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# COUNTY OF LOS ANGELES SMALL BUSINESS COMMISSION

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## Members of the Board

Hilda L. Solis  
Mark Ridley-Thomas  
Sheila Kuehl  
Don Knabe  
Michael D. Antonovich

*The Commission provides ongoing advice and support to the Los Angeles County Board of Supervisors to help business grow and do business with and in Los Angeles*

## COMMISSIONERS

**Tyrone Hampton**  
Chair, eff 01/2015

Pasadena Construction  
& Interiors

**Jorge Corralejo**

Macondo Leasing &  
Sales Co., Inc.

**Kerry Doi**

Pacific Asian Consortium  
in Employment

**Jan Perry**

City of LA Economic and  
Workforce Development Dept.

**Gene Hale**

G & C Corporation

**Prof. Ky Chueon Kim, PhD**

NAMBU University/  
Strategic Management  
Institute

**Mark J. Robertson**

Pacific Coast Regional

**W. Steven Temple**

Business Affairs  
Management, Inc.

**Marlon Thompson**

Paladin Associates, LLC

**Ray Bishop**

**Immediate Past Chair**

Ray Bishop & Associates, LLC

**Sharon E. Brown**

ICDC Publishing, Inc.

**Baruch Eichenbaum**

BMC, Inc.

**R. Christine Hershey**

Hershey Cause

**Anna S. Johnson**

The Boeing Company

**Keith McCarthy**

Shining Ocean

**David R. Harlow**

ITC-Diligence, Inc.

**Sean Piazza**

Piazza Family Restaurants

**Dennis J. Young**

The Children's Dental Center

**Irshad Ul-Haque**

Bantam Associates, Inc.

**Cecilia S. Wu**

C. Wu & Associates

## SMALL BUSINESS COMMISSION REGULAR MEETING

Wednesday, April 22, 2015

Room G-101 (Basement)

Internal Services Department Headquarters

1100 N. Eastern Ave., Los Angeles, CA 90063

10:00 a.m. - 12:00 p.m.

## AGENDA

1. Call to Order
2. Roll Call and Confirmation of Quorum
3. Brown Act Training
4. **Action Item:** Approval of January 28, 2015 Meeting Minutes
5. **Action Item:** Election of Vice Chair
6. **Report:** Executive Committee Report on Activities
7. **Departmental Report and Update:**
  - a. Report and Discussion on the Small Business Commission Ordinance
  - b. Update on the Business Forums on Potential Minimum Wage Increase
  - c. Update on the March 24, 2015 Board Motion to Receive a Report on the Small Business Commission's Recommended Initiatives
8. Matters Not Posted – For Future Agenda
9. Public Comment
10. Adjourn

### Small Business Services

1100 North Eastern Ave, Los Angeles, CA 90063

Telephone (323) 881-3964

Fax (323) 4158521 • Website: [osb.lacounty.gov](http://osb.lacounty.gov)

### Consumer Services

500 W. Temple Street, Room B-96 • Los Angeles, CA 90012-2706

Telephone (800) 593-8222 • (213) 974-1452

Fax (213) 687-1137 • Website: [dca.lacounty.gov](http://dca.lacounty.gov)

#### **LOBBYIST REGISTRATION**

Any person who seeks support or endorsement from the Commission on any official action may be subject to the provisions of the Los Angeles County Code Chapter 2.160 relating to lobbyists. Violation of the lobbyist ordinance may result in a fine and other penalty.

#### **ACCOMMODATIONS**

Accommodations, American Sign Language (ASL) Interpreters of assisted listening devices are available with at least three business days notice before the meeting date. Agenda in Braille and/or alternate formats are available upon request. To make special arrangements, please call Small Business Services during Business Hours: Monday – Friday, 8:00 A.M. – 5:00 P.M at (323) 881-3964 or E-mail: [OSB@dcba.lacounty.gov](mailto:OSB@dcba.lacounty.gov)

#### **SUPPORTING DOCUMENTATION**

Supporting documentation can be obtained at Small Business Services, 1100 North Eastern Avenue, 1<sup>st</sup> Floor, Los Angeles, CA 90063. Business Hours: Monday – Friday, 8:00 A.M. – 5:00 P.M. Please call for an appointment at (323) 881-3964.



