

**JOB TRAINING INCENTIVE PROGRAM
MONTHLY BOARD MEETING**

Central New Mexico Community College
Workforce Training Center
5600 Eagle Rock Ave. NE
NW Corner of 1-25 & Alameda
Albuquerque, NM

MEETING SUMMARY OF January 11, 2019

ATTENDEES:

Board Members

Therese Rivera, ED Division Director – Board Chair
Brian Tremko – Organized Labor
Marcos Martinez - NM Department of Workforce Solutions
Frances Bannowsky – NM Higher Education Department
Michelle Doran - NM Department of Workforce Solutions

Board Members Absent

Paul DiPaola – US Bank, Private Sector
Louise Williams - NM Public Education Department (via telephone)

JTIP Staff Present

Sara Gutiérrez, Program Manager
Patrick Gannon, Marketing Coordinator

Guests

Jen Morrill, Sendero Midstream Partners
Silvia Miranda, Stampede Meat
Jim Scott, Stampede Meat
Kevin Roderick, Aqua Membranes
Donald Garrett, National Water Services
Matt Simonds, Mother Trail
Rita Sanchez, Ideum
Becky Hansis-O'Neill, Ideum
Heidi Howley, AED
Wendy Ederer, AED
Dennis Houston, AED
Charles Harb, RingIR
Anna Harb, RingIR
Jamil Rahma, NRI Industrial
Melissa Rogers, RS21
Peter Gonzales, ANM
Lisa Walter, Tempur Pedic
Cesar Rodriguez, Tempur Pedic
Sharlene Begay-Platero, Navajo Nation
Bridget Condon, SEA
Loft Kessaie, Rhino Health
Lauren Komnick, NM Solar Group
Pennington Carter, NM Solar Group
Fred Shepherd, EDD
Mark Roper, EDD
Davin Lopez, MVEDA

I. Introductions

The meeting convened at 9:07 am. The introduction of board and staff followed.

II. Approval of the Agenda

There was a request to remove Splitter Designs from the agenda due to the company's request to delay the application to February. There was a request to move Stampede Meat to the beginning of the agenda due to travel constraints. Mr. Martinez made a motion to approve the agenda as amended. Ms. Bannowsky seconded the motion. Motion passed.

III. Proposals

a) Stampede Meat, Inc. – Sunland Park

The company requested \$2,016,029.76 for 497 trainees at an average wage of \$10.96 per hour. Total request of \$2,019,279.76 includes \$3,250.00 for audit fees. The company has been approved for JTIP on one previous occasion.

The company expressed its gratitude to the board and provided an update on the hiring progress to date—there are currently 159 employees with 19 more starting on January 14—as well as onboarding plans and training that has occurred since the company began hiring. The company reported its plans to work with local community colleges for customized training related to Maintenance Technicians; challenges hiring NM residents; 50% of the current workforce is from NM; they are working closely with the Workforce Connection in their recruitment and exploring possibility of becoming a WorkKeys® proctor because nearest Workforce Connection is in Las Cruces. Davin Lopez spoke in support of the request and talked about the positive economic impact the area has seen already with this company location. Mr. Martinez noted that Workforce Connection staff would proctor WorkKeys® at the company site so the company does not have to expend its staff time proctoring the assessments. The board urged the company to work with the local community college Adult Education programs for training opportunities and to seek local suppliers when possible. Mark Roper reported that the company received 3,000 applications when the location was announced; the company has met with local ranchers and conversations continue between the Dept. of Ag and local suppliers.

A motion to approve the request in the amount of \$2,019,279.76 to hire and train 497 employees was made by Ms. Bannowsky and seconded by Mr. Martinez. Motion passed.

b) Aqua Membranes, LLC - Albuquerque

The company requested \$40,840.00 for 5 trainees at an average wage of \$20.20 per hour. Total request of \$41,840.00 includes \$1,000.00 for audit fees. This is the first time the company has applied for JTIP.

