

**OFFICE OF THE CITY COUNCIL**

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**JACKSONVILLE SMALL & EMERGING BUSINESS SPECIAL COMMITTEE**

**Hybrid Virtual/In-Person Meeting Minutes**

 **January 22, 2021**

**4:30 p.m.**

**Location:** Hybrid Virtual/In Person Meeting

**In attendance:** Council Members Ju’Coby Pittman (Chair), Terrance Freeman, Garrett Dennis (arr. 5:04 p.m.)

**Also**: Jeff Clements and Yvonne Mitchell – Council Research Division; Lawsikia Hodges and Julie Davis – Office of General Counsel; Steve Cassada, Eric Grantham and Melanie Wilkes – Council Staff Services; Dinah Mason – Procurement Division; Trista Carraher – Council Auditor’s Office; Tom Daly – Housing and Community Development Division; Angie Dixon – Finance and Administration Department

**Meeting Convened**: 4:35 p.m.

Call to Order / Remarks from the Chair – Chairwoman Pittman convened the meeting and the attending Council Members introduced themselves for the record.

In response to a question from Council Member Freeman, Chairwoman Pittman said her anticipation is that after the Procurement staff presentation today, the committee could take a final vote on the recommendations and complete its work given the discussion at previous meetings. Deputy General Counsel Lawsikia Hodges said that she would recommend an additional meeting at which she can present a complete legislative proposal for review and approval by the committee in sufficient time for a bill to be filed at the second council meeting in February.

Presentation by Dinah Mason – Procurement Division

Ms. Mason made a PowerPoint presentation on Part 6B of the JSEB Section of the Ordinance Code. Recommended changes to the section include:

* 126.607(b) - substitute the JSEB administrator for the Director of Administration and Finance.
* 126.608 – have an established business headquartered for a minimum of 3 years (not the current 12 months) in Jacksonville (program not intended for start-up companies); reduce the personal net worth standard from $1,325,000 to $1,320,000 to align with Small Business Administration standard for small business.

Council Member Freeman asked why the policy was created to include a spouse’s net worth in the qualification for being a certified JSEB. Ms. Mason said she had been told that it had to do with spousal property rights under Florida law. She has researched other jurisdictions and found that some do and some do not consider spousal assets in their certification – it’s a policy decision for the Council to make. Mr. Freeman said he needs to know why this policy was enacted and what situation it was intended to address. Julie Davis of the Office of General Counsel said she would research the issue. Steven Davis said that the previous net worth figure was $605,000 in 2017 when the Code was amended to increase it to $1,325,000. Mr. Freeman recommended reducing the figure back to the previous $605,000 with some form of “grandfathering” or transition process for companies that would be immediately affected. Lawsikia Hodges cautioned that that reduction might eliminate a substantial number of companies from JSEB eligibility whose net worth is between $605,000 and $1.325 million. Council Member Dennis said that reducing the cap makes it more likely that smaller businesses can get City contracts because they are not competing against companies twice their size. Ms. Mason said that reducing the cap reduces the number of companies available to compete for contracts and reduces the chance that companies can grow into prime contractors because they will likely be obtaining smaller contracts. Ms. Mason suggested that spousal assets could only be considered if the spouse is a part-owner of the business, and excluded if the spouse is not involved in the business.

Council Member Dennis questioned the recommendation to change from a business being in existence for 1 year to 3 years in order to qualify for JSEB status. He also suggested the possibility of an annual rather than a bi-annual recertification.

* 126.609 – change Department Director to JSEB Administrator regarding power to adjust annual gross receipts.

Council Member Freeman asked about the possibility of implementing a system of reporting JSEB opportunities and contracts to the City Council. Ms. Mason said that could initially be done via an annual report after budget year-end close out, and then perhaps quarterly or monthly thereafter. She offered to have research done on last year’s contracting to provide basic information to the Council in advance of the upcoming budget review process. Chairwoman Pittman asked about the process of and responsibility for breaking large contracts into small units, which she sees as vital to encouraging JSEB participation.

* 126.610 – change Department Director to JSEB Administrator regarding award of direct contracts.
* 126.611 – add provision that Joint Ventures must be legally formed and a copy of the joint venture documents must be provided to the EBO; change Director to JSEB Administrator; add language requiring the contractor to provide a Scope of Work to the JSEB vendor for specific work to be completed and the JSEB must provide a proposal for the work along with their pricing, which must be turned in with the bid documents.

Council Member Freeman asked that some prime contractors be invited to appear at the next meeting or submit comments in writing to give their thoughts on the issue of relations between JSEBs and prime contractors. Deborah Thompson said that requirements for minimum numbers of years of previous contracting and insurance requirements can be barriers for JSEBs to participating in contracting opportunities. In her experience, some prime contractors resent being told that they must use JSEBs as a condition of getting contracts and therefore have a negative attitude about the program.

Public Comment

Stanley Scott said the he agrees with the comments made earlier by Council Member Freeman and Deborah Thompson.

Future meetings

The next 3 committee meetings will be scheduled for 3 hours each – January 29, February 5 and 12.

**Meeting adjourned:** 6:03 p.m.

Minutes: Jeff Clements - Council Research Division

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