Meloney Roy, Robert Levin, Kathy Long

Staff Present: Claudia Harrison, Kathy Rangel, John Anderson, Deanna Handel, Heather Hanna, Sam McCoy, Jennifer Johnson, Diana Arellano, Robin Godfrey

Public Present: Mary Linn Daehlin, Cindy Reed, Cathy Puccetti, Linda Bays

**1. Welcome**

Chair Dominguez opened the meeting at 1:10 p.m.

**2. Approval of Minutes from May 22, 2014**

**A motion was made by Commissioner Gollub, seconded by Commissioner Hatfield, to approve the minutes from the May 22, 2014 Commission meeting. The motion passed unanimously.**

**3. Agenda Approval and Review of Commission Packets**

Claudia Harrison provided an overview of the supplemental packet.

**A motion was made by Commissioner Mantooth, seconded by Commissioner Gollub, to approve the agenda. The motion passed unanimously.**

**4. Public Comments/Correspondence**

There was no public comment.

**5. Presentation: Highlights of Ojai Valley Neighborhood for Learning (NfL) Programming**

Claudia Harrison introduced Alisha Hicks, Director of the Ojai Valley Neighborhood for Learning (NfL), to present highlights of the NfL programming. Alisha stated that the Ojai NfL's mission is to ensure, through community partnerships, that the Ojai Valley's children aged from zero to five years start their lives in a nurturing, compassionate and thoughtful environment. She discussed the NfL programs in relation to the five protective factors. Alicia highlighted how the NfL builds social connections within the community through activities such as Ojai Valley Family Week. She discussed the focus on knowledge of parenting and child development through multiple family forums held throughout the year. She highlighted how the NfL addresses concrete supports in times of need through service outreach in partnership with numerous community organizations

and also with NfL-sponsored scholarships for tuition assistance. Alisha discussed their work on building the social, emotional competence of children through the kindergarten transition program, the READ program and Parent and Child Together (PACT) classes held throughout the school year. She reported on their work to build parent resilience through intensive parent education classes taught in monolingual Spanish. Alisha ended her presentation and commented how she sees the success of the NfL growing through the years and hears exciting and positive feedback from parents involved in the programs.

Commissioner Stenslie asked how many kids are reached through the tuition assistance program. Alisha stated that the program reaches approximately 50-60 kids annually and commented that many of the scholarships are partial assistance. Chair Dominguez asked what feedback has been received on the monolingual classes. Alisha stated that the Spanish speaking families are requesting that the NfL offer more monolingual classes and added that the majority of classes have both parents in attendance.

### **CONSENT AGENDA**

- 6. Receive and File the First 5 Ventura County Financial Reports as of April 30, 2014**
- 7. Recommendation to authorize extension of FY 2013-14 contract for Persimmony data system configuration and implementation.**
- 8. Recommendation to rollover funding for Commission’s website re-design**
- 9. Recommendation to rollover funding for evaluation consultant services to assist in refining Commission’s evaluation plan**

**A motion was made by Commissioner Mantooh, seconded by Commissioner Gollub, to approve the consent agenda. The motion passed unanimously.**

### **REGULAR AGENDA**

#### **10. Report of Committees**

##### **a. Program Committee**

- (1.) Approval of funding, selection of a contractor and delegation of authority to Executive Director to enter into an agreement for the development of Help Me Grow Ventura County

Commissioner Hatfield briefed the Commission on the review process for the submitted applications and complimented the members of the review committee for their engagement. Commissioner Hatfield commented that the Committee discussed the strengths of the application and identified areas for further development. She turned the presentation over to Deanna Handel to present the recommendation.

Deanna reported that this RfQ will support the local development of the Help Me Grow model which connects children at risk for, or experiencing, developmental

delays with services they need. She noted that two applications were received. She stated that the applications were read and scored by independent readers, but only the application from the Landon Pediatric Foundation, in partnership with Ventura County Public Health, met the minimum score of 80 points required to be considered for funding by a review committee. She reported that a review committee met to discuss the Landon Pediatric Foundation application. She discussed the strengths of the application identified by the group along with a review of the identified needs for further development of strategies to reach populations outside of existing systems, engagement of new partners, training and capacity building for 211, and sustainability strategies.

**A motion was made by Commissioner Hatfield, seconded by Commissioner Stenslie, to select Landon Pediatric Foundation as the contractor to support the development of Help Me Grow Ventura County and to grant authority to the Executive Director to enter into annual agreements with Landon Pediatric Foundation for July 1, 2014 – December 31, 2015 in the amount of \$150,000. Contracts would be renewed on an annual basis subject to performance. No new allocations would be required as the increase is supported by Race to the Top Early Learning Challenge Grant supplemental funds. The motion was approved unanimously.**

#### **11. Recommendation to Adopt Final Budget for Fiscal Year 2014-15**

Claudia Harrison briefed the Commission on the budget presentations to the Board of Supervisors and the Community Commission of Ventura County. She reported that an abridged version of the Family Strengthening video was shown to the Board of Supervisors and the Community Commission and was well received. She noted that the budget was received by both entities with great support for the work of First 5 and without any recommended modifications.

**A motion was made by Commissioner Mantoath, seconded by Commissioner Gollub, to adopt the budget for fiscal year beginning July 1, 2014 and ending June 30, 2015. The motion passed unanimously.**

#### **12. Review of First 5 Ventura County Strategic Plan, FY 2010-2015, in compliance with Health and Safety Code Section 130140**

Claudia Harrison summarized the statutory requirements for an annual review of the current strategic plan. She noted the current plan was adopted in September 2010, with this being the third funding year. She reviewed the vision, mission, and guiding principles along with the identified outcomes, major investments and results in each of the areas. She reviewed the elements of the evaluation frameworks. She highlighted the allocation of resources for the Commission's initiatives and demonstrated the extensive leveraging that has taken place. She stated that staff feels the plan continues to reflect the needs in the county. She ended her presentation by stating that the Commission will be entering into strategic planning in the coming months for a new plan to be implemented in 2016.

Commissioner Gollub asked if the Commission is involved in parent literacy. Claudia answered that in the early years there were more adult literacy programs through the NfLs but many of these strategies have been discontinued due to funding constraints and the availability of other resources. Commissioner Gollub commented on the need to place more effort on prevention of fetal toxic effects to reduce developmental delays and he hopes to explore this strategy in future strategic planning sessions.

**A motion was made by Commissioner Stenslie, seconded by Commissioner Gollub, to receive and file the First 5 Ventura County Strategic Plan, FY 2010-2015. The motion carried unanimously.**

### **13. Strategic Planning Discussion**

Claudia Harrison presented a proposed workplan for upcoming strategic planning based on feedback at the May Commission meeting. She commented that staff incorporated specific program areas that were mentioned at that meeting. She walked the Commission through the document, highlighting the target completion dates and discussing the planning process. She noted that staff would play a key facilitator role in the process with consideration for bringing on an outside facilitator when key decisions are being made. Staff is also recommending consultants with additional expertise in topical goal areas and in service delivery systems and sustainability. She asked for feedback on the proposed timelines. Chair Dominguez commented that the workplan reflects a nice balance and is looking forward to further exploration of the service areas with an outside consultant. Commissioner Marquez-O’Neill commented that she would like to see the word “prevention” and “trauma-informed care” implemented into the plan. Commissioner Mantooth commented that he feels that incorporating “proactive” into the wording would be beneficial, but the vision and mission should be simple and broad enough to incorporate many interpretations.

