THE CITY OF SAN DIEGO

SMALL BUSINESS ADVISORY BOARD
MEETING MINUTES

May 23, 2007
8:45 a.m.

Civic Center Plaza
1200 Third Avenue, Ninth Floor Large Conference Room
San Diego, CA 92101

BOARD MEMBERS PRESENT	BOARD MEMBERS ABSENT
Auday Arabo	Faith Bautista
Kurt Chilcott	Scott Cummins
Ruben Garcia	Chi Tran
Warren Simon	
Richard Sims	
Spencer Skeen	

CITY STAFF
Steve Bal, Office of Small Business
Meredith Dibden Brown, Office of Small Business
Ron Halbritter, Development Services Department

OTHERS PRESENT
Ralph Achenbach, International Rescue Center
Edward Barbat, Law Offices of Edward F. Barbat
Gunnar Schalin, San Diego Contracting Opportunities Center
Darren Solomon, Pacific Community Ventures

Introduction

- Chair Mr. Richard Sims called the meeting to order at 9:05 a.m. A quorum was present.

Approval of Minutes

- The minutes of April 3, 2007 were voted upon and unanimously approved.

Public Comment

- Mr. Ralph Achenbach of the International Rescue Committee (IRC) commented that their organization has programs designed to assist refugees. One of them is a micro-enterprise development program for refugees interested in starting their own business. A small business directory has recently been compiled, consisting of approximately 150 refugee-owned small businesses. They are looking for corporate support to underwrite the cost. Also, the IRC is applying for a Federal grant to continue the micro-enterprise development program for another 5 years. As part of the grant application, they are allowed to submit letters of support. He asked the Board to consider submitting a letter in support of the IRC's grant application. **After some discussion, Mr. Kurt Chilcott motioned for the SBAB to draft a letter, supporting the IRC's grant application. The motion was voted upon and unanimously approved.** For further information on the IRC, please visit their website http://www.theirc.org/.

- Mr. Darren Solomon of Pacific Community Ventures (PCV) reported that PCV is a 501(c)3 nonprofit organization that originally started 8 years ago in the San Francisco Bay area, but now has offices located in Central California, Los Angeles, and San Diego. They develop and invest in businesses providing economic gains to low/moderate income communities. They also help companies in traditionally overlooked areas to gain access to capital, business advice, and critical business resources that will accelerate company growth. The Business Advisory Program uses experienced business professionals whom volunteer their time to provide business advice to small business owners on strategic issues. Also, PCV manages PCV Investment Partners I and II, Limited Liability Corporations, from which it makes equity investments in select businesses. In all of its investments, PCV seeks double bottom line returns, meaning both financial return (measured in terms of IRR) and non-financial return (measured primarily in terms of the number and quality and jobs provided to low/moderate income individuals). For further information on PCV, please visit their website http://www.pacificcommunityventures.org/.

Economic Development Division (EDD) Report: Meredith Dibden Brown, EDD/Office of Small Business

- Both EDD and the Redevelopment Agency have moved into the 14th floor (Suite 1400) of the Civic Center Plaza Building, located at 1200 Third Avenue. The Department has also been reorganized a bit, with Community Services Division (exception of Disability Services) merged with EDD and will be known as EDD.

- Mr. Rob Barnes, Manager of the Storefront Improvement Program has left, so Ms. Alissa Gabriel of EDD has taken over the position. This leaves no one doing the contracting directly.

- Fiscal Year 2007 agreements are trickling through the contract approval process. There are agencies that are unable to meet the insurance requirements for a variety of issues and those agreements are being delayed.

- A meeting is being held today with representatives from Risk Management and the City Attorney's Office on how to resolve the matter of agencies that are unable to meet the City's insurance requirements. Mr. Sims requested that EDD staff ask the representative from the City Attorney's Office about their response to the Board's letter, dated February 27, 2007 pertaining to the issue of the Economic Development and Tourism Support (ED&TS) contract process. Mr. Sims requested that staff provide a report about the meeting at the June 27 SBAB meeting.

- There was discussion on the issue of the ED&TS process not being adhered to this year, due to several factors: 1.) The appeals meeting was cancelled, due to the lack of a quorum. 2.) The April SBAB meeting for Board members to vote on the recommendations was cancelled, and 3). The ED&TS panel's funding recommendations had to meet the closing docket date of April 25.

- Mr. Sims stated that it is important to have a process and that the current process is broken. If an agency has been awarded funds and is unable to get their insurance together, then the funds should be retracted. There should be a cut-off date. He suggested having the agency provide their insurance upfront. Ms. Brown responded that they do not request insurance upfront, because of the cost associated with it.

