



Meet Chamber's
New Staff

P.2



Delaying Minimum
Wage Increase?

P.15

INSIDE THIS ISSUE: Hartnell's Interim President [P.7](#) | Member News [P.18](#) | Energy Storage Boom [P.19](#)

Was the County Deal a Flop?

Chamber-led coalition advised the County not to purchase the former Capital One campus. History may show us to have been right.

It's typical that elected government officials adopt a policy with great fanfare and praise for the public, while years later the public never gets told that the policy did not achieve the original promises.

Your Chamber wants the public to know that Monterey County's controversial acquisition of Schilling Place (the former campus of HSBC/Capital One) and the move of county offices to that location may not "make financial sense" after all. If the current financial challenges of the Monterey County Water Resources Agency are any indication, the Chamber's opposition to the 2014 vote of the Board of Supervisors to use Schilling Place may be vindicated.

The Deal Was Done Six Years Ago

In March 2014, county officials unexpectedly began negotiations to acquire vacant property on Schilling Place, the former HSBC/Capital One buildings between Highway 101 and Abbott Street in Salinas. The first inkling of what was happening was a cryptic reference in a closed session agenda item, with no staff report or other information about the plan.

The negotiations were "confidential." But eventually the public figured out that acquisition of the Schilling Place buildings was part of a plan for Monterey County to consolidate offices scattered all over Salinas (including in downtown) and allegedly save money for taxpayers. ➡

GOALS OF PROCESS

Purchase must:

1. Make financial sense
2. Meet County Space needs
3. Save taxpayer funds over time
4. Opportunity to improve services



Did it??

Slide from County's 2014 presentation in support of purchase
(Red added by Chamber now)

[SCHILLING PLACE](#) - Continued on page 6

Glass Ceilings Break Across Salinas...

by Christie Cromeenes, Mayor of Salinas

If you listen closely, you can hear the sound of the proverbial glass ceiling breaking in Salinas. The hiring of Michelle Vaughn as Interim Fire Chief marks the fifth female department head in our fair city. At first glance that may not seem significant, but when you realize that there are only eight departments in the city, you begin to understand the significance.

It's important to remember that only a short 100 years ago, women fought for the right to vote, and believe it or not, the battle for women's rights still continues.

Recently, I held back the tears for the loss of my friend, Mayor Joe Gunter, as I stood in front of City Hall and contemplated the magnitude of the tasks at hand as I assumed the role of Interim Mayor. I knew that this was a monumental moment for me, personally. And for the City of Salinas, this marks the first time in our history that women hold the positions of Police Chief, Fire Chief and Mayor.

These women have worked hard, in male-dominated industries, to become true leaders in our community.

While my term as Mayor will be short, I stand proud to make history and serve our community beside such inspiring women.

- Police Chief – Adele Fresé
- Interim Fire Chief – Michelle Vaughn
- Mayor Pro Tem – Christie Cromeenes
- Community Development Director – Megan Hunter
- Libraries and Community Services Director – Kristan Lunquist
- Human Resources Director – Marina Horta-Gallegos



Christie Cromeenes,
Interim Mayor



Adele Fresé, Salinas Police Chief



Michelle Vaughn, Interim Fire Chief

- Hello -

Chamber Welcomes New Staff Members



Lindsey Knight

■ Lindsey Knight

Membership Development Director

Direct Phone: (831) 585-1287

Membership@SalinasChamber.com

Lindsey joined the Salinas Chamber as our Membership Development Director after serving over a decade in the nonprofit sector. She brought with her a passion to serve our community, bring people together, and engage with business owners and community members in Monterey County. Lindsey grew up in Carmel Valley and attended San Jose State University to receive a Bachelor's degree in

Sociology. After years of service supporting nonprofits in Portland and Chicago she returned home to be closer to her family, enjoy beach walks and hikes, and to get a tan (she was over the rain and snow).



Shae Scarr

■ Shae Scarr

Member Services Coordinator

Direct Phone: (831) 585-1286

MemberServices@SalinasChamber.com

Shae was born and raised in Salinas and after finishing her degree at Chapman University with a BA in Marketing, she joined the Chamber as Member Services Coordinator. Prior to the Chamber, Shae worked with local nonprofits as well as within the agricultural industry. She enjoys travel of any kind, whether that be weekends in the Sierra Nevada or international trips.

Governor Highlights GSA Housing Efforts

During one of Governor Newsom's recent press conferences, the Governor called out the Grower-Shipper Association's COVID-19 housing program as an incredible effort, and thanked the industry here in our region for creating what has become a model for his newly announced state managed quarantine housing program. He commented on the COVID-19 housing program for agricultural workers in the Central Coast/Monterey, his efforts to build on the GSA housing program model, and the support of this region's ag

industry of the housing program in helping farmworkers with quarantine housing needs. The Governor also announced his intention to work with the Legislature to expand protections and build on existing Executive Orders including COVID-19 paid sick leave, labor law enforcement and workers' compensation access, as well as reporting between employers and local health departments, citing inconsistencies of case identification amongst the different local health jurisdictions throughout the state. ■



Joining the
Salinas Valley
Chamber of Commerce
**One Smart
Move**

Why Join:

Being a member of the Chamber is an investment in your business and professional development.

Membership brings credibility to your business.

Consumers trust businesses when they are members of the Chamber.

Increase your visibility in the community.

The chamber offers many ways for you to get connected to the community.

Increase your visibility online.

Consumers find you on the Chamber's website and being listed with us improves your business website ranking with Google.

Gain a voice in government.

The Chamber is the strongest local advocate for business. We help grow the economy for everyone.

Make business contacts.

Find and develop partnerships that help you succeed.

What do consumers think about Chamber Members?

51% more likely to think favorably about chamber members.

57% more likely to think positively of member's reputations.

63% more likely to buy goods and services from chamber members.

These are important facts for businesses.

Consumers trust Chamber Members!

Schedule an appointment with our Membership Director today!

membership@salinaschamber.com or 831.585.1287

**www.SalinasChamber.com
119 E. Alisal St. Salinas, CA 93901**

Join the Chamber Today!

by Andrea Bailey, Board Chair

Did you know that consumers are 63% more likely to buy from businesses that are members of the Chamber of Commerce? According to the Schapiro Group out of Atlanta, when customers know a business is a member of the local Chamber of Commerce, they are 63% more likely to buy their goods and services and 57% more likely to think positively of its reputation.

This is but one of many of the benefits of joining the Salinas Valley Chamber of Commerce. We are an organization looking out for business interests and have been doing so for over 100 years. A Board of Directors and a small staff work vigorously to ensure that local Salinas Valley businesses reap all the benefits of being a Chamber member while also strengthening the local economy.

Times are uncertain due to COVID-19, particularly for small business owners. Will your business make it through multiple state-mandated closures? What will it look like when you open again? How can you use your own community to help your business? These are all questions that the Salinas Valley Chamber can help answer when you become a member. Engaging in your community and the services of the Chamber of Commerce can help your business to weather any current and future storms. The Salinas Chamber acts as a hub for all local businesses and for customers to see who's open and what services they're offering. The Chamber can also help to advocate on behalf of your business at the federal, state, and local levels for policies that will help businesses navigate these challenging times.

There are five types of memberships with the Chamber: Stakeholder, Executive, Premium, Marketing, and Business. Each has its own benefits and characteristics that make it the right membership for your business. Memberships help support the Chamber in representing the interests of business with government and political action that creates a strong economy. Your membership keeps the Chamber going!

There are also numerous intangible benefits, the first of which is credibility. Customers are much more likely to trust and buy from you as a member of the Chamber. Once you become a member, you'll receive a Chamber membership plaque to be displayed at your business and on your website, ensuring customers know your status, as well as other benefits, including educational and networking opportunities, business resources such as directories and mailing lists, and advocacy -- to protect and advance the interests of business.



Joining the Chamber is great visibility and provides numerous marketing opportunities. Members get their business profile and logo featured in the Salinas Valley Business Journal, a publication with a circulation of 17,000. Inquiries to the Chamber will result in referrals of only Chamber members and members are likely to refer to each other as well. New members are also set up with a free Chamber web page, helping draw more web traffic to your business. Membership includes other marketing

opportunities like the Word to the Member electronic newsletter, Member Message, mailing labels along with fellow member contact info, mixers, and event sponsorship.

To join the Chamber, please email Lindsey Knight, our new Membership Development Director at Membership@SalinasChamber.com.

Sincerely,

A handwritten signature in black ink, reading "Andrea Bailey".



