

ARTS, PARKS AND NEIGHBORHOODS COMMITTEE - **SPECIAL MEETING***

WEDNESDAY, NOVEMBER 30, 2011

ROOM 1010, CITY HALL - 3:00 PM
200 NORTH SPRING STREET, LOS ANGELES, CA 90012

*** Please note the change in date, time and location of the Committee meeting.**

MEMBERS: COUNCILMEMBER PAUL KREKORIAN, CHAIR
COUNCILMEMBER HERB J. WESSON, JR.
COUNCILMEMBER ED P. REYES

(Adam Lid - Legislative Assistant - 213-978-1076 or e-mail adam.lid@lacity.org)

Click [here](#) for agenda packet

Note: For information regarding the Committee and its operations, please contact the Committee Legislative Assistant at the phone number and/or email address listed above. Upon 24-hour advance notice, assistive listening devices, and other accommodations, such as sign language interpretation and translation services are available at the meeting. Contact the Legislative Assistant listed above for the needed services.

FILE NO.

SUBJECT

(1)

[11-1912](#)

City Attorney report and Ordinance relative to amending Sections 20.36 and 22.816 of the Los Angeles Administrative Code (LAAC) relating to neighborhood council elections.

Fiscal Impact Statement Submitted: No

Community Impact Statement Submitted: No

(2)

[11-1017](#)

Department of Neighborhood Empowerment (DONE) report in response to Motion (Krekorian - Smith) relative to the Neighborhood Council System Training Program.

Fiscal Impact Statement Submitted: No

Community Impact Statement Submitted: No

FILE NO.

SUBJECT

(3)

[11-1018](#)

DONE report in response to Motion (Krekorian - Smith) relative to a Neighborhood Council System Grievance System and associated policies and process.

Fiscal Impact Statement Submitted: No

Community Impact Statement Submitted: No

(4)

[11-1019](#)

DONE report in response to Motion (Krekorian - Koretz) relative to a Neighborhood Council Regional Governance System.

Fiscal Impact Statement Submitted: No

Community Impact Statement Submitted: No

(5)

[11-1020](#)

DONE report in response to Motion (Krekorian - Smith) relative to the Neighborhood Council System Funding Program and related matters.

Fiscal Impact Statement Submitted: No

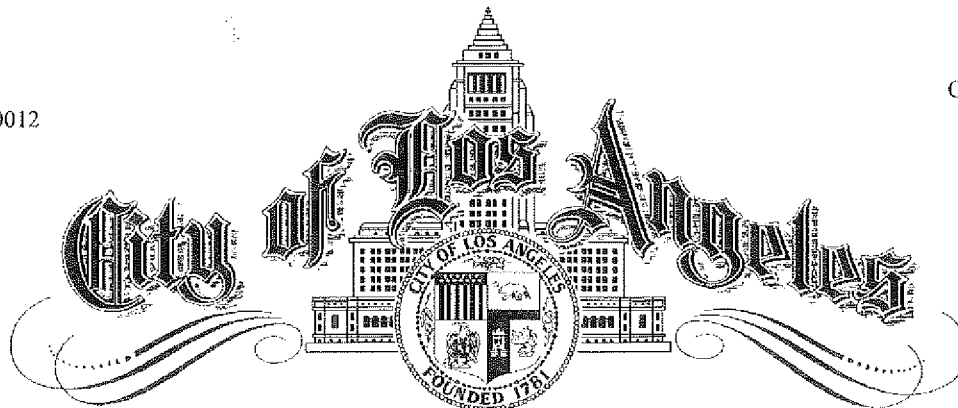
Community Impact Statement Submitted: No

Materials related to an item on this Agenda submitted to the Committee after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 200 North Spring Street, Room 395, City Hall, Los Angeles, CA 90012 during normal business hours.

ap113011sp

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CARMEN A. TRUTANICH
City Attorney

REPORT NO. R 1 1 - 0 3 9 2
NOV 0 9 2011

REPORT RE:

**DRAFT ORDINANCE AMENDING THE LOS ANGELES ADMINISTRATIVE
CODE REGARDING NEIGHBORHOOD COUNCIL ELECTIONS**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 11- 0600

Honorable Members:

Pursuant to your request, this Office has prepared and now transmits for your consideration the attached draft ordinance, approved as to form and legality, postponing Neighborhood Council elections for two years and authorizing the City Clerk to extend board member terms for two years. The draft ordinance would amend Sections 20.36 and 22.816 of the Los Angeles Administrative Code (LAAC). In addition, the draft ordinance eliminates obsolete provisions that are no longer effective and were applicable during previously conducted City Clerk elections.

Background and Summary of Ordinance Provisions

Currently, LAAC Sections 20.36 and 22.816 provide that the City Clerk shall conduct Neighborhood Council elections during the months of April, May and June of each even-numbered year. The draft ordinance would postpone elections and grant the City Clerk the authority to extend board member terms for two years.

Also, the LAAC currently grants the City Clerk sole authority and responsibility for conducting Neighborhood Council elections. However, we note that this draft ordinance does not impact the ability of Neighborhood Councils to "select" their board members during the 2011-2012 Fiscal Year. Under the City Charter, Neighborhood Councils may either elect or select their board members. (City Charter, Art. IX, Section 901(d).) Thus, there is a distinction between "election" and "selection" systems. Typically, the difference between an election and selection is that, in an election, ballots are cast anonymously. This draft ordinance does not impact the ability of Neighborhood Councils to conduct a selection process for choosing their board members. Examples of selection procedures include: a Townhall forum where members are selected by a show of hands; a caucus process where representatives determine by open voting which board members should be chosen; or a process as simple as drawing names from a hat. Accordingly, while the draft ordinance precludes the City Clerk from conducting Neighborhood Council elections during the 2011-2012 Fiscal Year, Neighborhood Councils are not precluded from selecting their board members during this time frame under the draft ordinance.

Council Rule 38 Referral

A copy of the draft ordinance was sent, pursuant to Council Rule 38, to the City Clerk and the Department of Neighborhood Empowerment requesting that they address any comments that they may have directly to the City Council when this matter is considered.

If you have any questions regarding this matter, please contact Deputy City Attorney Darren R. Martinez at (213) 978-8197. He or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

CARMEN A. TRUTANICH, City Attorney

By 
PEDRO B. ECHEVERRIA
Chief Assistant City Attorney

PBE:DRM:mg
Transmittal

ORDINANCE NO. _____

An ordinance amending Sections 20.36 and 22.816 of the Los Angeles Administrative Code relating to Neighborhood Council elections.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Section 20.36, Chapter 3, Article 1 of the Los Angeles Administrative Code is amended to read as follows:

Sec. 20.36. Neighborhood Council Elections.

The City Clerk is hereby authorized and directed:

(1) To conduct Neighborhood Council board member elections during the months of March, April, May and June of each even-numbered year pursuant to a schedule to be developed by the City Clerk in consultation with the Neighborhood Councils. Except that the City Clerk shall not conduct elections during the 2012 calendar year and the elections shall be postponed to the 2014 calendar year.

(2) To promulgate election procedures, rules and regulations and issue any directives, moratoria or rules necessary to administer the Neighborhood Council board member elections.

(3) The City Clerk is authorized to direct that the terms of any Neighborhood Council board members that are scheduled to expire during the 2012 calendar year shall be extended an additional two years or until such time as the next City Clerk conducted election for Neighborhood Council board members shall be scheduled.

Sec. 2. Chapter 28, Article 3 of the Los Angeles Administrative Code Section 22.816, is amended to read as follows:

Sec. 22.816. Elections.

(a) **Administration.** Neighborhood Council board member elections shall be administered by the Office of the City Clerk pursuant to Section 20.36 of this Code.

(b) **Election Challenges.** Election challenges shall be resolved by the regional grievance process established by the City Clerk, which process may be modified by the City Clerk from time to time.

(1) Decisions made throughout the election cycle by the City Clerk may be appealed to a panel drawn from a pool of stakeholders, which method of selection to the panel and its final composition will be

developed by the Department and the City Clerk in consultation with the Neighborhood Councils.

(2) Election challenges that are not resolved by the stakeholder panel will be resolved through the regional grievance process once that process is established

Until the establishment of the regional grievance process, the City Clerk will be responsible for resolving all Neighborhood Council election challenges and may issue any related rules and procedures, and impose any remedies to resolve an election challenge.

Sec. 3. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records. I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of _____.

JUNE LAGMAY, City Clerk

By _____ Deputy

Approved _____

Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By *Darren R. Martinez (DM)*
DARREN R. MARTINEZ
Deputy City Attorney

Date *Nov. 10, 2011*

File No. _____

CITY OF LOS ANGELES
CALIFORNIA

BOARD OF NEIGHBORHOOD
COMMISSIONERS

DANIEL GATICA
PRESIDENT

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VICE PRESIDENT

LINDA LUCKS
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BONGHWAN (BH) KIM, MPA
GENERAL MANAGER

www.EmpowerLA.org

November 22, 2011

Council File No. 11-1017

Honorable Members of the
Los Angeles City Council
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

REPORT RE: NEIGHBORHOOD COUNCIL SYSTEM TRAINING PROGRAM

Honorable Members:

As requested by your Honorable Body, the Department of Neighborhood Empowerment (Department) has prepared and now transmits for your consideration recommendations regarding a Neighborhood Council System Training Program.

Background

Currently, the only mandated training courses for Neighborhood Council Board members are the ethics course for all Board members and funding program administration for Treasurers and funding second signatories. Ethics training is a mandated state law, but unless a Neighborhood Council's bylaws has consequences for not taking training, there is currently no way to ensure that Board members take the training. The ethics training is good for two (2) years after completion.

In regards to funding training, the Department will not release or will freeze a Neighborhood Council's funds if the Treasurer and second signatory do not take the training. Funding training is good for as long as the individuals are Treasurers or second signatories though yearly refresher courses are encouraged due to changing policies and procedures.

For Neighborhood Councils in exhaustive efforts under the Plan for a Citywide System of Neighborhood Councils (Plan), the Department will mandate training if the staff determines that a lack of training in the fundamentals of how to run a Neighborhood Council is a main component for the Neighborhood Council's struggles. These trainings can include:

1. Ethics and Legal Issues
2. Funding Program
3. Neighborhood Council and City Government Basics
4. Parliamentary Procedures

5. Community Leadership

Trainings are currently available in the following manner and are conducted by staff or other seasoned Board members recruited by the Department:

1. Regionally on a monthly basis
2. Board retreats
3. One-on-one mentoring
4. Online videos

Neighborhood Council leaders also utilized the Citywide Congress for Neighborhood Councils this year as a vehicle to provide trainings to the Board members.

