

**MINUTES FOR THE REGULAR MEETING OF THE
TWEEDY MILE ADVISORY BOARD**

MONDAY, APRIL 1, 2019

4/1/2019 - Minutes

Call To Order/Roll Call

CALL TO ORDER The regular meeting of the Tweedy Mile Advisory Board was called to order by Carmen Avalos, City Clerk at 5:30 p.m.

PLEDGE OF

ALLEGIANCE Veronica Gardea, Co-Treasurer

ROLL CALL Carmen Avalos, City Clerk

Roll Call

PRESENT Chairperson Melissa Alvarado, Vice Chairperson Joshua Barron, Board Member Maribel Chaidez, Board Member Minerva Rodriguez and Jackie Acosta, Director of Administrative Services, Raul Salinas, City Attorney

ABSENT Board Member Jan Hicks

Meeting Compensation Disclosure

1. 1. Advisory Board Members Handbook

The Advisory Board received, discussed and filed a handbook that provides information on internal governance by motion of Vice Chairperson Barron and seconded by Chairperson Alvarado.

Carmen Avalos, City Clerk, and Raul Salinas, City Attorney, gave brief presentations on this item.

2. Roles, Responsibilities, Scope And Limitations Of The Tweedy Mile Advisory Board

The Advisory Board received and filed a report on their roles, responsibilities, scope and limitations in making written recommendations as a member of the Tweedy Mile Advisory Board to the City Council by motion of Chairperson Alvarado and seconded by Board Member Chaidez.

Jackie Acosta, Director of Administrative Services, and Raul Salinas, City Attorney, gave brief presentations on this item.

Vice Chairperson Barron believes that the current City Ordinance restricts the Advisory Board from dealing with the issues that caused the Advisory Board to be reestablished.

Chairperson Alvarado stated that as a board they could recommend that the BID funds be withheld from the Tweedy Mile Association until the governing issues have been rectified.

Mr. Salinas responded that you need to understand the limitations that the City has regardless of what you believe to be the reason why the Tweedy Mile Advisory Board was set up. We are dealing with a non-profit corporation. They are just like any other corporation. The only difference is that they do not have to pay taxes because the state has declared them to be their own entity pursuing a non-profit cause. The City cannot tell a private company how to run and the City cannot get into the affairs of the Tweedy Mile Association (TMA) because the merchants have asked the City to do that. There are other avenues for that, principally the bylaws of the organization. The bylaws stipulate who gets to vote, who gets to be an elected officer, so the internal structure of the bylaws is the governing document for how the organization is intended to be run. The only interaction that we have with the TMA is that government money is being provided and therefore we have a fiscal responsibility to track the money. As certainly that the money is

being spent for the purpose for which it was collected. In the course of that we find that you have concerns about the governance of the organization because you are hearing concerns from business members along Tweedy Boulevard. It is my opinion that it is appropriate for this Board to comment and make recommendations back to City Council along any number of lines. You can make recommendations that there be structural changes that the Tweedy Mile undertake as a condition that they must make to get future funds. What this Board controls is just the money but we cannot control and cannot get into the internal governance of the TMA because that is a subject for the bylaws.

Vice Chairperson Barron asked if in making any type of request that identifies the manner by which they operate their corporation, how can the City assist TMA in operating better and more efficiently.

Mr. Salinas said that certain questions that could be asked of the TMA that come to mind include, tell us the process in which you decide how the expenses for the BID money are undertaken, how do you go about obtaining community input from the businesses to make sure the money is being spent according to the wishes of the business members, are you receiving any comments from any of the business owner about the transparencies of that process. All process issues, are fact driven, and intended to give you a sense of whether the organization is working in the manner in which this Board would like it to work without dictating that TMA has to do something because we do not have that authority over them.

3. Tweedy Mile Association Bylaws

The Advisory Board will consider receiving and filing the newly adopted Bylaws of the Tweedy Mile Association.

Greg Martinez, Tweedy Mile Board Member, stated that at their last Board meeting on Friday with eight (8) members present making a quorum, the TMA Board reaffirmed the original bylaws. The only action taken was to go back to the fiscal year starting from January to December which is in the original bylaws which was the second part of the hand written comment.