2020 EXECUTIVE COMMITTEE

- Chair - **Andrea Bailey** (Chevron)
- Chair-elect - **Kristy Santiago** (KION TV)
- Past Chair - **John Bailey** (Alternative Dispute Resolution)
- Vice Chair, GRC - **Jennifer Williams** (Natividad Medical Foundation)
- Vice Chair, Finance - **Bill Hastie** (Hastie Financial Group)
- Vice Chair, Events - **Amy Gibson** (Portola Hotel & Spa)
- Vice Chair, Membership - **Julie Ann Lozano** (MBS Business Systems)

2020 BOARD OF DIRECTORS

- **Jim Bogart** (Ag Industry Legend)
- **Kalah Bumba** (Consultant Community/Health)
- **Esteban Calderon** (Comerica Bank)
- **Raymond Costa** (RHC Management, dba McDonald's)
- **John Haupt** (Haupt & Associates)
- **Albert Maldonado** (MP Express Printing)
- **Rodney Meeks** (Credit Consulting Services)
- **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)

CHAMBER LIAISONS

- **Peter Kasavan** (SPARC)
- **Matt Huerta** (Monterey Bay Economic Partnership)
- **Kevin Dayton** (Salinas City Center Improvement Assn.)

LEGAL COUNSEL

- **Matt Ottone**

PROFESSIONAL STAFF

- **Lindsey Knight** (Membership Development Director)
- **Shae Scarr** (Member Services Coordinator)
- **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
(831)751-7725

Trends in the California Economy: Unemployment

California's Unemployment Rates Are Bouncing Around

The California Economic Development Department reports that the state's unemployment rate dropped from 16.4 percent (in both April and May 2020) to 14.9 percent in June 2020. The unemployment rate had been at a record low 3.9 percent in December 2019 and January 2020.

Unemployment Benefit Payments: Costly and Numerous in California

The California Economic Development Department reports paying \$50 billion to unemployed or underemployed workers since the coronavirus crisis began in March, as of the last week in July. The agency processed 8.7 million claims for the regular Unemployment Insurance (UI) program and the separate Pandemic Unemployment Assistance (PUA) program. These numbers are far higher than anything seen during the Great Recession in the late 2000s/early 2010s. ■

California Unemployment Rate



California Unemployment Rate



Merger and Acquisition Advisory Strategic Business Consulting

Working together to achieve
your financial, strategic and
business goals.

831-809-9000
PowersAssociates.us



COVID-19 Testing Strategies for Employers

by Spenser Smith, ARCpoint Labs

An employer's strategy to combat COVID-19 will rely on many tools to keep employees and customers safe. Most of these tools will be preventative, such as temperature checks, social distancing, workforce education, and so on.

Occasionally however, there will arise situations where it's important to know if an individual or individuals are COVID-19 positive or negative. The ongoing functioning of your business may depend on it! For situations where such information is valuable, there is no substitute for timely, accurate COVID-19 testing.

It's not just enough to have access to testing, though. Having a clear testing strategy will let your business get the most out of each test, stopping outbreaks before they spread and helping you confidently make decisions about bringing individuals back to work. As companies grapple with how to reopen and operate in a time of pandemic, three main testing strategies have begun to take shape:

- 1) baseline testing;
- 2) periodic testing; and
- 3) incident response testing.

Baseline testing involves testing a population widely to get a "snapshot" of the positive rate at a moment in time. For example, testing a workplace when returning to work to make sure that everyone is healthy, or testing to establish the prevalence of infected individuals in a workplace during a community outbreak.

Baseline testing can also be done on individuals who are being introduced to a certain employee population from outside, such as new hires or people arriving from a different shift or department.

Periodic testing involves monitoring a group of employees for coronavirus by testing a subset on a regular basis. For example, randomly testing a certain percentage of employees once a week, or testing a known subset of employees on a monthly rotation. Unlike the "snapshot" provided by testing at a single time, periodic testing allows an employer to monitor the ongoing situation from day to day, possibly detecting an early case before it becomes an outbreak and dealing with it.



Spenser Smith, Lab Director,
ARCpoint Labs of Monterey Bay

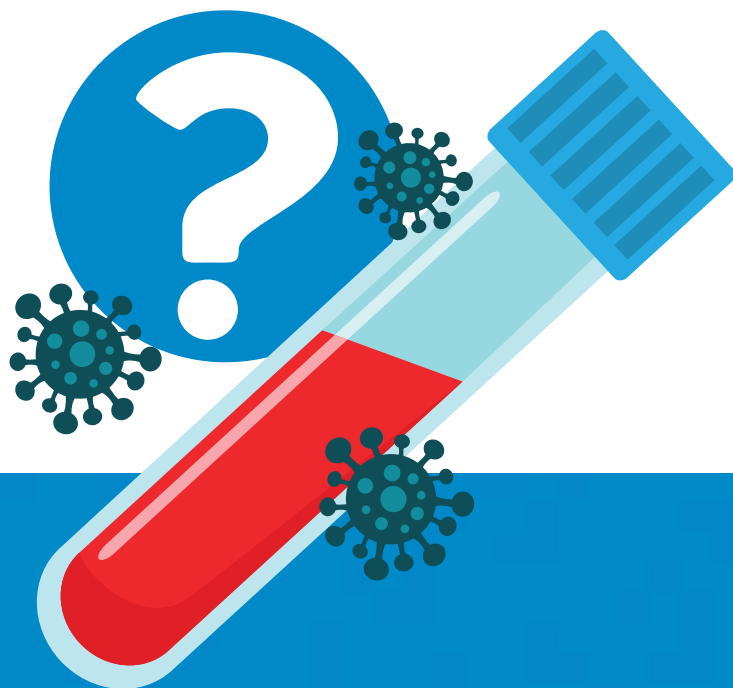
Both baseline and periodic testing are a form of population-wide screening, where most individuals are expected to come back negative.

Incident response testing involves testing that can be deployed on short notice, when there is cause to believe that an employee may be currently infected or was recently exposed to a suspected infected individual. Sometimes it may involve testing all employees who came into contact with an infected individual.

While some companies may not have the resources to employ baseline testing or the need to use periodic testing, most businesses will benefit from the ability to order incident response testing if called for.

The subject of COVID-19 testing is a complex one, and your business's true best strategy will be unique to your circumstances. Still, basic principles apply that can help you come up with best practices and shape your overall effort. I hope that this article has helped simplify some of the decisions you face in keeping your business healthy in the time of a pandemic. ■

The article above is a paid placement on behalf of a Chamber member. The Chamber shall have no liability for the accuracy of the information and cannot be held liable for any third-party claims or losses of any damages.



Monterey, CA
arcpoint labs
accurate. reliable. confidential testing.

But was this location appropriate? Although the facility is described as being “in the heart of the Salinas Valley,” in actuality the buildings are located in an inconvenient industrial area of Salinas, several miles from Downtown Salinas where the county administrative headquarters is located.

Business and community leaders in Salinas were aghast at the proposal. It seemed contrary to the idea that services should be located in a centralized location with convenient access to multiple means of public transit and proximity to restaurants and other small businesses.

Downtown business owners noted that Schilling Place wouldn’t just encompass county agencies scattered in properties throughout the city, but would also absorb agencies already located in downtown. It was a step backwards for community leaders dreaming of a Downtown Vibrancy Plan. And it was advancing without public input.

Divided County Board Decided to Buy It Despite Opposition

In May 2014, your Salinas Valley Chamber of Commerce took a leadership role in partnership with the now-defunct Oldtown Salinas Association and the Salinas United Business Association to present an opposing view. We organized a group called “Save Our Local Economy,” which pleaded with the Monterey County Board of Supervisors to cease property negotiations and facility planning while city

leaders worked to propose a more suitable location.

There were meetings, public forums, petitions, social media campaigns, news media coverage, and plenty of public criticism. It at least forced the Board of Supervisors to acknowledge drawbacks to the plan. At the August 26, 2014 board meeting, the consultant advocating for the project provided a list of “potential concerns” about the move:

- Requires cash for debt service and operating expenses from Year 1
- Implementation will redirect County resources
- Internal and external resistance
- Will relocate 147 employees currently at the Government Center (in downtown Salinas)
- Reduce property tax revenue
- Perception of less convenient public access
- Lost economic opportunity for the City of Salinas

In addition, the Board of Supervisors gave opponents a formal time period of ten minutes to make their arguments against the move. The presentation of “Save Our Local Economy” emphasized three points: (1) the financial analysis was not credible, (2) alternative locations or arrangements were not adequately considered, and (3) the public was solidly opposed to the move.

Nevertheless, the Board of Supervisors voted 3-2 to acquire the facility. Supervisors Lou Calcagno, Jane Parker, and Dave Potter voted to acquire the facility, while Supervisors Simón Salinas and Fernando Armenta voted against it. “We’re not an answer to downtown vibrancy,” one supervisor said dismissively about the county’s responsibility to the City of Salinas.

Do the Results Show “Financial Benefit” Disappeared?

Almost six years later, on July 20, 2020, the Monterey County Water Resources Agency Board of Directors received a report on the financial impact of that agency’s relocation to Schilling Place. The report informed the board (and the public) that annual costs to ratepayers of its new location have increased from \$203,588 in FY19 to \$967,071 in FY20 to \$1,428,883 in FY21. (The Water Resources Agency’s lease is for 14,748 square feet of office space.)

