



**Business Enterprise Program Council
CERTIFICATION SUBCOMMITTEE APPEAL HEARING MEETING
Friday, May 15, 2020
10:00 a.m. – 11:30 am
Webex**

SUBCOMMITTEE COUNCIL MEMBERS IN ATTENDANCE

Bola Delano; Beth Doria; Karen Eng; Larry Ivory; Edward McKinnie; Sharron Matthews; Sharla Roberts;

SUBCOMMITTEE COUNCIL MEMBERS NOT IN ATTENDANCE

Jaime DiPaulo

OTHERS IN ATTENDANCE

NA

COUNCIL SECRETARY

Carlos Gutierrez

CMS STAFF IN ATTENDANCE

Kori Acosta; Terrence Glavin; Carlos Gutierrez; Radhika Lakhani; Elias Ngwayah



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10:00 a.m. – 11:30 a.m.
Webex

Webex Meeting Number (access code): 288 339 671
Dial from a video system or app 288339671@illinois.webex.com
Join by phone - [+1-312-535-8110](tel:+13125358110) United States

AGENDA

- I. Welcome
- II. Call to Order
- III. Roll Call
- IV. Posted Business
 - Approval of February 20, 2020 Meeting Minutes
 - Appeals:
 - Williams Nationalease, Ltd.
 - Dee's Cleaning Service, LLC
- V. Old Business
 - Update on **Boswell Pharmacy Services, LLC** - Vendor to provide more information; Appeal Recommendation postponed
- VI. Upcoming Business Enterprise Council and Subcommittee Meeting dates:
 - Next BEP Council Meeting – June 22, 2020
 - Next Subcommittee Meeting – July 26, 2020
- VII. Public / Vendor Testimony
- VIII. Adjournment

In accordance with the Illinois Open Meetings Act (5 ILCS 120) and the
Freedom of Information Act (5 ILCS 140) the above meeting is open to the public
BEP Council Certification Subcommittee



I. Welcome

Chair Roberts thanked and welcomed everyone to the meeting.

II. Call to Order

Chair Roberts called the meeting to order at 10:05 a.m. Mr. Gutierrez proceeded with roll call.

III. Roll Call

Roll call was conducted. Quorum was established.

IV. Posted Business

- Approval of Minutes for the February 20, 2020 Meeting Minutes

Member Matthews moved to approve the minutes from February 20, 2020 with a correction in the 7th paragraph of the 1st company's remarks to be edited from "4,500" to "45,000". Member Ivory seconded. All agreed.

- Appeals:

- Williams Nationalease, Ltd.

Chair Roberts introduced herself and the subcommittee members on the line. She welcomed Mrs. Bull and explained the proceedings. Mrs. Bull thanked the subcommittee. She recounted that her grandfather started the business in the 80's and then her mother, Sandra Hotlen bought the business from him in the mid-90's. Mrs. Bull explained that she worked with her sister, Jennifer McDowell, throughout their summers off during high school performing odd jobs in the shop such as counting parts, sweeping the floors and doing whatever they were asked to do. Mrs. Bull narrated that her sister began full time work with the company right after high school and that she herself started full time after she earned her Associates Degree in junior college, so they have been working in the company since the 90's.

Mrs. Bull attested they have been in the business their entire adult life, it is their career, their family business they take care of, their future for the next generation and she would love it to be a fourth-generation company. She detailed that her and her sister's work experience at the company includes accounting, payroll, work in the shop, dispatch, and logistics, a little and a lot of everything. Mrs. Bull explained that her mother retired at the very end of 2018. She said at that time they distributed her mother's job duties between the four current owners. Mrs. Bull stated that it was at this time she began filling out the application and pointed out that she is disappointed in herself for the way it turned out and they are there today. She explained they were taught and brought up to work as a team, that they still work as a team, and that mindset is where her answers came from. Mrs. Bull described that she was not taking into account individual responsibilities as they perform them day to day. She explained that is how they came to adjust some of those answers, and they all come together to make decisions and they do work. Mrs. Bull stated so that's where she was when answering the questions and they were still cross training, so that when somebody is gone there is someone to step in. She stated that they are now almost a



year and a half into their roles, settled in and way more defined in what they do as a company.

