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We empower job seekers to meet the current and future workforce needs of employers in San Diego County

San Diego Consortium Policy Board – Meeting Agenda

Date Friday, April 27, 2018
Time 1:00 pm
Place 1600 Pacific Highway, San Diego, CA – Room 310

MEMBERS

Chair: Scott Sherman - San Diego City Councilmember, District 7
Vice Chair: Kristin Gaspar - San Diego County Supervisor, District 3
Ron Roberts - San Diego County Supervisor, District 4
Barbara Bry - San Diego City Councilmember, District 1

CALL TO ORDER AND NOTE OF ATTENDANCE

ACTION ITEMS

- Item #1: Minutes of the December 15, 2017 Meeting
- Item #2: Appoint Consortium Policy Board Chair and Vice Chair for 2018
- Item #3: Consortium Policy Board Membership – Jacob Richards
- Item #4: Workforce Development Board Membership – Dr. Sammy Totah
- Item #5: Lease Approval for North County Coastal Career Center

INFORMATION ITEMS

- Item #6: CEO and Staff Update

ADJOURNMENT

PUBLIC COMMENT: Members of the public may address the Board on issues on this agenda (three minutes per subject) and/or other items within the Board's scope. To speak, submit a "Request to Speak" form prior to the meeting. The SDWP will provide accommodations to persons who require assistance. Questions: (619) 228-2900.

Item #1: Minutes of the December 15, 2017 Policy Board Meeting

Members Present

Scott Sherman, Councilmember, City of San Diego, District 7 (Chair)
Dr. Laurie Coskey, President & CEO, United Way of San Diego County
Greg Cox, Supervisor, San Diego County, District 1

Members Absent

Kristin Gaspar, San Diego County Supervisor, District 3 (Vice Chair)
Ron Roberts, San Diego County Supervisor, District 4
Barbara Bry, Councilmember, City of San Diego, District 1

Legal Counsel Present

Daphne Skogen, City Counsel, City of San Diego
David Smith, County Counsel, County of San Diego

Location: County Administration Building

All reports, memoranda and letters contained in the agenda or distributed at the meeting shall by this reference become part of the original minutes.

The meeting was called to order by Councilmember S. Sherman at 9:00 am, with a quorum.

The following items were approved on consent:

1-12/15/2017 - Item 1 – **Minutes of the October 27, 2017 Policy Board Meeting**

Approve the October 27 Board minutes.

2-12/15/2017 - Item 2 – **SDWP Budget Modification**

Approve the FY18 December budget modification.

Consent Agenda Vote:

Motion (L. Coskey), Seconded (G. Cox), Carried Unanimously

The following items were approved:

3-10/27/2017 – Item 3 – **San Diego County Sheriff’s Department Funding for Reentry Works Program**

Funding award, not to exceed \$150,000, with service provider Second Chance to continue Reentry Works program at East Mesa Reentry Facility (EMRF) through June 30, 2018. This award is a co-funded initiative by the San Diego County Sheriff’s department and SDWP to operate AJCC services at EMRF.

A. Hall discussed the Sheriff's Department investment to continue the Reentry Works program within the EMRF. The funding will help inmates transition out of incarceration with the critical supports needed to seek future employment.

Motion (G. Cox), Seconded (L. Coskey), Carried Unanimously

4-10/27/2017 – Item 4 – **Results of the America's Job Center of California (AJCC) Network RFP and Approval to Enter into Contract Negotiations**

Approve the results of the Request for Proposals (RFP) for the operation and management of the America's Job Center of California (AJCC) Network and authorize SDWP to enter into contract negotiations with KRA Corporation, the winner of the RFP process.

Motion (L. Coskey), Seconded (G. Cox), Carried Unanimously

The following items were reviewed and discussed:

5-12/15/2017 – Item 5 – **Contracts Performance Dashboard**

A. Hall provided an overview of our contractors and programs performance year to date.

6-12/15/2017 – Item 6 – **2018 Meeting Dates**

The Policy Board meeting schedule was included.

7-12/15/2017 – Item 7 – **CEO & Staff Report**

P. Callstrom and A. Hall discussed updates.

Adjournment

The meeting was adjourned at 9:07 am.

