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## Chamber Luncheon Awards Honorees

Here we are, standing on the Chamber's rooftop, ready to sing the praises of this year's group of Annual Awards Luncheon honorees. These wonderful people add to the strength and vitality of the Salinas Valley and we know you'll agree with the wise choices of our Selection Committee.

Before we put our spotlight on these local luminaries, here's a reminder of a couple of details about the February 27th event (see ad on Page 2). With attendance of over 500, the Annual Awards Luncheon (presented by Mechanics Bank) is the Chamber's biggest event of the year. Guests will get to meet the esteemed Chamber Board of Directors and more. We've been working on a 3-year strategic plan and we'll share some highlights of that with our guests. As always, the heart of the program will see the Chamber honoring businesses and individuals for their accomplishments and contributions. Please put your hands together as we applaud them (now, while you're reading alone in your recliner will be a warm up and we'll all do it together for real at the event):

### **Businesswoman of the Year: Loretta Souza (The Home Depot)**



**LORETTA SOUZA**  
Businesswoman  
of the Year

Loretta has been an outstanding woman leader in the construction industry for many years. She has been with Home Depot for 16 years and has managed the Salinas store for 7 years. During that time, she has mentored countless associates, enabling their own success.

Home Depot and Loretta give back to the community in many ways. They hold free monthly workshops that encourage participants to improve their skills in construction and home improvement projects. Some of these workshops are specifically oriented toward involving children and others are designed specifically for women.

Under Loretta's leadership, the local Home Depot team has supported causes including veterans, homeless, animal welfare, the California Rodeo, and the Artichoke Festival. Home Depot donated generously to support Rancho Cielo Construction Academy's "Tiny Home Project." While Home Depot donates at the corporate level, the company also

encourages employees to do the same via the "Homer Fund," in which employees can donate from each paycheck to support local causes.

In 2017, Ms. Souza was recognized with the "Golden Apron" award for her outstanding volunteer service as well as the "Top Sales Over Plan" award for best performance out of 110 stores in her district.

### **Ag Leadership Award: Rod Braga (Braga Fresh Family Farms)**

Headquartered in Soledad, Braga Fresh Family Farms has been a leader in California's agricultural industry since 1928. Under the labels Josie's Organics and Braga Farms, the company grows, packages and distributes organic and



**ROD BRAGA**  
Ag Leadership  
Award

**AWARDS** - Continued on page 6

## Chamber Endorses McShane for Supervisor

After diligent and vigorous examination of four official candidates and their positions, the Salinas Valley Chamber of Commerce endorses business owner and Salinas City Councilmember Steve McShane for the 4th District open seat on the Monterey County Board of Supervisors.

Voters in this district live in South Salinas, Marina, Seaside, Sand City, Del Rey Oaks, and unincorporated county land near these cities. Jane Parker has represented these communities on the Board of Supervisors since her election in 2008. After three terms in office, she is not seeking re-election in 2020.

### **Our Reasons for Endorsing McShane**

McShane is a long-time community leader and has extensive business experience as the owner of McShane's Landscape Supply (formerly McShane's Nursery).

Steve was elected to the Salinas City Council in 2010, 2014, and 2018. He was also an elected board member of the Hartnell Community College District. Steve serves on the Board of Monterey Bay Community Power and is the Chair of both the Monterey Bay Air Resources District and the Association of Monterey Bay Area Governments (AMBAG).

Steve has been a leader in seeking more effective operations at the city's Permit Center, advocating for the Downtown Vibrancy Plan and adaptive reuse development in Downtown Salinas, and winning city enactment of a "blight accountability ordinance." He was also a leader in city adoption of the "Salinas Connect" app to request city services. These are the nuts-and-bolts type of policy work that benefits the Chamber and the business community.

He routinely holds community meetings to inform voters and get perspectives from them on controversial issues. And he consistently supports opportunities in the Salinas Valley for economic growth, job creation, and new housing.

Steve's voting record on economic growth and housing development has been unpopular with some organizations and activists who are skeptical about new or expanded residential, commercial, and industrial development. Sometimes these groups even try to curtail existing economic activity.

The Chamber does not believe local businesses or the region in general benefit from strict government restraints on land use and commercial activity. Such policies repel businesses from coming to Monterey County and discourage many businesses that are here now.

### **Salinas and Monterey Chambers Collaborate**

For the first time in recent memory, the Salinas Valley Chamber of Commerce and the Monterey Peninsula Chamber of Commerce came together to share logistics in the candidate review process. They used one candidate questionnaire, participated together in candidate interviews, and engaged in joint deliberations about the candidates.

It was a successful effort in regional

**McSHANE** - Continued on page 6



**Steve McShane**

# 99<sup>th</sup> Annual Awards Luncheon

Join us for our biggest annual event where over 500 local businesspeople get together for lunch and to honor our own.

Presented by



*Everybody comes because everybody goes!*

**Thursday**  
**February 27, 2020**  
**11am-1pm**  
**Sherwood Hall, Salinas**

## 2019 HONOREES:

**Small Business of the Year:**

**Belli Architectural Group**

**Large Business of the Year:**

**Maya Cinemas**

**Businesswoman of the Year:**

**Loretta Souza** (*The Home Depot*)

**Citizen of the Year:**

**Pete Delgado** (*SVMHS*)

**Agricultural Leadership:**

**Rod Braga** (*Braga Fresh Family Farms*)

**Spirit of the Community:**

**Alco Water Service**



**TICKETS: \$55/members**  
**\$95/non-members**

Register online by 2/24  
[www.SalinasChamber.com](http://www.SalinasChamber.com)  
Or (831) 751-7725





# Starting Off Strong

by Andrea Bailey, Chamber Board Chair

As the new Chair for the Salinas Valley Chamber of Commerce, I could not be more excited to serve our community and to oversee what I know will be a year of growth and change.

I come to you with a strong business and management background that I plan to use to continue the Chamber's commitment to our local economy, government, and business community. I am the Public Affairs Representative for Chevron and work in Monterey County as part of the Corporate Affairs team. This role requires me to wear many hats -- from implementing a social investment strategy to developing community and stakeholder strategies to managing community relationships. Working with all members of a community is an area I thrive in and one that I hope serves me well as the new chair of the Salinas Valley Chamber of Commerce.

I am also involved with many local organizations, both through leadership roles and through my commitment to volunteering. In addition to my role with the Chamber, I am on the board of the Salinas Valley Leadership Group. I work with Hartnell College in many ways: by serving on the College's Foundation Board, as co-chair of the President's STEM Task Force and as a member of the College's Strategic Planning Task Force.

In my previous role at Chevron in Richmond, I created and led a successful \$15.5 million economic revitalization initiative to create jobs, grow small businesses, expand job training opportunities and improve schools and access to quality education. That job taught me about the best methods and strategies for strengthening communities and executing public-private partnerships.

My personal vision as Chair is to strengthen organizational

capacity and sustainability, create a strong value for existing and potential Chamber members, and foster an environment where businesses thrive. At the Salinas Valley Chamber of Commerce, we believe in providing economic opportunities for people, families, and businesses to succeed and grow. We believe businesses are the economic engine that drives a healthy community and want to help them succeed by providing leadership, advocacy, education, outreach, connectedness, and networking.

To provide these assets, the Chamber has created a strategic plan for 2020-2022. This plan includes improving our operational excellence, growing our membership value and reach, increasing regional collaboration and coordination, and strengthening our advocacy and policy influence to more effectively advance the interests of our membership.

If we stay true to this approach, we will unlock greater value for our membership, strengthen our collaboration and communication, and establish the chamber as a value center. Our vision remains clear—we are committed to being a valued organization.

