

CITY OF LOS ANGELES
CALIFORNIA

BOARD OF NEIGHBORHOOD
COMMISSIONERS

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BONGHWAN (BH) KIM, MPA
GENERAL MANAGER

www.EmpowerLA.org

MINUTES

BOARD OF NEIGHBORHOOD COMMISSIONERS

SPECIAL MEETING

TUESDAY, OCTOBER 4, 2011 – 6:00 P.M.

IMAN CULTURAL CENTER
3376 Motor Ave
Los Angeles, CA 90034

COMMISSIONERS PRESENT

Daniel Gatica, President
Carlene Davis, Vice President
Linda Lucks
Karen Mack

ABSENT

Paul Park

DEPARTMENT STAFF PRESENT

BongHwan Kim, General Manager
Janet Lindo, Executive Administrative Assistant

CITY ATTORNEY REPRESENTATIVE

Anthony Paul Diaz, Deputy City Attorney

1. Introduction (5 minutes)

ACTION: President Gatica gave the introduction.

2. Call to Order and Commission roll call. (1 minute)

ACTION: President Gatica, called the meeting to order at 6:10 p.m. Commission roll was called by Janet Lindo, Executive Administrative Assistant.

3. Approval of the Minutes of the Regular Meeting of September 19, 2011. (3 minutes)

ACTION: Commissioner Lucks moved that the Minutes of the Regular Meeting of September 19, 2011, be approved with a change on page 2, Agenda Item No. 6, Congress of Neighborhoods, change date to September 24, 2011.

Commissioner Davis seconded the Motion.

Vote: Ayes - 4, (President Gatica, Vice President Davis, Commissioners Lucks, and Mack.)

Nays – 0

Motion passes unanimously.

4. General Public Comments - Comments from the public on non-agenda items within the Board's subject matter jurisdiction. This agenda item will last a total of 15 minutes and no individual speaker will be allowed more than two minutes. (15 minutes)

ACTION: Public comments received from:

Ivan Spiegel – a resolution was passed at the end of Congress to tell the Mayor, City Council, and City Attorney to not cancel the 2012 elections.

5. Verbal update from a representative of the Office of the Mayor Antonio Villaraigosa, Neighborhood and Community Services. (10 minutes)

ACTION: None, no representative present.

6. General Manager's Report (10 minutes)

1. Briefing on Departmental activities.
2. Staffing, budget and other operational matters.

ACTION: Taken out of order, after Agenda Item No. 9

The General Manager provided the following updates regarding Departmental activities, budget and staffing:

- Congress was a successful event, 600 people attended.
- Community Gardens program – workshops will be held on October 15 9:00-11:00 am in Panorama City, 1:00-3:00 pm in South Los Angeles.
- Funding updates – winding down on paying out encumbrances.
- Staffing – authorized 22 positions, have not been able to fill five positions. Managed Hiring Committee has agreed to the Department's request to hire a Senior Management Analyst I, Management Analyst I, and Accounting Clerk II.

7. Draft report from the Retreat Planning Ad Hoc Committee and possible action regarding the Board of Neighborhood Commissioners' planning retreat. (10 Minutes)

(See:

[http://done.lacity.org/dnn/portals/0/documents/LEARN/About_the_commission/Draft Retreat Agenda 10.17.2011.pdf.](http://done.lacity.org/dnn/portals/0/documents/LEARN/About_the_commission/Draft_Retreat_Agenda_10.17.2011.pdf))

ACTION: Taken out of order, before Agenda Item No. 6.

Commissioner Mack provided a verbal update on the Commission retreat agenda scheduled for October 17, 2011, at 9:30 a.m., at City Hall, Room 1035.

8. Verbal update from a representative of the Westside Regional Alliance of Councils (WRAC) on the Neighborhood Council System Reform Motions. (20 minutes)

ACTION: Jay Handal, Vice President of WRAC, provided a verbal update to the Commission on the Neighborhood Council System Reform Motions (see attached Minutes from the September 27, 2011, WRAC meeting.)

9. Discussion with various West area Neighborhood Council representatives who wish to report concerns, operations, and best practices. Neighborhood Council representatives should complete their questionnaire in advance of the meeting. This

matter will last a maximum of 20 minutes and the time will be divided among those representatives wishing to speak. (20 minutes)

ACTION: Taken out of order, before Agenda Item No. 8.