Aside from the funding consequences noted above, there are no other consequences for Board members who do not take trainings, including the state mandated ethics course, unless the Neighborhood Council has changed their bylaws to include consequences such as a loss in voting rights if the training is not completed within a specified amount of time.

The Department tracks the ethics and funding training on an internal database though we are trying to make this information readily available on our website.

Collaboration Process for Feedback

The Department collaborated with the Neighborhood Council regional alliances across the City to solicit feedback from Board members and stakeholders on this motion. Starting in September and continuing through the beginning of October, the Department co-sponsored mini town halls with the Los Angeles Neighborhood Councils Coalition, the Harbor Alliance of Neighborhood Councils, the Valley Alliance of Neighborhood Councils, the Northeast Los Angeles Coalition, the Westside Regional Alliance of Councils and the South Los Angeles Alliance of Neighborhood Councils. Approximately, one hundred and fifty (150) Board members and stakeholders provided their feedback at the town halls. In addition, the Department created an online survey for feedback on the motion where seventeen (17) Board members and stakeholders provided detailed input. We invited Board members and stakeholders via our bi-monthly eblast to participate in the town halls, survey, blog and work group meetings.

In October, the Department held two (2) work group meetings on Training to delve further into the details of a training program. One (1) of the meetings was cancelled due to poor attendance. Input was received at the second Training work group meeting as well as a final work group review meeting. Between five (5) to six (6) Board members participated in each of these meetings. All of the minutes for the town halls and work groups meetings were uploaded to a blog for further comments though we did not receive any.

Proposals

The proposals presented here are a compilation of the feedback we received in the town halls, online survey and work group process. In addition, South Los Angeles Alliance of Neighborhood Councils provided its own recommendation on the training program, which is attached to this report for your consideration as well.

The viewpoints were wide ranging regarding mandated trainings in particular with some stating that no training should be mandated because Board members are volunteers to the other end where Board members demanded mandated training in courses beyond ethics and funding. These trainings included the courses listed above for those Neighborhood Councils in exhaustive efforts.

The work group focused on two (2) questions:

1. Should any other courses be mandated?

The work group generally agreed that only sexual harassment and work place violence training should be added to the mandated courses. Even though other types of classes should be taken by Board members for the betterment of Neighborhood Council, such as leadership, how to run meetings, etc., the work group decided that these classes should be offered in a fun and engaging manner so Board members would want to learn more. Another suggestion was to have Executive Officers mandated to take additional classes since they have more responsibilities.

2. What should the consequences be for those who do not take the mandated classes?

There was a range of suggestions, and the work group did not decide on any one (1) answer. These options included:

- o The Plan should be rewritten to allow for the Department to determine consequences.
- o The consequences should be determined by the Commission via policy.
- o Neighborhood Councils should determine consequences in their bylaws.

Another possible proposal could allow the Commission or Department to determine a menu of different types of consequences with the Neighborhood Councils input. Neighborhood Councils would then choose from and incorporate a choice into their bylaws.

The types of consequences that Neighborhood Councils have imposed on their Board members to take the mandated ethics training range from withholding business cards to changing the bylaws to suspend Board member voting rights entirely or for matters involving funding and land use.

Training Accessibility and Quality

The accessibility and quality of the trainings offered by the Department was a common theme in the feedback we received. Board members stated that the more ways training could be offered to make them convenient for them, the more likely Board members would take the trainings. Suggestions included increased training videos provided online and in a DVD format and a simple Board member manual. In addition, the quality of the trainings was commented upon with Board members requesting entertaining and relevant trainings that would help them run more effective Neighborhood Councils.

Neighborhood Council leaders have recognized the need for Board training, and the Department has worked with experienced Board members with expertise in running meetings or funding to provide direct support and training to struggling Neighborhood Councils this past year. We have also worked in partnership with Neighborhood Council leaders to develop a peer mentoring program, Councils 4 Councils, to assist with building Board members' capacities. The Valley Alliance of Neighborhood Councils recently launched a voluntary Resource Board to assist Neighborhood Councils in the Valley in a variety of ways, including training and mentoring. Accessibility and a high quality of trainings were offered at the Congress by the Neighborhood Councils, and this should continue along with the option of adding in a regional Congress, too.

Implementation Costs

The current staff of the Department maintains a regular training schedule, and trainings are also offered on demand on our website via video. We are also working in collaboration with the Office of the City Attorney to offer more live ethics training sessions. The costs of maintaining and increasing these trainings should be factored in as well as the cost of revamping trainings to increase the quality of them. In addition, the costs of co-hosting citywide and regional Congresses should also be included in the cost assessment for the Department and Neighborhood Councils.

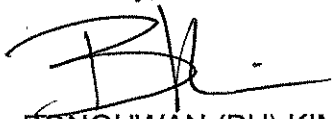
There are more training videos and manuals that can be developed and distributed for the Board members. Although these would cost additional funding for the Department to develop itself, there may be resources within the City that could assist in the creation of such training tools. If there is a possibility to partner with the Personnel Department and/or Information Technology Agency, these materials could be developed for little additional resources. In addition, the tracking of Board member training requires a build out in the database that these agencies may already have or can develop at a lower cost.

Conclusion

We expect to develop further details about the training program in partnership with Neighborhood Council leaders in the upcoming months once the Councils 4 Councils program is up and running.

If you have any questions regarding this matter, please contact me at (213) 485-1360. I will be available when you consider this matter in order to answer any questions you may have.

Sincerely,



BONGHWAN (BH) KIM
General Manager

Attachment

SOUTH LOS ANGELES ALLIANCE OF NEIGHBORHOOD COUNCILS

DRAFT NEIGHBORHOOD COUNCIL RESOLUTION

Whereas the City of Los Angeles has reduced the budget and staffing for the Department of Neighborhood Empowerment (DONE) as a result of the budget deficit, thus requiring a re-examination of the role and capacity of the department to support the more than 90 Neighborhood Councils (NCs);

Whereas there is ongoing concern for the effectiveness and efficiency of the funding system as well as lack of clear and consistent city training, policies and procedures for the operation of the neighborhood councils;

Whereas on (date) the Los Angeles City Council adopted the motion as presented by City Councilmember Paul Kerkorian of the 2nd District directing the Department of Neighborhood Empowerment, the City Attorney and various other departments to report back to the council within 90 days on:

1. A plan for the implementation of a training program for Neighborhood Council (NC) board members that covers (a) Ethics and Legal Issues; (b) Workplace Violence and Sexual Harassment; (c) Funding Program; (d) City Government Basics; (e) Parliamentary Process and (f) Community Leadership;
2. A mechanism for NCs to roll-over unspent funds at the end of a fiscal period that (a) defines the types 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.
3. The feasibility of developing an electronic system for the NC 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.
4. A structure of governance and administration that provides greater autonomy and reduces DONE's workload for the NC including the transfer of responsibility for functions including, but not limited to, funding, elections, communication with the city, outreach, dispute resolution and training to permanent or as-needed regional authorities or bodies that operate with the oversight of DONE.
5. A plan for the implementation of a system of regional complaint panels composed of board members of various NCs from similar regions to address stakeholder and board member grievances;

Whereas the Department of Neighborhood Council has presented a series of draft policy recommendations in response to each of the motions adopted by the city council for consideration by the NCs;

Therefore be it resolved by a vote of (indicate vote count) the (insert name of NC) considered and submits the following response and recommendations to the DONE, the BONC, any workgroups tasked with developing policy recommendations and the City Council:

Training Requirements:

1. Neighborhood Councils favor ongoing and standardized training and board development to ensure capacity across the NC system. However, NC boards represent a volunteer system and as such, mandatory training should be limited to the state required Ethics training.
2. DONE should develop the capacity and utilize technology to supplement and/or provide ready access to all training areas, including, but not limited to (a) an overview of the NC Funding Program; and (b) City Government Basics.
3. DONE should develop, maintain and make readily available a written policies and procedure manual for use by NC Board members and stakeholder on (a) the NC Funding Program and Budget Process; (b) protocol for working with City agencies and departments in order to access city services; (c) Complaint and Grievance procedures; (d) Brown Act; (e) How to conduct an effective meeting; and (f) Code of Conduct and Sexual Harassment.

4. Robert's Rules of Order can be cumbersome, inefficient and create unnecessary barriers. The city should take the appropriate steps to allow Neighborhood Councils to authorize Neighborhood Councils to adopt and utilize Rosenberg Rules of Order.
5. DONE has a well-documented history of sponsoring Regional and citywide congress' which provide an efficient and effective system for training, sharing of best practices and networking. DONE should receive sufficient funding to provide at least one regional congress per region and one citywide congress per fiscal year to support the board development and training.

Reform of Funding Program:

1. The draft policy solutions proposed the adoption of a (a) grant-based funding system that pools and redistribute unspent funds at the end of each year to create a mini-grant program to which each NC could apply and compete to address system building priorities (e.g. outreach and translation); or (b) an annual funding allocation for each NC based on a set amount for administrative and operations costs only with the remaining funds held by DONE to be used for specific outreach, improvement projects and neighborhood grants through a grants based system; or (3) funding system in which each region designates an amount to be used for project specific grants which would be distributed, with the assistance of Department staff, according to criteria determined by NCs at the regional level.

A grant-based funding system will create inequities in funding given the possible variance in capacity to prepare particularly newly developed councils to compete against well-resourced councils. The funding was designed to ensure equity in the distribution of resources among the NC to fulfill their roles and responsibilities. We therefore oppose each of the options listed above and the use of a grant-based funding system.

