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In Memoriam



A Visionary ... A Leader ... We Will Miss You!

Marin County Supervisor

Charles McGlashan

7/15/61 - 3/27/11

Issues on Our Radar Screen

Payroll Tax Increase Looms - According to an article in the Los Angeles Times (March 24, 2011), “California employers could be hit with big tax bill for jobless benefits, auditor warns” business could be hit with a big payroll tax before the end of this year. According to reporter Marc Liffsher, “California’s debt to the U.S. for covering its unemployment checks the last two years could reach \$13.4 billion by the end of the year. If the loans aren’t repaid by November, a payroll tax will kick in. It starts at \$325 million next year and could rise to \$6 billion.” An audit of the California Employment Development Department, which distributed \$22.9 billion in unemployment benefits last year “concludes that for a decade, the EDD ‘has consistently failed to perform’ at a level the U.S. Labor Department ‘considers acceptable regarding its timely delivery of unemployment benefits,’ State Auditor Elaine M. Howle wrote in a letter to the governor and legislators.” The huge uptick in claims for unemployment (up 148% from July 2007 to June 2010) has produced the burgeoning funding shortfall.

In addition, the state “faces the loss of \$839 million in federal stimulus money if it does not meet new legal requirements for calculating benefits for low-wage and part-time workers. EDD said the effort to comply has been hampered by its 30-year-old computer system, which is scheduled to be updated by April 2012, four months ahead of a federal deadline.” The EDD has hired an additional 1,000 workers and upgraded their phone system in hopes of meeting the guidelines but has achieved mixed results in improving their performance.



Implementing SB 375 - The Association of Bay Area Governments, Bay Area Air Quality Management District, Bay Conservation and Development Commission, and Metropolitan Transportation Commission form the Joint Policy Committee which is tasked regionally with implementing SB 375, passed in 2008, which called

for a Sustainable Communities Strategy. This law calls upon the San Francisco Bay Area and other areas throughout California to

reduce transportation-related greenhouse gas emissions. To begin the process, the JPC developed an Initial Vision Scenario. This scenario proposes a future development pattern that assumes a strong economy, sufficient funding for affordable housing, and supportive public infrastructure investments. The proposed distribution of housing and jobs focuses on areas close to transit that have been identified by local jurisdictions. This focused growth pattern preserves open space and agricultural land in the Bay Area.

The business community has requested that the JPC's SCS and related projects, strategies, and implementation measures, should follow these guiding principles:

- **Foster economic growth and development in the San Francisco Bay Area Region.**
- **Increase the economic vitality of the Region by enhancing its global competitiveness, productivity, and efficiency.**
- **Promote consistency between transportation investments and State, regional, and local planned growth and economic development patterns.**
- **Emphasize the preservation and enhancement of the existing transportation system.**
- **Avoid creating or exacerbating sub-regional economic inequity.**

If the JPC ensures the process is guided by the principles cited above, it will go a long way to ensuring that the ultimate SCS that is adopted will help sustain and enhance the region's economic health and vibrancy. But plan on paying close attention to this fast moving process which to date has not accepted these principles.

Budget Cuts, Redevelopment, and More - Budget cuts are necessary but what is cut is debatable. The Governor's budget has called for eliminating the approximately 400 Redevelopment Agencies in the state. Being one of the few ways that cities have been able to provide economic development incentives, losing Redevelopment Agencies would be another blow to their already shaky budget and ability to be economically competitive. Yes, there have been abuses by a few redevelopment agencies but that is the exception, not the rule. Much good in the North Bay has come from redevelopment, including the reuse of Novato's Hamilton Army Air Field with 700 units of affordable housing, construction of the Santa Rosa Plaza mall, and Rohnert Park's sewer line upgrades, investment in the Sonoma Mountain Business Cluster Incubator and a 24-unit affordable housing complex off Rohnert Park Expressway. The vote to eliminate Redevelopment Agencies failed by one vote in the Assembly, so it didn't proceed to the Senate. Rest assured, the issue is not dead.