Jerry Brown– President, Westwood Neighborhood Council, gave a verbal presentation to the Commission expressing his dissatisfaction with the Neighborhood Council system.

Terri Tippit– Chair, Westside Neighborhood Council, gave a verbal presentation to the Commission sharing some of Westside Neighborhood Council’s successes, operations and best practices.

Public comment received from:

Lisa Chapman – does not agree with Jerry Brown’s opinion, for the most part the Board work together very well.

Sharon Cummins – disagrees with speaker, Jerry Brown, feels that Neighborhood Councils do have power.

Jay Handal – very concerned with Jerry Brown’s comments.

Ivan Spiegel – sad to hear the comments made by Jerry Brown. The next round should do workshops on how to run an election, how to recruit candidates, how to do outreach, how to create diversity.

Randy Waller – believes Neighborhood Councils that are doing things worthwhile should get a lot more money than Neighborhood Councils which are not.

10. **TOWNHALL MEETING:** Members of the public are invited to discuss with the Commission the August 16, 2011, motions adopted by City Council. The August 16, 2011, motions proposed several reforms to the Neighborhood Council system and requested that City staff report back on the trainings that should be provided to Neighborhood Council board members, a system for a regional grievance/complaint process, methods for increasing self-governance by Neighborhood Councils, and improvements to the Neighborhood Council Funding Program. The Commission would like to hear your ideas and suggestions for improving the Neighborhood Council system and your comments or concerns on the August 16, 2011, City Council motions. Links to the August 16, 2011, motions are located below:

(a.) Motion regarding training. (See:

<http://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=11-1017>.)

(b.) Motion regarding regional complaint panels. (See:

<http://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=11-1018>.)

(c.) Motion regarding greater autonomy and self-governance for Neighborhood Councils. (See: <http://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=11-1019>.)

(d.) Motion regarding improvements to the Neighborhood Council Funding Program. (See: <http://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=11-1020>.)

ACTION: None.

Public comments received from:

Cindy Cleghorn – thinks everybody should take treasurer training. Couple of ideas to enhance Neighborhood Councils: leadership training, Congress had some great training work shops, people want this information, presentation to decision-makers, dealing with difficult people, people-dynamics.

Len Shaffer – identify the problems, the problems were not defined in the motions. After a lot of contact with Neighborhood Council people from various places, there is a lot of push back against some of the motions. There is a lot of feeling amongst Neighborhood Council members that it is diminishing Neighborhood Councils and taking away in some places. Grievances – are we going to be formalistic about it or are we going to make people feel good? Want to see more involvement initially by the Neighborhood Council.

Ivan Spiegel – tell us what the rules are at the beginning of the year. In favor of training, training is very important. Grievances – how do we deal with serial filers of grievances?

Randy Waller – likes training, strongly in favor of mandatory training. Funding – thinks Neighborhood Councils should earn the right to get funding, \$40,000, \$60,000 or \$100,000.

11. Commission Business – Comment from Commissioners on subject matters within the Board's jurisdiction. (20 minutes)
 1. Comment on Commissioners' own activities/brief announcements.
 2. Brief response to statements made or questions posed by persons exercising their general public comment rights/ask staff questions for clarification.
 3. Introduce new issues for consideration by the Commission at its next meeting and direct staff to place on the agenda.
 4. Ask staff to research issues and report back to the Commission at a future time.

ACTION: Comments received from:

Commissioners Lucks and Mack.

President Gatica

- **Moving Third Monday Commission meeting at City Hall to start at 1:00 pm beginning November 21.**
- **Neighborhood Council Reform Work Groups – request that each Commissioner attend at least one of the workgroup meetings.**
- **Commissioner Park will be joining the Policy Ad Hoc committee to replace former Commissioner Cepeda-Hatch.**
- **Spoke to the Mayor's Office regarding setting up regional meet and greets with the Mayor's Office, Commission, and Presidents and Vice Presidents of the Neighborhood Councils.**

Vice President Davis

- **Agendize elections on future agenda.**
- **Hosting the SLAANC meeting in December.**

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12. General Public Comments - Comments from the public on non-agenda items within the Board's subject matter jurisdiction. This agenda item will last a total of 15 minutes and no individual speaker will be allowed more than two minutes. (15 minutes)

Public comments received from:

Cindy Cleghorn – Chair, of the Congress. Thanked everyone for coming out to the Congress on September 24. Congress will be kept alive through the website. A critique meeting will be held after November 5.