The company provided a description of its products, what they are used for and how they work; an update on its current round of funding and production plans with full production projected by June 2019; an update on hiring plans for 2019. In response to the board's question as to whether the company has any contracts, it responded that there are about 20 companies currently sampling the products; they have applied for SBIR funding and are working with UNM and NMSU on a DOE desalinization contract that was recently announced.

A motion to approve the request in the amount of \$41,840.00 to hire and train 5 employees was made by Mr. Tremko and seconded by Mr. Martinez. Motion passed.

c) National Water Services, Inc. – Santa Fe

The company requested \$18,568.00 for 2 trainees at an average wage of \$19.50 per hour. Total request of \$19,568.00 includes \$1,000.00 for audit fees. The company has been approved for JTIP on eight previous occasions.

The company provided an update on its current growth, stating that they now have systems in 45 states and described current efforts to upgrade all their current filtration systems with high Ph water.

A motion to approve the request in the amount of \$19,568.00 to hire and train 2 employees was made by Mr. Martinez and seconded by Ms. Bannowsky. Motion passed.

d) Ideum, Inc. - Corrales

The company requested \$263,861.12 for 14 trainees at an average wage of \$26.53 per hour. Total request of \$265,361.12 includes \$1,500.00 for audit fees. The company has been approved for JTIP on fifteen previous occasions.

Company representatives provided a summary of the positions being requested and how they relate to recent growth in certain areas of the business; a description of new lines in development for recent projects in expanded sectors such as office furniture and zoo/aquarium clients. The board noted the company's excellent retention and promotion rates as well as the generous benefits, and offered assistance with finding candidates that require woodworking experience through the local Carpenter's Union.

A motion to approve the request in the amount of \$265,361.12 to hire and train 14 employees was made by Ms. Rivera and seconded by Mr. Tremko. Motion passed.

e) RingIR, Inc. - Albuquerque

The company requested \$71,063.96 for 3 trainees at an average wage of \$30.64 per hour and 3 interns at an average wage of \$22.50 per hour. Total request of \$72,063.96 includes \$1,000.00 for audit fees. The company has been approved for JTIP on two previous occasions.

The company updated the board on its hiring success with JTIP trainees and interns, reporting that all JTIP trainees remain with the company and two interns have been transitioned to regular employees; reported its plans to add Dental and 401K benefits this year; described the positions being requested and its expansion plans as they transition from all R&D to first phase manufacturing in the coming year with plans to seek a larger facility at the Sandia Science and Technology Park; reported its efforts with working with CNM to develop a curriculum for modern manufacturing processes and other collaborations with NM Tech and NMSU; and noted its success in landing its first US government grant. There was discussion related to the skill sets and training requirements for Physical Chemists vs. Chemists.

A motion to approve the request in the amount of \$72,063.96 to hire and train 3 employees and 3 interns was made by Mr. Martinez and seconded by Mr. Tremko. Motion passed.

f) Sendero Midstream Partners, LP - Loving

The company requested \$323,820.00 for 9 trainees at an average wage of \$51.39 per hour. Total request of \$325,320.00 includes \$1,500.00 for audit fees. The company has been approved for JTIP on two previous occasions.

The company provided an update on its hiring and training progress and current headcount noting its commitment to hire locally; described challenges finding good candidates and how company is addressing that by enhancing its internal training program to hire candidates with no experience, noting that two individuals they hired have been extremely successful in their training; commented on construction progress on their second plant in Eddy County, which is scheduled to be completed in July 2019 and plans to have 70 full-time employees by 2022; its collaboration with NMSU to establish a 2-year Process Technology program to build a workforce pipeline and align curriculum with current company training program. Mark Roper commented on the positive impact the company's location in NM has had in the area and described the stable nature of this particular industry. Patrick Gannon read a letter of support from John Waters, Carlsbad Economic Development. The board thanked the company for working with local

HEIs to develop curriculum, noted the company's outstanding wages and urged the company to use contractors that participate in Certified Apprenticeship Programs.

