



GOVERNOR'S WORKFORCE INVESTMENT BOARD
500 E. Third Street, Room 200
Carson City, Nevada 89713
Telephone (775) 684-3911 * Fax (775) 684-3908

MEETING MINUTES

Governor's Workforce Investment Board (GWIB) Logistics and Operations Sector Council Tuesday, October 7, 2014 2:30 p.m.

Some members of the Council may be attending the meeting and provide testimony through a simultaneous videoconference and teleconference and other persons may observe the meeting conducted at the following locations listed below

Place of Meeting:

- Department of Employment, Training & Rehabilitation**
2800 East St. Louis Avenue, Conference Rooms A-C
Las Vegas, NV
- Nevada Job Connect**
Reno Town Mall Conference Room
4001 South Virginia Street
Reno, NV
- Department of Employment, Training & Rehabilitation**
500 East Third Street, SAO Auditorium
Carson City, NV

Council Members Present: Brad Woodring, Scott McKenzie, Dr. Alan Schlottman, Brad Mamer, Hannah Brown, Eric Leufroy, Nancy McCormick, Perry Ursem, Cathy Paschane, Rob Tidwell, Raquel Krol, Greg Carroll, Dr. Marcus Johnson

Council Members Absent: Travis Brady, Dennis Obregon, Bramby Tollen, J. Michael Hoeck, James Nelson, Dustin Lester.

Ex-officio Members Present: Jeannie Kuennen, Marilou Parayno, Kirstie Ruvalcaba.

Ex-officio Members Absent: Tessa Rognier, Steve Settembre.

DETR WSU Staff Present: De Salazar, Coralie Peterson

Others Present: Bob Potts (Governor’s Office of Economic Development), Chelsea Eckert (FF & E Logistical), Marcus Johnson (College of Southern Nevada), and Judith Turgiss (Nevada Workforce Development Center).

**Please note that all attendees may not be listed above.*

I. Welcome, Introductions and New Members..... Brad Woodring, Chair
GWIB Logistics and Operations Sector Council

The Chair of this Council, Brad Woodring called the meeting to order at 10:05 a.m. and welcomed everyone and thanked them for attending this meeting. He asked new member, Greg Carroll, CEO for FF & E Logistical, to provide a brief work history. When Mr. Carroll concluded his comments, Mr. Woodring welcomed him and then asked Coralie Peterson, Administrative Assistant for DETR’s Workforce Solutions Unit, to call roll.

II. Roll call and Establishment of a Quorum Coralie Peterson, Administrative Assistant
Workforce Solutions Unit, Department of Employment, Training & Rehabilitation (DETR)

Coralie Peterson called roll and informed the Chair that a quorum was present.

III. Verification of Posting.....Coralie Peterson

Mr. Woodring asked Coralie Peterson to verify that the agenda for this meeting was posted according to Nevada statute. Ms. Peterson verified that the agenda for this meeting was posted according to NRS 241.020.

IV. **First Public Comment Session** Brad Woodring
Members of the public will be invited to speak before; however, no action may be taken on a matter during public comment until the matter itself has been included on an agenda as an item for possible action. Public comment may be limited to three minutes per person at the discretion of the chairperson.

Mr. Woodring announced the First Public Comment Session and invited members of the public to speak. Hearing none, he moved to address Item V.

V. **Discussion/Possible Action** – Approval of August 26, 2014 Meeting
Minutes.....Brad Woodring

Mr. Woodring asked for approval of the August 26, 2014 Meeting minutes. A motion to approve the minutes was made by Hannah Brown and was seconded by Cathy Paschane. All were in favor, none were opposed. The motion was carried unanimously.

VI. **Discussion/Possible Action** – DETR Director Update.....Dennis Perea, Interim Director
Department of Employment, Training & Rehabilitation (DETR)

Brad Woodring welcomed Interim Director Dennis Perea to provide a Director’s update. Mr. Perea thanked him and announced that the new Director, Don Soderberg, has been appointed. He said that he looks forward to working with Mr. Soderberg, and that the Director will make it a point to be present in sector council meetings soon to introduce himself.

Mr. Perea went on to provide some updates to the sector councils. One of the areas that he believes the sector councils can make a contribution is in the area of policy recommendations, which in turn, are given to the Governor’s Board. He gave the example of service delivery, and reminded the sector council of the formula for distribution of the WIA (Workforce Investment Act) training dollars, expending 25% in the first year and 30% in the second year on recognized certificate training.