13. Adjourn

ACTION: Meeting adjourned at 9:05 p.m.

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PALMS NEIGHBORHOOD COUNCIL
 Dee M. Olomajeye, President
 Niall MacMenamin, Vice President
 Jason Buchalter, Treasurer
 Eli Lipmen, Secretary

CITY OF LOS ANGELES
 CALIFORNIA



ANTONIO R. VILLARAIGOSA
 MAYOR

DATE:	10/4/11
ITEM #	8
SUBMITTED BY:	Jay Handal
DEPARTMENT OF NEIGHBORHOOD EMPOWERMENT	

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TOWNHALL MEETING TO DISCUSS CHANGES TO THE NEIGHBORHOOD COUNCIL SYSTEM

JOINT SPECIAL MEETING*

TUESDAY, SEPTEMBER 27, 2011 – 7:00 p.m.

**IMAN Cultural Center - Palms - Los Angeles, CA
 3376 Motor Avenue
 LOS ANGELES, CA 90034**

* This special meeting is convened as a joint meeting of the Neighborhood Councils in the West Los Angeles area and include the following: West Los Angeles Neighborhood Council, [Jay - list the other Neighborhood councils who will be participating].

The public is requested to fill out a "Speaker Card" in order to provide comment on any agenda item. Comments from the public on agenda items will be heard only when the respective item is being considered. No individual speaker will be allowed more than 2 minutes, unless the meeting's moderator waives the time for discussion.

1. Introduction/Roll Call - 7:06 p.m.
Representatives from CD11, Councilmember Bill Rosendahl's Office:
 Arturo Pina
Representatives from D.O.N.E.:
 BongHwan (BH) Kim, General Manager
 Gracie Lui
Representatives from Farmer's Market in Mar Vista
 Joseph Travis
2 Representatives from LAPD
Representatives from Mayor's Office
 Joe Hari
Representatives from Neighborhood/Community Council:
Bel Air Beverly Crest
 Alan Fine

Del Rey

Brett Flater

Dan Mareno

Renae Poanessa

Mike Stafford

Mar Vista

Sharon Commins

Albert Olson

Maritza Przekop

Palms

Charles Miller

South Robertson

Nick Burkhardt

Terrence Gomes

Doug Simmons

Barry Levine

Marjin Safinia

Nahed Guirguis (could barely make out this name on the recording, might be the wrong name)

Troy Richardson

Venice

Matt Kline

Linda Lucks

Mike Newhouse

Jed Pauker

Marc Saltzberg

Marleen Savage

Ivan Spiegel

Kelley Willis

West L.A.

Al Casas

Brian Custer

Tom Donovan

Jay Handal

Priscilla Resendiz

Jean Shigematsu

Larry Taylor

Westside

Colleen Mason Heller

Terri Tippit

Westwood

Lisa Chapman

Associate of AppleOne Employment Services

Edith Darling, Minute Taker, Associate of AppleOne

2. Call to Order – 7:00 p.m.

3. Presentation and Discussion with the Department of Neighborhood Empowerment, including BongHwan Kim, General Manager, regarding the following motions approved by City Council on August 16, 2011, regarding changes to the Neighborhood Council system:

Kim – They have short time line for windows for public comment and subsequent workshops. Due to City's fiscal crisis, they cannot support 95 neighborhood councils. Would like to consider networks of neighborhood groups, not individual entities.

Would like to institutionalize a peer-to-peer counseling system. Represents an opportunity to take city bureaucracy and create your own. Minute-keeping, outreach, and election could be done by supporting each other. 6-12 neighborhood councils forming networks. Revising RFP for temporary vendors. Possibly having trained people helping with administrative items.

(a.) Motion relative to requesting a report back with an implementation plan for a training program for Neighborhood Council board members that covers various topics including: 1) Ethics and Legal Issues (including the Brown Act, Public Records Act and Conflicts of Interest); 2) Workplace Violence and Sexual Harassment; 3) Funding Program; 4) City Government Basics; 5) Parliamentary Process; and 6) Community Leadership. (See: <http://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=11-1017>.)