### **14. Report from Executive Director**

Claudia Harrison referred to her written report and provided an update on contract renewal, reporting that all 23 funded partner contracts were issued by June 6, 2014. She noted that the new process for multi-year contracting which was implemented in FY 2013-14 has brought greater efficiencies to workflows for both funded partners and Commission staff. She provided an overview of contract changes. She highlighted ongoing activities and successful partnerships at the Neighborhoods for Learning. She provided a QRIS Implementation update, reporting an increase of participating early education sites from 75 in FY 2013-14 to 116 in FY 2014-15. She discussed how Regional Health Educators (Ventura County Public Health) in the Moorpark/Simi Valley region have been working to offer teen parents information on child development and developmental screenings. She reported on the Oxnard Good for Kids (GFK) Restaurant Week and Ventura’s Summerfest 2014, noting that staff interacted with 500 parents and gave out 450 *Lee the Bee Turn Off that TV* books at the event. In the area of Results Based Accountability, she discussed progress with the transition to the Persimmony data collection software system. She concluded her overview of Commission Initiatives with an update on developing a point-in-time parent survey along with a series of program survey tools to be used by funded partners for continuous quality improvement.

She continued with an overview of County, Regional and National updates. She reviewed the State Final Budget bill that proposes strategic investments in early childhood education in an amount of \$264 million to increase quality in existing programs and expand access. She noted that this represents the largest investment for young children and their education that California has had in over a decade. She reported on the ECE Coalition which is comprised of ECE stakeholders, representing labor, business, providers, early education groups, First 5 California and the First 5 Association, all of whom worked together to submit a set of recommendations to Assemblymember Nancy Skinner, Chair of Legislative Budget Conference Committee. She reported that in 24 hours, over 200 organizations had signed on to this united call for action. She concluded her report with upcoming events and highlights from provider anecdotes.

#### **15. Commission Member Comments**

Commissioner Gollub asked if staff could bring copies of the *Lee the Bee Turn Off that TV* book to the next meeting.

Commissioner Hatfield commented on her visit to the ABC Preschool in Fillmore and noted she was very impressed with the facility and the overall program environment.

#### **16. Next Meeting:**

The next meeting will be held on Thursday, July 17, 2014, at the Ventura County Office of Education, on 5100 Adolfo Dr., in Camarillo.

The meeting was adjourned at 2:33 p.m.

**First 5 Ventura County  
Expenditure Report  
May 2014**

***Roll-up Report***

Account Title	FY13-14 Budget	May 2014 Expenditures	YTD Actual	Amount Available	% Budget Expended
Administration	668,000	53,038	508,398	159,602	76.11%
Equipment	10,000	0	7,337	2,663	73.37%
Communications, Education & Development	412,500	39,682	307,297	105,203	74.50%
Results Based Accountability	340,000	19,447	208,640	131,360	61.36%
Program Management	460,000	37,161	324,408	135,592	70.52%
Countywide Specialized Strategies	1,819,096	104,636	1,249,304	569,792	68.68%
Countywide Preschool Efforts	2,570,529	479,191	1,352,858	1,217,671	52.63%
Neighborhoods for Learning	6,780,305	433,757	4,953,419	1,826,886	73.06%
Community Investment Loan Fund - Implementation	29,656	0	14,899	14,757	50.24%
	<b>13,090,086</b>	<b>1,166,911</b>	<b>8,926,560</b>	<b>4,163,526</b>	<b>68.19%</b>

Account Title	FY13-14 Amount Available	March 2014 Disbursements	YTD Disbursements	Amount Available	% Loans Disbursed
EDC-VC - Loan Disbursements (Accounts Receivable)	1,125,000	0	89,368	1,035,632	7.94%

**TOTAL BUDGET** **14,215,086**

**First 5 Ventura County  
Expenditure Report  
May 2014**

**100 - Administration**

Account Title	FY13-14 Budget	May 2014 Expenditures	YTD Actual	Amount Available	% Budget Expended
Salaries	370,000	36,702	309,212	60,788	83.57%
Overtime	3,000	0	309	2,691	10.30%
Supplemental Payments	4,500	519	4,067	433	90.39%
Retirement Contribution	14,000	1,337	11,361	2,639	81.15%
FICA	22,200	2,305	16,930	5,270	76.26%
Medicare	5,600	539	4,493	1,107	80.23%
Health Insurance	104,700	4,588	69,228	35,472	66.12%
State Unemployment/ETT	2,800	10	1,763	1,037	62.98%
Workers Comp Insurance	3,200	308	2,556	644	79.87%
Accounting & Audit Services	20,000	1,242	15,289	4,711	76.44%
Attorney Services	9,000	25	2,757	6,243	30.64%
Other Professional & Special Services	35,000	423	25,714	9,286	73.47%
Public & Legal Notices	1,800	0	65	1,735	3.59%
Building Leases & Rentals	27,300	4,233	25,949	1,351	95.05%
Telephone	2,300	154	1,339	961	58.23%
Liability Insurance	13,000	455	5,008	7,992	38.53%
Memberships & Dues	6,600	0	6,302	298	95.49%
Office Supplies	5,200	195	1,536	3,664	29.55%
Postage	1,500	0	156	1,344	10.41%
Printing & Binding	800	0	0	800	0.00%
Books & Publications	400	0	0	400	0.00%
Copy Charges	1,500	0	290	1,210	19.31%
Minor Equipment	600	0	81	519	13.45%
Meeting Costs	4,500	0	2,179	2,321	48.42%
Private Vehicle Mileage	2,000	0	546	1,454	27.30%
Conference & Seminars	6,500	0	1,268	5,232	19.50%
<b>Total 100 - Administration</b>	<b>668,000</b>	<b>53,038</b>	<b>508,398</b>	<b>159,602</b>	<b>76.11%</b>

NOTE: Overall, Administration expenditures are running under budget.

**First 5 Ventura County  
Expenditure Report  
May 2014**

**105 - Equipment**

Account Title	FY13-14 Budget	May 2014 Expenditures	YTD Actual	Amount Available	% Budget Expended
Minor Equipment	10,000	0	7,337	2,663	73.37%
<b>Total 105 - Equipment</b>	<b>10,000</b>	<b>0</b>	<b>7,337</b>	<b>2,663</b>	<b>73.37%</b>

NOTE: Equipment expenditures will be reflected in June.

**First 5 Ventura County  
Expenditure Report  
May 2014**

**115 - Communications, Education & Development**

Account Title	FY13-14 Budget	May 2014 Expenditures	YTD Actual	Amount Available	% Budget Expended
Staffing	270,000	23,591	221,329	48,671	81.97%
Operating Expenses	45,000	3,005	28,609	16,391	63.58%
Community Education/Outreach Projects	66,000	8,907	43,476	22,524	65.87%
Partnership Support	18,500	3,928	10,787	7,713	58.31%
Website	13,000	250	3,095	9,905	23.81%
<b>Total 115 - Communications, Education &amp; Development</b>	<b>412,500</b>	<b>39,682</b>	<b>307,297</b>	<b>105,203</b>	<b>74.50%</b>

NOTE: Partner Support expenditures for Parent Leadership Training Series will be realized in Q4, along with Lactation training scholarships under Community Education/Outreach Projects and the website redesign.

**First 5 Ventura County  
Expenditure Report  
May 2014**

**120 - Results Based Accountability**

Account Title	FY13-14 Budget	May 2014 Expenditures	YTD Actual	Amount Available	% Budget Expended
Staffing	85,000	8,562	71,777	13,223	84.44%
Operating Expenses	30,000	760	8,876	21,124	29.59%
GEMS Systems Contract	141,250	7,625	120,875	20,375	85.58%
Persimmony Data System (2/1/14 - 6/30/14)	8,167	0	0	8,167	0.00%
EMT - Evaluation Services (7/1/13 - 3/31/14)	9,400	0	4,285 *	5,115	45.59%
EVALCORP - Evaluation Services (5/19/14 - 6/30/14)	11,000	0	0	11,000	0.00%
Capacity Building Activities	25,000	2,500	2,828	22,172	11.31%
Allocated to Initiative, not yet contracted (Persimmony \$1,833, GEMS \$8,750, and Evaluation Services \$19,600)	30,183	0	0	30,183	0.00%
<b>Total 120 - Results Based Accountability</b>	<b>340,000</b>	<b>19,447</b>	<b>208,640</b>	<b>131,360</b>	<b>61.36%</b>

NOTE: Overall, RBA expenditures are running slightly under budget. Increased expenditures anticipated in Q4 due to timing of capacity building activities and transition to new Persimmony Data System.

