

Broward County Small Business Development Advisory Board (SBDAB)

Location: Governmental Center, 115 S. Andrews Avenue, Room A680, Fort Lauderdale, FL 33301

Meeting Minutes

Date and Time: Wednesday, April 10, 2019, 3:00 p.m.

SBDAB Members	Attendance
Dana Pollitt	Present
Chelsa Arscott	Present
Darren Badore	Present
Dahlia Baker	Present
Stephen Botek	Present
Sarah Chappell	Present
Victor Green	Present
Brian Johnson	Present

County Staff:

Sandy-Michael McDonald, Director
Maribel Feliciano, Assistant Director
Freddy Castillo, Small Business Dev. Manager
Pam Danberg, Small Business Dev. Specialist (CRO)
Susan Smith, Small Business Dev. Specialist

Members of the Public:

Mayor Mark Bogen, BCC
Susan Orłowski, BCC
Bob Melton, BC Auditor
Laura Rogers, Office of County Auditor
Leslie Hernandez, Miller Legg
Robert Behar, Robert Behar
Leow Francois

I. Call to Order/Roll Call

The meeting was called to order by Chair Dana Pollitt at 3:04pm with a quorum present.

II. Approval of Minutes

Motion: Member Johnson moved to approve the minutes from February 20, 2019. Member Badore seconded. **The motion passed unanimously.**

III. Adoption of Agenda

Motion: Member Johnson moved to approve the agenda for the April 10, 2019 meeting. Member Badore seconded. **The motion passed unanimously.**

IV. Mayor Mark D. Bogen

Advisory Board Chair Pollitt introduced Mayor Mark D. Bogen and stated that it is customary that the Board invites Commissioners and special guests to a Board meeting to share their goals and ideas for small businesses. Mayor Bogen said he owns two small businesses- an insurance company and a law firm. He and other Commissioners are interested in small business development and are involved in promoting small business opportunities.

The Mayor offered three key points that the Advisory Board could share with their small business colleagues. He said the Commissioners could help them by: (1) talking to the Commissioner from their district to learn how they can help their business; (2) asking their Commissioner to help them with networking for their business; (3) communicating and actively interacting with the Office of Economic and Small Business Development.

Member Baker asked for clarification about the trip to Russia. Mayor Bogen said he is arranging a meeting to take a group of businesspeople to Moscow in October 2019. If anyone is interested in attending, they must notify the Mayor's office.

In response to Chair Pollitt's question, the Mayor said that he established a Mayor's Council which is comprised of the 31 cities in order to discuss issues that are important to them and explore ideas to work better together. The next Council meeting is scheduled for May 15th and 16, th and is open to anyone who wants to come.

V. Comments: Members of the Public

None

VI. Staff Updates

Maribel Feliciano, Assistant Director, reported that 840 businesses have registered, to date, for the May 3rd Broward and Beyond Business conference. Advisory Board members have been added to all OESBD's e-mail distribution lists. Sandy McDonald, Director, has visited with 21 Broward cities to discuss their small business program; a few cities have declined to meet with OESBD.

Mr. McDonald said there are up to five seats available at the OESBD sponsored table, provided on a first come first serve basis, to attend the annual Greater Fort Lauderdale Alliance luncheon and five seats available for their Annual Business dinner meeting in October 2019.

VII. New Business:

A. Discussion: FAR, Claw Backs, Safe Harbor

Bob Melton, Broward County Auditor and Laura Rogers were invited to discuss issues related to FAR, Claw Backs and Safe Harbor.

Mr. Melton began his presentation stating that he views the role of the County Auditor's office as: (1) serving as watchdog for residents and Broward county taxpayers; (2) providing the County Commission with an independent view of information they receive from other sources; (3) serving as a tool for management to help with improvement of operations; (4) acting as expert advisors who make recommendations for improvement and (5) conducting all types of audits.

Member Green suggested that the County Auditor conduct training sessions on a regular basis to for-profit and non-profit small businesses on "how to avoid an audit." Auditor Melton agreed to follow-up with this suggestion.

Laura Rogers, staff auditor, stated that the current acceptable rate for overhead and profit, which is safe from an audit, is to use the Safe Harbor Rate of 110%.

Member Chappell said that the FAR audit is challenging and significantly costly. She suggested that DBE firms could research the possibility of securing a free FAR audit through FDOT.

Member Johnson told Auditor Melton that the success of the small business program hinges on the ability of businesses becoming certified, participating in the bidding process and, if they win, performing very well. He said it has been difficult to recruit small businesses because many of them have had bad experiences with the County, especially with the FAR, Safe Harbor rates and Claw back process. This process permitted the vendor to negotiate a rate at the beginning of their contract. Several years later, the County conducted an audit, rejected the previously negotiated rate then required the vendor to repay the money.

Ms. Rogers stated that all vendors have an option to obtain an audit or elect the County's Safe Harbor rate of 110%.

Vice Chair Arscott arrived at 4:08 p.m.

