

COMMUNICATION FROM CHAIR AND VICE CHAIR, ECONOMIC DEVELOPMENT COMMITTEE relative to acceptance of \$992,000 in Workforce Investment Act Dislocated Worker Additional Assistance and Governor's 25 Percent Discretionary funds (WIA 25 Percent funds) for laid-off workers at the Nestle Plant in Chatsworth.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the General Manager, Economic and Workforce Development Department (EWDD), or designee, to accept on behalf of the City up to \$992,000 in WIA 25 Percent funds from the State of California Employment Development Department (EDD) for Moving Forward, a job training and placement initiative targeting 124 workers dislocated as a result of the closure of the Nestle Prepared Food Company's Hot Pockets manufacturing facility in Chatsworth, California, for a grant term of 18 months, retroactive to October 1, 2014 through March 31, 2016.
2. AUTHORIZE the General Manager, EWDD, or designee, to execute grant agreements and/or amendments with the EDD for the receipt of the WIA 25 Percent funds to provide re-employment services to a minimum of 124 eligible workers dislocated during the layoff from the Nestle Prepared Foods Company's Hot Pockets Manufacturing facility in Chatsworth.
3. APPROVE the allocation of \$296,914 to the EWDD for grant management, program oversight, and administrative costs for the contract term.
4. APPROVE the allocation of \$695,086 for training and placement services.
5. AUTHORIZE the General Manager, EWDD, or designee, to execute agreements and/or amendments with eight WorkSource Centers as follows:

<u>Agency</u>	<u>Funding Level</u>	<u>Number of Participants</u>
ResCare Workforce Services	\$128,932	23
Pacific American Consortium in Employment	100,897	18
Managed Care Solutions, Inc.	100,897	18
Goodwill Industries of Southern California	72,872	13
UAW - Labor Employment and Training Corporation	72,872	13
Build Rehabilitation Industries	72,872	13
Youth Policy Institute, Inc.	72,872	13
Pacific Gateway Workforce Investment Network	<u>72,872</u>	<u>13</u>
	Total: \$695,086	124

6. AUTHORIZE the Controller to:
  - a. Increase receivable within the WIA Fund No. 44A from the CA State EDD for \$992,000.

- b. Establish new accounts within the WIA Fund No. 44A and appropriate as follows:

<u>Account</u>	<u>Title</u>	<u>Amount</u>
22L122	EWDD	\$106,855
22L299	Related Costs - EWDD	36,030
22L622	Reserved for EWDD	154,029
22L712	WIA Moving Forward - Nestle Layoffs	<u>695,086</u>
		Total: \$992,000

- c. Increase appropriations within Fund 100/22 as follows:

<u>Account</u>	<u>Title</u>	<u>Amount</u>
001010	Salaries - General	\$92,811
001070	Salaries - As-Needed	431
001090	Overtime	15
002120	Printing & Binding	41
002130	Travel	97
003040	Contractual Services	2,116
003310	Transportation	70
006010	Office & Admin. Expense	1,069
006030	Lease	<u>10,205</u>
		Total: \$106,855

7. AUTHORIZE the General Manager, EWDD, or designee, to prepare Controller instructions for any necessary technical adjustments, subject to the approval of the City Administrative Officer; and, AUTHORIZE the Controller to implement the instructions.

Fiscal Impact Statement: The Workforce Investment Board and EWDD report that all recommendations herein will have no negative financial impact on the City's General Fund inasmuch as the grant provides full cost recovery of the EWDD salaries, expenses, and all related costs.

Community Impact Statement: None submitted.

#### SUMMARY

At its regular meeting held on April 14, 2015, the Economic Development Committee considered a joint WIB and EWDD report dated March 19, 2015 relative to authorization for the EWDD to accept \$992,000 in WIA 25 Percent funds to provide training and reemployment services to individuals impacted by mass layoffs at the Nestle facility in Chatsworth that manufactures Hot Pockets pastries.

Representatives of the EWDD and the WIB Executive Director addressed the Committee and provided a brief overview of the matter. The EWDD staff reported that the Nestle facility in Chatsworth is closing and relocating, resulting in layoffs. The EWDD requested and received

\$992,000 in WIA 25 Percent funds from the EDD to assist 122 laid-off workers still seeking employment. The funds will be allocated to WorkSource Centers to assist the workers and cover administrative and program costs.

After additional discussion and after providing an opportunity for public comment, the Committee approved the recommendations in the joint WIB/EWDD report. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,



COUNCILMEMBER CURREN D. PRICE, JR., CHAIR  
ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
KREKORIAN:	YES
HUIZAR:	ABSENT
CEDILLO:	ABSENT
MARTINEZ:	ABSENT
WESSON:	ABSENT
KORETZ:	ABSENT

REW  
4/21/15  
FILE NO. 14-1414-S2

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**