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## REGULAR MEETING MINUTES

**Wednesday, January 28, 2015**

Room G-101 (Basement)

Internal Services Department Headquarters

1100 N. Eastern Ave., Los Angeles, CA 90063

**Item 1: Call to Order:** Chair Bishop called the meeting to order at 10:07 a.m.

**Quorum Confirmation and Roll Call:** Quorum Confirmed

**In Attendance:**

**1<sup>st</sup> District:** Jorge Corralejo

**2<sup>nd</sup> District:** Gene Hale, Mark Robertson, Steven Temple, Marlon Thompson, Ky Chueon Kim (Alternate)

**3<sup>rd</sup> District:** Chair Ray Bishop, Sharon Brown, Baruch Eichenbaum

**4<sup>th</sup> District:** Anna Johnson, Sean Piazza, Dennis Young

**5<sup>th</sup> District:** Vice Chair Tyrone Hampton, Irshad Ul-Haque, Cecilia Wu, Jozef Essavi (Alternate)

**Ex Officio Members:** Aaron Nevarez, Kieu Ahn King, Nicholas Cantos, Joe Sandoval, Debbie Cabreira-Johnson

**Staff Present:** Brian Stiger, Kirk Shelton, Caroline Torosis, Sabra Purifoy, Gregory Kwolek, Marissa Lao, Christopher La Farge, Aleksan Meymaryan

**Item 2: Introductions**

The Commission heard introductions from all Commission members.

**Item 3: Approval of Minutes**

A **Motion** was made by Dennis Young and seconded by Mark Robertson to approve meeting minutes from October 16, 2014. Motion passed.

A **Motion** was made by Tyrone Hampton to approve meeting minutes from July 16, 2014 with the correction to indicate Jozef Essavi was in attendance. Motion passed.

**Item 4: Executive Committee Report**

Chair Ray Bishop updated the Commission on the Executive Subcommittee's activities.

### **Item 5a: Small Business Commission Elections**

Nominating Committee Chair Mark Robertson led the election for the Small Business Commission Chair and Vice-Chair for 2015. Mark Robertson indicated that there were two nominations for Chair: Ray Bishop and Tyrone Hampton. Mark Robertson also indicated that there was one nomination for Vice-Chair: Jozef Essavi. All three nominees gave speeches and were asked questions by the Commission. The Commission came to a consensus that because Jozef Essavi served as an alternate Commissioner, he would not be eligible for the position of Vice-Chair; therefore, the Commission set aside the election of the Vice-Chair until the next meeting.

For the position Chair, Ray Bishop received four (4) votes and Tyrone Hampton received nine (9) votes. Two (2) Commissioners abstained from voting.

Nominating Committee Chair Mark Robertson announced Tyrone Hampton as the Commission's 2015 Chair.

### **Item 5b: Proposed Bylaws Amendments**

Chair Tyrone Hampton tabled this item due to the Ad Hoc Bylaws Committee Chair's absence.

### **Item 6: Department Reports and Updates**

Department of Consumer Affairs Director Brian Stiger gave an update on the status of the pending transfer of the Office of Small Business and the Small Business Commission.

Joe Sandoval, General Manager at Internal Services Department, gave a report on a Board Motion to redefine and expand the definition of Local Small Business to include those firms that are based in Los Angeles and certified through the federal government.

Debbie Cabreira-Johnson gave an update on the Office of Small Business.

### **Item 7. Matters not Posted – For Future Agenda**

None.

### **Item 8: Public Comment**

None.

### **Item 9: Adjournment**

Chair Tyrone Hampton adjourned the meeting at 12:11 p.m.