And finally, to kick off 2020, please join me, the Board, and other businesses for the 99th Annual Awards Luncheon on Thursday, February 27th, from 11:00am-1:00pm at Sherwood Hall in Salinas. ■



## 2020 EXECUTIVE COMMITTEE

- Chair - **Andrea Bailey** (Chevron)
- Chair-elect - **Kristy Santiago** (KION TV)
- Past Chair - **John Bailey** (Alternative Dispute Resolution)
- Vice Chair, GRC - **Kevin Dayton** (Salinas City Center Improvement Assn.)
- Vice Chair, Finance - **Bill Hastie** (Hastie Financial Group)
- Vice Chair, Events - **Julie Ann Lozano** (MBS Business Systems)
- Vice Chair, Membership - **Esteban Calderon** (Comerica Bank)

## 2020 BOARD OF DIRECTORS

- **Jim Bogart** (Ag Industry Legend)
- **Kalah Bumba** (Consultant Community/Health)
- **Raymond Costa** (RHC Management, dba McDonald's)
- **Amy Gibson** (Portola Hotel & Spa)
- **John Haupt** (Haupt & Associates)
- **Albert Maldonado** (MP Express Printing)
- **Rodney Meeks** (Credit Consulting Services)
- **Tom Meyer** (1st Capital Bank)
- **Kathy Miller** (Aera Energy)
- **Krishna Patel** (Valvoline Instant Oil Change)
- **Brandon Patterson** (Brandon D Patterson - Windermere Valley Properties)
- **Starla Warren** (Monterey County Housing Authority Development Corporation)
- **Jennifer Williams** (Natividad Medical Foundation)

## CHAMBER LIAISONS

- **Peter Kasavan** (SPARC)
- **Matt Huerta** (Monterey Bay Economic Partnership)

## LEGAL COUNSEL

- **Matt Ottone**

## PROFESSIONAL STAFF

- **Roxanne Noble Boss** (Membership Director)
- **Phillip Saldaña** (Operations & Accounts Manager)
- **Paul Farmer** (CEO & Chief Member Advocate)

CREATING A STRONG LOCAL ECONOMY  
PROMOTING THE COMMUNITY  
PROVIDING NETWORKING OPPORTUNITIES  
POLITICAL ACTION  
REPRESENTING THE INTERESTS OF BUSINESS WITH GOVERNMENT

[Info@SalinasChamber.com](mailto:Info@SalinasChamber.com)  
(831)751-7725

*I look forward to meeting  
and serving you this year!*



# Chamber Honor Roll

We thank ALL of our members for enabling the Chamber to help build a stronger Salinas.  
Here's our "Honor Roll" for 2019, based on total annual support to the Chamber.



## PLATINUM – invest more than \$10k



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## GOLD – invest between \$5k and \$10k

- ♦ Associated Builders and Contractors NorCal Chapter
- ♦ Braga Fresh Family Farms
- ♦ California Water Service Company
- ♦ Mechanics Bank
- ♦ Natividad Medical Foundation
- ♦ Noland, Hamerly, Etienne & Hoss - Salinas
- ♦ Orradre Ranch
- ♦ RHC Management Co, dba McDonald's
- ♦ Salinas Union High School District
- ♦ Salinas Valley Dental Care
- ♦ San Bernardo Rancho
- ♦ Santa Cruz County Bank
- ♦ Scheid Family Wines
- ♦ Smith Family Wines
- ♦ Taylor Farms California
- ♦ Union Bank

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## SILVER – invest between \$2,500 and \$5k

- |  |   |
|--|---|
| AgroThrive                                   | Kings Oil Tools   |
| Altai Brands                                 | Mann Packing Company                                      |
| Alvarez Technology Group                     | MBS Business Systems                                      |
| California Rodeo                             | Monterey Bay Economic Partnership                         |
| Central Coast College                        | Monterey County Bank                                      |
| Central Coast Federal Credit Union - Seaside | Monterey County Housing Authority Development Corporation |
| Chukchansi Gold Resort and Casino            | Monterey Peninsula College                                |
| Cloverfield Management                       | Natividad Medical Center                                  |
| D'Arrigo Bros Co of California               | Northern Salinas Valley Mosquito Abatement District       |
| Dole Fresh Vegetables                        | Ocean Mist Farms  |
| Green Rubber - Kennedy Ag                    | Ocon Family Chiropractic                                  |
| Hartnell College                             | SSB Construction  |
| Hastie Financial Group                       | The Don Chapin Company.                                   |
| Hayashi Wayland                              | Wal * Mart Stores #2458                                   |

# CHAMBER TRIP *Spain + Portugal*

by (and with) Chamber CEO Paul Farmer

*Join us for this bucket-list trip!*

The international trips coordinated by the Chamber have become so popular that now we're offering two trips per year. (Note: you don't have to be a member of the Chamber to join in on the fun).

Our first trip this year is to Australia + Fiji. Our second trip is to Spain with the option to visit Portugal. There is a lot of interest in this trip, so we may have another sell-out.

## **Spain – One of the World's Top Destinations**

Barcelona is one of my favorite cities in the world. (Ok, since you asked... the others are Rio de Janeiro, Brazil (we went there last year), Paris, France (we'll probably go there next year), and Florence, Italy.

Why do I love Barcelona so much? There have been three times in my life that architecture has moved me to tears and Barcelona's Sagrada Familia church is one of them. It's astonishing when simply looking at a BUILDING gives you the chills! I want to share that experience with others.

## **About this Trip**

We are going to spend 4 nights in the magnificent city of Barcelona, which gives us plenty of time to soak it in. The architect of the Sagrada Familia church (Antonio Gaudi) created a number of other buildings in the city, and I'm hoping to see as many as we can. We'll have a number of tours that are included, as well as free time to explore on your own.

After Barcelona, we'll take a high-speed train to Madrid, stopping off to spend the day in a town called Zaragosa. In Madrid, we'll enjoy a tour of the City that includes the Plaza Mayor and the world-famous Prado Museum. We'll also have a day trip to visit Toledo,



known as the "City of Three Cultures" because Christians, Muslims and Jews have lived together there for centuries.

Our 9-day trip "Spain" tour is \$3499. That includes airfare, taxes, high-speed train, 4-star hotels, breakfast every day, and a flamenco show with dinner. If you can, join us to visit Lisbon, Portugal for another 4 days/3 nights for only \$699.

## **Why Travel with the Chamber**

Traveling with the Chamber is a fantastic way to travel internationally with someone you trust. The Chamber and our travel partner agency handle all the details and you get to enjoy group discount rates. If you're a single traveler who would like a roommate, we're very good at helping pair you up with a new friend. Speaking of new friends, you're guaranteed to make plenty of them on our trip!

Come learn more about this fantastic trip at our no-pressure Travelers Information session on March 12 (details in the ad beside this article). Or shoot me a note: [President@SalinasChamber.com](mailto:President@SalinasChamber.com) Our travelers rave about our trips because the tours are top-notch, the pricing is very competitive and... we build friendships! ■



## **2020 Chamber Trip**

*(open to anyone)*

# **Spain + Portugal**

*Departing October 3, 2020*

**9 Day Journey of a Lifetime**  
Includes Breakfasts, Hotels, Airfare, Taxes, Tours

**Highlights:** Experience Barcelona and Madrid + smaller cities. See the Prado Museum & Sagrada Familia Church. High speed train. Flamenco dinner & show. Portugal is optional.

*Featuring 4-star hotel accommodations*

**DISCOUNTED RATE:**

**\$3499**

*Rate is double-occupancy.  
\$450 deposit holds your seat*

*Add 4 more days to see Lisbon,  
Portugal for only \$699 more!*



*Sagrada Familia Church*

## **Travel Presentation**

**Thurs Mar 12, 6-7pm**

**Active Seniors Center  
100 Harvest St, Salinas**

Download trip brochure on our website or contact us for details.

(831) 751-7725

[www.SalinasChamber.com](http://www.SalinasChamber.com)

[President@SalinasChamber.com](mailto:President@SalinasChamber.com)



conventional salads and vegetables to the retail market around the world. President & CEO Rodney Braga represents the third generation of his family to lead the company.

In addition to the positive economic impact they bring to the region, the Braga family has been generous in their support of many local charities. Some organizations that have benefitted from Braga's involvement include local Chambers of Commerce, the Farm Bureau, Ariel Theatrical, the Salinas Valley Fair, the California Rodeo, FFA, 4-H, Kinship Center and more.

