



Memorandum

TO: Mayor and City Council
FROM: Chuck Reed
SUBJECT: JTS Northside Community Center
and FilAm SDOC
DATE: December 9, 2005

RECOMMENDATION

Direct staff to do the following:

1. Assume operational responsibility for the building January 1, 2006; use the \$58,000 of general fund monies currently budgeted for JTS Northside CC to manage the building until June 30, 2006; and add the site to the facility reuse process to seek an organization that can operate the site and deliver services to the Northside community, Filipino seniors and WWII veterans.
2. Continue to make the JTS Northside CC available to the community organizations that currently use it, including FilAm SDOC.
3. Make JTS Northside CC available for additional community uses. Give priority to organizations who will deliver services to the Northside community.
4. Withhold payment of all funds due to FilAm SDOC until the City Council has approved a schedule for repayment of City grant funds that were misused, as identified in the City Auditor's report approved by the Council on June 28, 2005.

BACKGROUND

Our veterans and our seniors who depend on Northside, and our community members who work so hard to make the JTS Northside CC successful should not suffer as the result of the problems being experienced by the FilAm SDOC. I am saddened by the fact that money that should have been spent for them was spent by FilAm SDOC for other purposes and that the programming for them at JTS Northside CC has been greatly diminished.

Unfortunately, the financial condition of FilAm SDOC has deteriorated, and it is unable to provide substantial services to the Northside community while raising funds to stay alive and manage the building as well. FilAm SDOC's operating losses over the last three years have wiped out its assets and put it in a hole. Its negative cash flow and significant liabilities makes it clear that FilAm SDOC cannot repay the city funds which were misused and manage the building so that it well serves the community.

The City should take over operation of the building and allow FilAm SDOC to focus its full attention on fund raising so it has a better chance of survival.

cc: Lee Price, City Clerk