

POLICY WATCH – August 2017

In This Issue

- Meet the 2017 Leaders of the North Bay!
- Exchange Bank Joins NBLC
- California Jobs Report Illuminates Bay Area's Importance
- Members in the News



It is a pleasure to announce good news in this issue. NBLC is honoring six great Leaders of the North Bay and hope you will join us on November 3rd when we give them the public recognition they deserve. Please see the article below for the list of honorees and details for the event.

NBLC is also delighted to announce our newest member: Exchange Bank. We look forward to having this premier community bank as a member and working together to strengthen the North Bay communities.

As we look ahead to the state legislature and Congress going back in session, we will be hearing about budgets, revenue and tax reform. The article on how the Bay Area is 20% of the state's population but contributes 40% of the state's revenue is very thought provoking.

Happy Labor Day!



Cynthia

Meet the 2017 Leaders of the North Bay!

North Bay Leadership Council is pleased to announce this year's Leaders of the North Bay. These awards were created to recognize leadership in five areas. In addition, we have the Murray Legacy Leadership award for a lifetime achievement of leadership. The goal is to share these role models with the North Bay community to help inspire and grow new leaders. This year's honorees are certain to do just that!

The 2017 Leaders will be honored at a luncheon on November 3th at the Hyatt Vineyard Creek Hotel, Santa Rosa. The 2017 Honorees are:

United We Stand (Community Building): **Susan McQuaid**, Marin Court Appointed Special Advocate

Paint the Community Green (Environmental Stewardship): **Pepperwood Preserve**

The Light Bulb Went On (Innovative/Entrepreneurial Spirit): **Pat Harper**, Keysight Technologies

Empowering the Latino Community: **Teen Services Sonoma**

From Red Tape to Red Carpet: **Kimberly Carroll**, Marin Housing Authority

Murray Legacy Leadership Award: **Gary Giacomini (posthumous)**

The luncheon's keynote speaker is Maria Hinojosa, an award-winning news anchor and reporter who covers America's untold stories and highlights today's critical issues. As the anchor and Executive Producer of the Peabody Award winning show *Latino USA* which is distributed by NPR, and anchor and Executive Producer of the PBS show *America By The Numbers with Maria Hinojosa*, she has informed millions about the changing cultural and political landscape in America and abroad.



In April 2010, Hinojosa took a groundbreaking step by creating the Futuro Media Group, an independent nonprofit organization producing multimedia journalism that explores and gives a critical voice to the diversity of the American experience. Futuro Media is committed to telling stories often overlooked by mainstream media.

In nearly 30 years as a journalist, she has worked for CNN, PBS CBS, WNBC, and WGBH. Her previous projects include PBS' Need to Know series and the WGBH/La Plaza talk show *Maria Hinojosa: One-on-One*. Hinojosa was the first Latina to anchor a *FRONTLINE* report: aired in October 2011, "Lost in Detention" explored abuse at immigrant detention facilities, garnering attention from Capitol Hill to both the mainstream and Spanish-language media.

Hinojosa has received numerous awards for her work including: four Emmys; the 2012 John Chancellor Award for Excellence in Journalism; Robert F. Kennedy Award for Reporting on the Disadvantaged; the Studs Terkel Community Media Award; the Edward R. Murrow Award from the Overseas Press Club for best documentary for her groundbreaking "Child Brides: Stolen Lives." In addition to her broadcast work, Hinojosa has been a weekly syndicated columnist for King Features/Hearst and is the author of two books: *Raising Raul: Adventures Raising Myself and My Son*, a motherhood memoir; and *Crews: Gang Members Talk with Maria Hinojosa*, an in-depth collection of interviews with gang members in New York City.

Hinojosa was born in Mexico City and raised in Chicago, IL. She received her BA from Barnard College. She is currently the Sor Juana Inés de la Cruz Chair of Latin American and Latino Studies at DePaul University in Chicago and a Global Post 'Voces' columnist. She lives with her husband, artist German Perez, and their son and daughter in Harlem.

The Leaders of the North Bay Awards luncheon will be at the Hyatt Vineyard Creek, Santa Rosa, on November 3rd from 11:30 a.m. – 1:30 p.m. Tickets may be purchased online starting September 11th for \$85/each or \$680/table of 8 seats. This event always sells out, so get your tickets early. For more information, go to www.northbayleadership.org.

Exchange Bank Joins NBLC



North Bay Leadership Council (NBLC) announces that Exchange Bank is its newest member. Headquartered in Sonoma County, and founded in 1890 with assets of \$2.2 billion, Exchange Bank is a premier community bank providing a wide range of personal, commercial and trust and investment services with 18 branches in Sonoma County and a commercial and SBA lending office in Roseville and San Rafael. They have 386 employees. NBLC's chair, Patty Garbarino, said "This community bank epitomizes the values of supporting and strengthening the

community in a perfect alignment with NBLC's mission and goals. We are delighted to have Exchange Bank add their commitment to the North Bay's people and economy to our work."

