

MEMO

Date: April 3, 2019

To: Honorable Mayor and City Councilmembers

From: Bobby Kahn, Executive Director
Madera County Economic Development Commission

Subject: Madera County Economic Development Commission
2019/20 Annual Basic Service Level Budget

SUBJECT:

City contribution towards the Madera County Economic Development Commission (EDC) for Fiscal Year (FY) 2019/2020 in the amount of \$177,556.79

RECOMMENDATION:

The MCEDC recommends the City Council (Council) adopt a minute order approving the 2019/20 Basic Service Level Budget as submitted. This item was originally considered on March 20, 2019 and tabled to the April 2, 2019 meeting.

SUMMARY:

The City, along with the County of Madera and the City of Chowchilla, established a Joint Powers Authority (JPA) to create an agency with the expressed purpose of attracting and establishing industry in the region. The EDC is seeking funding to continue with its core mission for the upcoming fiscal year.

DISCUSSION:

History & Board Composition

The EDC was created by the County of Madera and the cities of Madera and Chowchilla through a JPA in 1968. On an annual basis, the EDC approaches each respective agency and outlines budget needs and contribution amounts. In an effort to identify needs, EDC staff works collaboratively with its Board of Commissioners, comprised of 12 members from county chambers, industry and public utility to plan the upcoming year's strategy and efforts. Budget needs are more narrowly defined by the EDC Executive Committee, which is comprised of 5 of the 12 aforementioned Board of Commissioners. The Mayor serves as the City's representative.

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Role of the EDC

The EDC, in partnership with the City, works tirelessly on:

1. Attracting new business, particularly job creation.
2. Assisting existing business expand, including identifying and providing loans.
3. Retention of existing business that are seeking and relocating outside of the region.
4. Serving as a liaison between the City and businesses.

As part of these efforts, the EDC:

- Attends trade shows
- Communicates with corporate site selectors to identify needs
- Identifies key personnel at public utility companies (e.g. PG&E, AT&T, Comcast)
- Generates data

While not all efforts result in new businesses, it is worth noting that the EDC played an instrumental role in recently attracting:

Table 1: New Businesses in the City (1)

Auto parts company (manufacture)	Castle Light Industries
Bottling Co.	North Fork Mono Resort
Plastic molding company	Love's Travel Center

(1) Company names may not be provided due to confidentiality

California Central Valley EDC

While the EDC represents the JPA agencies, it also part of an eight county wide economic consortium, the California Central Valley Economic Development Corporation (CCVEDC). The CCVEDC is nationally recognized and assists the EDC with connecting key decision makers, generating proprietary research and data, and in organizing site tours with corporate site selectors. Being a member of the EDC grants access to CCVEDC's prospects and leads.

Regional EDC

Worth noting is that EDC also acts as the lead agency on a county-wide basis for several agencies, organizations and programs, including:

- A. The Eastern Madera County Chamber Alliance
- B. The Greater Madera County Industrial Association
- C. Recycling Market Development Zone (Zone administrator working with CalRecycle and Madera County businesses that use recycled materials to prevent adding to the landfill)
- D. The Madera County and City of Madera Revolving Loan Fund programs and others.

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EDC is also a leader in promoting Madera with ongoing press releases, social media, daily blogs and serves as the Madera County representative on the Channel 30 ABC news community advisory committee.

EDC REQUEST

The contribution amounts are proportionally based on population. For the upcoming year, EDC staff, along with the Board of Directors determined the following contribution amounts:

	County of Madera	City of Madera	City of Chowchilla	Total
Contribution	214,022.39	177,556.79	34,420.79	425,999.97
Population %	50.24%	41.68%	8.08%	100%

The 2019/20 Basic Service Level Budget has a .09% increase over the 2018/19 budget, due to minor anticipated operational costs. The JPA states that each jurisdiction shall pay a pro-rated share of the EDC Basics Service Level Budget based on population. EDC conducts an annual review of the State of California Department of Finance (DOF) most recent population numbers for the County of Madera, City of Madera and the City of Chowchilla. The DOF figures show that the City of Madera population represents 41.68 % of the County. This equates to \$177,556.79 for the 2019/2020 fiscal year. This is an increase of \$2,427.47 over the 2018/2019 Basic Service Level budget.

LOOKING FORWARD

Similar to all organizations, the EDC takes its role seriously and is continuously looking at improving to better serve the City. Looking forward to FY 19/20, the EDC will:

- EDC will provide a semi-monthly update to the council on projects and activities.
- All council members will be emailed the agenda for the EDC's Board of Commissioners Quarterly meetings.
- EDC staff will invite council members for individual monthly briefing.

FISCAL IMPACT

This request will have an impact to the General fund in the amount of \$177,556.79.

