

REPORT TO THE CITY COUNCIL

Date: February 17, 2021

To: Honorable Mayor and City Councilmembers

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

Subject: Madera County Economic Development Commission
2021/22 Annual Basic Service Level Budget

SUBJECT:

City contribution towards the Madera County Economic Development Commission (EDC) for Fiscal Year (FY) 2021/2022 in the amount of \$181,749.80

RECOMMENDATION:

The EDC recommends the City Council (Council) adopt a minute order approving the 2021/22 Basic Service Level Budget as submitted.

SUMMARY:

This report is intended to augment the report provided to the Council on February 3, 2021.

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. Included with your packet is a Basic Service Level 2021/22 Budget and a breakdown of all salary and benefits by individual employee.

DISCUSSION:

During the February 3, 2021 meeting, Council has several inquiries about the EDC. More specifically:

- The Composition of the Board
- Enhancing communication between EDC staff and the City
- More regular updates
- Budget history
- Quantifying the benefits of the EDC

The following is an attempt to provide said information:



EDC Board

The following are the current members of the full Board and the respective category in which they serve:

1. Mayor Santos Garcia, Madera City Council
2. Chairperson, Robert Poythress, Madera Chamber of Commerce
3. Supervisor Brett Frazier, Madera County Board of Supervisors
4. Councilmember Waseem Ahmed, Chowchilla City Council
5. Brad Ditton, Bass Lake Chamber of Commerce
6. Mary Diebert, Public Utility
7. Ron Flores, Industry at-large
8. Paige Hill, Chowchilla Chamber of Commerce
9. Wade Wheeler, North Fork Chamber of Commerce
10. Tracie Scott-Contreras, Madera County Workforce Development
11. Darin Soukup, Oakhurst Chamber of Commerce
12. Ollia Ridge, Golden Valley Chamber of Commerce
13. Aran Johal, Coarsegold Chamber of Commerce

The EDC Board is comprised of 9 members from the private sector and 4 are from the public sector. Per EDC By-laws, the Chair of the Commission “shall not be a representative of a funding agency.” It is noted that EDC Chairperson Robert Poythress also serves as the Chair of the Madera County Board of Supervisors; however, he represents the Madera Chamber of Commerce at the EDC and not the Board of Supervisors. When initially elected to the City Council, the EDC obtained a legal opinion concerning his status on the Board. The opinion stated that although he is an elected official, that does not prevent the Madera Chamber of Commerce appointing him to represent them as a local business person serving on his own time.

EDC Executive Committee

The Executive Committee is comprised of the Chair, past Chair, a representative from the Board of Supervisors, a representative from the Madera Council and a representative from the Chowchilla Council. They are as follows:

1. Mayor Santos Garcia, Madera City Council
2. Chairperson, Robert Poythress, Madera Chamber of Commerce
3. Past Chairperson, Brad Ditton, Bass Lake Chamber of Commerce
4. Supervisor Brett Frazier, Madera County Board of Supervisors
5. Waseem Ahmed, Chowchilla City Council

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Looking Forward

Similar to all organizations, The EDC takes its role seriously and is continuously recalibrating its service delivery model to ensure that is meeting its client's expectations. Looking forward the EDC is committed to:

- Monthly meetings with the City Manager. This will allow the EDC an opportunity to align its goals with the City.
- Quarterly updates: City Manager and Executive Director of the EDC will continue to meet regarding the formal format of the quarterly report which the City Manager will share with the Council.
- Council updates: At the City Manager's discretion, he can request the Executive Director to provide workshop updates to the Council.
- Councilmember meetings: EDC staff is available to meet with Councilmembers at their discretion.
- Budget information: Once adopted by the EDC Executive Committee, the Executive Director will share salary ranges with the City Manager. In the future the Executive Director will provide any salary range amendments to the City Manager as they are adopted by the Executive Committee.