2. The second draft policy solution would allow for the rollover of funds for physical capital improvement projects which often take longer than 1 fiscal year to complete. This is consistent with but slightly modifies the city's previous policy for the retention of savings by NCs and should not require changes to the Plan for a Citywide System of Neighborhood Councils and corresponding ordinance. We therefore support the rollover of funds for multiple fiscal year physical capacity improvement projects as an alternative to the recent "sweeping" of all unspent funds in 2010 and 2011 under the condition that NC will be allowed to substitute one project for another should, for any reason, it not prove feasible to complete the project within the subsequent fiscal year.
3. The current system for processing demand warrants, Neighborhood Purpose Grants (NPG), audit reports and other financial reporting requirements is cumbersome, inefficient, duplicative and subject to errors and loss of previously submitted documentation by a NC, particularly given the continuous turnover and reduction of city personnel. We therefore recommend the city streamline the financial reporting process and reduce the amount of paperwork through the adoption of an on-line system and database that centralizes, documents, uploads and retains the required information and supporting documentation for all demand warrants, NPG request and audit reports. Once submitted, this information should be visible to the designated NC board members and city staff and provide information to assist in tracking the payment and reconciling any discrepancies.
4. We also recommend the city: (a) assign one or more dedicated staff person to process all demand warrants; (b) update or adopt an accounting system based on modern accounting practices; and (c) update and maintain via the DONE website written procedures and criteria for the review and approval of all funding request with clear timeframes for process request.
5. Change and deviations by the city within and after the third quarter of the fiscal year to the policy and deadline for the submission of funding request has resulted in the loss of funding for needed community projects. We therefore recommend the city return to the adoption of a fixed annual deadline for

funding request. The NCs should be notified of the deadline along with the funding allocation at the start of each fiscal year. Any change to the deadline should require no less than 90 days written notice to all NC board members.

Establishment of a System of Regional Governance

1. The imposition of a formal and mandatory regional governance structure creates an additional and unnecessary level of bureaucracy. Many of the NCs have come together to form regional alliances including the NCs located within South LA. This is however a voluntary network, providing both flexibility and preserving the autonomy of each NC. We believe the regional and citywide congresses also provide a vehicle for coordination and reduce the burden on the DONE limited staff of providing direct administrative support and technical assistance to each individual NC. What is needed to support and facilitate greater collaboration and increase the coordination and efficiency between the various city departments and local NCs is greater flexibility in the ability of NC to pool funding across NC boundaries. Current city policy greatly impedes the use of NC funding for activities and services outside of the specific geographic boundaries of each NC.

We therefore **oppose the imposition of a mandatory regional governance structure** and in turn recommend the **city funding policies be revised to encourage collaboration, provide greater flexibility and permit the pooling of funding and sharing of cost across NC boundaries.**

Grievance and Complaint Procedures

1. The draft policy solutions recommends the grievances and complaint procedure be combined into one citywide regional peer grievance system. The process would be as follows: (a) grievances are filed with DONE that will be responsible for evaluating the validity based on legal criteria provided by the City Attorney within 5 days; (b) the NC will have the option of resolving the grievance first before it goes to the peer grievance panel; (c) if the Neighborhood Council declines to review the grievance or if the grievance is not resolved or is not resolved to the satisfaction of the person grieving within 30 days, the Department will forward the grievance to the regional peer grievance panel for review and development of a plan of corrective action.

Based on a determination by the City Attorney, grievances can only be about a NC violation of their bylaws or standing/operating rules and cannot be filed by Board members. We agree the distinction between grievances/complaints are unnecessary, that the current system is subject to potential conflict of interest by the seated board and any grievance should be handled swiftly, transparently and fairly. However the proposed solution is cumbersome, time consuming and inefficient. We therefore recommend:

- **The city consolidate(s) the grievance and complaint system into one system.**
- **The City Attorney issue(s) and all NC are required to adopt a standardized and consolidated grievance/complaint procedure that allows for the filing by both board members and stakeholders.**
- **All grievances should be submitted in writing to the NC board and DONE simultaneously.**
- **Each NC must make available the policy and procedure on their website, a copy at all meetings and make available upon request.**
- **The NC should have the opportunity to address each and every complaint as a first step within a specified time period.**
- **The action taken by the NC must be reported to DONE and in turn with the City Attorney to ensure the response by the board was appropriate.**
- **Should the City Attorney or person(s) filing the grievance determine the NC action was not satisfactory; the matter should then be referred to a committee of the BONC for resolution.**

CITY OF LOS ANGELES
CALIFORNIA

BOARD OF NEIGHBORHOOD
COMMISSIONERS

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PRESIDENT

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BONGHWAN (BH) KIM, MPA
GENERAL MANAGER

www.EmpowerLA.org

November 22, 2011

Council File No. 11-1018

Honorable Members of the
Los Angeles City Council
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

**REPORT RE: NEIGHBORHOOD COUNCIL SYSTEM GRIEVANCE POLICY AND
PROCESS**

Honorable Members:

As requested by your Honorable Body, the Department of Neighborhood Empowerment (Department) has prepared and now transmits for your consideration recommendations regarding a Neighborhood Council Grievance System.

Background

Currently, under the Plan for a Citywide System of Neighborhood Councils (Plan), there are two (2) ways which stakeholders can complain about a Neighborhood Council's actions: grievances and complaints. Grievances are filed with the Neighborhood Council and handled by the Neighborhood Council through the grievance procedures in their bylaws. Complaints are filed with the Department of Neighborhood Empowerment and can cause a Neighborhood Council to be placed into exhaustive efforts, which can ultimately lead to decertification by the Board of Neighborhood Commissioners (Commission).

Each year, between twenty (20) to fifty (50) grievances are filed against Neighborhood Councils. Many of these grievances then become complaints to the Department when the filer feels that the Neighborhood Council's grievance process was unfair. The Department receives complaints weekly about various Neighborhood Councils though many are never converted into formalized complaints because the Department either handles them outright or the complainant refuses to file a formal complaint.

Collaboration Process for Feedback

The Department collaborated with the Neighborhood Council regional alliances across the City to solicit feedback from Board members and stakeholders on this motion. Starting in September and continuing through the beginning of October, the Department cosponsored mini town halls with the Los Angeles Neighborhood Councils Coalition, the Harbor Alliance of Neighborhood Councils, the Valley Alliance of Neighborhood Councils, the Northeast Los Angeles Coalition, the Westside Regional Alliance of Councils and the South Los Angeles Alliance of Neighborhood Councils. Approximately, one hundred and fifty (150) Board members and stakeholders provided their feedback at the town halls. In addition, the Department created an online survey for feedback on the motion where seventeen (17) Board members and stakeholders provided detailed input. We invited Board members and stakeholders via our bi-monthly eblast to participate in the town halls, survey, blog and work group meetings.

In October, the Department held three (3) work group meetings on Regional Governance and Grievances to delve further into the details of a grievance process. Between five (5) to six (6) Board members participated in each of these work group meetings. All of the minutes for the town halls and work groups meetings were uploaded to a blog for further comments though we did not receive any.

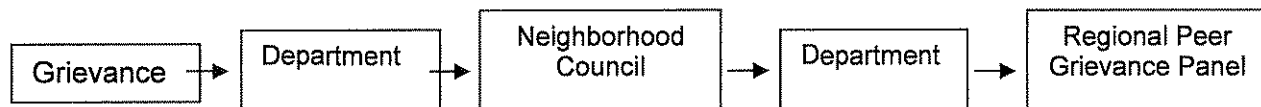
Proposals

The proposals presented here are a compilation of the feedback we received in the town halls, online survey and work group process. In addition, the Commission and the South Los Angeles Alliance of Neighborhood Councils provided their own recommendations on the grievance system, which are attached to this report for your consideration as well.

While we did receive feedback that total elimination of the grievance process through a robust elections system was the best way to handle grievances, the general input we received was that there should be some type of effective grievance system that has an appeal process, but still allows Neighborhood Councils the first opportunity to address the matter.

Based on this premise, the work group developed a regional peer grievance panel that combined the grievance and complaint process into one (1) system, which starts at the Department, and would take approximately ninety (90) days to resolve. The Department would play an administrative role in tracking and sending the grievances to the Neighborhood Council and the Regional Peer Grievance Panel as well as recording and executing final determinations or recommendations of the Regional Peer Grievance Panel.

Grievance Process Flow Chart



The Commission's recommendation adds a secondary appeal process beyond the Regional Peer Grievance Panel whereby the Commission or another neutral entity could review the grievance if the Department determined "intentional malfeasance on

the part of a Regional Grievance Panel.” Once the Commission or neutral entity makes a final determination, an appeal can then be filed with the City Council as well.

The recommendation of the South Los Angeles Alliance of Neighborhood Councils keeps grievance resolution at the Neighborhood Council with the ability to appeal for review to the Commission. Any Commission review could then be appealed to the City Council, too.

A valid grievance that would be accepted for processing by the Department would have the following components:

1. Filed by a stakeholder against the Board for a procedural violation of the Neighborhood Council bylaws and/or standing rules on a grievance form identifying the rule violated and the remedy sought; and
2. Addressed an act within one hundred and twenty (120) days from the date of occurrence of a funding violation or sixty (60) days from the date of occurrence of any non-funding violations.

The work group believed if Regional Peer Grievances Panels were created, they should have the authority to make a determination which:

1. Identified what occurred and which rule was involved;
2. Recommended what action the Neighborhood Council needed to take to make a correction and also provided a time frame for the Neighborhood Council action; and
3. As an option, could state that if the Neighborhood Council did not make the correction, then the Department would then follow up with a consequence that the Panel could choose off a list of recommended consequences based on the type and severity of the grievance and how often the Neighborhood Council has acted in the same manner in the past. This list would be to ensure the same consequences citywide.

A list of proposed types of consequences was also put forth by the work group:

1. Freeze Neighborhood Council funds.
2. Financial penalty against a Neighborhood Council.
3. Reversal of Board action taken or reholding a meeting.
4. Mandatory training for the Board or a specific person.
5. Sanctions against the Board or individuals who took action in their Neighborhood Council capacity via censure, removal, suspension of Board member or of voting rights, or a warning. This authority can also include preventing Board members from running for the Board for a certain time period, too, if they are removed.
6. Facilitation/receivership of Board meetings by the Department or a mentor.
7. Required changes to the Neighborhood Council bylaws and/or standing rules to create more checks and balances.
8. Referral to the District or City Attorney for prosecution.
9. Vacating the Board.
10. Exhaustive Efforts by the Department, which could lead to decertification by the Board of Neighborhood Commissioners.