**Small Business of the Year: Belli Architectural Group**



**BELLI ARCHITECTURAL GROUP**  
*Small Business of the Year:*

With a core belief in community service, firm employees have invested countless hours in supporting numerous community and non-profit organizations. Among other charitable pursuits, both partners Lino Belli and David Peartree have taken leadership positions within the Downtown Salinas Rotary Club.

**Large Business of the Year: Maya Cinemas**

Maya Cinemas was an early, key partner in the renaissance of Salinas's City Center. The company initially made the decision to invest boldly in their downtown Salinas property and has recently doubled down on those investments by making numerous upgrades to the facility.

In addition to operating a successful enterprise, the Maya team is involved in many faces of the community from education to culture to business. Maya awards 20-40 scholarships annually to high school students. Maya offers the Hola Mexico Film Festival each year, showing the best films from Mexico and serving as a bridge to Mexican culture. For the Salinas High School's

Started as a second-generation architectural firm, Belli Architectural Group is poised to continue into the next generation. Lino Belli and David Peartree have formed a highly successful and sustainable partnership involving leadership transition and development among the owners, professionals and team members. This year, the company celebrates its 25-year anniversary.

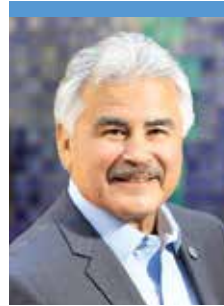
Belli Architectural Group has served as architect for many noteworthy local projects, including the new home of the Food Bank for Monterey County.



**MAYA CINEMAS**  
*Large Business of the Year*

Film Program, Maya plays students' public service announcements and donates the use of its largest theater for the program's annual awards night. Maya partners with the National Steinbeck Center for literacy outreach, assists the Monterey Film Commission with membership and offers special Veterans Day events and films honoring veterans.

**Citizen of the Year: Pete Delgado**  
*(Salinas Valley Memorial Healthcare System)*



**PETE DELGADO**  
*Citizen of the Year*

Pete Delgado, President/CEO of Salinas Valley Memorial Healthcare System (SVMHS), has transformed healthcare on the Central Coast of California, resulting in clinical, operational, and financial success. Delgado's tenure will long be remembered as a turning point for the organization, and for healthcare in our region. Delgado oversees a network of healthcare programs and facilities that includes an acute care hospital, 13 urgent care centers, outpatient facilities and services throughout the county.

Delgado has increased access to care for thousands of underinsured and uninsured patients. Under Delgado's leadership, SVMHS has opened pediatric and adult diabetes centers, a primary care clinic in Gonzales, and most recently a mobile health clinic. Delgado led the effort to bring the Blue Zones Project to our community, designed to transform health through policy and other changes to make the healthy choice the easy choice, helping people live longer, healthier lives. Delgado has served on

the Board of Directors for Rancho Cielo Youth Campus for the last six years. He is also a member of the Salinas Downtown Rotary, and he serves on boards of several industry organizations.

**Spirit of the Community:**  
*Alco Water Service*

Alco Water Service provides water for many residents in the City of Salinas. Now in its third generation of family ownership, the company has been supportive of many local charities. Tom Adcock, Alco Water's President, has served as a Director for the California Rodeo for many years. Alco and Mr. Adcock have been instrumental in providing needed financial support and services to help build Rancho Cielo Youth Campus, on the outskirts of Salinas.

A former member of the Salinas Jaycees, Adcock agreed for Alco Water to be the Presenting Sponsor for the Children's Shopping Tour. This largesse has been indispensable in helping the Chamber's non-profit Foundation take hundreds of local children shopping for needed school clothes. Not one to seek accolades, Adcock and Alco Water Service have been important community supporters for decades. ■



**ALCO WATER SERVICE**  
*Spirit of the Community*

➡ **McSHANE** - Continued from page 1

collaboration and efficiency. It was also an early fulfillment of the 2020 Salinas Valley Chamber of Commerce goal to work more extensively with other organizations on common regional projects.

The candidate review committees held two in-depth panel discussions: the first included all four candidates and the second focused on the two candidates who were deemed to have the strongest qualifications for the position, Steve McShane and Wendy Root Askew.

After the second joint interview, each Chamber candidate review committee made their recommendations to their full boards for an endorsement and each Chamber voted to endorse separately.

**Decision: Endorse Steve McShane**

Both Chamber candidate review committees had respect and appreciation for Wendy Root Askew, a legislative staffer for (retiring) Supervisor Jane Parker and a board member of the Monterey Peninsula Unified School District. In fact, many members of the two

candidate review committees have good working relationships and even personal relationships with both of these candidates.

The Chamber appreciates that Wendy was forthcoming with her positions, even when she admitted that she would have made the same vote on the County's acquisition of the Capital One campus that Jane Parker made (a decision that was contrary to the Chamber's stance). After the second round of interviews, Wendy wrote a warm and thoughtful message to her followers about her experience in the Chamber interview process. This was unusual and appreciated.

There will be contentious and divided issues at the Board of Supervisors. Considering not just our interviews, but also the experience and records of the candidates, the Salinas Valley Chamber of Commerce believes strongly that Steve McShane is more likely to vote in agreement with our positions in support of helping businesses thrive. We ask you to join us in supporting McShane for Supervisor.



**What Does the Monterey County Board of Supervisors Do?**

In addition to being the local governing body for decisions on land use outside of city limits, the Board of Supervisors is involved in variety of other government activities:

- Health and Social Services (including Natividad hospital in Salinas)
- Management of Laguna Seca (including the racetrack and shooting range) and other park and recreation programs, including Toro Park, Jack's Peak, and Lake Nacimiento and Lake San Antonio
- Law enforcement (Sheriff's office), District Attorney's office, and county correctional facilities

The Monterey County Board of Supervisors meets in Downtown Salinas, and the county has many of its offices in Salinas, either Downtown or at the Schilling Place facility (the former Capital One building).

# Transportation Agency Report

From pothole repairs in local cities funded by Measure X dollars to significant progress on the Monterey County Rail Extension Project currently underway in Salinas to bring more passenger rail service to our region, the Transportation Agency for Monterey County has been advancing transportation projects and programs in our community.

TAMC continued to leverage Measure X dollars for additional state funding last year, securing more than \$42 million in additional competitive state grants for the following projects:

- Marina-Salinas Corridor Project which will start construction early next year and will be the first regional Measure X project to be completed since voters approved Measure X in 2016
- Salinas Rail project, which has dramatically changed the landscape in downtown Salinas as construction crews work on the improvements and the extension of Lincoln Avenue to provide better access to the Salinas Train Station.
- Safe Routes to School Programs that will provide safety and educational programs in 10 disadvantaged communities in North County, Monterey Peninsula and the Salinas Valley
- Fort Ord Regional Trail and Greenway project which will connect communities in and around the former Fort Ord to each other and to education, employment, community and recreation centers. The first section of the project is fully-funded and construction begins in 2022.

The other benefits of Measure X can be seen, as cities across the county utilized the recently implemented "Pavement Management Program" to manage their streets and enhance safety features for motorists, pedestrians and cyclists.

The Measure X Citizens Oversight Committee continues to be actively engaged in their duties to ensure that Measure X funds are spent according to the terms of the Investment Plan. Their first Measure X Annual Audit and Compliance Report was released this year. Work on the second audit has begun and you can expect to see their report in TAMC's Annual Report this spring.

In the next years, we will see progress on major projects on Highways 1, 68, 101 & 156:

## **Highway 1 Rapid Bus Corridor:**

Monterey-Salinas Transit has initiated the preliminary work on this project to develop a dedicated busway utilizing the Monterey Branch Line right-of-

way between Marina and Sand City to reduce congestion on Highway 1. Construction of the project's first segment is targeted to begin in 2022.

**Highway 68:** Currently in the environmental phase, this project is partially funded with a mix of state funding and Measure X. If successful in securing additional funding, this high priority regional project could begin construction on its first segment by 2026.

