

REPORT TO THE MADERA CITY COUNCIL

Date: February 5, 2020
To: Honorable Mayor and City Councilmembers
From: Bobby Kahn, Executive Director
Madera County Economic Development Commission
Subject: Madera County Economic Development Commission
2020/21 Annual Basic Service Level Budget

SUBJECT:

City contribution towards the Madera County Economic Development Commission (EDC) for Fiscal Year (FY) 2020/2021 in the amount of \$180,720.17

RECOMMENDATION:

The EDC recommends the City Council (Council) adopt a minute order approving the 2020/21 Basic Service Level Budget as submitted.

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.

"Madera County, The Perfect Location"



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:

Auto parts company (manufacture)	Vallarata Supermarket
Bottling Co.	North Fork Mono Resort
Plastic molding company	Love's Travel Center
<i>125,000 square foot manufacturer in Freedom Industrial Park</i>	

(1) Some 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.

"Madera County, The Perfect Location"



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	218,704.85	180,720.17	34,685.42	434,110.44
Population %	50.38%	41.63%	7.99%	100%

The 2020/21 Basic Service Level Budget has a 1.78% increase over the 2019/20 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 41.63 % of the County. This equates to \$180,720.17 for the 2020/2021 fiscal year. This is an increase of \$3,163.38 over the 2019/2020 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 20/21, the EDC will:

- EDC will provide a quarterly 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 \$180,720.17.



Summary of Staff Time EXHIBIT A

*Based on population

County of Madera	City of Madera	City of Chowchilla	TOTAL
50.38%	41.63%	7.99%	100%

Business Assistance/Office Manager

** 15% to CDBG

Executive Director

**1% to CDBG

Business Assistance/Office Manager

**CDBG 15%

Salary	\$60,732.33	\$26,007.40	\$21,490.44	\$4,124.64	\$51,622.48	\$9,109.85
Retirement	\$4,554.92	\$1,950.55	\$1,611.78	\$309.35	\$3,871.68	\$683.24
Employer Taxes	\$4,646.02	\$1,989.57	\$1,644.02	\$315.53	\$3,949.12	\$696.90
Workers Comp.	\$600.00	\$256.94	\$212.31	\$40.75	\$510.00	\$90.00
Medical	\$18,567.62	\$7,951.21	\$6,570.25	\$1,261.02	\$15,782.48	\$2,785.14
Dental	\$723.74	\$309.93	\$256.10	\$49.15	\$615.18	\$108.56
Vision	\$122.09	\$52.28	\$43.20	\$8.30	\$103.78	\$18.31
Life/LTD	\$290.00	\$124.19	\$102.62	\$19.69	\$246.50	\$43.50
		\$38,642.07	\$31,930.72	\$6,128.43		\$13,535.50

\$76,701.22

Business Development/Mkting Manager

Salary	\$54,975.27	\$27,696.54	\$22,886.20	\$4,392.53	\$54,975.27
Retirement	\$4,123.15	\$2,077.24	\$1,716.47	\$329.44	\$4,123.15
Employer Taxes	\$4,435.11	\$2,234.41	\$1,846.34	\$354.36	\$4,435.11
Workers Comp	\$543.93	\$274.03	\$226.44	\$43.46	\$543.93
Medical	\$26,709.90	\$13,456.45	\$11,119.33	\$2,134.12	\$26,709.90
Dental	\$1,338.62	\$674.40	\$557.27	\$106.95	\$1,338.62
Vision	\$184.32	\$92.86	\$76.73	\$14.73	\$184.32
Life/LTD	\$270.00	\$136.03	\$112.40	\$21.57	\$270.00
		\$46,641.96	\$38,541.18	\$7,397.16	

\$92,580.30

Executive Director

**CDBG 1%

Salary	\$122,033.23	\$60,865.54	\$50,294.41	\$9,652.95	\$120,812.90	\$1,220.33
Retirement	\$18,304.98	\$9,129.83	\$7,544.16	\$1,447.94	\$18,121.93	\$183.05
Employer Taxes	\$9,335.54	\$4,656.21	\$3,847.52	\$738.45	\$9,242.18	\$93.36
Workers Comp	\$4,626.00	\$2,307.27	\$1,906.55	\$365.92	\$4,579.74	\$46.26
Medical	\$10,178.19	\$5,076.50	\$4,194.80	\$805.11	\$10,076.41	\$101.78
Dental	\$345.24	\$172.19	\$142.29	\$27.31	\$341.79	\$3.45
Vision	\$78.62	\$39.21	\$32.41	\$6.22	\$77.84	\$0.78
Life/LTD	\$487.00	\$242.90	\$200.71	\$38.52	\$482.13	\$4.87
		\$82,489.65	\$68,162.85	\$13,082.42		\$1,653.88
					\$163,734.92	

\$348,205.82 \$167,773.68 \$138,634.75 \$26,608.01 \$333,016.44

EDC Projected Expenses		County	City	City	
(Exhibit B)		of Madera	of Madera	of Chowchilla	TOTAL
Staff Salaries/Other Compensation		114,569.49	94,671.05	18,170.11	227,410.65
Staff Benefits/Taxes		53,204.20	43,963.69	8,437.90	105,605.79
Subtotal		167,773.69	138,634.74	26,608.01	333,016.44
Operating Expenses	% to be applied	50.38%	41.63%	7.99%	100%
Audit	4,000	2,015.20	1,665.20	319.60	4,000
Auto Expense/Travel	3,000	1,511.40	1,248.90	239.70	3,000
Conference/Training	2,500	1,259.50	1,040.75	199.75	2,500
Staff Expense	2,000	1,007.60	832.60	159.80	2,000
Insurance/Surety Bonds	1,000	503.80	416.30	79.90	1,000
Office Supplies	1,000	503.80	416.30	79.90	1,000
Office Rent	26,000	13,098.80	10,823.80	2,077.40	26,000
Organizational Dues	1,500	755.70	624.45	119.85	1,500
Postage	1,000	503.80	416.30	79.90	1,000
Newsletter	2,394	1,206.10	996.62	191.28	2,394
Printing	1,000	503.80	416.30	79.90	1,000
Publications/Directories	500	251.90	208.15	39.95	500
Repairs/Maintenance	3,500	1,763.30	1,457.05	279.65	3,500
Telephone	3,000	1,511.40	1,248.90	239.70	3,000
Utilities	3,500	1,763.30	1,457.05	279.65	3,500
Commission Expense	200	100.76	83.26	15.98	200
Equipment Rental	3,000	1,511.40	1,248.90	239.70	3,000
Marketing	42,000	21,159.60	17,484.60	3,355.80	42,000
	101,094.00	50,931.16	42,085.43	8,077.41	101,094
TOTAL Fiscal Year 19/20		218,704.85	180,720.17	34,685.42	434,110.44
		County of Madera	City of Madera	City of Chowchilla	