This means the monthly cost is increasing from about \$17,000 per month in 2019 to \$119,000 per month in 2021, which is an increase of 702% in two years.

In her response that follows this article, Supervisor Jane Parker explains this cost is not just for the lease but includes something called the COWCAP fee. We’ll continue to investigate why this has increased so drastically in such a short period of time.

Below is a response graciously received from Supervisor Jane Parker about what she has found so far in her inquiries about the increase. She has been told that the Water Resources Agency is not accurately comparing its former costs to its current costs.

Nevertheless, the Water Resources Agency wants the Board of Supervisors and the public to know that something has gone very wrong with operational expenses since it moved its location. Its report states that “the aforementioned increases [in the cost of the lease] have greatly impacted the Agency operations as staff have been forced to make reductions to staffing levels, equipment purchases, consultant costs and utilizing Fund Balance to accommodate these costs.”

Not surprisingly, the Monterey County Water Resources Agency is looking to relocate again. Perhaps it’s time to move to buildings in Downtown Salinas, where - unlike Schilling Place - there is now a district Vibrancy Plan that the City of Salinas, regional transportation agencies, and the Salinas City Center Improvement Association (SCCIA) are working to implement.

Regardless of what the Water Resources Agency does, the Chamber wants you to know – we did as much as we could to encourage the County to make an informed decision. Even though we listed and explained many concerns, the County was dead-set on moving forward with the purchase of Schilling Place. And now, with six years of history in the rear-view mirror, maybe they would have been wise to have heeded our warnings.

We will continue asking questions and we will continue reporting on what we learn.

Response from Supervisor Jane Parker

Supervisor Jane Parker voted in favor of purchasing the Schilling Place property in 2014 (she is the last remaining Supervisor from the Board of Supervisors that made the decision). The Chamber sent our cover article to her in advance of publication and invited her to respond to it. We thank Supervisor Parker for taking the time to respond. We are printing her response below in its entirety.

Please note that while Supervisor Parker states the Water Resources Agency report included “factual errors,” she does not specify what those errors are. Similarly, no numbers are offered to support the Supervisors assertion that the purchase was a “prudent investment for taxpayers.” We understand that a more detailed response may take more time. We have offered the County and Supervisor Parker more time to offer a detailed response, which we may publish in an upcoming edition of the Business Journal.

“Thank you for providing this draft article and asking me to point out any factual errors; there are factual errors in the WRA staff report, which means that your article repeats those errors. I urge you to wait and get a better understanding before printing. I have received a brief explanation from finance which I will attempt to summarize here: ➡

***SCHILLING PLACE
Continued on page 7***

Flyer from 2014 Chamber-led SOLE coalition efforts to dissuade purchase

The COWCAP fee which is levied by the County on every department includes a wide variety of expenses, such as general administrative services as well as building expenses to include utilities, maintenance, garbage, etc. General Administrative expenses include costs such as Auditor-Controller, Information Technology, County Counsel, Contracts Purchasing, HR, etc. People upset about the COWCAP expense seem to be comparing the COWCAP expense with the lease at their old building, which as you can see from all the expenses rolled into COWCAP is not accurate. Also, the COWCAP did NOT include lease costs for the Schilling Place building for the first two years of occupancy.

The new COWCAP fees will include the lease value of the building, plus some carryover costs from expenses that were not levied in prior years, plus increases in a variety of fees. Finance staff have committed to reviewing their calculations and seeing what can be done to reduce the COWCAP for WRA. They acknowledged that WRA raised some valid issues about some of the expenses, but I don't have a detailed breakdown for you.

The purchase by the County of buildings on Schilling Place in Salinas definitely provoked a reaction among some members of the community – some of whom are rumored to have hoped to buy it themselves since it was on the market at a

very advantageous price. Water Resources Agency staff tried to interpret the COWCAP, which is a very complex set of calculations, without asking the County Auditor or Budget staff for clarification. Staff are reviewing those costs for WRA since this question was raised; based on preliminary information I have been given, Schilling Place property ownership continues to be a prudent investment for taxpayers, as mortgage payments end at the end of a fixed period of time as opposed to the ongoing nature of rental costs.”

~ Supervisor Jane Parker

Rodriguez Named Hartnell's Interim President

The Hartnell Community College District Governing Board voted to select Dr. Raul Rodriguez as interim superintendent/president of the college.

Dr. Rodriguez assumed the interim role on July 13.



Dr. Raul Rodriguez

He served as interim president at East Los Angeles College this past year, and for nine years before that, he was chancellor of the Rancho Santiago Community College District in Orange County, one of the largest in California, with annual enrollment of 80,000 students. Previously, he was superintendent/president of San Joaquin Delta College in Stockton for eight years.

Board President Aurelio Salazar Jr. said the board's priority is to support the Office of the Superintendent/President and sound management of the college.

“We want to make sure that our students, faculty, staff and administrators have a superintendent/president with the leadership skills and vision to keep our institution moving forward,” Salazar said.

Trustee Candi DePauw, who served with fellow trustees Erica Padilla-Chavez and Manuel Osorio on an Ad Hoc Committee to review applications, described Dr. Rodriguez as a “strong asset.”

“We look forward to welcoming him to campus,” DePauw said.

Dr. Rodriguez thanked the board for its trust in him, adding, “I look forward to working closely with the faculty, students, staff, and administration and being of service.”

He further said he is “delighted to join Hartnell,” where his two sons both attended. One of them recently transferred to the University of California, Santa Cruz.

The following is a full biography provided by Dr. Rodriguez:

Raúl Rodríguez, Ph.D., has served as a Chief Executive Officer in the California Community College System since 1995. Most recently he served as the Interim President at East Los Angeles College from July 2019 until June 2020. Prior to that, Rodríguez was the Chancellor of the Rancho Santiago Community College District (RSCCD) from August of 2010 until June of 2019. As the Chancellor of

one of the largest community college districts in the state of California, Dr. Rodríguez oversaw a district that covers one quarter of the land area of Orange County, registers an annual enrollment of more than 80,000 students, and is one of the largest employers in the region with more than 4,000 employees.

Before joining RSCCD, Dr. Rodríguez held a number of positions in both single college and multi-college community college districts in California. His previous administrative experience includes the following: Superintendent/President of San Joaquin Delta College in Stockton (8 years); President of Los Medanos College in the Contra Costa Community College District (6 years); Interim President of San José City College; Vice President of Instruction at San José City College; and, Dean of Instruction at Cabrillo College in Aptos, California, among others.

Dr. Rodríguez earned a Ph.D. in Psychology from the University of California, Santa Cruz. He also possesses a Master's Degree from Fairfield University in School and Applied Psychology and a B.A. in Liberal Studies from Bowling Green State University in Ohio. An educator who taught psychology at Cabrillo College and the University of California, Santa Cruz, he is also a graduate of the Harvard Institute for Educational Management.

Dr. Rodríguez was a member of the Board of Directors of the Accrediting Commission for Community and Junior Colleges (ACCJC) for seven years. He served in the positions of Chair, Vice-Chair, and Immediate Past Chair. Starting with his first accreditation visit in 1989, Dr. Rodríguez has served as either a Team Member or Team Chair on more than 14 accreditation visits to ACCJC member colleges.

Community and professional service has always been a high priority for Dr. Rodríguez. He recently served an eight-year term on the Board of Directors of the Santa Ana Chamber of Commerce. He is a member of the League of United Latin American Citizens. He has served as a board member of the Boys and Girls Club of Santa Ana, the Orange County Taxpayers Association, the Rotary Club of Orange, California, the Goodwill of the Central Valley, and many others. Dr. Rodríguez has twice been elected to the Chief Executive Officers Board of the California Community Colleges and he served that organization as the Vice President for Southern California. In addition, Dr. Rodríguez is on the Board of Directors of the National Community College Hispanic Council. ■

Dalman Named Palma's New President

A leader on campus for more than two decades has been named the second president of Palma School in Salinas. Chris Dalman, currently serving as Assistant Principal and Dean of Students, was offered a contract by a unanimous vote of the Palma School Board of Directors. He took office on July 1.

teacher, and administrator, which will serve him well in his new role. The Board of Directors is excited by what the future holds with Chris at the helm. He will bring a renewed energy to the school, as we carry on the legacy of the Christian Brothers, particularly the work of Br. Dunne."

During his time at Palma, Dalman



Chris Dalman Will Lead Palma School.

"Palma School has been, and remains to be, a beacon in my life. As a student, instructor, coach, administrator and now president, the lessons instilled daily at Palma are what have guided me to where I stand today," Dalman said. "Palma is a more than a school — it's an opportunity for young men to push themselves to their highest potential. I am extremely excited to work with this incredible faculty and staff as Palma continues its mission."

In his previous position, Dalman interacted with students on a daily basis, ensuring they recognized and reflected the high expectations placed upon them. "Not every young man is a scholar. Not every young man is an athlete. But every young man has the potential to take charge by embracing the highest ideals of his own convictions and character," said Dalman. "We are in the business of building up remarkable young men to be the innovators and leaders of tomorrow."