**Highway 101 South of Salinas:** The Transportation Agency is working with Caltrans to look at safety and congestion improvements that will eliminate injuries and fatal crashes along this congested & critical agricultural route. Construction of initial improvements could start in 2024.

**Highway 156/Castroville Boulevard Interchange:** TAMC is working through the design process with Caltrans. The Agency will be seeking additional state funds to match Measure X funds to build this new interchange. If successful, construction could begin in 2023. ■



## PG&E Bankruptcy Plan

*by Michael Liedtke, Associated Press*

### **California Governor Urges Judge To Reject PG&E Bankruptcy Plan**

California Gov. Gavin Newsom is urging a federal judge to reject Pacific Gas and Electric's blueprint for getting out of bankruptcy and renewing his threat to lead a bid to turn the beleaguered utility into a government-run operation.

In a recent court filing, Newsom's lawyers gave a sternly worded rebuke of PG&E's plan, escalating the intrigue in a year-old bankruptcy case that will determine the fate of the nation's largest utility. PG&E is trying to dig out of a

financial hole created by more than \$50 billion in claims stemming from a series of catastrophic wildfires that have been blamed on the San Francisco company.

Although he doesn't have the power to block PG&E's preferred route out of bankruptcy, the Democratic governor has tremendous leverage because the company's plan hinges on its ability to draw upon a special insurance fund California created last summer to help insulate utilities from potential wildfire losses in the future.

PG&E did not immediately respond to a request for comment. ■



PHOTO CREDIT: AP Photo/Jeff Chiu, File



# Home Sales Surge

by Lucia Mutikani, Reuters

## U.S. home sales surge to near two-year high; supply at record low

U.S. home sales jumped to their highest level in nearly two years in December, the latest indication that lower mortgage rates are helping the housing market to regain its footing after hitting a soft patch in 2018, though record low inventory could be an obstacle to continued strong gains.

A recent report from the National Association of Realtors followed on the heels of government data showing homebuilding raced to a 13-year high in December. Renewed housing market momentum could soften some of the hit on the economy from manufacturing as the thaw in U.S.-China trade tensions is offset by Boeing's suspension of production of its troubled 737 MAX plane.

"The previous weak link, housing, is coming back, but the current laggard, manufacturing, is slowing further," said Joel Naroff, chief economist at Naroff Economic Advisors in Holland, Pennsylvania.

Existing home sales increased 3.6% to a seasonally adjusted annual rate of 5.54 million units last month, the highest level since February 2018, boosted by a surge in sales of multi-family housing units and gains in single-family home dwellings. November's sales pace was unrevised at 5.35 million units.

Economists polled by Reuters had forecast existing home sales would increase 1.3% to a rate of 5.43 million units in December. Last month, existing home sales rose in the Northeast, West and the populous South. But sales fell in the Midwest.

Existing home sales, which make up about 90% of U.S. home sales, surged 10.0% on a year-on-year basis in December. For all of 2019, sales were unchanged at 5.34 million units.

The housing market is being supported by cheaper mortgage rates after the Federal Reserve cut interest rates three times last year. The 30-year fixed mortgage rate has dropped to an average of 3.65% from its peak of 4.94% in November 2018, according to data from mortgage finance agency Freddie Mac.

But the sector, which accounts for about 3.1% of gross domestic product, remains constrained by a lack of homes, especially in the lower-priced segment of the market, because of land and labor shortages.

The supply squeeze and resulting reacceleration in house price inflation could slow home sales this year.

According to the NAR, there was a 14% drop from a year earlier in sales of houses priced \$100,000 and below.

"Still, with rising incomes, more households being formed, and low mortgage rates, demand for housing should remain robust to keep home sales activity at an elevated level – although likely little changed from 2019," said Ben Ayers, senior economist at Nationwide in Columbus, Ohio.

## LIFT TO GDP

December's increase in existing homes sales likely means more in brokers' commissions, which suggests that housing probably contributed to GDP growth again in the fourth quarter. Residential investment rebounded in the third quarter after contracting for six straight quarters, the longest such stretch since the 2007-2009 recession.

The Atlanta Fed is forecasting GDP to rise at a 1.8% annualized rate in the fourth quarter. The economy grew at a 2.1% rate in the July-September period. The government will publish its snapshot of fourth-quarter GDP next Thursday.

There were a record-low 1.40 million previously owned homes on the market in December, down 14.6% from November and 8.5% from a year ago. As a result, the median existing house price soared 7.8% from a year ago, the most since January 2016, to \$274,500 in December. House prices increased 4.8% in 2019.

The NAR report likely exaggerates the pace of house price appreciation because of sampling methodology.

In a separate report, the Federal Housing Finance Agency (FHFA) said its house price index rose a seasonally adjusted 4.9% in November from a year ago, slowing from an increase of 5.2% in October.

According to JPMorgan economist Daniel Silver, the FHFA measure is considered one of the more reliable house price measures "that control for changes in the mix of sales."

The NAR report showed that at December's sales pace, it would take a record few 3.0 months to exhaust the current inventory, down from 3.7 months in November.

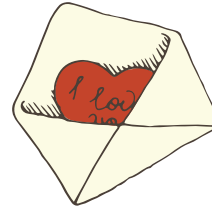
A six-to-seven-month supply is viewed as a healthy balance between supply and demand.

Last month, houses for sale typically stayed on the market for 41 days, up from 38 days in November, but down from 46 days a year ago. Forty-three percent of homes sold in December were on the market for less than a month.

First-time buyers accounted for 31% of sales last month, slightly down from 32% in November and a year ago. They accounted for 33% of all transactions in 2019. ■

Aquablue Skin & Body Spa

# Valentine's Day SPECIALS



Book your  
Valentine's Day  
weekend  
appointments  
in advance.

## Lover's Duet

The couples treatment begins with two glasses of complimentary champagne followed by a couples relaxation massage.

60 min - \$210 per couple

90 min - \$290 per couple

## Sweet Escape

Dive deep into relaxation beginning with a full body dry brush accompanied by a medium pressure massage with CBD oil.

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# Teachers Union Paying for Split-Roll Tax Initiative

by Mike Antonucci, LA School Report

**Analysis: The CTA really wants the split-roll property tax initiative on the ballot.**

**Union members don't seem so enthused.**

The California Teachers Association has made the passage of a split-roll property tax initiative its top priority for 2020, allocating an initial investment of \$6 million for the campaign.

But three months into signature-gathering to place the measure on the November ballot, the union is having a difficult time elevating its members to the same level of enthusiasm.

The Schools and Communities First campaign has set a goal of 1.6 million signatures by the March 4 filing deadline. The plan was to have volunteers, particularly union members, collect 450,000 signatures, while signature-gathering firms made up the difference. Each union involved with the campaign was given a quota, and CTA's is 150,000 signatures.

The overall collection rate has been steady. The campaign reached 250,000 signatures after about a month, and 500,000 after about two months. The latest information I have states the campaign has reached 745,000 signatures.

To make its goal, the campaign will have to ramp up its efforts over the final six weeks. The main reason is that volunteers have failed to keep pace with the paid signature gatherers.

According to multiple CTA sources, volunteers overall collected only 60,000 signatures, or 13 percent of their quota, by the end of 2019.

CTA's performance was even worse, with the teachers union managing to turn in only 17,000 signatures, or 11 percent of its quota. In an internal memo, one CTA official said the union's efforts were falling "woefully short" of its goal.

CTA is calling on its activists to "move into overdrive" as the deadline approaches, so teachers across the state and their friends can expect to

be bombarded with requests to sign petitions.

