



SANTA CRUZ COUNTY BUSINESS COUNCIL

Addressing Strategic Issues Through Private / Public Partnership

WHAT'S INSIDE

2

2012 YEAR IN REVIEW

Overview

Special Projects

3

2012 YEAR IN REVIEW

Government Affairs

Advocacy

4

2012 YEAR IN REVIEW

Education

5

2012 YEAR IN REVIEW

Board of Directors

New Members

Administration

Recognition

6

SCCBC IN 2013

Introduction

Executive Committee

Board of Directors

7

SCCBC IN 2013

Work Plan by Committee

2012-2013 SCCBC ANNUAL REPORT

Hello and Welcome Fellow Business Council Members,

We live in interesting times. Those of us who attended the Council's Lunch and Learn events on the economy know that while our general trajectory is upward, there are still hazards ahead. Luckily, local businesses have opportunities working with each other and with local government to make the Santa Cruz County economy grow.

Who's in the Santa Cruz County Business Council? For a listing, check our website, www.sccbusinesscouncil.com. Our membership employs over 30,000 people locally -- and that's just direct employment. Tens of thousands more benefit when our employees buy coffee, wash cars, rent offices. And as taxpayers we are big contributors to local government budgets for things like schools, road maintenance, and public health and safety.



SCCBC works all year to represent the interests and views of community-minded businesses throughout

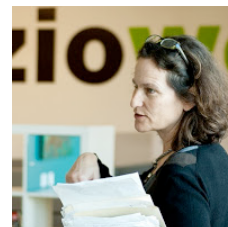
the county. We hope that in this report you'll see we've made our mark.

The next question is, what more can we do for you? We hope that at the annual members meeting, as well as in surveys and in conversations with our new Executive Director Joe Foster, you'll express your views, your hopes and your concerns for our community. That's what the Council is all about.

Thanks for your membership and support,

Robert Murphy,
Wells Fargo Insurance Services
2013 SCCBC Chair

Peggy Dolgenos,
Cruzio Internet
2013 SCCBC Vice Chair



OUR MISSION

To support and advocate for the economic vitality of Santa Cruz County through private/public partnership.

2012 YEAR IN REVIEW

2012 was an exciting and productive year. From government affairs, to education, to advocacy in the community, SCCBC continued to uphold its mission of supporting economic vitality in Santa Cruz County through private/public partnership. With the support of our membership, and in keeping with our core values of providing a strong, unified “business-centric voice,” SCCBC was able to accomplish the following during the last calendar year:



3rd Annual Economic Forecast

2012 Year in Review Special Projects

Public Pension/Health Care Study

Led by our Government Affairs Committee, with the purpose being to better understand the current status of unfunded public pension and health care liabilities facing our County, SCCBC began work on this project in the early part of 2012 and continued it throughout the year. Our aim in commissioning a comprehensive look into this topic was to publish an accurate, timely and useful report that would be used as a tool in the budgetary and policy decision-making process throughout the county, cities and special districts.



Joe Nation

Project Highlights

- Published comprehensive report - *Unfunded Public Pension and Health Care Liabilities in Santa Cruz County, Cities and Special Districts* - Joe Nation, Ph.D., author
- Conducted review meetings with public officials representing each of the ten (10) public agencies analyzed in the report. Purpose to ensure that the data used for the report was complete and accurate
- Report disseminated to elected officials/general public

- “Guest Opinion” piece in local media outlets (Santa Cruz Sentinel, Monterey Bay News & Views)

Business Climate Survey

SCCBC continued to co-sponsor and develop questions for the 2012 Business Climate Survey. The Survey is a collaborative effort between SCCBC and the following organizations:

- Santa Cruz Area Chamber of Commerce
- Aptos Chamber of Commerce
- Scotts Valley Chamber of Commerce
- Pajaro Valley Chamber of Commerce
- Downtown Association of Santa Cruz
- Capitola Soquel Chamber of Commerce

CA and Metro Economic Forecast



For the third straight year, we have served as a “gold-level” sponsor of the quarterly economic forecast published by the Business Forecasting Center at the University of Pacific. Our support allows for the Santa Cruz County Metro-area to be included as one of the ten metro areas individually analyzed each quarter. The *CA and Metro Economic Forecast* is distributed to SCCBC members as it is published each quarter.

2012 Year in Review

Government Affairs**Local Election Forums**

In order to provide our members with a chance to meet and listen to candidates, and to introduce business issues to the political arena, SCCBC co-sponsored public forums for Santa Cruz City Council and Santa Cruz County Supervisor candidates. SCCBC worked with other local business-focused organizations to coordinate these events, as well as to formulate business-centric questions for the candidates to answer. These forums were broadcast countywide through Community TV (CTV).

Government Relations

Meetings with public officials provides us with insight into current governmental trends and, in turn, gives the officials an opportunity to work with local businesses.