- Mr. Warren Simon stated that the issue is with the new requirement for auto insurance. They have no problem getting it, but insurance brokerage companies have to go back to their headquarters to obtain it, since they can't be issued locally.

- Mr. Sims recommended that the agencies be educated on the requirements, adding that the Risk Management Department could go out into the community and train the agencies on the City's insurance requirements. Ms. Brown replied that EDD staff is attempting to obtain better information and is also sending out samples to the agencies. Sometimes the process is more political and not as straight forward as it should be.

- Board members requested that EDD staff (Mr. Luis Ojeda) provide a report at the June 27 meeting on the status of this year's ED&TS process, including the funding recommendations.

- Mr. Sims brought up the issue of building a report for the Mayor and City Council for this year. Ms. Brown commented that they have their Public Information Officer Eric Symons and interns that assist him on projects. Mr. Symons has been dealing with numerous Public Information Act requests and other high profile projects, which have timelines for being met. Mr. Chilcott commented that there should be a discussion about staff resources and suggested inviting EDD Deputy Director Mr. Scott Kessler to address the Board on the issue.

Development Services Department (DSD) Report: Ron Halbritter, DSD

- Stated that both Mr. Sam Oates of the Fire Department and Ms. Sherri Carr of Neighborhood Code Compliance are both retiring from the City.

Board Committee Reports

- Mr. Simon reported that the second reading/Council adoption of the Large Retail Ordinance and Prohibition of Superstore Ordinance is scheduled for June 4, 2007. On November 28, 2006, the City Council introduced the ordinances related to the review and approval of large retail establishments, and the prohibition of superstores (Report to Council 06-149).

- The Small Business Code Team has not met in several months. It was commented that Development Services Department (DSD) is going through Business Process Reengineering

(BPR) and other issues. Mr. Simon will send an email to Mr. Kelly Broughton of DSD to find out about the status of the Small Business Code Team and the issues that they were working on.

Business Improvement District (BID) Council Report: Warren Simon, Hillcrest Association

- The City Care Benefits Trust has selected McGregor Van De Moere, Inc. to take over as the Third Party Administrator effective August 1, 2007. They are also in the process of renewing, so they need to ascertain if the current carrier wants to stay on or if they need to find another carrier. After some discussion on the issue of health care, Mr. Sims stated that he would like the Board to have the issue of health care insurance as a future agenda item.

- The Small Business Awards Luncheon will be held on June 28 at the San Diego Marriott Hotel and Marina. The annual event is presented by the U.S. Small Business Administration (SBA) in conjunction with the San Diego Regional Chamber of Commerce.

Follow-Up on the Annual Community Outreach Meeting: Richard Sims, SBAB

- Thanked everyone for coming to the Annual Community Outreach Meeting.

- Had a conversation with Ms. Camille Sobrian of CONNECT about the meeting. He also spoke with Mr. Michael Nagy of the San Diego Regional Chamber of Commerce. Mr. Nagy has invited Mr. Sims to set up a time to meet with the new Chamber President Mr. Ruben Barrales. Mr. Sims stated that the Chamber is involved in many small business impact issues, so it may behoove the Board to be more collaborative with them. Mr. Sims noted that he attends the Chamber's Small Business Advocacy Committee meetings on the second Friday of each month at 7:30 a.m.

Board Terms and New Members: Richard Sims, SBAB

- Members received a letter from Mayor Sander's Office notifying them that their terms have expired. The Mayor is asking members to remain serving on the board, since no appointments are currently being made. This does not apply to those with designated seats on the Board, i.e. the SBA (Dr. Ruben Garcia) and the BID Council (Mr. Simon). Ms. Brown noted that both the SBAB and the Science and Technology Commission are being kept, while some boards are being eliminated or consolidated.

Announcement(s)

- Dr. Garcia announced that Mr. George Chandler, former San Diego District Director of the SBA Mr. George Chandler and himself will be hosting a series of four one (1) hour segments on Entrepreneur Magazine Radio. The program is about the Small Business Awards Luncheon.

- Dr. Garcia added that he has created the George P. Chandler, Jr. Award to honor Mr. Chandler's contributions to the small business community. Mr. Chandler will be present at the event to present the award to SCORE.

- Dr. Garcia noted that the cities of Chula Vista and National City are looking at establishing their own Small Business Advisory Boards and using the City of San Diego's SBAB as their model.

Meeting Adjournment

- The meeting was adjourned at 10:10 a.m.