For 127 years, Exchange Bank has been serving the local community, not only through trusted banking and financial services, but by focusing 100% of its charitable giving on the communities it serves. In total, Exchange Bank contributes to more than 300 charitable organizations and nonprofits each year. In 2016, Exchange Bank and its employees contributed more than \$665,000 to the community.

In addition, 50.44% of the Bank's cash dividends go to the Doyle Trust that funds the Doyle Scholarship at Santa Rosa Junior College. Since 1948, the Doyle Scholarship Fund has provided \$83 million to over 127,000 students. Exchange Bank made the first Lead Challenge gift to kick-off the SRJC 100th Anniversary Campaign in 2016. For the past three years, Exchange Bank has funded The Reinking Scholarship Program at Montgomery High School, providing two scholarships a year.

Exchange Bank's Alan Aranha, Vice President and Business Development Officer, Marin County office, will be the member representative. Howard Daulton, Senior Vice President, Manager of Corporate and Business Development will be the alternate. Daulton said "We appreciate NBLC's shared commitment to education, community resiliency and economic competitiveness. We look forward to joining with the other members to make the North Bay an even greater place to live and work."

Exchange Bank is an 11-time winner of the North Bay Business Journal's North Bay Best Places to Work survey and received the 2016 Healthiest Companies in the North Bay award. NorthBay biz magazine named Exchange Bank 2016 Best Business Bank. Exchange Bank can also be found in the North Bay Business Journal's listing of leading SBA 7(a) Lenders, Wealth Management Advisors and Wine Industry Lenders.

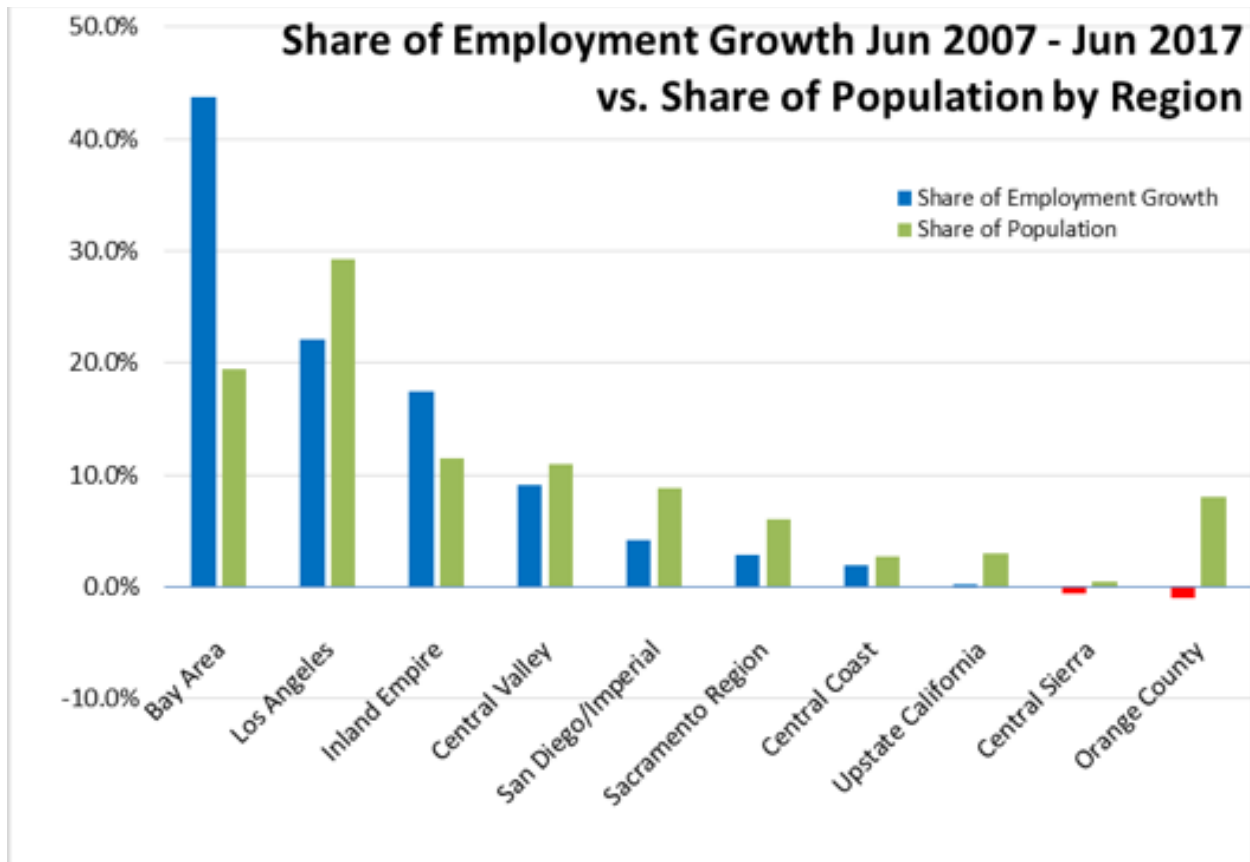
Since 1994, the Volunteer Center of Sonoma County has named Exchange Bank the corporate champion in its division for raising the most money for the Human Race. The Bank provides employees paid time-off to participate in bank-sponsored fundraising events, and time to serve on boards of local nonprofits and share leadership talents. In 2016, it was the first financial institution in Sonoma County to become a "HeartSafe" business, installing Automated External Defibrillators (AEDs) at most Exchange Bank locations and training employees in CPR.

