East Cascades WORKS
Connecting Talent To Opportunity

EC Works Board Meeting Agenda
July 28, 2021 from 11:30am-1:00pm
Virtual Meeting Via Zoom or Phone

Phone one-tap: US: +12532158782,,8793810312# or +13462487799,,8793810312#

Meeting URL: https://us02web.zoom.us/j/8793810312
Meeting ID: 879 381 0312

Board Members Present: Gary North (Chair), Dr. Marta Cronin, Robbie Smith, David Burger, John Hanner, Maggie Hubbell, Dave Aiken, Martin Campos-Davis, Amy Gibbs, Michelle Alvarado, Bambi Bevill, Erin Szymoniak, Mike Graham, Julie Matthews
Others Present: Damon Runberg, Todd Nell, Mike Derrickson
Staff Present: Heather Ficht, Jessica Fitzpatrick, Jamie Kendellen, Melissa Barrett, Brenda Stewart, Stefanie Siebold, Stephanie Tarntino
Board Members Absent: Nicole Hough, Wendy Peterson, Dave Aiken, Matt Bogatay, Trevor Janeck

- **Consent Agenda:** Meeting called to order at 11:34 am by Chair Gary North. The minutes of the April Board meeting were presented and the Chair asked for a motion to approve the minutes.
  Motion: Martin moved to approve the minutes as presented, Marta seconded, and the minutes were unanimously approved.

- **Ratification of Budget:** The budget previously approved and adopted by the Executive Committee and COWC was presented and the Chair asked for a motion to ratify.
  Motion: Michelle moved to ratify the budget as presented, Mike seconded, and the budget was unanimously ratified.

- Our newest Board member, Erin Szymoniak, KCC - representing Adult Basic Skills, introduced herself and was welcomed to the Board.

- **Monitoring Reports:** Heather (staff) shared all of our monitoring reports, which ensure both that our providers are in compliance and doing good work. In addition, we shared the report from HECC-OWI on our monitoring. There were no findings. Board members can read at their leisure and ask any questions now or in the future, but Heather wanted to say thanks to Jamie and Jess for doing a great job ensuring program practices and financials are all safe, which keeps us out of disallowed costs and other issues.

- **Private Sector Industry Updates**
  - **Mike Graham, Real Carbon (Manufacturing - Gorge)**
    - Economy in the Gorge has been very negatively impacted, as employers continue to struggle to retain employment. Output is constrained – the opportunity to create is there, but finding employees still an issue.

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- Longer lead times on supplies as well as huge increases in costs mean that smaller operations are struggling. While companies may have had inventory, special order lead time has grown exponentially.

- **HealthCare:** Trevor unable to attend meeting because St. Charles once again at capacity. Many providers tired and more people looking for part-time opportunities as full-time during the pandemic has been trying and exhausting.
- **Gary North, R & H Construction (Construction – Central Oregon)**
  - Long lead times and price increases are drastic at around 25%, plus uncertainties around when we can get materials. Unpredictability within the market is looking to level out in next 6-8 months, but nothing is certain and things change daily.
  - Lead time for big jobs is actually helpful because we have the time to source materials, variability of information on shorter jobs makes it hard to do business.
  - Central Oregon area and Klamath Falls will continue to grow outside of pandemic because population has been moving to these areas, which is expected to continue once we get stability, business will be good.
- **Maggie Hubbell, Shift (Tech – Central Oregon)**
  - Tech companies typically need up-front investment to build product and gain market awareness. While a recurring revenue model is very cost-efficient, the investment is in the initial product build. Fortunately, investors like the recurring revenue model and tech is a very investable space.
  - Oregon tech companies are becoming more attractive to investors. Oregon investors - VC and angels - tend to be very cautious and have a "wait and see" approach. There have been several successful Oregon exits and as well as attention on larger companies in the state. We even have our first Unicorn ($1B+ valuation) in Central Oregon (Dutchie). Also, as teams become more distributed and/or fully remote, VC's don't see being in Silicon Valley as essential as before; however, Oregon investors are still cautious, slow and more risk averse than in tech hubs like Silicon Valley, LA, Atlanta and Denver. Oregon companies must look outside the region for funding, as well as have an extremely attractive value proposition. The Bend Venture Conference which takes place every October is one of the largest angel conferences in the country, so this is continuing to give credibility to the region.
  - Highly technical and skilled employees are still scarce. The cost of living in Bend is high for them, even with wages. Companies must get good at remote - hybrid or fulltime. Doing it poorly will hurt their employee retention and productivity.
- **Julie Matthews, Klamath Economic Development (Klamath Basin)**
  - Economic Development has been really busy, with a focus on increasing housing, building permits are up.
  - For agricultural community, the situation is really dire. This region is very rural and depends on irrigation for ag economy. Because of severe drought, 135K irrigated acres are no longer generating money, which is also hitting wildlife and households because they are being cut off from water and crisis growing daily.
  - Last week commissioners got huge septic tank water jugs to homes. When you don't have water in canals, this effects wells so farmers and ranchers can't get water for

animals which means having to sell herds and affecting fish. Basin needs emergency funding for short-term, but also looking long-term as another drought may hit again next year.