\* Amount includes a prior year credit.

**First 5 Ventura County  
Expenditure Report  
May 2014**

**130 - Program Management**

Account Title	FY13-14 Budget	May 2014 Expenditures	YTD Actual	Amount Available	% Budget Expended
Salaries	240,500	24,830	190,491	50,009	79.21%
Overtime	400	0	0	400	0.00%
Retirement Contribution	7,300	627	5,597	1,703	76.67%
FICA	15,000	1,520	11,627	3,373	77.51%
Medicare	3,500	356	2,719	781	77.69%
Health Insurance	76,600	3,371	51,382	25,218	67.08%
State Unemployment/ETT	2,500	146	793	1,707	31.72%
Workers Comp Insurance	2,200	208	1,587	613	72.14%
Accounting & Audit Services	18,000	1,058	12,925	5,075	71.80%
Attorney Services	8,000	21	2,349	5,651	29.36%
Other Professional & Special Services	17,000	612	4,397	12,603	25.87%
Public & Legal Notices	1,600	0	0	1,600	0.00%
Building Leases & Rentals	23,000	3,582	21,960	1,040	95.48%
Telephone	2,000	30	1,039	961	51.96%
Liability Insurance	11,500	437	4,812	6,688	41.85%
Memberships & Dues	5,600	0	5,147	453	91.91%
Office Supplies	4,300	230	1,335	2,965	31.04%
Postage	1,000	0	0	1,000	0.00%
Printing & Binding	800	0	0	800	0.00%
Books & Publications	300	0	19	281	6.24%
Copy Charges	1,300	0	247	1,053	18.98%
Minor Equipment	600	0	69	531	11.46%
Meeting Costs	3,800	0	1,457	2,343	38.33%
Private Vehicle Mileage	4,700	133	2,083	2,617	44.33%
Conference & Seminars	8,500	0	2,373	6,127	27.92%
<b>Total 130 - Program Management</b>	<b>460,000</b>	<b>37,161</b>	<b>324,408</b>	<b>135,592</b>	<b>70.52%</b>

NOTE: Overall, Program Management expenditures are running under budget.

**First 5 Ventura County  
Expenditure Report  
May 2014**

**165 - Countywide Specialized Strategies**

Account Title	Payment Method	FY13-14 Budget	May 2014 Expenditures	YTD Actual	Amount Available	% Budget Expended	Services Billed/Adv. Through	12/13 Spending Level
VCPH- Regional Health Educators	Q	575,000	0	423,502	151,498	73.65%	Mar	100%
VC Behavioral Health- Triple P/Parent Support	Q	497,500	86,292	298,093	199,407	59.92% 1	Mar	97%
Clinicas - Oral Health	ADV	93,000	0	60,584	32,416	65.14% 2	Mar	74%
SB/VC Mobile Dental Disease Clinic	Q	157,000	0	97,571	59,429	62.15%	Mar	100%
SB/VC - Fluoride Varnish - Dental Providers	Q	65,000	0	51,415	13,585	79.10%	Mar	100%
VCPH- Fluoride Varnish - Medical Providers	Q	65,000	0	43,545	21,455	66.99% 3	Mar	90%
VCPH - Prenatal Support and Care	Q	50,000	17,642	43,685	6,315	87.37%	Mar	100%
Landon Pediatrics - Developmental Screen/Surv. in Medical Setting	Q	100,000	0	74,205	25,795	74.21%	Mar	100%
MICOP - Puentes Program	Q	80,000	0	57,222	22,779	71.53%	Mar	100%
Interface-2-1-1 Ventura County	Q	100,000	0	75,000	25,000	75.00%	Mar	100%
Community Action of Ventura County - Benefits Calculator	D	5,288	702	702	4,586	13.28%	Completed	47%
VC HSA - Child Welfare Systems Change	Q	30,000	0	22,500	7,500	75.00%	Mar	45%
Resource Materials/Supplies for Homeless Families	I	1,308	0	1,280	28	97.84%	Completed	93%
<b>Total 165 - Countywide Specialized Strategies</b>		<b>1,819,096</b>	<b>104,636</b>	<b>1,249,304</b>	<b>569,792</b>	<b>68.68%</b>		

**NOTES:**

Countywide programs realized an average of 72% of actual expenditures as of their Quarter 3 billing (or 75% of the year lapsed). In most cases, the variances in slightly higher or lower spending levels are attributed to timing of activities.

1. VCBH Triple P program - lower % spending level primarily due to timing of activities (Triple P trainings and materials are billed at year-end). Services are on track.
2. Clinicas' forecasted spending level for FY13/14 is \$60,000. Working with funded partner on outreach strategies. Adjusted FY14/15 contract amount accordingly.
3. Lower spending level in personnel due to a staff member on maternity leave.

Payment Method: Q=Quarterly, M=Monthly invoicing, ADV=Monthly Advance, F=Fixed Asset, D=Deliverables, I=Internal Program

**First 5 Ventura County  
Expenditure Report  
May 2014**

**195 - Countywide Preschool Efforts**

Account Title	Payment Method	FY13-14 Budget	May 2014 Expenditures	YTD Actual	Amount Available	% Budget Expended	Services Billed/Adv. Through	12/13 Spending Level
VCOE - Quality Rating and Improvement System (QRIS)	Q	1,920,883	438,858	978,848	942,035	50.96% 1	Mar	72%
F5VC - QRIS	I	135,000	4,078	38,660	96,340	28.64% 2	May	n/a
VCOE - CARES Plus	Q	475,791	0	146,717	329,074	30.84% 3	Mar*	89%
F5VC - CARES Plus Coordination	I	17,000	1,748	14,842	2,158	87.30%	May	n/a
VUSD - Preschool Expansion	Q	89,000	27,081	45,347	43,653	50.95% 4	Mar	89%
CDI - Preschool Expansion	Q	184,614	0	54,175	130,439	29.34% 5	Dec	77%
EI Centrito - Preschool Expansion	ADV	89,124	7,427	74,270	14,854	83.33%	May	n/a
<b>Total 195 - Countywide Preschool Efforts</b>		<b>2,911,412</b>	<b>479,191</b>	<b>1,352,858</b>	<b>1,558,554</b>	<b>46.47%</b>		

**NOTES:**

1. Lower spending level for VCOE - QRIS largely attributed to timing of subcontractor billings and activities based on academic year in which higher expenditures will be reflected in quarter 4; some salary savings are expected due to ramp-up for hiring new staff. Anticipate a portion of participation incentives to be carried over to FY14/15. Remaining federal & state grant funds will rollover to FY14/15.
2. Lower spending level for F5VC - QRIS largely attributed to dollars allocated for evaluation software system not yet spent.
3. Stipends, which represent the majority of costs, are paid at year-end. Program is on track.
4. VUSD program site relocated; services began at new site in December 2013.
5. CDI contract includes 2 site locations; second site began services in mid November 2013.

Payment Method: Q=Quarterly, M=Monthly invoicing, ADV=Monthly Advance, F=Fixed Asset, D=Deliverables, I=Internal Program

\* Stipends, which represent the majority of costs, are paid at year-end. Program is on track.