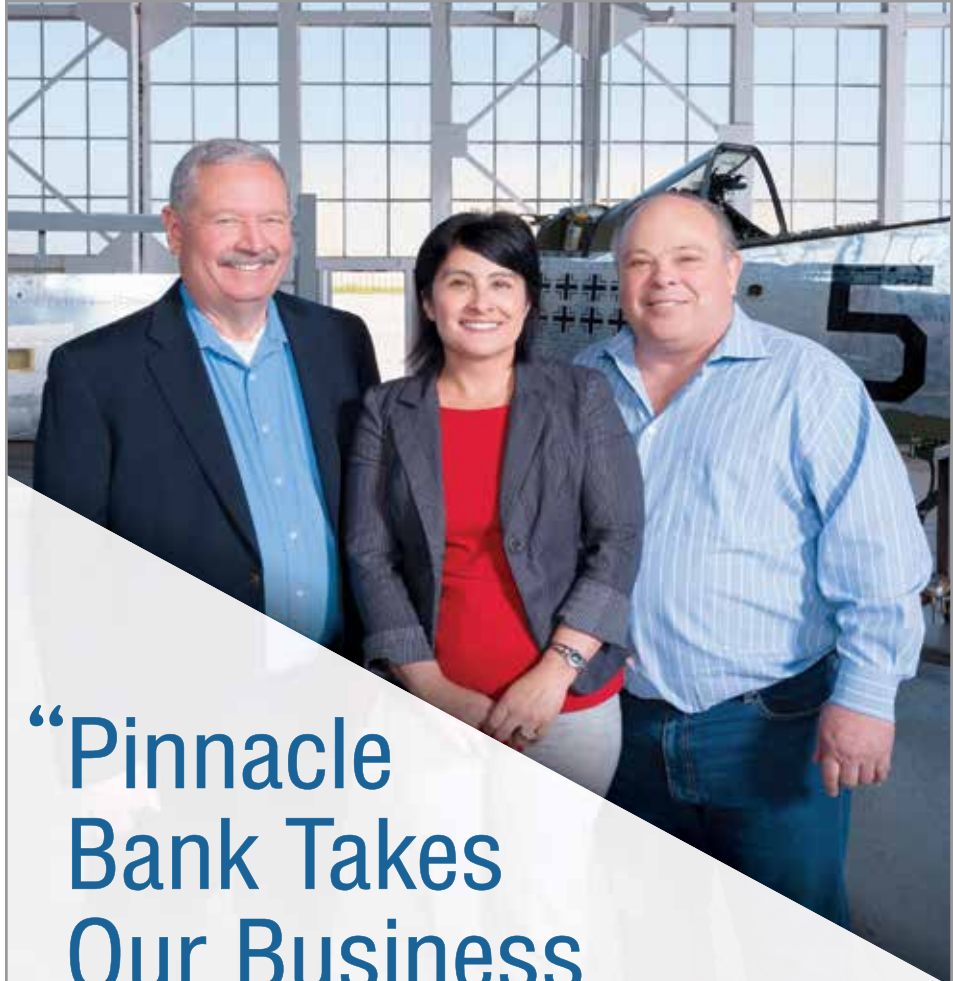
It's virtually certain that when all is said and done, the initiative

will have enough signatures to qualify for the November ballot, but it's just as certain that it will be due to the work of paid signature gatherers, who are ahead of pace.



PHOTO CREDIT: Getty Images

The campaign also benefited from Gov. Gavin Newsom's veto of a bill that would have made it a misdemeanor to pay signature gatherers based on the number of signatures they collected. With the bounty system still in place, CTA and its allies can buy what they need. However, it will mean the campaign will have spent precious funds that will be unavailable when the opposition tools up. ■



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# ADUs - Easier than Ever to Build

by Anne Secker, Attorney  
Noland, Hamerly, Etienne & Hoss



As of January 1, 2020, granny units and backyard cottages are easier than ever to build. These structures are technically known as Accessory Dwelling Units ("ADUs"), which are secondary residential units built in backyards of lots containing an existing single or multi-family home. California lawmakers loosened up restrictions on ADUs again in 2019 by enacting SB 13, AB 68, AB 587, and AB 671, with the hope ADUs will increase the amount of housing available to Californians. These laws follow on the heels of other laws adopted over the past 4 years to make ADUs easier to build.

Some commentators criticize these laws as the "death of single family zoning in California" because now property owners can build up to 2 ADUs as a matter of right on their property. Other commentators believe that ADUs are an important piece in solving the housing crisis because such units may offer an affordable solution to individuals who lack the means to pay for a more traditional housing. This article outlines some of the changes these new laws make regarding construction of ADUs.

## SB 13

SB 13 makes it easier and more affordable to build ADUs by removing costly requirements some local agencies have implemented including:

- Prohibiting a local agency from requiring an owner to replace parking spaces if a garage, carport, or covered parking is removed to construct an ADU.
- Prohibiting a local agency from requiring that an owner must occupy the property as a primary residence.
- Shortening the deadline for review of ADU applications from 120 days to 60 days.
- Prohibiting a local agency from imposing impact fees on ADUs that are less than 750 square feet in size.

## AB 68

AB 68 lets owners build up to two ADUs on their property. Local agencies may not:

- Impose any additional conditions on ADUs than what is already in the agency's zoning code.
- Require the lot on which the ADU will be built to be a certain minimum size;
- Require an ADU to be attached to the primary residence. ADUs now can be attached to a garage, storage area, or other structure on the property.
- Require ADUs to be less than 16 feet

in height or require rear and side yard setback to be more than 4-feet.

## AB 587

Prior to AB 587, an owner was prohibited from selling their ADU separately from the primary residence with which it shared a lot. AB 587 relaxes this law, allowing certain tax-exempt ADUs to be sold separately from the primary residence, so long as certain conditions are met. These conditions include, among others:

- The ADU be built or developed by a nonprofit corporation whose purpose is to build and rehabilitate residences to be sold inexpensively to low-income families.
- A recorded contract exists that includes affordability restrictions on the further sale of the ADU to ensure that the property will remain as affordable, low-income housing.

## AB 671


AB 671 incentivizes the construction of ADUs by:

- Requiring local agencies to develop a plan to incentivize and promote the construction of affordable ADUs.
- Requiring the creation of a list of state grants and financial incentives associated with planning and development of ADUs with affordable rent. This list must be posted on the website of the Department of Housing and Community Development by December 31, 2020.

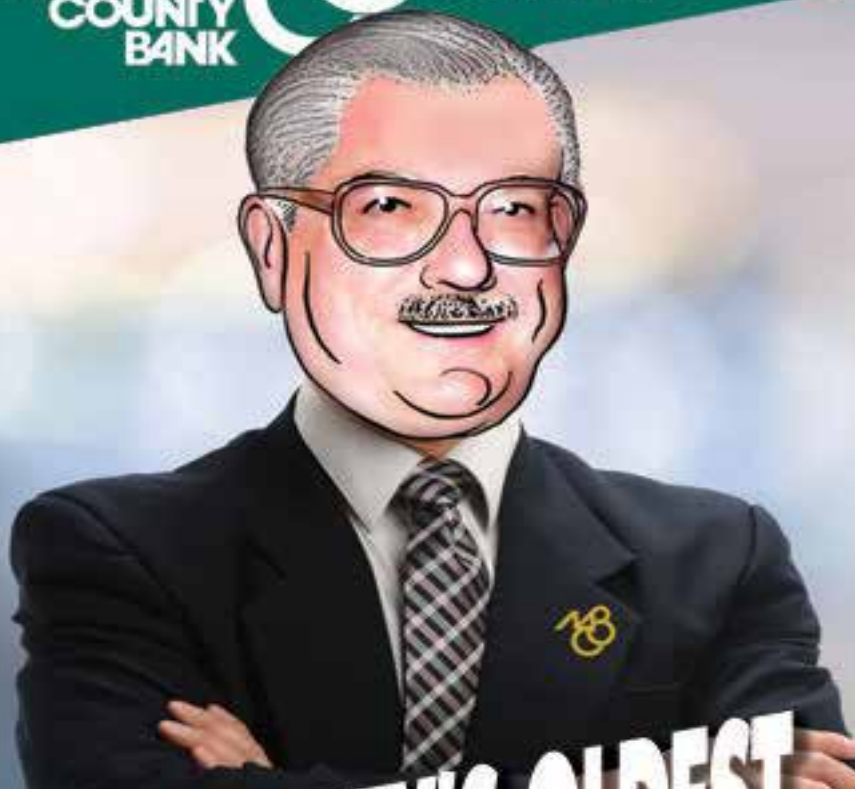
Whether it makes sense for property owners to build ADUs on their property requires careful financial analysis. Of course, additional considerations, such as privacy, parking and noise are also important considerations in deciding whether to build an ADU on your property. If you like your current single family neighborhood the way it is, these new laws will make it harder to object to ADUs proposed by your neighbors. Whatever your take on ADUs, we are likely see an increase in the development of ADUs in the years to come. ■

*This article is intended to address topics of general interest and should not be construed as legal advice. © 2020 Noland, Hamerly, Etienne & Hoss*

*Anne Secker is a shareholder in Noland, Hamerly, Etienne & Hoss and has practiced law in Monterey County since 1980. She specializes in commercial law, contracts, business dispute resolution, real estate and construction law, and creditors' rights. NHEH intern Jeff Tuttle assisted Ms. Secker with this article.*




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# UC Regents Divided over Tuition Hikes

by Larry Gordon, EdSource

**Officials hope more state funding will avoid tuition increases.**

The University of California's Board of Regents have shown deep divisions on dueling proposals to increase tuition and whether tuition should be hiked at all.

