

**Workforce Investment Board
Executive Committee
1880 W. Wardrobe Ave
Monday, February 6, 2006, 7:30-9:00 a.m.
Meeting Agenda**



<http://web.co.merced.ca.us/wi/wib/wib.html>

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1. Call to Order/Roll Call.....
 2. Approval of Agenda
 3. Approval of January 9, 2005 Minutes.....
 4. Public Opportunity to Speak.....
 5. Action Agenda
 - a. Financial Support – ROP Career Industry Days Dave Davis
 - b. Advocacy for Extension of Enterprise Zone Program Dave Davis
 6. Information/Discussion Agenda
 - a. WIB Membership.....
 - b. Joint WIB/BOS Meeting.....
 - c. ‘The World is Flat’ Presentation (Thomas L. Friedman)
 - d. Guerrilla Marketing Seminar.....
 7. Director Comments.....(5 min)
 8. Chair Comments(5 min)
 9. Next Meeting – March 6, 2006.....
 10. Adjourn

**Workforce Investment Board
Executive Committee
1880 W. Wardrobe Ave
7:30-9:00 a.m., January 9, 2006
Meeting Minutes**



<http://web.co.merced.ca.us/wi/wib/wib.html>

Members Present:

Kathleen Crookham	Albert Montejano	Mike Smith	Mike Sullivan
Rick Osorio			

Members Absent:

Nellie McGarry (Chair)

Others Present:

Andrea Baker	Dave Davis	Dee Knight	Alfredo Mendoza
Joanne Presnell			

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1. Call to Order/Roll Call: Vice Chair Mike Sullivan called the meeting to order at 7:48 a.m. A sign-in sheet was used in lieu of roll call.
 2. Approval of Agenda: It was *M/S/C Crookham/Montejano* to approve the agenda as published.
 3. Approval of Minutes: It was requested that para 8, line 1, change "Ms." to "Mr.". It was *M/S/C Smith/Montejano* to approve the December 5, 2005 minutes with the above-cited change.
 4. Public Opportunity to Speak: None.
 5. Information/Discussion Agenda:
 - a. WIB Membership: Staff noted the Workforce Investment Board (WIB) needs to immediately recruit more private sector members. Members were urged to contact anyone interested in being a WIB member, and staff would follow up after the initial contact. The following recommendations for contact were made:
 - The new CEO at Bloss Memorial
 - Ms. Kathleen Crookham will contact someone in agriculture and healthcare
 - Morning Star on the Westside
 - McLane Pacific
 - b. Workforce Innovation in Regional Economic Development (WIRED) Grant: Ms. Andrea Baker noted the San Joaquin Valley partnership (San Joaquin down to Kern County) applied for the WIRED grant that was let by the Dept of Labor. She provided background on the grant, and who applied. The grant is for \$15,000,000 over a three-year period. Fresno CSU is the lead on this grant application. The final grant proposal was received, and the abstract, which focuses on Talent, Investment and Innovation Infrastructure, will be presented to the Workforce Investment Board on January 12, 2006.
 - c. Youth Programs and Issues: Mr. Rick Osorio noted the Youth Council has concerns that there would be a duplication of efforts with Human Services Agency starting a one-stop center for youth.

The Youth Council is being encouraged to support the Children's and Teen Scene Summits. Also, the Youth Council will be recommending the WIB support the Regional Opportunity Program Career Days that are linked to the WIB industry clusters.

d. Lease for MELCO Embroidery Machines: Staff noted several years ago workforce investment funds were used to purchase four computer-driven embroidery machines for Kings View to provide training. The Department's contract with Kings View has expired. Kings View will lease the four machines from the Department for \$6,000 per year over a five-year period. This income will be returned to program.

e. Strategic Scorecard: The Strategic Scorecard is a living tool that is the WIB's checklist to measure its goals and programs. It can be changed when needed. It was noted the Strategic Scorecard will be integrated into all committees' future meetings.

f. Implications for Action: Workforce Housing Taskforce – On January 4, 2006, a representative from Ripon gave a presentation on Ripon's plan of Inclusionary Housing. In all housing construction, 10% is allotted to very low income, low income and moderate income. She provided documents for the Taskforce to use as a guide in making its template.

