



MEMORANDUM

To: Don Keil, Mayor
Seguin City Council

Cc: Douglas G. Faseler, City Manager

From: Joshua Schneuker, Director of Economic Development

Date: September 11, 2017

Re: SEDC Budget Amendment for Workforce Grant

The Sequin Economic Development Corporation (SEDC) staff has been working with our partners at the New Braunfels Industrial Development Corporation (NBIDC) and the Central Texas Technology Center (CTTC) to submit an application for the Texas Workforce Commission's (TWC) High Demand Job Training Program Grant. The intent of the High Demand Job Training Program is to support area Workforce Boards in collaborating with local EDCs that use their local economic development sales taxes for high demand job training.

Through discussions with industry representatives and Mr. Chester Jenke of the CTTC, a long-term need for machinists and CNC Operators has been identified within the New Braunfels and Seguin region. The need at times required local manufacturing firms to seek employees from out of the region, and in some instances, out-of-state. This niche for skilled machinists has been partially filled by students who are completing coursework from the partnering Independent School Districts (New Braunfels, Seguin, Comal, Navarro, and Marion), through the Alamo Academies program; yet these students lack the necessary basic CNC machining skills due to a lack of CNC training equipment.

In order to address this regional workforce need, the SEDC, NBIDC, and CTTC have determined that funding through the High Demand Job Training Program Grant could be leveraged to introduce CNC equipment into the region, which would be housed at the CTTC. Mr. Jenke worked with industry representatives to determine the machines that would best suit the needs for CNC training. The CNC Machining equipment identified will assist with filling a skills training gap that has existed for several years – the lack of equipment has thus contributed to the inability to close the skills gap within the region. The equipment to be purchased with the grant funding, pending final approval includes two CNC milling machines and two CNC turning lathes. The total cost for these machines and the funding requested through the High Demand Job Training Grant is \$130,086.00. The New Braunfels IDC and the Seguin EDC would leverage the match funding requirement for this grant (NBIDC \$32,521.50, Seguin EDC \$32,521.50).

On September 1, 2017, the SEDC approved two separate resolutions that authorized staff to execute an MOU for the grant application and approved a budget amendment that will allocate the matching funds for the grant. The SEDC will be transferring \$6,054 from the Workforce Development account and \$26,458 from the Professional Services account to the Incentive and Infrastructure Fund. Even with the requested transfer, the SEDC will remain within its current year estimates to finish off the fiscal year. Staff is recommending approval of the resolution to amend the FY 2017 SEDC Budget.