"We welcome Chris Dalman as the new President," said Eric Mueller, Chairman of the Board of Directors at Palma School. Chris has a long history with Palma, as a student, alum, parent,

has served on numerous executive committees and held positions of prominence in the areas of policy, admissions, advancement, accreditation and athletics. As a 1992 graduate of Stanford University, he went on to play eight seasons in the National Football League as a San Francisco 49er. Dalman turned his playing experience into teaching as a coach for the Atlanta Falcons and the Stanford University football program before returning to Palma in 2009 when he assumed to role as Director of Admissions.

"For the past 20 years, I have seen what a powerful presence Chris is on campus. He is respected by every constituency, including faculty, staff, students, parents, supporters and local business leaders. He is a prime candidate to assume the position of president and the school will be in good hands moving forward," said Br. Patrick Dunne, C.F.C., Palma's first president and former principal. Br. Dunne is stepping down after 33 years at the helm of Palma School.

A ceremony to mark the occasion has been postponed due to the COVID-19 pandemic. ■

MONTEREY COUNTY BANK *The Business Bank!*

MONTEREY'S OLDEST LOCALLY OWNED BANK!

Charles T. Chrietberg, Jr.
Your Local Banker Since 1977

**"Bank
on Us!"**

MONTEREY COUNTY BANK

**Carmel Valley
Pacific Grove
Salinas
Monterey**

Call Us **831.649.4600**

Member F.D.I.C. • SBA Lender • Equal Housing Lender

Leadership Monterey County

by Kimbley Craig,
CEO of Monterey County Business Council



The Leadership Monterey County class had the distinct pleasure of meeting with many local officials during Government and Law Day. In order to provide a safe and healthy environment, class was held in a hybrid fashion, with part of the day taking place virtually and part of the day in person in an outdoor space that provided for appropriate social distancing.

To kick off the day, County Supervisors Chris Lopez and Luis Alejo met with the class via Zoom video conference to discuss important issues in each of their districts, such as Use-of-Force policies, homelessness and county budgeting. We then turned it over to King City Mayor Mike Lebarre and Seaside Mayor Ian Oglesby, who shared information about issues that impact residents on the city level, such as the need for low income housing, and the economic impact of COVID-19 in their respective cities.



Our afternoon was spent at the Sheriff's Posse Grounds with Sheriff Stephen Bernal, as he educated us about the efforts of his team and the challenges faced by his department. District Attorney Jeannine Pacioni, the first female top prosecutor in the county's history, ended our day with a discussion about the role of her department and the methods her team uses to prosecute cases in our county. Additionally, she shared stories of the most impactful cases in her career.

PHOTO CAPTIONS:

Leadership Monterey County adjusted this year's classes and format to learn from local elected officials who are coordinating our County's response to the Coronavirus. However, by the time the Business Journal went to press, the Leadership Monterey County Board of Directors (on which the Business Journal Editor Paul Farmer serves) made the decision to postpone the rest of this year's classes until 2021 due to the Coronavirus.



Managing Business Risk During COVID-19

by Anthony Castillon-Mendoza, Attorney
Noland, Hamerly, Etienne & Hoss



Amid the chaos of a pandemic and a flurry of government orders, businesses are being forced to reevaluate strategy, analyze risks, and determine their best moves to stay afloat. Business interruption insurance can help by protecting against loss of business income if a business is forced to shut down temporarily. However, there is no single definition of "business income" that applies across all insurance policies. At a minimum, business income includes net income before income tax and the cost of normal operating expenses (such as payroll and utilities); some policies also include rent.

Some companies already have business interruption insurance, but don't realize it. Business interruption insurance cannot be purchased alone – it's an option when purchasing a commercial insurance bundle from an insurance broker. It cannot be stressed enough that the text of your insurance policy controls your coverage.

How does COVID-19 and the pandemic play into business interruption insurance?

Business interruption insurance can be broken down into three general categories: basic coverage (CP 10 10),¹ broad coverage (CP 10 20), and finally, the all-risk policy. In relation to COVID-19, only all-risk policies may include coverage for viruses and pandemics. So if you're concerned about COVID-19 resurging or want to protect against any future pandemic, the all-risk policy is your best bet. However, all-risk policies may still have exclusions to watch for.

Specifically relating to COVID-19, there are two types of exclusions to be aware of. First, some business interruption insurance policies exclude loss due to bacteria or virus. The second is what is known as the pandemic/epidemic exclusion. The pandemic/epidemic exclusion was adopted by insurance companies after

the SARS and MERS outbreaks in the early 2000s. Many policies, even other insurances relating to property coverage or premises liability, have such exclusions.

Again, the specific text of your insurance policy controls whether or not you are covered in this pandemic, so it is critical to sit down with an insurance broker and an attorney to find the right policy. They can assist you by determining what policies would cover such loss and ensure your

business income is protected. This careful selection process is crucial because, at the end of the day, if your policy has a virus or pandemic/epidemic exclusion, you will be unlikely to collect any replacement income.

Should You Get Business Interruption Insurance?

The short answer is maybe. Prior to COVID-19 in most people's minds, the risk of a pandemic was minimal. No one thought anything like our current situation would happen. In fact, the last time we experienced anything like this was in 1918. Business owners need to rethink their business strategy moving forward, prioritizing the management of risk as never before. Ultimately, the heart of insurance is just that, risk management. To ensure your business risk is evaluated appropriately, read your current policy closely, ask your insurance agent questions, and have an attorney review any policy before renewing or making changes.

¹ CP 1010 and CP 10 20 are standard forms you can search for online to see what events are covered under each insurance. ■

Anthony Castillon-Mendoza's law practice at NHEH is focused on general civil litigation. He resides in Salinas and was previously an Assistant District Attorney for Santa Cruz County. This article is intended to address topics of general interest and should not be construed as legal advice. © 2020 Noland, Hamerly, Etienne & Hoss



be home
be safe
be patient
be selfless
be well

Today, we are all being called upon to be bigger than just ourselves. To be healthier neighbors. To be better caregivers. To be stronger communities. Together, we can do this.

To learn more visit svmh.com/bewell | #BeWell

Salinas Valley Memorial Healthcare System

CONTINUING TO SUPPORT THE LEGAL NEEDS OF OUR COMMUNITY

Client Focused. Relationship Driven.
A Tradition of Excellence Since 1928.

Agriculture Law
Business & Taxation
Construction
Creditor's Rights
Estate Planning
Labor & Employment
Litigation
Personal Injury
Public Agencies
Real Estate & Land Use

333 Salinas Street
Salinas, CA 93901
831.424.1414

470 Camino El Estero
Monterey, CA 93940
831.373.3622

**NOLAND
HAMERLY
ETIENNE
HOSS**

Attorneys at Law

nheh.com

Reduce Your Stress During Stressful Times

Balance Physical Therapy CEO offers advice on how to keep moving, reduce stress during profound times

Since mid-March, most of us have spent a lot of our time confined to our homes. We've lived in fear, avoided human contact, experienced financial hardships, and have become sedentary beings tethered to technology.

Dr. John Farahmand of Balance Physical Therapy in Monterey and Salinas offers sensible solutions wrapped inside one word of advice: "Adapt."

"Our superhuman strength is that we are adaptable, we're malleable, we can learn new things," said the 46-year-old BPT founder and CEO. "We can adapt to new environments and new circumstances. These are certainly new and uncertain times, but if you look inside yourself, you'd realize you have a tremendous capacity to adapt to anything."

Among his many fields of study, Farahmand earned a degree from UCLA in psychobiology, studying the physiological, genetic and developmental mechanisms of behavior in humans.

Farahmand describes the body as a system, with all parts dependent on each other. Our mind and body are powerful allies. How we think can affect how we feel. And how we feel can affect our thinking.

An example of this mind-body connection is how your body responds to stress. Constant worry can cause tense muscles, pain, headaches and stomach problems.

When you're stressed, your body reacts as if it is under attack. "It doesn't differentiate between types of stress," he said. "Physiologically, a lion in your room or struggling to pay your bills are both perceived by the body the same. We can get an overwhelming feeling of fatigue."



Dr. John Farahmand of Balance Physical Therapy in Monterey and Salinas

Just crushing."

Farahmand says that stress starts to make our minds a jumbled mess. "All your focus is on the now, and you can't see the forest through the trees."

It's all about setting priorities.

"This is an unknown time for us," he said. "We all have COVID-19 in common. Remember, all we can control is ourselves."

We can't control the virus and others, so why be stressed?"

Part of the answer involves taking personal responsibility for ourselves.

"Stay mobile and stay fit," he said. "Everything in your life starts with a healthy body."

Farahmand loves the philosophy of Hollywood

actor Dick Van Dyke, who's still spry at age 94. His secret? Wake up each day and keep moving.

"I think that is right in line with our slogan at Balance Physical Therapy — Movement is Medicine," he said.

