



THE CITY OF SAN DIEGO

**SMALL BUSINESS ADVISORY BOARD
MEETING MINUTES**

January 28, 2009
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 |
|---|---|
| Edward Barbat Kurt Chilcott Scott Cummins Dr. Ruben Garcia Michelle Gray Warren Simon Tom Woolway | Faith Bautista Spencer Skeen Chi Tran |

| CITY STAFF |
|---|
| Steve Bal, Office of Small Business Meredith Dibden Brown, Office of Small Business Karen Bucey, Development Services Department Alicia Martinez-Higgs, Office of Small Business Suzanne Prevost, Office of Small Business Hildred Pepper, Director of Purchasing and Contracting Luis Ojeda, Office of Small Business Beth Murray, Deputy Director, Economic Development Carl DeMaio, Councilmember – District 5 |

| OTHERS PRESENT |
|--|
| Joseph Kinard, Diamond CDC Gunnar Schalin, San Diego Contracting Opportunities Center Alex Galicia, BPI Plumbing |

1. Call to Order

- The meeting was called to order at 8:50 a.m. A quorum was present.

2. Approval of Minutes

- The minutes of December 10, 2008 were voted upon and unanimously approved.

3. Public Comment

- Gunnar Schalin of San Diego Contracting Opportunities Center (SDCOC) commented:
 - Harvester Whiley will be graduating from the City's Mentor-Protégé Program at the AGC Awards.
 - The SDCOC recently distributed a quarterly report which included specific City outcomes pertaining to the City (SBEP) funding provided through the SBAB.
 - The Annual Report should be completed within a couple weeks for submission and will show that over \$108M in contract awards were reported by the small businesses and that awards were attributed to the assistance provided by the SDCOC. The Annual Report will also include specific City outcomes for the small businesses benefiting from the program.

4. Administrative Items

a. None

b. None

c. None

d. Subcommittee Reports

- There was some discussion on the functions of the Internal and External subcommittees. Meetings of the subcommittees need to comply with the Brown Act. Board members volunteered or were assigned as follows:
 - Internal: Edward Barbat, Scott Cummins, Warren Simon, Spencer Skeen, and Tom Woolway.
 - External: Michelle Gray, Faith Bautista, Kurt Chilcott, Dr. Ruben Garcia and Chi Tran.

e. (1) Economic Development Division/Office of Small Business

- Meredith Dibden Brown provided the report.
 - Steve Bal has been promoted to Contract Administrator for the Community Development Block Grant (CDBG) Program.
 - Suzanne Prevost will be taking over some of Steve Bal's duties including administrative support to the SBAB.

- OSB is working to fill Steve Bal's vacancy and in the short term Alicia Martinez-Higgs will be assisting Luis Ojeda with ED&TS and MAD contracts.
 - All OSB staff supports one another to make sure that things continue to move along and reimbursements are getting processed.
 - Introduced Beth Murray, as the new Deputy Director of Economic Development.
 - Distributed a one page overview of the "Office of Small Business" and then pages from the FY2009 Budget pertaining to City Planning & Community Investment, including performance measures that were decided upon for OSB. For the year to date, OSB is on track to meet the targets for these performance measures.
 - Two of the Economic Development Division work units, Business Expansion Attraction and Retention (BEAR) and Enterprise Zones and Incentives, are now part of the Mayor's Office as Economic Growth Services and located at the City Administration Building. Phone numbers are unchanged and staff should still be called for any concerns within their programs.
 - For other assistance please contact OSB and staff can direct as appropriate.
- Dr. Ruben Garcia requested an Organizational Chart for Economic Development. Warren Simon also stated that an Org Chart would be helpful in assisting the BID's.
 - Michelle Gray, referring to the Office of Small Business handout, asked if the Federal funding for the regional, multi-faceted "One Stop" Business Resource Center is that through the Department of Commerce. Meredith said that at this time she thought it was an earmark in an Appropriation Bill. No formal documentation has been received as to when the \$100K would be available.

e. (2) Development Services Department (DSD)