Honorable Members of the
Los Angeles City Council
November 22, 2011
Page 4 of 4

Regional Peer Grievance Panelists could be selected by the Neighborhood Councils in a specific region and can be Board members or stakeholders. They would be trained in conflict resolution skills as well as Neighborhood Council policies and procedures. The work group also entertained the possibility that the panel could have a member of the Commission or City Councilmember staff on it. The Department and City Attorney staff should be present, too.

Implementation Costs

The current staffing of the Department cannot support the administrative function of reviewing, tracking and recording the grievances as developed by the work group, the Commission or the South Los Angeles Alliance of Neighborhood Councils. This work would require at least one Project Coordinator level position and costs associated with a web-based case management system that can process and track all grievances as well as for records retention purposes.

In addition, staffing time of the Department and the Office of the City Attorney would be necessary to prepare the changes to the Plan and ordinances for implementation.

Conclusion

Although the work group did develop detailed time lines for the grievance process, more meetings are required by the Department, Board members, Commission and the Office of the City Attorney to establish the exact type of consequences available should Neighborhood Councils not attend to grievances as well as how the existence of the Regional Peer Grievance Panels are authorized. The type of authorization would affect whether these panels would be subject to the Ralph M. Brown Act. While the Department supports fully open and transparent meetings for the Regional Peer Grievance Panels, staffing for Brown Act panels would likely not be possible at the current staffing levels.

If you have any questions regarding this matter, please contact me at (213) 485-1360. I will be available when you consider this matter in order to answer any questions you may have.

Sincerely,



BONGHWAN (BH) KIM
General Manager

Attachments

RESOLUTION

Be it resolved that the Board of Neighborhood Commissioners is endorsing and making a formal recommendation to the Department of Neighborhood Empowerment and the Los Angeles City Council related to the establishment of a standard and system-wide Grievance Policy and Process for Neighborhood Councils.

Neighborhood Council System Grievance Policy and Process

WHEREAS, Section 902 (b) Article IX of the new Charter and Section 22.805 of the Los Angeles Administrative Code provides that the Board of Neighborhood Commissioners shall be responsible for setting and overseeing policy, approving contracts and leases and promulgating rules and regulations,

WHEREAS, it is the responsibility of the Board of Neighborhood Commissioners to periodically review the citywide system of Neighborhood Councils, conduct public hearings to seek input from the various constituencies regarding various concerns, issue and problems to be addressed, and to develop policies to improve the program,

WHEREAS, the Plan for a Citywide System of Neighborhood Councils calls for Neighborhood Councils to include a grievance procedure within their bylaws, but does not provide any uniform guidelines for the implementation of a grievance procedure,

WHEREAS, at the direction of Los Angeles City Council, the Neighborhood Council Review Commission was established and charged with reviewing the system of Neighborhood Councils and to recommend changes that would improve the workings of the system,

WHEREAS, in 2007, the Neighborhood Council Review Commission transmitted to Los Angeles City Council its final report, including a proposed model for a Regional Mediation Authority Grievance and Conflict Resolution Process,

WHEREAS, the Los Angeles City Council has directed the Department of Neighborhood Empowerment to present the Council with a plan for implementing a system-wide standardized process for handling grievances,

WHEREAS, it is the intention of the Board of Neighborhood Commissioners to fully exercise its advisory role as it relates to the establishment of a standard and system-wide process for handling grievances,

NOW, THEREFORE, IT BE RESOLVED that the Board of Neighborhood Commissioners endorses and recommends that the Neighborhood Council grievance process should be standardized by City Council ordinance and should, at a minimum, include the requirements set forth herein:

BOARD OF NEIGHBORHOOD COMMISSIONERS ENDORCEMENTS AND RECOMMENDATIONS ON A STANDARD AND SYSTEM-WIDE NEIGHBORHOOD COUNCIL GREIVANCE PROCESS

Definition of a Grievance— Grievances are intended to address only those Neighborhood Council Board actions that are in violation of the official rules and regulations that govern and apply to Neighborhood Councils. Disputes by Stakeholders who simply disagree with official actions taken by the Board or have complaints against individual Board Members are not considered grievances.

Neighborhood Council Resolution of Grievances – Neighborhood Councils shall have 60 days to resolve a grievance; if a Neighborhood Council does not resolve a grievance matter within 60 days, the matter may be forwarded to a Regional Grievance Panel for final resolution; furthermore, if a Neighborhood Council fails to respond or take any actions towards the resolution of a grievance within 30 days, the matter may be forwarded to a Regional Grievance Panel for final resolution.

Establishment and Authority of Regional Grievance Panels— Grievances that cannot be resolved at the Neighborhood Council level shall be forwarded to Regional Grievance Panels who will be authorized to hear and adjudicate grievances. City Planning areas shall be used to determine the boundaries for each of the Regional Grievance Panels.

Membership of Regional Grievance Panels-- To promote system-wide inclusion, diversity and participation, each Neighborhood Council shall elect one Board Member or Stakeholder from their area to serve as the pool of representatives that will sit on the Regional Grievance Panels. No selected representative of a Regional Grievance Panel shall hear or act upon a grievance matter related to their Neighborhood Council or to the Neighborhood Council that selected them to be a Grievance Panel representative.

Training Program for Regional Grievance Panels-- A mediation and dispute resolution training program must be developed for the Regional Grievance Panel process and all representatives must complete the training before being allowed to hear or act upon a grievance matter.

Resolution Timeline for Regional Grievance Panels -- Regional Grievance Panels shall have 45 days to resolve and make a final determination on grievances filed with a Regional Grievance Panel. Regional Grievance Panels cannot hear any matters that have not first been submitted to Neighborhood Councils for resolution; Regional Grievance Panels shall not hear matters that have not gone through a grievance process at the Neighborhood Council level, unless the Neighborhood Council has failed to respond or take any action on a grievance within 30 days.

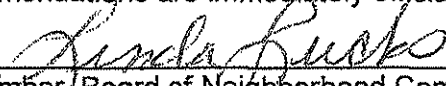
Resolution and Enforcement of Grievance Panel Findings -- The determination of the Regional Grievance Panel shall be considered final and the Department of Neighborhood Empowerment shall be given the authority to monitor and ensure that Neighborhood Councils comply with the final determination of the Regional Grievance Panel.

Role of Board of Neighborhood Commissioners -- In almost all cases, the determination of the Regional Panel shall be considered final. Appeals to the Board of Neighborhood Commissioners will only be considered upon the Department of Neighborhood Empowerment confirmation of intentional malfeasance on the part of a Regional Grievance Panel; The Department of Neighborhood Empowerment is authorized to determine whether an appeal will be forwarded to the Board of Neighborhood Commissioners and the Board of Neighborhood Commissioners reserves the right to hear or not hear appeals; The Board of Neighborhood Commissioners will be authorized to establish a third-party or process (e.g. administrative judge, mediator, ad-hoc hearing council, etc.) to hear and adjudicate the appeal on behalf of the Board of Neighborhood Commissioners based on policy guidelines approved by the Board of Neighborhood Commissioners and the City Council.

Grievance Process Bylaws Incorporation - Upon approval and adoption of a standard and system-wide Neighborhood Council grievance process, Neighborhood Councils shall have 45 days to incorporate the grievance language into their bylaws through their amendment process.

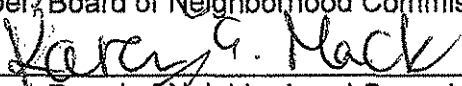
These endorsements and recommendations are immediately official upon adoption

Moved by:



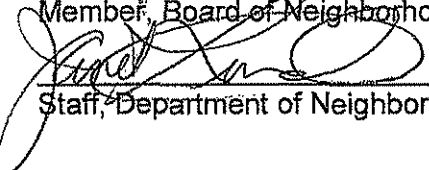
Member, Board of Neighborhood Commissioners

Seconded by:



Member, Board of Neighborhood Commissioners

Witnessed by:



Staff, Department of Neighborhood Empowerment

VOTES:

Ayes:

5

Nays:

0

DATE:

9/6/11

SOUTH LOS ANGELES ALLIANCE OF NEIGHBORHOOD COUNCILS

DRAFT NEIGHBORHOOD COUNCIL RESOLUTION

Whereas the City of Los Angeles has reduced the budget and staffing for the Department of Neighborhood Empowerment (DONE) as a result of the budget deficit, thus requiring a re-examination of the role and capacity of the department to support the more than 90 Neighborhood Councils (NCs);

Whereas there is ongoing concern for the effectiveness and efficiency of the funding system as well as lack of clear and consistent city training, policies and procedures for the operation of the neighborhood councils;

Whereas on (date) the Los Angeles City Council adopted the motion as presented by City Councilmember Paul Kerkorian of the 2nd District directing the Department of Neighborhood Empowerment, the City Attorney and various other departments to report back to the council within 90 days on:

1. A plan for the implementation of a training program for Neighborhood Council (NC) board members that covers (a) Ethics and Legal Issues; (b) Workplace Violence and Sexual Harassment; (c) Funding Program; (d) City Government Basics; (e) Parliamentary Process and (f) Community Leadership;
2. A mechanism for NCs to roll-over unspent funds at the end of a fiscal period that (a) defines the types 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.
3. The feasibility of developing an electronic system for the NC 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.
4. A structure of governance and administration that provides greater autonomy and reduces DONE's workload for the NC including the transfer of responsibility for functions including, but not limited to, funding, elections, communication with the city, outreach, dispute resolution and training to permanent or as-needed regional authorities or bodies that operate with the oversight of DONE.
5. A plan for the implementation of a system of regional complaint panels composed of board members of various NCs from similar regions to address stakeholder and board member grievances;

Whereas the Department of Neighborhood Council has presented a series of draft policy recommendations in response to each of the motions adopted by the city council for consideration by the NCs;

Therefore be it resolved by a vote of (indicate vote count) the (insert name of NC) considered and submits the following response and recommendations to the DONE, the BONC, any workgroups tasked with developing policy recommendations and the City Council:

Training Requirements:

1. Neighborhood Councils favor ongoing and standardized training and board development to ensure capacity across the NC system. However, NC boards represent a volunteer system and as such, mandatory training should be limited to the state required Ethics training.
2. DONE should develop the capacity and utilize technology to supplement and/or provide ready access to all training areas, including, but not limited to (a) an overview of the NC Funding Program; and (b) City Government Basics.
3. DONE should develop, maintain and make readily available a written policies and procedure manual for use by NC Board members and stakeholder on (a) the NC Funding Program and Budget Process; (b) protocol for working with City agencies and departments in order to access city services; (c) Complaint and Grievance procedures; (d) Brown Act; (e) How to conduct an effective meeting; and (f) Code of Conduct and Sexual Harassment.