Some said they oppose both proposals, under which undergraduates who are California residents could see increases ranging from \$348 to \$606 next fall with additional hikes over each of the next four years. That would come on top of the current \$12,570 for mandatory tuition and university-wide fees, not including housing and other costs.

Other regents expressed preferences for one plan or the other, but a majority opinion was not apparent.

The increases would fall largely to higher-income students since low-income students and some middle-income ones would see a boost in their financial aid to cover the higher

tuition, administrators say.

The governing board of the ten-campus system originally had been scheduled to vote on the two models or to keep tuition flat. But they heard opposition from two important constituencies: Gov. Gavin Newsom voiced strong opposition and student leaders protested that they had not been given enough advance notice required under state law. It was just the day before the meeting that the regents decided to hold off on any vote.

The regents now are expected to vote on the proposals in coming months although no firm date was set. Their next regular meeting is in March.

Some regents are worried about the effect on middle-income students who don't receive full tuition grants. Those regents who were critical of any tuition increase suggested that the university instead reduce its spending and seek more state funding than Newsom

offered in his recent budget.

Lt. Gov Eleni Kounalakis, who is a regent, said the university has to get its own spending under control rather than turn to students for more cash. "Frankly there are times that spending decisions are made as if money is no object," she said at the meeting held in San Francisco. Citing what she described as "an affordability crisis," Kounalakis said many students already have a difficult time paying for tuition and living costs even with financial aid.

Other regents, however, said they fear there may be no alternative to higher tuition if the Legislature does not significantly increase funding beyond the 5 percent, or \$217.7 million, raise proposed by Newsom to what would total about \$4 billion in state support. Without the necessary funds, UC campuses will see more overcrowded classes and possible cutbacks in programs, they warned.



That plan would affect all UC undergraduates enrolled now and in coming years by the same amounts. It is designed to begin with a \$348 increase next year and continue with additional raises each year through 2024 based on the California Consumer Price Index. Kieffer and others favor that plan, as long as it has a cap, since it calls for smaller annual increases.

In contrast, regents chairman John A. Pérez said that he supports the rival proposal if tuition does have to be raised. That so-called cohort model would affect only incoming classes — at various rates. Each class's tuition then would hold at the same amount throughout their times at school. It is something never embraced before by California's public universities and colleges although some other states have tried it. ■



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# Can Californians Afford California?

by Loren Kaye, CalChamber

**By many important measures, California has never been better off.**

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Our economy created 3.4 million jobs in the 10 years since the worst of the Great Recession, a 24% growth spurt, driving the unemployment rate to a record low 3.9%. Our job growth has accounted for one out of every seven new U.S. hires. This rising tide has lifted every county with increased employment and income, although with great variation.

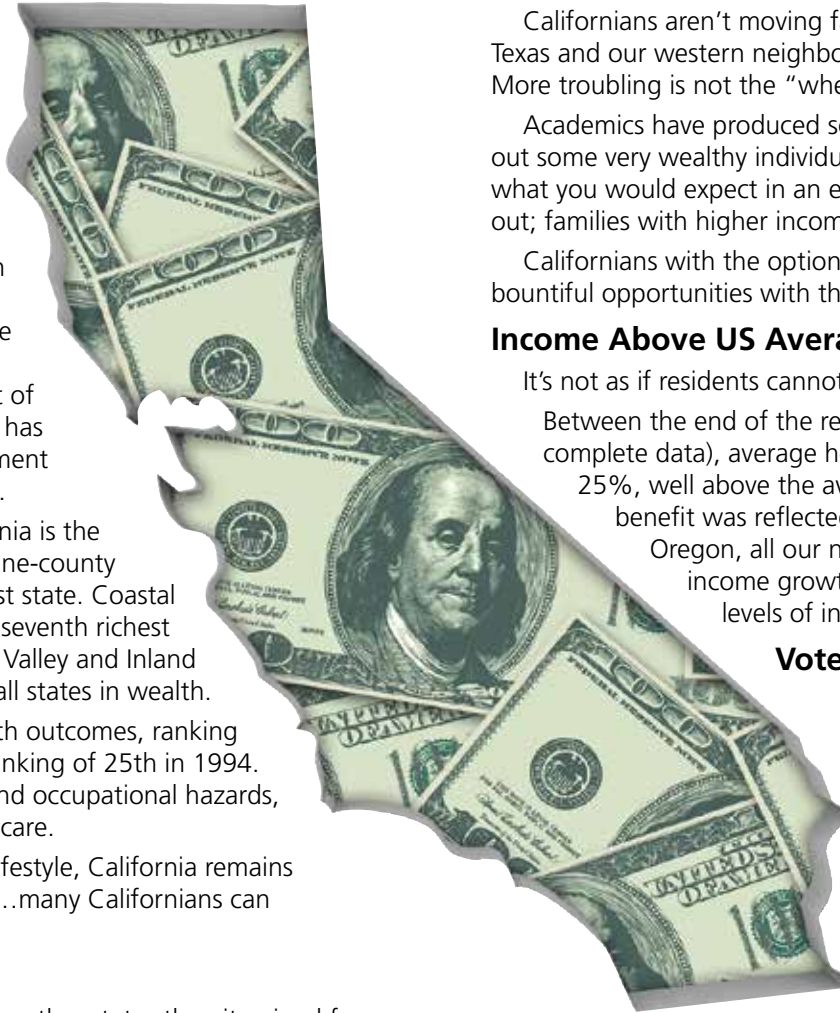
Measured by per capita income, California is the fifth wealthiest state in the country. The nine-county Bay Area would itself be the nation's richest state. Coastal Southern California would be the nation's seventh richest state. On the other hand, the San Joaquin Valley and Inland Empire together would rank 48th among all states in wealth.

California continues to improve its health outcomes, ranking 12th among all states, compared with a ranking of 25th in 1994. Credit our low rates of smoking, obesity and occupational hazards, high physical activity, and enviable clinical care.

If you're looking for a job or a healthy lifestyle, California remains a dream come true. But there's a problem...many Californians can no longer afford California.

## Losing People

In 2019, California lost more residents to other states than it gained from both foreign and domestic immigration combined. This continues a worrisome trend of California losing residents to domestic migration for each of the last 19 years. Since 2000, 2.3 million more persons left California for other states than moved into California. Were it not for our birthrate (which is falling) and international migration rate (which also is falling), California would be experiencing the unthinkable—losing population.



Californians aren't moving far. Mostly they are headed to western states, with Texas and our western neighbors accounting for nearly half of California movers. More troubling is not the "where," but the "who."

Academics have produced some evidence that high income taxes are chasing out some very wealthy individuals, but the dominant domestic migration trend is what you would expect in an expensive state: families with lower incomes move out; families with higher incomes move in.

Californians with the option to move are finding it harder to reconcile the bountiful opportunities with the cost to live here.

## Income Above US Average

It's not as if residents cannot earn a decent income in California.