Education: The P-16 Council will meet this week, and Ms. Andrea Baker will make a Labor Market presentation on how the WIB uses Labor Market Information, and how it could be translated and used in education. On March 31, 2006, there will be a statewide P-16 Conference at UC Merced. Merced will be one model for other valley counties who don't have a P-16 Council.

Economic Development: Sometime in February 2006, Mr. John Fowler is having a brown bag day to present the "World is Flat" video by Thomas L. Friedman.

6. Director Comments: Ms. Baker noted the Federal budget has been allocated. The allocations for Youth and Adult were reduced, but Dislocated Worker was increased. The substate allocation will be given in March 2006.

7. Other Comments: The Greg Newton Teleconference "Reinventing Your One-Stop System and Centers" is Tuesday, January 10, 2006, at Merced County Office of Education.

8. Next Meeting: February 6, 2006, Dept of Workforce Investment Small Conference Room, 1880 W. Wardrobe Ave.

9. Adjourn: The meeting was adjourned 8:33.m.

TO: Executive Committee

DATE: 02/06/06

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Financial Support – ROP Career Industry Days

PROPOSED MOTION (S): That the Workforce Investment Board (WIB) provide financial support for the upcoming Merced County Office of Education (MCOE) Career Industry Days; amount to be determined by the Executive Committee.

DISCUSSION: During the January 11, 2005 Youth Council meeting, a request was made of the Youth Council to support two (2) MCOE Industry Career Days—Ag Industry Day on February 15th, and Healthcare Industry day on February 28th. During discussions with Executive Committee members, it was felt the request would directly support two of the WIB’s chosen Industry Clusters.

MCOE has not requested a specific amount. Instead they have sent information delineating their needs:

Ag Industry Day – February 15th (400+ students)

- Transportation cost to World Ag Expo in Tulare – 10 buses \$7,400
- *Donations received from the Ag Community* 4,500
(Donations received last year, 2005 --- \$5,400)
- Other expenses (printing materials / film) 4,00

Total \$7,800

(-) Expected Donations 5,400

Possible Shortfall \$2,400

Healthcare Industry Day – February 28th (200+ students)

Estimated Cost based on last year’s costs

- Rent of Merced Fairgrounds Exhibit Bldg \$750
- Food 828
- Supplies 70
- Transportation 278

\$1826

ATTACHMENT(S): N/A

TO: Executive Committee

DATE: 02/06/06

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Advocacy for Extension of Enterprise Zone Program

PROPOSED MOTION(S): That the Workforce Investment Board (WIB) commit to an advocacy program in support of extending or renewing the State of California Enterprise Zone Program.

DISCUSSION: Merced County taxpayers operating in enterprise zones have enjoyed a variety of tax benefits since 1991. However, in recent months, the Governor, legislators, and regulators have opened debate on enterprise zones, both in terms of how they may be used to help the State contend with budgetary shortfalls and how they are administered. The program is potentially in jeopardy, but has seemingly found a champion in State Assemblymember Juan Arambula, Fresno, Chair of the Jobs, Economic Development and the Economy Committee. Regardless of what occurs at the legislative level, it is expected that administrative efforts designed to standardize procedures for claiming enterprise zone related credits should be finalized later this year. Both the potential legislative and administrative changes could negatively impact the availability of benefits to taxpayers conducting business in an enterprise zone.

California's enterprise zones were designed to stimulate job creation and economic development in certain economically depressed areas. Most of the current enterprise zones were established in the late 1980's and early 1990's. Currently, there are 43 enterprise zones with 18 of them due to "sunset" by December 2006. The Merced County Enterprise Zone will end December 31, 2006.

Businesses located in enterprise zones are eligible for substantial tax credits and benefits including:

- **Hiring credits of \$30,000 or more for each qualified employee hired over a five-year period;**
- **Sales tax credits on purchases of up to \$20 million of qualified machinery and parts per year;**
- **Up to 100% net operating loss deduction and 15 year carry-forward;**
- **Up-front expensing of certain depreciable property;**
- **Net interest deduction for lenders to enterprise zones.**

Fifty-five (55) Merced County businesses applied for and were awarded tax credits and benefits during 2005.

