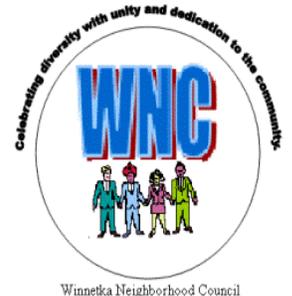


WINNETKA NEIGHBORHOOD COUNCIL

PO Box 3692, Winnetka, CA 91306

(818) 648-6219

www.winnetkanc.com



President	Vice President	Secretary	Treasurer	Sergeant At Arms	
JJ Popowich	Art Sims	Vacant	Erick Lace	Jozef Essavi	
Board Members					
Armineh Chelebian	Marilyn Robinson	Dwight Burgess	Nina Essavi	Nalini Natarajan	Michael Ross
Edesa Aghakhan moshabad	Annie Palai	Howard Sefflin	Edwina Hollins		Youth Position-Vacant

From: JJ Popowich

To: WNC Board Members, Public

Re: WNC Regular Board Meeting Minutes for 01/16/07

1. Pledge of Allegiance, Call to Order, and Board Members Roll Call.

Board Member	Present	Absent	Excused
JJ Popowich	X		
Marilyn Robinson	X		
Erick Lace	X		
Dwight Burgess	X		
Armineh Chelebian	X		
Josef Essavi			Excused
Nina Essavi			Excused
Art Sims	X		
Nalini Natarajan	X		
Michael Ross			Excused
Edesa Aghakhanmoshabad			Excused
Annie Palai	X		
Edwina Hollins	X		
Howard Sefflin			Excused
Totals	9	4	0

2. Explanation of Meeting Rules.

3. **Public Comments** – Comments from the public on non-agenda items within the Board’s subject matter jurisdiction. The public is requested to fill out a **“Speaker Card”** to address the Board on any agenda item before the Board takes an action. The Speaker Card is requested so that the Speaker’s names are complete and correct in the meeting Minutes.

4. **Discussion and possible action on addressing an outstanding bill for the purchase of a big screen TV for Valley Village.** This includes a discussion on how to fund this purchase (which was made last year) since DONE has denied the use of our funds, discussion and possible action on actions taken by the WNC Treasurer in communications with Valley Village on this issue, discussion and possible action on the WNC's future relationship with Valley Village, as well as discussion and possible action on how to limit future exposure by the WNC to DONE’s arbitrary rule changes. This could include a discussion and possible action on setting limits for personal expenditures by WNC Board members (who may not be reimbursed by DONE due to arbitrary rule changes) as well as alternate forms of funding for community related issues.

- 4.1. Ms. Basler introduced herself as the Director of Valley Village's Board of Director. She provided some history on her involvement in the WNC's formation as well as that of the Board's Executive Director Fred >>>>>>>>. She said that Valley Village has been very pleased to host the WNC's meetings in all its forms over the years and is subject of course to us leaving if we wish to. She said that this relationship has been very good for Valley Village as it's exposed their efforts to a variety of community organizations and are happy to do that. She mentioned that they have provided us with a place to meet and a place to post our awards.

She went on to say that the Valley Village was very happy to receive a gift of the TV to them for their annual fund raiser even though they had never asked. They were very excited and happy for us. This was always a hope for them in order to help them sell tickets which really help Valley Village. She went on to say that they took this prize and added a year's supply of movies on demand which was a gift from Time Warner Cable.

In turn for this many Board member's attended. In addition we were given sponsor status for this event and a table near the front. She went on to say that again she wanted to stress again that they did not approach us, nor have they ever approached us. She said this event really was one of their best events.

She continued that nothing was ever brought to their attention until the week after Christmas when Erick Lace approached a staff member about the situation. The staff member, who had no involvement in the WNC's relationship with Valley Village, and advised Mr. Lace to enter this into an email. She received a phone call from the staff member who advised her of the issue. She made her Executive Director aware of the issue. She then contacted Ms. Robinson to find out if this was authorized by the Board. She was informed that we were not.

She expressed Valley Village's extreme displeasure and alarm at the actions of Mr. Lace. She went on to say that the Executive Board has been made aware of this issue. She went on to say that Valley Village is outraged at the request and will in no way reimburse Mr. Lace for these costs. She hopes that this can be resolved internally.