In keeping with our focus of “addressing strategic issues through private/public partnership,” we conducted face-to-face meetings with officials from the following public agencies:

- City of Watsonville
- City of Santa Cruz
- City of Scotts Valley
- City of Capitola
- Santa Cruz County
- Central Fire District
- Aptos/La Selva Fire District
- Santa Cruz Port
- Scotts Valley Water District
- Soquel Creek Water District

Santa Cruz Regional Transportation Commission (SCCRTC) Partnership

SCCBC continued to strengthen its partnership with SCCRTC by conducting quarterly meetings to discuss countywide infrastructure topics. Additionally, SCCBC served as a co-sponsor for their “Town Hall” forum with the California Transportation Commission (CTC).

**Advocacy**

Each year, SCCBC closely monitors the local landscape for projects that support economic vitality in the community. After careful research and consultation with member organizations, we will advocate for development and improvements that enhance the local business climate. In 2012, the following topics, amongst others, were addressed:

Local Projects/Issues

- *Rancho Del Mar Development Project:* Support for responsible planning and development practices
- *Palo Alto Medical Foundation - Mission St. Development:* Support for responsible planning and development practices; support for responsible traffic calming measures
- *SCCRTC Vehicle Registration Fee:* Support for local road maintenance/improvements
- *AT&T Wireless Upgrades:* Support for investment in infrastructure upgrades for wireless service around Santa Cruz County
- *Aptos Village Plan:* Support for responsible planning and development practices
- *Sustainable Transit Corridors Project:* Support for enhanced emphasis on private investment along the corridor

Community Leadership Visit (CLV) to San Luis Obispo (SLO)

May 20-22, 2012

The CLV provided Santa Cruz County leaders a look into the ongoing work being conducted in the SLO community to address community growth and development through private/public partnership.



SCCBC members that participated in the visit include:

- Ted Burke, Shadowbrook/Crow's Nest
- Charles Canfield, Santa Cruz Seaside Company
- Mary Gourlay, Barry Swenson Builder
- Brian King, Cabrillo College
- Chris Mann, Graniterock
- Gary Merrill, SCCBC
- Nanette Mickiewicz, Dominican Hospital
- Norbert Relecker, Chaminade Resort & Spa
- Michael Turpin, Santa Cruz Sentinel

2012 YEAR IN REVIEW

BUSINESS FORUMS

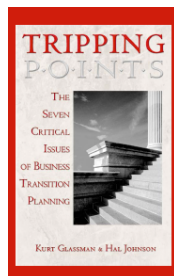
Each year, SCCBC hosts educational forums that provide our local business community with the opportunity to hear experts discuss issues that have major economic impacts. While mostly centered on local topics, these events also look at broader issues outside of Santa Cruz County. Each forum saw a capacity crowd comprised of SCCBC members, public officials and other representatives from the local business community.



National Economic Forecast

2012 Business Forums
Business Succession Planning
April 5, 2012

LeadershipOne principals, and co-authors of the book, *Tripping Points*, Hal Johnson and Kurt Glassman discussed effective business succession strategy and how it involves governance structure, management succession as well as ownership transfer.



findings from the report commissioned by SCCBC to explore the current data, implications of and strategies for dealing with the issue of unfunded pension and healthcare liabilities facing Santa Cruz County.



Joe Nation

National Economic Forecast
May 16, 2012

Dr. Robert Dye, Vice President and Chief Economist at Comerica Bank, provided his analysis of current economic conditions and a national forecast for 2012-13. Additionally, he discussed domestic and international risk factors to U.S. economic performance. The luncheon was co-sponsored by SCCBC, the Santa Cruz Area Chamber of Commerce and Comerica Bank.



Robert Dye

3rd Annual Forecast for the State and Local Economy
December 11, 2012

Dr. Jeffrey Michael, Director of the Business Forecasting Center (University of Pacific), provided an overview of the Center's annual state and local economic forecast, followed by discussion of municipal bankruptcies, their causes, and how those same mistakes can be avoided here in Santa Cruz County.



Jeffrey Michael

Unfunded Public Pension and Health Care Liabilities in Santa Cruz County, Cities and Special Districts:
Public Forum and Report Release
October 15, 2012

Dr. Joe Nation (Stanford University), noted economist and leading expert in the field of public pension analysis/reform, presented his

2012 Year in Review**Board of Directors Guest Speakers**

Each year, our Board of Directors invites private and public officials from around the County to speak at monthly Board meetings. The purpose of this is to share information, strengthen relationships and foster a true sense of collaboration. The following were guests during 2012:



- Kathy Previsich, Director, Santa Cruz County Planning Department
- Barbara Mason, Economic Development, Santa Cruz County
- Charles Eadie, Architect, Hamilton/Swift (Rancho Del Mar - Aptos)
- George Dondero, Exec. Director, SCCRTC (Vehicle Registration Fee Ballot Measure)
- Rick Longinotti, Alternatives to Desal
- Peggy Dolgenos, President, Cruzio (The Internet and coworking in Santa Cruz County)
- Ron Slack, Publisher, Good Times (Summer Youth Employment Program)

Special thanks to the following SCCBC members that hosted Board meetings during 2012:

