



Memorandum

TO: Making Government Work Better
Committee

FROM: Sara L. Hensley

SUBJECT: SEE BELOW

DATE: March 1, 2006

Approved

Date

**SUBJECT: FILIPINO AMERICAN SOCIAL OPPORTUNITIES DEVELOPMENT
COUNCIL (Fil-Am SODC) UPDATE**

RECOMMENDATION

It is recommended that the Department of Parks, Recreation and Neighborhood Services (PRNS) not move forward with a Healthy Neighborhoods Venture Fund (HNVF) contract with Fil-Am SODC and request that Fil-Am SODC vacate the Jacinto “Tony” Siquig Northside Community Center (JTS Northside Community Center). It is also recommended that key Fil-Am staff be offered the opportunity to enter into Temporary Unclassified agreements with PRNS to continue nutrition and case management services until a qualified provider is contracted, through a Request For Proposal (RFP) process, to operate the Northside Community Center.

BACKGROUND

In December 2003, Mr. Tito Cortez, former Fil-Am Deputy Executive Director, sent a letter to PRNS alleging improper use of City funds, personnel practices and management deficiencies by Fil-Am Executive Director Ben Menor. An initial investigation was begun by PRNS. The City Auditors Office completed an audit of Fil-Am and issued their report in June 2005.

The City Auditors “**Finding I**” states “The Fil-Am SODC used an estimated \$219,414 in City Grant funds to pay for programs and activities that were not part of the City’s grant agreements during 2002-03 and 2003-04. The Fil-Am SODC CEO authorized imprudent expenditures and processes that have damaged the organization’s financial viability”. Fil-Am must repay the City \$219,414. Additional finding outlined the underutilization of the facility and decreasing program services provided by Fil-Am SODC.

In June 2005, Council directed PRNS to conduct a full re-evaluation of the management of the Northside Community Center. If management conditions had not improved by December 2006 PRNS would initiate an RFP process and or use city staff to operate the Center.

At the December 13, 2005 City Council meeting, PRNS was directed to allow existing facility use agreement with Fil-Am SODC to expire on December 31, 2005, assume operational responsibility of the Center and complete a process to identify a qualified provider to operate the

Center. Council also expressed concerns that program and service disruptions were minimal during the transition period. PRNS assumed operational control on January 3, 2006.

PRNS, in conjunction with the City Attorney's Office, is developing an RFP to seek a qualified provider to assume operations after July 2006.

ANALYSIS

PRNS has attempted to coordinate with Fil-Am SODC to continue to provide key programs at the Center and to ensure minimal program impacts. PRNS found that two key senior serving programs were being provided by Fil-Am SODC. The programs are Senior Case Management/Veteran Services and Senior Nutrition.

PRNS has been in contact with groups that traditionally utilize and access the center through their collaborative association with Fil-Am SODC. Most, if not all of these groups, have utilized the Center at no cost. PRNS has attempted to minimize program impacts to the organizations that provide free and open programs to the community.

Responses from Fil-Am SODC to ongoing requests for information related to center programs, facility usage and rentals has been minimal. Unauthorized utilization of the Center continues to be an issue. PRNS has made a formal request to Fil-Am SODC to return facility access keys to the City. This request was officially denied by Ben Lucas, Operating Manager for Fil-Am SODC.

PRNS and other departments have incurred unbudgeted expenses as a result of the City assuming Center operations. Projected expenses from January 3, 2006 to June 30, 2006 are estimated at over \$100,000. Unbudgeted items include: changing locks and alarm codes, city staff needed to operate the facility and staff resources to develop and implement the RFP. This has been accomplished by re-directing existing resources, however PRNS cannot continue to absorb these costs on an ongoing basis without suffering impacts to other service areas.

PUBLIC OUTREACH

A facility reuse meeting specific to JTS Northside Community Center was held on February 8, 2006. The meeting informed the community of the future RFP and current operations.

COORDINATION

This memo was coordinated with the City Attorneys Office and the City Managers Office.

SARA L. HENSLEY
Director, Parks, Recreation and
Neighborhood Services