Member Chappell voiced her concern that a multiplier determined by a qualified independent audit that is greater than 3.0 may or may not be accepted by each County Division. She said that a solution is long overdue for the County to resolve the issue of allowing a small business to utilize the multiplier determined by a reputable CPA.

Ms. Rogers said that the 3.0 is the County's standard, but every Division is empowered to present a business case to the Board for negotiating a multiplier greater.

Member Campbell disagreed with Ms. Rogers comment that a small business who uses a multiplier greater than 3.0 may have reached this number due to inefficiency.

Member Chappell believes that small businesses that operate in the county should receive the same consideration for a greater multiplier as that given to larger companies who may not have quarters in the County.

Member Chappell asked that the small business and the county resolve the issue of negotiating with a legitimate multiplier determined from a FAR audit and not punish the small businesses by not allowing them to use the actual multiplier from the audit. She said there should be consistency of the rate used with each Department during negotiation. For example: present a rate sheet which list the rate that the small business may use when negotiating with each Division. The current system is inefficient since each Division accepts a different rate. Member Chappell, also, suggested that the auditor review samples from different national models and develop a rule for the County.

Auditor Melton said he is willing to work with small businesses and develop a consistent model for Broward County. He asked Board members to submit suggestions and ideas to him.

Member Johnson suggested that the audit department conduct quarterly interactive training sessions with CPAs whose practice involve FAR audits so they can learn how to conduct independent audits that would meet the County's requirements. Small businesses, who have recently signed a County contract, should be required to attend. County agency staff should be required to attend as well.

Auditor Melton said he will contact the local FICPA chapter to discuss scheduling a training session with them.

Ms. Rogers emphasized that the County always has a right to audit; everything in the contract is subject to audit. This audit flows downward to the subcontractor. She said that subcontractors should secure a copy of the County and Prime's agreement for use when negotiating their subcontractor agreement.

C. Discussion: Compliance and Monitoring Process for Penny Surtax 30% Goal

Member Johnson said the Advisory Board should look at cities that are planning to spend transportation surtax money. He said that some cities want to accelerate use of transportation surtax but have not addressed the 30% requirement for small business participation, but the Board cannot let cities move on with business as usual.

Chair Pollitt asked member Johnson to attend the Transportation Oversight Committee meeting on April 25th and raise the Advisory Board's concerns.

Member Johnson asked what the Oversight Committee's authority is to hold a City responsible for the 30% requirement.

Mr. McDonald responded that the Administration has stated that the 30% requirement will be written into the ILAs. No city has been issued an official ILA yet, and no activity regarding surtax funds can occur without an executed ILA.

Motion: Member Johnson moved that the Board issue a letter addressed to Mayor Mark D. Bogen with a copy to the Commission and the Transportation Oversight

Committee expressing the Advisory Board's concerns that the County operationalize the 30% expectation for small business participation in all ILAs for all surtax projects. **Member Green seconded. The motion passed unanimously.** Member Johnson will draft the letter and send to Susan to distribute.

B. Discussion: Mentor/Protégé Program Update

Pamela Danberg, Mentor/Protégé Coordinator, presented an update of the Mentor/Protégé pilot program. A more expanded presentation is located on the YouTube OESBD channel. There are 14 firms participating in the program, 6 mentors and 8 protegee firms.

The long-term goal of the mentor/protégé program is to get the protegee firms more engaged in Broward County contracts. The program currently encourages relationships and enhances core capabilities of the protegee firms. In the future, the program may offer incentives to mentors that participate in the program.

Ms. Danberg said that the pilot program was originally scheduled to end in March 2019, but due to a unanimous response from participants, the program has been extended to September 2019. Protégés may attend training sessions conducted by mentors in addition to training conducted by their originally assigned mentor. Staff will continue to work with protégés to accomplish their goals for the next 5 months. Staff intends to get this pilot program right so that more people would want to become involved in the future permanent program.

Chair Pollitt asked member Baker to invite Mayor Dale V.C. Holness to the June 12th Advisory Board meeting.

Chair Pollitt thanked member Chappell, on behalf of the Board members, for her service on the Board and wished her well as she ends her tenure on the Board.

Member Johnson will attend the Transportation Oversight Committee meeting on April 25.th

Member Baker asked staff to provide periodic updates of the Mentor/Protégé program.

VIII. Old Business

No old business was discussed

IX. Future Agenda Items

- 1) Demonstration: Opportunity Zone Interactive Map
- 2) Vice Mayor Dale V.C. Holness

X. Next Meeting

The next SBDAB meeting is scheduled for **Wednesday, June 12, 2019,**
at 3 p.m.

XI. Adjournment

Motion: Member Green moved to adjourn the meeting. Member Baker seconded.
The motion passed unanimously.

Meeting adjourned at 5:15 p.m.

Disclosure: The above captioned minutes are transcribed in a summary format. To obtain a complete audio recording of the meeting, approved summary minutes, or any presentation or handout materials, please submit a public records to Susan Smith, Small Business Development Specialist, who can be reached at svsmith@broward.org or 954-357-6400.