"I believe in that, heart and soul."

To help relieve stress and stay active, Farahmand offers the following tips:

- You don't need fancy equipment to work out: Walk, run, bike, garden ... just get moving.
- Disconnect from the outside world periodically by putting down your electronic devices.
- Find a quiet place and focus on breathing and meditation, even for 10 minutes.
- Get at least 7 hours sleep; it's an important way to regain motivation to stay active — and for the body and mind to stay healthy.
- Hug and touch and snuggle loved ones; it helps release "feel-good" hormones.
- Drink at least 32 ounces of water each day.
- Watch the sunset and sunrise, and enjoy nature's healing powers.
- Cook your own meals at home.
- Play games (with grownups and kids) instead of sitting on the couch watching others play on TV. ■




"Why We Chose Pinnacle Bank."

"When was the last time you walked into your bank and five people said hello to you by name? We actually look for excuses to drop in to see Ted Lorono and our other friends at Pinnacle Bank in Salinas. We love banking here!"

**- Brad and Laurie Martin,
In the Loop Magazine**

Serving Monterey, San Benito
and Santa Clara Counties.

 Member FDIC SBA Preferred Provider

PINNACLE BANK

PREMIER BUSINESS BANKING VALLEY TO VALLEY

(888) 485-7050 • www.pinnacle.bank

Enforcing Mask Rules at Work

by CalChamber

In Episode 79 of The Workplace podcast, CalChamber Executive Vice President and General Counsel Erika Frank and employment law expert Jennifer Shaw discuss ways employers can ensure employees comply with state guidelines on masks and social distancing, and continue fostering a healthy workplace.

Ask Why

While wearing a mask in the workplace is not law, it is recommended by local and state authorities, such as the California Department of Public Health (CDPH), that employees wear masks at work and maintain a distance of six feet from one another.

This guidance not only protects customers from the spread of COVID-19, but also helps keep employees healthy and safe in the workplace.

The guidance and orders issued by the CDPH and other government agencies, Shaw tells listeners, is the appropriate reasoning an employer needs to establish a mask and social distancing policy at work.

But what if, Frank asks, an employee is found not wearing a mask?

Shaw says that enforcing mask rules is not about getting people in trouble. As with any other violation, an employer should seek out why the worker is not wearing a mask. Is the reason due to a medical condition or is it a political statement?

If the employee chooses not to wear a mask because of a political stance, Shaw recommends that the employer state that the employee is expected to comply with all of the company's rules and regulations, and that violations are subject to discipline.

"...Employees have to know [that] even though we are getting some mixed messages in the media and there are some political issues out there, when it comes to your workplace, you have to follow the rules that the employer has set for you as long as those are appropriate rules," Shaw says.

Moreover, she continues, the employer should communicate that the rules put into place are to keep all employees safe.

Medical Accommodations

If an employee is not wearing a mask because they have a medical condition, the employer should treat it like any other medical accommodation request, but should keep in mind that this situation, is slightly different due to the direct threat to everyone's health and safety, Shaw explains.

"Just because somebody has a medical condition that precludes them from being able to wear a mask doesn't mean they get to expose...people to the virus," she says.

Should a worker have a medical condition that precludes wearing a mask, employers should find ways to maintain safety, such as allowing the employee to telework or finding other ways to get the employee into the workplace, Shaw says.

Shaw compares the situation to having a service animal. Employees with service animals still have to abide by certain rules. For example, a service dog has to behave and cannot relieve itself at work. Similarly, she says, even though an individual has the right to an accommodation, there are going to be limitations on that, especially given the direct threat that not wearing a mask presents.

Set Reminders

Sometimes, the reason an employee is not wearing a mask is simply because they forgot. At work, people are rushing to finish projects, or have to get up to retrieve a document from the printer, or perhaps are hurrying to attend a customer, Shaw says.

Employers need to have grace, she says, and realize that "people are going to make mistakes occasionally."

Still, it is critical that employers enforce the rules, and they should be transparent about all of the company's expectations, Shaw says.

Employers should also find ways to remind employees of the mask and social distancing requirements. Employers can buy posters and decals to space out six-foot distances or use masking tape to establish an employee's work zone.

Inappropriate Graphics

Now that face masks are more widely available, Frank points out that masks have become the new fashion accessory, and masks might contain logos, designs and messages. Can an employer prohibit masks with certain words, imagery or decals?

Similar to a dress code policy, employers can prohibit masks that contain expletives, inappropriate graphics, or messaging that

violates the company's Equal Employment Opportunity Commission (EEOC) policy, Shaw explains.

Although an employer can prohibit masks with messaging altogether, if an employer asks that employees wear only a certain color of mask so that it matches their company's shirt, then the mask becomes a "uniform" requirement, and the employer will have to provide the mask, Shaw explains.

"So don't get too specific about the color or the style or the design," she says. "But you are allowed to say...nothing with a printed message, nothing with an inappropriate graphic or logo or screen print on it."

In other words, Frank says, it's back to the basics, "taking COVID out and going back to the basics of what would you do in this circumstance to try to solve the puzzle."

Shaw recommends employers exercise common sense and remember "our point is workplace safety; we're trying to keep people safe and healthy." If employers think about that as being the goal, it helps with what steps they actually take. ■



2020 State Budget Impacts

by Loren Kaye, CalChamber

2020 State Budget Depends on Borrowing, New Taxes and Action by Congress

The new state budget went into effect on time in July, after Governor Gavin Newsom signed 20 bills enacting hundreds of pages of new legislation and spending authority. But even then the job is likely only partially complete.

Decisions about billions of dollars in possible future program reductions for public schools, higher education, and the social safety net are hanging on three events outside the control of Sacramento political leaders: revenues from delayed filing of 2020 income taxes (postponed to be due on July 15), the trajectory of the economic recovery from the pandemic-induced recession, and any fiscal relief provided by Congress.

Education

Nobody has a bigger stake in the uncertainty than the public schools.

The \$202 billion budget generally maintains spending on education at current levels—a far better outcome for schools than the Governor's revised proposal last month. The budget draws down reserves and targets the initial congressional CARES Act state allocation to offset the more than \$10 billion in revenue losses to K–14, and defers another \$13 billion in payments into the next fiscal year to preserve programs and provide K–14 schools the resources needed to safely reopen. The accompanying legislation also prohibited any layoffs of teachers or certain other staff for the next year.

On the other hand, the state's four-year colleges and universities will suffer greater reductions than the Governor originally proposed. The University of California and California State University will see their spending reduced by a total of \$550 million from the current year.

If Congress provides additional financial assistance to states, then some or all of the cuts could be restored, or the systems could see their budgets increased, depending on the generosity of Congress. In the absence of congressional bailout, the most likely scenario would be student tuition increases.

Tax Increases

The Governor signed tax increases, primarily on businesses, totaling about \$8.7 billion over the next three years. The bulk of these tax increases comprise a three-year suspension of the net operating loss deduction and \$5 million-per-year limit on utilization of tax credits. Those tax changes are retroactive to January 1, and will apply to the 2020, 2021 and 2022 tax years.

Most state employees will not be taking the 10% pay reduction proposed by the Governor in May. Instead, collective bargaining agreements will provide the employees continue to work their regular hours at a lower pay rate, but also collect two "personal leave program" days per month, which can be used at any time, including cashed out upon separation—presumably at a higher salary rate.

Other Elements

Besides the tax increases, key elements of the budget solution include:

- Reserves: The budget draws down \$8.8 billion in reserves from the Rainy Day Fund and other reserves.
- Triggers: The budget includes \$11.1 billion in reductions and deferrals that will be restored if at least \$14 billion in federal funds are received by October 15. If the state receives a lesser amount, the reductions and deferrals will be partially restored.
- Borrowing/Transfers/Deferrals: The budget includes \$9.3 billion in special fund borrowing and transfers, as well as other deferrals for K–14 schools.
- Better revenue outlook: The budget is based on a slightly better revenue forecast than the Governor projected in May.

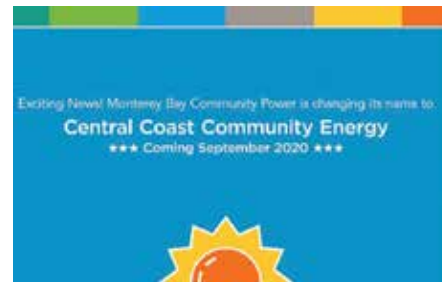
The legislative session continues to the end of August. By then, the state's economic and revenue outlook will be better known, as will any action (or nonaction) by Congress. The Legislature and Governor may continue to tinker with the budget into the late summer. ■

New Name for Our Regional Public Power Agency

You may not know this, but unless you pro-actively chose to remain a customer of Pacific Gas & Electric (PG&E), you are now getting your power supply from Monterey Bay Community Power, a "community choice aggregation" public-owned power agency established in the spring of 2017.

