



## HUGHSON ECONOMIC DEVELOPMENT COMMITTEE

### A G E N D A REGULAR MEETING 5:30 P.M.

Council Chambers  
7018 Pine Street, Hughson CA  
City Hall

May 29, 2012

#### CALL TO ORDER:

#### ROLL CALL:

Mayor Pro Tem Matt Beekman  
Councilmember George Carr  
Councilmember Jeramy Young  
Business Member Marie Assali  
Business Member Jim Duarte

Staff to be Present: Bryan Whitemyer, City Manager

#### AMERICANS WITH DISABILITIES ACT/CALIFORNIA BROWN ACT NOTIFICATION FOR THE CITY OF HUGHSON

This agenda shall be made available upon request in alternative formats to persons with a disability; as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) and the Ralph M. Brown Act (California Government Code Section 54954.2).

**Disabled or Special needs Accommodation:** In compliance with the Americans with Disabilities Act, persons requesting a disability related modification or accommodation in order to participate in the meeting and/or if you need assistance to attend or participate in a City Council meeting, please contact the City Clerk's office at 209 883-4054. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.

#### WAIVER WARNING

**Waiver Warning:** If you challenge a decision/direction of the City Council/Redevelopment Agency/Economic Development Committee in court, you may be limited to raising only those issues you or someone else raised at a public hearing(s) described in this Agenda, or in written correspondence delivered to the City of Hughson at or prior

#### RULES FOR ADDRESSING Economic Development Committee

Members of the audience who wish to address the City Council are requested to complete one of the forms located on the table at the entrance of the Council Chambers and submit it to the City Clerk. **Filling out the card is voluntary.**

PUBLIC COMMENT

Members of the Audience may address the Committee on any item of interest to the public pertaining to the City and may step to the podium, State their name and City of Residence for the record (requirement of Name and City of Residence is optional) and make their presentation. Please limit presentations to five minutes. Since the Committee cannot take action on matters not on the agenda, unless the action is authorized by Section 54954.2 of the Government Code, items of concern, which are not urgent in nature can be resolved more expeditiously by completing and submitting to the City Clerk a "Citizen Request Form" which may be obtained from the City Clerk.

**BUSINESS – CONSIDER THE FOLLOWING:**

- 1) Review and Approve the Minutes from the April 23, 2012 meeting
- 2) Review and Discuss Hughson Business Incubator Documents
- 3) Chamber of Commerce Status Update
- 4) Discuss Main Street Event Update
- 5) Stanislaus Alliance Paid Work Experience Program
- 6) Other

**EDC REPORTS AND COMMENTS:**

**ADJOURNMENT:**

*\*Materials related to an item on this Agenda submitted to the Committee after distribution of the Agenda packet are available for public inspection in the City Hall office at 7018 Pine Street during normal Business hours and at Committee meetings.*

*\*These documents are also available on the City of Hughson website at [www.hughson.org](http://www.hughson.org) subject to staff's availability to post the document before the meeting.*

**CERTIFICATION**

I, Dominique Spinale, Deputy City Clerk, or his/her designee, do hereby declare under penalty of perjury that the foregoing Agenda was posted on the outdoor bulletin board at the Hughson City Hall, 7018 Pine Street, Hughson, CA., and made available for Public Review, prior to or on this 25th day of May 2012 before 5:00 p.m.

\_\_\_\_\_  
Dominique Spinale, Deputy City Clerk



**HUGHSON ECONOMIC DEVELOPMENT COMMITTEE**

**MINUTES**  
**REGULAR MEETING 5:30 P.M.**

Council Chambers  
7018 Pine Street, Hughson CA  
City Hall

April 23, 2012

CALL TO ORDER: 5:32pm

IN ATTENDANCE: Mayor Pro Tem Matt Beekman  
Councilmember George Carr  
Business Member Marie Assali  
Councilmember Jeramy Young

ABSENT EXCUSED: Business Member Jim Duarte

STAFF PRESENT: Bryan Whitemyer, City Manager and Thom Clark,  
Community Development Director

**AMERICANS WITH DISABILITIES ACT/CALIFORNIA BROWN ACT**  
**NOTIFICATION FOR THE CITY OF HUGHSON**

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PUBLIC COMMENT

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RULES FOR ADDRESSING  
Economic Development Committee

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**BUSINESS – CONSIDER THE FOLLOWING:**

- 1) Review and Approve the Minutes from the March 26, 2012 meeting

Member Assali provided the motion and was seconded by Member Carr. The minutes were approved 4-0.

- 2) Review and Discuss Hughson Business Incubator Application Documents

Staff requested that this item be postponed to the next EDC meeting.

- 3) Chamber of Commerce Status Update

Member Assali indicated that the Chamber of Commerce has been reinstated. She also indicated that the Chamber currently has 501(c) 6 status but hopes to gain 501(c) 3 status in the future. The committee expressed interest in having the chamber utilize some of the space in the building next to City Hall. The requested that staff present a proposal to the City Council for their approval to allow the Chamber to occupy a portion of the building. Staff will take this to the Council on May 14, 2012. Member Assali mentioned that the Chamber would be able to pay for phone and electrical service.

- 4) Meet Main Street Event Update

The Committee would like to give downtown businesses the opportunity to try to organize an event to highlight downtown businesses on May 12. The Committee directed City staff to reach out to local businesses to see if they would be willing to put this event on with some marketing support from the City. If this gains traction, the event will take place on May 12, 2012. If it doesn't then the Committee will try to coordinate an event that either coincides with the Harvest Festival in the Fall or the Christmas Holiday in December.

The Committee also discussed the possibility of engaging Samaritan Village in order to try to bring their senior residents downtown on occasion.

5) Discuss Public Policy Institute of California – California Economy Document

The committee reviewed and discussed the document.

6) Other

Member Assali brought to the attention of staff that there are weeds around the old AT&T building on the corner of Hughson Avenue and Fourth Street as well as at the old car wash on Hughson Avenue. Staff will take steps to contact the owners to get this properties cleaned.

**EDC REPORTS AND COMMENTS:**

**ADJOURNMENT: 6:28pm**

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Dominique Spinale, Deputy City Clerk

# **Hughson Business Incubator Documents**

**CITY OF HUGHSON SMALL BUSINESS INCUBATOR  
LEASE AGREEMENT**

THIS LEASE AGREEMENT (“Lease”) is made and entered into as of the \_\_\_\_\_  
Day of \_\_\_\_\_, \_\_\_\_\_ by and between the city of Hughson (“Lessor”),  
and \_\_\_\_\_, (“Lessee”).