With time running out to place the state tax extensions on the ballot for a June special election, there is discussion about doing an initiative to place it on the November ballot. With the latest polling showing greatly decreased support for extending the taxes, shouldn't the Governor and the legislature be working on a Plan B on how to balance the budget without the tax extensions? If the voters don't support the extensions, whether it is June or November, there should be a backup plan devised to stop the deficit from growing deeper. It is time to look beyond cuts to how to reform government to function within the new revenue realities. Let's look at shared services and functions, consolidations, contracting out, and other ways to stretch tax dollars, and increase cost-effectiveness and efficiencies.

NBLC Joins Relief Effort for Japan



Medtronic has responded to the earthquake and tsunami in Japan by pledging \$ 1 million in disaster aid to the stricken country. Medtronic has facilities in Japan.

Sutter Health has made a \$500,000 cash donation to the Red Cross, specifically for food, water and shelter supplies in Japan.

Agilent Technologies has donated \$100,000 to the Red Cross for its Japanese disaster relief and is matching employee contributions up to an additional \$100,000. Agilent does some manufacturing and other operations in Kobe and Hachioji.

Burr, Pilger, Mayer (BPM) and its employees have contributed \$55,000, primarily to the Red Cross Japan Fund. They ran a 5 day campaign asking for contributions with BPM matching up to \$10,000. We had 65% firm participation (total firm is 400 employees).

Redwood Credit Union (RCU) is accepting contributions to the Red Cross Japanese Disaster Relief Fund, with all RCU branch locations designated as collection sites for donations. 100% of the contributions will go directly to the Red Cross Japanese Earthquake and Pacific Tsunami Disaster Relief Fund. So far, RCU's efforts have helped raise over \$8,000.

Fireman's Fund encourages all of their employees to make personal donations to the Red Cross Japan relief fund, which their parent company Allianz, matches dollar for dollar. This is part of worldwide fund raising effort by Allianz. Many other NBLC members also matched employee donations to the relief effort.

Santa Rosa Junior College will hold a fundraiser for Japan relief efforts on Monday, April 18 from noon - 8 p.m. There will be anime movies shown, possibly Steamboy and Metropolis. The event will have other Japanese cultural elements, hopefully a tea ceremony and more. For more information, contact SRJC.

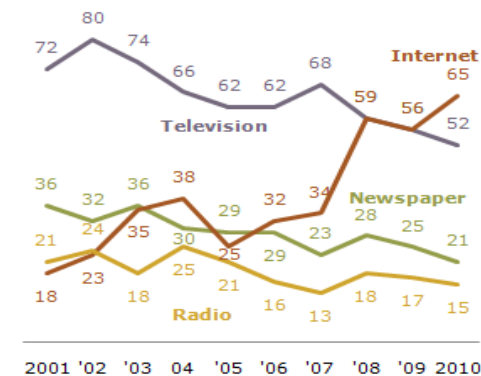
Wells Fargo Bank customers have donated over \$1 million through Wells Fargo ATMs to the American Red Cross Japan Earthquake and Pacific Tsunami Fund. This is the first time ATMs have been used nationally to accept donations. Wells Fargo customers can still donate to the American Red Cross relief efforts in Japan at more than 9,000 Wells Fargo branded ATMs across the country. Last week, Wells Fargo contributed \$500,000 to the American Red Cross to support immediate relief and recovery efforts in Japan. In addition, Wells Fargo is matching contributions from its team members dollar-for-dollar, up to \$500,000, for a potential total of \$1.5 million.

How We Get Information – It Depends on Your Age!

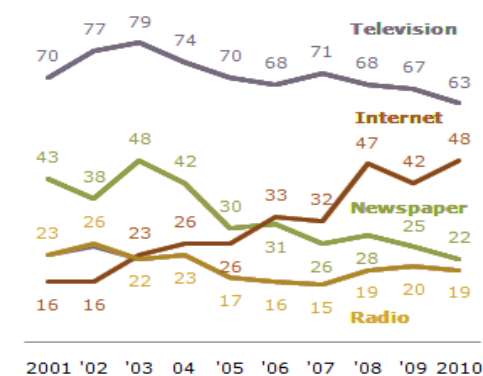
Among 18-to-29-year-olds, the internet already outpaces television as their source for most national and international news. Check out the differences in age groups below. If you are older than 30, you better get online if you want to be informed as that where the content is moving.