"Madera County, The Perfect Location"



Summary of Staff Time

EXHIBIT A

*Based on population

County of Madera	City of Madera	City of Chowchilla	TOTAL
50.24%	41.68%	8.08%	100%

Business Assistance/Office Manager

** 15% to CDBG

Executive Director

**1% to CDBG

Business Assistance/Office Manager

**CDBG 15%

Salary	\$59,251.05	\$25,302.57	\$20,991.46	\$4,069.36	\$50,363.39	\$8,887.66
Retirement	\$4,443.83	\$1,897.70	\$1,574.36	\$305.20	\$3,777.26	\$666.57
Employer Taxes	\$4,532.70	\$1,935.64	\$1,605.85	\$311.31	\$3,852.80	\$679.90
Workers Comp.	\$600.00	\$256.22	\$212.57	\$41.21	\$510.00	\$90.00
Medical	\$17,887.05	\$7,638.48	\$6,337.02	\$1,228.48	\$15,203.98	\$2,683.07
Dental	\$931.52	\$397.80	\$330.02	\$63.97	\$791.79	\$139.73
Vision	\$116.28	\$49.66	\$41.20	\$7.98	\$98.84	\$17.44
Life/LTD	\$290.00	\$123.84	\$102.74	\$19.92	\$246.50	\$43.50
		\$37,601.91	\$31,195.22	\$6,047.43		\$13,207.87
					\$74,844.56	

Business Development/Mkting Manager

Salary	\$53,634.41	\$26,945.92	\$22,354.82	\$4,333.67	\$53,634.41	
Retirement	\$4,022.58	\$2,020.95	\$1,676.61	\$325.02	\$4,022.58	
Employer Taxes	\$4,103.03	\$2,061.37	\$1,710.14	\$331.52	\$4,103.03	
Workers Comp	\$543.93	\$273.27	\$226.71	\$43.95	\$543.93	
Medical	\$25,217.52	\$12,669.28	\$10,510.65	\$2,037.59	\$25,217.52	
Dental	\$1,432.99	\$719.93	\$597.27	\$115.79	\$1,432.99	
Vision	\$184.32	\$92.60	\$76.83	\$14.89	\$184.32	
Life/LTD	\$270.00	\$135.64	\$112.54	\$21.82	\$270.00	
		\$44,918.96	\$37,265.57	\$7,224.25		
					\$89,408.78	

Executive Director

**CDBG 1%

Salary	\$119,056.81	\$59,216.00	\$49,126.65	\$9,523.59	\$117,866.24	\$1,190.57
Retirement	\$17,858.52	\$8,882.40	\$7,369.00	\$1,428.53	\$17,679.93	\$178.59
Employer Taxes	\$9,107.85	\$4,530.03	\$3,758.19	\$728.55	\$9,016.77	\$91.08
Workers Comp	\$5,415.05	\$2,693.32	\$2,234.42	\$433.16	\$5,360.90	\$54.15
Medical	\$9,723.12	\$4,836.05	\$4,012.07	\$777.77	\$9,625.89	\$97.23
Dental	\$545.42	\$271.28	\$225.06	\$43.63	\$539.97	\$5.45
Vision	\$81.62	\$40.59	\$33.68	\$6.53	\$80.80	\$0.82
Life/LTD	\$487.00	\$242.22	\$200.95	\$38.96	\$482.13	\$4.87
		\$80,711.89	\$66,960.02	\$12,980.72		\$1,622.76
					\$160,652.63	

\$339,736.60 \$163,232.76 \$135,420.81 \$26,252.40 \$324,905.97

EDC Projected Expenses (Exhibit B)	County	City	City	
	of Madera	of Madera	of Chowchilla	TOTAL

Staff Salaries/Other Compensation	111,464.50	92,472.93	17,926.61	221,864.04
Staff Benefits/Taxes	51,768.26	42,947.88	8,325.79	103,041.93
Subtotal	<u>163,232.76</u>	<u>135,420.81</u>	<u>26,252.40</u>	<u>324,905.97</u>

Operating Expenses	% to be applied	50.24%	41.68%	8.08%	100%
Audit	4,000	2,009.60	1,667.20	323.20	4,000
Auto Expense/Travel	3,000	1,507.20	1,250.40	242.40	3,000
Conference/Training	2,500	1,256.00	1,042.00	202.00	2,500
Staff Expense	2,000	1,004.80	833.60	161.60	2,000
Insurance/Surety Bonds	1,000	502.40	416.80	80.80	1,000
Office Supplies	1,000	502.40	416.80	80.80	1,000
Office Rent	26,000	13,062.40	10,836.80	2,100.80	26,000
Organizational Dues	1,500	753.60	625.20	121.20	1,500
Postage	1,000	502.40	416.80	80.80	1,000
Newsletter	2,394	1,202.75	997.82	193.43	2,394
Printing	1,000	502.40	416.80	80.80	1,000
Publications/Directories	500	251.20	208.40	40.40	500
Repairs/Maintenance	3,500	1,758.40	1,458.80	282.80	3,500
Telephone	3,000	1,507.20	1,250.40	242.40	3,000
Utilities	3,500	1,758.40	1,458.80	282.80	3,500
Commission Expense	200	100.48	83.36	16.16	200
Equipment Rental	3,000	1,507.20	1,250.40	242.40	3,000
Marketing	42,000	21,100.80	17,505.60	3,393.60	42,000
	<u>101,094.00</u>	<u>50,789.63</u>	<u>42,135.98</u>	<u>8,168.39</u>	<u>101,094</u>

