

Small Business Council Meeting

Meeting Minutes

January 25, 2012

Call to order: Council Chair Jim Butler began the meeting at 1:02 pm.

Attendance: The meeting was attending by the following SBC members: Randall Martinez (Co-Chair), John Arena, Ken Ashford, Carol Garcia, Sandy Cajas, Gloria Rull, Linda Sarno, Patricia Linn, Betty Jo Toccoli, Steven Galvez, Ruben Guerra, and Stephen Simpson. Lori Kammerer, Rich Dryden, Don Stoneham, Evelyn Graham, Ken DeVore, Savita Farooqui, Paul Guerro, Stacy Heater-Divine and Tom Crawford attended via webinar

The following DGS representatives were in attendance: Jim Butler (Chair), Catrina Blair, and Tasha Nomura. Alternate Chair Eric Mandell, Angel Carrera and Robert Ullrey participated via webinar.

The following SBC members were absent: Aubry Stone, Renee White Fraser, Jerry Bircher, Dion Dwyer, Tracy Stanhoff, Douglas Eldridge, Lee Cunningham, Laura Harris and James Brady.

Welcome and Opening Remarks

Council Chair Jim Butler thanked everyone for coming and stated Mr. Steve Galvez, of Natoma Technologies, Inc., was the new replacement for Chuck Lott. Mr. Butler also explained a new member had joined the council, Mr. Ken DeVore, of National Federation of Independent Business.

Mr. Butler recognized the Metropolitan Water District for hosting the meeting. and thanked all members for their service in participating on the Council , as it helps from and to learn and receive information from our vital partners. He explained that the success of small business was a result of input provided by the Council.

Additionally, Mr. Butler announced the next Small Business Council meeting would be on Wednesday, March 7, 2012 in West Sacramento at the Department of General Services.

Council Co-Chair Randall Martinez also thanked everyone for coming and stated that he was excited to hear from the DGS' Real Estate Services Division. He also stated the Mr. Jerry Bircher and Mr. Aubry Stone would not be present at the meeting to provide the Sub-Committee update, but asked Council Chair Jim Butler to provide an update on the State Budget instead, to which Mr. Butler agreed.

Mr. Martinez then provided an overview of all the accomplishments that the Council had completed while he had been Council Co-Chair and asked the Council to select a new chair as his replacement. He explained it would be a lot of work and responsibility but very rewarding. He planned to continue his term, but stated he would not be the Co-Chair at the March 2012 Council meeting. Mr. Butler thanked Mr. Martinez

Approval of September 14, 2011 Meeting Minutes

Mr. Butler asked for a motion to approve the September 14, 2011 meeting minutes. Sandy Cajas made a motion and Patricia Linn seconded. Mr. Ruben Guerra stated that on the minutes, he was listed as no longer being a member. Mr. Butler stated that he would discuss after the meeting.

Deputy Director Update Governor's SB/DVBE Executive Order (GOAR)

Mr. Butler explained a Governor's Office Action Request (GOAR) was a directive sent to the Governor's Office to put a request into action. Back in 2006, Executive Order S-02-06 was signed by Governor Schwarzenegger. The new Executive Order was currently sitting on the Governor's Office and Mr. Butler believed it would be signed soon.

He explained within the new Executive order was a SB/DVBE 1st Policy Option, to which Mr. Butler provided an overview; a change in language from goal to a requirement regarding the 25% small business and 3% DVBE participation; and, a request for advocates to report to the Executive Office rather than their primary manager. The following were not included: increase the percentage of the small business and DVBE participation into phases was not included within the Executive Order but the DGS was looking into backing Senator Price's current bill; paying SB even when there is no budget in place – not adopted; coordinated / collaborative council obtain more power – issue getting allivated to the Governor's level. Ms. Betty Jo Toccoli was curious how an executive order arrived. Mr. Butler explained the process: a State agency creates the GOAR, next it goes to the State Consumer Agency for review, then the Governor's Office and staff, and if successful the Executive Order gets signed into law if approved by the Governor.