**ARTICLE 1- PREMISES**

1.1 Lessor hereby leases and lets to the Lessee, and Lessee hereby takes and leases from Lessor, subject to the terms and conditions asset forth herein, Suite Incubator \_\_\_\_\_ at \_\_\_\_\_ Hughson, California (“premises”), said premises consisting of \_\_\_\_\_ assignable square feet.

**ARTICLE 2- TERMS**

- 2.1 The term of the lease shall be one (1) year (the “Term”) beginning \_\_\_\_\_, (the “Commencement Date”) and, ending without further notice on \_\_\_\_\_ (the “Termination Date”).
- 2.2 The term of this lease may be extended for additional periods upon the mutual written consent of the parties. The parties hereto agree to discuss the possible extension of this lease not less than ninety (90) days prior to the Lease Termination Date.

**ARTICLE 3- RENT**

- 3.1 Lessee shall pay rent (the “rent”) in the annual aggregate amount of \_\_\_\_\_ ( \_\_\_\_\_ ) per square foot per year) payable in equal monthly installments of \_\_\_\_\_ in advance on or before the tenth (10<sup>th</sup>) day of each consecutive calendar month. In the event Lessee shall fail to pay rent on the due date, a late charge of two percent (2%) of the monthly rent shall be added to the rental for each such late payment, and the same shall be treated as additional rent. No deposit is required for Lessee. Increases in the cost of services (if needed) will be done on the anniversary date at a rate not to exceed the consumer price index for the Hughson for the prior year.
- 3.2 All payments to be made by Lessee pursuant to the Lease shall be apportioned and prorated as of the Commencement Date and Termination Date or as of the date of an earlier termination pursuant to this lease, as the case may be.
- 3.3 In no event will the Lessor accept any ownership interest in the Lessee or other business entity, not take any interest in any property, whether real, personal, or intellectual, in lieu of rent.

**ARTICLE 4- USE**

- 4.1.1 Lessee shall have the right to use the Premises solely for the purpose: as outlined in the approved city of Hughson Small Business Incubator acceptance package.
- 4.1.2 If during the Term of this Lease, or any extension hereof, the application of any statute, code or ordinance of any government, authority, agency, official or officer applicable to

the building or Premises shall make it impossible or not economical for Lessee to operate in the Premises in accordance with subparagraph 4.1, then lessee or Lessor, at its option, may terminate this lease, whereupon the Rent and all other charges payable hereunder by Lessee shall be apportioned as of such date of termination.

ARTICLE 11 ASSIGNMENT AND SUBLETTING

- 11.1 Lessee may not sublet or assign this lease

ARTICLE 12 SERVICES

- 12.1 The utility services provided by the Lessor to Lessee as part of the Rent, shall include electricity, water, sewer, heating, and air conditioning (Normal wattage). Electricity shall be furnished only for lighting and ordinary business appliances.  
*\*Note-Normal Wattage means wattage used in average commercial space for the same footage.*
- 12.2 The services provided by the Lessor to Lessee as part of the Rent paid by Lessee,
  - Scheduled access to the conference room
  - Access to the existing copy machine and fax machine and Lessee is responsible for all charges incurred in connection with the use of these two machines
  - Lessee shall have access to the restrooms, kitchen, hallways and such other areas as may be designated common areas on the Premises on a shared basis under the rules and regulations (Exhibit “A”) of the Lessor, which rules and regulations may be amended at the Lessor’s sole discretion from time to time. Lessee shall comply with all such rules and regulations as published, revised and promulgated from time to time.

ARTICLE 13 LESSOR’S REPRESENTATIONS AND WARRANTIES

- 13.1 Lessor represents and warrants that
  - (a) Lessor will be responsible for keeping the Premises in good order and repair and make all reasonable improvements to maintain the Premises in condition, normal wear and tear accepted.
  - (b) Lessor will be responsible to keep the building and Premises protected against flood, storm, water leakage through roofs and windows and against other hazards of nature and will repair or protect same from such hazards within a reasonable time after Lessor has notice of damage or the need for repair.

ARTICLE 14 LESSEE’S COVENANTS

- 14.1 Lessee covenants and agrees it shall:
  - (a) Pay rent when due without notice or demand
  - (b) Maintain the Premises in a clean, safe and good condition and return the Premises to Lessor at the Termination Date in accordance with Article 11 hereof
  - (c) Comply with all statutes, codes, ordinances, rules and regulations applicable to the Premises
  - (d) Give Lessor reasonable notice of any accident, damage, destruction, or occurrence affecting the Premises, and

- (e) Allow Lessor reasonable access to the Premises for inspection and necessary maintenance.

ARTICLE 9- INSURANCE

- 9.1 Lessee, at its discretion, may purchase insurance for this lease. Lessor recommends that Lessee purchase liability insurance to insure them against loss. Any insurance purchased by the Lessor covering the Premises or its contents will not provide any coverage for any property belonging to the Lessee. If the Lessee wishes such coverage for its property or for loss of Premises as a result of fire or other casualty, then Lessee will be solely responsible for purchasing same.

ARTICLE 10- CANCELLATION PRIVILEGE

- 10.1 Notwithstanding the Term set forth in subparagraph 2.1 herein, Lessee and Lessor shall have the right to cancel this lease upon giving 30 days written notice of its intent to cancel to the other party.

ARTICLE 11- SURRENDER

- 11.1 Upon the expiration or earlier termination of the Lease, Lessee shall surrender the Premises to Lessor in good order and condition, except for ordinary wear and tear, permitted additions, improvements or alterations made by the Lessee with the approval of the Lessor. All fixtures and improvements shall be the property of the Lessor.

ARTICLE 12- NOTICE

- 12.1 All notice, demands, requests, consents, approvals, offers, statements, and other instruments or communications required or permitted to be given hereunder in writing shall be deemed to have been given when delivered or when mailed by first class mail, postage prepaid, addressed to Lessor or Lessee as follows

As to Lessor:

City of Hughson  
 Attention City Manager  
 101 1/2 The Street  
 P.O. Box 9  
 Hughson California 95321

As to Lessee:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

ARTICLE 13- AMENDMENTS

- 13.1 This Lease may not be amended, modified, or terminated, nor may any obligation hereunder be waived orally, and no such amendment, modification, termination, or waiver shall be effective for any purposes unless it is in writing and signed by the party against whom enforcement thereof is sought.