Budget History

In accordance with the JPA, the budget is submitted for approval to each jurisdiction prior to March 31st of each year. The total amount of the budget is divided proportionally based on the percentage of the overall population of the County. Although the City has experienced an approximate growth rate of one percent over the last five years, the percentage of contribution has declined due to faster growth in the County. The rates are as follows:

- FY 16/17 – 43%
- FY 17/18 – 42.15%
- FY 18/19 – 42.23%
- FY 19/20 – 41.68%
- FY 20/21 – 41.63%

At the February 3, 2021 meeting there was also a comment and question with regard to involving more private sector investment in the EDC similar to the Fresno EDC. This was briefly discussed at the February 10, 2021 Executive Committee meeting and at the suggestion of the Chairperson will be put on the March agenda for further discussion moving forward.

Quantifying the Impact of the EDC

During the February 3, 2021 meeting, part of the discussion centered on the benefits of the EDC. Quantifying benefits is challenging and can partially be attributed to confidential information, such as revenue for private business. Regardless, The EDC will begin to collect data on employment data that can

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be shared. Moreover, it is worth noting the EDC is an active member of the California Central Valley EDC (CCVEDC) that provides the ability to leverage marketing dollars and provides opportunities for additional exposure through CCVEDC sponsored events such as trade shows, marketing missions and other supported events.

Fiscal Impact

This request will have an impact to the General Fund in the amount of \$181,749.80

Attachments

Report to the Council dated February 3, 2021.

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REPORT TO THE MADERA CITY COUNCIL

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SUMMARY:

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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 13 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 13 aforementioned Board of Commissioners.

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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)	Vallarata Supermarket-Open Sept.
Agricultural Chemical Co.	North Fork Mono Resort
Plastic molding company-Open April	Love’s Travel Center-Open March
<i>Projects in Ave. 17/Hwy 99 area</i>	

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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The 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:

Table 2: Contribution Amounts

	County of Madera	City of Madera	City of Chowchilla	Total
Contribution	223,320.36	181,749.80	34,363.75	439,433.91
Population %	50.82%	41.36%	7.82%	100%

The 2021/22 Basic Service Level Budget has a .57% increase over the 2020/21 budget, due to minor anticipated operational costs. The JPA states that each jurisdiction shall pay a pro-rated share of the EDC Basic 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 41.36 % of the County. This equates to \$181,749.80 for the 2021/2022 fiscal year. This is an increase of \$1,029.63 over the 2020/2021 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 21/22, 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 \$181,749.80.

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

Staff Salaries/Other Compensation	117,760.88	95,840.02	18,120.63	231,721.53
Staff Benefits/Taxes	54,183.51	44,097.40	8,337.57	106,618.48
Subtotal	171,944.39	139,937.42	26,458.20	338,340.01

Operating Expenses	% to be applied	50.82%	41.36%	7.82%	100%
Audit	4,000	2,032.80	1,654.40	312.80	4,000
Auto Expense/Travel	3,000	1,524.60	1,240.80	234.60	3,000
Conference/Training	2,500	1,270.50	1,034.00	195.50	2,500
Staff Expense	2,000	1,016.40	827.20	156.40	2,000
Insurance/Surety Bonds	1,000	508.20	413.60	78.20	1,000
Office Supplies	1,000	508.20	413.50	78.20	1,000
Office Rent	26,000	13,213.20	10,753.60	2,033.20	26,000
Organizational Dues	1,500	762.30	620.40	117.30	1,500
Postage	1,000	508.20	413.60	78.20	1,000
Newsletter	2,394	1,216.63	990.16	187.21	2,394
Printing	1,000	508.20	413.60	78.20	1,000
Publications/Directories	500	254.10	206.80	39.10	500
Repairs/Maintenance	3,500	1,778.70	1,447.60	273.70	3,500
Telephone	3,000	1,524.60	1,240.80	234.60	3,000
Utilities	3,500	1,778.70	1,447.60	273.70	3,500
Commission Expense	200	101.64	82.72	15.64	200
Equipment Rental	3,000	1,524.60	1,240.80	234.60	3,000
Marketing	42,000	21,344.40	17,371.20	3,284.40	42,000
	101,094.00	51,375.97	41,812.38	7,905.55	101,094

TOTAL Fiscal Year 21/22	223,320.36	181,749.80	34,363.75	439,433.91
	County of Madera	City of Madera	City of Chowchilla	

Summary of Staff Time

*Based on population

EXHIBIT A

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

26608.01