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

Meeting Minutes

May 22, 2024, 10:30 a.m.

Location: Council Chambers, 1st floor, City Hall

In attendance: Chairman Raul Arias; Council Member Ken Amaro; Council Member Terrance Freeman (visiting)

Also: 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.

Council Member Arias called the meeting to order. He asked Gregory Grant, JSEB administrator, to provide updates on projects and Code updates, which had been discussed at previous JSEB Special Committee meetings. Mr. Grant provided updates on technology projects that JSEB staff had been working on in partnership with the Information Technologies Division (ITD), including the online application portal. Council Member Arias asked whether the application portal would be tested by JSEBs before launching, and Mr. Grant responded that it was planned to have the portal tested in June as a part of Phase 4 of the project. Council Member Amaro complimented Mr. Grant and the JSEB staff on the fact that these projects appear to have made significant progress and stated that they would make the process more accessible, efficient, and transparent for the public.

Council Member Freeman asked when these projects regarding technological upgrades had commenced; Mr. Grant responded they had commenced about a month prior to this meeting. Council Member Freeman stated that improving JSEB's utilization of technology had been a recommendation of a pilot study that had been completed several years prior and questioned why these projects had just commenced given that JSEB's technological deficiencies had been known. Mr. Grant stated that he could not speak to how JSEB had operated prior to his tenure there. He stated that he had evaluated the application process when he took over as JSEB administrator and had reduced the number of documents necessary for an application from 45 to 18. This reduction of the number of documents required for an application had reduced the application timeline from about 60 days to about 10 days, and the technological upgrades to the application process should further reduce this timeline to about 7 days. Mr. Grant also explained that the additional marketing and public discussion of JSEB had resulted in an increase in applications, with 100 JSEBs recently enrolled and 14 more with applications pending.

Council Member Arias asked whether all recent applicants had been vetted as businesses operating within the City of Jacksonville, and Mr. Grant confirmed that they had been. Mr. Grant also stated that they are placed into their "tier" when they are approved as JSEBs; most recently onboarded JSEBs are Tier 2 and Tier 3 JSEBs, meaning that most of these recent applicants are established businesses within the City.

Mr. Grant explained that JSEB administration had considered utilizing the indefinite delivery, indefinite quantity contract type ("IDIQ"), which allows the US federal government to purchase goods and services in an indefinite amount within certain limits over a set period of time, so that the City could include as many JSEBs, specifically Tier 1 JSEBs, as possible in an RFP. Council Member Arias asked whether these contracts had a capped budget, and Mr. Grant stated that they do. Council Member Arias also asked whether JSEBs have pursued these types of contracts before, and Mr. Grant responded that they had not; this practice would be innovative for JSEB but is a legal, established practice.

Council Member Arias asked for an update on marketing projects discussed at previous JSEB Special Committee meetings. Mr. Grant stated that there would be a commercial airing on local stations next month. He stated that there are roughly 20,000 small businesses in Jacksonville and that it was a goal of JSEB administration to get JSEB enrollment up to 700. He stated that Client Focused Media was donating their services to complete the commercial. Council Member Amaro asked for more details on the commercial. Mr. Grant explained that Sam Foley and Client Focused Media donated services to complete the commercial and that it would run during peak hours on local stations. Council Member Amaro asked whether the commercial could also be posted online through official City channels, and Mr. Grant responded that they could send the commercial to the Public Affairs Office to be approved by the Chief of Communications and posted on City social media accounts. Council Member Arias asked whether JSEB had considered getting its own social media, and Mr. Grant stated that he would like to explore this possibility in the future but that the first phase of their marketing efforts would go through the City's accounts. Council Member Arias stated that he would like to see these plans accelerated, as the City is ready to invest funds in JSEB's projects soon.

Council Member Arias noted that Ordinance 2024-0294, which would appropriate funds for two new full-time positions within JSEB (one completely new position and one moved from part-time to full-time), had been deferred a legislative cycle.

Shannon MacGillis of the Office of the General Counsel explained the bill (filed as 2024-0437) to update the Ordinance Code as discussed at previous JSEB Special Committee meetings. She stated that it removed the bond enhancement program, that it changed re-certification requirement from every 24 months to every 36 months, and that it extended the graduation requirement timeline from nine years to fifteen years while adding a mentorship encouragement.

Mr. Grant explained the three major Code changes. He stated that the bond enhancement program was redundant with funds that had been appropriated through other means and stated that removing the program should save the City about \$500,000. He stated that both JSEBs and staff found the 24-month re-certification requirement burdensome and that a 36-month requirement would be more reasonable. He stated that the graduation requirement as currently written forced many JSEBs with valuable institutional knowledge out of the program prematurely and that this institutional knowledge would be better used to mentor newer JSEBs.