4. Robert's Rules of Order can be cumbersome, inefficient and create unnecessary barriers. The city should take the appropriate steps to allow Neighborhood Councils to authorize Neighborhood Councils to adopt and utilize Rosenberg Rules of Order.
5. DONE has a well-documented history of sponsoring Regional and citywide congress' which provide an efficient and effective system for training, sharing of best practices and networking. DONE should receive sufficient funding to provide at least one regional congress per region and one citywide congress per fiscal year to support the board development and training.

Reform of Funding Program:

1. The draft policy solutions proposed the adoption of a (a) grant-based funding system that pools and redistribute unspent funds at the end of each year to create a mini-grant program to which each NC could apply and compete to address system building priorities (e.g. outreach and translation); or (b) an annual funding allocation for each NC based on a set amount for administrative and operations costs only with the remaining funds held by DONE to be used for specific outreach, improvement projects and neighborhood grants through a grants based system; or (3) funding system in which each region designates an amount to be used for project specific grants which would be distributed, with the assistance of Department staff, according to criteria determined by NCs at the regional level.

A grant-based funding system will create inequities in funding given the possible variance in capacity to prepare particularly newly developed councils to compete against well-resourced councils. The funding was designed to ensure equity in the distribution of resources among the NC to fulfill their roles and responsibilities. We therefore oppose each of the options listed above and the use of a grant-base funding system.

2. The second draft policy solution would allow for the rollover of funds for physical capital improvement projects which often take longer than 1 fiscal year to complete. This is consistent with but slightly modifies the city's previous policy for the retention of savings by NCs and should not require changes to the Plan for a Citywide System of Neighborhood Councils and corresponding ordinance. We therefore support the rollover of funds for multiple fiscal year physical capacity improvement projects as an alternative to the recent "sweeping" of all unspent funds in 2010 and 2011 under the condition that NC will be allowed to substitute one project for another should, for any reason, it not prove feasible to complete the project within the subsequent fiscal year.
3. The current system for processing demand warrants, Neighborhood Purpose Grants (NPG), audit reports and other financial reporting requirements is cumbersome, inefficient, duplicative and subject to errors and loss of previously submitted documentation by a NC, particularly given the continuous turnover and reduction of city personnel. We therefore recommend the city streamline the financial reporting process and reduce the amount of paperwork through the adoption of an on-line system and database that centralizes, documents, uploads and retains the required information and supporting documentation for all demand warrants, NPG request and audit reports. Once submitted, this information should be visible to the designated NC board members and city staff and provide information to assist in tracking the payment and reconciling any discrepancies.
4. We also recommend the city: (a) assign one or more dedicated staff person to process all demand warrants; (b) update or adopt an accounting system based on modern accounting practices; and (c) update and maintain via the DONE website written procedures and criteria for the review and approval of all funding request with clear timeframes for process request.
5. Change and deviations by the city within and after the third quarter of the fiscal year to the policy and deadline for the submission of funding request has resulted in the loss of funding for needed community projects. We therefore recommend the city return to the adoption of a fixed annual deadline for

funding request. The NCs should be notified of the deadline along with the funding allocation at the start of each fiscal year. Any change to the deadline should require no less than 90 days written notice to all NC board members.

Establishment of a System of Regional Governance

1. The imposition of a formal and mandatory regional governance structure creates an additional and unnecessary level of bureaucracy. Many of the NCs have come together to form regional alliances including the NCs located within South LA. This is however a voluntary network, providing both flexibility and preserving the autonomy of each NC. We believe the regional and citywide congresses also provide a vehicle for coordination and reduce the burden on the DONE limited staff of providing direct administrative support and technical assistance to each individual NC. What is needed to support and facilitate greater collaboration and increase the coordination and efficiency between the various city departments and local NCs is greater flexibility in the ability of NC to pool funding across NC boundaries. Current city policy greatly impedes the use of NC funding for activities and services outside of the specific geographic boundaries of each NC.

We therefore **oppose the imposition of a mandatory regional governance structure** and in turn recommend the **city funding policies be revised to encourage collaboration, provide greater flexibility and permit the pooling of funding and sharing of cost across NC boundaries.**

Grievance and Complaint Procedures

1. The draft policy solutions recommends the grievances and complaint procedure be combined into one citywide regional peer grievance system. The process would be as follows: (a) grievances are filed with DONE that will be responsible for evaluating the validity based on legal criteria provided by the City Attorney within 5 days; (b) the NC will have the option of resolving the grievance first before it goes to the peer grievance panel; (c) if the Neighborhood Council declines to review the grievance or if the grievance is not resolved or is not resolved to the satisfaction of the person grieving within 30 days, the Department will forward the grievance to the regional peer grievance panel for review and development of a plan of corrective action.

Based on a determination by the City Attorney, grievances can only be about a NC violation of their bylaws or standing/operating rules and cannot be filed by Board members. We agree the distinction between grievances/complaints are unnecessary, that the current system is subject to potential conflict of interest by the seated board and any grievance should be handled swiftly, transparently and fairly. However the proposed solution is cumbersome, time consuming and inefficient. We therefore recommend:

- **The city consolidate(s) the grievance and complaint system into one system.**
- **The City Attorney issue(s) and all NC are required to adopt a standardized and consolidated grievance/complaint procedure that allows for the filing by both board members and stakeholders.**
- **All grievances should be submitted in writing to the NC board and DONE simultaneously.**
- **Each NC must make available the policy and procedure on their website, a copy at all meetings and make available upon request.**
- **The NC should have the opportunity to address each and every complaint as a first step within a specified time period.**
- **The action taken by the NC must be reported to DONE and in turn with the City Attorney to ensure the response by the board was appropriate.**
- **Should the City Attorney or person(s) filing the grievance determine the NC action was not satisfactory; the matter should then be referred to a committee of the BONC for resolution.**

CITY OF LOS ANGELES
CALIFORNIA

BOARD OF NEIGHBORHOOD
COMMISSIONERS

DANIEL GATICA
PRESIDENT

CARLENE DAVIS
VICE PRESIDENT

LINDA LUCKS
KAREN MACK
PAUL PARK
LEONARD SHAFFER

JANET LINDO
Executive Administrative Assistant
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ANTONIO R. VILLARAIGOSA
MAYOR

DEPARTMENT OF
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BONGHWAN (BH) KIM, MPA
GENERAL MANAGER

www.EmpowerLA.org

November 22, 2011

Council File No. 11-1018

Honorable Members of the
Los Angeles City Council
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

REPORT RE: NEIGHBORHOOD COUNCIL REGIONAL GOVERNANCE SYSTEM

Honorable Members:

As requested by your Honorable Body, the Department of Neighborhood Empowerment (Department) has prepared and now transmits for your consideration recommendations regarding a Neighborhood Council Regional Governance System.

Background

With reductions in the staffing to the Department, the City is unable to support ninety-five (95) individually operating Neighborhood Councils. Neighborhood Councils in areas of the City with chronically low levels of civic engagement are struggling to maintain Board quorum and meet their responsibilities to their stakeholders and the City as certified entities. Disenfranchising the very communities that need their voices to be heard the most places the entire system at risk. Neighborhood Councils in some regions are increasingly turning to each other for support and guidance. Regional alliances of Neighborhood Councils are already addressing local and citywide issues affecting them. Neighborhood Councils have formed partnerships to handle elections, outreach and administrative functions, e.g. sharing a minute taker, office assistant, website developer, bookkeeper, etc. This past year, Neighborhood Council leaders have stepped up to form task forces on bylaws, elections, funding and peer mentoring when the Department lost over half of its staff.

In response to diminishing city resources, the Valley Alliance of Neighborhood Councils took the initiative and proposed the attached regional governance system so Neighborhood Councils in each area of the city could support one another. While the implementation of the Valley Alliance of Neighborhood Councils model is currently cost prohibitive, the idea of building on these already existing networks of Neighborhood Councils is still possible to continue to strengthen the Neighborhood Councils' independence and to increase self governance through a peer-based support system of neighborhood networks comprised of six (6) to twelve (12) Neighborhood Councils.

Collaboration Process for Feedback

The Department collaborated with the Neighborhood Council regional alliances across the City to solicit feedback from Board members and stakeholders on this motion. Starting in September and continuing through the beginning of October, the Department cosponsored mini town halls with the Los Angeles Neighborhood Councils Coalition, the Harbor Alliance of Neighborhood Councils, the Valley Alliance of Neighborhood Councils, the Northeast Los Angeles Coalition, the Westside Regional Alliance of Councils and the South Los Angeles Alliance of Neighborhood Councils. Approximately, one hundred and fifty (150) Board members and stakeholders provided their feedback at the town halls. In addition, the Department created an online survey for feedback on the motion where seventeen (17) Board members and stakeholders provided detailed input. We invited Board members and stakeholders via our bi-monthly eblast to participate in the town halls, survey, blog and work group meetings.

In October, the Department held three (3) work group meetings on Regional Governance and Grievances to delve further into the details of both the Regional Governance and Grievances systems. Between five (5) to six (6) Board members participated in each of these work group meetings. All of the minutes for the town halls and work groups meetings were uploaded to a blog for further comments though we did not receive any.

The South Los Angeles Alliance of Neighborhood Councils also responded to this motion in the attached report.

Proposals

In most of the town halls across the City, the idea of a regional governance system was not supported because of the belief that Neighborhood Councils should not have another layer of bureaucracy to answer to in the system. The term "governance" was off putting to many Board members, who quickly dismissed the proposal.

The Board members who attended the town halls in the Valley, East and Harbor areas of the city were open to a type of regional administration system where Neighborhood Councils in a region could support one another by sharing resources to aid in their funding, basic administrative work, such as minutes taking and posting, grievances, elections, training and outreach efforts. Neighborhood Councils could opt out of services they didn't need, but there would be regional work, such as elections and grievances, that they would need to participate in at a regional level. Certain services, such as funding and administrative support, would be fee based so Neighborhood Councils that desired this assistance would pay a basic fee for it. A figure of \$1500 for the year per Neighborhood Council was suggested in the work group, but the Department has not had the time to price the cost out for training and developing the temporary staffing to maintain this system.

