STATE OF CALIFORNIA
ETP
EMPLOYMENT TRAINING PANEL

Training Proposal for:

The Neil Jones Food Company dba Tomatek, Inc.

Agreement Number: ET09-0576

Panel Meeting of: **May 11, 2009**

ETP Regional Office: **Sacramento** Analyst: K. Muraki

PROJECT PROFILE

Contract Type: Priority/Retrainee/HUA
Seasonal/SET/HUA

Industry Sector(s): Manufacturing

Counties Served: Fresno

Repeat Contractor: ☒ Yes ☐ No

Union(s): ☒ Yes
Teamsters District Council No. 2

Priority Industry: ☒ Yes ☐ No

No. Employees in CA: 850

No. Employees Worldwide: 1,450

Turnover Rate %	Manager/ Supervisor %
17.5%	15%

FUNDING DETAIL

Program Costs	Substantial Contribution	*Total ETP Funding
$1,000,458	$150,126	$850,332

In-Kind Contribution
$1,750,000

***See RECOMMENDATION**

TRAINING PLAN TABLE

Job No.	Job Description (by Contract Type)	Type of Training	Estimated No. of Trainees	Range of Hours		Estimated Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/Retrainee HUA	Computer Skills, Continuous Improvement, Hazardous Materials, Manufacturing Skills	150	24-200	0	$1,484	$13.00
				Weighted Avg: 97			
2	Seasonal SET/HUA	Computer Skills, Continuous Improvement, Hazardous Materials, Manufacturing Skills	423	24-200	0	$1,484	$13.00
				Weighted Avg: 97			

Minimum Wage by County: $13.00 in Fresno County

Health Benefits: ☒ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: ☒ Yes ☐ No

$3.00 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation	
Occupation Title	Wage Range
Job Number 1 - Permanent	
Machine Operator	
Forklift Operator	
Quality Control Operator	
Quality Control Technician	
Tagger	
Maintenance Equipment Operator	
Evaporation Operator	
Boiler Operator	
Administrative Staff	
Sanitation/Janitorial	
Job 2 - Seasonal	
Machine Operator	
Forklift Operator	
Quality Control Operator	
Quality Control Technician	

Tagger	
Maintenance Equipment Operator	
Evaporation Operator	
Boiler Operator	
Administrative Staff	
Sanitation/Janitorial	

INTRODUCTION

In this proposal, The Neil Jones Foods Company dba Tomatek, Inc. (NJFC) seeks funding for retraining as outlined below:

This proposal was presented to the Panel at its regularly-scheduled meeting on March 27, 2009, and again at a special meeting on April 20, 2009. Both times, the matter was held over due to the loss of a quorum. This is the only proposal being presented to the Panel at the special meeting on May 11, 2009. Comments on the proposal from both of the prior meetings will be considered by the Panel, and the pertinent portion of minutes from those prior meeting are hereby incorporated-by-reference.

Given the history of failed attempts to achieve a quorum in this matter, the Panel will be asked to consider a retroactive effective date for the ETP Agreement. Otherwise, this proposal is identical to the original. Staff continues to recommend approval.

Founded in 1915, NJFC began as a grower-owned tomato cannery in Hollister. Today NJFC is a leading producer of industrial tomato products, fruit juice concentrates, private label products, and canned and pouch packed food products. NJFC's California branch is Tomatek, Inc., which has two facilities located in Hollister and Firebaugh.

NJFC produces tomato products, fruit toppings, fruit concentrates, and custom sauce blends for Pizza Hut, Applebee's, and Subway. Other customers include the food service industry and warehouse distribution centers, etc.

This training project is supported by a collective bargaining unit – Teamsters District Council 2. The union represents both permanent and seasonal employees. (See letter of support)

NJFC has made a significant investment in both its employees and plant modernization. As a result, the company was able to hire additional staff and has been recognized by the Fresno Board of Supervisors as one of the top five companies in the Fresno County Enterprise Zone. The company has both annual and continuous training for all employees to upgrade their skills for new operational procedures and technology.

The company meets the Panel's out-of-state competition standards as an employer providing services to customers out-of-state. (Title 22, California Code of Regulations (CCR), Section 4416(d)(3).) The company is engaged in manufacturing (priority industry).

PROJECT DETAILS

Company representatives report that developing a skilled labor force is a constant struggle. In the past, NJFC has had difficulty attracting and retaining quality skilled employees primarily due to the lack of formal training. This being the case, the business could not grow and be competitive in the industry. In early 2008, NJFC participated in an ETP-funded project (see Active Projects) and achieved remarkable results.

With approximately 12 months remaining in its existing project, NJFC has exhausted all available training funds. Therefore, NJFC seeks additional funding to continue the momentum created in the initial ETP-funded project. This proposal will include more advanced training for previously-trained employees and will provide both baseline and advanced training for new employees.

The success of baseline training under the active ETP Agreement initiated one of the company's best seasons. Trainees have a better understanding of their job and job expectations. ETP funding provided the opportunity for NJFC and the union to collaborate, developing growth opportunities for employees based in part on training. The results of this collaboration include a negotiated pay increase for skilled positions; hiring additional workers; and improved productivity.

In 2008 the company modernized the plant in Firebaugh to produce higher yields from the plant and spent $3 million on advanced technology – specifically, process control enhancements that allow improved product yield and reduced energy consumption. This capital investment has improved operating efficiencies, improved yield, and increased output. However, the company must continue to upgrade employee skills through training to fully utilize the advantages of the new equipment. Baseline training was provided on some of the new technology, but additional training is essential to maximize this technology. Efficient use of the proposed manufacturing training will improve production.

