



SMALL BUSINESS COMMISSION
DRAFT MEETING MINUTES



Monday, November 23, 2015
2:00 P.M.
CITY HALL, ROOM 400
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

SMALL BUSINESS COMMISSIONERS

Mark Dwight, President
Stephen Adams, Kathleen Dooley, William Ortiz-Cartagena
Irene Yee Riley, Paul Tour-Sarkissian

1. Call to order and roll call.

The meeting was called to order at 2:11 PM. Commissioners Adams, Dooley, Dwight, Ortiz-Cartagena, Yee Riley, and Tour-Sarkissian were present.

Staff in Attendance: Regina Dick-Endrizzi (Executive Director)

2. Recognition of service for Monetta White on the Small Business Commission (Discussion Item)

Item 2 continued. Monetta White was not able to attend the Commission meeting due to an injury.

3. General Public Comment.

General public comment: No members of the public requested to speak.

4. Presentation and Discussion on Paid Sick Leave. (Discussion Item)

Presentation by Ellen Love (Office of Labor Standard and Enforcement)

Ms. Love began her presentation by offering background information; she mentioned that San Francisco was the first city in the United States to pass sick leave policy in 2006. The State of California passed its own legislation in 2014, which took effect July 1, 2015. Small business owners have to negotiate two sets of differing laws, one from the city and one from the state, which has been difficult. Ms. Love mentioned that although state law does not supersede the local policy, both versions of the law are applicable where one is more expansive than the other; this lack of clarity creates hardship in implementation. Ms. Love first outlined the similarities in both laws for permitted use of paid sick leave. She then note the areas where the San Francisco law is more generous and must follow the local law, and the areas where the state law is more generous and must be followed. Subsequently, she presented the Commission with the methods by which sick leave hours are to be calculated. The two laws do not line up in this area and this can be tricky for small businesses. The local law is based upon accrual and use and is floating cap, whereas the state law has multiple methods for providing paid sick leave. She then provided examples of what is

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required of an employer, overlaying both sets of laws. A business will need to apply the state law at the time of hire, until the local law meets up with the state, at which point the local law supersedes that of the state.

Commissioner Dwight asked about the noticing requirements for the method used. Commissioner Tour-Sarkissian asked when it is a benefit to start off with the upfront method. Ms. Love noted that for businesses with under 10 employees, starting with the upfront method keeps the local accrual time at 40 hours; otherwise they would have to accrue up to 48 hours. There was some discussion as to the potential issues with the upfront method, for employees under the probationary period. The Commissioners then continued to discuss which methods (upfront or accrual) and which version of the law (state or municipal), are more advantageous for business owners to implement. Recommended that the Office of Small Business and/or the Business Portal provide tables for small business to help them understand how best to apply the two laws and create one policy for their business. Ms. Love noted that they are working with the state to do a joint or combined poster about what is required of both laws to post in the business and noted that the Office of Labor Standards Enforcement has an extensive FAQ on their website: <http://sfgov.org/olse/paid-sick-leave-ordinance-pslo>. Commissioner Yee Riley inquired about the progress of sick leave policy in other cities. Commissioner Dwight concluded that the current paid sick leave policy is not ambiguous, but complex, and lauded Ms. Love on the thoroughness of her presentation.

Public comment: No members of the public requested to speak.

5. Presentation and Discussion on implementation of the Family Friendly Ordinance.
(Discussion Item)

Presentation by Richa Dhanju (Policy Fellow, San Francisco Department on the Status of Women)

Ms. Dhanju began her presentation by noting the challenges employers often face with the current workforce. Ms. Dhanju reviewed the change in workforce demographics over the last 40 years. The number of women in the workforce today is 47%, and the number of single parent households has also doubled. The ordinance is designed to give employees the right to submit a written request for flexibility in their schedules, followed by face-to-face discussions with employers regarding said request, no later than 21 days after the request has been submitted. Employers can move to accept or deny; denials are acceptable if substantial reasons are provided. However, workers may follow with an appeal of the decision within 30 days of denial, and once again, employers are expected to respond within 21 days. Overall, the ordinance seeks to create a safe space for employees and employers to engage in dialogue; the ordinance applies to businesses employing 20 or more people and to employees who have been working at a given establishment for at least six months and a minimum of eight hours a week.

Commissioner Tour-Sarkissian inquired as to whether or not a face-to-face meeting will be required during the appeal process as the ordinance does not spell out a definition of what constitutes a meeting and who determines what type of meeting. Additionally, he requested details regarding what constitutes a sufficient and an insufficient reason to deny an employee's request, and who has the authority to judge that.

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Ellen Love spoke in response to Commissioner Tour-Sarkissian's question, noting that the OLSE does not have the authority to judge the sufficiency of an employer's reason to deny a request; rather, it only has the authority to judge whether or not the process was conducted properly.

