

October 7, 2013

## MEMORANDUM

**TO:** Honorable Craig A Moe, Mayor, City of Laurel  
Council Members, City of Laurel  
Board of Directors, Laurel Boys and Girls Club

**FROM:** G. Rick Wilson, Chairman, LBGC Task Force

**SUBJECT: LBGC Task Force Final Report**

Please find the final report of the Laurel Boys & Club Financial and Operational Review Task Force attached for your review.

The Task Force reviewed the financial and operations of the Laurel Boys and Girls Club as you directed in Resolution 2-13, including attachment A, and offer our findings and recommendations for your consideration.

The findings and recommendations approved by the majority of our task force are presented on pages 4-9. So as not to lose any insight that may assist your own deliberations, we've also included individual member's opinions, in full, in the appendices.

The overall report was unanimously approved by the Task Force members present at our final meeting on September, 24<sup>th</sup>, 2013. Detailed meeting minutes for each of our sessions is included in Appendix 8. We hope that the City and the LBGC will be able to post the report on your respective web sites for public access.

We would like to gratefully acknowledge the support and guidance provided by the Executive Officers and Staff of the City of Laurel and the support provided by Mr. Levet Brown, President of the LBGC. Without their professionalism, dedication and patience, the Task Force simply could not have completed this review.

And finally, we thank you for your confidence and for the opportunity to serve the community. We stand ready to answer questions at your convenience.



G. Rick Wilson, Chairman

# Laurel Boys & Girls Club Financial and Operational Review Task Force

## Final Report - 24 September 2013

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### Executive Summary

The Laurel Boys and Girls Club is a vital part of the greater Laurel community and this Task force unanimously recommends financial and other support. The Club has offered a full complement of youth programs for over 50 years and continues to serve the youth of this community with new programs adjusted for the needs of today's modern Laurel families.

The Task Force has also found that, while the Club is an important service provider, it's not the sole or exclusive provider of youth programs in our community. Laurel is very fortunate to have a number of thriving organizations in our community that also serve our youth.

The Task Force and the President of the LBGC agree that the fundamental impediment to achieving the strategic objectives of the Club is the lack of resources. The Task Force has found that the Club currently has a significant structural deficit driven, for the most part, by the costs required to maintain and renovate a historic building where unfortunately the Club inherited years of deferred maintenance. We project that without new funding sources and while maintaining current expenditures, this annual deficit will grow significantly in the future.

This report presents our findings and recommendations in terms of; LBGC's Role in the Community, Membership Practices, Sports Program Operations, Internal Management Challenges, Board of Directors Activities, Relationship with City, County and State Governments, Communications and Public Messaging, Fund Raising Strengths and Weaknesses, and Recommendations for the Future.

We make three strategic funding recommendations for the consideration of the LBGC Board of Directors and Mayor and City Council. The first is to establish a Laurel Area Youth Services Commission and provide annual funding for their disbursement to qualified applicants. The second is for the Mayor and City Council to establish a revolving capital account that would be available for interim funding necessary for grants that require organizations to front the money pending the payment of invoices by the grantor. The third recommends that the City provide the funds necessary to hire consultants to fully assess and provide options for the Historic LBGC facility.

Our 11 person Task Force met for over 18 hours in nine, televised public meetings. We heard from a large number of citizens during 9 formal public hearings and individually we met privately with an even larger number of additional citizens, public officials and subject matter experts. We also completed many additional hours of homework reviewing a stack of documents over 15 inches thick.

## Acknowledgements

The Task Force would like to thank the Mayor and City Council, the Laurel Boys and Girls Club Board of Directors, city officials including Ms. Kristie Mills, Mr. Martin Flemion, Mr. Michael Lhotsky, Ms. Joanne Barr, Ms. Michele Saylor, Ms. Jennifer Carmen and all of the behind the scenes staff at Laurel City Hall, the talented staff at the Laurel Cable Network, Mr. James Hester, Maryland State Senator Jim Rosapepe, Prince Georges County Councilwoman Mary Lehman, and Ms. Bridget Warren, Ms. Lehman's Chief of Staff.

The Task Force and the Laurel Community is deeply indebted to Mr. Levet Brown, President of the Laurel Boys and Girls Club, who presented all of the Club's material during many hours of testimony, gathered the voluminous documentation, and met with many of us privately to help us understand the Club's facilities, perspectives and priorities.

The Task Force is also very appreciative of the significant efforts of Mr. Frank Anastasio, our super staff member, patient researcher, understanding assistant and calm note-taker.

The Chairman respectfully acknowledges the teamwork, dedication, tenacity and patience of our Task Force Members. All of you accepted a truly difficult assignment and each of you met the challenge with your expertise, goodwill and an open mind. Thank you all for continuing to work so hard and so long for the youth and families of our community.

And finally the I must acknowledge my Co-Chair, Ms. Monique Holland. There are few people with her deep understanding of business practices, fewer yet with her personal dedication to the youth of Laurel and almost no one with her patience for working with such a disorganized chairman. My personal thanks to her.

Sincerely,



G. Rick Wilson, LBGC Task Force Chairman

## Table of Contents

Executive Summary.....	1
Acknowledgements.....	2
Final Majority Approved Findings & Recommendations .....	4
Appendix 1 – Task Force Members .....	10
Appendix 2 – LBGC Task Force Agenda .....	11
Appendix 3 - Resolution 2-13 .....	14
Appendix 4 – Documentation provided by LBGC.....	17
Appendix 5 – McCullough Field Issue.....	18
Appendix 6 – Laurel City Financial Contributions to LBGC, and Related Parks and Recreation Programs.....	27
Appendix 7 – Written Questions from the Task Force the LBGC .....	30
Appendix 8 – Meeting Minutes .....	36
Appendix 9 – Task Force Work Sessions – Draft Findings and Recommendations .....	95
Appendix 10 – Task Force Member Mr. Ken Taylor’s Findings and Recommendations .....	101
Appendix 11 – Task Force Member Mr. Michael Sarich’s Findings and Recommendations .....	104
Appendix 12 – Task Force Member Mr. Adrian Rousseau’s Findings and Recommendations .....	107
Appendix 13 – Task Force Member Mr. Craig Frederick’s Findings and Recommendations .....	109

# Final Majority Approved Findings & Recommendations

## Introduction

The following section contains the Task Force's final majority-approved findings and recommendations. Please see the meeting minutes for 24 September, 2013, on page 82, for the final votes on this section.

The Task force understands that some of these findings and recommendations may have already been considered or even previously instituted by the Club. They are offered here in order to show our majority support for them.

Additional draft findings, recommendations and opinions discussed by the Task Force as a group or offered by individual members during work sessions are documented in Appendix 9. Additionally, individual members also provided their own findings and recommendations for consideration and these are also included in Appendices 10-13.

## LBGC Role in the Community

The Task Force has found that LBGC is a vital part of the community and unanimously recommends financial and other support.

The Club offers a full complement of youth programs including; soccer, basketball, football, wrestling, martial arts, boxing and mentoring. The Club continues to serve the youth of this community and has shown it can be a partner to many other organizations that serve the needs of the youth in the community.

The Task Force has also found that, while the Club is an important service provider, it's not the sole provider of youth programs. Laurel is fortunate to have a number of other thriving organizations in our community that also serve our youth and that any financial arrangement with the Club must fairly account for the needs and respect the rights of these other programs.

## LBGC Membership

There is considerable confusion in the community regarding the Club's definition of membership. The Task Force strongly recommends that the Club clearly and publicly define a member, participant or any other term that they would like to use. Membership needs to be defined going forward as it is stated in the Bylaws of the LBGC or the definition should be amended.

If participants vice members are an important component of the Club, then have this separated and clearly delineated on grant requests so as to not be misleading as to who members are in the Club sponsored athletic and academic programs.

The Club should audit its membership list against paid members before distributing to insure its accuracy and reliability by stakeholders. This should be done on an annual basis.

Since the Club's fees are lower than any other organization, including other B&G Clubs, it is recommended that the Club include and incorporate a \$25 membership fee for the kids who are participating in Club sponsored athletics and academic programs. Just with the membership the Club has now, that will raise another \$30K annually.

Set scholarship criteria consistent with the City of Laurels' Voucher program for members seeking assistance. Meet with the City to see if the voucher program can be expanded since it serves a small percentage of needy kids beyond the annual vouchers given by the City.

## **Sports Program Operations**

The Task Force has found that the Club has changed emphasis from being a purely sports program to a full service youth program. Some in the community are not fully aware of this change in emphasis and it was cited as a particular point of confusion.

The Task Force recommends that the Club consider refocusing in the near-term on strategically retooling the sports programs to get each on a solid financial footing before moving on to adding or strengthening newer programs. Athletic programs are the Club's traditional strength and core market. Thriving and growing sports programs, parents and sponsors can then be leveraged to drive additional non-sports programs.

It is impossible to fix everything at once. We suggest that a frank and open discussion within the leadership of the Club is necessary about which improvements need to be made first. i.e., can't have a soccer program, without paying for refs, making sure fields are cut for games and making sure coaches have tools they need to teach

We also suggest a realistic assessment about why other programs left the Club and seek to partner with them again to mutual benefit.

If parents fundraise successfully for a specific program, use those funds for that specific program to strengthen it and avoid using those funds for operations or other programs.

Make the children vested in their sport by requiring they fundraise a set dollar amount.

The Task Force has found that the Club's fees are at the very bottom of the range in the region. The Task Force recommends that the LBGC Board reevaluate the fees charged for ~~your~~ programs as compared to other organizations and other Clubs.

The Task Force recommends that it should be a goal to have every sports program break even financially.

## **Internal Management Challenges**

The Task Force recommends that the Club, or any non-profit should, to demonstrate long-term viability, be required to consistently internally raise at least 35% of their own program and operational funds before asking the City or another external funding source for assistance.

The Task Force strongly believes that the Club's historic facility is the single, overriding, and long-term fiscal challenge to be overcome by the Club. We recommend that the Club establish a leadership task force of Club officers and outside community experts to specifically and realistically engage in assessment, long term planning and to develop options for rehabilitating the facility and a practical assessment of the total cost of ownership.

**Documentation and Management of Rental Agreements** – The Task Force recommends that the LBGC focus strongly and strategically on all of the existing and future rental agreements. Any organization that uses the facility should enter into a written agreement, ensure that they have insurance to cover liability and release the Club of liability. Every non-profit or organization should pay to use the Club or have a documented and strictly enforced agreement for rendering demonstrable services in lieu of cash payment.

**Cash Management** – The Club should establish a more detailed budget with detailed categories and track budget vs. actual each month. Expenses beyond \$1K that have not been budgeted should go to the Board for approval. Explanation for the expenditure must be provided to Board and stakeholders immediately when current budget balances exceed or are predicted to exceed projections.

## **Internal Management Controls**

The annual audits provided by the LBGC, certifying compliance with Generally Accepted Accounting Principles, have met the criteria of multiple grantors.

Until the organization gets on its feet financially and hires an Executive Director and a Grant Writer, monthly meetings of Board should occur and be well documented.

Monthly assessment of Strategic Plan and goals set and attained should occur. We note that the majority of the goals set in the 2010 strategic plan still have not been implemented.

**Debt Management** - Set timetables for retiring existing debt. It may be unlikely that debt service extensions will continue to be granted.

The task force strongly recommends that the Club avoid establishing any new programs until the budget, fundraising and strategic planning goals have been accomplished. We encourage the Club to strengthen the programs in place and the budget and debt service are under control.

Evaluate the need for the existing bus.

## **Facilities Management**

Control access. Lock doors or install intercom and buzzer. Place key phone numbers for information on the exterior of all doors so visitors can quickly contact people for programs. During several visits Task force members observed people wandering outside and in the building trying to ask questions.

The Task Force recommends that the LBGC Board appoint a Facilities Manager. The duties include creating and overseeing standard operating procedures for all facilities, overseeing facilities renovation projects, ensuring that all municipal permits are obtained for projects where required, interface to the City Code Enforcement, Fire Marshal and similar county and state offices.

## **Board of Directors**

The LBGC Board should be responsible for strategic and succession planning. Finding and encouraging future Board members is a tough task for every non-profit. But it must be done to ensure a viable program can be sustained over the long term. The Task Force suggests soliciting external organizations to assist with creating community based strategic plans for 1-3-5 years out.

The Task Force strongly recommends that the Board revisit and reinvigorate planning towards accomplishing the existing 3-5 Year 2010 Strategic plan goals of: evaluating sports programs and implementing changes, implement process to address adequate maintenance of facility, assess and revise as needed all rental and other formal agreements, appoint a dedicated grant writer and investigate other areas of funding, evaluate all the existing policies and establish new policies as needed and create the necessary performance measures to track achievements against the strategic plan.