She went on to say that she understands that the letter did not have the authorization of the Board and that is a comfort. She went on to say that Valley Village has no intentions of removing us or no longer allowing us to meet here as that is not how they operate. She went on to say that she spoke to Mr. Popowich and asked to speak on behalf at the Valley Village. She went on to say that she also spoke to Councilmember Zine about this issue and has no idea what the repercussions of that will be. She concluded by stating that she expected a letter of apology for the actions of the WNC.

- 4.2. Mr. Lace said that he did not realize this would cause this type of grief. He went on to say that this was intended to be a personal email that was not intended to represent the WNC. He said that he has been advised by DONE that the WNC can not do anything about this. He went on to say that he wouldn't mind writing a personal letter as apologizing for his actions and that it was not intended to represent the WNC. He went on to say that he is "so sorry that it was so upsetting to you [Valley Village]."

- 4.3. Ms. Basler said that as Treasurer there is no way that Valley Village would think that the letter would be anything other than coming from the Board. She went on to say that her concern and the concern conveyed to the Councilmember that someone who on the NC would even approach a charity could ever be approached. She said that a personal apology will not suffice and that this type of action was inappropriate for our Board to make. She went on to say how this appeared to be from the WNC and that it was just inappropriate for anyone on the Board to do.

- 4.4. Mr. Sims said he would like to make a motion:

WNC-011607-01: The WNC will send a letter apologizing to Valley Village for these actions and reassuring them that this was not done with the Board's approval and that the WNC will resolve the issue internally and that we appreciate the relationship we enjoy with Valley Village. (Sims)

- 4.5. Mr. Lace said that he would like to second this as a way of making amends.

- 4.6. Mr. Sims that we should find a way to pay for this internally. He went on to say that this is similar to other things we have done and alluded to the refrigerator.
- 4.7. Mr. Lace said that he also had problems with the freezer.
- 4.8. Mr. Popowich clarified the old rules and how it contrasts with the new rules.
- 4.9. Mr. Sims said that we should go back to DONE to point out that the

<i>Board Member</i>	<i>Yes</i>	<i>No</i>	<i>Abstain</i>
JJ Popowich	X		
Marilyn Robinson	X		
Erick Lace	X		
Dwight Burgess	X		
Armineh Chelebian	X		
Josef Essavi			Absent
Nina Essavi			Absent
Art Sims	X		
Edesa Aghakhanmoshabad			Excused
Nalini Natarajan	X		
Annie Palai	X		
Michael Ross			Absent
Edwina Hollins	X		
Howard Seflin			Excused
Totals	9	0	0

- 4.10. Motion passed: 9-0.
- 4.11. Ms. Natarajan asked if a future item is approved like this as a gift.
- 4.12. Mr. Lace said he is not sure and all items in the future will have to be requested.
- 4.13. Ms. Natarajan said that the rules in effect at that time should be honored.
- 4.14. Ms. Chelebian said that a gift is a gift, but Councilmember Zine has to get involved to help us resolve this issue.
- 4.15. Mr. Lace said that he is aware Councilmember Zine was upset at the actions.
- 4.16. Ms. Chelebian said that Mr. Lace needs to be reimbursed.
- 4.17. Ms. Robinson asked if there was a place where we can go to see the rules.
- 4.18. Mr. Popowich mentioned they can be changed at any time by DONE and we would never know, however ignorance is not an excuse in the eyes of the law.
- 4.19. Mr. Burgess asked if the City Attorney had been consulted.
- 4.20. Mr. Lace said yes and he went on to say that he will explain how all this happened and how everyone was involved.
- 4.21. Mr. Sims said we have to find a way to get people paid. If they did change, its evident they changed the rules after. He went on to say that they paid the refrigerator and that was paid for so that was the rule at that time.