**First 5 Ventura County  
Expenditure Report  
May 2014**

**250 - Neighborhoods for Learning**

Account Title	Payment Method	FY13-14 Budget	May 2014 Expenditures	YTD Actual	Amount Available	% Budget Expended	Services Billed/Adv. Through	12/13 Spending Level
Conejo Valley NfL	Q	664,255	193,358	466,958	197,297	70.30%	Mar	91%
Hueneme/South Oxnard NfL	ADV	745,985	62,165	598,613	147,372	80.24% 1	May	100%
Moorpark/Simi Valley NfL	ADV	1,045,385	0	871,150	174,235	83.33% 1	Apr	98%
Oak Park NfL	Q	65,096	0	53,434	11,662	82.08%	Mar	100%
Ocean View NfL	ADV	311,440	25,953	265,627	45,813	85.29%	May	99%
Ojai Valley NfL	ADV	200,365	16,697	158,899	41,466	79.30% 1	May	95%
Oxnard NfL	ADV	1,467,855	0	983,216	484,639	66.98% 1	Apr	89%
Pleasant Valley NfL	Q	431,220	0	307,302	123,918	71.26%	Mar	100%
Rio NfL	Q	438,990	135,584	273,589	165,401	62.32%	Mar	98%
Santa Clara Valley NfL	ADV	599,540	0	422,569	176,971	70.48% 1	Apr	95%
Ventura NfL	Q	810,174	0	552,063	258,111	68.14%	Mar	98%
<b>Total 250 - Neighborhoods for Learning</b>		<b>6,780,305</b>	<b>433,757</b>	<b>4,953,419</b>	<b>1,826,886</b>	<b>73.06%</b>		

**NOTES:**

Neighborhoods for Learning programs realized an average of 67% of actual expenditures as of their Quarter 3 billing (or 75% of the year lapsed). In most cases, lower spending levels are attributed to timing of subcontractor billings and activities based on an academic year in which higher expenditures are reflected in Q4. Overall NfL year-end spending level forecasted to be 97%.  
1. Advance payments adjusted according to spending level, due to timing of services.

Payment Method: Q=Quarterly, M=Monthly invoicing, ADV=Monthly Advance, F=Fixed Asset, D=Deliverables, I=Internal Program

**First 5 Ventura County  
Expenditure Report  
May 2014**

**280 - Community Investment Loan Fund**

Account Title	Payment Method	FY13-14 Budget	May 2014 Expenditures	YTD Actual	Amount Available	% Budget Expended	Services Billed/Adv. Through	12/13 Spending Level
EDC-VC - Community Investment Loan Fund - Implementation	Q	29,656	0	14,899	14,757	50.24% 1	Dec	100%
<b>Total 280 - Community Investment Loan Fund</b>		<b>29,656</b>	<b>0</b>	<b>14,899</b>	<b>14,757</b>	<b>50.24%</b>		

Account Title	FY13-14 Amount Available	March 2014 Disbursements	YTD Disbursements	Amount Available	% Loans Disbursed	
EDC-VC - Loan Disbursements (Accounts Receivable)	1,125,000	0	89,368	1,035,632	7.94% 2	See note

**NOTE:**

1. Q3 invoice for EDC-VC Implementation in process, which brings their spending level to 71%.
2. Two loans have been issued: a loan in Fillmore for \$175,000 (issued in FY12/13) and a loan in Moorpark for \$89,368. Total loan fund is \$1.3 million, leaving a remaining balance of \$1,035,632 available for loans. Two new loans are in process. One loan is for \$312,500 to create a new center in Santa Paula, resulting in 90 early childhood spaces, 40 of which are infant/toddler spaces. The second loan is for \$30,000 to renovate an vacant classroom thereby adding 30 preschool spaces at ABC Learning Preschool in Fillmore, the first recipient of the Community Investment Loan Fund.

Payment Method: Q=Quarterly, M=Monthly invoicing, ADV=Monthly Advance, F=Fixed Asset, D=Deliverables, I=Internal Program



## **Memo**

**To:** Commissioners, First 5 Ventura County

**From:** Jennifer Johnson, Director of Operations

**Date:** July 17, 2014

**Re: Recommendation to Amend Lease Agreement with Don Carlton Realty Company to Add Storage Space**

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### **Background**

The Commission has a lease with the Don Carlton Realty Company for occupancy of its administrative office at 2580 E. Main Street, Ventura, CA. The Commission's five-year lease is currently scheduled to end on December 31, 2015. The total square footage occupied is 3,210. The Commission also rents a storage unit from Freeway Storage on Market Street in Ventura. The storage unit is 100 square feet and rents for \$118 per month (\$1.18 per square foot).

The Commission's Communications, Education and Development purchases education and outreach materials to distribute through community events, Neighborhoods for Learning, hospitals, and other community partners. Items are ordered in bulk to yield cost savings. Orders are received at the First 5 offices and are then distributed throughout the year. The need for additional storage space has increased. The storage unit is currently at capacity and there is a lack of space at the First 5 offices to store materials. Funds were budgeted in FY 2014/15 to acquire additional off-site storage space.

At the property where First 5 office is located, there is a storage space that is vacant in an adjoining suite. Don Carlton Realty Company is proposing to lease the on-site storage space of 275 square feet at \$1.00 per square foot. This rate is almost 20% lower than the rate charged by Freeway Storage for off-site storage. The amount of square feet available on-site is commensurate with the amount needed for general records storage and outreach/education materials. Therefore, the currently occupied off-site storage space would be vacated.

The existing lease would be amended to add this storage space through the end of the current lease which expires on December 31, 2015. The additional cost added to the lease would be \$275.00 per month.

### **Recommendation**

The recommended action is to grant the Executive Director authority to amend the existing lease agreement with Don Carlton Realty Company to acquire on-site storage space through the end of the current lease which expires on December 31, 2015. No new allocation of funds is needed for the current fiscal year, as expenditures were budgeted in the approved FY 2014/15 budget.

**Memo**

**To:** Commissioners, First 5 Ventura County  
**From:** Petra Puls, Director of Program and Evaluation  
**Date:** July 17, 2014  
**Re:** Recommendation to Update Operating Procedures for Community Investment Loan Fund

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**Background**

The goal of the Community Investment Loan Fund is to increase the number of licensed quality child care and preschool spaces for Ventura County's children by providing low-cost financing for facilities development. Following a bid process in July 2009, the Commission selected the Economic Development Collaborative of Ventura County (EDC-VC) as the implementation partner for the Community Investment Loan Fund (CILF). The Commission also approved loan terms, guidelines, and operating procedures which are incorporated into the contract with EDC-VC.

As part of the annual contract renewal process, several opportunities were identified for improving the Operating Procedures, which serve as the guiding document for implementing the Community Investment Loan Fund, were identified. Proposed changes are tracked on the attached document.

**Recommendation**

The recommended action would modify the operating procedures for implementation of the Community Investment Loan Fund, which include: changing EDC-VC's remittance of borrower payments from monthly to quarterly, adding procedures for waiving late fees, modifying loan origination fees, and updating the loan approval process.

## Community Investment Loan Fund Operating Procedures

### First 5 Ventura County and Economic Development Collaborative–Ventura County

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#### **OVERVIEW:**

**These Operating Procedures** are to guide the implementation of the Community Investment Loan Fund, helping to define the roles of the Economic Development Collaborative-Ventura County (EDC-VC) and First 5 Ventura County (First 5). These operating procedures are meant as general guidelines to assure the efficient delivery of services toward achieving the program's goals.

**Program Purpose:** The purpose of the Community Investment Loan Fund is to provide below-market financing for the development of licensed quality child care and preschool facilities for Ventura County's children. The Loan Fund is designed to help increase the number of licensed child care and preschool spaces, by direct lending, by leveraging additional financing and investment, and by helping applicants get the maximum benefit of other limited resources.

