

Whatcom County Business and Commerce Meeting

Monday April 19, 2021 11-1230pm via Zoom

Voting members in attendance: Troy Muljat, Casey Diggs, Gail Buce, Ryan Allsop, Clark Campbell, Debbie Ahl, Sarah Rothenbuhler, Andrew Gamble, Brad Rader, Paul Burrill, Bob Pritchett

Non-voting members in attendance: Don Goldberg, CJ Seitz, Michael Jones

Public in attendance: Jennifer Noveck, Gina Stark, John Michener, Guy Occhiogrosso, Mauri Ingram, Commissioner Ken Bell, Rob Fix, Derek Long

Call to order by Clark at 11:02am. Seconded by Paul.

Asked for public comments. No public comments.

Clark: First order of business. Motion to approve March 2021 meeting minutes by Clark. Seconded by Paul Burrill. Minutes approved.

Clark: First thing, we have had a number of conversations about reporting, jurisdictions. I asked Jenn to send me the ordinance. I recommend that everybody give this a fresh read. I want to highlight a couple points. It says in the function line that the committee reports directly to Council to perform the following functions: comp plans, regulations, economic development efforts, proposals that impact businesses in Whatcom County, the expectation previously was that Council would brief us on things they want advice on. Our votes are not binding to the county, they are just an advisory vote to inform policy, but that group is a group of elected that doesn't have its own staff, they look at issues as they are submitted to the Council, then make their votes. There has been a discussion previous to the last meetings, how do we get that to our group to function like other committees? One way is without us being a step in the process that slows things down, but if staff or Exec look at issues. When we look at this – which jurisdiction can address this? If it is the ADO, they can go to any jurisdiction to report out. We don't have to wait to give opinions on things that are docketed before the Council. Upshot of all this is we don't need to change the structure, just follow it and use the resources we have and hold other parts of local government accountable to the ordinance. Council shouldn't be voting on issues related to business and commerce unless the committee has made an advisory vote on it. Figure out how within the scope of our structure and so on to make it work. We need to be informed. We have sector reps that can speak to each of the sectors. There has been a discussion between Don – Rud and Satpal about how to do facilitate that.

Don: Michael Jones also had some ideas, so we will try to work on that.

Clark: There are 10-12 amendments being proposed for the Master Plan. Those are all things that if they relate to business and commerce, that our group should be informed on and make a specific recommendation before they go to vote for adoption. I read through all the summaries, the summaries are not as clear as I would like them to be. Would probably be helpful to go deeper into those and get a presentation from staff or other committees working on that before a vote. That's the kind of work we should be doing, it may be dry, but if we are going to be effective. My proposal is that we move forward based on what is outlined in the Ordinance and then as chair, is this an issue for the Council or another jurisdiction? If so, then how to submit the recommendation (probably via ADO as opposed to Council). As for adding topics and speakers, another component I'd like to see is in addition to giving views on policy, how do we educate ourselves on issues of importance to the county? Water rights adjudication, early childhood learning, daycare, all of those topics within our group we can find a rep who can speak to it and educate ourselves by bringing in outside speakers. What we've been doing is Don, Jenn, Clark, and Debbie have been meeting following each meeting to set the

agenda for the next month, what speaker, what topic, or a specific thing we need to work on like today's CEDS meeting.

Don: We are still missing a position for food processing, so if anyone needs a county food processor that would be good, recommend they put in an application. Unfortunately, Jeff Callander passed away. Eva Schulte, who is a dean at WCC had an application in and is up for Council review on May 4. That would be higher ed's second position.

Clark: Is there someone we would recommend for food processing? But also, you can email Don and he will bring that information anything related to a guest speaker or a topic raised for discussion. We have had a couple presentations lined up previously.

Don: Yes, Borenstein's would count, I asked Jay.

Ryan: Collin runs it, so maybe ask him instead. You probably know him.

Paul: I could pressure Jay as well.

Clark: One thing we are responsible for is feedback on the CEDS document. Jenn and the rest of the team have been going through of getting review and input from other groups.

Jennifer gave a presentation on the CEDS work to date and discussed input opportunities for the committee members over the next two months.

Sarah: So glad you will send additional information, with all of our limited time, is this the right time to ask for a SWOT? What about the water issues? Could we suggest having someone else give a presentation at the next meeting on water issues?

Paul: Maybe Brad has an option, maybe Brad can do that? What about Mayberry?

Brad: If we get a date, we can round up a person or a couple people to talk about it. We had to take a pause on that for some other business. Would love to get some details out.