TOTAL Fiscal Year 19/20	214,022.39	177,556.79	34,420.79	425,999.97
	County of Madera	City of Madera	City of Chowchilla	



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March 25, 2019

Mayor Medellin
City of Madera
205 West 4th Street
Madera, CA 93637

Dear Mayor Medellin,

My name is Dustin Franklin and I am the owner/ operator of the Tap House and the Sugar Pine Smoke House located in the City of Madera.

When I considered opening each site the Madera County Economic Development Commission provided outstanding assistance and advice. With the Tap House they toured me throughout the city showing me various sites, providing lease rate information along with the advantages and disadvantages of each site. They also assisted with the permitting processes and went so far as providing training on marketing tools and wrote press releases on our behalf.

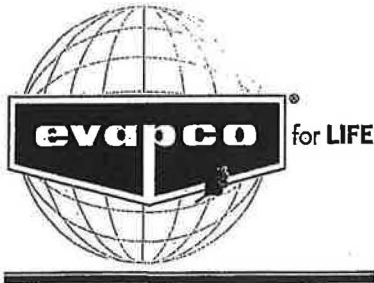
When I began investigating opening the Sugar Pine Smokehouse, the EDC was one of my first stops. In this case they provided the ownership information and talked with the managing partner on my behalf. The EDC reviewed lease suggestions to my benefit. As we completed lease negotiations the EDC assisted me in obtaining a small business revolving loan through their office.

The EDC played a critical role in both of my business ventures and I continue to seek advice and information from them. Small business owners, like myself, receive huge benefits from the wide variety of services and assistance provided by the EDC.

Respectfully submitted,

Dustin Franklin

GQ Investment Group
26133 Club Drive
Madera, CA 93638



Evapco West
A Division of Evapco Inc.
1900 Almond Avenue
Madera, CA 93637
(559) 673-2207

March 25, 2019

Mayor Medellin
City of Madera
205 West 4th St.
Madera, CA 93637

Dear Council Mayor Medellin,

My name is Stephen Levake and I've been the General Manager for Evapco West, A Division of Evapco Inc., for the past 18 years. We are located at 1900 Almond Avenue. Currently we employ approximately 180 people, with almost all of them living in the city of, or within the county of, Madera.

I am contacting you in support of the Madera County Economic Development Commission (EDC). Over the years the EDC has assisted us on several occasions. One example is that when we were contemplating doing a major expansion to our facility in 2007/2008, the EDC played an important role in identifying and assisting Evapco in obtain favorable financing of millions of \$'s through a state program. This expansion not only added substantially more square footage, it created approximately 35 full-time new jobs.

The EDC also has provided support on other concern's we've encountered with the state, and has provided invaluable guidance in dealings with the City of Madera engineering and planning departments for past projects.

In closing, I just want to emphasize the value of the service the EDC has provided to Evapco. We would expect you to do the right thing and continue funding this invaluable business community advocate and asset.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Levake", written over a series of horizontal lines.

Stephen Levake
General Manager - Evapco West

GM CIA

Greater Madera County
INDUSTRIAL ASSOCIATION

March 25, 2019

Mayor Medellin
City of Madera
205 West 4th Street
Madera, CA 93637

Dear Mayor Medellin,

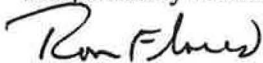
I am contacting you on behalf of the Greater Madera County Industrial Association (GM CIA). Our organization has approximately 20 members, all local manufacturers. The GM CIA holds regular monthly meetings to discuss key issues impacting our businesses. We also support the local schools with investment of our time and money.

Our members want to express our full support and appreciation for the Madera County Economic Development Commission (MCEDC). Not only do they act as the administrative arm for GM CIA, doing financials, setting agendas and securing informative speakers for our meetings, they are the organization our members depend on when in need of assistance. We turn to MCEDC to assist us as a group and individually. When we need support on a federal, state or local issue it is MCEDC that provides us with the timely help that is critical to our businesses.

Our membership whole heartily feel that MCEDC is the most valuable asset the city and the county has when dealing with business related issues.

GM CIA and its members strongly recommend your full support of MCEDC.

Respectfully submitted,



Ron Flores
President

2425 W. Cleveland Ave., #101

Madera, CA 93637

559.675-7768

www.maderaindustry.org