Main News Source, By Age

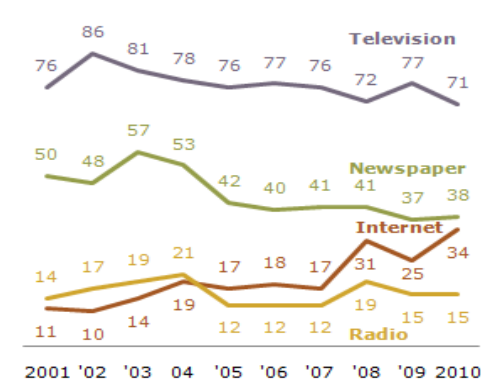
18-29 Year-Olds



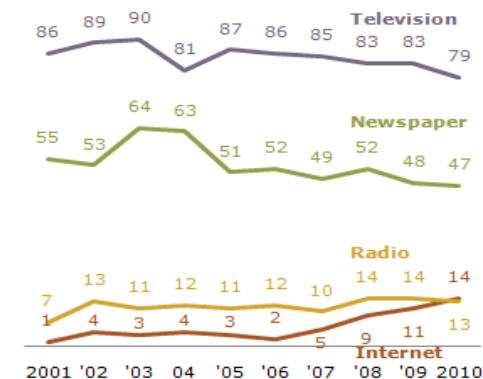
30-49 Year-Olds



50-64 Year-Olds



65 Years Old and Over



PEW RESEARCH CENTER Dec 1-5, 2010. Figures add to more than 100% because respondents could volunteer up to two main sources.

Generational Wars: The Next Frontier?

There are two big changes coming to the workforce. And both of them involve Baby Boomers. The first is the aging Baby Boomers will continue to work, resulting in growing conflicts between them and the Millennial generation who seek more control and change in the workplace. The Bureau of Labor Statistics projects that the workforce aged 55 to 64 is expected to grow by 33% between 2008 and 2018, and the number of people aged 65 and older is projected to grow by 78%. In contrast, the numbers of 45 – 54 year-olds and 35 to 44 year-olds are expected to shrink, as Baby Boomers age and shift into older groups, decreasing by 5% and 1% respectively.

The second generational mismatch is between seniors and the nonwhite racially diverse members of the younger generation. It is theorized in “The Gray and the Brown: The Generational Mismatch,” by Ronald Brownstein, National Journal (July 24, 2010), that these two groups are on a collision course not just at work but as voters and taxpayers. Brownstein compares how four fifths of the Baby Boomers are white while two fifths of all children under 18 are not white, with the expectation by 2023, the majority of American children will be nonwhite.



Brownstein foresees tensions arising between the “Gray” (older white) and the “Brown” (younger nonwhite) populations. Stephen Klineberg, a sociologist at Rice University, asks, “The future of America is in this question: Will the Baby Boomers recognize that they have a responsibility and a personal stake in ensuring that this next generation of largely Latino and African-American kids are prepared to succeed?” William Frey of the Brookings Institute fears this generational mismatch or “cultural generation gap” will produce a contrasting set of needs, attitudes, and priorities that could result in “enormous turbulence as they grind against each other in the years ahead.” We are already seeing indications of this turbulence in the discussions about immigration, public education, and government budget cuts. For example, a survey by Pew Research Center last year showed that seniors favored smaller government that offer fewer services by 61% while minorities’ preference was reversed with 62% favoring larger government that offers more services.

California is one of the states most acutely impacted by this demographic shift with a cultural generation gap of 33% and growing. Other states with expanding Latino populations are Arizona (40%), Nevada (34%), Texas (32%), New Mexico (31%) and Florida (29%). For every state listed above except Florida, the minority portion of the youth population is expected to rise to 55% by 2030, while three fifths of the seniors are white.



The implications for California are that the interests of older whites will be pitted against those of younger minorities. Aron Ramanathan, executive director of Education Trust-West, believes that California will face increasingly direct trade-offs between investing in young people and supporting state government retirees. He predicts many public policy issues being decided along generational lines. Whether it is the funding of our schools, Social Security or Medicare, the future of these institutions may look very different when the Baby Boomers are no longer the majority.