Mrs. Bull outlined that for the hiring and firing part she did put down 50% herself and 50% Kip McDowell. She said he does some of the hiring and firing, but is mainly in charge of their shop employees, which is maybe 10% of the company. Mrs. Bowl stated she is in charge of the office staff and driver hiring and firing which is the majority of the company. She detailed that she is the one dealing with the drivers day to day, keeping them happy. She said she is the one talking to the customers to resolve problems. Mrs. Bowl said Jennifer McDowell takes care of the accounting department, making sure bills are paid and that receivables are received. She added that when she was answering the hiring and firing questions, yes they both do it but she has a bigger pool of people she takes care of.

It was recognized that Member McKinnie joined the meeting.

Mrs. Bull stated they have long-term management personnel so have only had to hire 2 or 3 people. She said she hired the entire Human Resources staff they created a few years ago. Mrs. Bull affirmed that she is involved immensely in that because they work directly with her day to day. She added that as far as management, they have only had to fire one person which she and Mr. McDowell did jointly in order to have a witness. She noted that she is the one who does the majority of the hiring and firing of drivers. She explained they have only had to fire one person from management. Mrs. Bull stated she does the majority of the hiring and firing of drivers. She explained that Human Resources staff does the recruiting, ads, initial phone calls, and she performs all the interviews and onboarding. She said she directs the dispatch team, tells them what to do with all the drivers and the lanes. She said they sign and obtain contracts and work together monthly as a team.

Mrs. Bull stated that she works together with her counterpart in Indiana, Nathan Fischer, a former driver, on the transportation side to find contracts that fit their needs in their area. She related that he is better at finding the distances and making sure it is in route to their locations. Mrs. Bull stated that at this point she takes over and works with the customer to figure out pricing and all that stuff. She finds the equipment they need to cover those routes, finds drivers to fill those routes, makes dispatch aware there are new routes and that they know what they need to do to fulfill those routes. Mrs. Bull stated Kip and Jennifer McDowell take over the leasing part which is a very small piece of what they do and where they started, but they have morphed into more of a transportation company, but still have a handful of leases. She elaborated that Kip McDowell gets the initial lease together as far as specs and all that stuff, then Jennifer McDowell takes over the life cycle of the lease, doing the billing, renewing, and closing the lease out over the term. She and Nathan Fisher work on the transportation side. Mrs. Bull explained that as far as the signing of documents, at the time Kip McDowell was learning to acquire financing because her mother had always done that, so Kip and Jennifer McDowell were working to take that role over. She explained that Kip McDowell was learning what Jennifer already knew how to do in case they needed a backup, but he doesn't do any of that work now. She clarified that Jennifer McDowell is the one who gets with the banks, finds best interest rates, terms,



lease or finance agreements, all that stuff and signs off on them. Mrs. Bull added that Jennifer McDowell makes sure the truck payments are paid, refinanced, or whatever the need is at the time at the end of the lease.

Addressing one of the issues for the denial, the difference in salaries, Mrs. Bull stated that Kip McDowell and Nathan Fisher are currently purchasing their stock. She said the additional money in their salaries was being put towards purchasing their stock. Mrs. Bull confirmed they don't have as much stock as Jennifer McDowell and herself. She said she and her sister have held stock for years and receive distributions not reflected on their salary which Mr. McDowell and Mr. Fisher don't receive because they don't have as much stock as she and her sister do. She reiterated being disappointed at herself in having to appeal because it is a very important piece of their business. Mrs. Bull stated she was underprepared for the extent of the questions and apologized. She said a year and a half later, she would have answered very differently. Mrs. Bull stated they are more settled in their roles, are very independent workers, but are working as a team through monthly meetings. She emphasized that she has worked hard, long and is proud to be a woman owner in the transportation business because it's tough. Mrs. Bull requested that the subcommittee please take into account that they were cross-training and still learning the ropes from Sandra Hotlen. Mrs. Bull explained that today they are set, and she is very proud of her company. She added that she has worked really hard and is disappointed in herself for the way she answered the questions. Mrs. Bull thanked everyone.

