



AGENDA

MINORITY BUSINESS AD-HOC COMMITTEE

April 14, 2015 @ 4:00pm
Conference Room 402
Peoria County Courthouse

1. MEETING CALLED TO ORDER
2. Approval of Minutes
3. MBE CDI Update (*see attachment*)
4. Miscellaneous
5. ADJOURNMENT

Draft

**Minutes
Minority Business Ad-Hoc Committee
February 10, 2015**

MEMBERS PRESENT:

Mary Ardapple-Mike Phelan; Board Members, Denise Moore; City Council, Don Gorman, Stephanie Brock, Marty Clinch, Marty Helpers, Charles Randle; Business Financial Services-Small Business Administration

MEMBERS ABSENT: Rachael Parker; Committee Chairman, Diane Russell,

OTHERS PRESENT:

Larry Ivory; Illinois Black Chamber, Mark Rothert; Assistant County Administrator, Jim Smith; Purchasing Agent

Teleconference: Liz Duncan;The Cayemitte Group (TCG) and Hayward Willis

In the absent of Chairman Parker, the meeting was called to order by Ms. Ardapple at 4:06pm. Minutes of November 11, 2014, and January 13, 2015, were approved on motion by Ms. Moore and second by Mr. Clinch.

Overview presentations were moved to the bottom of the agenda. Mr. Rothert mentioned that Mr. David Cayemitte would not be joining the meeting because of travel delays due to bad weather. Mr. Rothert called attention to the Cayemitte Group reports included in the agenda packet.

Ms. Ardapple asked for comments on the MCI program and if it is moving in the direction the members anticipated. There were comments noting that the program is very beneficial to the community although initially some folks were concerned due to it being a new approach. Mr. Helpers mentioned the need for some of the smaller contractors to get experience so they can get work. He said it appears the same contractors are getting the jobs. Mr. Rothert agreed that it is important to get the MCI program contractors connected with Mr. Helpers to get them involved in the trades.

Ms. Duncan and Mr. Willis gave an update on what TCG has been working on. It was noted that an *Estimating Class* and a *Work-in-Progress (WIP) Class* were held in Peoria in January. Mr. Willis met with a number of participants to assist them with such things as

- Getting QuickBooks up and running
- Completing a website
- Mapping out a marketing strategy
- Reviewing estimates for bids
- Addressing issues related to bonding
- Focusing on obtaining information and creating a pipeline on potential job opportunities
- Discussing company structure (union vs non-union)
- Discussing WIP schedule and issues surrounding the production and contents of the report

Mr. Willis said one of the big things is to help participants determine if they are making a profit on the job. Another area of focus was helping/showing the participants how to understand a financial statement and how to report income. He said he discussed with them how to identify construction CPA firms and construction law firms.

Mr. Ivory reported as follows:

- He had a series of conversations with prime contracts to discuss projects that MCI program participants could be involved in.
- Mr. Mike George, past EEO Officer of IDOT, has taken part in the meetings to offer his expertise.
- He discussed the County's nursing home demolition project with the contractors.
- Met with the President of CORE Construction Company, and he has agreed to do some creative financing to help these contractors get opportunities. CORE President has given good feedback about the clients and; therefore, a good relationship has been developed with CORE.
- Discussions continue with Williams Brothers. William Brothers appears to be interested but has not given as much feedback.

Additional comments were provided by the committee members. It was suggested that testimonies of success stories of contractors be used to market the program. The Cayemitte team, Mr. Ivory and Mr. Rothert were complimented on the effort they are putting forth because the program is a pilot that is working. Comments were made that the program needs to continue but there is the issue of keeping it thriving from year to year. It was recommended there be an open house where perhaps connections could be made with contractors about upcoming jobs. Also, it was suggested that marketing be increased.

Mr. Phelan said it is a good program. He mentioned there is only one person in the County's Economic Development area; therefore, it is critical that board members make sure resources are committed to economic development as well as minority business development. Mr. Phelan asked Mr. Rothert to report back and advise if in the bidding process (all things being equal) we could show preference to local contractors that are participating in the MCI program on projects. In reply to Mr. Phelan's question about who is mowing the Hanna City property, he was advised that Peoria Park District is doing so as a part of the entire mowing contract. Mr. Phelan requested that Finance/Purchasing Department look at breaking out Hanna City mowing so it can be a smaller contract that perhaps would be more practical for minority contractors to bid.