Public comment: No members of the public requested to speak.

Commission Dooley departed the meeting at approximately 3:45pm.

6. Overview of the passage of Proposition J, Historical Preservation Fund. (Discussion Item)

Presentation by Regina Dick-Endrizzi (Director of the Office of Small Business)

Director Dick-Endrizzi began by stating that Proposition J is a ballot measure, meaning that the resolution is solely in the hands of the voters. However, the ballot has assigned the Commission to modify the application and the application process (starting January 1). In addition, the Commission is charged with the responsibilities of rule-making and creating an approval procedure for the distribution of funds; there will be one official public hearing regarding this. When the Commission finalizes the aforementioned procedures, the Board of Supervisors will have a 30-day time period to respond, make comments, and request changes.

Commissioner Dwight expressed his concerns regarding implementation and the overall construction of the program. He inquired as to whether or not the Commission can request funds from the Budget Committee, on a need basis, as the amount of money that is required for this program is variable; the number of applications that will be received is uncertain. There also must be an individual who will oversee the operations of the grant program, which is a compensated position; moreover, this individual has not yet been recruited, which can delay the initiation of the overall program. Additionally, Commissioner Dwight remarked that the Small Business Commission is not an adjudicative body; it has neither the authority nor the resources to ensure that the information presented on all applications is honest and accurate; Commissioner Dwight mentioned that the Board of Supervisors should be involved in this process (of ensuring honesty in all applications). Commissioner Tour-Sarkissian suggested that there should be a consolidated protocol for what type of documents and information must be disclosed on the application. Commissioner Dwight also commented that the success or failure of this program cannot be determined immediately and will be difficult to determine at all. This program is meant to offer financial assistance for minor projects, such as moving locations due to a termination of a lease, not to revive a failing business. Commissioner Adams expressed his concern that most businesses that will be applying for a grant are likely those that are financially struggling. Commissioner Tour-Sarkissian suggested that the City Attorney should be involved to aid in the setting of boundaries, duties and rules (Director Dick-Endrizzi mentioned in her presentation that this is already in progress). Commissioner Yee Riley requested from Director Dick-Endrizzi that information from the City Attorney be shared with the Commission next meeting.

Public comment: No members of the public requested to speak.

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7. **Election of the Interim Vice-President** (Discussion and Action Item)

President Dwight called for discussion on the matter. There was no discussion amongst the Commissioners on the matter. Commissioner Yee-Riley nominated Commissioner Steve Adams for Interim Vice-President. President Dwight called for additional nominations. No other nominations were submitted.

Motion: Commissioner Yee Riley nominated Commissioner Adams for Interim Vice-President

Second: Commissioner Tour-Sarkissian

Aye: Adams, Dwight, Ortiz-Cartagena, Tour-Sarkissian and Yee-Riley

Nay: None

Absent: Dooley

Motion passed 5-0

8. **Director's Report** (Discussion Item)

Director Dick-Endrizzi mentioned that the Office of the Treasury and Tax Collector now allows credit cards as a means of payment for business licenses and taxes. She acknowledged Jane Gong for helping develop an online business registration method, but there is not an official launch date for this program. Additionally, Director Dick-Endrizzi mentioned that there will be monthly updates for the Business Portal; that the Mayor had added to the budget to assign case managers to aid new restaurants, and that Bank of America is sponsoring Small Business Week.

9. **President's Report** (Discussion Item)

President Dwight mentioned that he attended the San Francisco Chamber of Commerce's EBBIEs Gala Awards. His participating in a large Buy Local effort to expand Shop Local and Shop and Dine in the 49 beyond the holidays. Additionally, he commented that he hopes the Small Business Commission will become more relevant. President Dwight would like people to attend the meetings and engage in the democratic process.

10. **Vice President's Report** (Discussion Item)

Vice President Adams invited everyone to the Castro Merchants tree lighting, which will take place Monday November 30, 2015 at 6PM between 18th and Castro and advised everyone to shop and dine locally.

11. **Commissioner Reports** (Discussion Item)

None.

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12. New Business (Discussion Item)

Commissioner Yee Riley commented that the state should be involved in creating a single, consolidated policy for sick leave to avoid implementation dilemmas. Commissioner Dwight remarked that most policy endorsements are politically motivated, and the core issue is that laws and rules are not harmonized and are hierarchical.

13. Adjournment:

Motion: Commissioner Adams motioned for adjournment

Second: Commissioner Ortiz-Cartagena

Aye: Adams, Dwight, Ortiz-Cartagena, Tour-Sarkissian and Yee-Riley

Nay: None

Absent: Dooley

Motion passed 5-0

The meeting was adjourned at 4:44pm.

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