Maintain detailed meeting minutes of all Board decisions. Board minutes should be added to website to provide transparency and to regain trust of stakeholders and interested parties.

## **Relationship with City, County and State Governments**

The Task Force recommends that the Club institute a new government outreach program that is focused on more than just obtaining resources. Care must be taken to develop trusting relationships that start from respect and a true sense of mutual benefit. An overview of the Club's web site and public messaging is encouraged to root out old arguments and show willingness on both sides to renew the dialogue.

We further suggest a quarterly meeting with City and County officials to discuss status of recommendations made here and how everyone can be better partners going forward

Communications and Public Messaging – The Board should consider appointing a dedicated Public Affairs Officer, reporting to the Executive Director, responsible for your website, direct mail and all press and community engagements. Add to your website a page of upcoming events, accomplishments to date (each year), goals, send out email blasts and reach out to the local newspaper to gain free press on what the Club is doing in the community. Your websites and public meetings should be accessible by all.

## Fund Raising Strengths and Weaknesses

Think out of the box for rental income. Every non-profit or organization should pay to use the Club. Evaluate leasing based on square footage and not the time someone is in your Club, i.e., the churches. That makes more market sense.

Explore establishing a program for a non-profit incubator, enabling 15-non-profits rent a cubicle for \$400 a month then who have access to a copier, fax machine. That idea alone would bring in another \$6K a month

Hire a part time professional Director of Fundraising, Executive Director, to initiate development programs - The model Club sample documents provided by Mr. Brown showed that those Clubs had the ability to raise 30-35%+ of their own funds internally.

Have membership drives to cover overhead. Even someone who is part of the community but does not participate in sports or academics can donate. Create a fundraiser where they are deemed honorary members or participants for a fee.

## Recommendations for the Future

The Task Force and the President of the LBGC agree that the primary impediment to achieving the strategic objectives is the lack of resources. The Club has three macro budget line items; operations (day to day expenditures for items like utilities), programs (e.g., the cost to conduct the sports programs) and capital (e.g., facilities, durable assets, and major repairs.)

The Task Force has found that the Club currently has a significant structural deficit and we project that without new funding sources and while maintaining current expenditures, this annual deficit will grow in the future.

The Task Force finds that the most pressing need is for funding assistance for operations and capital investments.

## Access to Direct Funding

The Task force recommends that the Mayor and City Council establish the Laurel Area Youth Services Commission (LAYSC) modeled on the existing and very successful Laurel Emergency Services Commission. The LAYSC would be comprised of appointed community members involved in youth services and/or who are recognized experts in non-profit, business administration and management.

The LAYSC would meet regularly to assess the need for youth programs, identify and evaluate existing services and programs, assess duplication, encourage community partnerships, the sharing of facilities, resources, and funding opportunities and they will provide a public annual report to the Mayor and City Council, highlighting successful youth programs, identifying future needs, assessing trends, emerging issues and making recommendations for the future.

The City Council would appropriate an annual budget of **\$125K** dollars to be dispensed by the LAYSC for direct funding of community-based youth services and programs. The funding requests must be submitted by a qualified applicant and otherwise be compliant with City business practices. The LAYSC would evaluate and approve the applications for funding based on criteria that they establish annually.

The City would establish a process for qualifying applicants for this direct funding program based on established industry best business practices for non-profit organizations.

#### **Access to Revolving Capital Funds**

The Task Force recommends that the Mayor and City Council establish a capital revolving fund program to assist non-profits in providing essential services and programs to the community. This program would establish a **\$250K** capital account available to qualified applicants for short-term assistance (12 months or less). Applicants would apply for the use of these funds to qualify for outside grants where the grant requires the organization to front the money. The City would not charge interest and the applicant would agree to repay the City as their grant invoices are received.

The LAYSC would evaluate and approve the applications for funding based on criteria that they establish annually.

The City would establish a process for qualifying applicants for this program based on established industry best business practices for non-profit organizations.

#### **LBGC Facility - Special Commission for Innovative Planning**

We further recommend that the Mayor and City Council appropriate the necessary funding required to pay for consulting engineering and real estate development planning services to assess the building and provide a detailed total cost of ownership to both renovate the building and to make it fully functional to support a wide range of current and future youth programs. The consultants shall have no constraints beyond the realities of owning and rehabilitating a building listed on the National Historic Trust and practical land development options.

The report shall be presented to the LBGC Board of Directors and the Mayor and City Council.

## **Appendix 1 – Task Force Members**

### **Appointed 3/25/2013 - Resolution 2-13**

Honorable G. Rick Wilson, Chair

Ms. Monique Holland, Co-Chair

Ms. Gloria Arnold

Honorable Robert J. DiPietro

Ms. Mickey Fink

Mr. Lionel Francis

Mr. Craig Frederick

Mr. Adrian Rousseau

The Honorable Michael Sarich

Mr. Marcellus Shepard

Mr. Kenneth Taylor

Mr. Frank Anastasio, Task Force Staff Member and Assistant to the Co-Chairs

#### **Ex Officio Members:**

Ms. Kristie M. Mills, City Administrator

Mr. Michael J. Lhotsky, Director, Dept of Parks and Recreation

Ms. S. Michele Saylor, Director, Dept of Budget and Personnel Services

Mr. Levet Brown, President, Laurel Boys and Girls Club

Revised: 03/25/13

## **Appendix 2 – LBGC Task Force Agenda**

Meeting Dates: Tuesday April 23, April 30, May 7, May 28, June 4, June 25, July 23, July 30, September 24 All meetings were held from 7-9pm at the Laurel Municipal Center and were open to the public and televised on the Laurel Cable Access Channel.

### **Session 1 - Tuesday April 23, 7-9pm - Overview**

#### **7:00-7:30 - Organizing Meeting (Chair and Members)**

- Welcome
- Introductions of Task Force Members, Ex Officio Members and Staff
- Goals of the Task Force - Findings and Recommendations to the Mayor and City Council and the LBGC
- Discuss and approve rules of order for conducting business
- Discuss and approve Task Force agenda

#### **7:30-8:30 - The LBGC: An Overview (LBGC President or designee)**

- The mission and programs of the LBGC
- Who does the Club serve?
- What programs does the Club offer?
- How does the Club operate in general terms?
- We have two later sessions to delve deeply in operations and finances

#### **8:30-9:00 - General Public Hearing**

### **Session 2 - Tuesday April 30, 7-9pm - Youth Programs in Laurel**

#### **0700-0715 - Welcome (Chair and Members)**

Goals of this session

#### **0715-0830 - Invited Laurel-Area community youth groups**

- What are your programs, goals and missions?
- Who do you serve?
- How is membership defined?
- How do you operate?
- How do you finance your programs and necessary facilities?

#### **8:30-9:00 - General Public Hearing**

### **Session 3 - Tuesday May 7, 7-9pm – LBGC Deep Dive**

#### **0700-0715 - Welcome (Chair and Members)**

Goals of this session

#### **0715-0830 - Detailed Presentation of LBGC Operating Policies and Finances (LBGC President or designee)**

- Please provide all supporting documentation before Monday, May 6th at noon for reproduction.

- Provide charter or articles of incorporation
- Provide list of all Club officers, terms and tenure
- Provide all standard operating procedures for any internal management controls, account access, procedures for making payments and/or incurring debts or obligations on behalf of the Club
- Provide all IRS documentation since 2005
- Present the current LBGC balance sheet detailing all accounts, assets, resources, employee or consulting costs, loans, other creditors, operating expenses, any outstanding accounts receivable or accounts payable
- Describe all funding, e.g., in kind, grants, gifts, rents, payments identified or obtained from any source since 2005.
- Describe all facility, operating and program expenses since 2005.

## **0930-1000 - General Public Hearing**

### **Session 4 - Tuesday May 28, 7-9pm - LBGC Deep Dive continued**

#### **0700-0715 - Welcome (Chair and Members)**

Goals of this session

#### **0715-0830 - Detailed Presentation of LBGC Facilities (LBGC President or designee)**

- Please provide all supporting documentation before Friday, May 24th at noon for reproduction.
- Provide a detailed description and current status of all existing LBGC facilities
- Provide a detailed description of any improvements/repairs completed or underway for existing facilities since 2005
- Provide an overview of improvements/repairs that have been identified but not yet completed.

## **8:30-9:00 - General Public Hearing**

### **Session 5 - Tuesday June 4, 7-9pm - LBGC: The Future Vision**

#### **0700-0715 - Welcome (Chair and Members)**

Goals of this session

#### **0715-0830 - Detailed Presentation of LBGC Future Vision (LBGC President or designee)**

- Please provide all supporting documentation before Monday, June 3rd at noon for reproduction.
- Provide a vision of the LBGC of the future
- What is the dream?
- How do we get there?
- Are the Board and membership together in support of this dream?
- What are the business plans and key support decisions that makes this vision a reality?

- What is the timeline?

### **8:30-9:00 - General Public Hearing**

#### **Session 6 - Tuesday June 25, 7-9pm - LBGC Task Force: Work Session**

7:00-8:45 – Discussion on Findings and Recommendations

#### **Session 7 Tuesday July 23, 7-9pm - LBGC Task Force: Work Session**

##### **Work Session Agenda**

7:00-7:15 – City of Laurel Contributions to Community Youth Programs

7:15-8:45 – Discussion on Findings and Recommendations

8:45-9:00 – General Public Hearing

##### **Proposed Findings & Recommendations Outline**

1. LBGC's Role in the Community
2. LBGC's Membership
3. Sports Program Operations
4. Internal Management Challenges
  - a. Realities of a Volunteer Organization
  - b. Documentation and Management of Rental Agreements
  - c. Cash Management
  - d. Internal Management Controls
  - e. Debt Management
  - f. Facilities Management
5. Board of Directors
6. Relationship with City, County and State Governments
7. Communications and Public Messaging
8. Fund Raising Strengths and Weaknesses
9. Potential Recommendations for the Future
  - a. Access to Capital
  - b. Community-based Funding Options
  - c. Governmental Funding Options
  - d. Community-based Governance Options
10. Appendix A. Past and Current Role of Laurel City Government
  - a. McCullough Field
  - b. Direct and in-kind service payments

#### **Session 8 Tuesday July 30, 7-9pm - LBGC Task Force: Work Session**

#### **Session 9 Tuesday 24 September, 7-9 pm - LBGC Task Force: Final Recommendation**

RESOLUTION NO. 2-13

**RESOLUTION TO CREATE THE LAUREL BOYS AND GIRLS CLUB FINANCIAL  
AND OPERATIONAL REVIEW TASK FORCE TO REVIEW PROGRAMS,  
FINANCES, GRANTS, CURRENT LOCATION AND PROBLEMS AND MAKE  
RECOMMENDATIONS CONCERNING ALL OF THE ABOVE.**

*Sponsored by the President at the request of the Administration.*

**WHEREAS**, the Mayor and City Council ("City") and President of the Laurel Boys and Girls Club (the "Club") have met and discussed various ideas for the future of the club: and

**WHEREAS**, both parties have agreed that a Task Force to be known as the Laurel Boys and Girls Club Financial and Operational Review Task Force be created to take testimony, hold public hearings and make a recommendation to the Mayor and City Council concerning all programs, funding and issues facing the Club including its future and

**WHEREAS**, the City is willing to create such a Task Force with the approval of the Board of Directors of the Laurel Boys and Girls Club.

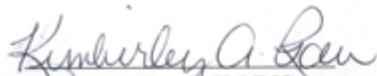
**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and City Council of Laurel that the Laurel Boys and Girls Club Financial and Operational Review Task Force be and hereby is created as follows:

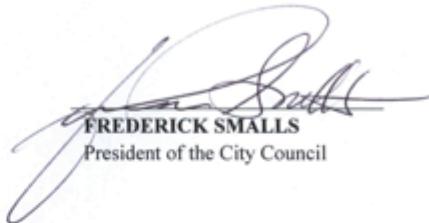
- 1) Name: The Task Force shall be known as the Laurel Boys and Girls Club Financial and Operational Review Task Force
- 2) The number of members shall be eleven (11).
  - a. Two (2) Members shall have a background in finance
  - b. Three (3) Members shall be from Laurel area businesses community
  - c. Four (4) Members shall be City residents
  - d. One (1) member from the LBGC Board of Directors
  - e. One (1) member from the general membership of the LBGC membership
- 3) Appointment:
  - a. Five (5) members shall be appointed by the Mayor
  - b. Four (4) members shall be appointed from the City Council
  - c. Two (2) members shall be appointed by the Club's Board of Directors in writing to the Mayor.
- 4) Ex-Officio Members: The following shall be Ex-Officio members of the Task Force who may participate in all meetings but shall have no vote:
  - a. President of the Laurel Boys and Girls Club or designee

- 5) The Mayor shall assign such City staff members as he deems appropriate to assist the Task Force to include the Director of Parks and Recreation, Director of Budget and Personnel Services. The city administrator shall serve as the administrations representative.
- 6) The Chair and Vice Chair of the Task Force shall be appointed by the Mayor and confirmed by the City Council.
- 7) Meetings
  - a. All meetings shall be public unless specifically allowed by State Law to be closed.
  - b. All Task Force members shall serve without compensation.
  - c. Meeting times and dates shall be set by the Chair
  - d. The Chair shall set the Agenda
  - e. The Vice Chair shall have the powers of the Chair when the Chair is unavailable.
- 8) Hearings: Prior to making any recommendations to the Mayor and City Council the Task Force shall hold at least one (1) public hearing to obtain input from the citizens.
- 9) The Task Force shall address the subjects outlined on Exhibit "A" attached here to as well as any other issues brought before the voting Task Force members.
- 10) The Task Force shall make its recommendations to the City no later than July 1, 2013.