The agency originally consisted of the three counties of Monterey, Santa Cruz, and San Benito, and every city in those counties except Del Rey Oaks and King City. Del Rey Oaks subsequently joined Monterey Bay Community Power after voters changed city leadership after the 2018 elections. King City established and maintains its own municipal community choice aggregation public power agency.

Since then, almost every local government in San Luis Obispo County and the local governments in the northern part of Santa Barbara County have joined Monterey Bay Community Power. As a result, the Policy Board for the agency has decided to change its name to



Central Coast Community Energy.

According to the agency, "though our name is changing, our commitment to local control and competitively priced electricity from clean and renewable energy sources will remain the same."

Monterey Bay Community Power is a member of the Salinas Valley Chamber of Commerce. Our Government Affairs Liaison Kevin Dayton attends and speaks when appropriate on agenda items at public meetings of the agency's Policy Board, Operations Board, and Community Advisory Committee. ■

IN A SEA OF UNCERTAINTY...

YOU NEED PROVEN GUIDANCE

FIND IT AT HASTIE FINANCIAL GROUP

HFG Hastie Financial Group

307 MAIN STREET, SUITE 300, SALINAS, CA 93901
HFG@HASTIEFG.COM | 831.422.4910 | www.hastiefinancialgroup.com

The financial professionals of Hastie Financial Group are Registered Representatives and Investment Adviser Representatives with/and offer securities and advisory services through Commonwealth Financial Network®, Member FINRA/SIPC, a Registered Investment Adviser. Financial planning services offered through Hastie Financial Group are separate and unrelated to Commonwealth.

Consolidate Accounts for Management Control

by Bill Hastie, MBA

In an era of job mobility, it is not uncommon for someone to have several 401k accounts with former employers. The same applies to IRA and personal investment accounts as new accounts are opened and the old ones somewhat forgotten. The question inevitably arises about how to best handle all these different types of accounts.

There is a commonly accepted myth that having your money spread out in many different accounts constitutes diversification. Some believe that by "not having all of your eggs in one basket," there is a reduced risk of loss. The reality is that by having investment assets spread out among several different accounts, the investor does accept another type of risk – loss of management control. Here are a few ideas of how to best organize and manage different types of investment accounts.



ORGANIZE ACCOUNTS BY TYPE

The easiest place to start is with IRAs and personal investment accounts. If there are several, can you accurately identify the investment objective of each account? If not, you have already lost management control. Start by gathering the account statements for all personal investment (including living trust) and IRA accounts.

401k accounts can be a bit trickier. Begin by listing all past employers with whom there may be accounts in their retirement plans. Contacting each company's Human Resources department for information might be very helpful. Now you know where the money is and how much it may be.

SELECT AN ADVISOR

The vast majority of investors benefit from a relationship with one advisor, in the same way most people have only one CPA, one primary physician, one dentist, etc. The advisor will assist in the final organization of accounts by type

(personal, IRA, etc.), and can begin the process of "aggregating" all accounts.

DETERMINE APPROPRIATE INVESTMENT OBJECTIVE

While funds are being transferred to one account of each type, the advisor will help you determine your risk tolerance and most appropriate investment objective. This is where you restore your management control. One important temptation to avoid is what is known

in behavioral finance as "mental accounting." This is where the investor mentally "re-segregates" their money back into different buckets and wants to invest each bucket differently. In doing so, management control is again lost.

THE FINAL PRODUCT

Once your funds are aggregated into their appropriate accounts and invested according to your risk tolerance and investment objective, you have accomplished the organization and management control you need for true financial planning. You now know where your money is, how much money you have and exactly how it is invested. This is a great starting point for planning your financial future, because without it, accurate planning is all but impossible.

ON-GOING MONITORING

Investing is not a "set it and forget it" proposition. You, or your advisor, should regularly monitor your investments to make certain they remain in line with your objectives or with changes in the economic environment or your financial goals. This process is the first step to achieving your financial goals. ■

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



Bill Hastie

DATAFLOW

BUSINESS SYSTEMS

Advanced Solutions From Your Local Business Neighbors

- Air Print
- Wireless
- Scan Solutions
- I.T Support Services
- Server Solutions
- Label Design and Printing



KYOCERA

Lexmark

RICOH

muratec
A KONICA MINOLTA COMPANY

Phone 831-759-8760

startdb.com

540 Work St., Suite E • Salinas, CA 93901

CalChamber Urges Delay in Increasing Minimum Wage

The Salinas Valley Chamber of Commerce is allied with the California Chamber of Commerce. The President of CalChamber wrote the following letter to Governor Newsom, recommending that he exercise his authority to delay the scheduled increase in the minimum wage, based on current economic conditions.

• • •

July 7, 2020

The Honorable Gavin Newsom
Governor, State of California
1315 10th Street
Sacramento, CA 95814

Dear Governor Newsom:

The 2016 legislation, SB 3 by Leno, established a schedule to raise California's minimum wage, but enabled the Governor to postpone by a year any of the annual step increases in the event of a major economic recession or state budget crisis. This temporary offramp was touted by sponsors as an improvement upon the then-proposed ballot measure, and its inclusion likely made the difference in the bill's passage. Not only do the current conditions meet the criteria for postponement, they are likely far worse than the sponsors ever imagined the economy and budget situation could reach. The purpose of assessing the economy, in the words of the statute, is to "to ensure that economic conditions can support a minimum wage increase." This is how the assessment works:

- Is total seasonally adjusted nonfarm employment in June, 2020, less than in March, 2020, or
- Is total seasonally adjusted nonfarm employment in June, 2020, less than in December, 2019, and
- Are retail sales and use tax revenues for 2019-20 less than those revenues for 2018-19?

Check, check and check. Indeed, the most conspicuous characteristics

of this recession are massive unemployment and crashing retail sales. The minimum wage law is designed with economic sensitivity; if postponement is not indicated under this dire economic circumstance, then just when would this offramp apply?

The good news is that you have an opportunity by August 1 to help some of the most distressed businesses get back on their feet and rehire their workers. You should utilize your existing authority to postpone for one year the automatic increase in the minimum wage. Small businesses already face the threat of future increased costs and burdens as a result of this pandemic and the related recession including higher workers compensation rates and unemployment insurance taxes. Even in the midst of these crises, the Legislature is considering imposing new mandatory protected leaves of absence, the Attorney General is rolling out enforcement of expensive new consumer privacy regulations, and according to the Department of Industrial Relations website, there have been over 2,000 new PAGA claims filed within the past three months. Should the analysis by Department of Finance at the end of this month conclude, as we expect, that economic conditions allow for suspension, then we urge you to exercise your authority to postpone the 2021 increase in the minimum wage until 2022. The jobs of thousands of low wage workers may hang in the balance.

Sincerely,



Allan Zarembeg
President and CEO
California Chamber of Commerce



"Regions Rise Together Salinas" Receives Grant

The James Irvine Foundation has awarded \$250,000 in support of the Regions Rise Together Salinas initiative spearheaded by the Monterey Bay Economic Partnership (MBEP) and California Forward (CA Fwd). The Regions Rise Together Initiative, in collaboration with the Governor's Office of Business and Economic Development (GO-Biz) and the Governor's Office of Planning and Research (OPR), focuses on identifying needs and related opportunities in distinct regions that can lift communities up and can be taken to scale across the state. In 2019, CA Fwd led strategy sessions encompassing 10 counties in Ontario, Bakersfield, Merced and Redding.

In February, MBEP and CA Fwd convened a meeting of a broad spectrum of key leaders and stakeholders in Salinas, from grassroots community-based organizations and established philanthropic to civic institutions. It was clear from this first meeting that in order to create an inclusive and equitable economic planning process, racial equity would need to be at the center.

As a "triple bottom line" steward of our region, equity has always been a part of everything MBEP does. This initiative seeks to develop a comprehensive inclusive economic development plan for the Salinas Valley with diverse stakeholders and local community-based organizations leading this work. The award from The James Irvine Foundation of \$250,000 will fund the first phase: creating an economically inclusive plan to execute during 2021-2023. Objectives include integrating and aligning existing community and economic development assets; identifying specific systems changes, new patterns, investments and actions needed; and mobilizing broad and equitable community input, support, and ownership needed for implementation of the plan.

"Through this process, we've learned that racial equity needs to be addressed in meaningful and actionable ways in our region. We are building power in

communities through inclusive economic development planning, that sets the stage for the necessary and heavy conversations that must take place if we are to address racial disparities," said Kate Roberts, President and CEO of MBEP. "We are so grateful for The James Irvine Foundation's support of this important work."

This type of regional inclusive economic planning with an equity lens has been modeled by Fresno DRIVE Initiative which was first announced at the 2019 California Economic Summit last fall in Fresno.

"We are excited to see a diverse and representative group of community leaders come together to envision a local economy that works for all," said Jessica Kaczmarek, Initiative Director at the Irvine Foundation. "In this time of incredible challenge, it is imperative that solutions to economic inequality center racial equity in their approach and include the voices of those most impacted."