Mr. Steven Galvez asked about the SB/DVBE 1st Policy Option and how it would work. Mr. Butler stated that when using a California Multiple Award Schedule (CMAS) the buyer would need to get three quotes. When using a small business, the business agrees to the vendor's contractual terms. Mr. Steven Simpson had a question regarding paying SBs when there was no budget and whether the prompt payment would be put back into place. Mr. Butler stated that the prompt payment policy had been modified.

Ms. Betty Jo Toccoli stated she heard that the DGS had increased the limit from \$50,000 to \$270,000 for Public Works Projects related to CPI, to which Mr. Butler said he had not heard anything official but would get her something definite soon.

Mr. Mandell stated a broadcast had gone out regarding the increase for Public Work Projects and agencies should already be implementing that change.

Discussion – Sub-Committee Reports

Mr. Jerry Bircher and Mr. Aubry Stone were not present to provide their sub-committee update. However, Mr. Butler provided an update regarding the State's budget.

He explained there was a reduction of cell phone use, the elimination of "swag," cuts in program and travel funding, and hiring freezes; a total savings between \$8-12 billion. Mr. Butler hoped those reductions would help business revenue to pick up. However, these changes affect DGS' business in terms of the total number of events participated throughout the year – over 100 events down to nearly 40. The DGS would still be supporting California Small Business Day, all Chamber events, and collaboration conferences, but has cut back on more local and small-sized events. Mr. Butler explained that if any members believed there was an event that the DGS was not scheduled to attend and he/she believed DGS attendance to be critical, then he/she could contact any DGS staff to request approval.

Mr. Martinez asked about that status of appointments. Mr. Butler stated that he was an appointed by Governor S and normally new Governor's do not reappoint the same people. However, Mr. Butler stated that many were happy with the work he was doing and has not heard whether he will be leaving. Joe Ayala stated he would be resigning and no new replacement has been appointed yet at this time.

Mr. Martinez asked about the Council appointing a new chair for the Legislative Sub-Committee to fill Mr. Chuck Lott's seat. Mr. Butler asked if anyone was interested in filling the chair and Mr. Robert Ullrey, of the DGS, stated Mr. DeVoe and Ms. Lee Cunningham were interested. Mr. Ruben Guerra stated he would also be interested, though the DGS would need to verify Mr. Guerra was still an active member.

Ms. Betty Jo Toccoli stated that Mr. Jerry Bircher would need to be removed from the Sub-Committee because he was no longer an active member. Mr. Butler wanted to thank Betty Jo for her work and ask if she had any additional information regarding Jerry Bircher.

2011 SARA Awards Update

Alternate Chair Eric Mandell thanked the judges for their work and contribution in selecting the awardees. He explained the purpose of the SARA awards, which takes place annually. Additionally, he gave kudos to Wayne Gross and Michael Gross, both of the DGS, to whom put together a stellar event and the whole Outreach team for their assistance.

Pictures from the SARA ceremony were provided in the Council members' agenda packet. Mr. Butler stated it was nice to see all the pictures and be able to put names with the faces. Mr. Mandell stated he would like to invite some of the winners to the next SBC meeting in March. Mr. Butler explained the SARA was a mandated event by law and it was nice to be able to award those who perform stellar work. He also wanted to thank the sponsors for the event.

Legislative / Budget Update

Mr. Robert Ullrey discussed three bills and explained the next meeting regarding these bills would be on Friday, January 27, 2012. AB 1504 covered how the Administrative Procedures Act affected small businesses and the burdens they face. AB1507 was introduced by Small business CA and discussed how buyers could do business with small businesses whom sold products similar to Prison Industry Authority (PIA) below or at the prices provided by the PIA. Senator Prices' Bill (AB67) was to be reintroduced regarding small business participation and was currently moving in conjunction with the DGS' Executive Order.