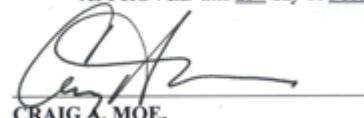
AND BE IT FURTHER RESOLVED, that this Resolution shall become effective upon its passage.

PASSED this 25<sup>th</sup> day of February, 2013

  
KIMBERLEY A. BAU, MMC  
Clerk to the City Council

  
FREDERICK SMALLS  
President of the City Council

APPROVED this 25<sup>th</sup> day of February, 2013

  
CRAIG A. MOE,  
Mayor

**Laurel Boys & Girls Club**  
**Financial & Operational Review Task Force**  
**ATTACHMENT "A"**

**Top to bottom review from the Task Force to include:**

History of the Laurel Boys and Girls Club

City Support to the Club

Financial Review (Past & Present Accounts)

Review Youth Programs (Club, City, County)

Review other Programs of the Club

Fundraising Activities

County and State Support

Other support, grants and in-kind services

Current location – tour facility

Recommendations for short term

Recommendations for long term

## Appendix 4 – Documentation provided by LBGC

The task force requested an extensive body of documentation to be supplied by the LBGC. The LBGC provided an extensive amount of hard copy documentation in response. Unfortunately, the Task Force was not able to make this documentation available in electronic format for inclusion in this report. However, it is available for in-person review by contacting the Laurel City Administrator's office.

The following list outlines the material on file. The number indicated the folder that contains the information.

### Laurel Boys and Girls Club Task Force Request

- 1) Copies of all written contracts with participants, non-profits and churches that use space and pay a fee to the club or receive in-kind services in exchange for allowing low income participants to have access to their activity.
- 2) List of participants, non-profits, churches and organizations whom you provide access to the club to where no fee is paid. I think this is part of the list of participants Rick went over last night.
- 3) Net amounts paid to the club for sporting programs. Do you know how the fees you collect compare to other organizations or non-profits who offer the same services in or around the City of Laurel?
- 4) Detailed breakdown of all income sources year-to-date and last year.
- 5) List of grants applied for in the past 3 years and whether they provided funding or not, and how much. If approval of grants were rejected, please provide copies of those letters or correspondences received.
- 6) Financial records on your separate non-profit basketball program run out of the Club and offered as a service to the youth of the club.
- 7) IRS tax returns from 2005 and year-to-date income/expense statements. Income statement submitted annually.
- 8) Current year's budget and budget projections forward looking two years. It should be detailed as to show sources of projected income each month and expenses.
- 9) Aged Payables and Receivables report.
- 10) List of Capital improvements made. List of needed and scheduled Capital improvements along with estimated cost. If you have been provided cost estimates please provide.
- 11) List of employees and salary paid.
- 12) All organizational documents of the non-profit
- 13) Windows issue.

## **Appendix 5 – McCullough Field Issue**

Throughout the Task Force's deliberations, the status and history of McCullough Field was discussed. The following section provides documents concerning the legal status and history of the field.



# **MAYOR AND CITY COUNCIL OF LAUREL**

## **OFFICE OF THE CITY ADMINISTRATOR**

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**8103 Sandy Spring Road Laurel, Maryland 20707  
(301) 725-5300**

**Internet Address <http://www.laurel.md.us> E-Mail - [cadmin@laurel.md.us](mailto:cadmin@laurel.md.us)  
Fax (301) 490-5068 or (410) 792-2108**

June 21, 2013

### **MEMORANDUM**

**TO:** Robert J. DiPietro, Laurel Boys and Girls Club Task Force  
**FROM:** Kristie M. Mills, City Administrator  
**SUBJECT:** MCCULLOUGH FIELD

At your request, the history of City control and management of McCullough Field has been researched using minutes of the Mayor and City Council. As you are aware, it is the City Council that authorizes the Mayor to enter into lease arrangements. This is now done by Resolution of the City Council.

The earliest reference to McCullough Field is found in the August 12, 1968 Mayor and City Council minutes. Herein (Page 4) is a motion made, duly voted upon, and accepted that the Mayor (Merrill L. Harrison) "be authorized to enter into an agreement with the School Board for license to use McCullough Field for Town purposes". The City archives and department files were searched, but a copy of the 1968 agreement was not found.

The next reference found is in the January 12, 1976 Mayor and City Council minutes. Mayor Leo E. Wilson reported that the City had received an agreement that "would last for many years with regard to McCullough Field; and would permit the City to exercise substantial control over the use of the Field and its development." The following paragraph is contained in a November 28, 1975 letter to Prince George's County Executive Winfield Kelly:

#### **"4. McCullough Field**

McCullough Field is the major active recreation site within the City. It has been maintained by the City for more than twelve years. We have previously requested the County and School Board to transfer title to the City. With the closing of the Laurel Education Center and the unknown future use of this facility, it is most important to the City that at least a firm, long term commitment be made so that we can qualify for

various Federal and State grants which are and may become available for recreational facilities, e.g. tennis courts."

Subsequent to that letter, on August 26, 1977, the City entered into a ninety-eight year lease for McCullough Field. The lease covered the period from August 26, 1977 through August 25, 2075, and was signed for the City of Laurel by Mayor Leo E. Wilson and for Prince George's County by Robert W. Wilson, County Administrative Officer.

June 21, 2013  
McCullough Field Memorandum to Robert J. DiPietro  
Page 2

The City Solicitor, Robert A. Manzi, confirmed that McCullough Field was erroneously included with Board of Education property located at 701 Montgomery Street, where the Laurel Boys and Girls Club is currently located. The County Attorney in the County's Office of Law stated to Mr. Manzi that the lease between the County and the City of Laurel was overlooked during the titled search for McCullough Field, and acknowledged to him that the lease should have been discovered.

The Laurel Boys and Girls Club would not acknowledge that a legal error had been committed in the surplusing of McCullough Field. At Mayor Craig A. Moe's direction, Mr. Manzi and City Staff worked with the Laurel Boys and Girls Club to develop an agreement that would return control of McCullough Field to the City, and also allow the City to pursue ownership of the Field. The negotiated agreement was accepted by the Laurel City Council and Mayor Moe was authorized to execute the agreement in Resolution 9-07.

In researching the minutes and files for information regarding McCullough Field, a letter was found dated April 28, 1986 from the City Solicitor, James F. Maher, to then City Council President Corlette C. Calvert, regarding McCullough Field – Uses Authorized.

Through the negotiations which resulted in Resolution 9-07, the City acquired ownership of McCullough Field. The deed between the Mayor and City Council of Laurel and the Laurel Boys and Girls Club, Inc. was executed June 19, 2007, and recorded in Prince George's County on June 28, 2007.

Please let me know if there is any additional information regarding McCullough Field you would like further researched, or regarding any other area related to the work of the Laurel Boys and Girls Club Task Force.

Attachments:

August 12, 1968 minutes of the Mayor and City Council  
November 28, 1975 letter from Laurel Mayor Leo E. Wilson to Prince George's County  
Executive Winfield Kelly  
January 12, 1976 minutes of the Mayor and City Council

Lease Agreement (98 years) between the City of Laurel and Prince George's County for the

use and control of McCullough Field

April 28, 1986 letter from Laurel City Solicitor James F. Maher to Laurel City Council

President Corlette C. Calvert

Laurel City Council Resolution 9-07 w/Agreement between the City of Laurel and the Laurel

Boys and Girls Club

Deed for McCullough Field showing ownership held by the Mayor and City Council of Laurel

cc: (w/Attachments)

Rick Wilson, Chair, Laurel Boys and Girls Club Task Force

Monique Holland, Vice Chair, Laurel Boys and Girls Club Task Force

Jennifer Carmen, Administrative Staff, Laurel Boys and Girls Club Task Force

(for this

Memorandum and Attachments to be part of the Task Force Record)

## RESOLUTION NO.: 9-07

### A RESOLUTION APPROVING THE NEGOTIATED AGREEMENT WITH THE LAUREL BOYS AND GIRLS CLUB, INC., TRANSFERRING THE MCCULLOUGH FIELD PROPERTY AS DESCRIBED IN EXHIBIT A TO THE CITY FOR CERTAIN CONSIDERATION.

*Sponsored by the President at the request of the Administration.*

WHEREAS, the Mayor and the Laurel Boys and Girls Club, Inc., (hereinafter "Club"), have arrived at an agreement to transfer the interest of the Club in the property known as McCullough Field to the City (See Exhibit "B" attached hereto); and

WHEREAS, the City has agreed to fund certain capital improvements and to continue its partnership with the Club in providing programs for the young people in the City; and

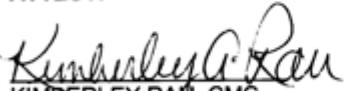
WHEREAS, the Mayor and City Council wish to authorize the Mayor to execute the Agreement and assure the transfer of the property to the City.

NOW THEREFORE, BE IT RESOLVED, that the Mayor be and is hereby authorized to execute the Agreement attached hereto as Exhibit "B" and to take any and all actions necessary to ensure that the property described in Exhibit "A" is transferred to the City.

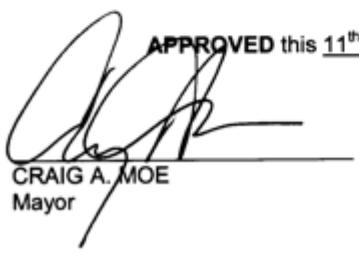
AND BE IT FURTHER RESOLVED, that this Resolution shall take effect upon its passage.

PASSED this 11<sup>th</sup> day of June, 2007.

ATTEST:

  
KIMBERLEY RAD, CMC  
Clerk to the Council

  
FREDERICK SMALLS  
President of the City Council

  
APPROVED this 11<sup>th</sup> day of June, 2007.

CRAIG A. MOE  
Mayor

## AGREEMENT

This Agreement made this 4<sup>th</sup> day of June, 2007, by and between the Mayor and City Council of Laurel, Maryland, a body corporate and politic in the State of Maryland, (hereinafter "City") and the Laurel Boys and Girls Club, Inc. a Maryland Corporation, (hereinafter "Club").

### **WITNESSETH:**

**WHEREAS**, the City represents the citizens of Laurel and provides recreation facilities and programs for City residents and non-residents, adults and children; and

**WHEREAS**, the Club is organized to provide primarily recreational programs for children; and

**WHEREAS**, over the years, the Club and the City have cooperated in providing such services and the use of City parks and facilities that have been negotiated between the parties hereto; and

**WHEREAS**, recently the Club has discovered that certain property on which the City had a lease from Prince George's County is, in fact, owned by the Club; and

**WHEREAS**, the City and the Club have been negotiating concerning such ownership and use of this property known as McCullough Field as more particularly outlined in Exhibit "A" attached hereto and made a part hereof; and

**WHEREAS**, the parties have reached an accord that the Club shall donate/transfer ownership of the property to the City in return for certain consideration by the City as outlined herein.

**NOW THEREFORE**, the parties hereto in consideration of the mutual covenants contained herein and other good and valuable consideration of the receipt and sufficiency of which is acknowledged by the parties hereto agree as follows:

1. The Club hereby agrees, contemporaneous with the execution of this Agreement, to execute a deed transferring all of its right, title and interest to that property more specifically described in Exhibit "A" to the City.

2. In return the City agrees to do the following:

a. The City agrees to assist in funding the replacement of the basketball floor and the HVAC for the gymnasium in the total amount of One Hundred Eighty Three Thousand Dollars (\$183,000.00), or the actual cost of replacement, whichever is lower. Such funds shall be expended upon receipt by the City of invoices for work forwarded to the City by the Club. The City shall pay the contractor directly upon receipt of such invoice.

b. In addition to the above, the City agrees to make the following contributions to the Club as a contribution to its operating funds for the next three (3) years.