ARTICLE 14- MISCELLANEOUS

- 14.1 If any provision of the Lease or any application thereof shall be invalid or unenforceable, the remainder of the Lease and any other application of such provision shall not be affected thereby.
- 14.2 This lease shall be governed by and construed in accordance with the laws of the City of Hughson and the State of California

ARTICLE 15- DISCLAIMER

- 15.2 The city of Hughson covenants and agrees that it will not represent to any third party, including potential investors, that by virtue of making available facilities and providing services to the Lessee is in any way endorsing or has in any way approved or disapproved of the Lessee, its management, business plan, valuation or any other matter regarding the Lessee.

ARTICLE 16- INDEMNIFICATION

- 16.1 Lessee shall hold harmless and indemnify Lessor from and against any and all damage or claims that may arise during normal operation of Lessee's business, except loss or damage arising from any negligent act by Lessor, its agents or employees.
- 16.2 Lessee waives any and all rights that it may have or assert to have to make any claim or file any legal action against the Lessor, its elected officials, directors, agents, officers, or other representatives for any decision made or which it fails to make regarding the financial promise of the Lessee's business, its ability to be financially successfully or its right to terminate the Lease. This exemption from liability extends to any advice received by the Lessee from the Lessor or from third party consultants provided by the Lessee.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Bryan Whitmyer, City Manager  
City of Hughson

\_\_\_\_\_  
Date

\_\_\_\_\_  
Lessee

**EXHIBIT "A"**  
**RULES AND REGULATIONS**  
**to**  
**CITY OF HUGHSON SMALL BUSINESS INCUBATOR**  
**LEASE AGREEMENT**

1. Lessor shall provide Lessee with two keys for each exterior door lock. No additional locks shall be placed upon any doors of the premises by Lessee and Lessee agrees not to have any duplicate keys made nor have the locks changed without the consent of the Lessor.
2. Lessee, its invitees or guest, shall not disturb other occupant of the building by making any undue or unseemly noise, or otherwise. Lessee shall not, without Lessor's written consent, install or operate in or upon the premises any machine or machinery causing noise or vibration perceptible outside the premises. All combustible material must be kept in SHA approved containers.
3. Lessee shall not mark or drive nails or screws into the woodwork or walls, or paint or in any way deface the building or any part thereof, or the premises or any part thereof, or fixtures therein without consent of Lessor. The expense of remedying any breakage, damage or stoppage resulting from a violation of this rule shall be borne by Lessee.
4. Canvassing, soliciting and peddling in the building are prohibited and each Lessee shall cooperate to prevent such activity. This is not to preclude industrial sales representatives. Lessor reserves all vending rights.
  - Lessee shall have the non-exclusive right, along with other lessees of the building, to use the parking area located on the land upon which the building is located, except for portions of the parking area necessary for entrances, exits, driveways, walkways, loading, and unloading areas. Lessor shall have the authority at any time to designate portions of the parking area for exclusive use by certain tenants in the building, or to regulate the use of the parking areas in general.
  - Lessor assumes no responsibility for and shall not be liable for any damages resulting from any error in regard to any identification of lessee or its employees from admission to or exclusion from the building.
  - The Lessor's responsibility for janitorial and other custodial services shall be limited to the exterior and common areas of the building, such as hallways, restrooms, etc. only if these areas are shared by other tenants. therwise the sole tenant shall be responsible. Reasonable care and caution shall be used by lessee to keep all shared facilities by tenants and administrators clean.
  - Lessee shall exercise care and caution to insure that all water faucets, water apparatus are carefully and entirely shut off before lessee or its employees leave the building so as to prevent waste or damage. Lessee shall be responsible for any damage to the premises or the building so as to prevent waste or damage. Lessee shall be

responsible for any damages to the premises or the building arising from Lessee's failure to observe this provision.

- 9. Lessor reserves the right to exclude or expel from the building any person who, in the judgment of the Lessor is under the influence of liquor or drugs, or someone who brings in or stores any drugs on the premises, or who is in the judgment of Lessor, disturbing other Lessees or Lessor in any way or who shall in any manner do any act in violation of any city, state, or federal law or any of the rules and regulations of the building.
- 10. Lessor shall not be responsible to Lessee for the non-observance or violation of any of these Rules and Regulations by any other tenant. Lessor reserves the right to make such other reasonable rules and regulations as may be necessary or appropriate, in Lessor's sole judgment, for the safety, care and cleanliness of building, and for the preservation of good order therein. Subsequent rules and regulations shall be binding upon the parties hereto the same as if inserted in this lease at the time of execution.
- 11. Lessee agrees not to store any merchandise crates, goods, supplies or other materials of any kind outside the leased premises without special permission. Lessee further agrees not to burn trash or other substance in or on the exterior of, the leased premises.
- 12. The water and wash closets and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by Lessee who, or whose servants, employees, agents, visitors, or licensees, shall have caused the same.

\_\_\_\_\_  
(Company Name)

By: \_\_\_\_\_ DATE: \_\_\_\_\_

TITLE: \_\_\_\_\_

## **CITY OF HUGHSON SMALL BUSINESS INCUBATOR**

### **ACCEPTANCE CRITERIA**

The Hughson Small Business Incubator is meant to provide the starting point for a venture to grow, mature and ultimately move on to become a successful member of the greater business community. Thus, acceptance to the program requires a selection process that increases the probability of success. Applicants that are deficient in some selection criteria may be referred to the Alliance Small Business Development Center if elimination of deficiencies would qualify the applicant for admission to the Hughson Small Business Incubator.

The following represents the qualification criteria for admission consideration:

- The company must be a start up of fledgling business usually less than two years old. An older business might be considered if there has been a major change in market, products or ownership
- The company must have a complete business and financial plan endorsed by the Alliance Small Business Development Center.
- There must be a stated intent to remain in Stanislaus County
- The company must demonstrate a sufficient capital or revenue stream to cover operating expenses and cost of goods for a minimum of six months.
- There must be a potential to create employment
- illingness to conduct business in an open, collaborative and cooperative fashion to include the coaching and consulting requirements of the incubator through the Alliance Small Business Development Center

In the event that the City of Hughson Small Business Incubator's acceptance committee in consultation with the Alliance Small Business Development Center determines in its discretion that the company is not making satisfactory technical, marketing, manufacturing, or financial progress as an incubator tenant or for any other reason it deems appropriate, the city of Hughson can provide notice to the company that its lease will be canceled by providing the company with at least forty-five (45) days notice prior to the date of cancellation.