Jackie Acosta, Director of Administrative Services, restated that their accounting will be for calendar year January to December.

Mr. Martinez agreed and stated that it is the original bylaws with the handwritten comments removed from the record. He also explained that due to the car show this weekend there was not enough time to get a set of fully executed bylaws including the vote. However, as soon as it is signed he will provide a copy to the City.

Raul Salinas, City Attorney, spent a few minutes reviewing the bylaws. He stated that the bylaws dictate how the organization is going to be run so a key point here is on page 1. It states, purpose by support the effort of the City of South Gate to revitalize Tweedy Mile through beautification of public areas, promotion of public safety, organization of educational and cultural events, and stimulation of community improvement. Whenever you see the words education and culture in the section that deals with purpose those are recognized activities for a recognized 501c3 organization. The 501c3, means it should be a tax deductible organization recognized by the state as a nonprofit because their principle purpose for being is to promote education, cultural activity and to beautify the areas that are common to the area. In article IV they are governed by the nonprofit corporation law.

If you go to page 2 there are no voting members of this organization and that is not uncommon. It means unless you are on the board of directors you do not get a vote. A non-board member who is a business within the district would not have the ability to vote in the affairs of the organization and there are countless thousands of organizations that are non-members of non-profits. This is not an unusual thing. On Article VII it describes about the directors and there are at least nine (9) directors but no more than fifteen (15) and here is also where it indicates how it is to be comprised. Someone from South Gate public school, somebody from another non-profit or church and at least one person that is a resident of the City of South Gate.

On page 3, item C not more than 49% of the persons on the board may be interested persons. Any interested person is a person compensated by the TMA for services rendered to it whether it a full-time or part-time employee and as he understands it no one is actually compensated but the board can ask that

question as part of your inquiries.

The bylaws have sections that cover vacancies, the resignation of directors, how you fill a vacancy on the board, where to hold the meetings, how to have regular and special meetings. On page 5, quorums which is a very important part, according to the bylaws needs 9 to 15 members to do business. The quorum is a majority of authorized directors. Hence, if they have 18 they need 8 to have a quorum. What is of interest here that they have to be present. Some bylaws allow for a proxy but these do not.

Mr. Salinas, added that on page 6, note committee structure, the Board can inquire about whether there is a designated committee to supervise how the funds are being spent by the board, however, they are not required to have a special committee.

Article IX identifies the officers. They have a president, vice president, secretary and CFO which is the Treasurer. Article X, is very important and talks about how they execute checks.

On page 9, Article X (b), it states that there needs to be two (2) signatures (president, treasurer or vice president) for each check. This is a good quality control measure to have. Some organizations state that the amount needs to be over \$500.00 then it requires two signatures. Here it states, the checks need to be signed by either two (2) of the following officers that are identified in the bylaws.

Section 10, this is a nonprofit therefore, every director has a right to inspect the books, make copies and extract documents. We talked earlier about how organizations can help themselves and the power starts there with the directors checking the books and making changes. This is unique to being on the board itself.

On page 11, there is a very good conflict of interest section. This Board may ask questions about how they adhere to it and Tweedy Mile Association policies. There is a section about no compensation without approval and lastly, they are required to have some annual documents including an annual conflict of interest policy.

With most nonprofits, no one really pays attention to the bylaws until there is a crisis. For most organizations, you want to follow best practices with your bylaws.

Chairperson Alvarado indicated that at a prior meeting during public comments the former president indicated she never saw the books and never signed checks.

Mr. Salinas responded that the bylaws do include for other officers signing but also informed the Board that they can request checks that relate to the BID money.

Vice Chairperson Barron stated that at that time they were indicating they had people that were not president, vice president or treasurer that were signing checks because the signature card was not updated and they would be fixing that issue moving forward.

Mr. Salinas responded that it happens. He was part of the Boy Scouts and they change leadership all the time and it took a year to get that one parent to go to the bank.

Vice Chairperson Barron said that he understood that as he is employed by a bank and it is difficult to get people in to sign the signature card. He thinks the concern of Board Members or Directors is not being able to get copies of their financials. It is concerning and finding out that they are no longer part of the Board because their bylaws state that any Board Member can be voted out without cause. When they are asking questions and then get voted out it gives the impression that there is a reason why they are getting voted out.