A motion to approve the request in the amount of \$325,320.00 to hire and train 9 employees was made by Ms. Bannowsky and seconded by Mr. Tremko. Motion passed.

g) NRI Industrial Sales, Inc. – Rio Rancho

The company requested \$74,370.40 for 10 trainees at an average wage of \$18.22 per hour. Total request of \$75,370.40 includes \$1,000.00 for audit fees. This is the first time the company has applied for JTIP.

The company provided an overview of its operations, customer base, location in Rio Rancho, projected hiring schedule and extensive training program, plans to eventually purchase a facility in NM and its goal to employ 15-20 people when operating at full capacity. The board noted the good wages the company is offering new hires.

A motion to approve the request in the amount of \$75,370.40 to hire and train 10 employees was made by Ms. Bannowsky and seconded by Mr. Martinez. Motion passed.

h) NM Solar Group, LLC - Roswell

The company requested \$69,576.00 for 8 trainees at an average wage of \$19.19 per hour. Total request of \$70,576.00 includes \$1,000.00 for audit fees. The company has been approved for JTIP on three previous occasions, twice for the Albuquerque location and once for the Alamogordo location.

The company thanked the board and commented that its participation in JTIP has allowed the company to expand and grow; informed the board that the company recently converted 20 sales persons from contract to regular employees with benefits; and reported that it is in conversation with the SBDC about setting up an Apprenticeship program for Electricians. The board advised the company that the entry wages for some of the job classifications are low for the area and may want to consider bringing them up if they have trouble finding and/or retaining employees; JTIP staff reminded company that it's possible to amend project wages if necessary and to contact staff for assistance. The company indicated they would take that into consideration and will reach out for follow up.

A motion to approve the request in the amount of \$70,576.00 to hire and train 8 employees was made by Mr. Martinez and seconded by Ms. Bannowsky. Motion passed.

i) Resilient Solutions 21, LLC - Albuquerque

The company requested \$255,005.32 for 11 trainees at an average wage of \$37.92 per hour and 4 interns at an average wage of \$17.13 per hour. Total request of \$256,505.32 includes \$1,500.00 for audit fees. The company has been approved for JTIP on one previous occasion.

The company informed the board that they are in process of expanding their office space and have received LEDA funding through the State for that; expressed its gratitude to the Workforce Connection for its on-site assistance with posting jobs; provided an update on its JTIP hiring, successful internships, training, and reimbursements, noting the JTIP staff's excellent customer service; described its ongoing involvement with various coding boot camps and similar programs such as "Cultivating Coders" and "Galvanize" aimed at stopping the "brain drain" and noting its high success with finding ideal candidates from these programs; updated the board on recent projects and expansion into the healthcare industry. The board noted the company's excellent wages and encouraged the company to work with HUB zone contractors.

A motion to approve the request in the amount of \$256,505.32 to hire and train 11 employees and 4 interns was made by Mr. Tremko and seconded by Mr. Martinez. Motion passed.

j) Rhino Health, Inc. – Church Rock

The company requested \$153,750.00 for 31 trainees at an average wage of \$11.86 per hour. Total request of \$155,000.00 includes \$1,250.00 for audit fees. This is the first time the company has applied for JTIP.

Sharlene Begay-Platero spoke in support of the company, describing its collaboration with the Navajo Nation and the positive impact the jobs will have on an area with 75% unemployment; Fred Shepherd spoke in support of the company and the huge impact up to 300 jobs could have in the area; the company noted this will be the first nitrile glove plant in the US, the gloves are becoming FDA mandated and they expect to be producing 1 billion gloves by the end of year 2, primary target market is large-scale government purchasers, which are required to purchase American made products. In response to the board's question as to whether water is used in the production process, the company described its elaborate water recycling system noting that no hazardous waste is produced in the process and that there is ample water to operate. The board encouraged the company to work the Adult Education integrated education and training programs at Dine College for training in job readiness, workplace communication and other skills; to work with Native American contractors in the construction of the facility; advised the wages are slightly low for the area and may want to consider raising them if they have trouble finding and/or retaining employees. The company noted that their first shipment of equipment has arrived; they will begin production in an existing facility and construct a new building for the next production phase and that they are currently researching prospective providers for healthcare and retirement benefits.

