

**SAN FERNANDO CITY COUNCIL  
RECREATION AND COMMUNITY SERVICES COMMISSION**

**SPECIAL JOINT MEETING MINUTES**

**AUGUST 1, 2005 – 5:00 P.M.**

**CALL TO ORDER/ROLL CALL**

Mayor Julie Ruelas and Chair Danitza Pantoja called the meeting to order at 5:17 p.m.

The following persons were recorded as present:

**PRESENT:**

Council:	Mayor Julie Ruelas, Mayor Pro Tem Nury Martinez, Councilmembers Steven Veres and Dr. Josè Hernández, Ph. D.
Commission:	Chair Danitza Pantoja, Commissioners Xavier Flores and Rebekah Villafana
Staff:	José Pulido, City Administrator; Dan Labrado, Director of Recreation and Community Services; Helen Collins, Recreation Supervisor; and Laura Valdivia, Deputy City Clerk

**PUBLIC STATEMENTS**

None.

**NEW BUSINESS**

Councilmember Steven Veres requested that Commissioner Xavier Flores recuse himself from the meeting due to conflict of interest.

City Attorney Mike Estrada entered the meeting and recommended that Commissioner Flores recuse himself from the meeting. Mr. Estrada then left the meeting.

Commissioner Flores stated that prior to the start of this meeting, he brought up the same concern regarding his attendance and volunteered to leave if needed. Mr. Flores left the meeting at this time.

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Due to a lack of quorum of the Recreation and Community Services Commission, the meeting is now considered a City Council Special meeting.

Deputy City Clerk Laura Valdivia left the meeting at this time.

1) COMMUNITY BASED ORGANIZATIONS

Mr. LaBrado stated that this item had previously been placed in the Status Report to City Council with frequent review by the Commission. He reported that a survey was sent to past and present participating agencies to gather input, and the Commission has had an opportunity to review the document several times. He said the purpose was to streamline the process and make it easier for organizations to apply and use the program. The Commission and staff then reviewed the eligibility requirements and some of the other guidelines in the document. Mr. LaBrado stated that the document was then color coded with all of the revisions, with the goal being to review the changes with the City Council and gather their input in order to create a timeline to implement the program as soon as possible.

Mayor Pro Tem Martinez asked how far behind the program was.

Mr. LaBrado responded that it is about one month late.

Mr. LaBrado then reviewed Attachment "A" and explained that the purpose of the program is to award to non-profit agencies with tax exempt status or community based youth programs defined as 1) Based in San Fernando; 2) in existence for at least one year; 3) youth only; and 4) able to comply with contract requirements. Mr. LaBrado stated that this would assist some of the agencies, that have been in existence and participating in the program through other non-profits, to now apply on their own.

Dr. Hernández asked if the Community Based Organization was required to be based in San Fernando. He said no where in the document does it say that the groups must be based in San Fernando.

Mr. LaBrado stated the program is designed to benefit the residents of San Fernando but the organizations are not required to be based in San Fernando, with the exception of youth groups.

Mayor Pro Tem Martinez asked that Mr. LaBrado be allowed to give his presentation and then take questions.

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Mr. LaBrado continued his presentation by outlining the changes made regarding Community Based Organizations which are loosely defined as non-profits but are not non-profits, and organizations which fail to enter into a contractual agreement within 45 days of the initial award date will forfeit the award. He stated that several agencies never even entered into contracts or requested their funds and this would give the City an opportunity to reallocate those funds. Mr. LaBrado stated that staff would come back to Council for consideration to reallocate those funds. Mr. LaBrado added that on an annual basis \$9,000-\$10,000 goes unclaimed.

Councilmember Veres asked if those funds are returned to the general fund.

Mr. LaBrado stated yes.

Mr. LaBrado proceeded to go over the Eligibility section and stated there are a variety of services that can benefit all of the City's residents, therefore, the phrase "disadvantaged, vulnerable, or under-served households residing in" was removed to read "residents of San Fernando." He stated that this type of terminology was previously used with the Community Block Development Grant and since there is some discretionary ability with the CBO funds, the City would want the funds to benefit all residents. Mr. LaBrado referred Council to the section indicating projects which are considered to be ineligible for funding consideration. He stated that the Commission had added one item "ongoing operational payments to include rent and utilities." Mr. LaBrado added that the Commission did not want to see organizations taking care of their obligations; rather, they prefer to see some programming taking place.

Mr. LaBrado then moved on to the Program Administration & Performance Reviews section. He stated that because not all of the groups come before the Council to speak, what the Commission is requesting is that the following provision be added: "Applicants or their designated representative will be required to attend a mandatory presentation of their proposal to the Recreation and Community Services Commission for review on (date). The Commission will forward their recommendations to the City Council." Mr. LaBrado added that staff would review the proposals with the Commission and the groups would make their presentations to the Commission. Mr. LaBrado stated that the Commission is in no way making a determination of funding, he said that is still the Council's responsibility. He said what the Commission would be doing is ensure that the groups are in full compliance.