Next meeting is February 23, 2018 at 1:00pm.

Item #2: Appoint Consortium Policy Board Chair and Vice Chair for 2018

Recommendation

The Policy Board appoint a Chairperson and Vice Chairperson for the 2018 calendar year. Per our Joint Powers Agreement (JPA), the following are recommended for service: Chairperson, Supervisor Kristin Gaspar and Vice Chairperson, Councilmember Barbara Bry.

Background

The JPA section 4(a), states:

A designated member of the San Diego City Council and a designated member of the Board of Supervisors of the County of San Diego shall alternate as Chairperson and Vice Chairperson of the Board. The City Council of the City of San Diego, and the Board of Supervisors of the County of San Diego shall appoint, respectively, one other member of their Council or Board of Supervisors to serve as an alternate member in the absence of the designated member of the City Council or the Board of Supervisors. The designated member of the Board of Supervisors shall serve as Chairperson during even numbered calendar years. The representative of the City of San Diego shall serve as Chairperson during odd numbered calendar years. Term of office shall be for the calendar year.

The Policy Board and SDWP thanks our 2017 Chairperson, Councilmember Scott Sherman and Vice Chairperson, Supervisor Kristen Gaspar.

Item #3: Consortium Policy Board Membership – Jacob Richards

Recommendation

The Policy Board approve the appointment of Jacob Richards, United Way Board Member.

Background

Pursuant to the Joint Powers Agreement (JPA) between the County and City of San Diego a member and alternate member of the Policy Board will be appointed by the United Way. United Way's former appointee Laurie Coskey is no longer with United Way. The interim CEO, Bob Beatty, on behalf of the United Way Board, recommends the following representative.

Summary

Jacob Richards serves on the United Way of San Diego Board and is the Finance committee chair. Jacob is a Commercial Banking Officer with more than 18 years of experience in the banking industry and has been with CB&T for the past 9 years. He works with companies, non-profits, professionals and affluent individuals to provide them with personalized banking services. He is committed to building strong relationships and giving back to the community.

Specialties: Working Capital Lines of Credit, Term Loans, Acquisition Financing, Commercial Real Estate Financing, Equipment Leasing, Asset Based Credit, Cash Management, SBA Financing, Tax-exempt Financing for Non-Profits, and any Specialized Banking Needs

Item #4: Workforce Development Board Membership – Dr. Sammy Totah

Recommendation

Approve the nomination of Dr. Sammy Totah to join the board.

Dr. Sammy Totah

Chief Operating Officer

Kaiser Permanente

San Diego and Zion Medical Centers

Bio

Dr. Totah has been with Kaiser Permanente for over 25 years. In 2013, Dr. Totah was hired as the Chief Operating Officer for the San Diego Medical Center to oversee operations for two hospitals in San Diego. Most recently, Dr. Totah oversaw the planning, staffing and opening of Kaiser Permanente's new San Diego Medical Center in Kearny Mesa. For the majority of his career, he served in multiple management and leadership roles in Pharmacy across the Kaiser Permanente Southern California Region including various Pharmacy Manager roles at both the Los Angeles and San Diego Medical Center Areas, as a Pharmacy Services Manager in both San Diego and Regional Pharmacy Operations, and as a Consultant Pharmacist for the Pharmacy Performance Improvement Program. Prior to 2013, Dr. Totah served as the Area Pharmacy Leader overseeing all aspects of Kaiser Permanente's pharmacy services in the San Diego market which currently serves over 600,000 members, or 1 in 5 San Diegans.

Sammy received his B.S. degree in Biology from Loyola Marymount University, and graduated with a Doctor of Pharmacy degree from the University of California, San Francisco. (He was one of the original UCSF students to come through UCSD for his 4th year experiential pharmacy training). He completed a Pharmacy Residency Program at Kaiser Permanente – Los Angeles, and completed the Executive Leadership Program at the Harvard Business School in 2015.

Item #5: Lease Approval for North County Coastal Career Center

Recommendation

Approve the lease under the costs and terms herein for the North County Coastal Career Center (NCCC) located at 1949 Avenida del Oro, Suite 106, Oceanside, CA 92056. Authorize SDWP to manage additional lease negotiations of other non-fiscal related terms, while not exceeding the cost and terms as described below.