A motion to approve the request in the amount of \$155,000.00 to hire and train 31 employees was made by Mr. Martinez and seconded by Ms. Bannowsky. Motion passed.

k) Advanced Network Management, Inc. - Albuquerque

The company requested \$296,261.44 for 10 trainees at an average wage of \$45.75 per hour and 6 interns at an average wage of \$18.00 per hour. Total request of \$297,761.44 includes \$1,500.00 for audit fees. The company has been approved for JTIP on two previous occasions.

The company provided an update on its participation in LEDA for its facility expansion with a projected move-in date of April 2019; noted that they've grown from 25 to 70 employees; described its internship program and recruitment efforts with local "Boomerang" groups; and provided an overview of the positions being requested. There was discussion about the skill sets required for the Consulting Engineer. The board noted the great wages, retention and benefits.

A motion to approve the request in the amount of \$297,761.44 to hire and train 10 employees and 6 interns was made by Ms. Bannowsky and seconded by Mr. Martinez. Motion passed.

l) Mother Trail, LLC - Albuquerque

The company requested \$44,320.00 for 6 trainees at an average wage of \$17.67 per hour. Total request of \$45,320.00 includes \$1,000.00 for audit fees. This is the first time the company has applied for JTIP.

The company talked about its background and described the partnership that resulted in the current company makeup; described its operations and the recent large private label contract and product. There was discussion about the local brewing industry, lack of local canning capacity and how the company is poised to support the local industry and the company's efforts to source local ingredients/supplies.

A motion to approve the request in the amount of \$45,320.00 to hire and train 6 employees was made by Mr. Martinez and seconded by Ms. Bannowsky. Motion passed.

Tempur Sealy International, Inc. - Albuquerque

The company requested \$430,951.52 for 46 trainees at an average wage of \$19.26 per hour. Total request of \$432,451.52 includes \$1,500.00 for audit fees. The company has been approved for JTIP on two previous occasions.

The company provided an update on its recent growth and product diversity as well as advanced technology and equipment since the last time it applied for JTIP; noted its low turnover rate (11%) and the necessity to add employees to serve growing product lines.

A motion to approve the request in the amount of \$432,451.52 to hire and train 46 employees was made by Mr. Tremko and seconded by Mr. Martinez. Motion passed.

IV. Approval of the Minutes

- a. November 9, 2018 – JTIP Board Meeting
- b. December 14, 2018 – JTIP Board Meeting

A motion to approve the minutes for the meeting on November 9, 2018 was made by Mr. Tremko and seconded by Mr. Martinez. Motion passed.

A motion to approve the minutes for the meeting on December 14, 2018 was made by Ms. Bannowsky and seconded by Ms. Rivera. Motion passed.

V. Fiscal Update – Ms. Gutiérrez reviewed the fiscal report and the projects in the pipeline.

VI. Other (Discussion Items)

- a. Ms. Rivera updated the board on the Executive Budget recommendation of \$11M for JTIP in FY20 and informed them of Job Creator's Day at the Capitol on January 24, 2019 at 2:00 pm.
- b. Next Board Meeting
 - i. February 8, 2019, 9:00 am-12:00 pm; Santa Fe, Joseph M. Montoya Bldg., Bid Room.

VII. Adjourn

A motion to adjourn was made by Ms. Rivera and seconded by Mr. Martinez . The motion passed and the meeting adjourned at 12:15 pm.