Mr. Perea said that this is a difficult decision for two reasons, the formula excludes OJTs (On the Job Training programs), as it would be strictly certificate training. *Both* types of training come with benefits. OJTs supplies an immediate job, and is both employer and employee-friendly, as it can help reduce the UI taxes for employers by getting people back to work. He said that certificate training is more expensive, but the one trained is less likely to apply for future UI benefits than the one who received OJT.

Guidance from the sector councils can be beneficial for decision-making in cases such as the issue of service delivery, and Mr. Perea said that, in their response to this question, the Manufacturing Sector Council determined that OJT had a place in Manufacturing due to the proprietary types of information manufacturers have which cannot be taught in school. He said that he had planned to prepare short policy papers describing the pros and cons of various policy issues for the sector council members to review prior to giving their recommendations, and he will be coming back with more information after speaking further with the local boards.

Mr. Perea said that the two local boards met together to discuss the formula allocation for northern and southern Nevada, and came to a three-way agreement and made recommendations, which will be shared at the upcoming GWIB meeting.

Lastly, he mentioned that as the WIA no longer exists, being replaced by the WIOA (Workforce Innovation and Opportunity Act), which delineates, for the first time, the sector strategies driving the workforce system, which will place a prominent role in the delivery of job training and workforce services. He said that when more information is available, the sector council will be updated. When he concluded his comments, Mr. Woodring thanked him for his service, and moved to Item VII.

VII. **Presentation** – GWIB Pipeline Opportunities/Occupations in the Logistics and Operations Industry Sector.....Bob Potts, Research Director
Governor’s Office of Economic Development (GOED)

Mr. Woodring invited Bob Potts to provide statistical information on pipeline opportunities within the Logistics and Operations industry. Mr. Potts said he had updated the PowerPoint presentation for this meeting by adding a summary, which he asked the DETR staff to forward to the sector council members, indicating that this type of information is always a work in progress. He mentioned that the whole purpose of the research is to understand where the gaps in workforce are, and what is needed to fill those vacancies and grow the economic development in the state within the sector.

He said that he and Bill Anderson, who is the Chief Economist of DETR’s Research and Analysis Bureau, reviewed the Brookings SRI report originally showing 7 sectors, and now incorporates 9 sectors, including Logistics and Operations, which has changed little. He said that they also reviewed the list that the Stanford Research Group had composed and added to this their local knowledge. This list consists of 107 industries in the Logistics and Operations sector and utilizes the 6-digit NAICS (North America Industrial Coding System) codes.

By way of his PowerPoint presentation, he gave the industry and workforce overview, and highlighted that approximately 6,700 jobs had been added in the last 4 years in this sector, and within the last 10 years a 15% growth was seen, with average earnings of \$61,000.00 (wages \$51,000.00 and benefits \$10,000.00); however, the job growth when compared to the national averages, shows that Nevada is still lagging by 21%.

Mr. Potts said that this 21% percentage reflects the *location quotient*, and explained that this is the relative concentration in this industry divided by total jobs and then compared to the proportion of the *national* statistics. If a location quotient is 1, this means it is equal to the national average. The location quotient for Nevada is .79 in this industry, indicating that it is below the national average for this industry, but he added that the location quotient is also growing more rapidly in Nevada than it is in the rest of the country. He also explained the *jobs multiplier* of 2.3, meaning that for every job grown here in Nevada, another 1.3 jobs, such as supply chain or supportive jobs are added as a result of the initial job.

He said the demographics in the logistics sector is predominantly male (70%) with a median age group 35-44 years of age, with the bulk of the job growth in the area of management and sales. Mr. Potts mentioned that in reviewing the trends for the sector, although Nevada is still 3,000 jobs shy of the peak employment noted in 2007, it is 20.6%, above the 2003 averages and growing faster than the nation. He said that Nevada's growth is expected to outpace that of the nation to return to the pre-recession high of 83,000.00 jobs by 2024. In forecasting, Mr. Potts explained that the past is used to project the future, using a technique known as *regression analysis*.

Mr. Potts also drew attention to an analysis of the sector's industry requirements (supply chain), showing purchases outside/inside of a region, and stated that reviewing this information can be helpful in discerning opportunities for growing the wealth of a region, through import substitution (filling the gap in services instead of importing work), such as in the area of regional managing headquarters, and administrative management and consulting services. He said that using the reverse staffing patterns, demand in management occupations show the most potential for growth, where the expected growth in jobs between 2014 and 2024 is projected at **35,936**.

