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| **City of Albuquerque**  **Small Business**  **Regulatory Advisory Commission** | | Logo  Description automatically generated |
| **Chair: Myra Ghattas**  **Vice Chairman: Tim Nisly**  **Ex-Officio Member: Synthia R. Jaramillo**  **City Legal: Leigh Brunner**  **Staff: M. Mitchell**  **D. Sayers**  **C. Nunez** | **Commissioners: Paulette Baca**  **Matthew Biggs**  **Kenneth J. Carson**  **Cailyn Kilcup**  **Michael M. Silva Jr.**    **Commissioners highlighted yellow were present for the meeting.** | |

**January 12, 2021**

**9:00 AM – 10:00 AM**

**Zoom Conference Call**

**Join Zoom Meeting**

<https://cabq.zoom.us/j/9697603096>

**Meeting ID: 969 760 3096**

**Find your local number:** <https://cabq.zoom.us/u/acvh98go08>

**MINUTES**

1. **Approval of minutes** – Chair

**MOTION** to Approve December Minutes: COMMISSIONER Ken Carson

**SECOND** by COMMISSIONER Cailyn Kilcup

**MOTION PASSED UNANIMOUSLY**

1. **Additions/deletions to agenda –** Chair

* Add a commission check-in after item IV.
* Switch items IV and III, moving up the City Update to item III

1. **City Update –** Director Jaramillo, Sr. Economic Developer Monica Mitchell, and Small Business Office Manager David Sayers
   * **$10 million Small Business Economic Relief Grant**
   * 996 total businesses funded. 50 businesses will be scheduling an appointment to pick up their check.
   * The exact number of declined businesses will be determined soon, estimate of about 400.
   * Top reasons why businesses were declined: grant was oversubscribed, business could not show loss of income, business was not within city limits, or the deadline was not met.
   * Commission recognizes the work from economic development and emphasizes their focus to continue supporting small business.
   * **PPE** all of the $1.25m in CARES funding has been spent (purchases and distribution contracts). Over 4,000 boxes have been built and some distributed at the grant check pick-ups, others are being distributed through our nine distribution partners throughout the city. Economic Development is halfway through distributing all of the PPE boxes.
2. **City Council Discussion with Councilor Sena and Councilor Gibson**
   * **Healthy Families and Workplaces Ordinance O-20-39**
   * Ordinances like paid time off and paid sick leave keep coming back. SBRAC’s purpose for the meeting is to work together with Councilors to draw up legislation that is helpful for employees and friendly to small businesses.
   * **Ken Carson**: Sick leave and annual leave was transformed to time off. Employees who stay with me 1 year get 1 week. I have a six-month limit. If you stay with me 3 years, you get 3 weeks.

*Recommendations*:

* + Apply this ordinance to large organizations because they can afford this. Leave the small guys alone this year because of the pandemic, they are facing enough just to keep their doors open.
  + Do not tax new businesses, in the first years it is really hard to make ends meet. Let new businesses operate without tax for 1 to 3 years.
  + Turnover in restaurants is high, it’s costly to set up people with the system. Let them wait to draw out their leave for a year.
  + When the pandemic hit, everybody wanted to take their leave at the same time. I had to suspend my leave. I did not have the reserves set aside for that. Only a few of us have the money to carry 6 or so months of reserves for salaries. Once I had the PPE, I was able to reinstate the leave.
  + (Councilor Gibson) How did you manage the PTO and scheduling? (KC) I did this for two years prior to the pandemic. It’s a management issue.
  + (Abigail Stiles) Do you allow employees to take half a shift off? (KC) I don’t put any limits on their PTO. People have the ability to plan ahead and they let you know.
  + (KC) PTO, according to my policy, is only allowed while they work in the business.
  + (Councilor Sena) State ruled that if they do have a pay-out policy, you must pay it out. State and federal law says that it is to the discretion of the owner.
  + (Myra Ghattas) Before the pandemic, I was able to offer health insurance. But when the pandemic hit, I had no way to offer health insurance. All of my employees have been understanding, they wish they had it, but they understand.
  + (AS) Do you find that employees ever come to work sick because they’re saving their PTO? (KC) A lot of servers just call in sick, and don’t get paid. They save the PTO for their vacation. I haven’t had any issues.
  + (Councilor Gibson) What would happen if you required people to use it? If you call in sick, you must use it? How would that work?
  + (KC) It could work, it just seems to me easier to have it optional.
  + (PB) I agree with Ken about let’s put it on these big corporations that can afford it right now, not on the small businesses. For them, it’s a matter of staying or going out of business.
  + (KC) All my employees that are dealing with issues related to COVID, I am paying them. Under the CARES ACT, I am paying them while they’re sick.
  + **Cailyn Kilcup:** I agree with every point of Ken’s. The restaurant experience is new to me and high turnover, I realize their experience is very different to mine. With my business, we offer PTO and sick leave. The sick leave isn’t used as often, but it does get used when it needs to.