**ANALYSIS**

This ordinance amends Title 3 – Advisory Commissions and Committees of the Los Angeles County Code by adding Chapter 3.12, relating to the creation of an ordinance for the Small Business Advisory Commission, originally created by Board order on June 29, 1999.

MARK J. SALADINO  
County Counsel

By  
EMILY D. ISSA  
Senior Associate County Counsel  
Government Services Division

EDI:mv

2/23/2015 (Requested)  
3/9/2015 (Revised)

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Title 3 – Advisory Commissions and Committees of the Los Angeles County Code by adding Chapter 3.12, relating to the creation of an ordinance for the Small Business Advisory Commission, originally created by Board order on June 29, 1999.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Chapter 3.12 is hereby added to read as follows:

**Chapter 3.12 – SMALL BUSINESS ADVISORY COMMISSION.**

**3.12.010 Continuation—Composition.**

**3.12.020 Purpose.**

**3.12.030 Activities—Advisory Authority.**

**3.12.040 Duties.**

**3.12.050 Length of service—Vacancy.**

**3.12.060 Meetings.**

**3.12.070 Self-governance procedures—Quorum.**

**3.12.080 Officers.**

**3.12.090 Staff.**

**3.12.100 Compensation.**

**3.12.110 Sunset review date.**

**3.12.010 Continuation—Composition.**

A. There is hereby continued the Los Angeles County Small Business

Advisory Commission, which shall be referred to in this chapter as "Commission."

The Commission was established by order of the Board of Supervisors on June 29, 1999, and is now codified by ordinance.

B. The Commission shall have 25 positions. A member of the Commission shall be appointed to a vacant position by, and serve at the pleasure of, the Board of Supervisors, which shall be referred to in this chapter as the "Board." Such members shall be representative of the business community in Los Angeles County and have demonstrated their interest and experience in small business affairs by virtue of their education, occupation, or activities prior to appointment. Each member shall reside in Los Angeles County.

C. Each member of the Board may nominate candidates for five positions on the Commission.

**3.12.020 Purpose.**

The Commission is a non-regulatory body whose purpose is to represent the interests and concerns of the small business community of the County to the Board and the Director of the Department of Consumer and Business Affairs, hereinafter in this chapter referred to as the "Director." The Commission's highest priorities are to advise the Board and the Director on small business contract utilization in the County and small business development in unincorporated areas of the County.

**3.12.030 Activities—Advisory Authority.**

The Commission shall act in an advisory capacity. Authority of the Commission shall not supersede or supplant that of any County officer or department nor deprive any

County officer or department of any duty or responsibility provided for by the Constitution, statutes, or the Charter or ordinances of the County, in their current form or those that may be hereafter amended.

**3.12.040 Duties.**

The Commission shall have the following duties:

- A. To ascertain the needs of the small business community in the County and advise the Director of its findings as appropriate;
- B. To provide an annual report relating to issues that affect the small business community in the County and include any recommendations to the Director;
- C. To advise the Board and the Director regarding the need for changes in procedures, programs or legislation in order to further the interests of small businesses in the County;
- D. To advise the Director on methods for effective outreach to small businesses in the County and to increase transparency of County contracting processes; and
- E. To monitor and evaluate progress in implementing all motions adopted by the Board pertaining to the small business community.

**3.12.050 Length of service—Vacancy.**

The provisions of this section shall become applicable to a position on the Commission at the expiration of the term of the member occupying that position on the effective date of the amendment codified in this section. Any member serving as an alternate on the effective date of the amendment codified in this section shall become a

duly appointed member of the Commission and be subject to the provisions of this section.

A. Each member of the Commission shall serve at the pleasure of the Board. Each position on the Commission shall become vacant every two years from the effective date of this amendment.

B. No member of the Commission may serve more than two consecutive full periods of service as specified in subsection A of this section. The Board may, by order, extend this length of service or waive this limit for individuals or the Commission as a whole.

C. A member's position on the Commission shall become vacant upon his or her death, resignation, or removal by the Board. In the case of such a vacancy, the Board shall appoint a successor to serve until the position next becomes vacant under subsection A of this section.