MEMORANDUM OF UNDERSTANDING

As a tenant of City of Hughson Small Business Incubator, 7018 Pine Street, P.O Box 9 Hughson California 95326, I \_\_\_\_\_, understand that in connection with my leasing business space as described in the lease agreement between me and City of Hughson Small Business Incubator, Alliance SBDC, its Employees, Agents, Advisors, Directors, and/or elected officials may provide business guidance and advice to me from time to time, while I remain a tenant at the City of Hughson Small Business Incubator and possible thereafter. In consideration for the lease of the above referred business, as well as for the acceptance of business guidance and advice from any of the above, I, \_\_\_\_\_ do agree to indemnify and hold harmless the City of Hughson Small Business Incubator, Alliance SBDC, it's Employees, Agents, Advisors, Directors, or Board Members from any and all claims, suits, or other legal actions or liabilities arising out of resulting from the business operations of my company.

For purpose of this memorandum of understanding, the term business operations includes at least marketing, manufacturing, selecting, delivering, possessing, using operating, selling or returning any and all goods and/or services provided in connection with the business. It is from these business operations, whether motivated, encouraged, provoked, initiated, generated, or otherwise stimulated by action of City of Hughson Small Business Incubator, Alliance SBDC it's Employees, Agents, Advisors, Directors, or Board Members that I do hereby agree to indemnify and hold harmless City of Hughson Small Business Incubator, Alliance SBDC, it's Employees, Agents, Advisors, Directors, or Board Members.

By: \_\_\_\_\_ DATE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**CITY OF HUGHSON  
CHAMBER OF COMMERCE LEASE**

This LEASE AGREEMENT (“Lease”) is made and entered into as of \_\_\_\_\_, 2012, by and between the City of Hughson, a municipal corporation of the State of California (“Lessor”), and the Hughson Chamber of Commerce (“Lessee”).

**AGREEMENT**

1. Premises. Lessor hereby leases and lets to Lessee, and Lessee hereby takes and leases from Lessor, subject to the terms and conditions contained herein, the “reception” area (the “Premises”) of that building located at □012 Fine Street, Hughson, California (the “Building”), as outlined on the attached Exhibit “A.”

1.1. Lessee is granted the right at all times during the Lease Term to the nonexclusive use of the main lobby of the Building, common corridors and hallways, stairwells, restrooms, kitchen, scheduled use of the conference room, and nonexclusive use of other public or common areas located in the Building. Lessor however, has the sole discretion to determine the manner in which those public and common areas are maintained and operated, and the use of those areas shall be subject to the Rules and Regulations, which may be amended at Lessor’s sole discretion from time to time, attached hereto as Exhibit “B”. Lessor shall enforce the Rules and Regulations in a consistent and nondiscriminatory manner regarding all tenants and occupants in the Building, including their respective officers, agents, employees, independent contractors, and invitees. Lessee shall comply with all such rules and regulations as published, revised, and promulgated. Lessee acknowledges that the Building is being used by the Lessor as part of a business incubator program and thus will have additional tenants occupying designated portion of the Building from time to time.s

2. Term. The term of this Lease shall be a month-to-month tenancy (“Term”) scheduled to commence on \_\_\_\_\_, 2012 (the “Commencement Date”).

2.1. The term of this Lease may be extended for additional periods upon the mutual written consent of the parties.

3. Rent. Lessee shall pay monthly rent (the “Rent”) in the form of paying its pro-rata share of utilities for the Building and by logging visitors in and out of the Building during the periods of time they are present in the Building. □or purposes of this Lease “utilities” shall include electricity, gas, water, sewer, trash, heating, air conditioning, telephone and internet connection service. Lessor shall provide Lessee an invoice stating Lessee’s pro-rata share of utilities for the Building, which shall be determined by the Lessor based on the number of tenants occupying the Building. Lessee shall pay the Rent invoice within ten calendar days of receipt of such invoice. In the event Lessee shall fail to pay rent on the due date, a late charge of two percent (2%) of the

monthly rent shall be added to the rental for each such late payment, and the same shall be treated as additional rent. All rent shall be paid by Lessee to Lessor at 01 Pine Street, Hughson, California, or any other place or places that Lessor may from time to time designate by written notice given to Lessee. Rent for any partial month shall be prorated for that month based on a thirty (30) day month.

3.1. No security deposit is required for Lessee.

3.2. In no event will the Lessor accept any ownership interest in the Lessee or other business entity, nor take any interest in any property, whether real, personal, or intellectual, in lieu of rent.

4. Use. Lessee shall have the right to use the Premises solely for office purposes.

4.1. If during the Term of this Lease, or any extension hereof, the application of any statute, code or ordinance of any government, authority, agency, official or officer applicable to the Building or Premises shall make it impossible or not economical for Lessee to operate in the Premises in accordance with Paragraph 4, then Lessee or Lessor, at its option, may terminate this Lease, whereupon the Rent and all other charges payable hereunder by Lessee shall be prorated in accordance with Paragraph 3 as of such date of termination.

Subletting or Assignment. Lessee may not sublet or assign this Lease.

Lessor's Representations and Warranties. Lessor represents and warrants that:

.1. Lessor shall maintain in good repair, reasonable wear and tear excepted, (a) all exterior glass, windows, doors and door locks in or about the Building  (b) structural elements of the Building  (c) mechanical, electrical, plumbing and fire  life safety systems serving the Building in general  (d) common areas  and (e) roof of the Building. Lessor will make such necessary repairs within a reasonable time after Lessor has notice of damage or the need for repair.

Lessee's Covenants. Lessee covenants and agrees it shall:

.1. Pay rent when due without notice or demand

.2. Maintain the Premises in a clean, safe and good condition and return the Premises to Lessor at the Termination Date in accordance with Paragraph 10 hereof

.3. Comply with all statutes, codes, ordinances, rules and regulations applicable to the Premises

.4. Give Lessor prompt notice of any accident, damage, destruction, or occurrence affecting the Premises

□.□. At its sole cost and expense, promptly perform all maintenance and repairs to the Premises that are not Lessor's express responsibility under Paragraph □1□ and

□.□. Allow Lessor reasonable access to the Premises for inspection and necessary maintenance.

□ Insurance. Lessee, at its discretion, may purchase insurance for this Lease. Lessor recommends that Lessee purchase liability insurance to insure them against loss. Any insurance purchased by the Lessor covering the Premises or its contents will not provide any coverage for any property belonging to the Lessee. If the Lessee wishes such coverage for its property or for loss of Premises as a result of fire or other casualty, then Lessee will be solely responsible for purchasing same.