Chair Roberts thanked Mrs. Bull for her opening remarks and commented that she does understand it is her business and her passion. Chair Roberts opened the floor for questions. Member Doria asked Mrs. Bull to clarify the reason for the difference in salaries between she and her sister, and Mr. McDowell and Mr. Fisher and whether it is correct that the company is paying them to purchase their stock shares. Mrs. Bull stated that is correct, but they have since corrected that. She said they got with their accountants, who decided that is not the correct way to do it, this was new ground for them, so it is no longer the way they are doing it. She said there is now about a \$5,000 difference among their salaries.

Member Doria asked why Kip McDowell is listed as President and Mr. Fisher Vice President if she and her sister worked for the company since the beginning. Mrs. Bull responded that Mr. McDowell is President and she is more of the General Manager, who handles more of the day to day and who everyone comes to because she has been there longer. She explained that she is Vice President and it was listed incorrectly for Mr. Fisher, and added that she has been so for several years with Sandra Hotlen being President. She further explained she is just more neutral as Vice President dealing with the day to day and Mr. McDowell deals more with the shop and other problems. Member Doria asked what role does her sister have. Mrs. Bull responded that her sister, Jennifer McDowell is Secretary and Treasurer which she said she has been forever.

Member Doria asked what is their structure. Mrs. Bull replied her company is an S Corporation. Member Doria stated she assumed they had a business attorney putting all this together for them. Mrs. Bull replied that they did hire a business attorney and it was a



little delayed about mid-year last year after the start of this process. Member Doria asked for clarification on who is Mr. McDowell. Mrs. Bull said Kip McDowell is Jennifer McDowell's husband. Member Doria asked what is his experience in the company that would make them make him President. Mrs. Bull responded that he has more sales and business experience as far as working with business, he was management at his prior company, and he has different experiences with different types of businesses whereas she has never worked anywhere else and has just been management there. Mrs. Bull said when he started he was working mainly in the shop and that he travels to the different locations overseeing the shop offices and mechanics, since she doesn't travel as much as he does.

Member Eng asked that previously the salary discrepancy was salary used for buying into their percent ownership for the company. Mrs. Bull confirmed this was the case, but they are not doing that through their salaries. Member Eng asked what percentage more do they get by buying those shares. Mrs. Bull responded they will begin to get distributions the way she and her sister do. Member Eng stated it was still unclear and asked if it was a loan for the percentage. Mrs. Bull replied that they got loans for themselves to purchase the shares and are now also getting distributions on their percentage of shares just as she and her sister do. Member Eng stated that they get the percentage every time they make the payment but if they already have allocated them the 40% then what are they getting. Mrs. Bull responded that their salaries are more in line with her and her sister's salaries now and they are also getting distributions. She added they got personal loans to make the payments for their shares. Member Eng asked if they are no longer making payments to the company then. Mrs. Bull confirmed this and added they are making payments to Sandra Hotlen because they bought her out. Member Eng restated that it's like she gave them the percentage before they paid. Mrs. Bull answered yes, that they were buying about one percent a year. Chair Roberts restated that the loan was to pay the outstanding balance. Mrs. Bull stated she and her sister were getting 30% of the distribution and now Mr. McDowell and Mr. Fisher are getting their total 20%.

It was noted that Member Ivory joined the meeting.

Member Delano asked for the sake of clarity, whether they are buying or selling the shares and what is their percentage after all this money has been paid. Mrs. Bull said she and Jennifer McDowell each own 30%, Mr. McDowell 30%, and Mr. Fisher 10%. Chair Roberts pointed out that amounts to 110%. Mrs. Bull clarified that Mr. Fisher has 10%. Chair Roberts clarified that Mr. McDowell would have 30% and Mr. Fisher has 10%. She asked if there were any further questions.

Member Matthews introduced herself to Mrs. Bull, stating that she is from the Illinois Department of Human Services. She asked Mrs. Bull if it was standard procedure for the company to pay the employee to buy stock. Mrs. Bull responded that it was the way they were doing when Sandra Hotlen decided to retire it, but they will no longer be selling stock and it will be the four of them until they decide to retire. Member Matthews thanked Mrs. Bull. Chair Roberts opened the floor to Mrs. Bull for final statements.