Because of the limited time, the work group did not focus on a Regional Governance system, but worked on Grievances instead. The Department is considering developing a pilot program for those regions that were interested in such support as it could alleviate the staffing resource shortage for the Department to work with Neighborhood Councils via temporary staffing assistance. Further, in light of the possibility of the Department

supporting the Neighborhood Councils in holding their elections in 2012, the Department would likely have to create some type of citywide regional structure to administer the elections.

In addition, the Valley Alliance of Neighborhood Councils has revised their initial proposal to launch a Resource Board of experience Board member volunteers. The Resource Board would offer assistance on a voluntary basis to Neighborhood Councils in the Valley seeking support in the areas of training, mentoring, grievances and funding. They are currently building their volunteer base.

Implementation Costs

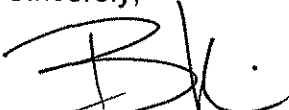
The current staffing of the Department cannot support the set up and maintenance of a regional administrative system that covers all of the areas listed above. Further research is needed to ascertain a set up cost for a pilot program for certain regions and for administering elections citywide based on this model.

Conclusion

The Department recognizes the City's current fiscal crisis and we have responded by initiating several initiatives that taps volunteers who want to help meet the needs of a growing movement. A regional administration system is intended to maintain critical support services while minimizing the burden to the City's general fund. Such a system would help Neighborhood Councils with their day to day work load to free them up to build the grass roots participation they are tasked with by the City Charter and the Plan for a Citywide System of Neighborhood Councils. The Department currently has contracts with temporary staffing agencies to provide as-needed administrative and funding support. Increasing the effectiveness of an as-needed support system by better managing and coordinating the existing contractual services and adding additional as-needed positions, provides the Department with additional resources and tools while minimizing the need for additional staff positions. To set up such a system, the Department would need more time to work with Neighborhood Council leaders in coming up with the various support options and costs.

If you have any questions regarding this matter, please contact me at (213) 485-1360. I will be available when you consider this matter in order to answer any questions you may have.

Sincerely,



BONGHWAN (BH) KIM
General Manager

Attachments

SOUTH LOS ANGELES ALLIANCE OF NEIGHBORHOOD COUNCILS

DRAFT NEIGHBORHOOD COUNCIL RESOLUTION

Whereas the City of Los Angeles has reduced the budget and staffing for the Department of Neighborhood Empowerment (DONE) as a result of the budget deficit, thus requiring a re-examination of the role and capacity of the department to support the more than 90 Neighborhood Councils (NCs);

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3. The feasibility of developing an electronic system for the NC 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.
4. A structure of governance and administration that provides greater autonomy and reduces DONE's workload for the NC including the transfer of responsibility for functions including, but not limited to, funding, elections, communication with the city, outreach, dispute resolution and training to permanent or as-needed regional authorities or bodies that operate with the oversight of DONE.
5. A plan for the implementation of a system of regional complaint panels composed of board members of various NCs from similar regions to address stakeholder and board member grievances;

Whereas the Department of Neighborhood Council has presented a series of draft policy recommendations in response to each of the motions adopted by the city council for consideration by the NCs;

Therefore be it resolved by a vote of (indicate vote count) the (insert name of NC) considered and submits the following response and recommendations to the DONE, the BONC, any workgroups tasked with developing policy recommendations and the City Council:

Training Requirements:

1. Neighborhood Councils favor ongoing and standardized training and board development to ensure capacity across the NC system. However, NC boards represent a volunteer system and as such, mandatory training should be limited to the state required Ethics training.
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4. Robert's Rules of Order can be cumbersome, inefficient and create unnecessary barriers. The city should take the appropriate steps to allow Neighborhood Councils to authorize Neighborhood Councils to adopt and utilize Rosenberg Rules of Order.
5. DONE has a well-documented history of sponsoring Regional and citywide congress' which provide an efficient and effective system for training, sharing of best practices and networking. DONE should receive sufficient funding to provide at least one regional congress per region and one citywide congress per fiscal year to support the board development and training.

Reform of Funding Program:

1. The draft policy solutions proposed the adoption of a (a) grant-based funding system that pools and redistribute unspent funds at the end of each year to create a mini-grant program to which each NC could apply and compete to address system building priorities (e.g. outreach and translation); or (b) an annual funding allocation for each NC based on a set amount for administrative and operations costs only with the remaining funds held by DONE to be used for specific outreach, improvement projects and neighborhood grants through a grants based system; or (3) funding system in which each region designates an amount to be used for project specific grants which would be distributed, with the assistance of Department staff, according to criteria determined by NCs at the regional level.

A grant-based funding system will create inequities in funding given the possible variance in capacity to prepare particularly newly developed councils to compete against well-resourced councils. The funding was designed to ensure equity in the distribution of resources among the NC to fulfill their roles and responsibilities. We therefore oppose each of the options listed above and the use of a grant-based funding system.

2. The second draft policy solution would allow for the rollover of funds for physical capital improvement projects which often take longer than 1 fiscal year to complete. This is consistent with but slightly modifies the city's previous policy for the retention of savings by NCs and should not require changes to the Plan for a Citywide System of Neighborhood Councils and corresponding ordinance. We therefore support the rollover of funds for multiple fiscal year physical capacity improvement projects as an alternative to the recent "sweeping" of all unspent funds in 2010 and 2011 under the condition that NC will be allowed to substitute one project for another should, for any reason, it not prove feasible to complete the project within the subsequent fiscal year.
3. The current system for processing demand warrants, Neighborhood Purpose Grants (NPG), audit reports and other financial reporting requirements is cumbersome, inefficient, duplicative and subject to errors and loss of previously submitted documentation by a NC, particularly given the continuous turnover and reduction of city personnel. We therefore recommend the city streamline the financial reporting process and reduce the amount of paperwork through the adoption of an on-line system and database that centralizes, documents, uploads and retains the required information and supporting documentation for all demand warrants, NPG request and audit reports. Once submitted, this information should be visible to the designated NC board members and city staff and provide information to assist in tracking the payment and reconciling any discrepancies.
4. We also recommend the city: (a) assign one or more dedicated staff person to process all demand warrants; (b) update or adopt an accounting system based on modern accounting practices; and (c) update and maintain via the DONE website written procedures and criteria for the review and approval of all funding request with clear timeframes for process request.
5. Change and deviations by the city within and after the third quarter of the fiscal year to the policy and deadline for the submission of funding request has resulted in the loss of funding for needed community projects. We therefore recommend the city return to the adoption of a fixed annual deadline for

funding request. The NCs should be notified of the deadline along with the funding allocation at the start of each fiscal year. Any change to the deadline should require no less than 90 days written notice to all NC board members.

Establishment of a System of Regional Governance

1. The imposition of a formal and mandatory regional governance structure creates an additional and unnecessary level of bureaucracy. Many of the NCs have come together to form regional alliances including the NCs located within South LA. This is however a voluntary network, providing both flexibility and preserving the autonomy of each NC. We believe the regional and citywide congresses also provide a vehicle for coordination and reduce the burden on the DONE limited staff of providing direct administrative support and technical assistance to each individual NC. What is needed to support and facilitate greater collaboration and increase the coordination and efficiency between the various city departments and local NCs is greater flexibility in the ability of NC to pool funding across NC boundaries. Current city policy greatly impedes the use of NC funding for activities and services outside of the specific geographic boundaries of each NC.

We therefore **oppose the imposition of a mandatory regional governance structure** and in turn recommend the **city funding policies be revised to encourage collaboration, provide greater flexibility and permit the pooling of funding and sharing of cost across NC boundaries.**

Grievance and Complaint Procedures

1. The draft policy solutions recommends the grievances and complaint procedure be combined into one citywide regional peer grievance system. The process would be as follows: (a) grievances are filed with DONE that will be responsible for evaluating the validity based on legal criteria provided by the City Attorney within 5 days; (b) the NC will have the option of resolving the grievance first before it goes to the peer grievance panel; (c) if the Neighborhood Council declines to review the grievance or if the grievance is not resolved or is not resolved to the satisfaction of the person grieving within 30 days, the Department will forward the grievance to the regional peer grievance panel for review and development of a plan of corrective action.

Based on a determination by the City Attorney, grievances can only be about a NC violation of their bylaws or standing/operating rules and cannot be filed by Board members. We agree the distinction between grievances/complaints are unnecessary, that the current system is subject to potential conflict of interest by the seated board and any grievance should be handled swiftly, transparently and fairly. However the proposed solution is cumbersome, time consuming and inefficient. We therefore recommend:

- **The city consolidate(s) the grievance and complaint system into one system.**
- **The City Attorney issue(s) and all NC are required to adopt a standardized and consolidated grievance/complaint procedure that allows for the filing by both board members and stakeholders.**
- **All grievances should be submitted in writing to the NC board and DONE simultaneously.**
- **Each NC must make available the policy and procedure on their website, a copy at all meetings and make available upon request.**
- **The NC should have the opportunity to address each and every complaint as a first step within a specified time period.**
- **The action taken by the NC must be reported to DONE and in turn with the City Attorney to ensure the response by the board was appropriate.**
- **Should the City Attorney or person(s) filing the grievance determine the NC action was not satisfactory; the matter should then be referred to a committee of the BONC for resolution.**

Valley Alliance of Neighborhood Councils

VANC

September 19, 2010

VANC Plan for Reorganization of DONE: Concerns and Recommendations

Background

During the recent attempt to consolidate some City departments in these financially trying times, the Valley Alliance of Neighborhood Councils (VANC) went on the record to **unanimously OPPOSE the merger of DONE** with CDD or any other existing department. Our position is that to have real neighborhood empowerment, the neighborhood council system should *stand alone*, be independent, and allow people to govern themselves.

It is in this context that we are proposing our plan for **Regional Governance**.

1. Regional Governance: Creation of Regional Neighborhood Council Boards

VANC proposes the establishment of seven (7) **Regional Neighborhood Council Boards** to correspond with the seven planning areas of the City. These Boards would oversee the day-to-day management of neighborhood councils to resolve problems and to help make councils more effective.

Composition:

- Seven (7) members in each region to be selected by neighborhood councils in that area (details of that process to be determined). The members shall be current or former neighborhood council board members who have a *minimum* of two years of demonstrated leadership, and knowledge of the neighborhood council system, having served as an officer or committee chair.