Between the end of the recession in 2011 and 2017 (most recent year with complete data), average household incomes in California increased by about 25%, well above the average increase nationally of 19%. The California benefit was reflected at every income level. With the exception of Oregon, all our neighboring states and Texas lagged California in income growth, and no other western state had the absolute levels of income as high as in California.

## Voter Anxiety

Where our state is losing the competitive edge is in the ability to make ends meet, especially for lower- and middle-income Californians. Californians recognize this, even if their leaders have been slow to provide remedies.

In opinion surveys conducted for the California Chamber of Commerce over the last several years, voters have evinced their anxiety about California's cost of living:

- Two of three voters with children at home say their children would have a better future if they left California.
- Nine in 10 voters say earning enough to enjoy a middle-class lifestyle is nearly impossible in California. More than half strongly agree with this statement.
- Two out of three renters say owning a home is a high priority, and most of them would move out of state in order to make that possibility a reality.

Half of the state's registered voters admit to having given serious (24%) or some (28%) consideration recently to leaving California. The high cost of housing (71%) is the most common reason given by voters for wanting to leave California.

Governor Gavin Newsom recognizes that "the state's affordability crisis continues to threaten working families," with a burdensome cost of living, especially for health care and housing.

How can state leaders reverse these trends? Quite simply: address the causes and consequences of affordability, especially for middle- and working-class Californians. ■

*This article is part one of a two-part commentary written by Loren Kaye. Part two of this commentary will be published on the [www.CalChamber.com](http://www.CalChamber.com) website.*





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# It's Time for a Portfolio Check-Up

by Bill Hastie, MBA



Bill Hastie

a nationally recognized law firm, defines a 3(16) fiduciary as an administrator with ERISA reporting and disclosure duties. "Full 3(16)" fiduciary services often include accepting the fiduciary responsibility for performing the vast majority of plan administration: Maintaining plan documents in accordance with IRS/DOL regulations, tracking employee eligibility, ensuring communications meet DOL requirements, performing nondiscrimination testing and managing and sending required participant notices.

When a plan sponsor retains the services of an ERISA 3(16), they are most often left with only three primary responsibilities: deposit employee deferrals in a timely basis, provide an annual employee census and monitor the services of the 3(16) administrator.

What plans make the best candidates to retain a 3(16) fiduciary administrator? It's not so much based on plan size as it is based on plan needs. It's true that larger 401(k) plans, those with 100+ participants, are often good candidates simply based on the volume of employee needs and activity. But most often it is plan sponsors attempting to accomplish one of two objectives: either to maintain "hands off" of their 401(k) plan as much as possible, or to limit their fiduciary liability with regard to their plan as much as possible.

Many plan trustees have found both maximum "hands off" of plan duties and fiduciary protection regarding plan investments by retaining the services of both an ERISA 3(38) Investment Manager and a 3(16) Fiduciary Administrator. ■

**Bill Hastie, MBA is the Founder of locally-owned Hastie Financial Group. If you would like to discuss your personal or company's investment needs, please contact Bill at [william.hastie@hastiefg.com](mailto:william.hastie@hastiefg.com)**



The 401(k) plan has for many years been the retirement plan of choice for many, if not most, companies with employees. Once the employer adopts the plan, however, they accept a myriad of responsibilities (and liabilities) they probably never anticipated. It's commonplace for employers, especially smaller companies, to delegate to staff many of the day-to-day responsibilities of administering the plan. All seems well until something goes wrong either having to do with plan investments or administration.

With regard to plan investments, the Department of Labor (DOL) gives plan trustees the fiduciary responsibility of developing and implementing a prudent process to select, monitor and replace (as needed) investments made available to plan participants in their 401(k). What plan trustee can effectively execute that task? Accordingly, The Employee Retirement Income Security Act (ERISA) provides trustees the protection of an "ERISA 3(38) Investment Manager" who can execute, and take fiduciary responsibility for, the investment selection, monitoring and replacement of plan investments.

Plan administration, however, is a bit trickier with regard to fiduciary responsibility. Plan sponsors often retain the services of a third party administrator (TPA) to perform most of the required tasks of administering a 401(k) plan. This typically includes compliance testing and reporting, plan design and handling loans and distributions to name a few functions which are provided on a non-fiduciary basis.

As the 3(38) Investment Manager can provide many protections to plan trustees regarding plan investments, plan trustees are provided similar protections with an "ERISA 3(16) Fiduciary Administrator." The challenge is often that 3(16) services are incredibly broad. The Wagner Law Group,



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#### ABOUT THE SPEAKER

**Estate planning attorney Kyle A. Krasa, Esq.** is a native of the Monterey Peninsula. He attended Forest Grove Elementary School, Pacific Grove Middle School, and Stevenson for high school. He received his Bachelor's of Arts degree in English Literature from Saint Michael's College in Vermont and his Juris Doctorate degree from U.C. Davis School of Law.

Mr. Krasa is certified by the State Bar of California as a Legal Specialist in Estate Planning, Trust, and Probate Law. He has his own practice in Pacific Grove: KRASA LAW, Inc. He is married to Amanda, a Water Quality Specialist for the Monterey County Health Department. They have one son, Jonah, who attends Forest Grove Elementary School.

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# Leadership Monterey County Adds New Directors

Board which consists of Tim Flanagan, Paul Farmer, Pete Scudder, and Mary Ann Leffell. The Leadership Monterey County program is an independent 501c(3) organization, operated under the auspices of the Monterey County Business Council, at the direction of CEO Kimbley Craig. In the next article, we'll introduce the 2020 Class. For now, let's learn a bit about the new Directors:



*Janine Bouyea*

### **Janine Bouyea, Hospital Human Resources Administrator**

Janine Bouyea is the Hospital Human Resources Administrator at Natividad. Ms. Bouyea is responsible for all aspects of the Human Resources Department, Hospital Education, Employee Health and oversight of the Volunteer Auxiliary & Spiritual Care Services at NMC. She previously worked in the Human Resources Department of the Monterey County Administrative Office before transferring to a management role in the Human Resources Department at Natividad. Ms. Bouyea received a Master's Degree in Human Resources Management from Golden Gate University and a Bachelor's Degree in Business Administration with a concentration in Human Resources from San Jose State University.

### **Kendra Howell, Blue Zones Project**

Kendra Howell serves as the Sr. Policy Lead for the Blue Zones Project (BZP) Monterey County team. Kendra is responsible for collaborating with policy partners to establish, implement and communicate policy priorities and projects in the areas of Tobacco Policy, Food Policy and the Built Environment (ex. Complete Streets and community development conducive to walking, biking and transit).



*Kendra Howell*

Kendra has over thirty years of experience representing two high-profile organizations and promoting their missions and messages internally and throughout the community. Still currently with Salinas Valley Memorial Healthcare System, Kendra also continues to manage Government Affairs projects. Prior to joining SVMHS, Kendra worked for Walt Disney Parks and Resorts in Community Affairs, Marketing, and Special Events. Kendra holds a Masters of Public Policy from CSUMB/Panetta Institute.

Kendra always sees the possibility in things and she finds inspiration in the possibility to transform the well-being of our community through the Blue Zones Project.

### **Mystère Sapia, Rolands & Associates**

Mystère Sapia supports the Rolands & Associates Corporation as its Contracts Manager. She is responsible for developing proposals and managing contracts. This Monterey-based software company works on a worldwide basis, and supports clients from the US Government, NATO ACT, and many NATO members in their commitment to train their leadership in civil and military capabilities.

Prior to joining R&A, Mystère operated in the planning and environmental regulatory fields for over 25 years. Initially working as a City and County Planner, she moved into environmental management of construction material facilities for Granite Construction and Graniterock.

Mystère received a Master's Degree in Public Administration from University of Utah, and a Bachelor's Degree in Environmental Studies from UC Santa Barbara. ■



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# Covered California Enrollees Surge

by Cathie Anderson, The Sacramento Bee

Covered California reported recently that the number of new enrollees has surged to 318,000, surpassing the total number from last year, as open enrollment neared its close on Jan. 31.

Still, leaders of the state-based insurance marketplace say a survey shows that many Californians are unaware that a new state law mandates that everyone have health care coverage.