9. Cancellation. Notwithstanding the provisions set forth in Paragraphs 2 and 2.1 herein, Lessee and Lessor shall have the right to cancel this Lease upon giving sixty (60) days written notice of its intent to cancel to the other party.

10. Surrender. Upon the expiration or earlier termination of the Lease, Lessee shall surrender the Premises to Lessor in good order, condition, and repair, ordinary wear and tear excepted. Lessee shall, at its sole cost and expense, remove any and all of Lessee's furniture, furnishings, movable partitions and other fixtures, improvements or alterations approved by Lessor, and personal property. All fixtures and improvements not removed shall become the property of the Lessor.

11. Notice. All notice, demands, requests, consents, approvals, offers, statements, and other instruments or communications required or permitted to be given hereunder in writing shall be deemed to have been given when delivered or when mailed by first class mail, postage prepaid, addressed to Lessor or Lessee as follows

As to Lessor:                      City of Hughson  
   Attention: City Manager  
   □01□ The Street  
   P.□. Box 9  
   Hughson, California 9□32□

As to Lessee:

12. Amendments. This Lease may not be amended, modified, or terminated, nor may any obligation hereunder be waived orally, and no such amendment, modification, termination, or waiver shall be effective for any purposes unless it is in writing and signed by the party against whom enforcement thereof is sought.

13. Severability. If any provision of the Lease or any application thereof shall be invalid or unenforceable, the remainder of the Lease and any other application of such provision shall not be affected thereby.

14. Governing Law. This lease shall be governed by and construed in accordance with the laws of the City of Hughson and the State of California.

1  Disclaimer. The City of Hughson covenants and agrees that it will not represent to any third party, including potential investors, that by virtue of making available facilities and providing services to the Lessee, City is in any way endorsing or has in any way approved or disapproved of the Lessee, its management, business plan, valuation or any other matter regarding the Lessee.

1  Indemnification. Lessee shall hold harmless and indemnify Lessor from and against any and all damage or claims that may arise during normal operation of Lessee's business, except loss or damage arising from any negligent act by Lessor, its agents or employees.

1  Waiver. Lessee waives any and all rights that it may have or assert to have to make any claim or file any legal action against the Lessor, its elected officials, directors, agents, officers, employees, or other representatives for any decision made or which City fails to make regarding the financial promise of the Lessee's business, its ability to be financially successful or its right to terminate the Lease. This exemption from liability extends to any advice received by the Lessee from the Lessor or from third party consultants provided by the Lessee.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year set forth above.

**LESSOR:**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Bryan Hitemyer, City Manager  
City of Hughson

**LESSEE:**

\_\_\_\_\_  
Date



**Exhibit "A"**  
**Premises Map**

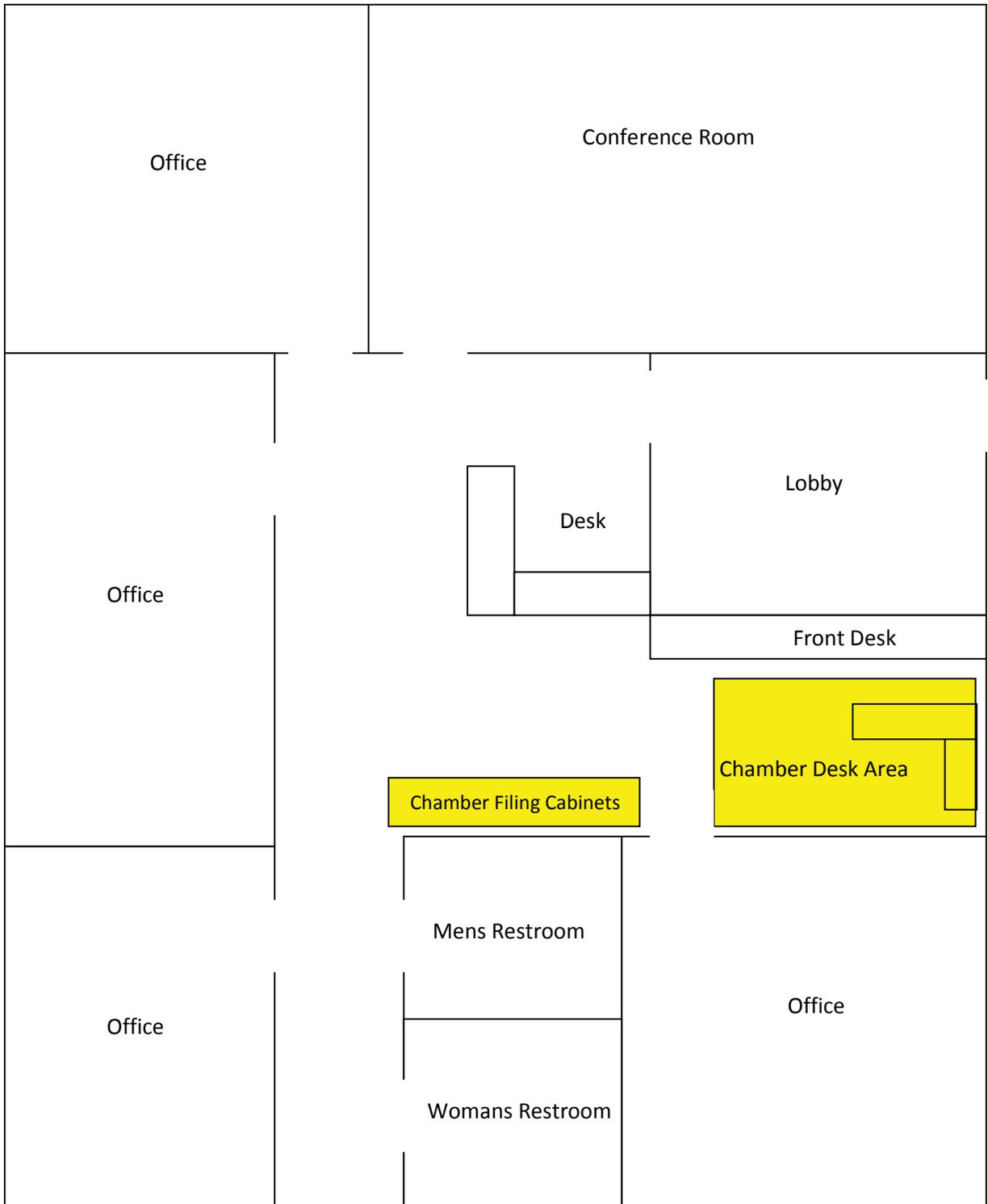


Exhibit "A"

**EXHIBIT “B”**  
**RULES AND REGULATIONS**  
**CITY OF HUGHSON SMALL BUSINESS INCUBATOR**

All terms not otherwise defined herein shall have the same meaning as set forth in the Lease.

