



3400 Torrance Blvd, Suite 100
Torrance, California 90503
www.SBACC.com

SBACC Board of Directors Meeting
AGENDA

March 1, 2011
8:00am

- 1) Welcome George Kivett, Chair
- 2) Self Introductions and Sign-In All
- 3) Approval of the February 2010 Minutes All
- 4) Chair's Report Kivett
 - a) *Installation Luncheon*
 - b) *Congressional Candidates Forum*
- 5) Legislative Report #2 Shaun Lumachi
 - Redevelopment Agency Elimination Briefing
Jeffrey Kiernan, League of California Cities
 - Enterprise Zone Repeal Elimination Briefing
Anita Mangels, Communities to Save Enterprise Zones
 - National Labor Relations Board Proposal: Right to Unionize
 - AB 77 (Gorell – R) Governmental Reorganization: Tax Functions
 - AB 10 (Alejo – D) Minimum Wage Adjustments
 - 1099 Reporting Mandate Provision in the Health Care Law
- 6) Financial Report Charles Gale
- 7) Legislators Reports Feinstein, Boxer, Rohrbacher, Harman, Richardson,
Brown, A.Lowenthal, Wright, Furutani, B.Lowenthal, Bradford, Butler,
Knabe, Ridley-Thomas, League of CA Cities, LAAFB, AQMD, BizFed,
WRD, WBMWD
- 8) Announcements All
- 9) Adjourn

**Next SBACC Board Meeting will be Tuesday, April 5, 2011 at the Torrance Chamber
3400 Torrance Blvd, Suite 100 Torrance, California 90503**

Annual Installation Luncheon

Friday, March 4, 2011

11:00am to 1:30pm

Juanita Millender McDonald Community Center

3 Civic Plaza Drive

Carson, California 90745

~ Keynote Speaker ~

Congresswoman Laura Richardson

Congresswoman Richardson currently serves on both the House Committee on Transportation & Infrastructure and Committee on Homeland Security. She serves as the ranking member on the Subcommittee on Emergency Communications Preparedness and Response and sits on four subcommittees on the Transportation and Infrastructure Committee.



~ Join Us As We Honor ~

- **George Kivett**, 2010 Chair of the Board
- **Creasie James**, 2011 Chair of the Board
- **Recipient of the "John Parsons Award" for Business Citizen of the Year**

~ Installation of the 2011 SBACC Board of Directors ~

Performed by **California Secretary of State Debra Bowen**

Tickets are \$47.00 each or tables of ten for \$500

Reservations required by calling the Carson Chamber of Commerce at (310) 217-4590

Deadline to register is February 24, 2011



Approval of the February 2011 Minutes

SOUTH BAY ASSOCIATION OF CHAMBERS OF COMMERCE
Board Meeting Minutes
February 1, 2011

PRESENT: G. Kivett, L. Baglietto, C. Gale, S. Lumachi, S. Gobble, D. LaSalle, S. Kramer, J. Kiernan, T. Dahlgren, D. Duperron, C. James, H. Duncan, M. Smeltzer, J. Parsons, M. Lyon, J. Janes, J. Ahn, M. Warenek, J. Wogan, M. McFall, S. Myles, P. Donaldson, R. Lamm, K. Anderson, R. Kim, H. Johnston, M. Morales, J. Harris, K. Vincent, M. Low

CALL TO ORDER: The Meeting is called to order by Chairperson George Kivett at 8:09 am.

WELCOME AND INTRODUCTIONS: The Chairperson George Kivett introduces himself, thanks all attendees and invites all present to introduce themselves. George announces that he is the new Executive Director of Lomita Chamber of Commerce.

MINUTES FROM MEETING OF JANUARY 7, 2010: T. Dahlgren moves for approval of the minutes. The motion is seconded by L. Baglietto and passes unanimously. C. James abstains.