California Jobs Report Illuminates Bay Area's Importance

The California Center for Jobs and the Economy/California Round Table Employment Report ([link](#)) as of June 30, 2017 show several important trends. Some of the key findings are the importance of the Bay Area in driving job creation and income tax generation.

Bay Area Provided 44% of Net Employment Growth Since Recession

"Containing just under 20% of the state's population, the Bay Area was responsible for 43.8% of the net growth in employment since the pre-recession peaks in 2007. Los Angeles Region provided the next largest share at 22.1%, but spread over 29.2% of the population. Inland Empire is the only other region showing employment gains above their population share."



Bay Area Paid 40% of Personal Income Tax in 2015 Tax Year

“The uneven economic performance across California is also reflected in the relative contributions to state revenues from the different regions. The state budget along with the higher baseline spending commitments made in recent years’ budget decisions have become increasingly dependent on Personal Income Tax (PIT) revenues. PIT accounts for 69.3% of all General Fund revenues in the recently enacted budget bill (up from 53.5% in 2007-08), and 50.8% of all General and Special Funds revenues (up from 44.0% in 2007-08). At the same time, the revenues that can be expected in future budget years have become increasingly volatile as an already steeply progressive revenue source has become even more so through the enactment of Propositions 30 and 55 as well the expanding use of credits and other special tax provisions as the economic effects of higher tax incidence have become apparent on specific consumer and employer decisions.”

“The most current data released by the Franchise Tax Board is the zip code data for the 2015 tax year (taxes paid in 2016). This data is subject to some revision in the final county tabulations that will eventually be published in the Board’s annual reports, due to amended tax filings in this and subsequent years. However, the zip code data is a “first look” that enables comparisons between the different counties and regions, as well as forming the base for the Center’s estimates of PIT paid by legislative district.”

“The following table shows the distribution of PIT liability by region by tax year beginning in 2000, with the population distribution from 2015 shown as a point of comparison. As indicated, the Bay Area accounted for 40% of total PIT liability in the 2015 tax year while containing only 19.4% of the state’s population. Only one other region—Orange County—contributed more PIT than its population share, but

at a considerably lower premium. On a relative basis, the lowest shares came from Central Valley, Inland Empire, and Upstate California, with each accounting for a PIT share at about 1/3 their population share.”

PIT Liability Distribution by Region

	PIT Liability by Tax Year																Population 2015
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Bay Area	45.9%	37.7%	32.7%	32.3%	32.5%	34.0%	33.9%	35.6%	33.2%	33.0%	34.7%	36.2%	38.2%	38.7%	40.3%	40.0%	19.4%
Central Coast	2.4%	2.4%	2.4%	2.4%	2.3%	2.3%	2.2%	2.2%	2.1%	2.2%	2.2%	2.1%	2.0%	2.1%	2.0%	2.0%	2.7%
Central Sierra	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.5%
Central Valley	3.2%	4.1%	4.7%	4.7%	4.7%	4.7%	4.4%	4.2%	4.5%	5.0%	4.5%	4.3%	4.1%	4.0%	4.0%	3.8%	10.8%
Inland Empire	3.4%	4.4%	5.0%	5.1%	5.2%	5.0%	4.9%	4.5%	4.7%	5.4%	4.8%	4.5%	4.3%	4.2%	4.0%	3.9%	11.4%
Los Angeles	23.7%	27.3%	29.2%	29.6%	29.6%	29.1%	29.9%	29.9%	30.5%	29.3%	29.4%	28.6%	28.3%	27.8%	27.5%	27.7%	29.4%
Orange County	8.9%	9.7%	10.9%	10.9%	10.7%	10.6%	10.8%	10.1%	10.5%	10.4%	10.4%	10.4%	10.3%	9.8%	9.5%	9.9%	8.1%
Sacramento Region	3.9%	4.6%	5.1%	5.1%	4.8%	4.6%	4.3%	4.1%	4.5%	4.7%	4.5%	4.3%	3.9%	4.1%	3.9%	4.1%	6.0%
San Diego/Imperial	7.5%	8.3%	8.4%	8.3%	8.5%	8.1%	8.1%	7.9%	8.4%	8.3%	8.1%	8.1%	7.6%	8.0%	7.6%	7.5%	8.8%
Upstate California	1.0%	1.2%	1.4%	1.4%	1.4%	1.3%	1.3%	1.2%	1.3%	1.3%	1.2%	1.2%	1.1%	1.0%	1.0%	1.0%	2.9%

