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JACKSONVILLE SMALL AND EMERGING BUSINESSES (“JSEB”) SPECIAL COMMITTEE

Meeting Minutes

January 22nd, 2024 10:30 a.m.

Location: Council Chambers, 1st floor, City Hall

In attendance: Chairman Raul Arias; Council Member Ken Amaro; Council Member Mike Gay

Also: Council Member Ju’Coby Pittman; Trista Carraher, Council Auditor’s Office; Shannon MacGillis, Office of the General Counsel; Eamon Webb, Research Division; Gregory Grant, JSEB Administrator

Meeting Convened: 10:30 a.m.

Chairman Arias called the meeting to order. He stated that the primary goal of this special committee is to take action to facilitate the growth of the Jacksonville Small and Emerging Business (“JSEB”) Program. He summarized the agenda for the meeting as focusing on three main points: 1) technological upgrades, 2) marketing projects for the program, and 3) possible Ordinance changes to facilitate the success of the program.

Gregory Grant, Business Compliance Administrator for JSEB, gave background regarding the history of JSEB. It was created in 2004 to empower minority-owned small businesses in competing for City contracts. He stated that the program had been “flat” over the two decades since its inception; it has grown little, remaining around 250 participants in size.

Mr. Grant stated that JSEB could improve its services to participating businesses by improving its education on grant writing, by modernizing its marketing and communications strategies, by increasing access to capital opportunities for its participants, and by diversifying the types of businesses that participate in the program (certain industries such as construction are currently well-represented, whereas others like restaurants are poorly represented). He stated that technology was not a main priority in 2004 when the program began and that the application process specifically was an area in which the program needed to modernize its use of technology. CM Arias agreed that the program needs to “evolve” to stay relevant in the small business community.

CM Arias explained that the Special Committee would be meeting two times a month, with the next meetings scheduled for March 6, 2024, and March 20, 2024. He added that the Special Committee would meet once a month once it had become more settled in its goals. Focusing on technology, CM Arias stated that he would like to see JSEB update its website and application process and improve the system by which applying businesses are evaluated. He added that he would also like to see JSEB simplify its manual.

CM Arias asked Mr. Grant how JSEB could improve its use of technology in both the application and procurement process. Mr. Grant explained that he would like to make the application process occur online; applications currently must submit physical documents as part of the application process. JSEB has worked to streamline this process, as the process previously required 45 documents and now only requires about 20, but the process’ requiring physical submissions still presents a hurdle for entry for many small businesses. He added that improved use of technology would also speed up the procurement process. CM Arias asked whether JSEB had consulted ITD yet regarding an online application, and Mr. Grant stated that it had, and that this application was close to being ready for beta testing. CM Gay asked Mr. Grant whether the procurement process would also be moving online, and Mr. Grant stated that the application process was the current priority of JSEB but that there had been discussions regarding moving the procurement process online as well.

CM Gay asked about different strategies for requiring or incentivizing the City to contract with JSEBs. He explained that some legislation required set-asides for JSEBs where all contracts in a project area would go to JSEBs, some legislation required a certain percentage of JSEB participation, and some legislation “encouraged” contracting with JSEBs. He stated that he would prefer to see participation or set-asides versus encouragement to guarantee that small businesses would get contracting opportunities.

CM Pittman observed that JSEB could utilize existing resources within the administration to help with its marketing efforts. She noted that there had been pushback from the small business community regarding participating in the JSEB program, as many businesses had voiced the opinion that joining the program would be more effort than it was worth. She added that streamlining the application process and encouraging set-asides and participation structures instead of encouragement would alleviate these concerns.

CM Amaro agreed that the application process currently seemed overly bureaucratic. He asked Mr. Grant when he estimated that the current stated goals of JSEB would be complete. Mr. Grant stated that JSEB currently has a goal to double its participants by the end of the year; this goal is currently within reach

given the rate at which new businesses are currently joining. He added that efforts to improve technology will allow the application process to move faster, and the increased speed of the application process would aid JSEB in its recruitment goal. Technology could also be used to improve institutional knowledge and identify business sectors that JSEB should target in its recruitment.

CM Gay asked about JSEB's role in awarding grants and forgivable contracts. Mr. Grant stated that JSEB was happy with the projects and funding outlined by the Mayoral task force's legislation and that JSEB would advocate for increased incentives to contract with JSEBs. CM Gay asked whether it was typical for JSEBs to be invited to apply for large grants. Mr. Grant responded that it was not, and CM Gay stated that JSEBs should be encouraged to compete for grants whenever tax dollars were being spent. He explained that the Ordinance Code does not require that JSEBs submit bonds for projects under \$500,000, adding that this threshold could be increased due to inflation. CM Arias thanked CM Gay for his knowledge in the contracting and the construction industry.

CM Pittman stated that an ideal number for JSEB participation requirements could be between 20% and 25%. She explained that it is important to provide capital opportunities for small and emerging businesses. CM Arias added that those benefiting from efforts to incentivize small business growth should be local businesses.

