

SOSNA Board Meeting 8/30/06

Notes by Laura Blanchard (with her personal comments in italics)

In attendance:

Board: Ted Lee, presiding, John McHugh, Stephanie Green, Matt Corcoran, David Hanly, Richard Gliniak, Gail Harrington, Sharon Melvin, Sam Porter, Tony Moretti, Bernard Woodard, Juanita James, Larry Shaeffer

Ex officio: Eve Lewis, Deborah Williams, SOSNA staff (both departed early)

Community representatives: Laura Blanchard, Ann Hoskins-Brown, Doerte Smith, Angela Richardson, Mark Scot, Gary Spahn, Cynthia _____, David Grandee, Peter Ehrenkranz, Hiram Precise.

Call to order: Ted Lee called the meeting to order at 7:21 p.m.

David Hanly noted that he was not taking minutes because he was resigning the board effective September 1 and that Richard Gliniak would be taking notes this evening.

Minutes: Minutes of the April, May, June, and July meetings were presented for approval. John McHugh had offered significant revisions to the April minutes via e-mail, which caused confusion as various member had not read the revisions. Upon some discussion, some variant of the April minutes was approved, although it was not clear to this writer which it was (8 in favor, 5 abstaining, 1 objection) the minutes approved were the April minutes as circulated by John McHugh by email prior to the meeting. The May minutes were approved unanimously with minor revisions, as were the June minutes (Matthew Corcoran noted that he was not present). Board members who may have been in a better position than this writer to comment on these changes, most of which were made *sotto voce*, should fill in detail. The July minutes were not approved, owing to substantial revisions which were not included in the board packet. Three versions of the July minutes circulated prior to the meeting; they were titled as "draft minutes", a version including member corrections titled: "better minutes" and a version after that following an email from Anthony Moretti titled: "even better minutes". Approval of the July minutes was deferred to the September 28 board meeting because after length discussion, it turned out that the board packet included the first version of the July minutes.

The discussion of the July minutes included a conversation regarding the status of the loans repaid by SOSNA. Moretti seemed to say that only \$10,000 was owed to the entity then known as the SOSNA CDC, which advanced SOSNA some loans in late 2004 or early 2005 as it was awaiting payment of various invoices that had been delayed by some reporting difficulties. Nevertheless, according to Moretti, three payments of \$5,000 had been made to the SOSNA CDC. This explanation was confusing to several board members, including Sharon Melvin, who asked several question about this. According to Moretti, these difficulties went back to "a previous administration." *[NB, Tony Moretti*

joined the SOSNA board in spring 2003 and has been treasurer since spring 2004; all loans from the SOSNA CDC were made in fall 2004 or early 2005. Note this was all part of the discussion of the July minutes -- making Moretti's statement re: a 10K loan from CDC doubly perplexing because he repeatedly stated that this is what he "said at last month's meeting" and then would add "that's based upon the records in the office," which would trigger another round of questioning as to whether this is what he said at last month's meeting (where many are reasonably convinced that he said 15K) or what he learned based on the record.]

At the suggestion of Richard Gliniak, Peter Ehrenkranz was invited to report on the economic development committee out of turn to allow him to leave in a timely fashion. Ehrenkranz offered a review of the proposal from Kise Straw & Kolodner, consisting at this point of a contract and a scope of services document. Discussion centered on the contract and what its signing would entail; the scope of services; and the composition of the steering committee.

Ehrenkranz explained that they envisioned a steering committee of approximately eight people, drawn from SOSNA board members and a variety of community stakeholders. It was suggested that the SOSNA board hold three seats. Names suggested for this steering committee included Les Robbins, Eve Lewis, Tony Moretti, Jim Campbell, plus people from the business community. *[This writer is aware of four community CDCs and two or three special focus organizations such as Brandywine Workshop, Odunde, and the South Street West Business Association, and wonders how these stakeholder groups are to be accommodated if the limit is eight members and SOSNA has three or four seats.]* It was suggested that the SOSNA reps include the chair, Les Robbins; the Executive Director, Eve Lewis; and board members Anthony Moretti and Matt Corcoran, both of whom expressed interest. *[This writer again notes that this constitutes 50% of an eight-member steering committee, leaving little room for Peter Ehrenkranz and the rest of the community in addition to the aforementioned groups. One hopes they will consider some compromise between an unwieldy steering committee and a group that shuts out significant stakeholder voices.]*

There was some concern about the scope of service document, which seemed to focus on data gathering on two areas: retail, and housing. It was noted that housing was a prohibited activity under the scope of the original Commerce Department RFP. (Ehrenkranz cited a conflicting opinion by KSK staff; to view the constraints themselves, see Page 2 item 5(a) of the following application for the CDC tax credit funding: http://www.phila.gov/Revenue/pdfs/App_for_Tax_Cr_for_CCDC.pdf#search=%22phila%20commerce%20CDC%20tax%20credit%22)

Ehrenkranz explained that the contract included a provision for changes in the scope of service, such that if the Board wished to direct Kise Straw & Kolodner to de-emphasize housing it would be able to do so.

