



RACIAL EQUITY AND SOCIAL JUSTICE ADVISORY COMMITTEE
October 16, 2024 (6:30 P.M.)

MEETING MINUTES

ATTENDEES:

Checked boxes indicate present. Unchecked boxes indicate absence.

Community Members:

- Dr. Pat Grant (Chair), Shane Lloyd, Dr. Tasnuva Khan, Gustavo Torres
 Dr. Anthony R Alston, Judith Thomas Joseph Hurst Dr. Isaac Cudjoe
 Sonia Canzater Jared Hautamaki Shane Lloyd Akufuna Ngonda

County Staff Members:

- Dr. James Stowe (Vice Chair) Selena Mendy Singleton (Parliamentarian)
 Dr. Anthony R. Alston Aisha Williams Ilana Branda on behalf of Shawn Bartley
 Betty Lam Lieutenant Oneil Ormsby

Office of Racial Equity and Social Justice Staff:

- Tiffany Ward (Chief Equity Officer)

Guest:

- Kim Jones, Executive Director, Montgomery County Black Collective.
- Dennis Smith, Manager, Business Development, RSC Electrical & Mechanical
- Omar Lazo, President of the Montgomery County Latino Restaurant Association and Co-owner of Los Chorros Restaurant in Wheaton.
- George McFarland, President and CEO, McFarland & Associates, Inc.
- Diego Uriburu, Executive Director, Identity, Inc.
- Captain Stacey Flynn - Montgomery County Police Department.
- Dr. Drena Valentine, Founder and CEO, Integrative Management Solutions, LLC

CALL TO ORDER

The meeting was called to order at 6:30 by Dr. Pat Grant (Chair)

AGENDA

- No objections. The agenda was adopted.

MINUTES

- The September 18, 2024, minutes were approved.

AGENDA ITEM 1

Item: Presentations were given by minority business leaders concerning challenges minority-owned businesses face in Montgomery County. Each guest speaker was introduced by Dr. Grant. The first guest speaker was *Kim Jones, Executive Director of the MC Black Collective*, who shared valuable insights about MC procurement and the organizations that conduct business with the County.

- She shared that there is available data collected from more than 200 business owners, including minority-owned businesses. This represents a fraction of the business owners in the County. In addition, she stated that based on the data:
- The County government needs to hire better-qualified individuals who have experience working with or owning businesses.
- There is a lack of available information guiding business owners on processes and guidelines for establishing a business. In recent years, direct interaction with business owners has decreased.
- Less than half of the business owners surveyed seek guidance from the County on how to start a business. Instead, they rely on friends and trusted sources, such as classmates from Leadership Montgomery. This indicates that people are not turning to the County for information; rather, they prefer to consult other trusted sources outside of the County's processes.
- Currently, the organization is working with a couple of council members' offices because there is a wide disparity in how contracts are written. There are contracts with missing overhead, and they are direct service contracts. No business, whether they are for-profit or nonprofit, can build infrastructure without overhead. It's imperative to seek contracts that are formally written.
- Identify and make available contract monitors because they are well known by experience, and they make a difference in business outcomes.
- It is important to continue doing this type of session and other forms.
- A group of Black leaders in the County are encouraging the collection of more data not only on the number of awards and dollars given but also on the impact of business contracts or procurement contracts on the Black community for the number of awards that have been made.
- Some people have recommended that this should be coordinated with the Office of Racial Equity and Social Justice to disseminate information.

Dr. Grant shared that throughout his career, Mr. Smith has supported the growth of minority businesses. In addition, he serves on the board of the National Association of Minority Contractors, for the DMV chapter.