The Special Committee transitioned to discussing potential opportunities for JSEB to improve its marketing. CM Arias noted that improved marketing would likely require additional funds being appropriated to JSEB. He asked Mr. Grant whether any additional staff would be needed for JSEB to achieve its goals, and Mr. Grant explained that JSEB currently had 5 full-time staff and 1 part-time staff. He further explained that he would like to see JSEB expand to 7 full-time members, which could be achieved by converting the 1 part-time position to a full-time position and adding 1 additional staff member. CM Pittman stated that the any Councilmember could advocate for the funds necessary to add staff in the upcoming budget process. CM Amaro noted that the budget process would not begin for several months; Mr. Grant stated that JSEB would utilize the Mayor's internship program in the meantime. CM Arias asked whether Mr. Grant could provide an estimate for how much new staffing would cost and what their positions would entail; Mr. Grant responded that additional staff would likely cost around \$120,000 and that the two positions would involve moving the administrative assistant from part-time to full-time and adding a new Special Projects position to assist in these proposed technological and marketing improvements, taking this burden off of Compliance Officers.

CM Arias asked whether JSEB currently had any additional marketing projects in mind, and Mr. Grant stated that JSEB currently had plans to market itself at equal opportunity business forums and through traditional and social media. He stated that he would like JSEB to complete its goal of moving the application process online before beginning marketing campaigns in earnest so that the application process would not be overwhelmed by an influx of applicants.

Mr. Grant added that he would also like to improve JSEB's retention efforts. One current idea to encourage retention is organizing an annual gala in which successful JSEBs were recognized. He explained that JSEB had recently released a logo, designed by Public Affairs, which participants can display. The logo received positive reception among JSEB participants.

CM Arias transitioned the topic of discussion from marketing efforts to possible Ordinance changes that the City could enact to facilitate JSEB's success.

Mr. Grant explained one potential Ordinance change; he recommended removing a Bond Enhancement Initiative program, as he believed these funds to be duplicative with other programs. He suggested moving these funds to allow for them to be used for the discussed technological and marketing projects. CM Arias asked whether moving these funds would require an Ordinance change, and Trista Carraher of the Council Auditor's Office stated that she could not provide a definitive answer but would review the Ordinance code to answer this question.

CM Pittman asked for clarification regarding how funding for educational opportunities for JSEBs is structured; Mr. Grant stated that there are line items for different educational opportunities for the different "tiers" of JSEBs. CM Pittman stated that several JSEBs had expressed gratitude to her regarding a previous ICAT Logistics training; she added that different tiers of JSEBs will benefit from different educational opportunities. Mr. Grant added that technological upgrades should make educational opportunities more attainable for JSEBs.

CM Arias asked whether the "graduation" requirement was in effect a "termination" and whether this requirement was beneficial to the JSEB program. Mr. Grant stated that he would like an Ordinance change to remove the graduation requirement. CM Arias stated that forcing businesses out of the program would remove important institutional knowledge and mentorship opportunities available to participants. Mr. Grant agreed and added that JSEB currently does have a mentorship program in which Tier III businesses are encouraged to be mentors to Tier I JSEBs. He stated that removing the graduation requirement would strengthen this program. CM Arias asked whether Mr. Grant would prefer the mentorship program to be encouraged or required, and Mr. Grant stated that he would prefer it to be a requirement but that this could be done through internal JSEB policy rather than through Ordinance.

CM Grant explained that he would also like to see an Ordinance change regarding the Monitoring Committee. There are two vacant positions on the Committee, one Mayoral appointment and one Council President appointment. He stated that there are businesses who would like to be involved on the Committee but that the current structure of the Committee made it difficult to appoint a variety of stakeholders with a wide area of expertise. CM Pittman suggested that it could be a good idea to require different "tiers" of JSEBs be represented on the Committee. Shannon MacGillis of the General Counsel's Office recommended that the Committee be structured in such a way as to avoid Sunshine Law issues.

Public Comment:

Shereline Redden, owner of The Preservation Firm, L.L.C., stated that her business had just been awarded JSEB status. She explained that the JSEB program had greatly helped her transition from the public to private sector. She stated that she would take all educational opportunities available to JSEBs and agreed with the suggestion that Tier I JSEBs specifically have representation on the Monitoring Committee.

Mincy Pollock, President & CEO of The Pollock Group, explained that many small business owners are at first hopeful but become hopeless because of the difficulties of owning a small business. He stated that he believes Mr. Grant to be modest in requesting 7 employees for his staff and stated that it would be ideal for JSEB to potentially have an even larger staff. He emphasized the importance of marketing the “wins” of JSEBs to get word out to small business owners how they can benefit from participation.

Joseph Newkirk, CEO of RZ Service Group, LLC, explained that he had been a small business owner since 2015. He explained that he would like to see more emphasis on set-asides and participation requirements for JSEBs; he stated that requiring 25%-30% JSEB participation in receiving City contracts would be a step in the right direction to ensure that small businesses have an opportunity to receive City funds. CM Arias added to this point that expanding the JSEB program would help to justify greater participation requirements.

T.R. Richardson, Chief Training Officer for Richwood International, stated that his organization was not currently involved in the JSEB program because there are not enough current members in his organization’s industry. He stated that it should be a goal of JSEB to diversify the types of small businesses that are involved in the program so businesses like Richwood International can justify their involvement in the program.

CM Gay thanked CM Pittman for her previous work on the JSEB program, and CM Arias explained that the next meeting would be on March 6, 2024, at 10:30 AM. The meeting was adjourned.

Meeting adjourned: 11:44 a.m.

Minutes: Eamon Webb, Council Research Division
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