One often overlooked area is the importance of payroll taxes. Older whites will be increasingly dependent on the payroll taxes paid by younger minorities to fund Social Security and Medicare. “Demographic experts such as the Urban Institute’s Robert Lerman project that the number of whites in the workforce will decline over the coming decades, and that all of the increase in the labor market will come from minorities. Today, only about three fifths of Hispanic and four fifths of young black people complete high school, compared with about 90% whites; similarly a much larger share of adult whites (about 30%) than blacks (17%) or Hispanics (under 13%) have obtained college degrees.” Without the ability for minorities to be employed in well-paying jobs, the payroll tax revenue will shrink and those safety net programs will be grossly underfunded. And going one step further, Klineberg stresses, “The (racial) gap in achievement has to be narrowed if there’s any serious hope for American competitiveness in the global economy.”



"Signature" Event!

Economic Insight Conference - "Changing Government to Fit New Realities"

WHEN: June 2nd: Registration, 7:00 a.m.; Program, 7:30 a.m. - 9:00 a.m.

WHERE: Sheraton Hotel, Petaluma

TICKETS: \$30/person; \$240.00/table of 8; Continental breakfast included

RSVP: ONLINE; FAX requests to (707) 763-3028. For more information contact Sonia Tanner at stanner@northbayleadership.org or call (707) 283- 0028

SPONSORSHIPS: Sponsorships are still available for this event. For more information, contact info@northbayleadership.org

Members in the News

Dominican University of California announced that Dr. Mary Marcy will succeed Dr. Joseph Fink as president effective July 1. Dr. Marcy is currently chief operating officer, vice president and provost of Bard College in Massachusetts. She will be the ninth president since the university's inception. Dr. Marcy is a political scientist, with a doctorate and master's of philosophy degrees from the University of Oxford. She has researched and published extensively on issues of diversity, leadership and strategy in higher education.

Sonoma State University announced a \$12 million gift for the Green Music Center from philanthropists Joan and Sanford I. "Sandy" Weill, enabling the University to complete the spectacular concert hall and adjoining lawn and commons performance venues. This is the largest cash gift in the University's history and makes it possible to officially open the Joan and Sanford I. Weill Hall, Lawn and Commons for the 2012-2013 season with a grand opening celebration planned for Fall 2012.

Santa Rosa Memorial Hospital became the first hospital north of the Golden Gate Bridge to implant an MRI-compatible pacemaker that permits a patient to safely undergo magnetic resonance imaging (MRI) testing. Each year, according to the device manufacturer Medtronic, Inc., an estimated 200,000 pacemaker recipients in the United States must forgo MRI scans due to serious complications which can be caused when the pacemaker is exposed to the powerful magnetic field used in the imaging process. With traditional pacemakers, risks associated with undergoing an MRI could include unintended cardiac stimulation, overheating of the pacemakers' leads and resulting injury to the patient's heart, and damage to the pacemaker that causes it to malfunction.

Comcast, St. Joseph's Health System – Sonoma County, and Sonoma State University were all winners of the 2011 Best Practices awards from the Business Environmental Alliance at their annual event. Each organization has taken exemplary steps to capture profitability through sound environmental practices.

Canine Companions for Independence's service dog in training, Hercules, a two-year old yellow Labrador Golden Retriever cross, took center stage as hidden cameras were rolling in a recent segment of ABC's "What Would You Do?" Hercules is currently learning over 40 physical commands to help a person with a disability. He appeared on a segment of the show that focused on public access for service dogs under the Americans With Disabilities Act. Hercules' appearance on ABC's "What Would You Do?" was quite timely, as new ADA laws about service dog access approved last year became effective March 15.

About Us



Twenty years ago, business leaders founded the North Bay Leadership Council on a simple premise: We can accomplish more by working together. Today, the Council includes over 37 leading employers in the North Bay. Our members represent a wide variety of businesses, non-profits and educational institutions, with a workforce in excess of 20,000. As business and civic leaders, our goal is to promote sound public policy, innovation and sustainability to make our region a better place to live and work. For more information call **707.283.0028**; E-mail info@northbayleadership.org Visit Us Online at www.northbayleadership.org