Clark: Always feel free to submit a topic or a speaker on a topic that you'd like to be brought forward to educate the group. When we are asked for an opinion, it would be great if sector representatives could provide a baseline so that we can make recommendations if asked. We will take a look after this meeting, what is up next? One challenge we've had is to not over build the agenda.

Sarah: If I can help in any way to help Clark or Debbie to setting the agenda, I'd love to throw my time and energy into the ring.

Clark: We start off with just the past meeting, new business, recommendation from a speaker, and then there's these sorts of things, based on the ordinance. Everyone gets value on sector updates, we've tried to do that but we never have enough time to get into in depth, one rep for 15 mins.

Debbie: We are open to input from all members, we want to be dynamic.

Jenn: Well, I don't want to suggest additional meetings but if we think both issues are time sensitive and a priority, we could schedule a special meeting.

Paul: I'd love a special meeting for water and put as much time in for that as needed.

Sarah: I'd love a special meeting for CEDS.

Clark: We propose a special meeting for review and feedback for the CEDS.

Don: How do we balance the water group? How do we get a few opinions and understand all the moving parts?

Ken: I'd also like to add a request for someone from the City who can explain the UGAs and why annexations are not happening.

Michael: I'd be happy to help arrange that, minimally we can hear from the County and COB. Bear in mind that there are several other cities involved as well. It's a bigger conversation.

Sarah: Could we pencil that for the June meeting?

Jennifer: What about May 12 for CEDS, around lunch?

Don: Yes, I was going to suggest a working lunch.

Others in the chat expressed that either 1130-1230, 12-1 or 1230-130 worked best for them.

Jenn: I'll send out a meeting request for May 12.

Rud: Do you want me to just discuss the childcare proposal?

Debbie provided some explanation about the cost of childcare.

Debbie: Carol and Rud introduced the resolution about how the county can support use of CARES funds to support a more sustainable model of childcare. All of my kids have decent salaries and they still struggle to pay and pre-COVID, we were down about 4000 spots, the waiting lists are 2-3 years long, it is really hard for parents to access childcare spots. Many of us know people and businesses who have lost workers because they have no childcare. We know workers need affordable housing and childcare. I'll stop there and turn it off to Rud.

Rud: I've got various number – County will get at least \$44 million, COB will get \$19 million, upper number for all jurisdictions is over \$100 million. Fair amount of flexibility, rules still being finalized, I still this as an opportunity for us to do one of two things, we can either spend the money on short term stuff, a lot of people pushing for that. Short term compensation to a business, short term homeless housing, funding for a number of other projects or we can spend the money on public infrastructure, it would be politically unacceptable to spend the money on the jail, it would include building on the annex, and there's other county govt facilities, or what I like, we could spend the money to permanently solve a key problem in the community and the one I think is most solvable is childcare issue. The idea is to take the money and spend it on capital portion of the facility, the ways things would like is like this: in case of B&G that took over Kids World facilities, they lost \$100k a year, forecasted to lose \$600k for 2020. Challenge is that the state increased min wage than the state reimbursement rate for low income families, and since KW focused on low income families, the revenue and mandated costs were unaligned. They've brought up the wages, they've increased it to attract better qualified workforce and they'd like to invest money in training and facilities because how state reimbursement works, the better trained the staff are and better the facilities, the higher the reimbursement rate. When they ran the numbers, they are short \$15k a month. When you look at the costs of the facilities, the facilities are running around 10% of total costs. If we took aware the capital cost portion of the facilities, use rough numbers, for \$100k a year, they are paying \$80k rent and \$20 in triple. If you take away the \$80k it makes the math closer to working. We could create a permanently affordable option. That was a first part of the proposal. Any questions?

Don: I want to mention that a lot of people are having trouble finding workers. Part of that is because of their situations plus unemployment, it makes more sense for them to stay home, if they cant find childcare or cant afford it?

Ryan: How much of the money will this take up?

Rud: My sense is that there will be many ideas for how to spend the money. I am trying to set the tone and say that the majority of the money will be spent on solely the childcare costs. Tomorrow we will formally invite the childcare organizations to get involved. Heather Powell, David, Debbie, other childcare experts and staff.

Ryan: So the proposal is to take the \$150 mil and buy the buildings and find operators?

Rud: Some existing buildings might work, some are not the best fit and may create a lot of traffic and noise. The rules won't allow us to just put the money in the bank. We have to spend the money by Dec 2024. I'd like the money to be spent on new buildings, it will be a ripple effect for construction and others. If you believe the real estate costs are going to keep climbing, it is a good investment anyway.

Michael: When you are saying the majority of the funds, you are talking about the overall package? So a substantial portion goes to WTA. I think you described it would not require ongoing taxpayers funding, by giving a lot it would be self-sustaining?