Source: Franchise Tax Board (PIT) & Department of Finance (population)
 Note: Does not include suppressed and unallocated amounts (which comprise less than 0.1% of the total in 2015)

The report concludes, “The ability of the Bay Area to continue the jobs growth and revenue base growth of recent years now faces increasing constraints. The ability to hire is challenged by growing barriers to labor mobility due to high housing costs and the state’s use of a “road diet” as a regulatory strategy. The continued low performance of the state’s schools limits the available skills. These conditions exist elsewhere in the state, but the level of the associated costs in the Bay Area have to date been much higher. The failure of the state to enact reforms to contain these costs should also be considered in light of fiscal needs of the state’s current budgetary path.”

Two takeaways: northern California’s political clout is ebbing as the population grows in Southern California. It appears that in this case, “Follow the money,” doesn’t provide us with the clout we deserve. Second, as we see a slowdown in job creation in the Bay Area, what does that mean for the state’s budget? It means that state’s dependence on a volatile revenue source is unsustainable and will trigger budget cuts. What can we do to reform the way the state depends on such a volatile revenue source? That needs to be determined. And quickly, as the recession cycle is looming and the budget cuts are coming.

Members in the News

Redwood Credit Union Receives Marketing Impact Award for Investment Digital Newsletters

Redwood Credit Union (RCU) was awarded the Gold Impact award for Marketing at the “No Boundaries!” 2017 Annual Conference, recently hosted by CUSO Financial Services, LP (CFS) and Sorrento Pacific Financial LLC (SPF) in San Diego, Calif. The award was given for RCU’s monthly digital investment newsletter campaign.

Sonoma State University's School of Business and Economics Awarded \$10,000 Community Impact Grant

Distinguished Alumnus Sanford Bressick '85 Obtains Charitable Gift for SSU from New York Life

BioMarin Pharmaceutical Launches Gene Therapy Drug Plant in Novato

BioMarin Pharmaceutical dedicated its new Novato manufacturing facility which is expected to be key in its continuing clinical trials on a drug the company believes will potentially genetically repair the cause of hemophilia A.

Sonoma Raceway Raises More Than \$78,000 Raised for Area Non-Profits During NHRA Weekend in Sonoma

Charitable events combined to raise more than \$78,000 for Northern California non-profit groups during the 30th Toyota NHRA Sonoma Nationals at Sonoma Raceway, July 28-30.

Redwood Credit Union Advisors Recognized for Outstanding Performance in Investment Services

Redwood Credit Union (RCU) announced that Mike DeFazio earned the 2016 Gold Pacesetter Award, while Clark Matthiessen earned the Silver Pacesetter Award, and Christine Foster, and Joseph Turfa each earned the Bronze Pacesetter Award at the "No Boundaries!" 2017 Annual Conference, recently hosted by CUSO Financial Services, LP (CFS) and Sorrento Pacific Financial LLC (SPF) in San Diego, Calif.

Marin Sanitary Service's Patty Garbarino Named to Golden Gate Bridge Board

Patty Garbarino, president and CEO of Marin Sanitary Service, was tapped by Marin County supervisors Tuesday to fill a seat on the Golden Gate Bridge district's Board of Directors.

San Rafael Chamber Recognizes Patricia Kendall as Women of Industry Honoree

Celebrate Women in Business in Marin at Luncheon on Thursday, November 16 at Peacock Gap Clubhouse

College of Marin (COM) invites you to participate in our annual Fall Career Exploration Fair

Slated for Thursday, September 14 from 10:30AM-1:30PM outside of our Student Learning Center.

Read more online at www.northbayleadership.org/news



Who We Are

Over twenty five 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 54 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 25,000. 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

www.northbayleadership.org