

**OFFICE OF THE CITY COUNCIL**

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JACKSONVILLE, FLORIDA 32202

904-255-5200

**JACKSONVILLE SMALL & EMERGING BUSINESS SPECIAL COMMITTEE**

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

 **February 12, 2021**

**9:00 a.m.**

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

**In attendance:** Council Members Ju’Coby Pittman (Chair), Terrance Freeman, Garrett Dennis

**Also**: Anthony Baltiero and Yvonne Mitchell – Council Research Division; Lawsikia Hodges – Office of General Counsel; Steve Cassada, Eric Grantham, and Melanie Wilkes – Council Staff Services

**Meeting Convened**: 9:00 a.m.

Call to Order / Remarks from the Chair – Chair Pittman convened the meeting and introduced the attending Council Members. The Chair asked Dinah Mason, JSEB Administrator, and Greg Pease, Chief of Procurement, to provide a brief overview of where the Special Committee is “landing” and input on the recent discussions that were had regarded the proposed Code changes and legislation. The Chair asked that Lawsikia Hodges, Office of General Counsel, to provide an overview of the proposed legislation that will be voted upon later in the meeting.

Mr. Pease said that he is very pleased that this committee took a “deep dive” review of the JSEB Program and addressed many issues that are going to make the program much stronger. Mr. Pease said that he appreciates the Committee’s “macro” and “micro” examination of the Program and adjacent agencies, applauded the overall work of the Committee, and said that he is happy to have been a part of the process.

Ms. Mason echoed the sentiments of Mr. Pease and added highlights of the discussions, including mentoring programs development, moving the Access to Capital Program back under the purview of the EBO Office, adding a tier program, and more. Ms. Mason said that she does not want to go to far into the legislation itself because Ms. Hodges will be going into further detail regarding the proposed changes.

Presentation by Lawsikia Hodges – Office of General Counsel – Ms. Hodges said that she would be going over the proposed legislation in two parts. The first part will be a review of the outline for the new Part 6 – JSEB Program of Chapter 126 – Procurement Code. The review outlined the new chapter parts and subparts. The most significant change is the combination of Parts 6A & 6B of this section. Before, the two parts were separated. In the proposed new Chapter 126, the sections have been combined into a single Part 6 – JSEB Program. Subpart A houses the general provisions, including legislative intent, legislative findings, purpose, definitions, and the annual budget appropriation (a minimum of $500,000). Subpart B regards the JSEB Program administration including the duties of the JSEB Administrator and the JSEB Monitoring Committee. Subpart C deals with the support services of the JSEB Program, including the creation of a bond enhancement program, the Access to Capital Program, training programs, insurance program reviews, and provisions regarding a disparity study update. Subpart D is a newly added subpart that deals with JSEB Program eligibility, procedures, and requirements. This subpart has combined sections of the previous iteration that dealt with any type of “goal or goals”. The last part of the outline deals with the Equal Business Opportunity (EBO) Office. The Office will now become its own separate Office operating under the Finance and Administration Department. The EBO Office will no longer be under the direct purview of the Procurement Division. Ms. Hodges opened the floor to questions regarding the outline review.

Council Member Dennis asked if this would be the appropriate time to discuss specific language with the new sections regarding topics that he feels strongly about or if the specifics will be addressed later in the presentation. Council Member Freeman asked a similar question asking if the Committee members should wait to ask questions until the end of ask question as they arise and shared his concerns of not being able to address every issue within the time constraints of the meeting. Ms. Hodges said that many of the questions will be answered while reviewing the second part of the presentation which is a review of the updated Chapter 126 – Procurement Code (in draft form) that includes the specific language for each section.

Council Member Dennis asked if the issue of annual recertification has been addressed in the draft, particularly going from annual recertification to recertification every two years. Ms. Hodges said that issue has not been added but it is an easy fix of just changing the number from “1” to “2”. Chair Pittman asked Ms. Mason for her input on that suggestion. Ms. Mason said that she thinks changing the recertification period to two years is a very good idea and will help the JSEB Office alleviate some of the administrative overload. Council Member Freeman asked for the “spirit” behind the original idea of having an annual recertification period and shared his hesitance to make a change solely because of staffing issues. Mr. Pease said that he also agrees with changing the period to two years. As for the reasoning for the initial annual certification, Mr. Pease said that his is unsure but assumes that it had to do with calculating net worth which is typically done in a one-year snapshot of an individual’s finances.

Council Member Dennis said that the Ombudsman Office should be reevaluated and possibly moved out of under the purview of the Procurement Division and be more autonomous. Mr. Pease said that the Ombudsman Office operates completely autonomously and just happens to be housed within the Procurement Division. Mr. Pease said that the Procurement Division itself is very removed from the work of the Ombudsman Office. Council Member Freeman shared his concerns over the changes over time that have moved departments around and changed departments to divisions. Mr. Pease provided a brief history outlining the organization of the Procurement Division as it relates to the JSEB Program and added that housing the JSEB Program within the Procurement Division has the benefit of making the Program’s goals the same as the Chief of Procurement.

A discussion was had regarding the role of the Ombudsman and the placement of the Ombudsman Office. Ms. Mason explained that part of the reason for having the Ombudsman have a direct report is because the Ombudsman makes recommendations that should be approved by someone else. It would not be a good idea to have the Ombudsman approving their own recommendations. The discussion evolved into discussing the semantics of calling something an office, division, or department. The main concern is that there is the appearance of autonomy regarding the work of the Ombudsman Office. It was suggested that the Ombudsman Office is similar in scope to the Ethics Office and Inspector General Office. Ms. Mason spoke about the Ombudsman Office primarily handling contract disputes. Angie Dixon, Ombudsman Office, added additional information about handling contract disputes.