ETP funding will enable NJFC to provide concentrated training from April 2009 through June 2009, prior to the season. Training last pre-season resulted in added production and quality improvement. This training plan will include more advanced training than the initial project and will include both seasonal and permanent staff. According to company representatives, the seasonal staff return rate is 95%. Training will focus primarily on frontline workers.

Computer Skills training will provide Administrative Staff and Taggers with skill set development in intermediate and advanced Microsoft Suite, Kronos Accounting/Payroll software, People Soft manufacturing supply chain software, and AS400 industrial specialized software. Taggers will build skills sets to utilize new software in inventory control, planning, and supply chain management, providing a more productive work environment while upgrading Administrative Staff's skills sets will establish a more streamlined front office, eliminate redundancy, and enable staff to develop enhanced business techniques.

Continuous Improvement Skills will be provided to all trainees. This training will allow workers understand and troubleshoot operational procedures, establish manufacturing formats, teambuilding, communication, and problem solving skills.

Hazardous Materials (HAZMAT) training will involve Sanitation/Janitorial workers to develop skills sets above and beyond OSHA-required HAZMAT training. New machinery requires upgraded HAZMAT waste removal techniques and procedures, chemical clean-up processes, and knowledge of containment and emergency procedures. NJFC is committed to keep its

workforce and the environment safe of HAZMAT contamination and this training is an integral part of that commitment.

Manufacturing Skills training will involve all manufacturing employees as well as Sanitation/Janitorial workers. Training will include new boiler processes and procedures, advanced machinery maintenance, quality control, forklift operations, and the opportunity to be train on Crayovac Machinery. Training will provide an opportunity to learn effective and cost-saving operational processes, participate in the quality control process, upgrade forklift processes, and streamline procedures. The expected outcome of the training will be an improved and more efficient workflow, maximizing all equipment usage. This training will build employee skill sets to enable NJFC to effectively utilize its $3 million equipment investment.

Commitment to Training

Currently, NJFC provides limited training to all permanent and seasonal workers on operational procedures and new technology. NJFC has a training budget of $250,000 for 2009 and will provide all required regulatory and safety training.

NJFC represents that ETP funds will not displace its existing financial commitment to training. The company anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area.

NJFC represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

Green Business Operations

NJFC utilizes equipment-related energy saving products; reduces production waste streams to improve environmental stewardship; and utilizes effective water conservation strategies to reduce impact to local water table and reduce embedded energy use. The company also collaborates with the local utility to integrate process improvements to effectively reduce greenhouse gas and energy use.

High Unemployment Area

The company is located in a High Unemployment Area (HUA). This is a region with unemployment exceeding the state average by at least 25%, using the unemployment rate set by the Labor Market Information Division of the Employment Development Department. Thus all trainees qualify for the ETP Minimum Wage rather than the statewide average hourly wage. However, NJFC is not asking for a wage modification under either Job Number.

Job 2 – Seasonal Worker– Retention

In Job Number 2 - Seasonal Workers, retention will be 500 hours within a 12 month period following completion of training with up to 3 employers in the crop production industry, pursuant to Panel guidelines and statute. (UI Code Section 10214.5(d)(3).)

Substantial Contribution

NJFC is a repeat contractor with payment earned in excess of $250,000 at the Firebaugh facility within the past five years. (See Active Projects table.) Accordingly, reimbursement for both Job

Numbers will be reduced by 15% to reflect the company's $150,126 Substantial Contribution to the cost of training.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal, including the retention waiver for Job Number 2 Seasonal Workers.

Note: Due to FY 2008-2009 budget constraints, the recommended amount of funding for this proposal will be reduced by 50% pursuant to a Motion by the Panel at its meeting on March 27, 2009. The ETP Agreement that results from this proposal may be amended by the Executive Director, in consultation with the Panel Chair, to restore funding to the recommended amount in FY 2009-2010.

ACTIVE PROJECTS

The following table summarizes performance by the company under an active ETP Agreement:

Agreement No.	Approved Amount	Term	No. Trainees (Average)	No. Completed Training	No. Retained
ET08-0439	$944,136	04/15/08–04/14/10	423	538	538

The current Agreement has 12 months remaining; however NJFC has already delivered and earned all available funds in the Agreement. (Projected earning $944,136)

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

24 – 200 Trainees may receive any of the following:

Computer Skills

- People Soft Training
- AS400 Training
- Kronos Training
- Microsoft Suite – Intermediate and Advanced

Continuous Improvement Skills

- Communication Skills
- Teambuilding
- Problem Solving

Hazardous Materials (exceeds OSHA standards)

- Intermediate and Advanced Hazardous Waste Removal Techniques and Procedures
- Intermediate and Advanced Chemical Clean-up Training
- Chemical/Hazardous Waste Containment and Emergency Procedures

Manufacturing Skills

- Machine Operational Procedures
- Manufacturing Formats
- Boiler Training and Review
- Advanced Machinery Maintenance Procedures
- Quality Control Processes and Procedures
- Forklift Operations and Processes

TEAMSTERS District Council No. 2

Affiliated Local Unions 388M, 747M, 28N, 541S, 543M, 625S

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February 4, 2009

Ms. Hortencia Gabriel, Human Resources Manager
The Neil Jones Food Company dba Toma-Tek, Inc.
2502 N. Street
Firebaugh, CA 93622

Dear Ms. Gabriel:

In reference to the Neil Jones Food Company dba Toma Tek, Inc., request for support of the Employment Training Panel Program, State Funded by the California Labor and Workforce Development, the Company wants to administer in their facility, Teamsters District Council 2, is in full support of such request.

Sincerely,

Daniel Cabada
Special Representative

DC:sc
ioea