The Committee consensus was that the MCI program is going in the right direction. Ms. Ardapple said it is good to know there is a consensus because, currently, the program is funded for one year. She said the consensus shows the members feel it is viable, important and needs to move forward.

Mr. Rothert gave his thoughts on the way to proceed with funding. He mentioned the following:

- The program is valuable not only to the County but to other stakeholders.
- To make it sustainable, he recommends starting discussions with our partners to share the burden. Partners are the City, Sanitary District, School District, local prime contractors, State of IL, private sectors, etc.
- To consider the possibility of applying for grants although they are not 100% guaranteed. Mr. Ivory mentioned that he had spoken to IDOT and DCEO and there is opportunity to receive funding because the County can make the case there has been tangible results with this program. He mentioned a meeting he is scheduling with the new Governor and will discuss the issue with him.

Ms. Ardapple said moving forward, it is essential that a private business representative be at the table. Additionally, Mr. Clinch recommended including a representative from Greater Peoria Contractors Association. Mr. Rothert said presentations have been made to the CEO Council. It was recommended that the CEO Council continue to be updated.

Overview of Black Business Alliance

Ms. Moore briefly defined the origin of the group and explained its mission. She handed out a folder of detailed information and asked if anyone had questions to direct them to her.

The Overview of the Illinois Black Chamber and the miscellaneous items were postponed until the March meeting.

The meeting was adjourned at 5:10pm.

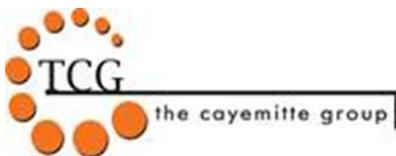
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COUNTY OF PEORIA MBE CONTRACTOR DEVELOPMENT INITIATIVE 3-Year Framework

Program Partners:



COUNTY OF PEORIA

MBE CONTRACTOR DEVELOPMENT

In 2014, Peoria County created the **MBE Contractor Development Initiative (CDI)** to build capacity for construction industry contractors who are MBEs (minority, women, or disadvantaged business owners). The support offered by the program has assisted business owners with training and development with a goal of economic independence, success, and creating more contracting diversity on public and private sector opportunities.

The Need

- Minorities are 26% of the population in Peoria County but only account for only 10% of all businesses.
- In the construction field alone, US Census data shows that of Peoria County's 1,761 construction firms, only 7% are minority owned.
- IDOT's District 4 Disparity Study identified "egregious discriminatory contracting practices in District 4".

Why Construction

- Construction is profitable and can support workers with good wages.
- There is a strong construction industry in place for the Peoria area that could serve to mentor in the MBE Contractor Development Initiative.

Program Elements

- A bulk of the program each month is related to training and one-on-one outreach with MBE firms to help build their business and capacity to go after construction opportunities in the region.
- Because contractor bonding is a critical component to compete for construction projects, a particular focus of this program has also been placed on assessing firms to get them bonded or add to their existing bonding limits.
- Training that has been provided under the CDI program to participating companies includes topics on:
 - marketing
 - internal accounting systems
 - bonding and financial management
 - credit repair
 - procurement
 - construction industry related classes
 - DBE/MBE certification and
 - contract law
- Lastly, the CDI program works to identify project opportunities for participants.

Program Results

- 20 MWBE firms participating
 - Initial assessments and work plans created
 - Identification of company growth issues
 - Bonding obtained or increased
 - Contractors pursuing opportunities
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Lessons Learned

- Capacity building is a marathon, not a sprint. This program will require sustained years of commitment to see desired results.
- Participants are at varying levels of development (from startup to established).
- Access to capital is a needed component to help program participants.
- There is a need for greater participation and collaboration from the private sector and other governments.

Future Program

With a first year pilot program nearly complete, Peoria County desires to undertake a three (3) year funding plan to bring more sustainability to the program, expand its scope to the region and advance the important and diverse role that MBE firms can play in our construction industry.