1. 2007 - by June 30 - the sum of Thirty-Five Thousand Dollars (\$35,000.00)

2. 2008 - on or about January 1 - the sum of Thirty Thousand Dollars (\$30,000.00).

3. 2009 - on or about January 1 - the sum of Twenty-Five Thousand Dollars (\$25,000.00).

Each payment called for hereinabove shall be made by August 31<sup>st</sup> of each year.

3. The City further agrees to introduce legislation upon the execution of this Agreement and the Deed herein to give the Club a tax credit for any municipal real property taxes paid by the Club for so long as the Club pays such taxes. Such tax credit shall authorize the Director of The Department of Budget and Personnel Services of the City to issue a check to the Club within fifteen (15) days of receipt of such taxes by the City. In addition, the City will pay the Club Eight Thousand Seven Hundred Dollars (\$8,700.00) as soon as possible after the full execution of this Agreement and the required Deed.

4. The City hereby agrees to continue its maintenance of the property in the same manner as it has over the years it has operated the property.

5. The City further agrees that the Club shall have the right to utilize the Property without paying a fee in perpetuity. Should the City at any point in the future transfer the Property to another entity, the City shall reserve the Club's right of use by covenant in the Deed. Furthermore, the City agrees that the Club use of the property shall be the same as presently exists (i.e., for the Club's spring program, summer camp and fall programs). The City further agrees to allow the Club first refusal for any other times requested so long as the City has no program(s) utilizing the property.
6. The City further agrees to waive the City fee for the Clubs use of the City swimming pool as part of the Clubs Summer Fun camp program for the next three (3) years.
7. The City also agrees to provide normal trash pick up services to the Club at the Phelps Center at no cost to the Club.
8. By January of each year, the Club and City agree to meet to set a mutually agreeable schedule for the use of the property as expanded. The City and Club agree to cooperate concerning a potential project to add lights to all or a portion of the subject property. Such potential project is subject to public approval and funding.
9. The City agrees to assist the Club (where it is appropriate) to obtain County and State funding for its operation and programs.
10. The Club hereby agrees to allow the City use of the basketball court two (2) times per month so long as the court is not reserved for Club programs or use.
11. Both parties to this Agreement acknowledge that the parties, programs and services to the public and the children will be better served by the cooperation of the parties hereto. Both parties wish to have a cooperative and harmonious relationship for the betterment of the Club, the City and the citizens of the City and surrounding community.
12. If a dispute arises concerning any duty or obligation herein, such dispute shall be first referred to mediation as approved by the Prince George's County Circuit Court.
13. This Agreement contains the entire agreement between the parties hereto and shall be binding upon each party, their heirs, executors, personal representatives and assigns.

14. The signatories to this Agreement aver that each of them has the requisite authority to bind the Club and the City and that all processes necessary to approve this Agreement and their execution of this document have been properly authorized and concluded.
15. This Agreement shall be interpreted in accordance with the laws of the State of Maryland.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and date first above written.

ATTEST:

\* Karen L. Staub  
Secretary

Laurel Boys and Girls Club, Inc..

By: Craig A. Moe  
, President

ATTEST:

Kimberley A. Rau  
Kimberley A. Rau, CMC  
Clerk to the City Council

Mayor and City Council of Laurel, Maryland

By: Craig A. Moe  
Craig A. Moe, Mayor

## Appendix 6 – Laurel City Financial Contributions to LBGC, and Related Parks and Recreation Programs

### CITY OF LAUREL NON-LEASE PAYMENTS TO LBGC

<b>CK DATE</b>	<b>CK#</b>	<b>AMOUNT</b>	
OPERATIONS PAYMENTS PER 6/4/2007 AGREEMENT			
7/26/07	57716	35,000.00	NOTE: PER THE AGREEMENT THE CITY WAS
9/26/07	58482	30,000.00	TO MAKE THESE PYMTS OVER THE COURSE
3/11/08	60400	25,000.00	OF 3 FISCAL YEARS BUT MADE ALL 3 IN LESS THAN 1 CALENDAR YR
GYMNASIUM HVAC PER 6/4/2007 AGREEMENT			
6/28/07	57345	61,082.50	
7/5/07	57470	61,082.50	
OPERATIONS PAYMENT REQUESTED IN LIEU OF REFINISHING/REPLACING GYM FLOOR			
6/20/08	61674	60,835.00	
REAL ESTATE TAX REFUNDS			
6/28/07	57345	6,607.52	per agreement pymt of \$8,700
		2,092.48	
2/27/08	60246	7,375.03	FY2008
<b>TOTAL PYMTS PER 6/4/2007 AGREEMENT</b>			
		<b><u>289,075.03</u></b>	
MISC CONTRIBUTIONS			
10/20/04	45877	5,000.00	
3/22/06	51742	5,000.00	
6/7/07	57154	5,000.00	
6/28/07	57429	1,000.00	SHOE FUND
2/7/13	80695	7,500.00	PYMT DIRECTLY TO BGE

CITY OF LAUREL DEPARTMENT OF PARKS & RECREATION  
EXPENDITURE AND REVENUE HISTORY FY2004-FY2012

FISCAL YEAR	P&R PROGRAMS	P&R MAINTENANCE	FISCAL YR TOTAL EXPENDITURES	F
2004	981,455.00	432,348.00	1,413,803.00	
2005	1,060,786.00	460,855.00	1,521,641.00	
2006	1,171,798.00	485,111.00	1,656,909.00	
2007	1,276,997.00	576,351.00	1,853,348.00	
2008	1,396,363.00	760,300.61	2,156,663.61	
2009	1,532,038.00	733,536.00	2,265,574.00	
2010	1,546,580.00	844,894.78	2,391,474.78	
2011	1,639,943.00	812,313.00	2,452,256.00	
2012	1,630,488.00	640,299.87	2,270,787.87	

FY08 MAINT. INCLUDING OPS PYMTS OF \$115,835

## CITY OF LAUREL CAPITAL IMPROVEMENTS-PARKS

DATE	AMOUNT	ACTIVITY
------	--------	----------

7/16/03	152,735.38	CITY PURCHASES 495 8TH TO EXTEND MCCULLOUGH FIELD
6/5/08	206,234.28	CITY PURCHASES 499 8TH TO EXTEND MCCULLOUGH FIELD
9/07-11/08	167,304.71	PROPERTY IMPROVEMENTS FOR STURGIS-MOORE RECREATION AREA
1997-2004	99,759.56	LHS BASEBALL FIELD
9/10/10	183,547.00	DRAINAGE AND TURF RENOVATIONS - CYPRESS STREET
11/5/09	10,220.00	PURCHASE TURF BLANKETS - MCCULLOUGH FIELD
11/8/06	97,600.62	MCCULLOUGH FIELD FENCE
1/11/06	44,838.27	MCCULLOUGH FIELD PLAYGROUND
5/24/06	9,800.00	RESURFACE MCCULLOUGH FIELD TENNIS COURTS
5/24/06	9,200.00	RESURFACE MCCULLOUGH FIELD BASKETBALL COURTS
8/17/11	37,653.00	RESURFACE ALL BASKETBALL/TENNIS COURTS
6/30/05	57,310.78	DUNIHO-NIGH PARK IMPROVEMENTS BASKETBALL/TENNIS COURTS; PARKING AREA
4/16/09	218,880.34	DISCOVERY PARK PLAYGROUND
4/17/07	58,645.00	EMANCIPATION PARK PLAYGROUND
5/10/10	120,000.00	SWEITZER PARK PLAYGROUND
7/9/12	150,000.00	CYPRESS STREET FIELD PLAYGROUND
12/31/10	83,602.94	SNOWDEN PLACE PARK PLAYGROUND
	1,707,331.88	

CITY OF LAUREL CAPITAL IMPROVEMENTS-COMMUNITY CENTERS  
2005-2010 211,480.68 ANDERSON-MURPHY COMMUNITY CENTER  
RENOVATIONS

6/26/13	75,949.00	ANDERSON-MURPHY COMMUNITY CENTER GENERATOR
		ROBERT J. DIPIETRO COMMUNITY CENTER
8/31/12	47,415.00	HVAC REPAIR/REPLACEMENT
2/29/12	26,130.00	ROOF REPAIR
8/10/12	82,953.25	GENERATOR
6/23/13	12,800.00	REPLACE DOORS
	456,727.93	

rev 5/17/2013--sms

# Community Park & Playground Program Open Space Maryland Local Gov't Infrastructure Financing Program

## Appendix 7 – Written Questions from the Task Force the LBGC

On 30 June, the Task Force requested the LBGC to provide written answers to the following questions. The LBGC provided hard copy response of approximately 150 pages at the July 23, 2013 meeting. Please contact the City Administrator's Office to review these documents.

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City of Laurel LBGC Task Force

30 June 2013

Dear Mr. Brown

We appreciate your patience as we continue to work our way through the large amount of excellent documentation you provided the Task Force. We have collected a large number of follow-up questions from members of the task force.

We have the following questions and in order to proceed with the most efficiency we would appreciate your answers in writing. An email response would be most useful before our next meeting at the end of July.

Also please let us know if these questions need to be further clarified. We would be happy to clarify as needed.

Once again, thank you for your patience and support,

G. Rick Wilson  
Chairman

## **General Questions**

G1. Has any current LBGC officer or member of the Board of directors, or members of their immediate families, received any personal financial compensation from any of the Club's partners, vendors, renters, contractors, or any other external entity that the Club has any type of written or unwritten agreement with? If so please provide details.

G2. Are there any known financial issue/concerns that lay ahead that the Club has identified that could reduce income (LBGC line item Support and Revenue) in coming years. Examples are changing demographics, increased insurance, major shifts in local sport programs, etc.

G3. Since the foundation of LBGC, the sports programs have been a major source of revenue for the Club in general. Please list each of the sports programs operated directly by the Club and then provide financial data over the last three years to show if each program is running a deficit or a surplus and by how much.

G4. There are missing pages for each tax return. Why are these pages not included with the tax return and are they available?

G5. Please provide Trial Balances for the last three tax years

G6. Please provide General Ledgers for last 3 tax years

G7. Is there a management letter from the accounting firm?

G8. Who is auditing the 2012 Financials?

G9. Who is responsible in the Club for paying bills? What is the process? Do your checks require 2 signatures to provide checks and balances?

G10. Do you have a purchasing policy (require 3 quotes...)?

G11. M-NCPPC is a separate real estate taxing authority, how/why was the decision made not to charge them for the use of the facility for Summer Playground when they have the resources to pay the Club?

G12. The casino had a licensed commercial kitchen. What happened to those appliances and equipment?

G13. For the last 3 years, please calculate the total actual program costs for each sports program and then divide it among the total children it served in that year.

### **Folder #1**

F1-1. On the Fact Sheet (page 3) is a list of partnerships they are providing space to. There are some not listed in the contract section. The example is Innovative Therapeutic Services, not on any list and not signed by Mr. Brown. Please provide rental agreements or contracts for all LBGC partners using space or facilities.

F1-2. Please also provide the relevant LBGC Board of Directors minutes/summary notes showing/documenting how the Board voted on each current partnership, MOU, or contract agreement.

F1-3. How are rents for groups determined? In the first meeting, 3 different rents for 3 different churches were given and another for St. Mary's. St. Mary's pays rent plus utilities. Do the other tenants pay utilities?

### **Folder #2**

F2-1. Please provide written agreements/contracts/MOU's for any external organization that do not pay a fee to the Club. Also please provide LBGC Board of Directors minutes/summary showing how the Board voted on each current agreement.

### **Folder #4**

F4-1. Why is Spread the Word paying  $\frac{1}{2}$  the contracted amount?

F4-2. Also there are two Bingo deposits, December 2012 and February 2013, but none since Feb. 10, 2013 thru May 2, 2013, Why? If this is correct then in information provided in Folder #6 Bingo has made a profit of \$315. In 4 months.

### **Folder #5**

F5-1. Mr. Brown mentioned he had to decline grants because they needed either matching funds, or fund themselves and be reimbursed. How much cash does LBGC have on hand year to year? I saw financial of \$73K for one year and (\$76K) another year. What is a realistic amount they need to support their plans?

## **Folder #6**

All on P&L Dec1, 2012 thru May 2, 2013

F6-1. What is the Bank Credit of \$40,000 and Bank Rebate of \$72.25 (accts. # 7100 / 7101). No other P&L provided have near this amount.

F6-2. Why are there Boxing expense? Do they pay rent.? Do they also do a program?

F6-3. Question on expense accts. # 7262 Travel and Meals - \$1848. And #7264 Transportation Rental \$490. What is this for?

F6-4. Other professional fee acct. #7540 \$3198. Also what is this?

F6-5. If the bus expense is listed under the Mentoring Program expense (#7260) why and what is the additional in acct. #8200. Please provide the annual cost of the bus over the last 3 years.