Chair's Report:

Chairperson George Kivett announces that the SBACC Installation Luncheon will be held March 4, 2011 at The Carson Community Center.

Chairperson George Kivett discusses one of our SBACC Strategic Initiatives: Career Development. The Chairperson also discusses the STEM symposium during which Dr. Lawson spoke and General Sheridan spoke.

The Chairperson concedes time to our new Chairperson Creasia James; she gives information on the SBACC Installation. The time of the Luncheon is 11:00am-1:30pm at the Carson Community Center. Congresswoman Laura Richardson is the keynote speaker. Several other public officials including Supervisor Don Knabe, Secretary of State Debra Bowen, Attorney General Kamala Harris and Governor Jerry Brown are among the invited guests, but have not confirmed yet. Attending Sponsors will receive two seats, \$1,000, \$2,500 or \$5,000 levels receive a table.

S. Lumachi is redoing our SBACC forms: the Business Application & Chamber Application. He asks the group if there are any updates needed. The discussion returns to SBACC event planning. C. Gale reminds the group that the additional event will increase the value of our group. M. Lowe asks for distinction in business participation levels; S. Lumachi replies that businesses can request that a SBACC representative speak to them exclusively about their advocacy issues. Marcella asks for clarity on the level distinctions. L. Baglietto adds that it should be clearly spelled out. S. Gobble discusses idea that the \$1,000 level should be 2 seats, the \$2,500 level should be five seats and the \$5,000 level should be a table. The discussion returns to the annual memberships and supportive forms. S. Lumachi asks for discussion about the investment from member chambers beyond the current \$500. M. Smeltzer agreed with S. Lumachi. Chairperson George Kivett adds that we have already invoiced this year, but could it be possible to begin new fees next year. S. Gobble asks that we still outreach and support all area Chambers with SBACC scholarships. Chairperson George Kivett asks for any further suggestions. The Chairperson will discuss the changes pending executive committee approval. M. Warenek adds that he will help by collecting information on how other associations handle fee collection.

POLICY PLATFORM: S. Lumachi presents the Ballot Measures.

There are four items for consideration. He discusses the Letter to the Governor concerning redevelopment agencies that are in jeopardy due to budget cuts. Coalitions are formed, and the League of CA Cities has been active to stop the elimination. If we are clear we may have a chance to affect this. S. Lumachi requests to move forward for opposition from the SBACC. We need an idea from each member Chamber of specific impacts to forward to Legislators as soon as possible so we can hold them responsible publicly understanding that it is political for them to go against the governor initiatives. J. Parsons asks for us to make it more tangible and anchor it to tax revenue such as South Galleria employment and tax receipts. Chairperson George Kivett asks for the best source of information, John replies the City Managers in each respective City. The League of CA Cities has decent information. Shaun will write the letters once he receives the information. J. Kiernan (League of CA Cities) has gathered information. L. Baglietto states that his city will sit out for this response because of some cities CRAs need to be eliminated.

There is more discussion about specifics and purposes of Redevelopment Agencies. S. Gobble asks for a distinction between short term & long term effects. J. Parsons adds that there are budget concerns about uses for monies after elimination of Redevelopment Agencies. J. Ahn highlights that enterprise zones are important as well, citing the examples in Harbor and Wilmington enterprise zones. T. Dahlgren motions to oppose the elimination effort, S. Gobble seconds the motion. Shaun requests information from each City Manager by Friday, Monday at the latest. Chairperson George Kivett discusses separating the eminent domain argument. L. Clark reminds the group about the deficit issue and need for alternatives. S. Lumachi describes how invest comes from back from

Redevelopment Agencies to gain economic growth and tax revenue. A vote to oppose is taken. _____ votes to oppose. There are two abstentions. The vote passes by majority.