D. The provisions of Chapter 5.12 of the Los Angeles County Code shall not apply to the Commission.

**3.12.060 Meetings.**

The Commission shall meet at least four times a year. Special meetings of the Commission may be called at the discretion of the Chair or by a majority of the Commission.

**3.12.070 Self-governance procedures—Quorum.**

The Commission shall, in conjunction with the Director, prepare and adopt rules and procedures for the internal governance of its business provided that such rules and

regulations are not inconsistent with this chapter or any other ordinance or statute.

A majority of the appointed members will constitute a quorum and a majority vote of the members present is required to approve any item before the Commission.

**3.12.080 Officers.**

The Commission shall elect a Chairperson and Vice Chairperson during the January Commission meeting. The term of office of such officers shall be for a calendar year but shall not exceed the remaining tenure of the member elected.

**3.12.090 Staff.**

The Commission shall be staffed by employees of the Department of Consumer and Business Affairs as designated by the Director.

**3.12.100 Compensation.**

Each member of the Commission shall serve without compensation.

**3.12.110 Sunset review date.**

The Los Angeles County Small Business Advisory Commission continues, and its sunset review date shall be April 30, 2019.

[CH312EICC]

AGN. NO. \_\_\_\_\_

REVISED MOTION BY SUPERVISORS KUEHL AND SOLIS

March 31, 2015

In Los Angeles County, 2.7 million residents live in poverty, defined by the California Poverty Measure (published by Stanford University and the Public Policy Institute of California) as an annual income of up to \$30,785 for a family of four. If these 2.7 million County residents (27% of the County population) were their own city, it would be tied with Chicago as the third largest city in the country. Under the federal government’s official definition of poverty (unchanged since 1965), 1.8 million Los Angeles County residents live in poverty, earning under \$11,700 in annual income for an individual or \$24,250 for a family of four. Regardless of definition, many LA County residents who work full-time earn wages that do not cover the basic costs of living, which should provide for safe housing, healthy food, clothing and basic medical care.

The current minimum wage in Los Angeles County is \$9.00 an hour, set by State law, which equates to \$18,000 a year for a full-time employee. Parents in Los Angeles County are forced to make difficult choices when low wages do not provide sufficient income to provide food, clothing, and shelter for themselves and their children. These families, struggling to meet their basic needs, also cannot fully participate in the many educational, cultural, and recreational opportunities available to them. The disparity

MOTION

SOLIS	_____
RIDLEY-THOMAS	_____
KUEHL	_____
KNABE	_____
ANTONOVICH	_____

between the high cost of living in Los Angeles County and the income earned from working full-time at the current minimum wage has made economic inequality one of the most pressing social, economic, and civil rights issues facing our region today.

The City of Los Angeles is one of many U.S. localities looking to set their minimum wage at levels that reflect local economic conditions and living costs. Sixteen U.S. cities and counties have approved new local minimum wage laws over the past two years, with Seattle capturing national attention when it approved a minimum wage of \$15.00 an hour, to be phased in over several years. In California, the cities of San Jose, San Diego, Berkeley, Richmond, Oakland and San Francisco have raised wages over the past year. The City of Los Angeles, home to approximately 40% of the County's residents, is exploring an increase in the City's minimum wage from the current \$9.00 an hour to between \$13.25 and \$15.25 an hour, to be phased in over multiple years. Eight other LA County cities are also considering raising their minimum wage to similar levels.

The County of Los Angeles is able to set minimum wage levels both for County employees and for the 1 million people living in unincorporated areas of the County. The county government is the largest employer in the County, with approximately 96,000 employees, of whom 2,524 currently earn less than \$13.25 an hour. An additional 2,537 employees earn less than \$15.25 an hour. The County also has more than 200 active "Prop A" contracts with private businesses that provide custodial, food service, security, landscaping and other services to County departments. (Proposition A, adopted by Los Angeles County voters in 1978, allows these personal services contracts if they are less costly than performing the work with County employees.)