Micah Weinberg, CEO of CA Fwd, said "Now more than ever we must listen and lift up voices in our communities and diverse regions across the state if we are to rebuild a more inclusive and sustainable California where all communities can prosper. We are thankful for the support of The James Irvine Foundation in this critical mission."

"There have been efforts to invest in economic development in Salinas, but it has not been until now that collective energy has brought together a group representative of all the voices that make this our beloved community," said Dr. Carissa A. Purnell, Director, Alisal Family Resource Centers, a member of the initiative's Core Team. "Change cannot occur in isolation. The economic prosperity of our neighborhoods does not lie solely in our businesses, but the residents who frequent, invest, and lead those spaces that send their children to our schools, live in our homes, and still struggle to thrive. This is a unique opportunity to build power and create authentic systemic change." ■

Split Roll Tax Measure

10% Of Landowners Will Pay 92% Of New Property Tax Revenue, Prop. 15 Supporters Say

A new report from supporters of a November ballot measure aimed at increasing property taxes on commercial and industrial property in California finds that more than 90% of the additional property tax revenue Proposition 15 would generate will come from just 10% of the highest value properties.

The measure would amend the California Constitution to create a so-called "split roll" by reforming the 1978 measure Proposition 13, which slashed property taxes across the state and placed a limit on annual tax increases for both residential and commercial property.

Prop. 13 was sold as a way to create stable and predictable property tax bills, especially for seniors on fixed incomes.

But critics have long complained that large corporations have unfairly benefitted from those protections, allowing them to keep assessed property values at well below market rates, resulting in a loss of revenue to schools and local government.

Opponents include the California Business Roundtable, the Chamber of Commerce and the California Taxpayers Association.

The measure will appear on the November 3 ballot. ■



State Considering More Employer Mandates

by CalChamber

Even More Employer Mandates Are Among Bills Moving in State Legislature

When the COVID-19 crisis hit, legislators adopted a self-imposed limit on legislation they would be pursuing this year. Even so, when the summer recess began, significant employer mandates remained alive for consideration when lawmakers return to the State Capitol.

Of 16 job killer bills identified by the California Chamber of Commerce this year, nine still are being actively considered.

Passed by the Senate just before leaving for a brief summer break was legislation that significantly burdens small employers by requiring those with only five employees to provide eligible employees with 12 weeks of mandatory family leave, which can be taken in increments of one to two hours,

and threatens these small employers with costly litigation if they make any mistake in implementing the leave.

More litigation exposure for employers also will result if lawmakers adopt a pending COVID-19 employment leave mandate and an expanded bereavement leave mandate.

Also still alive is a proposed headcount tax of \$275 per employee that will punish certain employers who create jobs and discourage hiring and employment growth.

Two workers' compensation bills create an extremely concerning precedent for expanding into the private sector a costly "conclusive presumption" that certain workers contracted COVID-19 in the workplace.

To see the status of these and other key bills the CalChamber is tracking on behalf of members and the business community, see the Status Report here: <https://bit.ly/2D8hxmK> ■

Resources to Foster Diversity

CalChamber Compiles Resources to Help Employers Foster Diversity in the Workplace

California Chamber of Commerce members are job creators and innovators, the global and community leaders looked to for positive change.

In the unfinished effort to end racial injustice and inequality in the workplace and society, the leadership of CalChamber members is needed now more than ever.

To help employers foster an inclusive workforce and learn other ways to address systemic bias, the CalChamber has developed a webpage compiling relevant information and educational resources.

The Promoting Equality, Diversity and Opportunity in the Workplace webpage includes links to insightful podcasts,



webinars, blogs, suggested reading and other training materials that are useful tools in combating bias and workplace discrimination.

Please share these items and future updates to the page with employees and colleagues so that together we can help forge a lasting culture of change. Be sure to visit the page often as it will be updated regularly.

The webpage is located at www.calchamber.com/diversity. ■

Stay informed about BUSINESS issues in the Salinas Valley

Do you care about important business news in our area? Then you won't want to miss an issue of the Salinas Valley Chamber Business Journal. Published 9 times a year, we cover topics that matter to local businesses. Share your email address and we'll keep you informed. It's valuable and it's Free.

Interested in advertising or have other questions?
Please email us at MemberServices@SalinasChamber.com

Paul J. Farmer
Chamber CEO and Editor of the Business Journal



Follow us on Social Media



Key Strategies to Prevent Learning Loss

by Tom Armelino, EdSource

As schools go to distance learning, key strategies to prevent learning loss

One does not have to look hard to find evidence that when you close schools due to a pandemic, students' social, emotional and academic needs are affected.

Despite heroic efforts to quickly shift to distance learning, achievement and equity gaps remain, and in most cases, are exacerbated. To address loss of learning and widening of achievement gaps, I recommend considering the following five key areas to assure schools are prepared to assess and address these gaps of inequity and subsequent impacts on student learning.

Address students' social and emotional well-being first

Whether in school classrooms or at home, students need to feel emotionally safe, valued and cared for. Although eager to determine loss of learning, schools must first prioritize the measurement of school climate, leveraging social and emotional learning to build important foundations for learning.

With social and emotional learning at the forefront, educators should focus their efforts on strengthening relationships with every student and building community within the classroom through trauma-informed practices and re-engagement strategies.

Develop plans that include comprehensive approaches to formative assessments

With deep levels of attention focused on identifying the social and emotional needs of students as the foundation for learning, plans that include comprehensive approaches to formative assessments, which help teachers understand how well their students are learning on an ongoing basis, will be necessary to guide instructional decisions and resource allocations. School leaders will likely feel pressure to use "off-the-shelf" assessments, such as Star Reading, Star MATH and DORA (Diagnostic Online Reading Assessment).

Yet, the focus should be on the use of assessments that already exist and are aligned with the adopted instructional materials and text to provide stability for students and staff, and to help determine learning gaps in content knowledge and skill.

For example, as CDE Guidance on Diagnostic and Formative Assessments recommends, "teachers can use tools such as rubrics to clarify expectations and to provide feedback; journals, quick writes and discussions to see what students are thinking; pre-tests and exit tickets to see where they are at the beginning and end of class; strategic questioning and performance tasks during the lesson; observations of students working in small groups; student work samples and a variety of others."

Further, the value of teacher knowledge should not be underestimated. It is essential that school leaders provide teachers with opportunities to collaborate and discuss concepts not taught or reinforced during the pandemic.

Prior to reopening, it will be important to assess a broad set of indicators, such as student access to technology, connectivity and high-quality curricula, in addition to student attendance and engagement in remote learning, and experience with trauma and/or food or housing insecurity. Parents should also be

surveyed to triangulate vital information regarding their child's social, emotional and academic needs experienced during distance learning in the spring.

Address individual student skills and re-teach concepts not taught in the prior year

Schools should be wary of focusing on remediation, and instead should focus on improving the quality of core instruction in different learning scenarios. Lessons learned after Hurricane Katrina found students in the elementary grades did best when efforts were made to support the skills and concepts needed to learn grade-level content.

Students in the upper grades had the most success with "spiraling" techniques, where topics such as math and science that are traditionally taught in blocks, chapters or units of study over a short period of time are instead introduced in smaller chunks, spread out over a longer period of time and teachers come back to the topic multiple times over the duration of the grade or course and going deeper each time.

Invest in high-quality professional learning and instructional materials

School and district budgets will be compromised and the costs to create safe and well-maintained learning environments will be significant. Investing in high-quality professional learning and instructional materials to support teachers and

paraeducators will be key to the success of students when they return in the fall.

Resources such as the TNTP Learning Acceleration Guide, the CCEE Continuity of Learning Playbooks and other references such as Learning as We Go: Principles for Effective Assessment During the COVID-19 Pandemic from The Evidence Project and What Post-Katrina New Orleans Can Teach Schools About COVID-19 Learning Loss from CRPE (Center on Reinventing Public Education) can provide research, tools and practical solutions to prepare schools and districts to reopen in the fall.

Be active and transparent in communicating with families and the community

While plans are still in development and it will be difficult to predict what will happen in the coming months, schools must be intentional in their actions to communicate with staff, families and the community in an active and transparent way. This requires honest two-way communication providing opportunities for parent and community feedback.

Efforts should be made to clearly articulate plans to protect the wellbeing and safety of students and staff, in conjunction with addressing the social, emotional and academic needs of their children. Open and transparent communication efforts show empathy, build trust, instill and maintain confidence to demonstrate a long-term view that schools are prepared to address and assess the needs of students despite the challenges of the Covid-19 pandemic.

These are complex times. Having plans in place to identify and support student needs will best prepare schools to navigate these new challenges as they arise. We must get this right — students and families are counting on us. ■

Tom Armelino is the executive director of the California Collaborative for Educational Excellence (CCEE), a statewide agency that supports county offices of education and other local education agencies to improve student outcomes.