Although there are no formal proposals to limit or eliminate enterprise zones at this time, enterprise zone benefits are considered to be in jeopardy in California this year. Traditionally, legislators have been reluctant to touch enterprise zone programs, since they are designed to benefit economically distressed areas. However, in a year where deficits are running higher than expected, very little is “off the table”. Additionally, even though enterprise zone programs have historically been unpopular targets from a political standpoint, that position may be changing. Critics claim that enterprise zone programs fail to achieve objectives because the benefits are typically changes after the fact, rather than motivating new hiring activity and capital investment in depressed areas.

State Assemblymember Juan Arambula of Fresno has been holding open meetings concerning the future of enterprise zones. It appears that he intends to submit emergency legislation to request that present enterprise zones terming out in October through December 2006 be granted an extension for 2 to 3 years. This action will probably be taken before the end of March 2006.

The situation is extremely fluid. It is recommended that WIB members contact Assemblymember Arambula with their approval and encouragement to extend/renew the enterprise zone program. Additionally, it is even more strongly recommended that WIB members contact businesses located within the Merced County Enterprise Zone to request those businesses contact Assemblymember Arambula with testimony that they were at least partially successful and capable of growth because they are located within the Merced County Enterprise Zone.

Assemblymember Juan Arambula may be reached at the following:

E-mail address: Assemblymember.Arambula@assembly.ca.gov

**Capitol Office: State Capitol
P.O. Box 942849
Sacramento, CA 94249-0031
916-319-2031
916-319-2131 (fax)**

**District Office: Hugh Burns State Building
2550 Mariposa Mall, Suite 5031
Fresno, CA 93721
559-445-5532
559-445-6006 (fax)**

**ATTACHMENT(S):
Enterprise Zone Business Participants, 2005**

Enterprise Zone Business Participants, 2005

Atwater

- H.R.P., Inc.
- Pacific Concrete Specialties, Inc
- MB Sports
- West-Mark

Livingston

- Foster Farms
- Sensient Dehydrated Flavors

Merced County

- Central Valley Concrete
- Pick N Pull
- Ranchwood Meat Company
- N&S Tractor Company
- Save Mart Supermarkets

City of Merced

- Anthony Abbate / McDonald's
- Capital Corp of the West
- County Bank
- Finline Industries, Inc.
- Guardco Security Services
- Home Depot
- JSA Restaurant Inc / McDonald's
- Label Technology
- McAuley Motors, Inc.
- McLane Sun East, Inc.
- Modern Air Mechanical
- Pacheco Restaurants, Inc.
- Pep Boys
- Safeway #8245
- San Joaquin Glass
- Scholle Corporation
- Tim Razzari Dodge
- Tim Razzari Nissan
- TransCounty Service Co.
- Bear Creek Title Company
- Costco Wholesale
- Courtesy Auto Center
- Fluetsch & Busby Insurance
- Hollywood Video #402442
- Huwaidi's Family Dental
- La Nita's Inc.
- Malibu Boats West, Inc.
- McLane Pacific
- Merced VW, KIA, Daewoo
- Okeeffe's, Inc.
- Parkers Hardware
- Quebecor World, Inc.
- Salmeri Insurance Agency
- Save Mart Supermarkets
- Sierra Beverage Company
- Tim Razzari Ford
- Tomopco, Inc. #606
- Trans County Title

TO: Executive Committee

DATE: 02/06/06

FROM: WIB Staff

Action

For Information

For Discussion

SUBJECT: Workforce Investment Board Membership

PROPOSED MOTION(S): Discuss future private sector WIB member recruitments.

DISCUSSION: The Workforce Investment Act requires that 50+% of the WIB membership be from the private sector. Due to recent resignations and unforeseen recruitment losses, the private sector is no longer a majority of the WIB. In order to comply with the law, an immediate recruitment and enrollment of private sector WIB members are needed.