I THEREFORE MOVE that the Council DIRECT the Department of Neighborhood Empowerment and the City Attorney to report back to council with a plan for the implementation of a training program for Neighborhood Council board members that covers the following topics:

(1) Ethics and Legal Issues (including the Brown Act, Public Records Act and Conflicts of Interest); (2) Workplace Violence and Sexual Harassment; (3) Funding Program; (4) City Government Basics; (5) Parliamentary Process; and (6) Community Leadership. The report should consider implementing the training program on the web, include a discussion of which board member classification types should complete each training course, a discussion about which courses should be mandatory and which should be optional and consider a defined process for sanctioning board members who fail to complete the required training.

Summary of Public Comment

Meeting ended at 9 p.m. before they got an opportunity to discuss item a. Lui says that any commentary can be submitted to DONE

(b.) Motion relative to requesting a report back with an implementation plan for a system of regional complaint panels composed of board members of various Neighborhood Councils that will convene to address stakeholder and board member grievances as-needed and by request of the Department of Neighborhood Empowerment, and related matters. (See: <http://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=11-1018>.)

I THEREFORE MOVE that the Council DIRECT the Department of Neighborhood Empowerment, the Chief Legislative Analyst, the City Administrative Officer and the City Attorney to report back in 6 months with a plan to implement, in the next budget year, a structure of governance and administration that provides greater autonomy and self-governance for neighborhood councils and reduces DONPs workload. The report should consider transferring responsibility for many aspects of the operations of the neighborhood council system, including, but not limited to, funding, elections, communications between the city and its neighborhood councils, outreach between Neighborhood Councils and stakeholders, dispute resolution and training, to permanent or as-needed regional authorities or bodies that can operate with the oversight of the Department of Neighborhood Empowerment.

Lui – More focused on administration level. They would identify and share a cadre of admin support that would help them free up their time. Not much detail right now.

Expecting it to come together in the work group. At the Harbor, they do joint outreach on a regional level and share administrative support staff. Neighborhood councils can decide organically who has similar needs.

Olson - When you talk about admin processes and outreach, he can't think of anything that he would need to distribute regionally.

_____ - Would also want an opt-out option, which could make ineffective regional governance.

Prescott - We collaborate without mandates when necessary. Otherwise, we deal with local issues; this is the purpose of the community council.

Newhouse - The last thing we would want to have to happen to regional coalitions is formalizing them. It works to alleviate tension because there's no top-down threat.

Simmons - Would not want a president over a region of neighborhood councils.

Liu - sometime the temp help is not consistent or good. Could develop a cadre of skilled helpers

_____ - Doesn't see an important difference between this motion and the current system with AppleOne.

_____ - MVCC - a solution searching for a problem

Custer - What would be most helpful would be to give up DONE, possibly a DONE officer over in each area as a facilitator. Might alleviate a lot of the problems with staffing and taking care of demand warrants

Kim - Could have regional meetings but no benefit for a regional support structure.

_____ - MVCC - Not well thought out.

_____ - It's happening organically where it can

Thomas - What could we do that would superficially encourage mentorship and help DONE address the issues that City Council has asked to address.

Handal - Peer mentoring program is in development. Get the city to survey the neighborhood councils and find out which employees/agencies are working for them. He has no complaints about the minute taker from AppleOne that he uses. You need to pinpoint the guys who are in trouble and take your troops and go to them. Putting the weight onto the volunteers stresses the situation. The motion is misguided, poorly worded, and not supported by the neighborhood councils.

Member of Venice Neighborhood Council - Volunteers do not have hours to spend on city government. You remove professionalism and credibility from the neighborhood councils when we are spread too thin. We're not going to solve the city's financial problem in this way.

Lucks - I agree for the most part. However, the mentoring program would be people volunteering to help others

_____ - It's not a systemic problem, and so don't need a system-wide solution. What you're talking about are some things that may or may not be useful. They cannot be legislated through a system of bureaucratic layers. Could be folded into training and fiscal responsibility. Maybe there needs to be another component to the training.

_____ - DONE should be empowered to deal with the neighborhood councils.

(c.) Motion relative to requesting a report back with a plan to implement, in the next budget year, a structure of governance and administration that provides greater autonomy and self-governance for Neighborhood Councils and reduces the Department of Neighborhood Empowerment's workload, and related matters.

(See:

<http://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=11-1019>.)