- On workforce, very few responses to survey about layoffs but working on rapid response to those who did reply. Stef and Heather (staff) coming to K Falls next week to talk about Swan Island and jobs that will be cultivated in next couple years.

- **WorkSource Reopening Update:** Mel and Stef (staff) gave an update on reopening WorkSource centers across our areas. WorkSource Klamath opened on the 19th and served a combination of walk-in and virtual customers looking for help with Unemployment Insurance and registering in the labor exchange. WorkSource Bend, Redmond and The Dalles opened today. All returning staff completed safety training, everything was thoroughly cleaned, and security is on site through year end unless partnership wants to end sooner. Also, a staff feedback mechanism was created so staff can provide suggestions / solutions anonymously if preferred and these can be brought back to Local Leadership Teams for discussion and decision.

- **Jobs, Unemployment and the Economy Presentation:** Damon Runberg, OR Employment Dept. Regional Economist for East Cascades, presented an update on employment recovery and labor shortage. Highlights included the following:
  - Levels of employment show rapid recovery in summer 2020, then saw losses in Dec 2020 with resurgence of public health, but for the most part are trending upwards.
  - Deschutes county was hit harder than the state as a whole. July numbers show massive upward revisions in Deschutes. Some rural counties recovering well from COVID recession while others are more volatile. Deschutes should be recovered at some point in 2021. Klamath and Lake not hit as hard, but are recovering well.
  - East Cascades seeing a far more robust recovery than the state as a whole. Statewide numbers influenced by metro areas, which recovered a lot slower mainly because tourism didn't pick up.
  - Unemployment Insurance (UI) Claims – which is different than unemployed people – back on track with re-implementing requirements, with a 60% drop of people claiming UI in Central Oregon, but hard to interpret with PUA as traditional metrics for logging unemployment not working. UI much more dramatic improvement than actual unemployment. Pool of available workers is smaller than stats would tell us, which helps drive the narrative that it's hard to find workers. Still seeing in all major counties the levels of unemployment are still better than 10 year average.
  - Highest percentage of job vacancies in last ten years in survey, so how is it possible with unemployment rates not recovered and total employment below previous peak? Demand for labor at very high levels. Most people put attention on supply of labor. One active job seeker for every vacancy out there, which should be 3 to 1. Reasons for this include:
    a) Quits – national level skyrocketed in spring, unprecedented in last few months, people not wanting to go back after COVID / stock market doing well, also

turnover, with people quitting jobs and moving into other industries with better pay / hours and less seasonality i.e. restaurant workers.

b) Recovery – businesses trying to recover from COVID, restaurants etc. trying to re-staff all at the same time.

c) Expansion – need to ramp up to meet demand in surge in spending and people getting stimulus money.

- States where feds dropped insurance benefits have not seen a faster rate of job growth / did not improve ability to hire workers, so UI not silver bullet. Dramatic wage increases driven by supply / demand. Low wage workers trying to find best jobs.
- Current factors constraining the supply of labor also include churn, child care, COVID concerns, UI / stimulus and Child Tax Credit, employer detachment / matching labor to business – when a worker gets laid off, becomes hard to reengage to get same worker back. Re-matching labor to business is a slow and difficult process.
- Prediction is that nine months from now things will look quite a bit better through combination of ease of supply constraints. Incentives help as well as wage increases. Cost of living going up, along with child care, are two major variables that have always been struggles in our region.

Damon also shared that Kale Donnelly, former OR Employment Dept Workforce Analyst moved on to a job in Olympia for State of WA. Currently he has no analyst, so Damon may be slow on emails. Reach out to Damon if anyone needs to get a hold of Kale.

- **General Group Updates and Discussion**
  - Heather reminded the Board that the WORKing Together Conference is open for registration and she hopes to see everyone there. Thanks to those who have already registered as it will be a great opportunity to learn about best practices across the state. Scholarships are available to those who need them, contact Heather if interested.

- Meeting was adjourned by Chair Gary North at 12:48 pm.