Rud: The challenge of spending money on any program or an expense driven program is what do you do when the money runs out? There's no back up behind it, it's not like we have a sales tax to pay for this, no funding mechanism. We could spend it on a program, when the money runs out we are back to where we started. The idea is to spend it on capital infrastructure and charge enough in the way of rent to cover maintenance and triple net portion, insurance, then there is a permanent funding mechanism.

Clark: Assuming this were to happen, would this be pooled similarly for PPE? Would the county and city treat this as one large fund? Or this is a county program? What about incorporated areas? The proposal makes sense provided the funding is pooled. Second follow up – you said that the previous operator didn't have finances that didn't pencil because they were focused on subsidized customers, would this address the same group as the primary focus?

Rud: Yes, that is the group that is struggling the most and the facilities are not sustainable. There is a threshold. Maybe Debbie knows the answer. If your facility caters to a certain percent of low income families, then the whole facility is treated as a low income facility from the state perspective. To first question, what I'd like to do is go out to other jurisdictions, if you throw your money into the pot, we will. Michael will end up with more money to spend on this than if they didn't partner with us, which would be an incentive to do it.

Clark: And you have a model where we've recently done that.

Rud: Sense of it as a priority and good use of funds?

Sarah: Everything you voiced, my worry is that the funds aren't ongoing. My concern is that there are a lot of people in our community who do not qualify as low income but it is still a major issue for them. How do we not take care of that sector as well?

Rud: Part of the answer is that the ideal facility has a mixed economic group. You don't want all the poor kids to hang out with only poor kids. Sets them up for segmentation for life. The facility will be available to everyone, outdoor space, accessibility, regardless of economic circumstances. If space is staffed by good stable workforce, they can engage on continuing education on early childhood development, that knowledge will then be available to everyone. It raises the bar and the quality of the facility and staff for everyone.

Sarah: My concern remains. I wonder if there are communities that have found other solutions.

Debbie: Seems like a good step in the right direction.

Clark: Given the money has to be spent and spent in a tight time frame, you have an existing unmet need in the County and it's not recurring, do something meaningful, big, that requires actually a permanent asset and focus it. I'm a fan to not spread jam thin on the toast, but putting it heavy on a corner so it has impact. You do not necessarily need to guarantee a ROI because it didn't come from taxpayer dollars.

Ryan: First off, finding a spot and building a building in City in 3 years, will be hard. What if we funded greenway purchases, reallocate that over time to this program, just throwing this pie in the sky. It is going to be hard to spend the money on facilities in that amount of time ... there's no buildings. How do we meet the reqs and then spend it as quickly as we can? Apartment buildings? Low income housing? Putting out ideas.

Rud: The source of money dictates what you can spend the money on. You cannot take it to spend it on greenways because that is a levy, the levy language is very specific. This is part of the challenge of thinking like a businessman in government because there are so many rules around everything.

Ryan: It's painful.

Sarah: What was the article that Bob submitted to the group? Were there some good examples in Yakima?

Bob: It discussed about regulatory burden, professional education reqs, we are asking the govt to help solve a problem that the govt created? Parents do not have educational requirements but their caretakers do? What's the reimburse rate versus minimum wage? But cost of compliance is escalating? One more step of the govt taking over this sector. People object to government being put into a role of supervising children. I think that is worth pointing out.

Rud: I don't see this as a perfect solution, but understand these are the parameters. We have to spend it in less than three years. If we don't spend it on this, what is a higher priority? Is it perfect? No. Is it the best idea I've heard so far? Yes. I'd rather spend it on childcare not a baseball field.

Clark: I worked for HH in Norway. This is not a problem or a topic families worry about. If there is a role of govt, to replace private business, this is probably one of the best and one of the areas if you go to Norway or Finland, you will not hear about how costly or hard childcare is because it is a government provided service at a high level. Hybrid models for public-private, particularly in crisis areas, I'm in favor of more government subsidy and more involvement in that sector of business.

Rud: If you have a better idea, please let me know.

Ryan: It would be great to know what we can spend it on.

Michael: There are some good summaries on how the money can be spent. A lot of rules are unknown still.

Ryan: Spend it and ask for forgiveness later.

Sarah: Are we good on those proposed topics? Water on May 17.

Clark: Provided speakers are available, yes. We will work with the group to see about a speaker for water rights for the May meeting, UGA boundaries on June.

Sarah: Could we have sector leads determine the speakers?

Clark: Proposing we adjourn. Motion to adjourn. Seconded by Debbie Ahl.