Mr. LaBrado explained the change from 90 days to 45 days for project monitoring and then went over the addition of the following language: "Annually a minimum of two organizations will be selected randomly (lottery pick), for a program audit. The selection process will be held during a predetermined and publicly announced meeting of the Recreation and Community Services Commission."

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Mr. LaBrado then reviewed the Request for Proposals under Submission Eligibility and again stated that the low and moderate income reference was removed as in other sections and that the 45 day timeline requirement for entering into a contract was added.

Mr. LaBrado reviewed the proposed changes under Program Requirements and stated that the burden of proof should be on the organization, therefore, the CBO will be required to maintain and provide any documentation requested within 10 working days. It was noted that the strikethrough items in blue will be included in the contract.

Ms. Collins stated that the only item not included in the contract is the procurement requirements.

Mr. LaBrado then moved onto the Proposal Content and as he mentioned earlier, the intent is to streamline the process and make it more user friendly. He stated that submission of the organization's mission statement and organizational purpose and proof of insurance was added. Mr. LaBrado stated that last year a group was unable to meet the insurance requirements.

Mr. LaBrado noted the items added to the Proposal Cover Page included the tax I.D. Numbers (federal and state) and fax and email addresses, which will allow staff to stay in contact with the organization.

Mr. LaBrado went over the Proposed Schedule and noted that the items added were the "Presentation to the Recreation and Community Services Commission" and the inclusion of the Commission in the evaluation of the applications.

Mr. LaBrado stated the last page is a new form entitled "Proposed New Project Report and Invoice." He explained that currently the City only receives quarterly reports, and with the addition of this form any and all invoices and receipts would be required to be attached to this document.

Mr. LaBrado stated that he would now entertain any questions.

Mayor Ruelas requested that each Councilmember only be allowed five minutes in order to make it in time for the Council meeting.

Mayor Pro Tem Martinez asked when Mr. LaBrado stated that there was about \$9,000 to \$10,000 that was left unspent last year, what has happened to that money in the past and how will it be handled in the future.

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Mr. LaBrado stated that the money went back to the general fund, however, from this point on, staff will come back to Council by September of each year reporting the amount of all unspent funds and requesting Council direction for reallocation of those funds.

Mayor Pro Tem Martinez inquired what the procedure for the reallocation would be. She asked if the Councilmember who initially allocated those funds, would be given the opportunity to reallocate the money.

Mr. LaBrado stated that there are two options, either the remaining funds could be divided up evenly, or go back to the Councilmember who initially allocated it.

Ms. Collins stated that in the past when agencies willingly returned funds, they were returned to the individual Councilmember for reallocation.

Mayor Pro Tem Martinez inquired if the 45 days was from the date of the award or the date they signed the contract.

Ms. Collins stated that it is from the date of the award.

Mayor Pro Tem Martinez asked for clarification on what needed to be done within the 45 days, either enter into a contract only or spend the money.

Ms. Collins responded that they need to enter into a contract.

Mayor Pro Tem Martinez also asked for clarification in the mandatory presentation section and inquired if what that meant was that the presentation that previously went before the Council now would come before the Commission and then they would make a recommendation.

Ms. Collins responded yes.

Mayor Pro Tem Martinez asked what would happen if a certain organization does not make the Commission's cut, does that eliminate them or does the Council still have the option of whether these groups still deserve consideration.

Dr. Hernández stated that he does not think it is the role of the Commission to decide who gets awarded.

Commissioner Villafaña and Commissioner Pantoja stated that they agree and it is only a recommendation. Commissioner Villafaña added that it is just to make sure the CBO's adhere to the requirements.

Mayor Pro Tem Martinez stated if it is just to have the Commission more involved in the

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process.

Commissioner Pantoja stated yes and they are only making recommendations.

Mayor Pro Tem Martinez stated that she thinks that a random audit of the organization is fair.

Councilmember Hernández stated that the Client Eligibility is not clear and that some of the programs, like the Youth Programs, Mariachi Program and the Explorers, have participants that are not from San Fernando and he asked if that meant they would be excluded.

Mr. LaBrado stated that resident organizations are considered groups made up of at least 60 percent of residents.

Mayor Ruelas asked where it states 60 percent.

Dr. Hernández stated that he thinks it should be placed in the document that 60 or 70 percent must be from San Fernando.

Mr. LaBrado responded that they use the guideline used for facility usage and rental fees.

Dr. Hernández stated that the verification process is a lot of work.

Mr. LaBrado explained that it is not staff doing the verification it would be the organization's responsibility, if requested.

Dr. Hernández stated for clarification purposes it should be stated that the CBO does not have to be based in San Fernando.