Upon motion duly made, seconded, and carried with one abstention, it was resolved that the board authorize the chair to execute the agreement, provided, however, that reimbursements be capped at \$1,000 and that the Board reserve the right to amend the

scope of services (as is, in fact, provided in the Agreement). The Board neither approved nor disapproved the current Scope of Services, but agreed to revisit the issue in the context of the early data gathering and mapping activities.

Treasurer's Report. Anthony Moretti's report was delivered in tones too low for this writer to catch. I believe he said that SOSNA has paid \$6,038 to David Feldman and that the balance of \$11,000 that remains was placed in an escrow account. He claimed that the SOSNA CDC had loaned the organization \$10,000 but that it had repaid \$15,000, which was confusing to many board members who repeatedly probed for clarification. He also indicated that "Feldman has signed the watered down agreement," whatever that may mean. The dog park checks were sent out (pass-through funds from Babette Joseph's office); they are spending the greening balance down; funds are still available from outstanding grants.

Richard Gliniak stated that this report is not what the board asked for, and he cannot accept it. He stated his conviction that in the absence of appropriate reporting from the treasurer it falls to the executive director to provide the board with the financial reports it needs to fulfill its oversight function, and he alluded to the importance of restoring public trust in SOSNA's transparency. Treasurer Moretti responded that he works harder than any other board member and that, moreover, he has brought the organization \$1,000,000 from Pathmark, and he has no intention of producing any additional financial reports (financial reports of the type the board requested at prior meetings and by motion last month). Eve Lewis indicated her willingness to attempt to provide the Board with whatever reporting it requires.

Sharon Melvin asked whether SOSNA had set aside the funds to fulfill its grant obligations. There were conflicting reports from the treasurer, indicating at the same time that the funds were set aside and that the funds were missing. The funds at issue are \$10,000 from the Claneil Foundation and \$6,000 from the Philadelphia Foundation to produce an architectural history/tourist guide of the neighborhood, and an additional small grant from the University of Pittsburgh to study and plan for intergenerational housing. Eve Lewis presented her proposal to fulfill the architectural history/tourist guide work by a video/oral history documentary of the neighborhood, and requested an additional \$4,000. Board member Larry Shaeffer repeatedly asked whether this project had been initiated by a "former board member" but was informed that the "former board member" was in fact a staff member at the time the grant proposals were submitted. She was laid off in 2002, during Douglas Norman's tenure as executive director, shortly after or perhaps even shortly before the funds were awarded.

Three motions were then presented sequentially:

- John McHugh moved that SOSNA conduct an audit of its finances;
- Matt Corcoran moved that SOSNA adopt the Budget Committee Resolution included in the board packet, providing for both an audit and ongoing oversight
- Gail Harrington moved that SOSNA hire Community Accountants as suggested by Executive Director Eve Lewis, and did not realize that two motions had

preceded hers, complaining when other board members and spectators suggested that the motions be addressed sequentially.

The subsequent discussion was confused and contentious and did not follow any rules of order; this writer's chief recollection was Tony Moretti's refusal to work on any committee of which Matt Corcoran is a member, his refusal to take on any additional volunteer work, and his claim that he raised \$1,000,000 for SOSNA. *[This is an interesting statement. The economic development proposal required someone to knock on doors to find a willing corporate partner, which Moretti did indeed find in Pathmark. The second task was to assemble a proposal that would meet the scrutiny of representatives of the Department of Commerce who made no secret of their doubt of SOSNA's ability to carry out anything other than housing development. The delicate negotiations with Commerce were exclusively carried out by former chair Ann Hoskins-Brown. Other team members in the proposal writing process were Anthony Moretti, William Pearson, Doerte Smith, Laura Blanchard, and James Campbell, with Ann Hoskins-Brown clearly taking the lead in conceptualization, organization, and writing.]*

Moretti then suggested that Matt Corcoran had done little for the organization and should go to the office and work on the books. Corcoran replied that he cannot go to the office because the staff has threatened him with a lawsuit. In response to expressions of disbelief by Gail Harrington, Corcoran explained that he has been threatened; John McHugh has been threatened; Richard Gliniak has been threatened; and a member of the community in attendance has in fact received a letter from an attorney representing the Executive Director threatening a lawsuit.

Following this complex and confusing discussion, and upon motion duly made, seconded and carried with 10 in favor and 3 abstentions, it was

RESOLVED, that SOSNA hire an accounting professional to conduct an audit and to advise the board and the finance committee on the budget process going forward, with a spending cap of \$5,000.

[Note: Not settled via this resolution, but certainly worthy of ongoing discussion, is the process by which such a professional will be identified and by which his/her choice will be ratified.--lb]

Executive Director requests. Eve Lewis asked that committee chairs forward to her any notification of committee meetings so that she may add them to her calendar. She also requested authorization to make expenditures for the SOSNA fall fair (whose date is unknown to me). After some discussion it was unanimously agreed that a sum not to exceed \$5,000 will be made available from the economic development fund for this purpose; any funds raised for the fall fair will be returned to the economic development fund to offset these costs). It was noted that approximately \$2,000 had been raised already -- which presumably will provide the first \$2,000 in funding.