- Dennis Smith discussed disparities faced by minority businesses and provided historical context regarding political decisions impacting the growth of minority-owned businesses from 1950, through 1978 (the Jimmy Carter administration), 1980 (the Ronald Reagan era), to the present.
 - He highlighted how the City of Richmond case against JA Croson Co. harmed minority business owners' access to contracts.
(<https://supreme.justia.com/cases/federal/us/488/469/>)
 - In addition, he stated that the disparity study conducted by Montgomery County should also address the viability of minority businesses in this area.
 - He also shared that discrimination cases often begin at the college level, then progress to universities, and eventually extend into the minority business sector. No cases have successfully led to the abolition of minority business programs. The disparity study continues to be used as a justification for these programs.
 - Mr. Smith is pleased that community groups advocate for minority businesses, enabling them to work together to achieve the justice everyone seeks.
 - No additional questions were asked.
- Omar Lazo: President of MC Latino Restaurant Association Co-Owner “Los Chorros”
 - **Role of the association:**
 - The Latino Business Association was founded as a necessity during COVID-19 to guide Latino restaurant owners in accessing grant opportunities.
 - After COVID, the association's role is to advocate for legislation that may impact the restaurant industry.
- Mr. Lazo also shared that he is the current president of the Wheaton-Kensington Chamber of Commerce, making him the first Latino and person of color to hold this position. Mr. Lazo pointed out the following challenges faced by Minority-Owned Businesses in Wheaton:
 - Limited Opportunities for Redevelopment: Most of the buildings where businesses operate are owned by different landlords, making it difficult to redevelop the area.
 - Rising Costs of Operations
 - Loss of Revenue
 - Lack of Equitable Access to Capital: This represents one of the biggest challenges for small minority business owners. The average loan interest rate is around 27% for small business owners. Efforts are underway to work with legislators in Maryland to address the issue, as there are no pre-payment penalties in the state and existing loopholes. Lenders and credit card processors charge fees upfront based on future revenues.

- As a member of the Board of Trustees at Montgomery College, Mr. Lazo learned that contracts are awarded to licensees from Baltimore, where overhead costs are lower than those in Montgomery County.
- Mr. Lazo concluded his remarks by sharing the success story of his parents, who emigrated from El Salvador and opened a restaurant 30 years ago. He is now continuing their legacy as a business co-owner, engaging with, and giving back to the community. He emphasized that the creation of small minority businesses and support for them will foster generational wealth for future generations.
- Mr. McFarland began his talk by sharing that he has been in business for 35 years, primarily working with the federal government. This experience has provided him with a deep knowledge of contracting with federal agencies.
 - Based on his experience, Mr. McFarland mentioned that the federal government provides clear rules of engagement. In contrast, he finds that Montgomery County's rules regarding grants and contracts for both for-profit and nonprofit organizations often lack clarity and consistency.
 - He believes that a significant issue in the County regarding business relations is the inconsistency between policy and practice; the County does not always adhere to its stated policies.
 - Mr. McFarland noted that Montgomery County is missing revenue opportunities due to a lack of understanding of the importance of small minority-owned for-profit businesses, which contribute to tax revenues. The County needs to recognize that creating a stronger revenue base will ensure a more sustainable financial footing and reduce the likelihood of annual tax increases.
 - He also pointed out that having small minority-owned businesses contributing to the revenue stream enhances competition with neighboring counties like Fairfax, Arlington, and Alexandria, all of which have a strong base of minority businesses.
 - Moreover, Mr. McFarland emphasized that at the federal level, communications with opportunity offices were open, and the process to access funding was efficient, which differs significantly from the system in place at the County level.
- Diego Uriburu is the co-founder and Executive Director of Identity and the Black and Brown Coalition for Education, Equity, and Excellence. He discussed the challenges nonprofits encounter based on his experience as an ED,
 - Nonprofits are businesses. Identity is a nonprofit competing for funding, particularly grants.
 - Mr. Uriburu shared that in Montgomery County, the proposal evaluation process allocates points based on several criteria:
 - Applicants are awarded points based on their program plan, staffing plan, and evaluation plans.
 - The process allocates 10% of the total points for being a minority—or women-owned business. However, even if a nonprofit organization is led by an individual from a minority group and the board of directors and staff consists of at least 51% minority members, it does not qualify as a minority—or women-owned business. This requirement puts nonprofits at a disadvantage.