**For additional detail on the Loan Fund see the Loan Terms and Guidelines, attached.**

#### **PROGRAM TASKS:**

EDC-VC will complete the tasks as identified in the program contract. For operational summary here, EDC-VC Community Investment Loan Fund Program Tasks include:

1. Loan underwriting, servicing and general administration, in consultation with First 5 for program eligibility, relative to the population to be served.
2. Review of the applicant's business plan through the EDC-VC'S Business Enhancement Program (BEP) and by other professional resources to be arranged as appropriate to counsel loan applicants and assist them with the preparation of loan applications. This review may include referral to First 5 for assistance in coordinating professional review dedicated to supporting employer-sponsored child care/preschool programs.
3. Assemble borrowers' applications and relevant financial information (See Application Procedures, below).
4. Prepare a credit analysis and memorandum for submission to the Loan Board.
5. EDC-VC shall develop, maintain and continually support a Community Investment Fund Loan Board. EDC-VC is responsible for orienting the Loan Board to program goals and objectives.

The Loan Board will be comprised of five members, at least three of whom shall have professional banking or financial knowledge and experience. Other Loan Board members shall be individuals with general business or economic development experience and knowledge. At least one Loan Board member will have experience in child care and early child education programs.

**CILF Operating Procedures**  
**EDC-VC and First 5 Ventura County**  
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A voting quorum will consist of not less than three members, two of whom must be individuals with professional financing experience. An affirmative vote of at least three members will be required for loan approvals, all major loan modifications or waivers, and recommendations for loan foreclosure/write-off actions. The Loan Board will schedule meetings as needed, but agree to review transactions requiring immediate attention. No loan can be committed, nor major loan modification or waiver agreed to, or loan foreclosure action initiated without written approval (in the form of Loan Board Minutes) of the Loan Board. The Loan Board will also be responsible for approving the pricing of loans approved for funding. The Loan Board does not have the authority to write off loans. The Loan Board will make loan write-off recommendations to the First 5 Commission; write-off actions will require Commission approval.

All Loan Board members will sign a declaration on each loan approval assuring no personal conflict of interest. Loan Board members who may have a conflict of interest shall not participate in the loan decision.

6. For approved applications, prepare closing documents and manage the loan closing process in a timely manner and in compliance with all appropriate regulations.
7. Maintain a permanent file on each loan with all required documentation.
8. Perform loan servicing, with additional counseling going towards problem accounts (See Servicing Procedures, below).
9. At a minimum, annually request, collect, and review borrower's financial statements. The frequency of financial statement review may be shorter, as set by each loan's final terms and conditions.
10. Analyze and make recommendations as appropriate when responding to borrower's requests for collateral releases or subordinations.
11. Provide quarterly reports in support of invoices, summarizing the quarter's activities, loan program inquiries, loans in process, and tentative loan closing dates. EDC-VC will also provide reports as requested by First 5.
12. Provide quarterly financial and program income reports, including individual account status, accounting of loan principal and interest repaid, child care and early child education spaces created, and other program performance reports as may be requested by First 5.
13. If necessary, provide a collection action report for any past due loans (see Collection and Default Procedures, below).
14. Work with First 5 staff to update the Community Investment Loan Fund parameters as needed.
15. Work with First 5 staff to maintain a marketing and outreach program for the Community Investment Loan Fund Program.
16. Seek and promote co-investment into the Community Investment Loan Fund by other financial partners, including and particularly commercial credit institutions.

**APPLICATION PROCEDURES:**

EDC-VC shall require each potential borrower to complete the Community Investment Loan Fund application. The application shall include, but is not limited to, the following documentation:

1. History of the business with written explanation of loan request, amount, purpose, and repayment terms requested.
2. Personal federal tax returns for the last three years, including all schedules.
3. If applicable, business federal tax returns for the last three years, including all schedules.
4. A business plan, to include interim statements (profit & loss and balance sheet), which are not older than 90 days.
5. Personal financial statement for each owner with a 20% or more interest in the business.
6. Schedule of outstanding debt, both business and personal.
7. Signed Certification of Financial Statements.
8. Signed IRS Form 4506 authorizing EDC-VC to obtain copies of personal and business tax returns directly from the IRS.
9. Signed business and personal Credit Authorization Statements for the business and any individual with 20% or greater ownership in the business.
10. For business real estate owned by applicant, a completed Environmental Certification Questionnaire.
11. Copy of property mortgage or lease, or other demonstration as appropriate of ownership or control over proposed service location.
12. Demonstration of zoning clearance supporting and allowing child care/early child education property usage.
13. If applicable, the following documentation shall be received and reviewed by EDC-VC:
  - a) Current entity formation documents as required;
  - b) Proof of Hazard and Liability Insurance (declaration pages);
  - c) Copy of Business License.

**LOAN PAYMENT, INITIAL DISBURSEMENT:**

1. EDC-VC submits to First 5 Executive Director a loan fund disbursement request.
2. The request for approval and disbursement shall include all loan documents, the Loan Board minutes, the approved Credit Memorandum and signed commitment letter.
3. Loan document requires the signature of the First 5 Executive Director.
4. Loan funds are issued by First 5 to the EDC-VC for disbursement to the approved loan recipient.

**SERVICING PROCEDURES:**

EDC-VC shall adhere to the following procedures regarding loan payment and servicing procedures:

1. EDC-VC will, on an annual basis, provide monthly payment coupons to each borrower.
2. Loan principal and interest payments will be made payable to “EDC-VC”, and mailed to:  

Attn: Fiscal Administrator  
Economic Development Collaborative – Ventura County  
1601 Carmen Drive, Suite 215  
Camarillo, CA 93010
3. EDC-VC will deposit loan payments into a segregated checking account. Within 15 business days of the end of each quarter EDC-VC will send the loan principal and interest payments, any origination fees collected, and any interest earned from the segregated account deposits, directly to First 5.
4. EDC-VC will produce and review monthly reports of disbursements, receipts of principal and interest, and any past due accounts.
5. Late fees shall be \$100.00 for each late payment. The borrower may request late fee(s) be waived with a written request submitted to EDC-VC with an explanation of extenuating circumstances. EDC-VC staff may waive late fees up to \$300 per year, provided the loan is brought current. Waiving of late fees over \$300 per year shall be approved by the Loan Board, provided the loan is brought current. EDC-VC shall report on any late fees that were waived in the quarterly financial/program report.
6. EDC-VC will provide First 5 quarterly financial and program income reports, including individual account status, accounting of loan principal and interest repaid, data on the retention and increase of child care or early child education spaces, and other program performance reports as may be requested by First 5.
7. EDC-VC will conduct formal site visits annually, or, if the situation warrants, more frequent site visits may also be conducted.
8. EDC-VC will request from borrower and review all applicable financial statements and tax returns as stipulated in each loan’s terms and conditions.
9. Any miscellaneous servicing requirements, which may or may not be listed herewith.

**COLLECTION AND DEFAULT PROCEDURES:**

EDC-VC shall adhere to the following procedures regarding loan payment collection and loan default procedures:

1. When a required loan payment is not made when due, EDC-VC will contact the borrower within 5 business days to determine the nature of the problem.
2. EDC-VC will send a written notice of delinquent payment ten working days after due date with notification of late penalty to the borrower.
3. EDC-VC will send a second written notice 30 days after the due date.