I THEREFORE MOVE that the Council DIRECT the Department of Neighborhood

Empowerment, the City Attorney, City Administrative Officer and Chief Legislative Analyst to report back to Council in 90 days with a plan for the implementation of a system of regional complaint panels composed of board members of various Neighborhood Councils from similar regions that will convene to address stakeholder and board member grievances as-needed, and at the request of the General Manager for the Department of Neighborhood Empowerment. The report should consider guidelines for panel selection, implementation and range of authority

Lui - We get 20-40 grievances each year. Concern is that the neighborhood council they are grieving against are handling the grievance hearing. Regionally-based volunteer system that can handle grievances quickly and transparently. No peer review system for exhaustive efforts. Would like to have a system for checks and balances. Another option would be that a different city panel takes a look, and then there could be an appellate body above that. BONC could then make decision about decertification. Someone could appeal it to neighborhood councils.

Summary of Public Comment

1. _____, VNC - Concerns about too much bureaucracy. Take it to the regional level and that's it. Repeat filers of grievances might lose willingness to compromise if they have the opportunity to prolong the issue in a higher court.
2. Spiegel - Conflict of interest with having board that is grieved against do the ruling. Not fair to stakeholders. Would like to consider establishing a cooling off period of 30 days before action is taken outside the board. Mediators could intervene. What city agency would make the ruling? Exhaustive efforts is a good system. Probation system does work well.
3. Willis - Would WRAC be willing/able to decide? (Handal - No.) Likes the idea of a horizontal hierarchy, not vertical. Doesn't add any glamour with a higher court or appeals process.
4. Lucks - No opposition to a regional pool of people willing to serve. The most important thing is what happens if the body rules yea or nay? Sending it to another neighborhood council could nip it in the bud.
5. Custer - Possible problem with using another neighborhood council is whether the board members have all received ethics training. WRAC could help choose a local neighborhood council who could rule on the issue.
6. Thomas - Best grievance policy is an accurate and frequent election policy. What's wrong with one neighborhood council empowering another neighborhood council to make the decision?
7. Simmons - BONC has the teeth. They can decertify. If there is noncompliance, then there can be a process of decertification.
8. Handal - Pool of people brought together and assigned cases. Hear an issue and forward recommendation to a higher commission. Send it to commission for affirmation, rejection, or amendment. Doing regionally within the 7 districts. Maybe it would be 3 people appointed to be in a pool. BONC council has no teeth right now. BONC council should have ability at adjudicate.
9. _____ (SRNC) - Agrees that choosing among regional pool is good idea.
10. Casas - A simple procedure might cut down on the frivolous grievances.
11. _____ - Would like to know what neighborhood council members are supposed to do when they want to file a grievance against the department or the CC? How can we police the other municipal groups?
12. Lui - You go to the City Council Member.

(d.) Motion relative to requesting report backs and adopting policies in regards to the Neighborhood Council Funding Program including the use of budget and

reconciliation templates, a prescribed accounting system, rollover of funds, equipment purchases, development of an electronic system for the Neighborhood Funding Program, and related matters. (See: <http://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=11-1020>.)

1. Funding Motion

I therefore move that the Council, subject to the approval of the Mayor:

- 1. INSTRUCT** the Department of Neighborhood Empowerment, with assistance from the Controller to report back in 90 days on the status of the Neighborhood Funding Program and DONE's efforts to (a) clarify the encumbrance process; and (b) standardize financial templates, forms, and reporting; and (c) streamline approvals and management of the program; and (d) increase accountability.
- 2. ADOPT** a policy that requires all Neighborhood Councils to utilize the budget and reconciliation template provided by the Department of Neighborhood Empowerment and adhere to all budget and reconciliation deadlines.
- 3. ADOPT** a policy that requires all Neighborhood Councils to conform to the accounting system prescribed by the Department of Neighborhood Empowerment.
- 4. ADOPT** a policy that empowers the General Manager and Board of Neighborhood Commissioners to freeze funds if a Neighborhood Council does not comply with Council policy and Department of Neighborhood Empowerment mandates, or if any of the following circumstances exist: (a) the Neighborhood Council as failed to submit a budget in a timely manner; (b) an audit of the Neighborhood Council is past due; (c) the Neighborhood Council has made prohibited or inappropriate purchases; (d) the Neighborhood Council is not in compliance with training requirements; (e) the Neighborhood Council Board does not have a Treasurer; or (f) the Neighborhood Council is deemed dysfunctional.
- 5. CONTINUE** a policy to prohibit the rollover of unencumbered funds and **DIREST** the Department of Neighborhood Empowerment, with assistance from the City administrative Officer, Chief Legislative Analyst, and City Attorney, to report back on alternative funding models, including a grant based funding system.
- 6. DIRECT** the Department of Neighborhood Empowerment , with the assistance from the City Administrative Officer, Chief Legislative Analyst, City Attorney, Controller, and Board of Neighborhood Commissioners, to report back in 90 days with a mechanism for Neighborhood Councils to request rollover funds on a projects by project basis and as deemed appropriate by the Board of Neighborhood Commissioners or a committee comprised of representatives from the CLA, CAO, and DONE that (a) defines the type of projects that will qualify for rollover funds; and (b) details the application and approval process; and (c) establishes deadlines to complete an approved project.
- 7. DIRECT** the Department of Neighborhood Empowerment , with assistance from the City Administrative Officer, Legislative Analyst, and the Information Technology Agency, to report back in 180 days on the feasibility of developing an electronic system for the Neighborhood Council Funding program that will (a) integrate purchase card and FMIS data for real time tracking of expenditures and fund balances; (b) accept electronic submission and approval of budgets, demand warrants and reconciliations