- 4.22. Mr. Popowich went on to say we have the generator as well since that was technically for a charity, the Winnetka Foundation, which would be just as illegal under this rule as it was at that time.
- 4.23. Mr. Sims said that this was the rule at the time and they must abide by those rules.
- 4.24. Mr. Popowich asked for Mr. Lace to relay his conversations with DONE.
- 4.25. Mr. Lace said we did this in March. He said that a representative of DONE was sitting here and at no time were we stopped or did he raise a concern. He said that when we did this he called Steve Beule at DONE, our account and received a verbal conversation and authorization. When eh submitted his request for approval he was advised it was over Mr. Buele's limit. He went on to say that Mr. Kevin McNeely advised him that since it had not passed to Valley Village that Mr. Lace was OK to place it on his credit card. Once it was delivered he was advised that Mr. McNeeley had several questions. One issue was an original receipt. Mr. McNeeley contacted Mr. Lace several times and vice versa. In December he was advised by Mr. McNeeley that DONE would not reimburse him for the TV and the WNC was out of the picture.

Mr. Lace was then advised by Mr. McNeeley to hold a special 'fictitious' party for Valley Village. The WNC would then submit receipts for this 'fictitious party' that Valley Village would supply, and then DONE would reimburse Valley Village for the expenditures, and Valley Village would reimburse DONE.

- 4.26. Mr. Sims expressed that this is something that we really shouldn't address if we don't have proof.
- 4.27. Mr. Lace agreed that this was all in a conversation.
- 4.28. Mr. Popowich said that this is the pattern. He referenced how many times Mr. Durazo has provided different information.
- 4.29. Ms. Chelebian said that we really need to make people aware of this.
- 4.30. Mr. Sims agreed that it's bad but the problem is that this would not stand up in court.
- 4.31. Ms. Robinson said that she has been told in the past about other NC's that have to do similar things to get things paid.
- 4.32. Mr. Sims said that if we had proof we should proceed. However, since we don't have concrete proof. If we could prove it happens elsewhere then we should proceed.
- 4.33. Mr. Lace said that he had more. He went to the Conflict of Interest training and approached the issue with the CA. He said that some of the issues he has brought up, and provided examples from other NC's, and they go around this in many cases. The CA then went on to say that he would like to see every NC member who does something like this and prosecute them.
- 4.34. Mr. Sims said that this sounds like it is a real problem.
- 4.35. Mr. Lace said he approached the CA and explained what had happened. He provided details to them.
- 4.36. The CA said that they would research the issue but not to approach the WNC with this request.
- 4.37. Mr. Sims asked if we drafted this letter would it be better to send it to Zine and ask him to intervene.
- 4.38. Mr. Popowich said that he has thought about this. He went on to say that he believes that the WNC is obligated to report this. He went on to say that as representatives of the City we may be legally obligated to report this. He went on to say that at any time the City could come back and say that this was Mr. Lace's scheme. In order to protect the WNC we need to a) pay for the TV by individuals, and that we must report this to the CA and the Ethics Commission.

- 4.39. Mr. Lace went on to say that he received a call from Mr. McNeeley after his CA discussion and was advised that the City was not going to pay this. He went on; Mr. McNeeley did, to say that if Mr. Lace would have done what he was told he would have been paid.
- 4.40. Mr. Sims said that if it was Mr. Lace's responsibility then he should have the receipt.
- 4.41. Ms. Chelebian said that Councilmember Zine should be involved in this discussion. She said that he needs to know what advice is being given out. She went on to say that the rules are being changed and we are being advised to launder money.
- 4.42. Mr. Popowich rescind the TV issue and report.
- 4.43. Mr. Sims said that we should pursue it and we are entitled to it.
- 4.44. Mr. Lace said that he feels that we should pursue it. He went on to say that DONE interprets this as a gift from the WNC to a person. That is not the case it was a gift to Valley Village to use as they see fit.
- 4.45. Ms. Robinson clarified this was dated in March and should have been denied then. She said that we should fight this.
- 4.46. Ms. Hollins asked when this was delivered.
- 4.47. Mr. Lace clarified that Valley Village had the paper work. They chose not to take delivery but to deliver to the person.
- 4.48. Mr. Popowich expressed his concern that if we did pursue this further after having taken the training we would be liable for prosecution. This would include decertification as well as felony prosecution.
- 4.49. Ms. Hollins agreed by stating that it was for a profit.
- 4.50. Ms. Nalini asked if when we bought the TV what name was on the paper work.
- 4.51. Mr. Lace checked his records. He said that we filled the receipt out for the NC and then transferred the paper work to Valley Village.
- 4.52. Mr. Popowich said that VV is a non-profit charitable organization.
- 4.53. Ms. Chelebian said that we don't have to decide this tonight; we can research the issue and find out what avenues we are open to.
- 4.54. Ms. Hollins said that she has worked in the past charitable organizations. There is no request from VV. She went on to say that there must be a letter from us to the organization. She is not aware of all the rules. However, she pointed out that the President that this is a very thin line between who said what and the letter that he (Mr. Lace) said in his letter that we buy all of these things.
- 4.55. Mr. Popowich suggested that we rescind the purchase and state now that we both have gone to training we are aware this would not have been allowed and that we will not only not pursue the reimbursement, but we will set rules to ensure that this does not happen such as setting limits on what Board members may buy and be reimbursed for.
- 4.56. Ms. Chelebian said that she thinks we need to research this more. She went on to say that we should see if there is another way to get legal opinions on this.
- 4.57. Mr. Lace said that he would like Mr. Popowich to seek out the opinions of the CA directly to first find out what the issue is. He said that he would also like to see Councilmember Zine be involved.