- For-profit organizations benefit from the 10%-point allocation even if they don't serve minority populations like nonprofits such as Identity and the Black and Brown Coalition, which are led by minorities and serve minority communities.
- In addition, the process for grants in Montgomery is different compared to federal government requirements. *The Federal Government*:
 - Organizations must demonstrate that they are led by an Executive Director or CEO from a minority group.
 - The board must consist of more than 50% members from minority groups.
 - Organizations must provide services to minority groups.
- Another challenge nonprofits face relates to the County's procurement process and contract management:
 - The County awards contracts through a competitive process, but the reimbursement structure significantly impacts cash flow.
 - Nonprofits invoice the County for expenses incurred each month, and reimbursements may take 45 days to five months.
- Regarding contract modifications and budget reprogramming: -
 - When the County allows contract modifications, the budget reprogramming is sometimes limited to less than 10% on a specific line item, and approval for such changes may take up to three months. These issues ultimately impact the populations served by these organizations.
 - Dr. Drena Valentine addressed her involvement on various boards at the County, state, and D.C. levels as an advocate for minority-owned businesses, highlighting several struggles, including:
 - A lack of support for Black minority groups.
 - Insufficient awareness about the Montgomery County disparity study.
 - Uncertainty about the steps the County plans to take following the results of the study.
 - Following Dr. Valentine's remarks, Diego Uriburu commented on decisions made by Montgomery County Public Schools (MCPS) that do not consult the affected minority communities. He noted that decisions and priorities are often established without engaging those who receive services.
 - The County invests significant funds in services for affected communities, sometimes without fully understanding their needs, which can lead to wasted investments.
 - Mr. MacFarland highlighted the need for policy changes in Montgomery County to create more opportunities for minority-owned businesses to become profitable.

Dr. Grant closed the panel by acknowledging the participants' time and willingness to share valuable information. He also encouraged the panelists to provide additional recommendations if they had any.

UNFINISHED BUSINESS

Item: Dr. Khan provided updates on the status of families and the risk of evictions and invited the committee members to join the homeless subcommittee.

Evictions:

- Many families at risk of eviction in White Oak are Afghan and Syrian refugees, as well as families from other minority groups.
- Refugee settlement agencies, Council members, and delegates are working to understand the details of the situation.
- Support from the Refugee settlement agency ended after two months due to the high cost of rent (up to \$3000 monthly for 2-to-3-bedroom apartments) and the lack of stable family income. As a result, these families are at risk of homelessness. One option is to negotiate with the landlords as a temporary measure.
- Efforts are currently underway to find opportunities to relocate families to more affordable areas, with each case being studied individually.
- The situation is critical.

NEW BUSINESS

Item: Gustavo Torres shared an overview of the shooting in the Wheaton area:

- On Sep 21, 2024, there was a shooting in the Wheaton area that left a victim from the Latino community member of CASA. The incident involved officers from the Montgomery County Police Department.
- The Independent Investigation Division of the Office of Maryland Attorney General identified the victim as a 34 male who did not speak English.
- Gustavo Torres stated that the victim's family witnessed the incident and has yet to be interviewed by the Maryland Office of the Attorney General and requested the RESAJ committee to advocate for the video's release and to help interview family members about the incident.
 - **Lt. O'Neil Ormsby explained that the investigation process has changed and is conducted by an independent entity**, and the situation is unfortunate.
 - **Captain Stacey Flynn** from the Montgomery County Police Department also acknowledged that this is a tragic situation and that the investigation process has changed. Previously, the police department conducted the investigation, which was then turned over to an independent body to determine whether charges would be issued to the involved officer (s).
 - Recent legislative changes indicate a shift in the process; therefore, the investigation is now conducted by an independent body.
 - Individuals should be able to contact the independent body conducting the investigation if any aspect of the investigation has not been completed or is not satisfactory. She also stated that she is uncertain about the timeline to complete the investigation.

- ❖ Captain Flynn is part of the policy and planning division and focuses on ensuring that officers communicate effectively with the community. She also works on aligning policies to help officers understand that not all community members speak English.
- Gustavo Torres proposed a motion for the RESJ committee to support a letter to the Independent Investigation Division of the Maryland Attorney General's Office. The letter would request an expedited investigation and the interview of the victim's family by the Independent Investigation Division.
 - Dr. Khan seconded the motion - the motion was approved.
 - Gustavo Torres will draft the letter and will send it to Dr. Grant for review and to share with the board members for additional reviews and comments.

COMMENTS:

- Director Stowe suggested that we clarify the facts regarding this sensitive matter and tailor the letter to address the family's lack of opportunity to respond to an interview.
- Joseph Hurst proposed further discussion in a separate meeting to refine the letter's content and identify the intended recipient for greater impact.
- Dr. Grant clarified that there is a process requiring input from the board members.
 - No timeline was discussed to finalize the letter.

ANNOUNCEMENTS AND UPDATES

- Information on the importance of voting has been sent to the board members.
- A reminder that early voting starts next week.
- Jared Hautamaki has resigned from the committee due to family commitments.
- Akufuna Ngonda's brother has passed away recently.
- Next month's meeting will include an election for RESJAC officers.
- Please review the MD Disparity Report.

ADJOURN: The meeting adjourned at 8:30 p.m.