National Relations Board Proposal *Recommendation: Oppose*

A proposal was put out in late December to mandate every workplace to post the process to form a union and pass cost to employer to post this information. In the past, we have opposed card checks – this new proposal is maneuver to get around card check proposal due to instant registration of new employees to be in a union. This board was not designed to be activist. This would be consistent with our former opposition. L. Baglietto motions to oppose. It is seconded by J. Thompson. The motion passes unanimously.

AB 75 Documents: notaries public: solicitations *Recommendation: Support*

It is unlawful for a non-government agency to use a form to look like a government agency. This bill increases fines and crack downs on it. M. Morales motion to support. H. Duncan seconds the motion. The vote passes unanimously.

AB 83 Environment: CEQA exemption: recycled water pipeline *Recommendation: Support*

This bill calls for CEQA improvements up to 8 miles. Assemblymember Jeffries in Riverside County is the proponent. Expediting through the CEQA process we have traditionally supported. This may have environmental impact and it should go through the process. C. Gale discusses that his board will likely support this bill. T. Dahlgren adds his support, and that it helps his group as well. M. Warenek motions to support. J. Thompson seconds the motion. S. Gobble adds that this will help drought issues. The vote passes unanimously.

S. Lumachi adds that Legislators initiatives specific to business community to be discussed at the SBACC meetings, also asks for all Leagues & Associations to send contact information for invitations to collaborate.

S. Gobble and J. Ahn discuss taxes to suppliers and tax amnesty where it is an enterprise zone which important to the aerospace industry. There are offset costs and benefits to locate in zone. Chairperson George Kivett adds that if it is an important issue, have all industries please let SBACC periodically. He also suggests city council and planning commission participation.

TREASURER'S REPORT: Treasurer Charles Gale: There is just under \$5,000 earned from member Chamber fees, \$25,000 from Business Partners and \$5,000 from our event surpluses. Our total SBACC revenue is \$35,000. Insurance, installation and scholarships as our expenditures will be O.K. if we stick to budget. Charles requests a 2nd event to raise money and create more awareness for the SBACC.

LEGISLATORS' REPORTS:

L. Clark of the Los Angeles Air Force Base (LAAFB): Today at the LAAFB General Shackelford is there for a visit. The Base Vice Commander is leaving tomorrow. General Ellen Polokowski is nominated to be Commander of SMC but it must be by congressional confirmation. General Sheridan retirement is announced, but, no date yet. The projection is next spring or summer. He reminds our group of job listings for civilian jobs and that the LAAFB is a source of job opportunities. Once command changes occur, all will be supportive of local community.

T. McKinnor of Assemblymember Steve Bradford's Office: Last Friday was the first Procurement meeting. The Assemblymember is still working on AB 38 concerning banking districts. Te office is finishing field packages. Ideas for new legislation must come quickly as state legislative sessions approach.

J. Janes of Assemblyperson Furatani's Office: There is a staff addition- Sandra Sanchez is Chief of Staff. She has managed a number of statewide campaigns. The Office move to Carson move has not happened to date. Currently the Office is still taking legislation ideas. Budget 9 subcommittee meetings include changes to child care, healthcare and libraries. Governor Brown says there must be "trades" and "keeps" for budget cuts. His position is that temporary tax extensions are a must.

J. Kiernan of CA League of Cities: Thanks to all for support of redevelopment agencies. Jeff will help information from respective cities; protectourlocaleconomy.com has suitable information. He discusses the League Partner Program to participate. J. Parsons asks for clarifications for distinction of annual impact and effect over multiple years. S. Lumachi asks for communication coordination to stop impacts to the local economy such as impacts to redevelopment agencies and enterprise zones. S. Gobble discusses the ideals for Corporate attention to impacts by budget cuts, to both the business community and individuals that the government is not discussing right now.

C. Gale discusses the Biz Fed Installation Dinner in January and survey to chambers, need to gather information.

ANNOUNCEMENTS

H. Duncan announces the February 8th Manhattan Beach State of the City event at the Belamar Hotel. Information will be posted on the website. Time of the Event is 7:30 am.