Background

SDWP currently oversees multiple facilities throughout San Diego County, including the administration of three property leases:

- 1) SDWP's offices at 3910 University Avenue, San Diego
- 2) South Metro Career Center at 4389 Imperial Avenue, San Diego
- 3) South County Career Center at 1111 Bay Boulevard, Suite E, Chula Vista

The State of California Employment Development Department (EDD) requires that all leases statewide be transitioned to the local Workforce Development Boards (WDBs), which requires SDWP to take on the lease for the NCCC from EDD, the current lease holder.

Terms for Master Lease

The term of the lease is eight years beginning July 1, 2018 and ending on June 30, 2026.

Termination Provisions

SDWP may terminate this lease at any time and for any reason, without cost, effective on or after May 1, 2021, by giving written notice to the Lessor at least 60 days prior to the date when such termination shall become effective. Additionally, SDWP, may terminate this lease without cost, effective on or after July 1, 2019, under the following circumstances:

- SDWP's fiscal year-to-fiscal year revenue reduction is five percent (5%) or more, or,
- The cumulative revenue reduction from FY18 funding is ten percent (10%) or more.

Description of Property

The NCCC is approximately 25,000 square feet, of which SDWP will lease approximately 21,000 square feet. SDWP will sublease the entire square footage to the AJCC operator. The AJCC operator will use approximately 9,000 square feet for operations and sublease the remaining 12,000 square feet to partner agencies, including EDD and the Department of Rehabilitation. If a partner agency terminates its lease with the AJCC operator, the operator would still owe SDWP full rent, and be responsible for finding a replacement tenant. The non-space use rent costs (e.g., janitorial, maintenance, security, utilities, etc.) will be the responsibility of the AJCC operator to pass on to subtenants as CAM at the end of each year. Repairs will either be the responsibility of the operator or landlord depending on the cause and extent. Insurance and taxes will be paid by the landlord. SDWP is responsible for phone and internet service.

Overview of SDWP’s Comparative Market Analysis for other Properties

SDWP worked with three independent realtors to complete an analysis of facility costs and terms compared to other facilities in the region, accounting for the other programmatic requirements.

While other potential locations had lower rates, these locations did not include the significant investment (\$100,000+) by the current owner into Americans with Disabilities Act (ADA) building improvements needed to operate SDWP’s federally-funded programs.

Another issue that contributes to the higher rent is the property’s preferred location. Other facilities generally lacked the same level of access to public transportation. In sum, we believe that the cost is reasonable and most appropriate for SDWP needs.

SDWP negotiated a 3% annual increase in rent from an original proposed 4% by the owner. Each realtor indicated that 3% is a normal annual increase. The Board approved an annual increase of 3% in SDWP’s South County lease on August 25, 2017 and other leases currently held by SDWP. SDWP concluded 3% was a competitive annual increase.

Property Name	City	Sq. Ft.	Cost Per Sq. Ft.	% Annual Increase
Ocean Ranch Plaza	Oceanside	25,010	\$1.69	3%
Carlsbad Airport Center	Carlsbad	13,926	\$1.50	3%
Current Property	Oceanside	20,948	\$2.08	3%

Lease Costs Summary:

From	To	Monthly Rent	Cost/SF	% Annual Increase
7/1/2018	6/30/2019	\$43,571	\$2.08	NA
7/1/2019	6/30/2020	\$45,038	\$2.15	3%
7/1/2020	6/30/2021	\$46,295	\$2.21	3%
7/1/2021	6/30/2022	\$47,761	\$2.28	3%
7/1/2022	6/30/2023	\$49,227	\$2.35	3%
7/1/2023	6/30/2024	\$50,694	\$2.42	3%
7/1/2024	6/30/2025	\$52,160	\$2.49	3%
7/1/2025	6/30/2026	\$53,626	\$2.56	3%

Item #6: CEO and Staff Update

INFORMATION ITEM – NO ACTION REQUIRED

Updates on SDWP's programs.