Councilmember Veres stated that basically what stays intact is the discretionary nature of the program. He continued by saying that one of the things Council discussed was that they wanted to be a bit more rigorous and try to assure that funds are being properly used, and although he does appreciate the random audits, he stated that he is disappointed that it is still a discretionary process. Councilmember Veres continued by stating that if it is going to continue to be discretionary, that Council should not continue to mask it and say that we have these rules but at the same time we can do whatever we want. He said if that is the case, then Council should be very flexible and not even have an application process. He stated that they should have a onetime application process, and then just have the funds available year round and let organizations apply when they need them. He went on to state that what is also very difficult is understanding if we are funding programs and activities or are we just providing groups funds. He stated that there are a lot of grey

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areas. He feels a program should be evaluated rigorously and the City doesn't do that. He also said it is not clear if the CBO's are going to be programmatic, community service or a one time subsidizing fee.

Councilmember Veres stated that he feels audits are a good thing; however, you have the \$200 groups all the way up to the \$18,000 groups, and to go through an audit for \$200 may not be worth it. He stated that if it is going to be programmatic that he just wants to assure that the funds are used legitimately and for the purpose stated. Councilmember Veres said that if the City is going to have an audit process then it should be rigorous in terms of the way the programs are evaluated and if the Commission wants to be a part of it then that is great. What he would like to see happen is for the Commission to consider what the true identity of the CBO is going to be, and if it is going to be a discretionary based program, maybe there can be some type of ethics committee deciding the way the Council allocates funds. Councilmember Veres went on to state that there is a fundamental difference between one time events and programmatic organizations like Valley Family Center. He goes on to state that if they are going to do programmatic audits, maybe they should be set at a certain dollar amount because of staff time and effort.

Mayor Ruelas asked if staff had consulted the City Attorney to ask if the City could give to youth organizations that are not non-profit.

Mr. LaBrado stated it is general fund money and therefore discretionary.

Mayor Ruelas stated that she wanted to make sure it is legally acceptable and allowable.

Mr. LaBrado stated yes it is since it is general funds.

Mayor Ruelas asked what the difference was between this and a gift of public funds.

Mr. LaBrado stated that there is a criteria set for awarding these funds, but he will consult with the City Attorney.

Mayor Ruelas stated that they should also define the term youth because it could be defined as just teens. She stated that the ages for a youth need to be defined.

Mr. LaBrado stated that the definition would be 18 and under.

Mayor Ruelas then moved onto the next section, stating that the thing she thought the Commission would be doing was screening the applications. She stated that they have never been screened but rather just come to the Council for consideration, and are so poorly written and missing all kinds of information that they end up not even qualifying.

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She stated that she would like someone to screen them and those that do not qualify should not even be considered by the Council.

Commissioner Villafaña and Pantoja stated that it was the intention of the Commission to screen the applications.

Mayor Ruelas went on to state that she does not think the organizations should do presentations to the Commission. She feels the Commission should screen them first and then they can make their presentations to the Council. She asked that staff include in the document that the Recreation and Community Services Commission will screen all of the applications and any incomplete or unqualified applications will not be forwarded to the Council.

Councilmember Veres stated that the Mayor is asking that the Commission screen the applications and staff should be the ones to screen them.

Mayor Ruelas stated that she just wanted to clarify what was written on the Request for Proposal under Invitation where it says “seeking proposals from Community Based Organization’s for the purpose of implementing programs within the City of San Fernando”, because this means they can’t implement their program in the City of Sylmar and she wanted to make sure that everyone understands that is what is being said.

Mayor Ruelas stated that she agrees with the statement that the City reserves the right to reject any and all proposals; however, she does not agree with the statement to waive any minor irregularities or informalities in any proposal.

Mayor Ruelas stated that under Program Requirements it states for leases and rentals and that conflicts with somewhere else in the document where it states you can not use it for rent.

Ms. Collins stated that the rent referred to in the previous section was for the ongoing expense of rent and that rental of items for one time events is acceptable.

Mayor Ruelas asked that it be clarified in the document. She also said there is not enough information on the Cover Page and that their original determination letter should also be attached.

Mayor Ruelas asked if there were any further comments.

Councilmember Veres stated that he thinks staff should do the screening and one thing they can use is evaluations. He said the Commissioners should have an input role and

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offer a recommendation or a tier system. He stated that he would really value the opinion of five community members that they appointed. He stated that if they are going to continue to have this be a programmatic type of approach the tough thing is evaluating groups like the Braves as programmatic. He suggested maybe creating a program fund and an activity fund.

Commissioner Pantoja agreed with Councilmember Veres that it should either be discretionary or grant. She stated that it is difficult because half of it is discretionary and half of it is like a grant. She went on to ask that if it is discretionary why ask the organizations for all this information and she feels a decision needs to be made if it is a grant or is it discretionary.

Dr. Hernández stated the problem he has is with the insurance. He said he feels that the youth groups do not have money for insurance.

Mr. LaBrado responded and said that in this day and age all groups have insurance.

Mayor Pro Tem Martinez stated that she agreed.

Staff was given direction to incorporate the recommended changes to the document and bring the item back to the City Council for consideration.

**ADJOURNMENT (6:05 p.m.)**

Mayor Ruelas called for the motion to adjourn.

By common consent, the meeting was adjourned.