Nancy McCormick asked how the report information would be shared with public and private education providers. Dr. Alan Schlottman said a more formal arrangement for discussion needs to take place, and Mr. Woodring remarked that this will be discussed further in the review of the strategic plan.

Mr. Potts concluded with a summary which indicated: 1) the highest occupations groups in the sector, 1) the location quotient for each of these groups, 3) the forecasted demand (2024 forecast minus 2014 actual), and 4) finally, whether or not the *natural* growth trends will meet the future workforce trends needs.

Cathy Paschane requested that the updated presentation be forwarded to the sector council members, and De Salazar confirmed that the DETR staff would send this to the sector council members. Dr. Alan Schlottman mentioned that the GWIB wants to develop desirable economic growth in the State. A discussion ensued amongst sector council members about economic growth and the production needs in connection with the Tesla project.

Mr. Potts added that the production category includes team assemblers and this represents a major part of the 6,500 direct Nevada jobs that Tesla had assured. His summary shows a projected workforce *gap* of 589 just to meet the national averages; however, this number is just a baseline and is certain to be higher. In order to *develop* the economic growth as indicated by Dr. Schlottman, the sector council will need to be very specific in the different categories that are considered and what the education requirements are.

Mr. Woodring said that Mr. Potts' information was very helpful, as many of the sector council members have had discussions about where the current assets are (job skill sets) and added that a majority of the workforce in the sector are still using hand trucks and clip boards, as opposed to the higher technology careers. Mr. Woodring commented on a previous sector council member, John Appert, who while he worked for Urban Outfitters noted that his company had used a statistician as an intern, to anticipate where Logistics would be moving forward.

He said that the purpose of bringing private business intelligence to the sector council was to enable them to anticipate what the future workforce needs will be in the sector, although the survey sent out had limited response. He commented that he would like to work with Mr. Potts to get statistics in the same sector for other parts of the country. Mr. Potts agreed that much of the education now involves technical training/certifications and is moving away from hand trucks and clip boards, and more into high tech jobs, such as what will be needed in the Tesla project.

Nancy McCormick commented that she had recently visited the newer of the Urban Outfitters facilities, and was impressed by the amount of automated equipment being used throughout the warehouse and the cleanliness of the facility. She also said that it was apparent that the workers needed more computer programming expertise than actual labor experience.

Mr. Woodring said that he and DETR's John Parel have had discussion about Toys R Us, which uses a **Kiva Robotic System** and maintenance of this type of advanced machinery should be an area of skill set training (including computer training) that is considered by the sector council. Ms. McCormick said as the plant maintenance is important, a breakdown of this advanced machinery would endanger the company's profitability, and indicates a shift to *industrial maintenance training*, and while there are a number of programs in place and others being planned, the need for this training may still not be met.

VIII. **Discussion/Possible Action** –Working Groups.....Brad Woodring

Mr. Woodring said that as the working groups did not respond, he turned to Agenda Item IX.

IX. **Discussion/Possible Action** – Review of Strategic Plan.....Brad Woodring

Mr. Woodring said the meetings are valuable and he appreciates the sector council members input, but so far, intelligence from private business on workforce needs has not been gained. He said that he will be meeting with Dr. Spangler to discuss workforce needs. He also mentioned that training needs are somewhat demand driven (he cited the example of the recent construction downturn). Because of the lead time, understanding what the logistics requirements will be are helpful in developing career pathways.

Dr. Alan Schlottman said that something different needs to be done to impact STEM skills, and that interaction with industry is needed to get more sophisticated logistical training. He said that other states do high quality technical training, as in Tennessee with mechanists training, which changed the occupational structure in that area. He questioned what can be done to get involved in future, and stated that he has tried to reach out to companies and also to NAIOP (the leasing agent for Thomas & Mack), to ask what needs to be done to supply workforce needs for future occupations. Discussion ensued amongst sector council members about workforce training.

Nancy McCormick suggested focusing on two year associate's degrees and Dr. Alan Schlottman mentioned that there is a big push in manufacturing to use the NCRC (National Career Readiness Certificate) program.