P&L YE12

F6-6. Acct. #6572 What is the payroll advance of \$9566?Acct. #8540 Please explain why Staff Development is \$2659 when payroll was only \$8749?

F6-7. Acct.# 6564 Please elaborate, Is it Employee Benefits or pension for \$3200.

F6-8. And under Acct. #8590 what is Other expenses at \$16,455?

F6-9. No detailed information, requested for the Laurel Youth Betterment has been received. The P&L in the folder actually shows some fees that are periodic deposits Metro Basketball. Is that the same as Laurel Youth Betterment?

F6-10. The Profit & Loss Statement from 12/12 thru 5/13 shows you are operating most programs, football, winter basketball, wrestling, mentoring program and the bus at a loss. Shouldn't you at least charge enough fees to cover the cost of operating the sport/program?

F6-11. The following questions are based on review of the DEC2010/NOV2011 Profit/Loss Statement:

**REVENUE**

- 4010 Do you send out a contribution appeal(letter, flier)?
- 4510 What agency (government) grants have you received?
- 4540 Why is the 2010/2011 amount negative
- 4020 2010/2011 amount of \$19,676.60>>what part of the facility was rented?
- 4537 3 lines in Bingo category, but only 2 have a specific description. What is the 3<sup>rd</sup> (2010/2011 \$24,061)
- 4725 What types of fundraisers are included in the "General Fundraising Account"?
- 5800 What Special Events do you have?
- 7000 Please explain Grant Contract Expense

**EXPENSES**

- 6170 Metro Youth Basketball deficit 2010/2011
- 6560 What do the employees do?
- 6563 Do you provide a 401K contribution? (2010/2011 \$701.98)
- 6564 What Non-pension benefits do you provide?
- 6565 What are the other professional services?
  
- 7260 What expenses are included in the Mentoring Program (2010/2011 \$15,350.49)
- 7500 What are the other professional services?
- 8750 What types of purchases are made on the credit card?
- 8751 Who has authorized use of the card?
- 8000 2010/2011 there are 2 lines for "Bingo Payout," what's the difference?

**Folder #7**

F7-1. The Lion's share of grants provided to the Club from 2005 to 2013 are from state, County and the City. How many grants has the Club applied for in the last 3 years? Please provide the results of those requests and if denied why they were denied.

F7-2. Average of State/County help from 2005-2013 averages 70%. From 2008-2010 the Club received a larger share of business and private financial support. Why has that trailed off again?

## **Folder #9**

F9-1. Aged payable report goes back to 2005. Why so many old o/s invoices?

F9-2. Income by category report from 12/12 to 5/13 shows income of bank credit for \$40K. What does this represent? Does the Club have a line of credit it is using?

F9-3. Who is the generic customer that owes \$28,692?

F9-4. Who are the generic vendors?

F9-5. What did you spend at Sam's Club for \$5846?

F9-6. Why hasn't Laurel Youth Betterment filed 990's for 3 consecutive years? GuideStar confirms that your organizations exempt status has been revoked.

F9-7. How can income be verified for Laurel Youth Betterment? Are their standard fees teams pay? How is this fee income recorded at the Boys & Girls Club? Is this also the same entity referred to in the financials as the Metro Youth Basketball?

F9-8. Princeton Day contract appears to have expired. The fee arrangements are that Princeton Day agrees to satisfy school and utilities for which it is separately metered. In exchange LBGC and Princeton agrees to the entrance fee split. Why is the LBGC involved in setting the fee structure of the Academy? How much of the fees does the LBGC get? Do you have evidence that the utilities they were required to pay are current?

F9-9. How many separate utility bills does the Club receive? Which of those bills are party of the payment agreement with the utility company for past due amounts?

F9-10. What is the fee arrangement for the Lady Ballers Fall Basketball League? Is there a contract?

F9-11. Do you charge a fee to any of the 20 (PO) Partner Owned Participant Groups that don't have a contract?

## Appendix 8 – Meeting Minutes

## **Laurel Boys and Girls Club Financial and Operational Review Task Force**

### **Meeting Minutes for April 23, 2013**

Members in Attendance: The Honorable G. Rick Wilson, The Honorable Robert J. DiPietro, Ms. Monique Holland, Mr. Lionel Francis, Ms. Gloria Arnold, Mr. Craig Frederick, Mr. Marcellus Shepard, Ms. Mickey Fink, The Honorable Michael Sarich, and Mr. Adrian Rousseau.

Members not in Attendance: Mr. Kenneth Taylor

The Meeting was called to order at 7:00p.m. by Chairman Rick Wilson.

#### **INTRODUCTION**

The Meeting began with a welcome to all by Chairman Rick Wilson. Each member was asked to introduce themselves and describe their interest in and connection to the Laurel Boys and Girls Club and the City of Laurel.

Chairman Wilson acknowledged the Executive Assistant to the Chair, Mr. Frank Anastasio who was not in attendance. Mr. Anastasio will assist the Task Force in formulating their final report and recommendations to the Mayor.

Chairman Wilson thanked everyone for their time and stated that the Task Force's purpose was to be a fact finding body to provide a final report to the Mayor by July 1 with recommendations for the future of the Laurel Boys and Girls Club as it currently operates.

Chairman Wilson made a motion to conduct the business of the Task Force under Roberts Rules of Order. This motion was seconded. Discussion was made to establish the number of members needed to have a quorum. A motion was made to set the quorum at 8. This motion was seconded.

Chairman Wilson again expressed his desire to have all business conducted in an orderly fashion. He stated that a motion to vote could be made by any member of the Task Force.

#### **AGENDA**

The meeting continued with a discussion of the Agenda as presented to the Task Force. Each meeting date would have a designated topic that would be reviewed. Each meeting date would end with a Public Hearing from 8:30-9:00p.m. The final meeting would act as a Work Session to review all facts and vote on findings. Minority opinions would be accepted.

The Chairman asked for questions or comments. A time correction for the public hearing was made for the meeting on May 7.

All meetings are open to the Public. A suggestion was made to allow ideas from the public not brought up during the meetings to be available to the Task Force. This suggestion was found agreeable to the members of the Task Force and as such, ideas and suggestions can be dropped off at the Laurel Boys and Girls Club, the Department of Parks and Recreation or can be emailed to any member. Comments can be anonymous, however Chairman Wilson felt they would carry more weight if they were not. Ideas would then be discussed at the following meeting.

A motion was made to adopt the Agenda as presented.

Chairman Wilson opened the floor for questions or statements.

### **THE LBGC: AN OVERVIEW**

The Meeting proceeded and the floor was turned over to Mr. Levet Brown for an overview of the Laurel Boys and Girls Club as it currently operates.

Mr. Levet Brown resides at 7114 Old Sandy Spring Rd. Laurel Md. He has been President of the Club since 2005. He became involved the Club in 2004 to write grants. He had experience in Boys and Girls Clubs all over the country and spent his youth in Washington D.C. and was involved in a Boys and Girls Club there. He found the condition of the Laurel Boys and Girls Club very disappointing at the time that he became involved. In 2005 he asked for a Task Force to examine the Condition of the Club. He began to look into programs and financing.

After attending his first Board Meeting, there was a change of Board Members and the Executive Director was fired. The responsibilities of the Director were then transferred to him.

Mr. Brown stated that the Mission of the Club is to Partnership with the Community.

A discussion of the makeup of the Board of Directors ensued. The Board of Directors is made up of nine (9) members but can be expanded to twelve (12). The Board meets quarterly, sometimes monthly. There is also an Advisory Board for Programs.

The programs listed by Mr. Brown are considered by the Club to be participants in the Club. At the present time Mr. Brown stated that there are no members of the Club. A lengthy discussion ensued to provide the Task Force with an understanding of what the Club considered a participant and how they defined a partnership. As stated, anyone who benefits from the Club is a Participant, not a Member. Any organization that uses the Club facility is a community Partner. A list of Participants and Partners has been provided in the documents designated "Services Provided".

At the present time there are 1193 participants in the Laurel Boys and Girls Club. These participants are registered for athletic programs.

The discussion continued to determine the distinction between members and participants. There are currently no members of the Club. Memberships ended in 2004 when Mr. Brown became involved with the Club. All involved with the Club are Participants or Partners. Everyone who uses the Club or benefits from the Club is a Participant.

Discussion continued on the Facility use of the Club. Some organizations pay for use, some do not. St. Mary of the Mills School pays rent and utilities for the use of the Phelps Center. New Life Church, Crossway Church, and Spread the Word each pay a monthly rent. The Boy Scouts of Laurel, Girl Scouts and social programs do not pay to use the facility. If an organization expresses a need for space it is granted.

The Club currently offers a Football Program, Basketball Program, Soccer Program, Wrestling, Boxing, and Cheerleading. All sports are Coed. Fees for registration are paid to the Club and then paid to the County for County run programs. Football, Soccer and Cheerleading cost \$75.00. The Club gives the County \$30 and the Club keeps \$45.00 to defray cost of uniforms and equipment. Volunteers run the programs.

Chairman Wilson requested a short break at 8:00p.m.

The Meeting was called back to order at 8:10p.m.

The floor was again opened to Mr. Levet Brown.

A discussion continued about the Programs, Participants, and Partners of the Club. All are listed in the Documents under "Services Provided".

Chairman Wilson requested a listing of participants and where their addresses are located. This breakdown will be provided to the members for public record. The request was for an annotated list of participants as to their facility use, rental status, programs and sports participation.

Club programs serve ages 5-18. The Club will often accept 4yr. olds in programs if the need arises.

Mr. Brown's overview was brought to a close.

Chairman Wilson invited the committee to ask questions.

An inquiry was made as to who the Executive Director of the Prince Georges County Boys and Girls Club was. Mr. Brown answered that Calvin Massey was the Director.

Clarification was requested about whether the Laurel Boys and Girls Club was a member of the Boys and Girls Clubs of America. It is not. It is an independent Boys and Girls Club. All the Clubs in Prince Georges County are independent.

Mr. Brown was thanked for his information.

## **PUBLIC HEARING**

At 8:45 p.m. Chairman Rick Wilson opened the Public Hearing for anyone who wanted to speak about the Club.

Mr. Thomas Matthews of 15016 Laureland Place, Laurel, MD 20707 spoke in favor of the Club and of growing up in the Club and encouraged the Task Force to please remember the kids when making their final recommendations.

Mr. Dennis Harrison of 10000 Goose Pond Ct., Laurel, MD 20708 spoke of having children involved in the Club and also of feeling encouraged that the Club may be moving forward. He acknowledged the hard work and time that Levet Brown and Adrian Rousseau have invested in the Club. He urged the Task Force to give the Laurel Boys and Girls Club a chance.

Mr. Robert Crawford of 8302 Green Grass Rd. Laurel, MD 20724 spoke in support of the Club and how much it helps the youth. It is still a great service to the community and could be a great facility.

Mr. Miguel Lambert of 17021 Melbourne Dr. Laurel, MD 20707 spoke of having 4 & 6 year old children who are participants in the Club. He feels they have good programs and provide services to people who otherwise would not be able to afford them.

Chairman Wilson thanked everyone. He again thanked Mr. Brown for his overview.

A motion was made to adjourn.

The meeting was adjourned at 8:55p.m.

Respectfully Submitted,

Jennifer Carmen

## **Laurel Boys and Girls Club Financial and Operational Review Task Force**

### **Meeting Minutes for April 30, 2013**

Members in Attendance: The Honorable G. Rick Wilson, The Honorable Robert J. DiPietro, Ms. Monique Holland, Mr. Lionel Francis, Ms. Gloria Arnold, Mr. Craig Frederick, Mr. Marcellus Shepard, Ms. Mickey Fink, and Mr. Adrian Rousseau.

Members not in Attendance: The Honorable Michael Sarich.

The Meeting was called to order at 7:00p.m. by Chairman Rick Wilson. The Minutes from the April 23 meeting were distributed and a decision was made to vote on the approval of the Minutes at the next meeting. This would be the procedure for approving the Minutes for each upcoming meeting.

The floor was opened for any business from the previous meeting.

Chairman Wilson introduced Frank Anastasio who would be assisting in the Task Force's final report to the Mayor.

Chairman Wilson thanked the staff for all the work done in between the meetings and stated the goals for meeting.

#### **AGENDA TOPICS**

This meeting would include presentations from Laurel area Community based youth programs. Each organization would be giving information on their programs, participants, fee structures and organizational makeup.

Also planned for this meeting would be information from the City's Finance Director about the City's finances as they relate to the Boys and Girls Club.

#### **PRESENTATIONS FROM COMMUNITY ORGANIZATIONS**

Mr. Steve Haversack of the Greater Laurel United Soccer Club was invited to the Podium.