Responsibilities:

- Provide the “go-to” place for guidance
- Mentoring, including: citizen participation, outreach, basic planning and land use, leadership and group dynamics, and other topics as needed
- Grievances and mediation
- Provide liaison and maintain accountability between neighborhood councils and City departments, i.e. Planning, Street Services, Building & Safety. This restates our Mission as *mandated in the Charter*, which is to **advise** City Department heads.
- Early Notification System of issues pertinent to neighborhood councils, using the Planning Early Notification system as a model for other departments to emulate.

Support Staff:

- We recommend a DONE staff of 14
- **Two** DONE personnel assigned to each Regional Neighborhood Council Board for a total of 14 staff.
- In addition, each region would have **One CPA** for each of the seven areas to monitor the budget and finances of each neighborhood council in that area on a quarterly basis, and to conduct the yearly audit.

2. Precedence for REGIONAL Boards

With a City this large and sprawling and with the diverse populations and communities of interest, **Regionalization is the answer**. The existing regional alliances of neighborhood councils have shown that it *works*. Regional alliances understand that each region has similar communities of interest, while at the same time, each region and neighborhood council is unique.

The precedence for having seven regional boards is the seven Area Planning Commissions. We envision having seven Regional Neighborhood Boards overlaying the seven Area Planning Commissions.

The regional alliances are not meant to be governing boards. Regional alliances and regional Neighborhood Council Boards can work together to foster involvement and participation which will result in a stronger neighborhood council system.

VANC was organized to be a regional resource for the San Fernando Valley Neighborhood Councils. VANC represents all neighborhood councils throughout the SFV, which includes one third of the neighborhood councils in the City. VANC has been fully operational and successful for seven years and serves as the informational and educational resource for neighborhood councils. VANC has held forums, seminars and training sessions dealing with land use and planning, ethics, how to involve the business community and how to deal with city departments. In fact, City Council President Eric Garcetti said that VANC is “a model of Regional governance”.

VANC took the lead to organize the existing two planning areas in the Valley, north and south, and create a process to recommend to the Mayor people he could appoint to the 912 NC Review Commission. This method could be the model for choosing the members for the regional Neighborhood Council Boards.

Gail Goldberg, former City Planning Director, said that every part of the City should have a regional neighborhood council alliance like VANC. This is slowly happening. VANC was asked to help organize similar regional alliances in the Harbor and in the East Hollywood, Los Feliz, Silverlake areas . Three VANC Executive Committee members mentored these neighborhood councils, and VANC served as the role model for these alliances, HANC and NEAC, which are operational today.

3. Neighborhood Council Financial and Bookkeeping Functions

This is not meant to be a comprehensive financial plan. Our proposal's primary focus is on the structure of neighborhood councils and the future role of DONE.

We would be remiss, however, not to comment on the untenable financial situation now faced by neighborhood councils and how it impacts our effectiveness. Neighborhood councils are no longer permitted to use checking accounts or petty cash accounts. This lack of access to funds precludes councils to provide refreshments for stakeholders at our meetings, and to allow the purchase of basic supplies needed to operate.

VANC recommends that neighborhood councils should have a funding program to allow individual councils the ability to have minimum petty cash funds and checking accounts with set limited balances to conduct routine business. We urge City Attorney Trutanich to reconsider his edict to forbid councils from having checking accounts.

We recommend checking accounts with specific accountable limits. This would require two or three signatures from a neighborhood council for major expenditures and would safeguard the account. This would also allow the timely payment to vendors, thus eliminating the all too frequent three to six month wait for funding.

This could be done efficiently and provide *transparency* and public access by funding the credit card and a checking account. The credit card and bank statements would provide monthly accounting of accurate activity that could be sent directly to the neighborhood council and to the City.

The earlier city proposal to use non-profit organizations to process NC payments would have resulted in the 8% -14% pass-through fee that would be required by the non-profits for handling the funding. Any implementation of the proposed non-profit pass-through and oversight of neighborhood council funds is unacceptable. VANC strongly recommends that funding should be done in-house and kept inside the City. *Thus 100% of the money would be in the community for which it was intended.*

We further recommend the assignment of a CPA for each of the seven (7) Regional Neighborhood Council Boards. Having one person assigned per area will facilitate an on-going relationship with those Neighborhood Councils.

4. BONC

According to the Charter, BONC should set policy, not provide day-to-day management of the neighborhood council system.

BONC should be an appeal level for issues that have gone through the Regional Neighborhood Council Board. BONC should continue to hold public hearings and provide guidance.

BONC would also continue to certify and decertify Neighborhood Councils.

BONC should encourage and identify outstanding neighborhood council leaders who can share their experience and best practices with other councils.

VANC Ad hoc Committee, representing the Valley Alliance of Neighborhood Councils.

The undersigned are long-time Valley neighborhood council board members and activists. All of us have been involved with neighborhood councils since the beginning. We know the challenges the councils face and have seen the successes and failures of councils. We eagerly look forward to the next stage of the evolution of the neighborhood council system. We hope that you will give serious consideration to our proposal and ideas.

Jill Banks Barad, Founder and Chair VANC; President Sherman Oaks NC

Judith Daniels, President Chatsworth NC

Mary Garcia, President Midtown North Hollywood NC

Lydia Mather, President Van Nuys NC

Cindy Cleghorn, Past President Sunland Tujunga NC, current Board member

Barbara Monahan Burke, former Board member Studio City NC

In Addition: The following non-Valley neighborhood council leaders have also individually signed on to this proposal:

David Bell, President East Hollywood NC

Paul M. Neuman, Board member Silverlake NC

Jose Sigala, President Greater Echo Park Elysian NC

CITY OF LOS ANGELES
CALIFORNIA

BOARD OF NEIGHBORHOOD
COMMISSIONERS

DANIEL GATICA
PRESIDENT

CARLENE DAVIS
VICE PRESIDENT

LINDA LUCKS
KAREN MACK
PAUL PARK
LEONARD SHAFFER

JANET LINDO
Executive Administrative Assistant
TELEPHONE: (213) 485-1360



ANTONIO R. VILLARAIGOSA
MAYOR

DEPARTMENT OF
NEIGHBORHOOD EMPOWERMENT

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BONGHWAN (BH) KIM, MPA
GENERAL MANAGER

www.EmpowerLA.org

November 22, 2011

Council File No. 11-1020

Honorable Members of the
Los Angeles City Council
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

REPORT RE: NEIGHBORHOOD COUNCIL SYSTEM FUNDING PROGRAM

Honorable Members:

As requested by your Honorable Body, the Department of Neighborhood Empowerment (Department) submits this report as requested by the City Council, to address four (4) main items in the approved motion:

- Clarify the encumbrance policy
- Alternative funding models
- Develop a mechanism by which Neighborhood Councils may request to roll over funds from year to year, on a project-by-project basis
- Neighborhood Council purchases of equipment for City and Proprietary Departments in fiscal year 2010-2011

At this time, the Department recommends continued discussion to address these items, to better ascertain the feasibility of implementation and to provide a greater opportunity for input from Neighborhood Councils on proposed policies or processes.

Background

On August 16, 2011, the City Council approved a series of motions related to the work of the Department of Neighborhood Empowerment and its oversight of the Neighborhood Council system. This report responds to the motion related to the Neighborhood Council Funding Program (attached), which established a number of new requirements, gave authority to the Department to suspend Neighborhood Council funds under specific circumstances, and listed four (4) items for the Department to address and report back to the City Council within ninety (90) days.

Collaboration Process for Feedback

The Department collaborated with the Neighborhood Council regional alliances across the City to solicit feedback from Board members and stakeholders on this motion. Starting in September and continuing through the beginning of October, the Department cosponsored mini town halls with the Los Angeles Neighborhood Councils Coalition, the Harbor Alliance of Neighborhood Councils, the Valley Alliance of Neighborhood Councils, the Northeast Los Angeles Coalition, the Westside Regional Alliance of Councils and the South Los Angeles Alliance of Neighborhood Councils. Approximately, one hundred and fifty (150) Board members and stakeholders provided their feedback at the town halls. In addition, the Department created an online survey for feedback on the motion where seventeen (17) Board members and stakeholders provided detailed input. We invited Board members and stakeholders via our bi-monthly eblast to participate in the town halls, survey, blog and work group meetings.

In October, the Department held three (3) work group meetings on the Funding Program, inviting Neighborhood Council Board members, particularly those who serve as Treasurers. The invitation was also extended to the Office of the Controller, Office of the City Attorney, the City Administrative Officer (CAO), the City Legislative Analyst (CLA), the Board of Neighborhood Commission, and the Information Technology Agency (ITA). Between nine (9) to seventeen (17) Board members participated in each of these work group meetings. A representative of the Office of the Controller attended two (2) of the meetings. All of the minutes for the town halls and work groups meetings were uploaded to a blog for further comments though we did not receive any.

Item 1

The Department was directed to: (1) clarify the encumbrance process; (2) standardize financial templates, forms, and reporting; (3) streamline approvals and management of the program; and (4) increase accountability.

Status

On February 18, 2010, the City Council voted to limit the access of Neighborhood Councils to rollover funds (C.F. 09-0600-S159), then eliminated the rollover policy for fiscal year 2010-11 funds. Consequently, the Department encumbered funds for each Neighborhood Council based on requests for demand warrants received by April 15, 2011 and executed contracts. The deadlines were the focus of several department communications; however, there were a number of Neighborhood Councils that were unable to plan accordingly.

The Department's encumbrance policy is defined as monies set aside to pay for requests submitted by a Neighborhood Council by the April 15th deadline and/or operational costs, such as services provided by the Department's contracted vendors, utility bills and month-to-month office and meeting space expenses. The Department will be developing clearer guidelines and advance notice of deadlines to encumber funds as long as required conditions are met.

Discussions with Neighborhood Council members present revealed the belief by some that funds were encumbered, for purposes of the Department, when the board acts to commit funds at a Neighborhood Council meeting. Work group participants also expressed that the deadlines were not provided with sufficient lead time for Neighborhood Councils to prepare, and that the April 15th deadline leaves Neighborhood Councils without the ability to pay vendors through a request for a demand warrant two (2) months before the end of the fiscal year.