Council Member Amaro asked whether exempting JSEBs from being required to submit bid bonds for projects under \$500,000 exposed the City to liability, and Mr. Grant noted that this language was not a change in the Code. He further explained why the bond enhancement program was redundant; other sources, including the Urban League, assist JSEBs in securing performance and payment bonds for contracts.

Council Member Arias asked whether the re-certification change would affect how often JSEBs are vetted by the City. Mr. Grant stated that this would be the case, as JSEBs are typically not verified except through the re-certification process or when they submit bids. Mr. Grant stated that he believed this to be a minor concern, however, as businesses rarely lapse out of the program.

Ed Randolph of the Office of Economic Development answered questions for the Special Committee. He noted that JSEB would be coming under the umbrella of the OED and commended the work that Mr. Grant had done to revitalize the program. He stated that the two new positions that would be added via 2024-0294 was just the beginning of investment into the program, as the administration was planning on moving forward with small business loans and the increase in JSEB application volume caused by these plans would require additional capacity for JSEB staff. Regarding marketing, he stated that OED had not conducted significant marketing efforts in the past and that he looked forward to expanding these efforts. He noted that contracts awarded through OED had risen by about 400% since 2018 and that OED would likely be looking to add positions in the near future as well.

Council Member Freeman asked whether the Office of Economic Development currently had the capacity to absorb JSEB and add new additional positions; he noted that the Public Works Department and JSEB had both been downsized in 2018 due to budget constraints. He asked how many employees were currently in OED; Mr. Randolph answered that there were 12 full-time and 3 part-time. Council Member Freeman noted that there were 7 employees in JSEB (which would increase if 2024-0294 were to pass) and 19 in the Sports and Entertainment Division, so OED would be greatly expanding with the administrative re-organization. He questioned whether this expansion was making government bigger and asked Mr. Randolph what the mission of OED was. Mr. Randolph responded that the mission of OED was to support the overall health of the economy and therefore community and work to attract businesses in conjunction with organizations like the Jax Chamber. He added that a priority of this administration is to make Jacksonville a small business capital. Council Member

Freeman asked whether these new employees would be reporting to Mr. Randolph, and Mr. Randolph stated that Mr. Grant would be reporting to him.

Council Member Arias asked Mr. Grant to explain his recommendation to eliminate the JSEB Monitoring Committee. Mr. Grant stated that he had observed that the Monitoring Committee did not provide oversight and that its meetings typically involved Mr. Grant's presenting to the committee updates on JSEB operations and the committee's approval of his presentation. He stated that Council Member Rahman Johnson had suggested to him that it might be better for Mr. Grant to report directly to the Council for oversight, perhaps with a published rubric that would grade JSEB operations. He stated that he would be willing to report to the Council annually, biannually, quarterly, or at whatever interval the Council saw fit. He added that he believed that there was majority support on the Monitoring Committee and support of the administration for its elimination. Council Member Arias asked whether there were a minority on the Monitoring Committee who disagreed with the recommendation to disband it, and Mr. Grant responded that he had not received any dissenting opinions but that he had not been yet able to get in touch with one member on the matter. Mr. Grant added that the Monitoring Committee often does not have a quorum. Council Member Arias stated that he likes the idea of having the JSEB administrator report directly to the Council. Mr. Grant noted that it is a goal of the administration to award 20% of contracts to JSEBs and that progress on this goal would be among the topics that he could report.

Council Member Amaro asked for historical background regarding the Monitoring Committee and its purpose and functions. Mr. Grant responded that he was not with JSEB at the time of the Committee's creation and could not speak to this history but reiterated that he does not believe that the Committee is currently offering real oversight or accountability.

Council Member Freeman provided background regarding the JSEB Monitoring Committee. He stated that the Committee had been stagnant prior to 2019 and that it had been a challenge to find members of the community with both the specific expertise that the previous categories required and time necessary to serve on the Committee. He explained that categorizing JSEBs into "tiers", the formation of the Monitoring Committee, and whether non-profit organizations are eligible to be JSEBs were all topics that had been discussed previously. He stated that he had also spoken with a member of the Monitoring Committee who felt that the issue with the Committee is how it is structurally designed, as they do not have any actionable power in overseeing JSEB's functions. He stated that he was "agnostic" on the current proposed changes but that there needs to be oversight as to the JSEB administrator's performance.

Council Member Arias noted that the re-consideration of how the JSEB administrator is overseen is important now because of the recent reinvigoration of public interest in the JSEB program. He stated that he would like to meet with all members of the JSEB Monitoring Committee to better understand their perspectives on the issue. Mr. Grant stated that reducing redundancy was a motivating factor in his recommendation to disband the Monitoring Committee; he believes the Committee as it is operating now is a redundant layer of reporting that does not add value to the process.