The Workforce Investment Act directs that the private sector membership should meet the following criteria:

- 1) are owners of businesses, chief executives or operating officers of businesses, and other business executives or employers with optimum policy making or hiring authority,**
- 2) represent businesses with employment opportunities that reflect the employment opportunities of the local area, and**
- 3) are appointed from among individuals nominated by local organizations and business trade associations.**

As of November 16, 2005, there were 17 businesses represented on the WIB. The following demographics are presented, with the current members representing the WIB's chosen industry sectors:

Agriculture/Food Processing

- 1. Larry Pitts – Unilever Best Foods**

Healthcare

- 1. Mike Sullivan – Golden Valley Health Centers**

Business/Information Services

- 1. Don Bergman – Postage Plus**
- 2. Peter Fluetsch – Fluetsch & Busby Insurance**
- 3. Bob Harmon – Harmon Insurance**
- 4. Nellie McGarry – McGarry Rental Property Management**
- 5. Sharon Creswell – Buckley Radio**
- 6. Rick Osorio – Osorio Financial/Intervalley Insurance**
- 7. Alfonse Peterson – SunAmerica Securities**
- 8. Mike Smith – Smith & Ransom, CPAs**
- 9. Steve Tinetti – Tinetti Realty Group**

- 10. Tom Tsubota – Union Bank of California**
- 11. Albert Montejano – Cingular Wireless**

Tourism, Visitor Services, and Hospitality

- 1. Carol Greenberg – Coldstone Creamery**

Wood / Metal Processing

None

Construction / Materials and Ancillary Services

None

Warehouse Distribution

None

Childcare

None

Of the businesses on the WIB;

- **5 have 1 to 4 employees**
- **4 have 5 to 9 employees**
- **4 have 10 to 19 employees**
- **1 has 20 to 50 employees**
- **1 has 100 to 500 employees**
- **2 have 500 to 999 employees**

In addition to the 8 industry sectors identified by the Merced County WIB, four industry sectors have been targeted by Workforce Investment Boards throughout the Central Valley region. Some duplication is noted.

- **Good Movement/Logistics**
- **Healthcare (Merced County Cluster)**
- **Manufacturing/Food Processing (Merced County - Agriculture/Food Processing)**
- **Information Services (Merced County - Business Services)**

If at all possible, prospective private sector WIB members should represent the above industry sectors and be from businesses employing larger numbers of employees.

TO: Executive Committee

DATE: 02/06/06

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Joint WIB/BOS Meeting

PROPOSED MOTION (S): Information only.

DISCUSSION: The annual joint meeting between the Merced County Workforce Investment Board and the Merced County Board of Supervisors will be held February 14, 2006, 10:00–10:30 a.m., in the Board of Supervisors' Chambers, 2222 M Street. The meeting will feature a WIB presentation of the End-of-Year Report, 2004/05.

ATTACHMENT (S): N/A

TO: Executive Committee

DATE: 02/06/06

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: 'The World is Flat' Presentation (Thomas L. Friedman)

PROPOSED MOTION (S): Information only.

DISCUSSION: An Economic Development "Brown Bag" meeting will be held in the Castle Conference Center, February 23, 2006, from 11:30 a.m.–1:30 p.m. A no-cost lunch will be served. The meeting will feature a video concerning the best selling Thomas L. Friedman book, "The World Is Flat". All WIB members are invited to attend. A "Save the Date" flyer will be sent as both a reminder and a means of forecasting attendance.

ATTACHMENT (S): N/A

TO: Executive Committee

DATE: 02/06/06

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Guerrilla Marketing Seminar

PROPOSED MOTION (S): Information only.

DISCUSSION: The Workforce Investment Board (WIB) is a sponsor of Merced College's Business Forum 2006. Thirteen (13) tickets for the Forum's first presentation, the Jay Conrad Levinson Guerrilla Marketing Seminar, have arrived for members of the WIB.

The seminar will be Saturday, February 25, 2006, 9:00 a.m.–4:00 p.m., in the Merced College Theater. A flyer announcing the seminar will be mailed to each WIB member. Additionally, WIB members will receive notification that a limited number of no-cost tickets are available. It is recommended that private sector members receive preference; and if tickets are available for other WIB members, those be awarded on a first come basis.

ATTACHMENT (S): N/A