- Karen Bucey provided the report.
 - Karen has taken over for Ron Halbriter, who is now enjoying his retirement.
 - Her role is to assist small businesses, as needed, on issues related to tenant improvements, special permits or zoning.
 - DSD had scheduled the Fee Study which will directly impact small business when they want to do small improvement to their businesses in the form of tenant improvements. The Fee Study was scheduled to come before Council, along with all the other fees, in January and has been pushed back. She is looking into when it will come before Council but will occur this fiscal year to be included in the next fiscal year budget. Commented that this will be a great concern to small businesses.

| |
|--|
| <p>5. Purchasing and Contracting Presentation: Hildred Pepper, Director of Purchasing and Contracting</p> |
|--|

- Distributed, as an overview, City of San Diego, Purchasing and Contracting Departments' "Key Points to Remember" highlighting Departmental Goals, and spoke in detail regarding the Public Bidding Process-General, Public Bidding Process-Standards, Public Bidding Process-Types of Solicitations and Points to Remember.

- During the question and answer period, there was discussion regarding Procurement Managers, Supplier Diversity, Procurement Services and tracking small business contracts and unbundling of the large bid contracts into smaller bid packages.

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

- Stated that the next monthly BID meeting is tomorrow, January 29th.
- A job search for a new Executive Director will be conducted during the month of February.

7. Small Business Tax and Regulatory Relief for Small Businesses: Councilmember Carl DeMaio, District 5

- Council Member DeMaio thanked the Small Business Advisory Board for the opportunity to talk to them about his Small Business Tax and Regulatory Relief Proposal. He is looking to the SBAB for their input and support for expanding the dialog on how the City of San Diego can be a better business partner and facilitate the growth of our small businesses in San Diego. He thanked the SBAB members for their volunteer service.
 - Distributed copies of the January 12, 2009 News Release, and Memorandum to the Mayor and City Council referencing “Small Business Tax and Regulatory Relief Proposals”
 - Presentation on “Small Business Tax and Regulatory Relief Proposal” includes:
 - Tax Relief
 - Compliance Education and Outreach
 - Public-Private Partnerships and
 - Regulatory Relief
 - He is looking for support from the SBAB for the concept of exploring tax relief in this program by April 15, 2009. He stated the Program may be for just this year and may not be permanent. A change in the Municipal Code may be required to exempt some individuals, who are small business sole proprietors, for a short period of time. He would like the SBAB to hold the City Council accountable for acting on this problem.
- Discussion took place between the SBAB members Warren Simon, Kurt Chilcott, Michelle Gray and Councilmember DeMaio. Kurt Chilcott noted that the business taxes imposed by the City are already very low.

- Councilmember DeMaio asked for a resolution of support from the SBAB on certain elements of his proposal, to support the idea or that we should come to a resolution by April 15th. He also commented that he served on the White House Reform committee. In looking at Small Business, Veteran, and Minority contracting he learned that small business participation will increase if the process includes working with larger contractors on small business outreach and sourcing plans and giving them credit in the bidding process. The City should think about such as process. A large firm offers mentorship to a small business and builds a relationship and in turn, outside of the government funding, the large contractor turns to the small business for a private sector contract, because the relationship has been established.
- There was discussion about formulating a direction regarding Councilmember Carl DeMaio’s request for support on the “Small Business Tax and Regulatory Relief Proposal”. This item will be placed on the Agenda for the next meeting.
- A general discussion ensued regarding letters sent to business owners as to the criteria that established who would receive such notice. Meredith stated that the information is provided by the California Franchise Tax Board (FTB) based on those individuals or organizations which filed a business return with the FTB. The City uses the FTB data list to notify businesses who may be required to register with the Office of the City Treasurer’s Business Tax Program.
- **Motion: For the Board to work on a proposal to support Councilmember DeMaio’s program and have the Internal subcommittee and the Board look into specific recommendations and bring them back for consideration.**

Warren Simon motioned and Board Members voted unanimously to approve.

8. Next Meeting Date

The next meeting will be held on February 25, 2009.

9. Meeting Adjournment

- The meeting was adjourned at 10:16 a.m.