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4. EDC-VC will send a third written notice 60 days after the due date.
5. EDC-VC will send a fourth written notice 90 days after the due date.
6. Copies of the notification required in paragraphs 2 through 5, above, shall be sent to First 5.
7. During the first 90 days of delinquency, written and oral communication as well as site visits by EDC-VC will be utilized to resolve the delinquency. If, after 90 days, a delinquency still exists and the loan has not been renegotiated or brought current or foreclosed upon, the loan will be taken to the Loan Board for determination of default and recovery of the security.
8. At any time during this 90 day period that EDC-VC believes that the borrower cannot or will not bring the loan current, with Loan Board approval, the EDC-VC can declare the loan in default and begin recovery against the collateral.
9. EDC-VC staff, under the direction of the Loan Board, will exercise all lender's rights and privileges in order to collect the proceeds on delinquent loans. To ensure that the delinquent loan is collected in an appropriate, efficient, and timely manner, EDC-VC will:
  - a. Prepare a plan of action for approval by the Loan Board for collecting the loan and taking action against the collateral.
  - b. Make sure all required documentation is in order.
  - c. As appropriate, coordinate collection efforts with First 5 and its legal counsel or collection agent as appropriate, and otherwise take reasonable steps to ensure that no laws or regulations will be violated by the collection effort.
  - d. Notify any guarantors of the default and put them on notice that they are expected to make payment, in full, upon demand.
  - e. Begin collection procedures and/or asset liquidation processes.
10. The Loan Board may bring a loan write-off recommendation to First 5 for remaining balances of loans that have been placed in default and remain outstanding after 180 days. First 5 has final approval on loan write-off actions. In the event a loan is written off, collection efforts will continue until it is determined not to be cost effective or prospects for any recovery no longer exist.

**PROGRAM GUIDELINES:**

EDC-VC shall administer the Community Investment Loan Fund in compliance with (and require applicants' compliance with) the following guidelines.

**Initiating the Application:**

Applicants will be pre-screened for program eligibility by EDC-VC and First 5. Once eligibility is determined, EDC-VC will begin loan qualification and processing.

A formal business plan is required as a part of the application process. A limited amount of business plan development assistance is available at no cost to the applicant from the EDC-VC Business Enhancement Program. The applicant may also be referred to First 5 for

coordinating professional review or referred directly to other professional child care resources for assistance.

**Application/Loan Fees:**

The applicant is required to pay all associated out-of-pocket costs for the loan service (e.g., credit reports, other credit and collateral documentation). EDC-VC shall collect and retain payment from applicants to offset its (EDC-VC's) out-of-pocket expenses incurred for such credit reports and other credit and collateral documentation. Origination fees are set at \$500 for planning loans and 2% of the loan amount for construction or amortizing loans. Origination fees may be waived when converting from a construction loan to an amortizing loan. Origination fees will be collected by EDC-VC and paid to First 5, as per Servicing Procedures outlined above.

**Loan Administration:**

The EDC-VC will provide the following services:

- Process and package the loan applications;
- Approval of loan packages;
- Administer the loan-servicing program.

Administrative efforts will be minimized through the use of "standard form" documents. The EDC-VC will collect loan repayments and remit all repayments and interest to First 5 monthly as outlined in the Servicing Procedures section above.

**Terms:**

The term of the loan shall be determined on a case-by-case basis, with the following limits:

- Planning loans are short term loans, a maximum of two years, amortized.
- Construction loans are a maximum of two years, amortized.
- Amortizing loans have a maximum amortization of 20 years, repayment periods of up to seven years, with terms negotiated on a case-by-case basis.

Further detail on loan products is provided in the attached Loan Terms and Program Guidelines.

**Security:**

A Promissory Note to the First 5 may be secured by a Deed of Trust, which may be in a 2<sup>nd</sup> position. A Uniform Commercial Code 1 (UCC 1) filing will be recorded. A UCC 1 filing effectively places a lien on commercial and business assets for the purposes of securing the loan. This is registered with the State of California.

Community Investment Loan Fund loans will not exceed 75% of the total project cost.

**Marketing:**

EDC-VC and First 5 will coordinate the marketing program. Efforts will be directed to for-profit businesses and organizations, including child care or school operators, employers and

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private developers; nonprofit organizations; public and private schools; public entities, elected officials, commercial realtors, Chambers of Commerce and local lenders.

**Eligibility Criteria:**

Eligible Applicants for the Loan Fund include for profit businesses and organizations, including child care or school operators, employers and private developers; nonprofit organizations; public and private schools; public entities.

Eligible projects must serve children ages 0-5 in Ventura County. Lending decisions for projects that propose serving mixed age children (0-5 and school age) may take into account the percentage of children ages 0-5 served with the requested funds, relative to the total population served and to the total project cost.

**Interest Rate:**

Interest Rates may range from two points below prime rate to two points over. Given commercial rates in late 2013, the estimated current average rate is 4.25%.

**Use of Funds:**

Loan proceeds may be used for the planning, acquisition, construction, expansion, rehabilitation and refinancing of new or existing licensed child care and preschool centers. *The intended outcome is a measurable increase in the number of spaces.*

Loan funds may *not* be used for operating capital.

Further detail on loan products is provided in the attached Loan Terms and Program Guidelines.

**Loan Amounts:**

Loan amounts vary per program aspect. Planning loans are limited to a maximum of \$20,000. Construction loans are limited to a maximum of \$800,000. Amortizing loans may range from a low of \$15,000 to a maximum of \$800,000.

Exceptions to loan limits may be approved by the Loan Board, with the prior approval, on a project by project basis, by First 5.

**Applicant's Contractual Responsibility:**

The borrower is responsible for repaying the entire loan plus interest in a timely manner, as stated in the loan agreement. All loan funds must go directly toward the approved project.

If a business fails to adhere to any contractual agreement with the First 5 and/or the EDC-VC, the loan will become due and payable in full. Other penalties may also be assessed as defined in the loan agreement.

**UNDERWRITING GUIDELINES:**

The purpose of the Community Investment Loan Fund is to increase the number of early child education and child care spaces. Toward this end, First 5 has made funds available to lend to

businesses that may not qualify for conventional (bank) financing, or for applicants whose projects to expand the number of spaces may not be economically viable without access to affordable capital. The underwriting standards adapted by First 5 and EDC-VC through the Loan Board will consider all project criteria as a whole rather than focusing on one particular facet of the underwriting standards, which may lead to a decline of the application.

1. **Companion Loans.** All loans may be companion loans in combination with other loans from outside of First 5 sources or they may be direct loans made on a stand-alone basis. A companion loan may consist of a bank loan, SBA loan, or any other source of borrowed funds.
2. **Terms, Fees and Interest Rates.** See sections above and attached Loan Terms and Program Guidelines.
3. **Collateral.** Collateral may be, but is not limited to, equipment liens, UCC filing on business assets, real estate, and/or personal and/or corporate guarantees.  
  
Real estate property may be taken as an abundance of caution, with no appraisal required.
4. **Borrower Equity Contribution.** Loans will not exceed 75% of the total project cost. Borrower's equity must be at least 25% of the total project cost.
5. **Loan Loss Ratio.** Underwriting of loans is to be affected by the overall performance of the loan portfolio. If more than 25% of the loans in the portfolio are in collection or liquidation, underwriting standards must be tightened.
6. **Standards for Creating Number of Child Care or Early Child Education Spaces.** There is no set minimum standard, though the project goal is to increase the number of spaces on a significant scale. The amount of any loan will take into consideration the per dollar cost of new spaces created.

Eligible projects must serve children ages 0-5 in Ventura County. Lending decisions for projects that propose serving mixed age children (0-5 and school age) may take into account the percentage of children ages 0-5 served with the requested funds, relative to the total population served and to the total project cost.

### **Ineligible Loan Activities**

- Loans to businesses outside Ventura County.
- Loans for operating capital.
- Loans for the purpose of investing.
- Loans which would create a potential conflict-of-interest for any officer or employee of First 5 or EDC-VC, or any current member of the Loan Board or staff who reviews, approves, or otherwise participates in the decision on that specific loan.

### **THE LOAN APPROVAL PROCESS:**

1. All identified potential Community Investment Fund loan applicants will be referred to the EDC-VC Loan Officer. EDC-VC staff will review the CILF Loan Terms and Program Guidelines document (attached) with all CILF loan applicants.