Ms. Betty Jo Toccoli asked if AB1504 and AB1507 had been introduced yet. Mr. Ullrey stated both Assembly Bills were assigned but not heard; AB1504 had no hearing date but AB1507 had an April date. She then asked the Mr. Ullrey to email information to the Council members regarding the status of any and all bills the DGS were interested in.

RESD Update

Ms. Molly Lovett, representative for the DGS' Real Estate Services Division (RESD) was unable to participate in the webinar due to an unforeseen appointment. Any questions related to Agenda Packet Item # 5 should be direct to Molly Lovett, who could be reached at 916-376-1844 or molly.lovett@dgs.ca.gov.

In lieu of the RESD Update, Mr. Butler stated that sometimes the Council meetings were one-sided, in that the DGS did most of the talking, and asked if there were any items that the Council members wanted to discuss and/or address.

Mr. Stephen Simpson asked about the Strategic Plan recommendations that were not included in the new Executive Order and whether those listed towards the end of the list would be moved up and eventually be added as an amendment. Mr. Butler stated that the DGS was still working on them but those would not be provided in an Executive Order. Mr. Mandell stated it was the role of the Small Business Council to prioritize how they would address the other items listed within the Strategic Plan. Mr. Martinez asked if those items could be created into a GOAR within the next year or two, to which Mr. Butler said it would be possible but asked the Council to prioritize which items would be included. Mr. Butler also said that it could also be an initiative.

Mr. DeVoe followed up on the Legislative update regarding regulatory reform and explained that all regulations would go into affect two times a year rather than as they were signed. The only exception would be emergency regulations. Ms. Patricia Linn asked if there was an update or status on a microbusiness incentive goal. Mr. Ullrey stated that Senator Price was in talks to discuss whether or not to move forward on the initiative this year.

Ms. Sarno stated that she understood the need for travel reduction but strongly opposed the DGS not attending the Asian Business of Orange County events. Mr. Butler explained the DGS had already received approval to participate in the CA Green event but was not scheduled to attend the ABAOC Procurement Fair. Ms. Rull stated that it would be more important for the DGS to participate in the second event rather than the first. Mr. Butler and Mr. Mandell would talk offline regarding those events.

Mr. Martinez asked about the High-Speed Rail Authority. Mr. Butler stated their Chief Deputy, Chris Ryan was working diligently as their department was under much duress right now and Mr. Butler could not report on where they are regarding the small business program. Ms. Betty Jo Toccoli stated that she would be happy to work with any of the other groups to campaign for the High-Speed Rail Authority to work with the DGS to create a one-stop shopping for small businesses. Ms. Cajas and Mr. Rich Dryden stated that their organizations would work with her organization, as well.

Mr. Butler asked Mr. Robert Beamer to provide an update regarding CalVet participation with High-Speed Rail, to which Mr. Beamer had nothing to report but a Task Force was in place to develop DVBE participation for High-Speed Rail. Mr. Dryden stated that they had spent many hours working with the High-Speed Rail and explained the DVBE participation was being left out. He explained the High-Speed Rail Authority's small business plan had no participation in working with the DGS. Mr. Dryden also explained there was a 30% participation plan for small businesses and he stated he asked Padilla & Associates if DVBE participation would be included, to which they stated no.

Mr. Ruben Guerra stated that the Latin Business Association was currently sitting on the High-Speed Rail Council and stated that he would be working from the inside to push Small Business and DVBE participation.

Review of New Action Items

- Select a new Council Co-Chair to replace Randall Martinez.
- Information regarding the increase in Public Works Projects related to CPI.
- Select a new chair for the Legislative Sub-Committee.
- List of legislative bills being followed and submit to members.
- Mr. Butler to call Chris Ryan regarding the status of SB and DVBE participation in the High-Speed Rail project.

Public Comment Period

No public comments.

Council Chair Jim Butler adjourned the meeting at 2:15 pm.