1. Lessor shall provide Lessee with two keys for each exterior door lock. No additional locks shall be placed upon any doors of the premises by Lessee and Lessee agrees not to have any duplicate keys made nor have the locks changed without the consent of the Lessor.
2. Lessee, its invitees, guests, employees, or agents shall not disturb other occupants of the Building by making any undue or unseemly noise, or otherwise. Lessee shall not, without Lessor's written consent, install or operate in or upon the Premises any machine or machinery causing noise or vibration perceptible outside the Premises. All combustible material must be kept in OSHA approved containers.
3. Lessee shall not mark or drive nails or screws into the woodwork or walls, or paint or in any way deface the Building or any part thereof, or the Premises or any part thereof, or fixtures therein without consent of Lessor. The expense of remedying any breakage, damage or stoppage resulting from a violation of this rule shall be borne by Lessee.
4. Canvassing, soliciting and peddling in the Building are prohibited and each Lessee shall cooperate to prevent such activity. This is not to preclude industrial sales representatives. Lessor reserves all vending rights.
5. Lessee shall have the non-exclusive right, along with other lessees of the Building, to use the parking area located on the land upon which the building is located, except for portions of the parking area necessary for entrances, exits, driveways, walkways, loading, and unloading areas. Lessor shall have the authority at any time to designate portions of the parking area for exclusive use by certain tenants in the Building, or to regulate the use of the parking areas in general.
6. Lessor assumes no responsibility for and shall not be liable for any damages resulting from any error in regard to any identification of Lessee or its employees from admission to or exclusion from the Building.
7. The Lessor's responsibility for janitorial and other custodial services shall be limited to the exterior and common areas of the building, such as hallways, restrooms, etc. only if these areas are shared by other tenants. Otherwise the tenant shall be solely responsible for

janitorial and custodial services. Reasonable care and caution shall be used by Lessee to keep all shared facilities by tenants and administrators clean.

Lessee shall exercise care and caution to insure that all water faucets, water apparatus are carefully and entirely shut off before Lessee or its employees leave the Building so as to prevent waste or damage. Lessee shall be responsible for any damage to the Premises or the Building so as to prevent waste or damage. Lessee shall be responsible for any damages to the Premises or the Building arising from Lessee's failure to observe this provision.

Lessor reserves the right to exclude or expel from the Building any person who, in the judgment of the Lessor is under the influence of alcohol or drugs, or someone who brings in or stores any drugs on the Premises, or who is in the judgment of Lessor, disturbing other Lessees or Lessor in any way or who shall in any manner do any act in violation of any city, state, or federal law or any of the rules and regulations of the Building.

Lessor shall not be responsible to Lessee for the non-observance or violation of any of these rules and regulations by any other tenant. Lessor reserves the right to make such other reasonable rules and regulations as may be necessary or appropriate, in Lessor's sole judgment, for the safety, care and cleanliness of the Building, and for the preservation of good order therein. Subsequent rules and regulations shall be binding upon the parties hereto the same as if inserted in this Lease at the time of execution.

11. Lessee agrees not to store any merchandise crates, goods, supplies or other materials of any kind outside the leased Premises without special permission. Lessee further agrees not to burn trash or other substances in or on the exterior of, the leased Premises.

12. The water and wash closets and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by Lessee who, or whose servants, employees, agents, visitors, or licensees, shall have caused the same.

Company Name

Company Name

By AT

TTL

# **Stanislaus Alliance Paid Work Experience Program**



**ALLIANCE WORKNET**

Budget Unit 1320 0033100  
Special Revenue Fund

**MISSION STATEMENT**

Dedicated to developing a skilled workforce that strengthens business and contributes to the economic success of our community.

**OPERATIONAL PRIORITIES**

Due to the end of the American Recovery and Reinvestment Act (ARRA) funding and an anticipated significant reduction in Workforce Investment Act funding, the Alliance Worknet must be strategic in how it invests its limited resources in the upcoming fiscal year. The Operational Priorities for Alliance Worknet for the 2011-2012 Fiscal Year include:

- ◆ Re-design processes to provide virtually all job-seeker services in group settings;
- ◆ Perform thorough assessments of the needs, capacities, motivation, and employment prospects of individuals seeking occupational training subsidies before investing limited training funds;
- ◆ Assist local businesses, that have proven to be good partners, with their workforce needs by providing them with interns and employees through subsidized on-the-job training agreements;
- ◆ Continue to provide some level of lay-off aversion assistance to local businesses in partnerships with the Alliance Small Business Development Center; and
- ◆ Provide Welfare to Work (WTW) participants with the services necessary to improve their prospects for achieving employment and self-sufficiency. These services are; work-readiness training, General Educational Development (GED) preparation assistance, job training, work experience opportunities, and job placement assistance.

**STANISLAUS COUNTY, CALIFORNIA**

**Fiscal Year 2011-2012**

**HUMAN SERVICES**

**Other Assistance**



**ALLIANCE WORKNET**

Budget Unit 1320 0033100

Special Revenue Fund

**SERVICES PROVIDED**

The Alliance Worknet provides a wide range of employment and training services to the community through various programs funded under the Workforce Investment Act (WIA). Resource Centers, which are located in accessible areas throughout the community, assist the public in job searching, resume preparation, and with classes to enhance interview skills. For those needing more assistance in finding employment, the Department provides intensive career counseling, work experience, and on-the-job training assistance as well as referral to vocational training programs. To assist area employers, the Alliance Worknet has Business Services Representatives who visit area businesses in the effort to help them with their employment needs as well as retention, expansion, business counseling, and other services through a partnership with the Stanislaus Economic Development and Workforce Alliance.

**CASH BALANCE**

As stated in the Adopted Proposed Budget, this fund was projected to have a zero cash balance as of July 1, 2011, compared to the July 1, 2010, positive balance of \$248,428. Historically, any surplus cash at year end is used to cover the amount of the cash deficit in the StanWORKs budget caused by the timing differences inherent in reporting reimbursable costs for the WIA program based on modified accrual accounting, versus the StanWORKS program that uses cash basis accounting. The primary department revenue sources are reimbursement grants, so this budget usually operates in a negative cash position throughout the fiscal year. Fiscal year end action will align outstanding revenue with incurred cost and adjustments to the StanWORKs budget, to ensure a cash position of zero or greater.