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2. For projects that may be potentially eligible, EDC-VC will provide First 5 Ventura County a “project summary”, which will include: contact information for the applicant; ownership type and listing of principals; amount requested source of the matching funds; a brief description of the business; use of funds; and current and projected child care spaces.
3. Relative to the target population (that is age of children served by the project and expansion of child care or early child education spaces) First 5 is responsible to make the eligibility determination.
4. Once the project is determined to be eligible, the Loan Officer may, as appropriate, refer the applicant to an individual or team of resources through EDC-VC and/or to First 5 or other child care/early child education professionals for business plan review and other assistance.
5. The referred individual or team of resources review the business plan, assist the applicant in completing its business plan (if needed), assist in identifying and maximizing child care/early child education resources.
6. The Loan Officer will begin initial review of the applicant’s status and loan application, and will work with the applicant to assure EDC-VC’s receipt of a complete application. Information required on the Application form includes contact information for the applicant, ownership type and listing of principals, amount requested source of the matching funds, a brief description of the business, use of funds, and current and projected child care spaces.
7. For an existing business the following is the minimum information needed:
  - a. Current personal financial statements of the principals.
  - b. Last three personal tax returns of the principals.
  - c. Last three year’s financials statements (balance sheet and profit and loss statement) of the business (if applicable).
  - d. Financial projections for next three years.
  - e. Last three year’s tax returns of the business (if applicable).
  - f. Interim business financial statements, less than 90 days old.
  - g. Project description, including Sources and Uses of Funds statement.
  - h. Business plan, including market analyses, feasibility study, etc.
10. For a start-up business, in addition to all of the above, as applicable, it must also furnish the following:
  - a. Demonstration of management experience.
  - b. Financial projections for next three (3) years, including quarterly projections for the first two (2) years.
  - c. Satisfactory credit history.

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11. It is the EDC-VC's responsibility, through its Loan Officer, to analyze the loan request and put it into a standardized form (Credit Memorandum) for presentation to First 5 Ventura County and the Loan Board. Consideration should be given to the following areas:
  - a. Owners must have a satisfactory credit history. Based on a case-by-case examination the following areas should be considered: no bankruptcy within the past six years; charge-offs; repossessions; collections; Federal and State tax liens.
  - b. Number of child care or early child education spaces to be created.
  - c. Management experience in the same type of industry.
  - d. Loans will not exceed 75% of the total project cost. Borrower's equity must be at least 25% of the total project cost.
  - d. Probability of repayment, based on historical cash flow for existing businesses and projections for start-ups.
  - e. Reasonable projected debt service coverage.
  - f. Reasonable debt to worth.
  - g. Proof of appropriate zoning for proposed facilities use.
  - h. Demonstration of operating revenue, including short and long-term analyses of federal, state and local sources of child care or preschool payment.
  - i. General conditions of the economy as a whole.
12. The Loan Officer will provide the completed Credit Memorandum to First 5 Ventura County for review and final eligibility determination before proceeding to the Loan Board.
13. The Loan Board will review all loan proposals that have been recommended by the Loan Officer. All loan applications must be approved by a majority vote of the Loan Board, with at least two banking or finance professionals participating in the loan recommendation.
14. The EDC-VC will convene the Loan Board when there is a loan proposal (or proposals) ready to be presented. Monthly meetings are not required.
15. Upon loan approval by the Loan Board the EDC-VC Loan Officer will prepare a commitment letter. The commitment letter is forwarded to First 5 for signature along with a copy of the appropriate Loan Board's minutes. EDC-VC will deliver the commitment letter to the applicant. The commitment letter explains the terms and conditions of the loan approval and requests the applicant acknowledge those terms and conditions.
16. Once the applicant has accepted the loan terms, the Loan Officer will draw up the loan documentation, as appropriate, for the borrower's signature. The signed documents are then forwarded to First 5 along with the signed commitment letter.

## Ventura County Community Investment Loan Fund Loan Program Purpose, Terms and Guidelines

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**Overview:** There is a large gap between available quality child care and preschools in Ventura County and the community's need, leaving many—particularly working parents of young children—in a bind. To help remedy the situation, **First 5 Ventura County** and the **Economic Development Collaborative-Ventura County** are partnering on the Community Investment Loan Fund to benefit early education and child care in the county.

As a long-range economic development consideration, we know that children who attend preschool do better academically throughout their education. Investment in early child education and care helps assure a future generation of skilled workers and economic prosperity.

**The purpose** of the Community Investment Loan Fund is to provide below-market financing for the development of licensed quality child care and preschool facilities for Ventura County's children. The Loan Fund is designed to help increase the number of licensed child care and preschool spaces, by direct lending, by leveraging additional financing and investment, and by helping applicants get the maximum benefit of other limited resources.

**Uses of Funds:** Loan proceeds may be used for the planning, acquisition, construction, expansion, rehabilitation and refinancing of new or existing licensed child care and preschool centers. *The intended outcome is a measurable increase in the number of spaces.* **Loans may not be used for operating capital.**

**Eligible Applicants** for the Loan Fund include for profit businesses and organizations, including child care or school operators, employers and private developers; nonprofit organizations; public and private schools; public entities.

**Financing and Business Plan Consultation:** The Community Investment Loan Fund partners (EDC-VC and First 5 Ventura County) will secure and provide no-cost resources for financing consultation and for business plan review and refinement. Assistance may include:

- Identifying resources for public and private funding.
- Developing an effective loan and funding request.
- Guidance in preparing loan application documents.
- Liaison to city and county planning and permitting offices.
- Connection to other financing, child care and preschool community resources.

### **Rates & General Conditions:**

- Rates for all loan products (see next page) may range from two points below prime rate to two points over. Given commercial rates in late 2009, the estimated current average rate is 4.0%.
- Solid and up-to-date business plan, credit history and clean financial statements.
- Evidence of sufficient collateral and assets to repay the debt financing.
- Eligible projects must serve children ages 0-5 in Ventura County. Lending decisions for projects that serve mixed age children (0-5 and school age) may take into account the percentage of children ages 0-5 served with requested funds, relative to the total population served and to the total project cost.
- Proof of appropriate zoning for proposed facilities use.
- Evidence of sufficient collateral and assets to repay the debt financing.

**Loan Products:** The Loan Fund includes three separate products, all intended to increase the number of licensed child care and preschool spaces in Ventura County:

- **Planning and Development Loans, Maximum \$20,000.**
  - For early stage project readiness activities; may cover expenses including site and project feasibility, market analysis, financial analysis and fund development planning.
  - Short term loans, a maximum of two years, amortized.
  - Origination fees include out-of-pocket expenses plus \$500.
  - Should the planning and development process lead to acquisition, construction or rehabilitation, the intent is to convert this debt into a longer-term construction or a permanent loan.
  - Consideration of making a planning loan is contingent upon a high probability of the project converting to acquisition, expansion, rehabilitation or construction.
  
- **Interest Only Construction Loans, Maximum \$800,000.**
  - These loans are to support acquisition, rehabilitation, renovation, construction, and bridge financing, providing capital on a short-term basis until the project can be financed by a permanent loan.
  - Terms may include deferred interest and repayment periods of up to two years, with a balloon payment due at the end of the repayment period
  - Origination fees include out-of-pocket expenses plus 2% of the loan amount.
  - Applicants must have a sound business plan, including up-to-date market analyses and feasibility studies, facilities development and operating budgets, and a credible and established development and management team.
  - Demonstration of operating revenue, including short and long-term analyses of federal, state and local sources of child care or preschool payment.
  - Loans will not exceed 75% of total project cost.
  