Mr. Haversack stated that the mission of his organization was to provide a home for young men and women interested in Soccer. The GLUSC provides Spring and Fall Soccer leagues, camps and indoor soccer programs. GLUSC also provides training for the Coaches and referees involved with the Organization.

Membership in the organization is diverse. There are approximately 850 members. A member is considered to be someone who has been registered since the inception of the Club and has played in at least one season per year. If they play in both the spring and fall

season they are only counted once in the membership numbers. Membership ends when there has been no registration for three seasons.(Spring or Fall).

The organization is funded 100% by Registration fees. Included in the registration fees are uniforms, referee fees, and league fees.

Registration fees can be as low as \$80.00 per child for leagues. There is an early registration fee of \$80.00, regular registration fee of \$100.00 and a late registration fee of \$125.00. There are eight games per season. The organization uses school fields, county fields and school gyms.

Camps provided by GLUSC are 25% cheaper than other Soccer Clubs. For example, a one-week 9 to 5 camp is \$200.00 while other Soccer Clubs charge \$250.00.

No child is ever turned away because they cannot afford registration fees.

GLUSC is a 501C3 tax exempt Non Profit Organization. It has an incorporated Board of Directors. The Board is made up of 4 people. Any changes to the organization are brought before the Board to be discussed. There is no voting. It is an informal discussion process.

GLUSC does provide some indoor skills training with paid instructors. Instructors are paid from registration fees. The Martin Luther King Middle School gym is used.

Leagues are intramural by age group. Depending on the number of players registered, teams may play against other Soccer Organizations. GLUSC cannot play in Prince Georges County leagues because they allow children from other counties to register with their organization.

Coach Beth Douglas Perrine of the Unity Thunder Cheerleading and Football program was invited to the Podium.

Unity Thunder is a 501C3 Non Profit Organization. They serve children from 5-17 years of age. Their mission is to help develop civic minded, healthy and respectful young people to prepare them for life as well as athletics. They strive to provide life lessons through athletics. The organization offers Football, Cheerleading, Poms and Basketball. The Organization serves children from Prince Georges , Howard , Montgomery and Anne Arundel Counties. 62% of the Participants of the Cheerleading program are from Laurel. Fields and facilities are provided by MNCPP-C, The City of Laurel, Silver Spring Boys and Girls Club and Scotchtown Hills Elementary School. Local schools involved in the program are Laurel High School, Meade High School, and Paint Branch High School.

The football program participates in the Greater Metropolitan Football League.

The Organization provides academic monitoring and tutoring. Participants must maintain a grade point average of 2.7. When help is needed there is tutoring available by community teachers.

Each participant is required to be involved in Community Service and fundraising. The funding strategy for the Organization is to try not to charge too much. Keep fees competitive and there is a tier level to provide discounts with families that have multiple children in the program.

- 50-60% of the Operating Costs are from Registrations
- 30% is from fundraising
- 10% is from Sponsors and Donors-participating in Community Events generally results in sponsorships and Donations.

30-40% of the Football Registration fees are paid to Greater Metropolitan Football League for League fees(referees, insurance etc.)

Travel expenses are paid from fundraising, parents and sponsors.

Camps are funded through registration and are held at local universities.

Free Clinics and training are offered for Football, Cheerleading, teambuilding and Coaching.

Coaches have Safety certification, CPR, First Aid and concussion training.

The Organization has a 10 member Board of Directors that is very active in every sport.

Organization membership is based on registration. Two consecutive season registration constitutes a member. Currently there are 620 members, 310 of which are active.

Membership numbers are for Football and Cheerleading only.

There is an early, regular and late registration structure.

Football is \$100.00, Cheerleading is dependent upon age; \$75.00(no competitions), \$100.00, \$125.00, and \$150.00. Basketball and Flag Football are \$75.00.

In response to a question from Mr. Rousseau, Ms. Douglas-Perrine explained that she was formerly a commissioner for the cheerleading program at the Laurel Boys and Girls Club. She served as commissioner for seven years. Mr. Rousseau inquired about any changes that were made to the program in the way it is run now through Unity Thunder. Ms. Douglas-Perrine replied that the program is run basically the same, however the financial support is different and better and the Board of Directors are much more involved in every sport. There is much more accountability to the Board of Directors.

Unity Thunder has no facility. Weigh ins are at the fields and a storage unit houses the equipment.

Eileen Vitaliti was invited to the podium to speak for St. Mary of the Mills CYO.

St. Mary's CYO offers faith based programs for the youth membership of the Church.

There are 120 participants for programs in Softball, Basketball and new to the program, volleyball and rugby. Participants are in grades from 3-8.

Each player pays \$95.00 for registration.

Registration fees make up 80% of the operating costs. St. Mary's pays the remaining 20%. League fees are paid by the Parish.

CYO uses The Armory and McCullough Field as well as Scotchtown Hills Elementary school.

The Organization is incorporated through the Church. Membership is on a yearly basis. There are 120 members across all sports.

Ms. Anita Lolin, incoming President of the Laurel Hurricanes, Inc. was invited to the podium.

Ms. Lolin served five years on the Board of Directors before becoming president of the Organization.

The Laurel Hurricane's mission is to help children become well rounded individuals. It is an all volunteer organization.

The Laurel Hurricanes provide Football and Competitive Cheerleading programs for Laurel area youth. Participants must have a Laurel address to register.

The Laurel Hurricanes are a member of Pop Warner Football. They can only accept participants from the area designated to them by Pop Warner.

Practice fields are located at Scotchtown Hills, Laurel, and Deerfield Run Elementary Schools. The fields at Martin Luther King Middle School are also used. Cypress Street Athletic Field is the home field for all games. The Laurel Armory is used for Cheerleading.

The program is very heavy on volunteers and fundraising.

Academics are stressed and tutoring is offered during the season.

There are 300 members including participants and volunteers. There are approximately 160 children between the Football and Cheerleading program.

Registration fees are \$99.00 for the advantage price which is early registration. Regular fees are \$125.00. There is a \$15.00 City of Laurel resident discount. Registration fees include uniform and head to toe equipment.

There is a Banquet at the end of the season for the entire program and all sponsors.

The Organization has a 9 member Board of Directors. Members have to be voted onto the Board.

A question was raised by Mr. Rousseau as to whether children are turned away if not from Laurel. Ms. Lolin replied that yes they would turn a child away and refer them to their area organization. It is a Pop Warner rule that all participants must come from the organization's designated area.

Mr. John Livas, former president of the Laurel Hurricanes approached the podium. He further explained that yes they would refuse to register a child that was not from the required area. If they registered an ineligible child and it was brought to Pop Warner's attention the team would become ineligible and the rest of the program would suffer. Therefore, the Laurel Hurricanes would not risk it.

Mr. Livas explained the resources received from the City of Laurel.

A question was asked from Mr. Frederick as to whether the Hurricanes received funding from the City of Laurel. Mr. Livas replied that no actual funds were provided by the City. However, he considers lights and Fields and facility use as funds since it was money they were not required to spend. Payment for fields and facilities are a percentage of the registration fees in accordance with the City of Laurels Youth Sports Policy.

The Hurricanes do use the Mayor's Voucher program for registration for City residents that need financial assistance.

The Hurricanes also are involved in giving back to the Community. The Membership participates each year in the Patuxent Riverkeepers cleanup at Riverfront Park.

Ms. Jacqueline Murray, Facility Director for Deerfield Run Community Center approached the podium to speak about programs offered by MNCPPC in the South Laurel area.

Recreational and Educational programs are available. The aftercare program has 95 children that participate. There is Day Camp, Football and Teen Night programs. They also partner with the South Laurel Recreation Council and the West Laurel Recreation Council.

Membership to the Community Center for youth ages 6-17 years is free for Prince Georges County residents. Adults pay a fee to use the Center. Prince Georges County residents pay a lower fee.

Programs are funded by fees charged and by county taxes. Facilities and maintenance are funded by Prince Georges County.

The Summer Playground program that uses area schools is 6 weeks of day camp for \$40.00. Last year the LBGC was used as a location for this program.

Kevin Stroud of Laurel Little League approached the Podium to speak. Laurel Little League is a 501C3 Non Profit and is a Member of Little League International. They serve youth ages 4-18. The majority of the participants are 12 years and younger.

The league provides recreational baseball for the Laurel area.

Laurel Little League was formed in 1995 and Mr. Stroud has been involved for the last 8 years. Registration has had its ups and downs, from 400 participants to sometime only 100.

When LBGC ceased providing Baseball, Laurel Little League took over its members.

Laurel Little League has a 7 member Board of Directors. It is a completely volunteer organization. All coaches and umpires are volunteers. This is to help keep costs down. No child is turned away because of financial need. Little League is similar to Pop Warner in that it has a designated area from which to draw players. Laurel Little League is in District 4.

Fees range from \$80.00 to \$125.00 according to age. Uniforms are provided. Uniforms are new each year. A storage unit is used for storing equipment through the year.

Laurel Little League uses Prince Georges County fields as well as Cypress Street Athletic Field and Turney Field. Fees are paid to the City for use of the fields.

Clinics are sometimes offered with paid instructors. Payment to instructors is made using registration fees.

The American Legion field is the home field and the concession stand there is used during games.

Only one fundraiser a year is allowed. This year is was Bingo at the American Legion Hall.

This year's participants number about 450-550.

Joanne Barr, Deputy Director of Parks and Recreation for the City of Laurel approached the Podium.

Ms. Barr was to speak about the programs offered by the Department of Parks and Recreation.

Programs are offered for ages 0-Seniors. There are classes and workshops for youth and adults. There is a Day camp program that offers half day sessions for 3-6 year olds and full day sessions for 6-14 year olds. The Day camp program also offers opportunities for Counselor in training service hours.

Memberships are purchased for one year. Youth membership for residents is \$10.00 per year. This pass allows youths to participate in drop in programs at the Robert J. DiPietro Community Center and the Laurel Armory. It also allows youths to participate in the Teen Center Program and Middle School Madness program.

A participant is someone who participates in a specific program. A member is someone who buys a membership for repeated use throughout the year.

The City partners with other organizations. The Laurel Museum offers programs for our Camps and the City provides them with facility use for their camps. The C Street Gallery has provided art work to City facilities and the City has provided rehearsal space to area theatre groups.

The City will also be hosting a youth talent showcase this summer.

The City's Daycamp and Preschool are state licensed. The City does not have an inclusion program, but does work with other agencies to help anyone with special needs get help.

The City does offer scholarships and the Mayors voucher program. Scholarships can be from a 25% discount to a 100% discount depending on need. A voucher can be up to \$100.00 towards the cost of an area programs. Vouchers can be applied for four times a year.

The City does not offer youth sports because of all the other organizations that do offer them.

The Department also has Special Events; some are free to all, some have a fee.

Instructors for classes set fees. The Department assigns fees to programs by checking with other agencies and comparing like programs. There is a Resident and Non Resident rate.

The Department is funded by Fees and City taxes. Grants received by the county are used for programs only, not staffing or office supplies.

Classes have participants. Members have a card for repeated usage ie; fitness room, pool, youth and teen drop in and the Dog Park.

Mr. Rousseau asked how the time for youth and teen drop in was decided. Gym availability and School dismissal times are deciding factors in drop in times. Drop in is also divided into two age groups to allow for safety and equal playing time.

The need for facility space is growing. This was why the City developed the Youth sports policy to allow the City to accommodate area organizations. Money received from the organizations is put back into field and facility upkeep.

Would the City be able to continue to accommodate the growth of the organizations? Ms. Barr replied that there was no real answer. It depends on the need each year.

Organizations can also reach out to other resources such as schools and the County for field and facility use.

Is field use first come first serve? Those organizations that are partners with the City get preference the next year. Whatever is left available is then opened up to other organizations on a first come first serve basis.

#### PUBLIC HEARING

Derrick Chappelle of 902A Park Avenue, Laurel, MD 20707 approached the podium. Mr. Chappelle is the incoming Commissioner for the Laurel Boys and Girls Club Football Wildcats.

The LBGC Football program has 275 players. They use USA Football training which involves the NFL and provides a bridge between youth football and NFL training.

The LBGC determines teams by age and not weight. This does away with the stress of making the weight cut off. The Club did away with weight limits 3 years ago.

Fees for football are \$75.00. All equipment is included.

Fundraising is a part of the program. They recently had a carwash.

The Club seeks to serve all youth. Provides fundamental camps to teach football skills and to have fun. The camp runs May through July 13 and is \$100.00.

A question was asked of Mr. Chapelle as to whether the fee structure should be looked into to determine if fees should be raised. Mr. Chapelle replied that the fees need to remain low to serve participants and to allow kids to stay in the program.

The Board of Directors is 24 members. 12 Members are for the football program. All meeting minutes and records of meetings go to the LBGC Board of Directors.

