



## Executive Board Meeting Minutes

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Doris S. Mason  
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**Location:** Great Oak Manor

**Date and Time:** October 18, 2012 9:00 am -4 pm (1 hour lunch)

**Participants:** William w. Pickrum, Chair, Kent County Commissioner; Jim Mullin, Cecil County Commissioner; Diana Broomwell, 2<sup>nd</sup> Vice Chair (via conference call) Cecil County Commissioner; Doris Mason, Executive Director, USRC; Bernadette Bowman, Kent County Director of Tourism and Economic Development; Mindie Burgoyne, Maryland DBED Regional Representative; Barbara Siegert, Senator Pipkin's Office Manager; Jean Fabi, Queen Anne's County Economic Development; Loretta Lodge, Executive Director of Kent County Chambers of Commerce, Lotte Bowie, Loblolly, LLC.

### Time

**9:00 am** Welcome and introduction of Dr. David Kolzow/ guest speaker and meeting facilitator

Dr. Kolzow conducted a power point presentation on strategic planning. He informed the group of key priorities that lead to a more realistic approach to developing an effective action plan. In order to create an action plan, issues must be indentified, which is critical for developing a plan. Issues should be addressed as problems, concerns, needs or opportunities that warrant a solution. He used the example, "education of itself is not a problem but the percentage of high school graduates that are illiterate and lack basic skills is a problem". He invited the group to talk, discuss, brainstorm and collaboratively prioritize the needs of the region.

The discussion/presentation was entitled "The Changing Dynamics of Economic Development in the Upper Shore of Maryland". He quoted Wikipedia's definition of "Economic Development," which refers to the sustained, concerted actions of policymakers and communities that promote the standard of living and economic health of specific area.

**Economic Prosperity** – Dr. Kolzow informed the group that in order for a region to be prosperous, it must diversify into a balanced economy. Traditional economic sectors, such as manufacturing, are not likely to sustain growth. A region must increase employment in those businesses and industries that are growing and paying higher wages. Finally in order to sustain economic prosperity it requires collaborative efforts on the part of region's stakeholders to aggressively invest in the right direction.

# UPPER SHORE REGIONAL COUNCIL

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**The Global Economy** Dr. Kolzow pointed out that many US manufacturing jobs and service jobs are moving overseas, due to less expensive locations, a new and growing market and accessing new talent pools. It is often easier to raise cheap funding/capital offshore than in the US. He noted that American corporate taxes are among the highest in the industrialized world. However, manufactures and back offices are beginning to move operations back to US to save on time, cost of transport and quality control. **Most new manufacturing jobs in the US are from foreign investment in areas such as automotive, chemical, pharmaceutical, and electronics.** Those jobs (created by foreign capital) tend to pay generally 30% higher wages.

**Industrial Transformation** Dr. Kolzow informed the group that labor costs are becoming a much smaller percentage of the overall cost of most products. **Studies predict that by 2015 only 4 to 8% of all jobs in the US will be in manufacturing.** Manufacturing is relying more on IT/technologies, machinery and equipment (capital investment) and less on labor. Workforce skills in the manufacturing sector need to be much focused on computer-related and technological skills than in the past.

**The New Economy** Dr. Kolzow explains the “new economy” consists of businesses which are integrating their entire operations to Internet-based platforms. Innovation is leading to highly customized information, services and products. In this information age, we have a skilled labor force that is highly mobile. Also growth areas are those with a concentration on “knowledge workers” and the ability to attract and retain these workers.

**Service Economy** Over 95% of all new jobs over the next 10 years will be **service jobs**, according to Dr. Kolzow. Jobs such as computer systems software development, health care, technical consulting services, employment services, and professional and business services are in growth modes.. Trends show that the services sector was the fastest-growing industry from 2000 – 2010 (as reported from the US Bureau of Labor Statistics). Many former manufacturing jobs are now service jobs and 81% of US jobs provide services rather than produce goods.

**Retooling the Workforce** The US Census Bureau reported in 2005 that there is a significant difference in yearly salaries based on the level of education. Dr. Kolzow states that although a 4 year college education does not guarantee a quality job in today's economy, there is an increased wage gap between a college-educated worker and those without a college education.

**Knowledge Economy** Dr. Kolzow stated that companies are more likely to focus on locating and re-locating their businesses in regions where there are is a skilled workforce which is constantly being fed by graduating students (who are tooled and skilled). Companies are focusing on areas strong in those traits which directly impact the “quality of life,” such as affordable housing, a workforce w/strong basic skills and education, the presence of colleges and universities, good medical and health care services, and a low crime rates. Quality of life is important for recruiting and retaining technicians and professionals leading to a variety of retail and customer services, lodging and restaurants, and attractive environment, and a range of cultural and recreation opportunities.

## Time

**12:00pm – 1:00pm—Lunch Break**

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## Determining Regional Development Priorities -

The group participated in an exercise in which they were asked to list five of the most important issues currently facing the economy and its' impact on the "quality of life" in the Upper Shore. Dr. Kolzow suggested that setting 3 to 5 key priorities leads to a more realistic and "implementable" approach to developing an effective action plan. He gave samples from some of those priorities discussed, such as:

- Create a stronger level of cooperation and collaboration among government entities and development organizations in the region.
- Expand availability of high speed broadband telecommunications
- Grow household income based on attraction of higher wage- jobs
- Expand of hospital and medical facilities and services, including Telemedicine

The discussion continued with USRC priorities and techniques for addressing those priorities, as part of the strategic plan. After lengthy discussions and interactions, Dr. Kolzow gave a summary of the meeting and advice for the USRC on strategic leadership and how to move forward into the future.

### **Time**

**4:00 pm** The meeting was adjourned.