The actual cash balance as of July 1, 2011, is positive \$266,944 attributed to the lag in timing of payment to the StanWORKS program.

<b>Alliance Worknet</b>					
<b>Classification</b>	<b>2009-2010 Actual</b>	<b>2010-2011 Actual</b>	<b>2011-2012 Adopted Proposed</b>	<b>2011-2012 Adopted Adjustments</b>	<b>2011-2012 Adopted Final Budget</b>
Taxes	\$0	\$0	\$0	\$0	\$0
Licenses, Permits, Franchises	\$0	\$0	\$0	\$0	\$0
Fines, Forfeitures, Penalties	\$0	\$0	\$0	\$0	\$0
Revenue from use of Assets	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenue	\$15,079,398	\$13,438,837	\$10,274,559	\$1,216,042	\$11,490,601
Charges for Service	\$176,822	\$757,095	\$126,882	(\$26,610)	\$100,272
Miscellaneous Revenue	\$0	\$190	\$0	\$85,000	\$85,000
Other Financing Sources	\$0	\$0	\$0	\$0	\$0
<b>Total Revenue</b>	<b>\$15,256,220</b>	<b>\$14,196,122</b>	<b>\$10,401,441</b>	<b>\$1,274,432</b>	<b>\$11,675,873</b>
Salaries and Benefits	\$8,271,374	\$6,835,610	\$5,897,008	\$248,947	\$6,145,955
Services and Supplies	\$6,858,755	\$6,652,047	\$4,138,169	\$935,038	\$5,073,207
Other Charges	\$484,517	\$480,851	\$366,264	\$90,447	\$456,711
Fixed Assets	\$0	\$0	\$0	\$0	\$0
Other Financing Uses	\$172,439	\$172,992	\$0	\$0	\$0
Equity	\$0	\$0	\$0	\$0	\$0
Intrafund	\$0	\$0	\$0	\$0	\$0
Contingencies	\$0	\$0	\$0	\$0	\$0
<b>Gross Costs</b>	<b>\$15,787,085</b>	<b>\$14,141,500</b>	<b>\$10,401,441</b>	<b>\$1,274,432</b>	<b>\$11,675,873</b>
Fund Balance	\$530,865	(\$54,622)	\$0	\$0	\$0
<b>Net County Cost</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## PROGRAM DISCUSSION

The Alliance Worknet has fully expended the remaining \$4,170,804 in American Recovery and Reinvestment Act (ARRA) funding that was available in Fiscal Year 2010-2011. Also, three special grants ended on June 30, 2011, resulting in the loss of another \$1,062,831 used to provide employment and training services to the community. Finally, it was estimated that the regular annual allocation of Workforce Investment Act funds would be reduced by \$515,571 to \$7,598,165, a 6.4% decrease from the Fiscal Year 2010-2011 funding level of \$8,113,736. The estimated department funding for Fiscal Year 2011-2012 base operations is expected to be \$5,749,206 less than what was budgeted in Fiscal Year 2010-2011. Other revenue adjustments amount to a net decrease of \$887,180 from the Fiscal Year 2010-2011 budget level; this decrease is comprised of a \$1,523,673 reduction in multi-year grants funding offset by a \$636,493 increase in the estimated roll forward of unspent base year grant funds. In total, the Adopted Proposed Budget 2011-2012 estimated revenue level of \$10,401,441 is \$6,636,387 less than the Fiscal Year 2010-2011 budget level of \$17,037,828; equating to a 39% reduction in funding.

At this level of funding, the Department can maintain a level of basic services that will meet most job seeker's needs. The elimination of 10 extra help positions and eight temporary help positions, 18 in total, that were funded through the American Recovery and Reinvestment Act will seriously impact the ability to provide individualized, person-to-person service interactions with customers. Instead of receiving guidance and counseling on a one-staff to one-customer basis, one or two staff will provide the same services in group settings of approximately 40 customers. More intensive services and job training assistance will be limited to those job seekers who prove the need, capacity, and motivation to be successful upon the receipt of such services.

The continuing recession and resulting high unemployment persists in the San Joaquin Valley. As a result, it is anticipated that the demand for Alliance Worknet services will remain high. Despite funding reductions, the Department plans to continue to provide core services in group workshop settings to all customers who request them. Such services include resume development and critiquing, WorkKeys Assessments, job search assistance and instruction, job interview tips and techniques to understand employer expectations, and job retention training. It is anticipated that these core services will be provided to approximately 13,000 customers in Fiscal Year 2011-2012, about the same number as Fiscal Year 2010-2011.

Due to funding reductions, high-cost services such as occupational training, paid internships, and on-the-job training wage reimbursements will be provided at approximately half of the level in the Fiscal Year 2010-2011 program year, resulting in 1,082 individuals receiving these services in comparison to 2,164 in the prior year.

As of the date of preparation of the Proposed Budget, the impact to local Workforce Investment Act funding of the Federal Fiscal Year 2011 Federal budget agreement was unknown, although significant reductions were expected. This budget anticipated an overall 35.6% reduction in funding, comprised of an estimated 6.5% decrease in WIA base allocations along with the loss of over \$5.2 million in ARRA and special grant revenue. Additional funding reductions as a result of Federal budget actions were addressed with the Final Budget Addendum in September 2011.

## **ADOPTED STAFFING RECOMMENDATIONS**

Total current authorized positions—81

There are no recommended changes to the current level of staffing.

Total recommended authorized positions—81

## **ADOPTED BUDGET RECOMMENDATIONS**

### **Proposed Budget**

It is recommended that a budget of \$10,401,441 be approved for the Alliance Worknet. At this reduced level of funding, basic universal services will be provided under a new group model with more intensive services being available to individuals based on need, capacity and other factors. Wage reimbursement services will also be provided at a reduced level in comparison to the prior year. This budget is funded from \$10,401,441 in estimated department revenue.