Council Member Amaro commented that the "Monitoring Committee" is a misnomer, as it sounds like it does not provide oversight to the JSEB administrator. He asked how this came to be. Council Member Freeman

provided historical background on the program; it had been a small department (at one point with only two staff members) and was not held to a high standard by the City. He stated that the Monitoring Committee could be given voting power in light of the recent reinvigoration of the program. Council Member Freeman thanked the Finance Committee for deferring 2024-0294, as he felt like he needed to provide the institutional knowledge that he gained as a member of the 2020/2021 JSEB Special Committee to this body before the bill's passage.

Council Member Freeman called up Dr. Carlton Robinson, Chief Innovation Officer for the Jax Chamber, to answer questions. Dr. Robinson explained the work that he had done in partnership with the City shortly after the last Disparity Study had been published. Council Member Freeman noted that Dr. Robinson's work had been instrumental in achieving the goals of small business growth in the City but had largely been given little credit by certain stakeholders in the City. He noted that Dr. Robinson's work helped influence the JSEB program to become a system of engagement rather than just a system of record. He explained that Dr. Robinson's work also helped to vet and categorize JSEB participants and that it highlighted deficiencies in the JSEB program's technological capabilities. Council Member Freeman stated that he was excited to see the current efforts to improve the JSEB program's technological capabilities but questioned why these efforts had only recently begun given that they had long been understood.

Dr. Robinson stated that his previous work had shown that about 10 category codes of business types previously made up a vast majority of JSEB participants and that he had previously recommended to the JSEB program to try to recruit a more diverse set of businesses. Council Member Freeman asked whether Mr. Grant was aware of Dr. Robinson's work and recommendations made to the JSEB program; Mr. Grant answered that he had conducted a similar analysis when he was hired as JSEB administrator and had come to similar conclusions. Council Member Freeman stated that it was important that Dr. Robinson be credited for the work that he had done for the City and that his recommendations had added value to the JSEB program. He asked Dr. Robinson how often the administration had accessed his report, and Dr. Robinson answered that it did not appear that they had accessed it often. Council Member Freeman noted that his questions to Dr. Robinson were not meant as an attack on Mr. Grant and acknowledged the good work that Mr. Grant had recently done to reinvigorate the JSEB program; he stated his questions were meant to give credit to Dr. Robinson's work on the record.

Council Member Arias thanked Council Member Freeman for his testimony, citing the importance of institutional knowledge.

Chris Budihas, Chief of Government Relations for Client Focused Media, emphasized the importance of small businesses to the identity of the community. He explained his work for the nonprofit National OverWatch, whose mission is to develop training, policies, and material solutions to help prevent violent events in schools. He thanked Mr. Grant for his work to reinvigorate the JSEB program through both technological and marketing projects and noted that a "rising tide lifts all boats."

Public Comment:

Kimberly Leonard, representing ICATT and the Bid More program, stated that she was grateful for Mr. Grant's work in achieving unity among the small business community. She stated that the program had begun to see

growth in membership of categories of businesses that have historically not participated in the JSEB program and explained the work that the Bid More program in securing contracts.

Laura Mills, representing ICATT and the Bid More program, expressed her support for the JSEB program and noted that the work of the JSEB program and of ICATT and Bid More was all about building relationships and investing in the community.

Shereline Redden, representing The Preservation Firm, spoke in support of JSEB's technological projects and explained that her work as a court reference clerk prior to starting her small business helped her understand the importance of technology in providing access to opportunity.

Rose Pierre, representing Eastcoast Striping and Painting, Inc., thanked Mr. Grant for his work. She stated that she could sense a shift in the City's willingness to invest in small businesses and stated that she would like to see the JSEB program reach 1,000 members, which she believes to be an attainable goal with Council support.

Gabe Hamda, representing ICATT and the Bid More program, congratulated the Committee and Council on its efforts to invest in the small business community and noted that the Bid More program learns about the small business community through its work.

Carnell Oliver stated that he would like to see 2024-0294 discharged, allowing the Council to take action on the bill this legislative cycle. He explained that he would like to see large investment into the small business community and that he approved of the idea for the JSEB administrator to report directly to the Council. He applauded the work of Mr. Grant, approving of his ability to engage communities at the grassroots level.

Ms. MacGillis noted that the Special Committee's Report of Findings was due on June 25. She stated that the Special Committee could provide a status report in place of a report of findings if its work had not been completed at the end of the Council year. Council Member Arias stated that the Special Committee's last meeting is June 17 in the Lynwood Roberts Room at 12:30 PM, which is before the end of the Council year. He thanked Mr. Grant for his work and reiterated that he would like to discuss Mr. Grant's proposal for the Monitoring Committee with its members before the June meeting.

Meeting adjourned: 12:14 p.m.

Minutes: Eamon Webb, Council Research Division

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