Right Of First Refusal Lapses with Holdover Lease

by Patrick Casey



A right of first refusal in a lease gives a tenant a right to purchase the leased property if the landlord receives a bona fide offer to sell the property that the landlord wants to accept. A right of first refusal gives the tenant the right to purchase the property on the same terms and conditions as the bona fide offer from the third party. A recent California case determined that this right of first refusal lapses and is no longer valid if the tenant is a holdover tenant (meaning that the tenant continues to lease the property even though the lease has expired).

In the 2019 case of *Smyth v. Berman* (31 Cal.App.5th 183), the parties entered into a lease in 2011 in which Smyth leased a building from Berman to run Smyth's audio business. The lease expired December 15, 2012 and Smyth had an option to renew the lease for three years. The lease had a holdover provision which stated: "If the Tenant remains in possession after the lease ends, the continuing tenancy will be from month to month." The lease also stated that Smyth had a right of first refusal to purchase the property if Berman elected to sell it.

In June 2016 (after the lease term

and renewal term had expired), Berman received an offer from a third party (Santa Maria) to purchase the property. Smyth found out about the purchase offer and informed Berman that he wanted to buy the property on the same terms and conditions. Despite discussions between their respective attorneys, Berman sold the property to Santa Maria. Smyth then sued Berman for specific performance of the right of first refusal, breach of contract, intentional misrepresentation and fraud.

Both the trial court and the appellate court ruled that Smyth's right of first refusal expired when the term of the lease (including the renewal option) had expired. The court stated that only "essential" or "integral" lease terms remained in effect during the holdover period, such as the rental amount and timing of rent payments. The court determined that the right of first refusal was not an essential term for several reasons. First, it is a conditional option, meaning that it only becomes effective if the landlord decides to sell the property and receives an offer that the landlord is ready to accept. Second, the holdover provision of the 2011 lease did not make any mention of the right of first refusal. In other words, it was not essential because it had no bearing on the tenant's continued use of, and rent payments for, the property.

This case highlights the importance of having comprehensive and accurate lease agreements, which includes addressing those lease terms that apply to a holdover tenancy. ■

This article is written by Patrick Casey, who is a business attorney with JRG Attorneys At Law in Monterey. You may reach the author at (831) 269-7114 or at patrick@jrgattorneys.com.



Member News

Happy Bday, MickeyD!



Chamber member RHC Management had a creative idea to thank their customers and celebrate their 20th Anniversary. In July, the McDonald's on Boronda Road in Salinas offered 20¢ Hamburgers. The staff prepared and sold over **3,500 Hamburgers** during a 3-hour period. That was with social distancing and a super busy drive-thru.

Virtual Boys & Girls Clubs Experience

As families are searching for additional resources, we are able to provide engaging Live virtual programming here: www.bgcmc.org/virtual. This is a completely **free membership** program that simply requires youth and their parents/caregiver to register as a virtual Boys & Girls Clubs of Monterey County member. Once registered parents or caregivers will receive daily emails giving them the zoom room codes and passwords to access Live programs. Our On Demand programming can be accessed at any time and we have several activities for youth to choose from.



**BOYS & GIRLS CLUBS
OF MONTEREY COUNTY**

Symphony Announces Landmark Gift

The Monterey Symphony announced the receipt of a landmark endowment gift, which brings the Symphony's endowment to nearly \$10 million. These newly received funds add to the incredible gifts received two years ago from local philanthropist Bertie Bialek Elliott and a bequest from former board member Margaret Radunich.

The receipt of the funds comes before the end of the Symphony's fiscal year and during a very challenging time for all arts organizations.

While the Monterey Symphony was forced to cancel its March, April, and May concerts due to the COVID-19 pandemic, it has been able to pay all musicians, partly because of the generosity of donors.

**MONTEREY
SYMPHONY**

CA Blackouts Trigger Energy Storage Boom

by Anne C. Mulkern, E&E News. Reprinted from Climatewire

Blackouts Have Triggered an Energy Storage Boom in California

As utilities turn off power to prevent wildfires, more homeowners are looking to install battery backup systems

The threat of chronic blackouts is sparking a rush to install battery backup systems as California homeowners try to avoid disruptive power cuts related to wildfires.

Blackouts are increasingly a part of life as Pacific Gas and Electric Co. strives to avoid igniting deadly blazes with aging equipment. At fault for some of the state's worst wildfires, the utility shut off power nine times between June and October last year in Northern California. Some blackouts lasted for days, and at least one affected more than a million people.

The utility plans to use shut-offs for years as it upgrades its system. It's pledged to reduce their scope and restore power more quickly.

Permit applications for energy storage projects are surging, according to local officials. Interest has boomed with advancing storage technology and since it became clear that blackouts will persist.

Marin County, just north of San Francisco, issued 763 "solar" permits in the year ending on June 30. Those permits are needed for various types of energy projects that would help homeowners keep the lights on during outages, including storage systems and a number of solar technologies. It marked a 136% increase compared with the previous year, said Bill Kelley, the county's deputy director of building inspection and safety.

The county didn't break out how many of those permits included storage, but "our sense is that most rooftop PV installations (which is more than 99% of our solar permits) now include an integrated energy storage system," Kelley said in an email.

The project boom comes as California is entering peak fire season. PG&E outages last year came mostly on "red flag" warning days with low humidity and fast winds that can knock vegetation onto power lines.

The utility has 5.4 million customers in Northern California and the Central Valley. PG&E said half of its territory is now considered a wildfire risk area, with more than a half-million customers living in areas with high fire danger. The utility blames climate change in part for amplifying those risks through hotter summers and less dependable precipitation.

PG&E needs to prevent fires. It just emerged from bankruptcy reorganization after negotiating a deal



to pay \$25.5 billion to settle wildfire liabilities from blazes in 2017 and 2018.

"One of the tools that we continue to need to have in our toolkit is the potential to turn off power to our customers in order to prevent a catastrophic wildfire and loss of life," said Jeff Smith, a spokesman at PG&E.

Tesla: Take A Number

Michael Wara, a Stanford University researcher on climate and energy, wanted to add a Tesla Powerwall to keep his family's house in suburban San Francisco powered during blackouts.

Other people had the same idea. Tesla is booked up through November, the company told Wara. Tesla did not respond to requests for comment.

Wara found a different company, Sunrun, to install the Powerwalls, rectangular devices that can store power from solar panels or the grid. He's getting two of those plus solar panels for his 2,400-square-foot house. During a power shutoff, that allows one Powerwall to charge via the solar while the other one powers the house, he said.

The Shelter-At-Home Factor

The dread of dealing with power blackouts is worsened by the coronavirus pandemic.

Caitrin Wright and her husband, Walker, received multiple calls last year warning them to be ready for shut-offs in Oakland. She bought flashlights, batteries and nonperishable food. They ultimately didn't lose power.

But a blackout would throw their daily lives, already shifted by the pandemic, into turmoil. Both of them work full-time at home, and their sons, Cooper, 8, and Sawyer, 6, take virtual lessons.

The thought of doing all that without power was unacceptable, Wright said. The Wrights are adding

solar panels and one Tesla Powerwall, which will help keep power on in four rooms of their 2,200-square-foot house, she said. They chose a \$140 monthly service agreement with Sunrun.

Sunrun declined to reveal California-specific sales numbers, but the company said the "attachment rate," or the share of solar customers who are also installing energy storage, was more than 60% in the San Francisco Bay area this spring.

Anne Hoskins, chief policy officer with Sunrun, confirmed that the company now installs Tesla's technology. Sunrun also offers other packages with the LG Chem battery that keep power running in critical rooms.

Help For Low-Income People

Wara said the system he's getting is \$47,000 if you buy it. After the federal tax credit, the net cost drops to \$35,000. He's leaning toward the monthly service plan.

The high price of storage has raised concerns that it's only available to the financially well off.

California has dedicated money to help low-income residents get energy storage, but "no one was using it" because the incentive amounts weren't high enough, said Sarah Bucci, communications director at Grid Alternatives, a nonprofit that provides solar and storage to low-income communities and communities of color.

The California Public Utilities Commission earlier this year extended the program and raised the incentive amount for low-income and medically vulnerable customers who live in areas where power previously was shut off at least twice.

The CPUC decision allocated \$512 million for those residents. Altogether, the program will collect \$664 million from ratepayers through 2024.

The higher incentive level will pay for the batteries in full for qualified residents, said Hoskins of Sunrun.

Grid Alternatives is partnering with Sunrun and Swell Energy to get the word out to potential storage customers. Those include previous Grid Alternatives clients who already have solar, Bucci said.

People the program could help typically pay a higher proportion of their income for electricity. They are also the most affected by climate change and are vulnerable to wildfires and power shut-offs, Bucci said.

"Being able to run air conditioning on a brutally hot day, keeping the medicine in your fridge from spoiling, being able to power medical equipment, these are all vital needs," she said. ■

NEW NAME. SAME FACES. MORE CONVENIENCE.

Welcome to the bank you already love.
Rabobank is now **Mechanics Bank**. The same great service, even more options.

Learn more at: **RabobankAmerica.com/More**