4.58. Ms. Robinson said she would like to have a copy of the rules and regulations from the City stating they do not pay for an item that would be given to another organization to be used in a raffle.

4.59. Mr. Lace said that Councilmember Zine should be aware of this as well because he is under the same ethics as we are.

4.60. Mr. Sims said that to request the rules...that it's irrelevant because it can be backdated at any time. He said that we should approach the issue from the stand point that they have paid for other things.

4.61. Mr. Popowich made the following motion:

WNC-011607-02: The WNC will draft a letter rescinding the purchase of TV and state that it is a personal donation now that DONE has provided training. In addition, the WNC will also create an internal rule that prohibits any Board member from spending over \$100.00 in personal funds. Any purchase greater than \$100.00 must be submitted to DONE. (Popowich)

4.62. Ms. Palai said that we should have had the recorder so that we can prove what is being said.

4.63. Mr. Sims that we should do that. It may be too late for this issue but we need to do it.

4.64. Mr. Lace also said that we are no longer allowed to do deposits. He pointed out the banners and the problems that we had to go through to get the banners paid for by deposit.

4.65. Several Board members stated this is wrong.

4.66. No seconds. Mr. Popowich went on to say that he thinks maybe it's time to from a separate organization not related to the City because the City continues to change rules and shut us down. He went on to reference the Median and so on.

4.67. There was discussion on the idea.

4.68. Mr. Sims said that he has no problem with the motion but the limit is too small. We have \$500.00 per month and we shouldn't restrict us from making these purchases.

4.69.

WNC-011607-03: The WNC instructs the President to contact the City Attorney and seek legal advice on the original motion to purchase the TV, the advice Mr. Lace was given by Mr. McNeely. In addition, the WNC instructs the President to contact Councilmember Zine, the Ethics Committee, BONC, and City Controller Laura Chick to make them aware of the situation. The goal is to ask for a legal ruling on what is allowed, what the WNC can do to prevent any legal actions or liability, and seek \$3500.00 reimbursement for Mr. Lace. (Chelebian)

4.70. Ms. Robinson seconded the motion.

<i>Board Member</i>	<i>Yes</i>	<i>No</i>	<i>Abstain</i>
JJ Popowich	X		
Marilyn Robinson	X		
Erick Lace	X		
Dwight Burgess	X		
Armineh Chelebian	X		
Josef Essavi			
Nina Essavi			
Art Sims	X		
Edesa Aghakhanmoshabad			
Nalini Natarajan	X		

Annie Palai	X		
Michael Ross			
Edwina Hollins	X		
Howard Seflin			
Totals		0	0

4.71. Mr. Popowich asked Mr. Lace to write a record of all his conversations with Mr. Lace. In addition, he went on to request that Mr. Lace have this notarized and provided to Mr. Popowich.

4.72. Mr. Lace committed to have this to Mr. Popowich by Friday, January 19, 2007.

5. Adjournment