Ms. Hodges moved on to the second part of the presentation that reviewed the draft version of the proposed Chapter 126 – Procurement Code. Ms. Hodges went through each of the subparts and sections discussing the pertinent changes. Sec. 126.604 deals with definitions and Ms. Hodges will meet with Ms. Dinah and Mr. Pease to finalize the language. Sec. 126.605 regarding the annual budget is not a new section, but it has been moved to Subpart A for better organization.

Chair Pittman asked about the annual budget particularly how the new recommendations for training and added staff will impact the listed budget of $500,000. Mr. Pease said that he feels that the $500,000 amount is a good place to start for minimum funding for the Program.

Ms. Hodges went on to Sec. 126.607 that outlines the responsibilities of the JSEB Administrator, particularly item 16 that says that they will handle the facilitating and coordinating of all aspects of the program so as to provide program participants and prospective participants with a primary contact for the program and requirements for the quarterly report. Subpart C deals with the support services of the JSEB Program, including the creation of a bond enhancement program, the Access to Capital Program, training programs, insurance program reviews, and provisions regarding a disparity study update. Sec. 126.609 deals with the Access to Capital Program with the major change being the removal of the Program from the Office of Economic Development and putting it under the purview of the JSEB Administrator. Sec. 126.610 regarding training programs has changes to the the language to allow the EBO Office to develop and implement various programs related to continuing education and mentoring.

Chair Pittman asked if there have ever been any partnership programs with Edward Waters College. Ms. Mason said that there have not been any partnerships yet, but she is willing and wanting to pursue a partnership with Edward Waters and the other training facilities/colleges in the area.

Sec. 126.611 deals with the insurance program review. The language was tweaked to make more of a connection with the risk manager and the JSEB Administrator. The end of this section deals with updating the disparity study with a brief statement that is tasks the EBO Office with procuring a third-party consultant to conduct a disparity study and complete an analysis of the program by a specified date.

Council Member Freeman started a discussion about the disparity study mentioning that the proposed idea of asking for funding for updating the disparity study from the Social Justice Committee is no longer an option because the funds have already been appropriated for other programs/projects.

Ms. Hodges went through the remaining sections of Chapter 126 – Procurement Code noting the changes to each of the subsections. Sections that only showed the titles had no changes to them from the previous iteration of the Chapter. There were changes to two additional Chapters that relate to the work of the JSEB Program. Chapter 24 – Finance and Administration Department, Part 6 – Procurement Division had two major changes related to the JSEB Program. The first is Sec. 24.603 that deals with the duties of the Chief of Procurement. Stricken from this section is the duty to oversee the EBO Office. Sec. 24.605 deals with the functions of the EBO Office has been completely removed from Part 6. Instead, the functions of the EBO Office will have its own Part (Part 10 – Equal Business Opportunity Office Functions) within Chapter 24.

Council Member Dennis said that he has an issue with the requirement of having to have been in business for three years prior to applying to the JSEB Program. A discussion was had regarding the issue. Ms. Mason feels that the three-year period is adequate for properly evaluating a business and said that there are other programs in the City for startup types of businesses. Council Member Freeman shared concerns about changing requirements and the impact it has on businesses that are already in the program and would the changes be “grandfathered” in for the already established JSEB businesses. Chair Pittman said that she does not have an issue with changing the requirement, but would like to lean on the expertise of Ms. Mason and Mr. Pease.

Council Member Dennis recommended striking the requirement to provide audited financial reports as a requirement of entrance into the JSEB Program. Ms. Mason and Mr. Pease both feel the need for audited financial reports is unnecessary when compared to the other documentation that is required for entrance into the program.

The conversation circled back to the issue of updating the disparity study. Mr. Pease discussed the proposed figure of $350,000 by Mason Tillman Associates to update the current study and made the point that if the update went out to bid, the cost could end up being significantly higher. The Committee and Ms. Mason discussed the wording for the disparity study section. Council Member Dennis said that it would be up to the Committee to fight for funding during the next round of budgets. Council Member Dennis asked Ms. Mason how much time would be needed before seeing if the in-house data collection would be sufficient for conducting the JSEB Program’s work. Ms. Mason said that ideally, she would like a year to work the number before reporting back to the Council. Council Member Freeman suggested removing the funding language from the disparity study section. It was decided by the Committee to not include a dollar amount to the funding and chose the year 2023 for the disparity study update to begin by.

The floor was opened to public comments before the committee took the vote on the proposed legislation.

Public Comment (if time permits) – Deborah Thompson shared concerns regarding subcontracting within the JSEB Program and discussed equity within the requirements for entrance into the JSEB Program.

Stanley Scott said that he agrees with Ms. Thompson and supports the work of the Committee.

John Nooney read sections of the proposed legislation and shared his support and concerns. He mentioned the waterways and Riverview.

**VOTE**: Following public participation, the committee voted unanimously to approve the proposed legislation as presented by Ms. Hodges and including the changes discussed during this meeting.

With no other comments from the Committee, Chair Pittman adjourned the Meeting.

**Meeting adjourned:** 12:17 p.m.

Minutes: Anthony J. Baltiero, Council Research Division

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