All funds received by fundraising go into the general fund to be used for all expenses of the Club.

Mr. Chapelle was asked if the fact that fundraising funds go into the general fund bother anyone. Mr. Chapelle replied that most kids play all sports, so the general fund benefits them.

Next up to speak was Mr. Levet Brown of 7114 Old Sandy Spring Rd. Mr. Brown is an 18 year resident of Laurel.

When Mr. Brown became involved with the LBGC a partnership existed between the Club and the City. Many of the youth programs represented tonight came through the Club.

Recreation Centers and Boys and Girls Clubs are everywhere and are needed. Afterschool programs are necessary.

Chairman Rick Wilson brought the public hearing to a close. He thanked everyone for their information and all the hard work and dedication.

The meeting was adjourned at 9:05p.m.

The next meeting will be May 7.

Respectfully submitted,

Jennifer Carmen

## **Laurel Boys and Girls Club Financial and Operational Review Task Force**

### **Meeting Minutes for May 7, 2013**

Members in Attendance: The Honorable G. Rick Wilson, The Honorable Robert J. DiPietro, Ms. Monique Holland, Mr. Lionel Francis, Ms. Gloria Arnold, Mr. Craig Frederick, Ms. Mickey Fink, Mr. Ken Taylor, The Honorable Micheal Sarich, and Mr. Adrian Rousseau.

Members not in Attendance: Mr. Marcellus Shepard.

The meeting was called to order at 7:05p.m.

Mr. Levet Brown was invited to the podium. Mr. Brown invited Mr. Michael Sarich to explain the operations of the Club.

Mr. Sarich explained that the Club had regular Board Meetings. The meetings abided by Roberts Rules. There is a roll call for Board Members and the meetings are fairly informal. Minutes are taken and the Minutes are voted on and approved. Any groups wishing to use the facility are invited to the meetings.

There are committees and everyone on the Board is required to be on a committee. There is also an Advisory Board. Any organization using the Club must have a representative on the Advisory Board.

Board of Director members are elected every two years. Emails are sent out announcing the elections and asking for nominations. It is very hard to get people to be on the Board of Directors. It is a big commitment and people are not interested in being involved.

#### **FINANCIAL INFORMATION**

File number 7 of the financial information folders provided by the Laurel Boys and Girls Club was examined. This file included audit and tax information from 2005 through 2011.

The Laurel Boys and Girls Club fiscal year begins in November.

An inquiry was made as to whether the Club was audited this year. Mr. Brown replied the Club is audited every year. This is required for every 501C3 organization. The 2011 tax return was not included and was inquired about. The filing of the tax return is six months behind each year because of the November start of the fiscal year. Also it is very common to file for an extension .

The tax forms each year show a loss for the year. This is caused by the depreciation of the building.

Mr. Brown was questioned on the “unrestricted net assets” listed. He responded that this was money that was able to be used in any way.

Mr. Brown indicated that the 2010 registration fees totaled \$110,000.00 but that programs leaving the Club had hurt registration fee totals. Registration fees are not a profit for the Club.

Grants and Contracts are the way to get money for the Organization.

Mr. Brown provided documents to the committee that contained financial information on other Boys and Girls Clubs for comparison.

Grants and Contributions from United Way, and Spirit State Monies Bonds etc. are listed on the 990 form.

Other funds for the Club come from rental income of The Phelps Center. Bingo fundraisers also provide funding.

Use of county fields can be claimed as “inkind services”. This means that even though the Club does not pay for the fields, the money that they would have to pay can be claimed as income. Staffing time cannot be claimed as income as they are volunteers and volunteer time does not count; use of McCullough Field cannot be claimed because the City does not charge the Club for use of the field in accordance with the agreement the City has with the Club.

All this information helps with acquiring grants. Grantors want to see operational costs.

Mr. Frederick asked about the agreement the City has with the Club concerning McCullough Field.

Mr. Brown explained that the Club had first right of refusal to use McCullough Field for its programs in exchange for ownership of the field. Mr. Frederick inquired about compensation from the City for the field. The City provided the Club with funds to replace the HVAC system in the gym.

Mr. Rousseau stated that Mr. Brown decided to accept the terms from the City and that he had disagreed with the decision. He does not consider the compensation to be the true value of the field.

Mr. Brown replied that the funds were needed for the gym and were appreciated.

At the time the Club was under intense pressure to settle with the City.

The Task Force asked to see the written agreement between the City and the Boys and Girls Club.

Information on the outstanding mortgage on the Laurel Boys and Girls Club building was requested. Since the building was purchased in 2002 for \$1 the committee wanted

information on the need for a mortgage. Mr. Brown replied that the money from the mortgage is used to pay the bills for the Club. They use the value of the building to have funds for the organization.

The mortgage, as well a loan for the bus the Club uses was secured.

Mr. Brown was asked about the policy of mortgaging an asset. Mr. Brown replied that the Board of Director voted to take this course of action.

The total amount of the mortgage and bus loan was \$243,000.00. The money has been expended and is being paid off at the present time.

Discussion of registration fees ensued and Mr. Brown again stated that registration fees do not cover expenses of the programs.

Operating costs include utilities, maintenance etc.

Program costs are referees, uniform, equipment and tournaments.

Mr. Brown works to obtain grants to run the Club. Many Capital Grants are available, however the organization must come up with the matching funds. This is impossible in the time frame provided by the grants.

Groups that use the Club for their programs do not pay. Programs use their own staff and charge a registration fee for the class.

Mr. Shepard texted a question to Mr. Wilson about the use of the bus. Mr. Brown replied that the bus was used for trips.

Returning to the discussion of the groups using the Club, Mr. Brown replied that these groups were also 501C3 organizations. These groups come into the Club and build up their business and then move on.

Mr. Rousseau responded that previous funding of the Club was provided by the casino operations at the Club. The Club did not need money when it had the casinos. However, the Casinos ended in 1994.

Mr. Brown added that there are no records from 1994-2004. There is no documentation.

Discussion continued about tax issues with the Club. The City of Laurel rebates property taxes. Mr. Wilson noted that as a County program the County was taxing the Club.

The taxes were showing as unrelated income, which would be revenue from other sources not related to the mission of the organization. These revenues can be taxed.

Mr. DiPietro stated that he had information that the property would be up for a tax sale the following Monday. Mr. Brown replied that this was incorrect information. Mr. DiPietro worked to access the information needed about the tax sale.

The financial information discussion continued to include the Bingo program which had only made a profit one year in the last four. A question was asked as to why they would continue a program that was losing money. Mr. Brown replied that the program had a long history with the Club and that he did not want to be the one to end it. Also, some changes had been made to the program and it had improved and they were looking for it to be profitable again.

The question of a Vendor settlement where the Club was named in a lawsuit was discussed. The settlement occurred in 2012.

Mr. Brown explained the situation as the football commissioner overstepping his authority and using an unauthorized vendor to order uniforms. The Commissioner was under the impression that a donor was to pay for the uniforms, but this did not happen which left the Club responsible for the bill.

The uniforms could not be returned because they had been used. Mr. Brown and Mr. Rousseau were unaware of the order because it had not been made using the proper procedure. By the time that they were aware of the problem it was too late to return the uniforms. The Club had to pay a settled amount.

The current policy requires that the Board of Directors approve any vendor.

Mr. Frederick asked why the Club was not aware of the new uniforms or about the possibility that they were being donated. Mr. Rousseau replied that the Commissioner was in charge of the football program and he had not used proper procedures so they were unaware that the purchase had been made.

Mr. DiPietro provided the information about the upcoming tax sale of the building. There were taxes that were in arrears in excess of \$24,000. It was to be posted for sale Monday, May 13. Mr. Brown replied that there was a letter that was sent to the County each year to ask for a reduction of the taxes. He would provide the Committee with a copy of the letter.

Operating expenses for the Club are approximately \$110,000.00. This includes \$70,000.00 for utilities and the rest for payments of bank loans, taxes, insurance, phone bills and Administrative Staff. The Club has commercial liability insurance through the County and also an extra policy for about \$2850.00 per year.

Any organization that uses the Club must provide a Certificate of Insurance.

Community Service volunteers are used for maintenance.

Financial backing is needed for all the programs. Over 6,000 people are served by the Club.

Mr. Brown noted that other Organizations were applauded for providing services to those outside of the City while the Club had been chastised for the same thing. Mr. Wilson reminded Mr. Brown that those organizations were not asking for money from the City.

Ms. Holland asked Mr. Brown if there had been any due diligence about handling operation and maintenance costs when the Building was taken over by the Club. The City had decided against buying the building because of the amount of renovation required and had advised the Club not to accept the building.

Again, what were the discussions about future costs of maintaining the building?

Mr. DiPietro reiterated that the City had refused to take over the building for years and years because of its condition.

A heated discussion ensued between Mr. DiPietro and Mr. Brown about timelines and dates involving meetings about the building with Mayor Casula and St. Mary's Church.

Mr. Rousseau asked that the question of funding for the Laurel Boys and Girls Club be up for a referendum in the next election. The question should be asked of City Residents if they would be willing to have their taxes raised to fund the Laurel Boys and Girls Club.

Mr. Wilson called the meeting to a close at 8:30p.m.

Ms. Kristie Mills did note for the record that Mr. Brown had met with Mayor Casula prior to April, 1999.

Mr. Thomas Matthews of 15016 Laureland Place, Laurel MD 20707 approached the podium to speak. He commended Mr. Brown for his service and stated that he felt some Task Force questions were unnecessary. Mr. Wilson replied that the goal of the Task Force was fact finding and that required questioning the information provided. Mr. Matthews replied that he felt that some of the questions were outside the bounds of the committee and that this was not what the Mayor had intended.

Respectfully submitted,

Jennifer Carmen

Laurel Boys and Girls Club Financial and Operational Review Task Force

Meeting Minutes for May 28, 2013

Members in Attendance: The Honorable G. Rick Wilson, The Honorable Robert J. DiPietro, Ms. Monique Holland, Mr. Lionel Francis, Ms. Gloria Arnold, Mr. Craig Frederick, Ms. Mickey Fink, The Honorable Michael Sarich, and Mr. Adrian Rousseau.

Members not in Attendance: Mr. Marcellus Shepard, Mr. Ken Taylor.

The meeting was called to order at 7:00p.m.

Roll call was completed and a motion was made to approve the Minutes for the April 23 meeting. The motion was seconded and the Minutes were approved. The Minutes for the April 30<sup>th</sup> and May 7<sup>th</sup> meeting will be up for approval at the June 4<sup>th</sup> meeting.

Chairman Wilson asked the Committee for any questions or unfinished business from the previous meeting.

The Agenda item for this meeting is a discussion of the facility that houses the Laurel Boys and Girls Club.

Chairman Wilson thanked Mr. Brown for his hard work providing information. He encouraged everyone to walk through the building. Let Mr. Brown or Mr. Rousseau know when you would like a tour.

Mr. Brown was invited to the podium to speak about the facility. The building is located at 701/705 Montgomery St., Laurel, Md. 20707. It is comprised of one building and a separate Annex. The original building was built around 1900. The gymnasium was built in 1954; the Phelps Center was built in 1958. The building sits on 3.5 acres and McCullough Field is 7.7 acres. The original building was the first public High School built in Prince Georges County. The center part of the building is the original high school, this is the part that is on the National Historical Registry.

Mr. Brown states that when he first came to the Laurel Boys and Girls Club he was amazed that the building was in such poor condition. He immediately started closing down areas of the building because of safety concerns. The first area he closed down was the day care center, Tiny Town, that operated in the building. Mr. Brown felt that even though Tiny Town was licensed by the state and had passed all its inspections, it was not safe for children. His decision to close Tiny Town made many of the parents angry.

Mr. Rousseau stated that he was one of the parents that was initially angry, but that he came to understand that it was the right decision for the safety and wellbeing of the children.

Mr. Brown said he continued to put unsafe areas of the building off limits. Also, some of the bathrooms were in terrible condition and unusable.

Next, Mr. Brown said he took a survey from the Members/Participants about what needed to be repaired on the building.

A structural inspection of the building was also done.

The inspection that the City did when offered the building by the County resulted in an estimated \$3.5 million cost for repairs.

The inspection that the Club had done by structural engineers in 2004 showed that the building was sound, it just needed work. The inspection report was an extensive document showing the repairs that were needed.

An appraisal that was done on the building was returned with a \$2.1 million value for the building. The appraisal value would be voided if any environmental issues were found that needed to be rectified.

Chairman Wilson asked Mr. Brown about the challenges of maintaining a Historic building.

Mr. Brown responded that maintenance was taken care of by volunteers from the Court system that were performing their community service.

The renovations to the building are considered Capital Improvements and are funded by grants.

Centerline Architecture is the contractor used most by the Club for Capital Improvements.