### **Final Budget**

As part of the 2011-2012 Final Budget process, Alliance Worknet requested a \$1,274,432 increase in estimated revenue and appropriations due to the net impact of new one time Federal funding sources, awarded after the Proposed Budget, to provide employment and training services to the community. The new funding sources totaling \$1,834,018 are offset by reductions in the Federal Workforce Investment Act (WIA) base allocation and the Senior Community Services Employment Program totaling \$559,586. The detail by funding sources is as follows:

- ◆ Awarded \$962,500 of WIA Rapid Response Additional Assistance funds for the New Opportunities Project;
- ◆ Awarded \$419,195 of WIA funds for the Veterans Employment Related Assistance Program, of which \$228,652 is planned for Fiscal Year 2011-2012 program operations and the balance is planned for the subsequent year;
- ◆ Awarded \$73,941 of WIA funds for the New Start Program;
- ◆ Awarded \$23,390 of WIA funds for the Exemplary Performance Awards;
- ◆ Awarded \$150,000 of WIA National Emergency Grant to continue to serve dislocated workers impacted by the closure of the New United Motor Manufacturing Inc. plant;
- ◆ Awarded an additional \$310,535 for the second phase of funding pertaining to the Central California Workforce Collaborative Regional Economic Impact National Emergency Grant;
- ◆ Awarded \$85,000 from the Stanislaus County Office of Education to provide General Educational Development (GED) preparation, tutoring services, and work experience to Alternative Education students;

- ◆ Reduced WIA formula grant base allocations by \$532,976 due to a 15% reduction in Fiscal Year 2011-2012 funding offset by the roll forward of unspent formula grants from Fiscal Year 2010-2011; and
- ◆ Reduced Senior Community Service Employment Program funds by \$26,610 per Federal action.

Increased operating costs include additional labor of \$248,947 for planned extra help staff needed to case manage and administer the new grants, as well as \$855,470 in direct client services for vocational training, on-the-job training, and supportive services. The balance of \$170,015 will be used to cover the expected increase in facility operating costs, such as Community Services Facility Heating, Ventilating and Air Conditioning (HVAC) maintenance, and the Department's share of cost for the PeopleSoft upgrade project.

**STANISLAUS COUNTY, CALIFORNIA**  
**Fiscal Year 2011-2012**

**HUMAN SERVICES**  
**Other Assistance**



**ALLIANCE WORKNET—STANWORKS**

Budget Unit 1317 0033900  
Special Revenue Fund

**SERVICES PROVIDED**

The Alliance Worknet (AW) provides a wide range of employment and training services for local Temporary Aid to Needy Families (TANF) recipients through a contract with the Community Services Agency (CSA). AW assists TANF customers with job searching, resume writing, and interviewing skills. Clients needing additional assistance in securing employment and leaving TANF are provided with intensive case management, work experience, on-the-job training and individual referral to vocational training programs leveraging other dollars available.

**CASH BALANCE**

As of July 1, 2011, this fund is projected to have a cash balance of zero compared to the July 1, 2010 negative cash balance of \$248,428. Historically, the negative cash position is offset by the cash surplus in the Alliance Worknet Workforce Investment Act (WIA) budget caused by the timing differences inherent in reporting reimbursable costs for the WIA program based on modified accrual accounting, versus the StanWORKS program that uses cash basis accounting. This year end action will align outstanding revenue with incurred costs to mitigate the negative cash balance.

The actual cash balance as of July 1, 2011, is negative \$29,731 attributed to the lag in timing of payment from the Alliance Worknet administration budget.

<b>Alliance Worknet - StanWORKs</b>					
<b>Classification</b>	<b>2009-2010 Actual</b>	<b>2010-2011 Actual</b>	<b>2011-2012 Adopted Proposed</b>	<b>2011-2012 Adopted Adjustments</b>	<b>2011-2012 Adopted Final Budget</b>
Taxes	\$0	\$0	\$0	\$0	\$0
Licenses, Permits, Franchises	\$0	\$0	\$0	\$0	\$0
Fines, Forfeitures, Penalties	\$0	\$0	\$0	\$0	\$0
Revenue from use of Assets	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenue	\$0	\$0	\$0	\$0	\$0
Charges for Service	\$5,772,569	\$5,556,072	\$4,980,406	\$0	\$4,980,406
Miscellaneous Revenue	\$0	\$32,417	\$0	\$0	\$0
Other Financing Sources	\$0	\$0	\$0	\$0	\$0
<b>Total Revenue</b>	<b>\$5,772,569</b>	<b>\$5,588,489</b>	<b>\$4,980,406</b>	<b>\$0</b>	<b>\$4,980,406</b>
Salaries and Benefits	\$4,735,084	\$4,500,673	\$4,165,256	\$0	\$4,165,256
Services and Supplies	\$1,241,901	\$631,414	\$627,020	\$0	\$627,020
Other Charges	\$108,459	\$119,042	\$188,130	\$0	\$188,130
Fixed Assets	\$0	\$0	\$0	\$0	\$0
Other Financing Uses	\$0	\$0	\$0	\$0	\$0
Equity	\$0	\$0	\$0	\$0	\$0
Intrafund	\$0	\$0	\$0	\$0	\$0
Contingencies	\$0	\$0	\$0	\$0	\$0
<b>Gross Costs</b>	<b>\$6,085,444</b>	<b>\$5,251,129</b>	<b>\$4,980,406</b>	<b>\$0</b>	<b>\$4,980,406</b>
Fund Balance	\$312,875	(\$337,360)	\$0	\$0	\$0
<b>Net County Cost</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## PROGRAM DISCUSSION

Alliance Worknet can continue to provide work readiness preparation services, some vocational training, paid work experience, and on-the-job training to its Welfare to Work customers although at a lower service level due to an anticipated reduction in funds. In Fiscal Year 2011-2012, the Department will lose one-time American Recovery and Reinvestment Act (ARRA) TANF Emergency Contingency Funds (TANF-ECF) available for the Paid Work Experience program. The end of TANF-ECF funding represents a loss of 13.3% of funds available for service to StanWORKs customers – from \$5,743,692 in Fiscal Year 2010-2011 (adjusted at mid-year) to \$4,980,406 for Fiscal Year 2011-2012. As a result of the loss of the ARRA TANF-ECF funds in Fiscal Year 2011-2012, the Department plans to serve approximately 200 customers per month in the Paid Work Experience program versus 500 customers per month in Fiscal Year 2010-2011.

Despite reductions from Fiscal Year 2010-2011 levels, AW can maintain a variety of workforce development services for the Welfare to Work population. The Department expects to serve approximately 850 customers with intensive job readiness classes and job search assistance and place approximately 1,100 customers in Community Service Program placements during the year. All other Welfare to Work services will remain intact at the current service levels.

## ADOPTED STAFFING RECOMMENDATIONS

Total current authorized positions—0

## ADOPTED BUDGET RECOMMENDATIONS

### Proposed Budget

It is recommended that a budget of \$4,980,406 be approved for the Alliance Worknet - StanWORKs. At this level of funding, employment services to TANF customers will be provided at a reduced level from the prior year. This budget is funded from \$4,980,406 in estimated department revenue.