More than 95% of the County's Prop A vendors pay their 15,000 employees a wage of \$11.84 an hour, and the remaining 5% pay \$9.86 an hour, plus healthcare.

The Board of Supervisors is also the local governing body for the unincorporated areas of Los Angeles County, providing comprehensive municipal services to one million people living therein. Approximately 65% of the County's land area is unincorporated, including large portions of the northern and eastern regions of the County and many smaller areas between the borders of incorporated cities. As allowed under State law, the Board of Supervisors may also set a local minimum wage in LA County's unincorporated areas.

State law, however, does not allow the Board of Supervisors to establish minimum wage levels for the 88 municipalities within its borders. The decision by some of these municipalities to increase wage levels may have significant impacts on regional economic patterns.

With economic inequality and wage stagnation at record levels nationally, it is imperative that the County of Los Angeles engage in this critical policy discussion. Before deciding whether to increase wage levels (and, if so, to what level), County policymakers must fully understand the likely impacts of such increases on all affected, especially on the "mom and pop" establishments that constitute the vast majority of the businesses in the County. (According to U.S. Census data, 76% of LA County businesses are micro-businesses with 1-9 employees.) In addition, the County must consider the impacts on non-profit organizations, on the County as both employer and service-provider, and on the economy as a whole.

In order to evaluate various minimum wage proposals, the City of Los Angeles

commissioned multiple economic studies, including those requested by the Mayor's Office, the City Council and the Los Angeles Chamber of Commerce. These economic studies were recently completed and are now publicly available, providing ample local data to the body of policy research on this issue.

**WE, THEREFORE, MOVE** that the Board of Supervisors authorize and direct the Interim Chief Executive Officer to enter into an agreement to transfer no more than \$95,000 to the Los Angeles County Economic Development Corporation (LAEDC) to analyze and prepare a report on the likely fiscal and economic impact of raising the minimum wage in Los Angeles County. The report should be completed by LAEDC within 45 days and should include, but not be limited to, the following analyses:

- A. **Literature Review:** Review and assess all recent minimum wage studies, along with other contemporary research related to minimum wage increases in large metropolitan areas.
- B. **Unincorporated Areas:** Analyze how the findings from these studies would apply to the County if the Board of Supervisors were to implement a minimum wage in the unincorporated areas of the County similar to those proposed for the City of Los Angeles. In particular, the report should assess the likely impacts of implementing the same minimum wage levels proposed for the City of Los Angeles on workers, businesses, and nonprofit agencies in County unincorporated areas. The analysis should consider how these impacts might vary depending on the size of the enterprise (determined both by number of employees and by revenues), paying special attention to the impacts on the "mom and pop" shops that make up the vast majority of County businesses.

- C. **County Impact:** Analyze the fiscal and economic impact of increasing the wages of the lowest-earning County employees to the same minimum wage levels proposed for the City of Los Angeles and the corresponding impact to County employees at higher levels in the same occupational series.
- D. **County Contractors:** Analyze the fiscal and economic impact of requiring the County's approximately 220 Proposition A vendors and Temporary Services Agencies to also adhere to the same minimum wage levels proposed for the City of Los Angeles.
- E. **Regional Economic Dynamics:** Analyze the impact of these potential wage increases from a regional perspective. In particular, evaluate how wage increases by the City and by the County might impact the movement of jobs and workers across municipal boundaries.
- F. **Affordable Care Act:** Analyze the potential impact that a higher wage will have on County residents who receive health insurance premium subsidies through the Affordable Care Act health exchange, Covered California.

WE FURTHER MOVE that the Board of Supervisors direct the Interim CEO, working with all appropriate County departments, including County Counsel, the Internal Services Department and the Department of Public Social Services, to submit a report to the Board of Supervisors, in 60 days, that:

1. Analyzes the potential impact that a higher wage will have on County residents who receive public benefits, including CalWORKs and CalFresh.

2. Identifies, analyzes and quantifies any other potential impacts to the County of Los Angeles as an employer and as the wage-setting entity for unincorporated County areas.