Brad Woodring asked De Salazar to arrange for a teleconference with Earl McDowell to discuss reaching the specific goals of the strategic plan, and hearing no further comments, he proceeded to Item X.

X. **Discussion/Possible Action** – Update on the Pilot Program.....Brad Woodring

Mr. Woodring said that he would send an electronic message to the sector council members advising them of the current status of the pilot program.

XI. **For Possible Action** – New Business and Future Agenda Items.....Brad Woodring

Mr. Woodring asked for suggestions on new business and future agenda items from the sector council members and no comments were made. The agenda for the next meeting will be posted publically and the sector council members will be notified in advance of the meeting.

XII. **For Possible Action** – Future Meeting Schedule/Next Meeting.....Brad Woodring

- Tuesday, December 2, 2014 at 2:30 p.m.

XIII. **Second Public Comment Session** Brad Woodring

Members of the public may now comment on any matter or topic, which is relevant to or within the authority or jurisdiction of the Board. You may comment now even if you commented earlier; however, please do not simply repeat the same comment you previously made. Please clearly state and spell your name. Public comment may be limited to three minutes per person at the discretion of the chairperson.

Brad Woodring announced the Second Public Comment Session and invited members of the public to speak. Hearing none, Mr. Woodring moved to Item XIV.

XIV. **Adjournment** Brad Woodring

Upon concluded the Second Public Comment Session, Mr. Woodring adjourned the meeting at 3:44 p.m.

Agenda items may be taken out of order, combined for consideration by the public body, and/or pulled or removed from the agenda at any time. The Chair may continue this meeting from day-to-day. Pursuant to NRS 241.020, no action may be taken upon a matter raised during a period devoted to comments by the general public until the matter itself has been specifically included on an agenda as an item upon which action may be taken.

GOVERNOR’S WORKFORCE INVESTMENT BOARD
LOGISTICS AND OPERATIONS SECTOR COUNCIL

Brad Woodring (Chair), Travis Brady, Scott McKenzie,
Dr. Alan Schlottmann, Dennis Obregon, Bramby Tollen, Brad Mamer, Hannah Brown,
Dr. Marcus Johnson, J. Michael Hoeck, James Nelson, Eric Leufroy, Nancy McCormick,
Perry Ursem, Cathy Paschane, Rob Tidwell, Raquel Krol, Dustin Lester and Greg Carroll

***Notice:** Persons with disabilities who require special accommodations or assistance at the meeting should notify Coralie Peterson, DETR, Workforce Solutions Unit, between the hours of 8:00 a.m. through 5:00 p.m., in writing at 2800 E. St. Louis., Las Vegas, Nevada 89104; or call (702) 486-0523; or fax (702) 486-6426 on or before the close of business Monday, October 6, 2014.*

Notice of this meeting was posted at the following locations on or before 9:00 a.m. on the third working day before the meeting: DETR, 2800 E. St. Louis, Las Vegas, NV; DETR, 500 East Third St., Carson City, NV; DETR, 1325 Corporate Blvd., Reno NV; NEVADA JOBCONNECT, 3405 S. Maryland Parkway, Las Vegas, NV; NEVADA JOBCONNECT, 119 Water St., Henderson, NV; NEVADA JOBCONNECT, 2827 N. Las Vegas Blvd., North Las Vegas, NV; NEVADA JOBCONNECT, 1929 N. Carson St., Carson City, NV; NEVADA JOBCONNECT, 172 Sixth St., Elko, NV; NEVADA JOBCONNECT, 480 Campton St., Ely, NV; NEVADA JOBCONNECT, 121 Industrial Way, Fallon, NV; NEVADA JOBCONNECT, 475 W. Haskell, #1, Winnemucca, NV; NEVADA JOBCONNECT, 4001 S. Virginia St., Suite G, Reno, NV; NEVADA JOBCONNECT, 1675 E. Prater Way, Suite 103, Sparks, NV; GRANT SAWYER OFFICE BUILDING, 555 E. Washington Ave., Las Vegas, NV; LEGISLATIVE BUILDING, 401 S. Carson St., Carson City, NV; NEVADAWORKS 6490 S. McCarran Blvd., Building A, Unit 1., Reno, NV; WORKFORCE CONNECTIONS, 6330 W. Charleston Blvd, Suite 150, Las Vegas, NV. This agenda was also posted on DETR’s Web site at www.nvdetr.org. In addition, the agenda was mailed or e-mailed to groups and individuals as requested.