Kathy announces Business Expo in Carson on February 24th from 11:30 am – 6:30 pm. Details are at the website: www.carsonchamber.com.

S. Gobble wishes all an excellent SuperBowl. M. Smeltzer will give VIP for SBACC members during Run event.

M. Warenek reminds all of the Black History Celebration.

O. Valentine announces the City of Hawthorne/Hawthorne Chamber of Commerce State of the City Luncheon on Thursday, February 10th.

Chairperson George Kivett discusses that Chuck Taylor has retired as the Executive Director of the Lomita Chamber of Commerce. There is a going away event on Thursday, February 17th, 5:30-7:30 pm for Chuck and his wife, Dottie who served as Office Manager.

George asks for enthusiastic support for new Chairperson Creasia James' Installation from all in our group.

ADJOURN: The Meeting was adjourned at 9:37 A.M.

Legislative Report #2

Presentation

Shaun Lumachi

Director of Government Affairs

National Labor Relations Board Proposal: Right to Unionize

Recommended Action

Oppose

Summary

1. A proposed rule would require employers to notify workers of their rights under the National Labor Relations Act (NLRA), including the right to unionize.

Background

2. This proposed rule covers all employers subject to NLRA except for employers of airline, railroad and agricultural workers.
3. NLRB is seeking comments on its proposal to require private sector employers to notify employees of their right to unionize – or not.
4. The proposed notice would be mandatory in almost all workplaces, regardless of whether union employees are present.
5. The posting requirement is similar to one now required for government contractors.
6. The new notice, as proposed, states that employees have the right to act together to improve wages and working conditions, to form, join and assist a union, to bargain collectively with their employer, and to choose not to do any of these activities.
7. The proposed notice also provides examples of unlawful employer and union conduct and tells employees how to contact the NLRB with questions or complaints.
8. If an employer communicates with employees primarily by e-mail or other electronic means, the notice would be posted electronically as well.
9. According to a NLRB press release, the proposed notice would be available from the agency's regional offices and could be downloaded from the NLRB website.
10. The 60-day comment period for the proposed rule began on December 22, 2010.
11. The NLRB is inviting comments on all aspects of the proposed rule, including the issue of the board's authority raised by the dissent.
12. Comments on the proposed rule should be submitted either electronically at www.regulations.gov or by mail or hand delivery to Lester A. Heltzer, Executive Secretary, NLRB, 1099 14th Street NW, Washington, D.C. 20570.

Arguments in Support

13. Supporters argue that by increasing the knowledge of the NLRA among employees will better enable them to exercise their rights under the statute and promote statutory compliance by employers and unions.

Arguments in Opposition

14. Opponents argue this is another example of a harmful regulation on employers. They also cite, the percentage of private sector workers in unions has dropped to 7.2 percent, from more than 35 percent in the 1950s and there are concerns that proponents believe that employers are to blame for the decline in union membership and so therefore enforcement must be increased.

Supporting

None at this time

Opposing

None at this time

AB 77 (Gorell – R) Governmental Reorganization: Tax Functions

Recommended Action

Support

Summary

1. AB 77 would abolish California's Franchise Tax Board and transfer its functions to the State Board of Equalization. It would also transfer any tax administrative functions of the Employment Development Department and the Department of Insurance to the State Board of Equalization.

