



THE CITY OF SAN DIEGO

**SMALL BUSINESS ADVISORY BOARD
MEETING MINUTES**

November 28, 2007
8:45 a.m.

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

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

CITY STAFF
Steve Bal, Office of Small Business Karen Campos, Purchasing and Contracting Department Anna Danegger, Business Office Meredith Dibden Brown, Office of Small Business Alissa Gabriel, Office of Small Business Ron Halbritter, Development Services Department Herb Lemmons, Mentor-Protégé Program Alicia Martinez-Higgs, Office of Small Business Mark Patzman, Business Office Luz Ramirez, Office of Small Business

OTHERS PRESENT
Ken Clark, Small Business Development and International Trade Center Gunnar Schalin, San Diego Contracting Opportunities Center

Introduction

- Chair Mr. Richard Sims called the meeting to order at 8:55 a.m. A quorum was present.

Approval of Minutes

- The minutes of September 26, 2007 were voted upon and unanimously approved.

Public Comment

- Mr. Gunnar Schalin of the San Diego Contracting Opportunities Center (SDCOC) provided a status report on the Mentor-Protégé (MP) Program. They have an open enrollment process for protégés similar to last year. They hope to begin interviewing new protégé candidates within the next couple of months. Currently, there are four (4) MP teams. There has been discussion amongst the MP Advisory Board to expand the Program to include more protégés and to include other industries, in addition to the construction industry.
- Mr. Herb Lemmons of the MP Program added that they are looking to expand to consultants and vendors. One of the reasons for the possible expansion is that the MP Program is a small program, but it is a hands-on program that has proven to be successful. They would like to expand the number of MP teams to ten (10) or fifteen (15). Their hope is to graduate protégés much sooner. The mentor firms currently come from Associated General Contractors (AGC) and they are paired with a protégé firm. The process begins slowly, since the mentor and protégé need to build a relationship. The mentor firm requests a lot of financial information from the protégé firm. It is imperative to get a handle on the protégé's finances quickly, because if they don't know where the firm stands financially, it could lead to problems. The MP firm will pay for an audit if the protégé firm hasn't had one. The MP Advisory Board feels that they can improve by bringing more teams on and expanding into other sectors. Mr. Lemmons stated that they will accept any assistance in bringing on more mentors and protégés. The goal of the MP Program is to provide smaller and emerging companies an opportunity to learn how to become a successful contractor. Proteges are provided with the tools they need to succeed, such as formulating a business plan, purchasing and accounting, financial management, bonding, estimating, insurance, and productivity. Mr. Schalin added that they want the protégé firms to be able to do prime business with the City of San Diego and other government agencies, including the Federal government.
- Mr. Sims asked Mr. Schalin and Mr. Lemmons where they are in the process to get outcomes in terms of the MP Program's original goals and how can the SBAB support the process. Mr. Schalin responded that they would like the SBAB's input for expansion into other areas or if they want to change the focus from doing business with the City, adding that there will be differences in the MP Program if it is expanded into other sectors or if the focus were to be changed. Mr. Schalin expressed that in his opinion, since San Diego is a driver for the region, the MP Program should remain as a regional public works contracting program.

Subcommittee Reports

- Mr. Warren Simon spoke with Mr. Ron Halbritter of the Development Services Department (DSD) on restarting the meetings with staff from DSD and members from the SBAB's Internal Committee to continue discussion on codes that were identified for revision. Mr. Halbritter stated that those meetings will start anew, now that there is stability in DSD, with the appointment of Mr. Kelly Broughton as the new Department Director.