and (c) provide an interface to track and create financial statements and treasurer reports for the board.

8. **DIRECT the Department of Neighborhood Empowerment, up on adoption of these policies, to immediately notify all Neighborhood Councils of the changes to the policies and procedures that govern the Neighborhood Council Funding Program, and to report back in 90 days on their outreach efforts.**

Lui – Most details will be addressed in work groups. Focusing on two items: (a) project specific rollover and (b) alternate grant-based funding system. City Council is seeking input on a grant-based system.

For grant-based system, there are two options:

- a. Any excess funds unspent could go into fund where neighborhood councils could write grants for them. They could be for outreach to areas of low civic engagement.
- b. A set amount of funds would be available for operational costs. Other funds would be open to all neighborhood councils, who would apply with grants for outreach and/o neighborhood improvement projects.

For rollover, you could hold onto rollover for projects that take more than one year.

Summary of Public Comment

1. Handal - Grant writing is a very involved process. They'd have to hire a grant writer to get the money we need. The dept needs to fix its funding arm. Part of it is not the dept's fault. I blame the City Council and the Mayor for allowing it to happen. It's not fair to you to have to handle all the paperwork at the end of the fiscal year.

The city has to stop its bad behavior. They have to stop raiding our coffers each April. You need to get the demand warrant system fixed in your office. For user, it's cumbersome.

When funds are encumbered for long-term or short-term, they are encumbered. You need a system and personnel to keep track of what funds are encumbered. With the 6.5 billion dollar budget city-wide, we need to be able to figure out.

Would be a good idea to raise the limit for spending on the purchase cards.

Any money that is unencumbered and unspent at the end of the fiscal year should go into a pool available for neighborhood councils, not general funds.

2. _____ - Maybe a regional WRAC-type committee could determine which grants would be chosen.
3. Olson – Grant system would not make sense. Don't want to provide feedback for idea that wouldn't work. Purchase card works well.
4. Casas – Our neighborhood council encumbered all funds with budget. According to controller, all city departments run this way. They had not spent the money yet. When they purchased items that were encumbered in previous fiscal year, DONE took money out of current fiscal year. The encumbrance definition that applies to every other city agency does not apply to the neighborhood councils.
5. Kim – Clarifies the difference between encumbrance and rollover. Unspent funds would carry over to the next year. Neighborhood councils think because a board too action to spend money. That is not considered encumbrance. We encumbered money this year. If you submit all your demand warrants and they are approved by 4-15, then we honored it.
6. Olson- Would be interested in taking advertisements in newsletters or creating "Friends of" non-profit group that would help the neighborhood council.