Background

2. The Franchise Tax Board administers state personal income taxes and corporation franchise and income taxes in the State of California.
3. The State Board of Equalization collects and administers various taxes and fees imposed under specified programs and serves as an arbiter for the resolution of tax disputes involving the imposition of fees and taxes, including those taxes administered by the Franchise Tax Board.
4. AB 77 would abolish the Franchise Tax Board, and would provide for the transfer of its powers and duties to the State Board of Equalization, effective January 1, 2013.
5. Existing law imposes, on employers in this state, unemployment insurance taxes that are administered by the Employment Development Department.
6. Existing law also imposes taxes on insurance companies that are administered by the Department of Insurance.
7. This bill would also provide for the transfer of the tax administrative functions performed by the Employment Development Department and the Department of Insurance to the State Board of Equalization, effective January 1, 2013.
8. This bill would require the State Board of Equalization to submit a report to the Governor and the Legislature, on or before June 30, 2012, regarding the board's assumption of the duties of the Franchise Tax Board and the assumption of the tax administration functions of the Employment Development Department and the Department of Insurance.
9. This bill would also repeal this reporting requirement on June 30, 2016.

Arguments in Support

1. The Chamber has historically supported efforts to consolidation state government entities for cost and efficiency purposes. This bill would consolidate the functions of two agencies into one existing agency furthering the opportunity to save taxpayer funding and improve efficiencies.

Arguments in Opposition

2. Concerns about the effective implementation of consolidation might incur costs on the state at a time when resources are scarce.

Supporting

None on file.

Opposing

None on file.

AB 10 (Alejo – D) Minimum Wage Adjustments

Recommended Action

Oppose

Summary

- 1. AB 10 would increase the minimum wage, as of January 1, 2012, to not less than \$8.50 per hour.

Background

- 2. As of January 1, 2008, the minimum wage in California must not be not less than \$8.00 per hour.
- 3. AB 10 would increase the minimum wage, as of January 1, 2012, to not less than \$8.50 per hour.
- 4. This bill would also provide for an automatic adjustment to the minimum wage on January 1, 2013, and annually thereafter, based on the California Consumer Price Index.

Arguments in Support

- 5. No arguments in support at this time.

Arguments in Opposition

- 6. The Chamber has historically oppose any increase to the minimum wage.

Supporting

None on file.

Opposing

None on file.

Opposing

None on file

1099 Reporting Mandate Provision in the Health Care Law

Recommended Position

Support

Summary

- 1. Over 40 million entities, including governments, nonprofits, and businesses of all sizes across the nation will be subjected to data collection and IRS information filing on virtually all non-credit card purchases totaling \$600 or more with any vendor in a tax year starting in 2012.

Background

- 2. Section 9006 of the “Patient Protection and Affordable Care Act” is usually referred to as the 1099 reporting mandate and will become law in 2012.
- 3. If this provision is implemented and not repealed, the 1099 reporting mandate will impose substantial paperwork and reporting burdens on the backs of governments, nonprofits, and businesses—especially small businesses.
- 4. In order to comply, these entities will have to institute new complex record-keeping data collection and reporting requirements that track every purchase by vendor and payment method.
- 5. This provision will also serve to dramatically increase accounting costs, expose businesses to costly and unjustified audits by the IRS, and subject more small businesses to the challenges of electronic filing.

6. In the end, the increased costs will heavily penalize honest taxpayers, creating an even more unlevel playing field between those that pay their fair share of taxes and those that do not.
7. Moreover, the new 1099 reporting mandate will alter behavior in the marketplace, which could lead to dramatic negative consequences for smaller merchants by driving purchases away from small vendors and startups.
8. In order to minimize reporting, government, nonprofits, and businesses may consolidate their purchases with several large vendors with a broad geographic presence and a more diverse product line instead of a number of smaller ones.
9. Additionally, the cost of repealing this provision should not be accomplished by levying increased taxes on or removing existing tax incentives from business, thereby eroding American competitiveness and private sector job creation.
10. Last week, the U.S. Senate voted to repeal the provision. The provision will now go to the House of Representatives for consideration.

Arguments in Support

11. At a time in which we have seen an unprecedented growth of the federal government, it is imprudent for lawmakers to saddle any one segment of the business community with the obligation to pay for the repeal of this ill-conceived, expanded information reporting mandate.

Arguments in Opposition

12. No arguments in opposition at this time

Supporting

United States Chamber of Commerce

Opposing

None on file