S:TO/Minimum Wage

MOTION BY SUPERVISOR DON KNABE

March 31, 2015

Consideration of a minimum wage ordinance in unincorporated areas of Los Angeles County, as well as on businesses that perform services on behalf of the County is a significant issue under consideration by this Board. There has been a great deal of research performed touting the economic benefits of such ordinances, but these studies have not provided much insight on the impact to businesses, other than to say there is no or minimal impact. The study being proposed today that will be conducted by the Los Angeles Economic Development Corporation (LAEDC) will examine business impact, which I am encouraged by. However, I want to ensure the voices of businesses are heard from directly during this process. I believe that they should be engaged directly and be offered the opportunity to provide their thoughts, their ideas and even their reservations about a minimum wage ordinance.

**I, THEREFORE MOVE** that the Board instruct the Director of the Department of Consumer and Business Affairs, in consultation with the Small Business Commission and with the Los Angeles Economic Development Corporation, to conduct hearings in unincorporated areas of the County, a minimum of one in each Supervisorial District, to give business owners the opportunity to comment on a minimum wage ordinance, and report back in 45 days, in alignment with the timing of the LAEDC report.

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AGN. NO. 26 - A

MOTION BY MAYOR MICHAEL D. ANTONOVICH

MARCH 24, 2015

On October 29, 2012, the Small Business Commission passed the attached motion which outlines a series of recommended initiatives that may improve the County's internal contracting process and spur regional economic growth.

I, THEREFORE, MOVE that the Board of Supervisors direct the Chief Executive Office and the Department of Consumer and Business Affairs to report back to the board in ~~60~~ 30 days with recommendations on implementing these initiatives.

# # #

MDA:evo  
Internalcontractingprocess032415

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ANTONOVICH	_____

**As Approved by Small Business Commission (14 Yes, 1 No)**  
**Quarterly Meeting October 29, 2012**  
**Marlon Thompson, Chairman**

**MOTION**

Whereas, the County of Los Angeles Board of Supervisors has formally stated it is dedicated to supporting small businesses operating within the County of Los Angeles and providing ongoing programs and initiatives to increase the participation rate of these local small businesses in contracting, either directly or indirectly, with the County of Los Angeles; and

Whereas, the County of Los Angeles Board of Supervisors has formally recognized that the local small business community serves as an important driving force in County economic development; and determined it is in the best economic interests of the County to have a high and sustainable contracting participation rate of local small businesses with the County; and

Whereas, the County of Los Angeles Small Business Commission has been empowered by the Los Angeles County Board of Supervisors to provide ongoing advice as related to issues affecting and supporting the local small business community.

Therefore, the Los Angeles County Small Business Commission moves that the Board of Supervisors implement or cause to implement the following recommendations in support of local small businesses:

1. Establish a Los Angeles County annual minimum goal (which is equal to the State of California goal) of twenty-five percent (25%) in its contracting and purchasing dollar utilization with local small businesses to be achieved in no more than twenty four months.
2. Require the Chief Executive Officer to provide quarterly reports and an annual report inclusive of corrective action as needed to the Board of Supervisors reflecting the County's overall, and individual department's results- in achieving the local small business contracting and purchasing dollar utilization goal.
3. Initiate a review of existing programs and activities affecting local small business contracting and purchasing, inclusive but not limited to the "Bold Steps Forward", to determine their current status and effectiveness.
4. Implement a review of best practices, internally and externally, to establish an actionable plan to help achieve and / or sustain the local small business contracting and purchasing dollar utilization goal and provide that plan to the Board of Supervisors within twelve months.
5. As needed, provide support and incentives to assist County personnel in meeting their respective departmental and overall County goals.

Furthermore,

6. Increase the Countywide departmental delegated contracting and purchasing authority to mirror the State of California's Simplified Acquisition Process.
7. Establish a preference program for Certified Disabled Veteran Business Enterprises to include the addition of three percent (3%) goal in utilization of Certified Disabled Veteran Business Enterprises.

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