- Santa Cruz Sentinel
- Cruzio Internet
- Santa Cruz County Association of Realtors
- Dominican Hospital
- Palo Alto Medical Foundation
- Salud Para La Gente
- Graniterock
- Physicians Medical Group of Santa Cruz County
- Seascape Resort
- Shadowbrook Restaurant

New Members in 2012

Each year, we set out to identify local organizations that we feel would enhance our overall membership. The following organizations were extended, and accepted invitations to join in 2012:

- Santa Cruz Community Credit Union
- Scurich Insurance Services
- AT&T
- PG&E

Administrative Accomplishments

Continuing to build a strong infrastructure to support the organization was a major focus during the last calendar year. Here are some of the highlights:

- Website upgrades
- Social media channels established
- Adopted organization by-laws
- Moved into new office space
- Introduced monthly e-business briefing
- Expanded participation in each committee
- Strategically increased membership

Special Recognition

Each year there are individuals and organizations that merit special recognition for their service to, and support of, SCCBC.

Individuals

Christopher Mann,
Graniterock,
SCCBC Chair 2011-2012



Gary Merrill,
LeadershipOne,
SCCBC Executive
Director 2010-2012

Organizations

- Santa Cruz Sentinel
- Santa Cruz Area Chamber of Commerce
- Santa Cruz Regional Transportation Commission
- Chaminade Resort and Spa

SCCBC IN 2013

An Introduction to the Future

2013 will be (and already has been) a busy and eventful year for SCCBC. Through our three (3) committees, we will continue to build upon our current foundation, strengthen partnerships and keep an eye on emerging issues that will have an impact on the economic vitality of our community. By looking through the “work plans” of each of our committees, below is a snapshot of the work that will be done by SCCBC in 2013.



2013 Executive Committee

Chair	Robert Murphy	Wells Fargo Insurance Services
Vice Chair	Peggy Dolgenos	Cruzio Internet
Treasurer	Mike Machado	Hutchinson & Bloodgood, LLP
Government Affairs	Tom Hart	Palo Alto Medical Foundation
Membership	Ted Burke	Shadowbrook/Crow's Nest
Transportation	Judy Nielsen	Community Member
SCCBC Staff	Joe Foster	Executive Director

2013 Board of Directors



2013 Work Plan by Committee**Infrastructure**

Committee Objective: To advocate for infrastructure countywide that will support business growth and development.

Committee oversees:

- All policy matters related to development/planning
- Transportation issues/topics
- Advocacy
- Committee meets once per quarter with the SCCRTC

Focus Areas:

- County Water Supply/Desalination
- Highway 1 Progress - Future Phases
- Rail Line/Trail Project
- Enhanced Broadband/Wireless
- Sustainable Corridors Transit Plan

Government Affairs/Economic Development

Committee Objective: To work with County, municipal and special district leadership to promote business-friendly policies, as well as effective and efficient agency work practices.

Committee Oversees:

- Governmental relations with all elected and administrative officials
- Public policy analysis
- Advocacy

*Focus Areas:***Government Relations**

SCCBC will continue to foster a close relationship between the business community and our public officials. By building a strong private/public partnership, the private sector will be able to clearly and directly communicate with public officials about policy issues affecting the business community. The goal is to meet with officials from all public agencies on a regular basis throughout the year.

Public Pension and Health Care Liability

Continued from 2012, SCCBC will continue to monitor the local landscape, visit with public officials about potential reforms/solutions and will produce a follow-up “white paper” (collaboration with the

Business Forecasting Center) analyzing different aspects of this topic.

Homelessness in Santa Cruz County

This Committee will continue to work with the Smart Solutions group (comprised of 25 business professionals from across the County) to develop strategies to effectively combat the issue of homelessness in Santa Cruz County.

2013 CA & Metro Economic Forecast (Business Forecasting Center - University of Pacific)

Our goal for 2013 is to use this data, not only to inform our membership, but to leverage it on a broader scale throughout the County.

Membership

Committee Objective: To ensure that SCCBC members receive a return on their investment in the organization.

Committee Oversees:

- Public educational forums and member events
- Community partnerships
- Member communications (e-newsletter, business briefings, etc.)

*Focus Areas:***Member Investment**

The Membership Committee will be placing emphasis on communicating with each SCCBC business to determine the specific needs of each member. The purpose is to ensure that each organization receives the return on investment they seek by being a member of SCCBC

Community Collaborations

In 2013, SCCBC will be working with UCSC to help strengthening the relationship between UCSC and the County business community. The first step in this endeavor will be a public forum to be held in early summer.

Educational Forums

Starting in late spring, the 2013 *Lunch and Learn* series will commence. The year's series will focus on health care policy, the local and statewide economic forecast for 2014, homelessness in Santa Cruz County, and the aforementioned program focusing on the private sector working in tandem with UCSC.



SANTA CRUZ COUNTY BUSINESS COUNCIL
Addressing Strategic Issues Through Private / Public Partnership

P.O. Box 1267 | Freedom, CA 95019

(831) 435-6361

info@sccbussinescouncil.com

www.sccbussinescouncil.com