The Department considers these concerns valid and has committed to providing greater notice and reviewing the deadlines for submission of funding requests. The Department proposes to provide notice on the deadlines in January and accepting Neighborhood Councils' requests for demand warrants until June 1st. The June 1st deadline is contingent on the Department's ability to implement an electronic platform for receipt of requests.

The Department has standardized the budget and all forms and reports associated with the funding program, but will continue to be challenged in managing the funding program as long as it remains a manual paper-based system. The City's newly adopted, state of the art Financial Management System is designed to meet the needs of large departments to manage and track highly complex budgets, but it cannot currently accommodate our unique Demand Warrant and Purchase Card based system for ninety-five (95) cost centers. Both ITA and the Controller have indicated that, due to other citywide priorities, they would not be able to build a customized module in the near future. With their guidance, however, we will be securing a professional consultant who can develop a comprehensive plan to design and build an automated paperless system. The Department will prepare a report with a system proposal and budget to the Mayor and City Council which will be based on a thorough assessment of our functional needs.

Item 2

The City Council continued its policy to prohibit the rollover of unencumbered funds and directed the Department to report back on alternative funding models, including a grant based funding system.

Status

Discussions regarding this item focused exclusively on a grant-based funding system. The Department presented a scenario in which funds could be allocated on a citywide or regional basis with Neighborhood Councils applying for funds for specific projects or programs. A certain amount would be provided up front for operational expenses, perhaps twenty (20) percent, while the rest of the funding would be grant based. A panel comprised of City staff and Neighborhood Council representatives can review each proposal and make the funding determination based on agreed upon standards. This process would require strategic planning on the part of Neighborhood Councils to solicit the participation of all sectors of the community in determining short and long-term priorities. Bringing everyone to the table can result in the identification of other funding sources to leverage the City's funds.

In the town halls, online survey and work group meetings, the general consensus was that Board members were adamantly opposed to changing the current funding system. The main concern voiced was the feeling that the decision-making process would be removed from the Neighborhood Council to the City if a grant based funding process was implemented. There were also concerns raised about the ability of certain Neighborhood Councils to produce better written proposals and possibly leaving out those who may not have the skills or the time. Many stated that a grant system was too complex and time consuming for Neighborhood Council volunteers to use and the Department to oversee with its limited staffing.

A suggestion was offered that rather than sweeping unencumbered funds at the end of the fiscal year, remaining funds should be placed in a fund intended to be parceled out as grants to Neighborhood Councils based on need. For example, some Neighborhood Councils have the need to provide translation at meetings, placing a higher proportion of their funds in operational expenses and less on neighborhood improvement projects and outreach.

Item 3

The Department was directed to report back with a mechanism to allow for the rollover of Neighborhood Council funds from one (1) year to the next for approved projects. Projects would be deemed appropriate by the Board of Neighborhood Commissioners or a committee comprised of the CLA, CAO and the Department, which will: (1) define the type of project that would qualify; (2) provide the details as to the application and approval process; and (3) establish deadlines to complete an approved project.

Status

The Department proposes to establish a Neighborhood Improvement Project budget, similar to the Capital Improvement Project budget that allows allocated funds to roll over from year to year. This provides an option for Neighborhood Councils that wish to implement neighborhood improvement projects that may take a significant amount of time and money to implement. Work group participants did not agree on whether projects should be tangible or intangible, or whether they should be limited to capital projects. They did feel, however, that the project should cost in excess of \$5,000. Some felt that the project should be completed within one (1) fiscal year given the turnover of Board members, while others argued that such a short time limit negates a rollover project. Stipulating that the funds can only be used for the intended project or be swept by the City would encourage the completion of the project by incoming Board members. The feeling was also expressed that capital projects should be undertaken by the City and that Neighborhood Councils should advocate for priority community projects instead of using their funds.

Item 4

The Department was directed to report back on equipment purchases made by Neighborhood Councils in fiscal year 2010-11 for city and proprietary departments, and

on any guidelines that can be implemented to maximize the benefit of said purchases to the corresponding department and the Neighborhood Council.

Status

The discussion on the purchase of equipment for City Departments in FY 2010-11 clarified the process that Neighborhood Councils are to request a transfer to the City Department and not buy and donate the equipment because it presents a transparency and accountability problem. There is also a concern that Neighborhood Councils are being used as an end around the established budgets for the departments. Suggestions were made about how to ensure the equipment is of benefit to the community, such as having the requesting department provide a written statement indicating the equipment is a high priority for the entire department or having each department provide a list of priority items to the Neighborhood Councils. It was also expressed that City departments should be a greater priority over schools, and some had the view that Neighborhood Councils should not give money to other City agencies since their needs were discussed and determined in the budget process.

Conclusion

The Department received valuable input from Neighborhood Council representatives and believes a final recommendation on each of the directives can be provided after allowing for more input on any preliminary recommendations.

If you have any questions regarding this matter, please contact me at (213) 485-1360. I will be available when you consider this matter in order to answer any questions you may have.

Sincerely,



BONGHWAN (BH) KIM
General Manager

Attachment

SOUTH LOS ANGELES ALLIANCE OF NEIGHBORHOOD COUNCILS

DRAFT NEIGHBORHOOD COUNCIL RESOLUTION

Whereas the City of Los Angeles has reduced the budget and staffing for the Department of Neighborhood Empowerment (DONE) as a result of the budget deficit, thus requiring a re-examination of the role and capacity of the department to support the more than 90 Neighborhood Councils (NCs);

Whereas there is ongoing concern for the effectiveness and efficiency of the funding system as well as lack of clear and consistent city training, policies and procedures for the operation of the neighborhood councils;

Whereas on (date) the Los Angeles City Council adopted the motion as presented by City Councilmember Paul Kerkorian of the 2nd District directing the Department of Neighborhood Empowerment, the City Attorney and various other departments to report back to the council within 90 days on:

1. A plan for the implementation of a training program for Neighborhood Council (NC) board members that covers (a) Ethics and Legal Issues; (b) Workplace Violence and Sexual Harassment; (c) Funding Program; (d) City Government Basics; (e) Parliamentary Process and (f) Community Leadership;
2. A mechanism for NCs to roll-over unspent funds at the end of a fiscal period that (a) defines the types 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.
3. The feasibility of developing an electronic system for the NC 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.
4. A structure of governance and administration that provides greater autonomy and reduces DONE's workload for the NC including the transfer of responsibility for functions including, but not limited to, funding, elections, communication with the city, outreach, dispute resolution and training to permanent or as-needed regional authorities or bodies that operate with the oversight of DONE.
5. A plan for the implementation of a system of regional complaint panels composed of board members of various NCs from similar regions to address stakeholder and board member grievances;

Whereas the Department of Neighborhood Council has presented a series of draft policy recommendations in response to each of the motions adopted by the city council for consideration by the NCs;

Therefore be it resolved by a vote of (indicate vote count) the (insert name of NC) considered and submits the following response and recommendations to the DONE, the BONC, any workgroups tasked with developing policy recommendations and the City Council:

Training Requirements:

1. Neighborhood Councils favor ongoing and standardized training and board development to ensure capacity across the NC system. However, NC boards represent a volunteer system and as such, mandatory training should be limited to the state required Ethics training.
2. DONE should develop the capacity and utilize technology to supplement and/or provide ready access to all training areas, including, but not limited to (a) an overview of the NC Funding Program; and (b) City Government Basics.
3. DONE should develop, maintain and make readily available a written policies and procedure manual for use by NC Board members and stakeholder on (a) the NC Funding Program and Budget Process; (b) protocol for working with City agencies and departments in order to access city services; (c) Complaint and Grievance procedures; (d) Brown Act; (e) How to conduct an effective meeting; and (f) Code of Conduct and Sexual Harassment.

4. Robert's Rules of Order can be cumbersome, inefficient and create unnecessary barriers. The city should take the appropriate steps to allow Neighborhood Councils to authorize Neighborhood Councils to adopt and utilize Rosenberg Rules of Order.
5. DONE has a well-documented history of sponsoring Regional and citywide congress' which provide an efficient and effective system for training, sharing of best practices and networking. DONE should receive sufficient funding to provide at least one regional congress per region and one citywide congress per fiscal year to support the board development and training.

Reform of Funding Program:

1. The draft policy solutions proposed the adoption of a (a) grant-based funding system that pools and redistribute unspent funds at the end of each year to create a mini-grant program to which each NC could apply and compete to address system building priorities (e.g. outreach and translation); or (b) an annual funding allocation for each NC based on a set amount for administrative and operations costs only with the remaining funds held by DONE to be used for specific outreach, improvement projects and neighborhood grants through a grants based system; or (3) funding system in which each region designates an amount to be used for project specific grants which would be distributed, with the assistance of Department staff, according to criteria determined by NCs at the regional level.

A grant-based funding system will create inequities in funding given the possible variance in capacity to prepare particularly newly developed councils to compete against well-resourced councils. The funding was designed to ensure equity in the distribution of resources among the NC to fulfill their roles and responsibilities. We therefore oppose each of the options listed above and the use of a grant-base funding system.

2. The second draft policy solution would allow for the rollover of funds for physical capital improvement projects which often take longer than 1 fiscal year to complete. This is consistent with but slightly modifies the city's previous policy for the retention of savings by NCs and should not require changes to the Plan for a Citywide System of Neighborhood Councils and corresponding ordinance. We therefore support the rollover of funds for multiple fiscal year physical capacity improvement projects as an alternative to the recent "sweeping" of all unspent funds in 2010 and 2011 under the condition that NC will be allowed to substitute one project for another should, for any reason, it not prove feasible to complete the project within the subsequent fiscal year.
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4. We also recommend the city: (a) assign one or more dedicated staff person to process all demand warrants; (b) update or adopt an accounting system based on modern accounting practices; and (c) update and maintain via the DONE website written procedures and criteria for the review and approval of all funding request with clear timeframes for process request.
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funding request. The NCs should be notified of the deadline along with the funding allocation at the start of each fiscal year. Any change to the deadline should require no less than 90 days written notice to all NC board members.

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We therefore **oppose the imposition of a mandatory regional governance structure** and in turn recommend the **city funding policies be revised to encourage collaboration, provide greater flexibility and permit the pooling of funding and sharing of cost across NC boundaries.**

Grievance and Complaint Procedures

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