*Recommendations*:

* + This shouldn’t apply to part time employees. There’s just not enough hours to cover the cost.
  + Wages vary in my industry. I’d like to make sure there’s a provision that prevents an employee from choosing a PTO at the $65/h when they’re paid at $35/h.
  + The bill is especially pushed right now because of the pandemic. But if everyone takes it all at once, a business can’t even be open.
  + When people are saying it’s so urgent right now, I’m thinking it’s already covered [by the CARES ACT]. It’s available up to 80 hours a week. And from my understanding, the legislation comes with pretty punitive measures. We want to keep employees.
  + (Councilor Sena) If the employer has chosen a pay-out policy, you can pay that out. (CK) My policy does not allow it to be carried over, but we allow the payout. I want to know that my policy makes sense with this ordinance. (Councilor Sena) I will check back on that with legal.
  + **Matt Biggs:** It’s not a great time for my businesses. We’re getting crushed and we’d have to pay out more bills. The reality is that the federal, state, county, and city grants are not enough. My business is down over 90% in revenue. Having to pay our current staff even more is going to be an issue.
  + I encourage the Councilors to include our commission in any future legislation that affects small businesses in ABQ. We encourage you to reach out to us more frequently.
  + Councilor Gibson: I added a resolution to create a group between employers and employees to try and understand the sticking points in both interests. It really is helpful to create some space where conversations can happen, not only between councilors and employers, but also people who would like to see this pass.
  + **Myra Ghattas:** I’m 87% down from 2019 to 2020. I believe in taking care of my employees. I offer PTO for vacations or things like that, not for sick days.
  + (MG) Can they carry over their PTO without any cap? If somebody didn’t take any time off in 5 years, could they carry over all that? (Councilor Sena) There is a cap of 56 hours.
  + Sometimes the ordinances in the past for sick time, the employer carried the burden. We couldn’t ask for a note or had to pay for the doctor’s visit. Sometimes, we have problem employees. Is there anything in there that can be written to protect the employer? (Councilor Sena) For me, that part of it, I like to defer it to the whole process. (Myra Ghattas) So what I am understanding is that if we have good record keeping, we have an avenue of addressing these types of instances.
  + We’ve been working very hard to have our voices heard. We have found ourselves on the back end of legislation being introduced, and it was too late for our voice to be heard. We’ve made an effort to introduce ourselves to all councilors. We don’t want an ordinance like this to come out and it becomes a fight. Some want to pass it; some want to fight it. We’re not really on any of those sides. We care about our employees. We’re appreciative of you for listening to us. We’re working hard and we’re working for our community.
  + (Councilor Sena) I really do appreciate your time and effort. I want to mention, my family has always owned businesses: grocery stores and dry cleaners. Growing up in that environment has shown me the hard work and sacrifices that employers go through. But I also worry for the employees who cannot afford health care. My grandfather died because we couldn’t afford his chemotherapy. I’ve been struggling with cancer. There’s a balance to be there. I’m always an open door when it comes to productive suggestions. Through this policy, we did work with business owners and advocacy group. Everyone hated this! But I asked, can you live with this bill? Because we need to move forward. I feel like this is very moderate in comparison to what is being proposed in the state, which is very encompassing. I’d like to show that this is what works best for us in Albuquerque. Thank you for these conversations.

**ACTION ITEM**: Commission Chair Ghattas will create a memo with bullet points that review the conversation. Commission Chair Ghattas will email the memo to the Albuquerque City Councilors.

1. **Commission Check-In**
   * **Unemployment Rate**
   * Matt Biggs: I’ve noticed that in our unemployment account, our unemployment rate has gone up by a factor of 10. Now we’re being told “that’s what it’s going to be, small businesses will deal with it.” It’s one of many frustrations that I’m dealing with.
   * Paulette Baca: My unemployment rate went up to 5.9%.
   * Myra Ghattas: We had the same experience. They encouraged us to get everyone on unemployment. I don’t think it’s out of our realm to send a letter to the state on behalf of Albuquerque’s SBRAC. They did just change the CARES act for the tax thing, saying payroll couldn’t be shown as an expense during that time. It was an oversight problem, so maybe they will change this too.
   * Matt Biggs: I hear the state doesn’t have any money, and the answer to that is neither do we. The state has a lot of options to get through a global pandemic, and the state has not done any of it.

**ACTION ITEM**: Monica Mitchell will reach out to the City Economist as well as the State Secretary regarding the unemployment rate.

1. **Committee Update –** Chair
   * Next steps
     + Meeting schedule will return to normal dates, 1st Tuesday after the 1st Monday.
2. **Adjourn at 10:29AM**

**Notice to Persons with Disabilities**

If you have a disability and require special assistance to participate in this meeting, please contact Monica Mitchell as soon as possible before the meeting date at 505-768-3226.