- **Amortizing Loans, Minimum \$15,000, Maximum \$800,000.**
  - These loans provide permanent financing for projects that successfully complete the facilities development process.
  - Loans may be used to repay bridge financing, for debt restructuring, for acquisition, construction, and rehabilitation loans and for facilities and playground equipment.
  - Origination fees include out-of-pocket expenses plus 2% of the loan amount (fees may be waived for converting from CILF Construction Loan to Amortizing Loan).
  - Loans have a maximum amortization of 20 years, repayment periods of up to seven years, with terms negotiated on a case-by-case basis.
  - Applicants must have a sound business plan, including up-to-date market analyses and feasibility studies, facilities development and operating budgets, and a credible and established development and management team.
  - Demonstration of operating revenue, including short and long-term analyses of federal, state and local sources of child care or preschool payment.
  - Loans will not exceed 75% of total project cost.
  - License as a condition of release of funds for long-term financing.

**For further information,** contact Bruce Stenslie, President/CEO, EDC-VC, 805-384-1800, x 24, [bruce.stenslie@edc-vc.com](mailto:bruce.stenslie@edc-vc.com).



## **Memo**

**To:** Commissioners, First 5 Ventura County  
**From:** Claudia Harrison, Executive Director  
**Date:** July 17, 2014  
**Re:** Strategic Planning Discussion

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As part of the strategic planning process, the Commission will be reviewing its current vision and mission statements and guiding principles. The attached is for discussion purposes only and proposes a simplification of the current language without changing any of the current intent. The existing vision, mission and guiding principles are also attached for reference, along with tracked changes of the two documents.

The attached documents were developed to guide the discussion for the purpose of receiving further direction from the Commission. No action is intended for the July meeting.

Please let me know if you have any questions or would like any additional information prior to the Commission meeting on July 17, 2014.

Thank you.

**FIRST 5 VENTURA COUNTY STRATEGIC PLAN - FY 2010 - 2015**

**Vision**

First 5 Ventura County envisions a future where all Ventura County children thrive in healthy supported environments with loving and nurturing caregivers in the home and throughout the community. This future embraces the value of active partnerships between families, service providers, civic leaders, local business and the community at-large, honors and respects the diversity of our community and prioritizes the need to ensure optimal health and development for young children and their families.

**Mission**

Therefore, our mission is to promote school readiness, enhance the potential for young children to engage in life-long learning and support the continuous improvement of environments critical to the health and well-being of children, from prenatal to five years of age and their families in Ventura County by creating and maintaining a community-wide effort that provides access to comprehensive, culturally competent, integrated and high quality prenatal and early childhood development services.

**Guiding Principles**

Each of these guiding principles represents an important value statement that the First 5 Ventura County Commission has adopted and uses to guide its funding decisions. (These guiding principles are not intended to represent any prioritized order.)

1. Fund strategies that advance our desired outcomes.
2. Fund best evidence-based practices but also give consideration to a limited number of new practices that have promise.
3. Promote inclusion that accommodates the social, cultural, ethnic, and linguistic diversity of communities and, whenever possible, fund programs and activities that have been shaped by parents and community input.
4. Evaluate programs to determine if a justifiable cost-benefit ratio exists.
5. Promote service integration by reducing fragmentation of existing services and supporting shared resources and shared decision-making among partners.
6. Support some programs with access to the clients we serve and, where appropriate, through active referrals, linkages and enrollment, rather than with dollars.
7. Utilize the existing network of neighborhood assets and organizational capacity and work through partnerships to leverage the use of First 5 Ventura County resources whenever possible.
8. Leverage First 5 Ventura County funds whenever possible with federal and state dollars.
9. Fund services only when there is an inability of current services or other resources to meet the demonstrated need.
10. Invest in services with a sufficient intensity to produce desired results.
11. Minimize administrative costs.
12. Prioritize the funding of services that directly benefit children.
13. Plan for sustainability.
14. Invest in early learning services that benefit children prior to kindergarten entry.
15. Engage parents/primary caregivers in all services, recognizing that a child's relationship with the primary caregiver is of prime importance.

## **FIRST 5 VENTURA COUNTY STRATEGIC PLAN**

### **Vision**

First 5 Ventura County envisions a future where all Ventura County children thrive in healthy supported environments..

### **Mission**

Because the first 5 years impact a lifetime, our mission is to promote school readiness through investments in health, early learning and family strengthening, benefitting children from prenatal to five years of age.

### **Guiding Principles**

Each of these guiding principles represents an important value statement that the First 5 Ventura County Commission has adopted and uses to guide its funding decisions.

(These guiding principles are not intended to represent any prioritized order.)

1. Fund best evidence-based practices, making room as well for promising practices and innovation.
2. Promote inclusion that values the diversity of communities.
3. Promote service integration by reducing fragmentation of existing services and supporting shared resources and shared decision-making among partners.
4. Build on neighborhood assets and organizational capacity and work through partnerships to leverage the use of First 5 Ventura County resources.
5. Leverage First 5 Ventura County funds with federal, state and philanthropic dollars.
6. Minimize administrative costs.
7. Plan for sustainability.
8. Invest in early learning services that benefit children prior to kindergarten/transitional-kindergarten entry.
9. Engage parents as partners - through their participation in early learning programs, involvement in program design and as members of governance boards in decision-making.

**TRACKED CHANGES**

10. Work with other countywide systems to facilitate community-wide prevention oriented approaches.

**FIRST 5 VENTURA COUNTY STRATEGIC PLANNING**

**Proposed Vision Statement**

First 5 Ventura County envisions a future where all Ventura County children thrive in healthy supported environments.

**Proposed Mission Statement**

Because the first 5 years impact a lifetime, our mission is to promote school readiness through investments in health, early learning and family strengthening, benefitting children from prenatal to five years of age.

**Proposed Guiding Principles**

Each of these guiding principles represents an important value statement that the First 5 Ventura County Commission has adopted and uses to guide its funding decisions. (These guiding principles are not intended to represent any prioritized order.)

1. Fund best evidence-based practices, making room as well for promising practices and innovation.
2. Promote inclusion that values the diversity of communities.
3. Promote service integration by reducing fragmentation of existing services and supporting shared resources and shared decision-making among partners.
4. Build on neighborhood assets and organizational capacity and work through partnerships to leverage the use of First 5 Ventura County resources.
5. Leverage First 5 Ventura County funds with federal, state and philanthropic dollars.
6. Minimize administrative costs.
7. Plan for sustainability.
8. Invest in early learning services that benefit children prior to kindergarten/transitional-kindergarten entry.
9. Engage parents as partners - through their participation in early learning programs, involvement in program design and as members of governance boards in decision-making.
10. Work with other countywide systems to facilitate community-wide prevention oriented approaches.

**PERFORMANCE APPRAISAL PROCESS  
EXECUTIVE DIRECTOR  
FY 2014-15**

**PART I. BUSINESS GOALS**

<b>GOALS/OBJECTIVES</b>	<b>TARGET</b>	<b>STATUS</b>	<b>COMMENTS</b>
1. Implement redesigned evaluation plan, inclusive of full implementation of new software system, new parent survey and program improvement surveys.	Q2		
2. Convene collaborative of prenatal service providers in Ventura County to identify opportunities for enhancing prenatal outreach and education.	Q2		
3. Establish replicable and fundable parent engagement model that includes capacity building for organizations working with parent leaders.	Q3		
4. Implement fiscal and contract monitoring modules of Persimmony to further enhance organizational efficiencies, both internally and for funded partners.	Q3		
5. Engage with local, regional, state and national organizations explore creative partnership-based solutions to complex issues impacting children 0 – 5 and their families.	Q4		
6. Work with Commission to develop new strategic plan.	Q4		















the ease and developmental importance supported by the latest scientific research of these conversational moments between adult and child; and **BE IT FURTHER RESOLVED** that The U.S. Conference of Mayors supports designating the decade of 2015 – 2025 as an era of community focus in building an Early Learning Nation so, in turn, the children of Generation Alpha emerge equipped and prepared to resolve issues, assume leadership positions, while generating innovative and long-term solutions for previously intractable and seemingly unsolvable challenges.

