

MAKING GOVERNMENT WORK BETTER

Executive Summary

June 23, 2005

Members Present: Chair Chuck Reed, Vice-Chair Linda J. LeZotte, Councilmember Ken Yeager, Councilmember David Cortese

Staff Present: Kay Winer, Danielle Kenealey, Mark DeCastro, Jennifer Carlino, Jerry Silva, David Moreno, Linda Brouchoud, Jorge Oseguera, Sara Hensley, Joe Cardinalli and Jayna Ng.

The meeting was convened at 1:30 p.m.

a. Northside Community Center (Auditor)

The City Auditor presented the findings of the Northside Community Center Audit. Sara Hensley, the Director of Parks, Recreation and Neighborhood Services ("PRNS") provided the department's response. Ben Menor provided the response from Fil-Am SODC. The Committee then heard public comment regarding the Northside Community Center Audit from 33 speakers.

The motion was made by Councilmember Ken Yeager, seconded by Vice-Chair Linda J. Lezotte, and unanimously approved by the Committee.

- Accept the report from the Office of the City Auditor.
- With regard to the Auditor's Recommendation #1: PRNS staff and Fil-Am SODC staff will formulate a proposal for consideration by the Council whereby Fil-Am SODC will re-pay to the City, within a reasonable time frame, those grant funds that may have been used for ineligible activities in the past. PRNS staff will work with the City Attorney's Office with respect to the development of the repayment agreement.
- Set aside all recovered funds for grants for programs at Northside Community Center that will serve seniors and veterans as originally intended.

- Structure the HNVF grant for 2005-06 on a month-to-month basis and provide for payments to Fil-Am SODC for delivery of services on a fee-for-service basis.
- With regard to the Auditor's Recommendation #2: The PRNS Director will assign staff to work with Fil-Am SODC staff to determine the eligibility of any proposed expenditures. The Auditor's Office will provide assistance to PRNS. The PRNS Director will designate staff to attend the regular board meetings of Fil-Am SODC. In addition, the PRNS Director will assign staff to work closely with the CEO to ensure that the organization is in compliance with all City policies.
- With regard to the Auditor's Recommendation #3: PRNS staff will work with Fil-Am SODC to engage the services of a firm with experience in nonprofit management consulting to train board members on appropriate board of director oversight and implementation of policies and procedures. In addition, the nonprofit management consulting firm will train the organization's executive staff with regard to nonprofit management. Furthermore, the board will conduct a quarterly written evaluation of the chief executive officer. Fil-Am SODC will engage the services of a professional accountant/bookkeeper whose duties will include providing regular financial reports to the board for evaluation and oversight. Provisions would be made to allocate funds from the organization's budget for these accounting services as a permissible expenditure, to the extent eligible.
- The auditor's Recommendations #4 and #5 regarding Fil-Am SODC's performance measure reporting should be implemented.
- The Auditor's Recommendations #6 and #13 regarding the PRNS grants unit monitoring process should be implemented.
- PRNS staff will regularly update the Council on the progress of the implementation of the audit recommendations, with a full re-evaluation of the management of the Northside Community Center in December 2006. At that time, if management conditions have not improved significantly, the Council will make appropriate recommendations with reference to Auditor's Recommendation #14 (initiating a Request for Qualifications process or using city staff to operate the Northside Community Center).
- The Facility Use Agreement with Fil-Am SODC for use of the Northside Community Center will continue on a month-to-month basis.
- Quarterly reports, beginning in September 2005, will include: 1) cash flow analysis prepared by the City Auditor's Office; 2) year-end closing data for FY 2004-05 prepared by the City Auditor's Office; 3) status of investigation by the District Attorney's Office; and 4) operations report.

b. Oral Petitions

There were no oral petitions.

c. Adjournment

The meeting was adjourned at 4:04 p.m.

A handwritten signature in cursive script that reads "Chuck Reed".

Chuck Reed, Chair

Making Government Work Better Committee