Mr. Salinas stated that it is a fair comment to ask. That in light of his presentation on the bylaws if the Advisory Board Members would like to reopen the public comment on this item it would be appropriate. You can ask about the check signing process and you can also ask what the process is in the event of somebody asks to inspect the books.

Chairperson Alvarado reopened public comment to address these questions.

Greg Martinez, Tweedy Mile Association Board Member, responded that in one meeting we did bring to a vote and he was the member that made the motion to remove a board member. In any organization you will have people on one side and some people on the other side. There were enough issues brought forward that the majority of the people stated that this is no longer acceptable and we cannot continue going down this path. In turn at this same time the other members of the board presented a motion to have Mr. Martinez removed from office. So at this point there were two motions on the floor to remove to separate board members. One vote was 8 to 3 to remove a board member and the vote for Mr. Martinez was 7 to 4 to keep him in office. We had two votes to remove two people. So we had a majority and a minority.

As board members took to social media and make acquisitions, they started working against Tweedy Mile. They tried to remove two board members and it became a very ugly meeting because they were brought in under false pretenses. We had a full house of people there that included an attorney. An attorney that was representing one of the other board members, the minority, and we decided to remove it all from the table. Then we came back and tried working with everyone and reposition the president and the secretary. Again the majority all voted to continue down the path of change in order to improve. This is where it got physical and this is where the intimidation began. At that point one resigned and we continued forward to the point where it just continued and again the majority came forward to remove a second member which brings us to where we are now.

The majority of the of the board wants to move forward, and wants to continue to host successful events, to promote Tweedy Mile and make sure that good events are being provided for our City. He hopes he answered the questions on the votes and how it transpired.

Mr. Martinez said that he has never signed checks and is not involved with the checks so he will step back and let another member speak on that.

Vice Chairperson Barron asked what the process is for reviewing the financials.

Mr. Martinez stated that any board member can go to Laverne's office (TMA Treasurer) and review the records. There is no formal process or form. They have always just called Laverne to review documents.

Bash Chaudhry, Tweedy Mile Association Board Member, stated to vote a member out is an option, just like with any democracy majority rules. In regards to the financials there is a report given in almost every meeting that gives the balances for each bank account.

Laverne Bates, Tweedy Mile Association Treasurer, stated that she may not keep the book as some people would, but she keeps a running total of all the checks that are written in a ledger and if someone comes in and says Ms. Bates she would like to see your books, I would respond which ones? Do you want to find out what a specific event costs or do you want to see the running total of all the checks or do you want to see a bank statement. She won't pull out all of the things that are there and put them out on the desk. Any board member can look at it any time and here is an example. They were working on the car show and there was a meeting on the 21st and if she makes the agenda she does it every time without fail. She will put the bank account and totals on the agenda. The checks are signed by Ms. Bates, the vice president or the president. Veronica was supposed to learn what she does and she made a few appointments for Veronica and Evan to go to the bank but they never showed up. Veronica said it was on a Saturday and she was gone. In October she gave Veronica the duties of the Treasurer, the card for the bank, and asked her to take care of it herself.

Rene Ornelas, Tweedy Mile Association Board Member, feels that they have a strong board that will survive and do well even against the odds. He has faith in their Treasurer and President.

Veronica Gardea, 3340 Tweedy Boulevard, said that she is also Co-Treasurer and is not a signer on the account. She has let the board know many times and Ms. Bates has told her I will make an appointment for you to go to the bank. The appointment was on October 6th and that Ms. Bates knew she was out of town for her daughter's wedding. She says that Ms. Bates does not allow her see anything and at the time she was under the Presidency of Sylvia. She informed Sylvia that Ms. Bates was not being cooperative with her. Then Sylvia and Claudia got removed from the Board and she knows that she is next. She feels

the board does not like the fact that they are strong women and ask questions. So they get upset.

Claudia Vidaurri, past Board Member of Tweedy Mile Association, spoke about the removal of members. She said that if there is an issue to be brought before the board about a member it should be on the agenda and it was never on the agenda. She feels that her removal from office was done illegally because the item was never placed on the agenda. The one time they did place her position on the agenda she called in her supporters. That being merchants and a lawyer to defend her. They then decided to remove it because she had too many people on her side. On the issues of the financials she had requested many times the records from Laverne and Laverne told her to bring her lawyer to get the financials.