Each year, the goal is to continue the high level engagement with up to 25-30 MBE firms throughout the region. Engagement includes helping to assess and address business development constraints, overcome access to capital/bonding barriers, and identify mentors and job opportunities in both the public and private sector. The program will continue to rely heavily on in-person and webinar training, one-on-one consultation regarding business development, and opportunity identification for clients.

Funding

Annual funding partners could stem from a multitude of community partners that share in the program's vision such as:

	Year 1	Year 2	Year 3	TOTAL
Peoria County	\$20,000	\$20,000	\$20,000	\$60,000
Other units of local governments	\$20,000	\$20,000	\$20,000	\$60,000
Prime contractors (3)	\$45,000	\$45,000	\$45,000	\$135,000
IDOT	\$75,000	\$75,000	\$75,000	\$225,000
Illinois Capital Development Board	\$75,000	\$75,000	\$75,000	\$225,000
Major private sector employers (2)	\$30,000	\$30,000	\$30,000	\$90,000
TOTAL	\$265,000	\$265,000	\$265,000	\$795,000

Program Oversight

General oversight of the program would be held by Peoria County's MBE Ad-Hoc Committee which is recommended to meet quarterly to discuss this program, as well as other issues affecting MBE firms.

Next Steps/Actions

- Approve plan at MBE Ad-Hoc Committee (April).
 - Approve plan at County Operations and Facilities Committee with funding commitment paid out of economic development budget (April).
 - Approve plan and funding support at County Board (May).
 - Raise support funds through identified community partners (May-June).
 - Re-establish program to start in Fall 2015 or sooner if funding becomes available.
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Background on Program Partners

Peoria County: Peoria County, with a population of over 186,000, is committed to improving the economic viability of minority, women and disadvantaged enterprises (collectively referred to as MBEs). The County formed an MBE ad-hoc committee in 2005 and since then has worked to address a lack of county dollars spent on contracts with MWBE firms. In 2014, the MBE Committee championed the idea to create the MBE Contractor Development Initiative, building off of past programs and identifying a minority participation need in the construction industry.

The Cayemite Group (TCG): As one of the nation's premiere insurance services and surety bond providers, **TCG** specializes in managing both personal and corporate risks to keep businesses well protected and positioned for continual growth. TCG's portfolio encompasses organizations with revenue of \$500,000 to \$2 billion. TCG has developed and successfully administered the most comprehensive bond program in the country since 2009. The firm also provides a wide range of strategic, operational and advisory risk management and consulting services across all industries and for companies at all stages of their life cycle. TCG's multidisciplinary approach, coupled with decades of staff experience and refined expertise, allows TCG to offer each of its client's creative solutions to complex issues.

The Illinois Black Chamber of Commerce, Inc. (ILBCC): The **ILBCC**, a 501(c)6, is the largest Black Trade organization in Illinois and a strong advocate for entrepreneurship serving local and regional businesses. For over 16 years, we have helped minority businesses to succeed through developing strategies to assist them in increasing their competitive ability and capacity within the Illinois business community. ILBCC's vision is to help minority businesses to become sustainable, high-growth enterprises by assisting them with building their capacity, allowing them to compete effectively in local, state, federal, and commercial contracts, and assisting them with networking and teaming with the private and public sector to improve the conditions of these businesses.

Minority Business Development Institute (MBDI): MBDI is an innovative, community-based, 501(c)(3) organization born out of a passionate desire to “change the paradigm” of economic inequality for the minority contractor community. MBDI helps to position minority firms to become credit worthy and therefore bondable, providing an effective response to the lack of capital that has historically limited MBEs opportunities and growth. MBDI carries the endorsement of the surety industry because of its powerful protocol for contractor development. MBDI's financial, legal and surety industry experience equips it to provide emerging contractors direct services, technical support and clearly defined road maps to success. Through education and advocacy, our mission is to assist the minority contractor population to develop socio-economic equality by addressing business issues that create barriers to success. MBDI pledges to help build the managerial, operational and financial functions of minority-owned contracting firms to prepare them to get bonded and permanently increase their productivity, opportunities and future profitability.