Mrs. Bull apologized for getting emotional. She stated that she and her sister, Jennifer McDowell have worked for the company very hard for a very long time to help make this company successful. She said they are the ones that have been there the longest, know the most and rely on this certification to make this company successful. Mrs. Bull expressed that she wants to make her mother proud. She requested it be taken into consideration that they were in a transition, but are now currently set in their new roles, that she would have answered the questions differently, they are more structured, and that the salaries more in line today. Mrs. Bull said they realized they were not doing it in the best way and have corrected all that stuff in their first year as owners, if the subcommittee would please take all into consideration. Member Doria asked if when her mother owned the company whether her mother was the sole owner. Mrs. Bull responded that she was until herself and Jennifer McDowell. She explained that prior to that her mother was 51% owner and her father was 49% owner. Chair Roberts asked for confirmation that the company was started by her grandfather. Mrs. Bull said that is correct. Chair Roberts thanked Mrs. Bull and explained the proceedings.

- Dee's Cleaning Service, LLC.

Mr. Gutierrez explained this is the second time they have not appeared. Chair Roberts explained they would proceed to closed section.

Member Eng motioned to move to executive session to discuss the appeals presented today. Member Matthews seconded the motion. All agreed.

Deliberations were held, votes taken, and the following recommendations were made:

- **Williams Nationalease, Ltd.** – Recommended upholding the denial
- **Dee's Cleaning Service, LLC** - Recommended upholding the denial
- **Boswell Pharmacy Services, LLC** - Vendor to provide more information; Appeal Recommendation postponed

Chair Roberts thanked the subcommittee for taking time out of their busy schedules to do a pilot of how this would work and that she thinks today went well. She stated it was discussed that they hold additional hearings and opened the floor to Mr. Gutierrez to explain the process. Mr. Gutierrez explained that what they would like to do is have some rather than all appeals be reviewed at each hearing and provide the members with the information for each of the appeals. Chair Roberts asked how many are waiting. Mr. Gutierrez responded it would take about three more sessions for them to be right on par. Chair Roberts asked if it would work for everyone if they did them in 2 appeals per hearing or if they wanted to do 3 and 3. Member Ivory recommended they do 3 and 3.

Chair Roberts recognized Member Ivory's recommendation and added that the hearings would last typically about 2 hours so that they would probably could get it done. She opened the floor for



discussion on what will work best for the members, stating she is open. Member Matthews asked how soon would members receive the information working remotely she would need to review it. Chair Roberts pointed out that they already have the information for some of the appeals. Mr. Gutierrez stated he will resend the appeal information. He added he would give everyone a heads up and reach out to each vendor asking to let him know which time scheduled works for them. Chair Roberts said if they all agree then they can do 3 and 3 and if the 10 a.m. hour on Friday works as well. that way they can schedule them all. Member Matthews stated she was missed in getting the information and received it from Ms. Acosta, so she wanted to make sure she was on the list for whatever goes out. Chair Roberts apologized for that and assured her that she and Mr. Gutierrez would ensure that the members on the BEP Certification Subcommittee receive all the documents needed in a timely manner prior to the appeal hearing. Member Matthews said they do a wonderful job, and this is the first time this is happened then and she was surprised. She gave her compliments for the all the information that is required for certification and remembers back in the day how much it took, so she wanted to thank him, his staff, Ms. Acosta and everyone else who's involved because they are doing a fantastic job and this is just one mishap but she just wanted to make sure she was on the list. Chair Roberts echoed her sentiments exactly. She announced that since they are agreed upon what the next appeal hearings will look like in the next meeting she moved to the next item on the agenda.

V. Upcoming Business Enterprise Council and Subcommittee Meeting dates:

- Next Council Meeting – Monday, June 22, 2020
- Next Subcommittee Meeting – Monday, July 27, 2020

VI. Public /Vendor Testimony

Chair Roberts asked if there was public/vendor testimony. There was none.

VII. Adjournment

Member Doria moved to adjourn. Member Ivory seconded. Meeting adjourned at 11:07 a.m.