Chairperson Alvarado asked if financials are only available to board members.

Raul Salinas, City Attorney, responded that the financial records are only available to board members.

Chairperson Alvarado reminded the audience that comments should only be regarding the bylaws. We cannot change the past and want to move forward focusing on the matters of the bylaws.

Vice Chairperson Barron stated that they did ask the question how someone gets voted out and how members can request financials. I think that their comments illustrate, at the moment there was an inability to explain their process.

Mr. Salinas, stated that we had already closed public comment on this item but reopened it to address these two specific items. As the Chairperson correctly pointed out we should keep those comments on those two issues so we can move the meeting along efficiently.

Evan Greenspan, President of the Tweedy Mile Association, said that he recalls about six to seven times receiving calls from Laverne informing him that Veronica wanted to be a signer on the checks for the Tweedy Mile account. However, Veronica would not give a time and when Laverne provided a time that was prior to Veronica's daughter's wedding she did not meet up with Laverne to address the matter. Laverne also informed Mr. Greenspan that he has told Veronica that she needed to take care of the matter herself.

As far as procedure, at a board meeting where Claudia Vidaurri was voted off the board as an agenda item and actually at the last meeting there was an agenda item for disposition of Board Members and officers. The scenario of the past that was described by Claudia he recalls in a different order of statements. Claudia did however go to Laverne after she was no longer a board member and demanded that she be able to review our books and she was told no. This is unfortunately turning into a he said - she said but we are doing the best we can. TMA recently put together a successful car show this past weekend but having to produce documents, have special board meetings, dealing with baseless undocumented accounts is deterring the volunteer workforce to perform the task at hand, which is helping the Tweedy Mile Business District. The sooner we can get back to what we are supposed to do instead of enduring untrue statements about the car show on social media. These statements were done by three people having a conversation with each other as if it was the community chiming in.

This item was continued to a future meeting of the Tweedy Mile Advisory Board in order to receive a fully executed copy of the bylaws by motion of Vice Chairperson Barron and seconded by Chairperson Alvarado.

4. Tweedy Mile Association's FY 2017/18 Budget And Financial Report On BID Funds

The Advisory Board heard a verbal updated from City staff regarding the financial report of BID expenditures.

Jackie Acosta, Director of Administrative Services gave a brief presentation of the item.

This item was continued to a future meeting of the Tweedy Mile Advisory Board in order to receive a fully executed copy of the bylaws by motion of Chairperson Alvarado and seconded by Board Member Chaidez.

5. Rescheduling The May Tweedy Mile Advisory Board Meeting

The Advisory Board rescheduled the regular meeting of May 6, 2019 to May 13, 2019 by motion of Chairperson Alvarado and seconded by Vice Chairperson Barron.

Jackie Acosta, Director of Administrative Services gave a brief presentation of this item.

6. Minutes

The Advisory Board approved the meeting minutes of March 4, 2019 as amended by motion of Chairperson Alvarado and seconded by Board Member Chaidez.

Vice Chairperson Barron complimented the City Clerk's Office on the quality of the minutes.

Jackie Acosta, Director of Administrative Services requested that the word "descending" be replaced with the word "dissenting." On page 7, Mr. Greenspan is listed as a business owner and she suggested changing this to include President of the Tweedy Mile Association/Business Owner.

Carmen Avalos, City Clerk stated that this meeting was very heavy in terms of comments. She believes it was important to be able to understand what the climate was for the Association, and that we are making progress moving forward.

7. Comments From The Audience

None.

8. Board Member Comments

Chairperson Barron requested a report on if the TMA has any subcommittees and how are they appointed.

Jackie Acosta, Director of Administrative Services informed the Board that in draft letter to the TMA requesting information this is included.

Adjournment

Chairperson Melissa Alvarado motioned to adjourn the meeting at 7:33 p.m. The next meeting of the Tweedy Mile Advisory Board will be on May 13th at 5:00 p.m.

PASSED and APPROVED this 3rd day of June, 2019.