- Mr. Sims commented on the proposed fee increases in DSD and expressed that DSD should become more efficient before any fees are increased. For more detailed information on the fee issue, please see the minutes from the meeting of September 26, 2007.
- Mr. Spencer Skeen commented that the Small Business Code Team has identified codes that can be changed, which will directly and immediately impact small businesses. Working on organizational changes which may take additional time to complete.
- Mr. Sims responded that by decreasing the cost of regulatory requirements, the cost of service for projects that those requirements impact increases proportionately, which results in a decrease in revenues. Mr. Halbritter stated that the City is a non-profit organization and is only seeking cost recovery for services provided. Mr. Skeen commented that he isn't convinced that the Conditional Use Permit is a revenue maker, although it is red tape and takes away human hours.
- **Mr. Skeen motioned for the SBAB to request a meeting with Mr. Broughton and the SBAB's Internal Committee to follow up on the proposed code revisions that have already been under discussion. The motion was voted upon and unanimously approved. Mr. Simon will handle the meeting coordination.**
- There was discussion on the small business roundtable. The SBAB would take the leadership role. Mr. Kurt Chilcott suggested that San Diego area has a strong history of collaboration among small business organizations. He suggested that something could be done on a periodic basis, which provides an assessment of small business and the top issues that are facing them. Ms. Chi Tran commented that as they are soliciting the comments on emerging issues and needs, they can also ask the small business organizations for solutions to the problems.
- Office of Small Business (OSB) staff will coordinate an External Committee meeting to discuss plans for the roundtable, prior to the next SBAB meeting in January 2008. Staff requests that Board members submit their contact list of small business organizations to them. For more information on the small business roundtable, please see the minutes from the meeting of September 26, 2007.

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

- As previously mentioned, Mr. Kelly Broughton was appointed as the new Department Director of DSD. Mr. Bob Vacchi was appointed as the new Deputy Director of Neighborhood Code Compliance.
- **Mr. Skeen motioned for the SBAB to send a congratulatory letter to Mr. Broughton, on his recent appointment as Department Director of DSD. The motion was voted upon and unanimously approved. Staff will prepare the letter for Mr. Sims review and signature.**

Office of Small Business (OSB) Report: Meredith Dibden Brown, OSB

- Introduced Ms. Luz Ramirez as a new staff person in OSB, who will be responsible for business assistance inquiries, business outreach, and reimbursements.
- A two (2) page status report of all the agreements in OSB was distributed. The FY 2007 agreements have been fully executed. The FY 2008 agreements are moving along in the process.
- Provided an overview of the SBEP FY 2008 budget allocations. Please see the sheet that was distributed at the meeting.

Storefront Improvement Program Update: Alissa Gabriel, Office of Small Business, OSB

- Ms. Gabriel introduced herself as the Manager of the Storefront Improvement Program (SIP). She provided an overview of the SIP, including a summary of Council Policy 900-17 and the parameters of the Program. The Program has been in existence for approximately 20 years.
- Ms. Gabriel is working on a new architectural agreement with the Purchasing and Contracting Department. She hopes to be entering into new contractual agreements with four (4) architects in the next couple of months.
- Nine (9) projects have been completed since May 2007 totaling over \$55,000 in SIP rebates.
- She was able to have the Risk Management Department reduce the insurance requirements, which should enable more projects to go through the SIP process.
- Ms. Gabriel hopes to eliminate the entire contract process and replace it with a comprehensive application process, which will be more logical for the business owner.
- The Program is open to all small business owners (defined as having 12 employees or fewer) in any commercial corridor within the City of San Diego.
- The proposed changes to the SIP will require a revision of Council Policy 900-17. If Board members have any other suggestions for the Program, they should contact Ms. Gabriel, so that the changes can all be incorporated at the same time.
- For more information on the report, please see the report that was distributed. Please visit http://docs.sandiego.gov/councilpolicies/cpd_900-17.pdf for further information on the report.
- A summary of the proposed changes to the SIP and the current Council Policy 900-17 will be provided to Board members, so that the item can be placed on a future agenda.

Managed Competition Program – Anna Danegger and Mark Patzman, Business Office

- Ms. Danegger introduced herself as the Director of the Business Office in the City of San Diego. Their Office is responsible for the Managed Competition Program. A detailed briefing on the Program was provided to City Council at their meeting on September 10, 2007.
- Ms. Danegger provided an overview of the Managed Competition process, adding that they currently are about to enter into pre-competition assessments.
- Mr. Sims stated that the Board's specific interest is what opportunities are available for small businesses to participate. He also asked if there are any activities, programs or structures designed to increase the ability for small businesses to compete for those opportunities. Ms. Danegger responded that they will be working with the Equal Opportunity Contracting Program, to ensure that the small business community will have opportunities to participate.
- Mr. Sims stated that the Board is available for them to use as a resource. He added that when the City is establishing criterion for outsourcing, they need to look for other ways of determining eligibility and qualification, other than relying on whether a firm has done similar work before.
- Please visit the following link <http://www.sandiego.gov/mayor/pdf/mcbrief070907.pdf> which provides general information on the Managed Competition Program.

Meeting Adjournment

- The meeting was adjourned at 10:30 a.m.