In discussions of the request for an additional \$4,000 for the neighborhood history, community member Laura Blanchard asked for permission to speak and reminded the board of the importance of making certain that the new project falls within the original stipulations of the grants; or, failing that, that the Executive Director seek approval from the Claneil Foundation and the Philadelphia Foundation for use of the funds for the new project. Eve Lewis was directed to circulate to the board the original proposals as well as her prospectus and cost estimate for her conception of the new project.

There was a discussion of the Economic development spending item for the fall festival in year one Corcoran noted that the report handed out by the treasurer stated that the 2005 ED budget included *** for the fall festival, but that the October Board packet listed the Fall festival expenses as *** and also listed *** received in festival fundraising and a "balance of: \$***". He asked why the items had been attributed to the Economic development budget and was told that "the festival fundraising was unrestricted". Corcoran also asked whether any of the expenses listed under the fall festival had been submitted to OHCD for reimbursement or whether they had been broken out of the various categories (such as personnel expenses). Moretti and Lewis stated that OHCD had not been charged for these items.

Outreach. Gail Harrington reported that a newsletter was in the board packet with another to be disseminated "after the holidays" (presumably after Labor Day). She solicited help from volunteers, particularly graphic designers. Larry Shaeffer suggested that SOSNA tap some of the volunteers on the southwest_center_city listserv; Laura Blanchard then reminded the board that a number of residents filled out interest questionnaires via the SOSNA website; she recalled a dozen or more who indicated a willingness to assist in graphic design and suggested that Eve Lewis or other SOSNA staff could review those e-mails.

Facilities. Eve Lewis has been talking with Ed Martin about moving the office to 1901 Christian Street, which she told the Board was a larger facility. She presented three cost estimates for replacing windows at the facility, and asked for Board approval for one of them. She explained that Martin would offer reduced rent in exchange for assistance in making the facilities appropriate for the SOSNA office. Upon discussion it was agreed that it was inappropriate to approve such an expenditure in the absence of a formal lease offering an appropriate rent reduction. A walk-through of the facility will be arranged for interested board members and the board will be presented with a proposal that includes a proposed rental contract in addition to the work on the premises.

Green space. Matt Corcoran reported that Terry Gillen is making arrangement for another meeting regarding the proposed park at 22nd and Carpenter. Concerns were raised about the proposed venue (Shiloh Baptist Church, no air conditioning) and the outreach to assure good attendance from those who attended the August 2 meeting. Laura Blanchard observed that of the estimate 70-80 attendees, SOSNA staff only captured 40 names.

Safety. Juanita James explained that the August public safety meeting would be deferred till September. She also indicated that she had received a crime report from Captain Bethel and that it would be disseminated through various listservs and websites.

Conflict of Interest/motion to remove two board members. Ted Lee attempted to treat this issue in closed session; in the face of concerted objection, it was held in public session. It was alleged that zoning chair John McHugh and associate chair Sharon Melvin had abused their privilege and should be removed from the board. Ted Lee also suggested that McHugh and Melvin be debarred from voting in the matter. The facts not in dispute: John McHugh was seeking community reaction to his proposal for outdoor seating for his bar at Grays Ferry and Catharine, in order to reassure his lenders that this would be accepted by the community. After he recused himself, co-chair Sharon Melvin chaired a portion of an October 2005 zoning hearing, attended by 60 people. After McHugh's plans were unanimously approved, Sharon Melvin wrote a letter, addressed "To Whom It May Concern," summarizing the unanimous results of the hearing and offering SOSNA's approval of this action.

The motion to remove McHugh and Melvin was made by Ted Lee and seconded by Gail Harrington.

There was an attempt to call the question immediately, but Lee repeatedly insisted on a discussion.

Juanita James noted the nine-month delay between the hearing and Ted Lee's complaint to OHCD, which resulted in a ruling by their legal staff that McHugh and Melvin were "persons of interest" and that SOSNA might have grounds for their removal. James also noted that Lee wrote a letter on SOSNA letterhead implying an opinion of the entire board, including such language as "an attempt to destroy SOSNA," which certainly did not speak for her.

The ensuing discussion lasted about 45 minutes and generated much more heat than light, including Gail Harrington's inaccurate reports of the circumstances surrounding former treasurer Alan Mandel's 2003 leave of absence and her hints that failure to remove McHugh and Melvin would jeopardize OHCD funding – which drew a heated rebuttal from community member Laura Blanchard, who had also been in communication with OHCD regarding this issue. It was suggested by Harrington that failure to remove McHugh and Melvin would open the doors to continued disregard of the bylaws. Ted Lee recommended that McHugh and Melvin be suspended for two months and removed from the zoning committee. Former chair Angela Richardson cautioned the board on the dangers of censuring board members for acting properly so far as they knew, lest the censuring board members themselves find themselves targets – causing Matt Corcoran to make the observation that, in his view, far more serious allegations could be made against any number of board members. Several attempts to call the question resulting in board member after board member leaving the room, the meeting ended without formal adjournment for lack of a quorum.