"Thousands are signing up every day, and we're not done yet," said Peter V. Lee, Covered California executive director. "Californians have until midnight on January 31 to sign up and not only avoid paying a penalty to the Franchise Tax Board



but – for almost a million Californians – get new help from the state to lower their health care costs."

Many people may recall that the federal government did away with the individual insurance mandate, but they are not aware that California policymakers instituted a state penalty for individuals and families who do not have insurance. It can add up to more than \$2,000 for a family of four. ■

## Ask THE EXPERTS

**New Year. New Decade.  
A NEW START FOR HEART HEALTH!**

**Thursday, February 20**

CSUMB at Salinas City Center  
(National Steinbeck Center)

1 Main Street, Salinas

5:30pm Reception; 6:00pm Program

Complimentary FREE Parking

Our *Ask The Experts* Heart Month event will provide valuable information to help you live well and take care of your heart.

**Register Now! Seating is limited; RSVP required.**

Call 831-759-1890 or visit [svmh.com/asktheexperts](http://svmh.com/asktheexperts).

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# Chamber Events



*New friends made at Connect at Lunch at the delicious downtown Villa Azteca.*



*Business partners Jorge Edeza and Juan Del Real spared no expense on the very grand grand opening of their new REMAX office.*



*Residence Inn is constantly refreshing their property to welcome their guests.*



*Tania Santos is excited to rebrand her company as "Platinum Bookkeeping."*



*The Chamber's Citizen of the Year, Pete Delgado, cuts the ribbon on SVMHS's new Mobile Health Clinic.*



*Longtime Chamber supporter MBS Business Systems celebrates their new offices in Salinas.*



*Courtyard by Marriott cuts the ribbon to celebrate recent upgrades to the hotel and dining area.*



# State Extends Deadline for Harassment Lawsuits

by Sharilyn Payne, Fenton & Keller

A significant new law changes the amount of time an employee has to bring a claim for harassment and/or discrimination. Governor Newsom signed into law Assembly Bill (AB) 9, known as the "Stop Harassment and Reporting Extension Act" or "SHARE." Under this new law, as of January 1, 2020, employees have up to three years to file a claim with the Department of Fair Employment and Housing ("DFEH") alleging a violation of California's Fair Employment and Housing Act ("FEHA"). The FEHA prohibits conduct including discrimination and harassment. Previously, employees had one year to bring this type of claim.

As background, when an employee wishes to file a lawsuit with the court alleging, for example, that a supervisor harassed him or her, the employee must first file a complaint with the DFEH either requesting that the DFEH immediately issue a Right to Sue Notice, or that the DFEH investigate the claim and determine whether there has been a violation of the FEHA. Even if the DFEH concludes that there is no violation, it still issues the Right to Sue Notice allowing the employee to file a lawsuit. Once the employee has received the Right to Sue Notice, the employee has one year from the date of receipt of the Right to Sue Notice to file a lawsuit. Previously, an employee had one year from the date of the alleged unlawful act to file the complaint with the DFEH. Under AB 9, the employee now has three years to file the complaints with the DFEH. Because

investigations by the DFEH often take quite a while, sometimes at least one year, under this new law, at least four years can go by before an employee files an actual lawsuit with the court against the employer.

The justification for extending the statute of limitations presented by the author of AB 9 was that "victims of all forms of discrimination and harassment may be initially unclear about what happened, unaware of their rights, or reluctant to report misconduct to their boss." But the California Chamber of Commerce and 49 other groups opposed the bill noting that with the increased statute of limitations, there will be less motivation for victims to come forward quickly. In fact, similar legislation had been presented in the past and was vetoed by Governor Brown who stated that the "one year statute of limitations encouraged prompt reporting and resolution of alleged employer wrongdoing."

The practical impact on employers is that this extended period for an employee to file a claim may greatly impact the employer's ability to investigate the claim or defend itself in the event of a lawsuit because key witnesses may have already left the company and written records may no longer exist. To protect themselves, it is even more important now for employers to document employee complaints, engage in prompt investigations, and modify internal document preservation policies to ensure that documents and emails are kept for up to five years. Supervisors and managers must also be trained to monitor the workplace and immediately report any conduct they perceive as harassing or discriminatory. ■

Sharilyn Payne is a lawyer with the Fenton & Keller law firm in Monterey. This article is intended to address topics of general interest, and should not be construed as legal advice. For more information, please visit [www.fentonkeller.com](http://www.fentonkeller.com).



## Member News

### Williams Appointed to State Board

Gregory Williams has been appointed as an Advisory Committee Member for the State Water Board's Drinking Water Operator Certification Program. The Advisory Committee reviews and provides recommendations to the State Water Board regarding all proposed regulation and more.

Greg has served the water profession in California since 2003 and currently holds the position of General Superintendent for California Water Service in Salinas. Since joining California Water Service, Greg has played a leadership role on the Central Coast. He is a graduate of the Leadership Monterey County program and is the Vice Chair of Membership for the Salinas Valley Chamber's Young Professionals Group.



Gregory Williams

### Aera Soccer Park

King City and Aera Energy have partnered to bring the community an upgraded soccer park. Aera made a \$60,000 donation to renovate the Creek Bridge Soccer Park and reopen the venue as Aera Soccer Park.

The 3-acre park is located across the street from Chalone Peaks Middle School in King City. The field is used by multiple teams, including the middle school's four soccer teams. The park currently includes a small play structure and restrooms, but the existing soccer field (which serves as the park's main attraction) has long been in need of repairs.

Aera is pleased to strengthen the King City community and to invest in ways that improve Monterey County. Renovation work began in December with completion in Spring 2020.



### Aiello to Lead SCCB Expansion

Santa Cruz County Bank recently announced their expansion into Salinas and the Monterey Peninsula. To lead that expansion, Richard (Rich) Aiello has joined as Senior Vice President, Regional Manager for the Salinas and Monterey Peninsula regions. Mr. Aiello will be based in Monterey County where he will be responsible for developing new relationships and expanding existing business relationships in Salinas and the Monterey Peninsula.

Santa Cruz County Bank is actively in the process of opening a full-service banking office within this market area. The Bank has the capacity to lend up to \$30 million per relationship and is recognized as a top SBA and USDA lender in California.



Richard (Rich) Aiello



# Upcoming Events

## February and March 2020

- Feb 12** | **Member Orientation**  
05:30 PM - 06:30 PM  
Salinas Chamber
- Feb 19** | **Ribbon Cutting - (Joint) Salinas Valley Kitchen & Bath**  
05:00 PM - 07:00 PM  
1368 S Main St C
- Feb 20** | **Kai Fit Mixer and Ribbon Cutting**  
05:30 PM - 07:00 PM  
1128 S Main St
- Feb 27** | **99th Annual Awards Luncheon presented by Mechanics Bank**  
11:00 AM - 1:00 PM  
Sherwood Hall, 40 N. Main St.
- Mar 4** | **Connect at Lunch - Oldtown Fish and Chips**  
12:00 PM - 01:00 PM  
18 E Gabilan
- Mar 17** | **Lunch and Learn - Your "Google My Business" Page**  
11:30 AM - 01:00 PM  
Salinas Chamber
- Mar 25** | **Ribbon Cutting - Valley Health Associates**  
11:30 AM - 01:30 PM  
427 Pajaro St

# Winter Mixer

1128 S Main St Salinas, CA  
Thursday, February 20  
5:30 - 7pm  
Free to attend

Join the Salinas Valley Chamber and Kai Fit  
(formerly Snap Fitness)

For our Winter Mixer and Ribbon Cutting  
Same owners, new look and options

Meet the Chamber Board:



Kristy Santiago



Kevin Dayton

Register



## Connect at Lunch

Wednesday,  
March 4th  
12-1pm

Join us for lunch at Oldtown Fish & Chips.

Connect with colleagues,  
exchange ideas &  
pass around business cards.



18 E Gabilan St, Salinas

Seating is limited  
You MUST  
\*Pre-RSVP\*

[www.SalinasChamber.com](http://www.SalinasChamber.com)

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