7. Kim – We can encumber. We will likely extend the April 15 deadline like we did last year. It's the rollover that's the problem.
8. Taylor – Is a signed contract encumbrance?
9. Casas/Lucks – We do need to carry over. We do allocate our money, but some funds cannot be spent within the FY.
10. _____ - Treasurer since 2006. Who is going to administer it? Who decides who gets what money? BONC is too busy to do it. Since I've been involved with neighborhood councils, board members can come together and figure it out. We fixed it, for the most part. The same with grievances, and that's coming back to us. DONE staff works day in and out. They need to improve the funding system rather than reinventing it.
11. Handal – Talking definition of encumbrance and rollover. We look it that we are encumbering the funds. The other departments already know what they are. We think of them as money that has been allocated and is a legitimate project.
12. Spiegel – I want to know what the funding rules are at the beginning of the fiscal year. If they're changing, tell us now. You don't even know what it is for this year yet. We don't want to scramble again.
13. _____ - Problem with grants is who makes the decision? DONE won't. BONC won't. Subjectivity is the problem. Neighborhood councils will be paying for elections, events that DONE used to pay for. We might consider hiring a unified accounting system.
14. Lucks – We'd like to use the same encumbrance system every other dept. does.
15. Kim – Need for clarity on encumbrance v. rollover is because of the loss of rollover funds.
16. _____ - Grant system is untenable for this system. By the time you get the demand warrants, all the research, work, outreach, and investigation will have been done before they get paid. In case of a grant, we don't even know that the money will be available. If we have to do it from top down, then we'll get less done.
17. _____ - Two-part question – 1. Why is rollover being eliminated? 2. What's to prevent every neighborhood council setting up a 5013c and funding it with unused funds to hold onto the rollover.
18. Kim – Re non-profits, City Attorney does not approve of funneling money into non-profits in order to keep it from being swept. In the original plan, there was some language about the neighborhood councils eventually becoming 501-3Cs. The NPO must be accountable.
19. Custer - Can the demand warrant system be modified to allow submitter to indicate that it will be encumbered funds, and/or could there be a cap on an encumbrance amount that could be considered encumbered automatically? For example, long-term capital projects. Can DONE say that we'll allow 50% of the budget category without all the details being settled before submission?
Kim – This sounds more like a rollover. With the current encumbrance policy, as long as you submit the demand warrants before deadline, then you can encumber.
20. Casas – We would like to make sure that you understand that we have problems with this motion and that Mr. Krekorian should rethink his logic (Audience of stakeholders indicates general assent.) Kim and Lui agree.
21. _____ - Would like DONE to send them instructions on how to create a "Friends of" and also how to properly encumber funds.
22. Kim – Can't promise anything too soon for "Friends of." If WRAC wants to pursue it, then we can try to make it work. Would require a work group and

other task force. Re encumbrance, we can put out explanatory language in advance of the deadline. Basically, the way you encumbered funds last fiscal year is the way you will do it this year.

23. Casas – This is a problem. We can't pay in advance. WE and other Neighborhood councils have lost funds.
24. Kim – As long as it's encumbered, we'll pay the bill.
25. Handal – When the department is overwhelmed with demand warrants at the end of the fiscal year, then the funds come out of the next FY. This is the problem.
26. Kim – This situation was an exception. (Other neighborhood council members say that they have had similar problems.)
27. _____ - There is a different definition of encumbrance as an allocation that's going to be made on a contract that will be paid in the future or an invoice that does not exist yet.
28. Willis – A simple example of problems with demand warrants system is the newsletter that we are obligated to provide. Involves a 6-8 week process of contracts for printing, layout, etc. we need an official way of saying to vendors that they will be paid.
29. Lui - Re ad-selling, there was a donation ordinance passed by the City Council that allowed the neighborhood councils to have bank accounts, take advertising, etc. Did sunset in April, but can be resurrected. There wasn't enough staff to handle it.
30. _____ - So many hoops to jump through. It's much easier to write an external grant and get the same \$40,000. People who want to work on their neighborhoods will go elsewhere. The more difficult you make it, the less valid the neighborhood council system will be.
31. Willis – if you go outside the system, you can also be paid for the time working on the grant.
32. _____ - People leaving the neighborhood council system for funding opportunities is happening in Venice.
33. _____ - Concern about splitting it between grant and administrative funds. Micromanagement will not help.
34. _____ - Reducing bureaucracy won't be accomplished by setting up a grant policy.
35. _____ - Ask Michelle for the donation policy to be reinstated. Policy with no demand warrants.
36. Lui – Need to keep an eye on time. Workgroups are scheduled, centrally located in Hollywood, where there will be opportunities to go into greater detail on each motion. For those who cannot get to Hollywood, there will be opportunities to post comments online.

4. Adjourn.

Meeting adjourned at 9:06 p.m.