Improvements to the historic portion of the building using state money must be approved by the Maryland Historical Trust. This can hinder planned improvements. For example, the windows cannot be replaced, they must be repaired which at this point is not possible.

Debate continued on the actual value of the building. The appraisal amount is modified by the renovation costs which results in a net loss for the value of the building.

Appraisal values are subject to Capital costs.

Mr. Sarich stated that the value of the building is the services that come out of the building.

Mr. Rousseau agreed and stated that it was unfair to say that the building is not worth the appraisal amount.

Chairman Wilson stressed that the Task Force was trying to see the worth of the building. Was it worth putting money in to.

Ms. Holland inquired about a list of repairs that needed to be completed. Was this included in the Strategic Plan.

Mr. Brown stressed that the building serves its purpose.

Chairman Wilson asked if the building was viable.

Mr. Brown responded that the building is better off today than yesterday.

Ms. Arnold added that as a homeowner in the Historic District of Laurel she understands that repairs or improvements have to be approved. She inquired if the grant money received can be used on the entire building or just the Historic section.

Mr. Brown replied that grants are for specific improvements or repairs.

The money comes from State Bond bills and Community Development grants.

Mr. DiPietro responded that some of these grants come from the Appropriations Committee. This money is Legislative handouts that do not have anything to do with the building being a Historical building.

Money from bond bills for historical buildings are attached to a lien against the building to make sure the money is used properly.

When asking for money from the Maryland Historic Trust, the intended project must be approved. If it is not that money cannot be used unless another project is submitted and approved.

Owning a Historic building adds challenges to the repair process.

For instance, the windows at the Laurel Armory cannot be replaced. They must be repaired. They will be removed, stripped and reglazed. They will then be replaced and repairs made to the walls surrounding the windows. This project had to be approved by the Maryland Historic Trust in order for the City to receive grant money to pay for the project.

The only part of the LBGC building that is on the National Historic Registry is the middle section. The two wings are only subject to the Laurel Historic Commission guidelines.

Mr. Rousseau inquired if the City had ever thought of letting the Laurel Armory go since the cost and challenge of upkeep was so high.

Ms. Holland inquired if there was a plan to handle the repairs when the Club acquired the building. Was the plan always to have the State, City etc. pay for repairs?

Chairman Wilson indicated that he instructed that the Master Plan be emailed to Task Force Members.

An overview of improvements and repairs was requested by Ms. Holland.

Chairman Wilson asked for a 5 minute break from 8:00 until 8:05.

Mr. Brown was invited back to the podium to begin again.

The Strategic Plans shows the following planned improvements:

- Energy efficient windows-not able to do because of the historic nature of the building
- Air Conditioning throughout the entire building-accomplished
- Security system installed-just received another grant to upgrade the system
- Exterior doors installed
- Two main bathrooms renovated
- Three classrooms being renovated-bathrooms still need to be done
- Replaced gym floor
- Replaced electrical panels
- Replaced roof in the gym

Repairs that still needed to be accomplished are:

- Replacing cornice on roof-will require entire roof to be replaced
- The Boxing area needs total renovation
- Building needs to be made handicap accessible-this will be a \$75,000.00 project
- The kitchen has some Health Department required upgrades pending-the Club has a \$63,000.00 grant for these upgrades

Chairman Wilson inquired about a water issue that the appraisal had brought to light. This problem had been taken care of.

The Strategic Plan is scheduled to be revisited in 2014.

Ms. Arnold asked if in the event that all repairs were made to the building, was there a plan or budget for maintaining the building going forward.

Mr. Brown required that he had no idea what that budget would be.

Mr. Brown was asked if the Club was prepared to pay the balloon payment due in 2015. He replied that they had had no problems in the past in taking care of the payments.

Mr. Sarich commented that the building and the programs are worth the money needed to maintain the building.

Ms. Fink inquired about a time frame for completion of needed repairs.

Mr. Brown considers the windows to be the major repair needed. He does not feel that it will be done. He does feel that he has created a process for going forward in the future.

Mr. Brown was asked about the budget in the 1990's. What happened to the records for those years. He does not have any of those records.

Mr. Francis was asked about the records from those years. He replied that there were not records because the Laurel Boys and Girls Club was a sports Club at that time and did not offer social programs.

After looking at the financial records of the two Clubs that Mr. Brown had provided for the Task Force to compare, Ms. Holland asked how much of the funding for the Club is Private donations.

Mr. Brown replied that MNCPPC provides \$75,000.00. The Redskins and Bank of America are also donors. He estimates that total donor funding is about 12%.

Mr. Sarich stated that grantors are interested in seeing support from local government to the organizations asking for the grants. This shows support and encourages other funding sources.

Ms. Holland asked to compare Clubs in Prince Georges County. It seems that the LBGC had received money from the State, County and City.

Mr. Brown replied that Boys and Girls Clubs should be more than just sports.

The reason that the LBGC could not be a part of the Boys and Girls Clubs of America is because they would not be able to have the programs that they want to have.

87% of Boys and Girls Clubs are in the Boys and Girls Clubs of America. The mission of the LBGC and Clubs that are members of the Boys and Girls Club of America are different. The programs that the LBGC offer would not be allowed under the Boys and Girls Clubs of America.

Mr. Sarich offered to supply the documents showing why the Club cannot be a part of the Boys and Girls Clubs of America.

Mr. Sarich asked that when comparing Clubs to keep in mind the unique aspects of the LBGC that make it hard to compare to other Clubs.

Chairman Wilson opened the Public Hearing at 8:40p.m.

Mr. Robert Crawford of 8302 Green Grass Rd. Laurel, MD. Came forward to speak. Mr. Crawford has been involved in the Club since 1992. He moved to Maryland in 1982. He worked with MNCPPC from 1982 until 1992. He came to the Club in 1992 to train an athlete for the Olympics. At that time he watched the Centerline contractor working in the building. He saw the building change and improve. Repairs have been made. He has always seen work happening, the building has always been busy. The building has character and is strong. It has provided a lot to kids coming in that could not afford anything else. He feels the building has great potential, it just needs more input.

Mr. Rousseau asked Mr. Crawford if he could put a price on not having the Club. Mr. Crawford replied that there is no price.

Ms. Lori Rousseau of 1001 5<sup>th</sup> St. Laurel, Md. 20707 came to the podium to speak. Ms. Rousseau is a parent, volunteer and a member of the Board of Directors.

Ms. Rousseau stated that she had started to feel that there were sidebar conversations and finger pointing going on. She did not feel that the makeup of the Task Force will work. She feels that members have their own agendas.

Improvements have been made to the building. The outward appearance of the Club does not show this and this affects people's perception of the building. If the windows could be fixed it would make a world of difference and the energy costs would decrease. Over half the improvements needed have been made and they are very close to finishing the repairs they want to finish.

The meeting was adjourned.

The next meeting will be June 4<sup>th</sup>.

Respectfully Submitted,

Jennifer Carmen

## Laurel Boys and Girls Club Financial and Operational Review Task Force

### Meeting Minutes for June 4, 2013

Members in Attendance: The Honorable G. Rick Wilson, The Honorable Robert J. DiPietro, Ms. Monique Holland, Mr. Lionel Francis, Ms. Gloria Arnold, Mr. Craig Frederick, Mr. Marcellus Shepard, Mr. Kenneth Taylor, Ms. Mickey Fink, The Honorable Michael Sarich and Mr. Adrian Rousseau.

The meeting was called to order at 7:00p.m.

Chairman Wilson proposed the addition of two meeting dates, July 23 and July 30. A motion was made to approve and it was seconded and approved unanimously.

The Agenda topic for this meeting is the Business Plan of the Laurel Boys and Girls Club.

The focus for this session is the future vision for the Club and the decisions the Club and the Community will have to make to achieve it.

The Floor was turned over to Mr. Levet Brown, President of the Laurel Boys and Girls Club.

Mr. Brown found the Club in a state of disrepair on his first visit to the Club. He became President in 2005. Upon becoming President he polled the membership to determine their wants and needs. He received 800 responses. After school programs were the major request.

Mr. Brown proceeded to begin putting programs in place to make the Club a complete Boys and Girls Club.

In Prince Georges County, the Boys and Girls Clubs only offer sports. Only three out of thirty four Clubs have buildings.

The Laurel Boys and Girls Club paid the County \$10.00 for the Building and the Field. Since 2005 they have raised over 1.5 million dollars to fix up the building. They are asking for help and continued support. They need help from the Community.

A major problem occurred after the purchase of the Building because of the ownership of McCullough Field. It became a battle between the City and the Club. Mr. Patrick Reed was the Executive Director of the Club at this time.

It was felt that the Club was holding the ownership of McCullough Field over the City's head. Mr. Brown felt that it was in the Club's best interest to gift the field to the City. Since this happened funding has suffered.

The Business Plan is as follows:

Without funding, programs will have to be modified. Some groups will be hurt, Churches especially. Sports programs will stay.

The Club is asking the City to take the lead in securing \$500,000.00 toward matching grants. This money would be available to the Club to enable it to accept grants that require matching funds.

Money from programs does not go toward building Renovations. Capital grants are used for building renovations.

Community Service participants and volunteers provide the maintenance for the building.

The Facility:

Volunteers staff the building. Salaries only account for \$24,000.00 a year.

The Club received \$20,000.00 from County Executive Rushern Baker who found that programs and groups at the Club are viable and likely to continue into the future.

Operational costs will be \$250,000.00.

There is a two year plan to again offer Childcare. Afterschool programs will continue. If fees for these services cannot be paid they will be waived. The Club is a Non-Profit.

Summer Camps will come back as will the CIT(Counselor in Training) program. There will be an affordable plan for Camps. The Camps will enable the Club to employ 30 teens as well as some adults.

Boys and Girls Clubs should supplement the Schools.

Boys and Girls Clubs are funded by the Government. There are 4000 Boys and Girls Clubs in the Country and government help is enough.

Support from local governments is a must. Grantors look for this support in the approval process. They also look at availability of funding for operational costs. The Club is asking the City to take the lead in securing money for operational costs. They are requesting \$250,000.00 each year.

Ms. Gloria Arnold inquired about insurance costs. Mr. Brown responded that as a Member of the Prince Georges County Boys and Girls Clubs they are included in their policy. They have a Commercial Liability Policy that also covers the building.

Business Plan #1 is for a fully operational Club. This would be the ideal situation. No programs would suffer. This plan would be the best for the Community.

Business Plan #2 keeps the Club in the Community. However it would require that the Historic area of the Gym be shut down. There would be no area for churches, boxing or

daycare. Afterschool programs would move to the Phelps Center. The Phelps Center would be fully renovated.

The Building utilities are on three separate accounts so power could be cut in one part of the building to allow the other parts to continue to function.

The Club would have to utilize local schools for gym space. Sports programs would survive. The Club partners with Pallotti for wrestling.

Business plan #2 would be unacceptable to the Community.

The Club is a partner to the Community and the Community needs to realize that kids cost money. Mr. Brown is interested in changing public policy concerning Boys and Girls Clubs. Clubs work for Communities.

Mr. Brown is tired of the fighting. Regardless of what comes from the Task Force, the story of the Club has been told.

He commends Rushern Baker and Tom Dernoga for their support of the Club.

Mr. Ken Taylor asked for clarification on the request for \$500,000.00. Mr. Brown explained that many of the grants require matching funds in a time period that is impossible to the Club to meet. Organizations have to spend money to be reimbursed by the grant.

Mr. Brown again stressed that grantors want to see support from the local government agencies when reviewing grant requests.

The \$250,000.00 is for operational costs only. The building will still need to be upgraded.

The question was asked about anticipated fundraising. Fundraising will be continued.

Most Clubs in the Country are completely staffed. In Prince Georges County they are run by volunteers.

The Laurel Boys and Girls Club is asking to be a line item in the City of Laurel Budget. The City will be responsible for the \$250,000.00 operational costs. Fundraising will continue and grants will still be requested. A paid staff is anticipated for the future.

Mr. Wilson asked what portion of the 1.6 million dollars in grants went toward building renovation. Mr. Brown replied that 1.3 million dollars went into the building.

Mr. Rousseau asked what the price would be for the volunteer services at the Club. Mr. Brown replied that the volunteers save the Club \$600,000.00 a year in staffing. Volunteers are important because the community often can't help with funding but can help by volunteering.

Ms. Holland inquired about the fundraising strategy of the Club. Estimates are made by taking the individual donors and anticipating the odds of receiving the funds requested. Past responses to requests are taken into account.

Rental income is also considered fundraising.

Volunteering and in kind services are included in the fundraising totals.

Ms. Arnold applauded the volunteerism at the Club. She inquired about the possibility of the Club opening a line of credit for Grant matching funds. Mr. Brown replied that since the Club shows a loss on their 990 they are not eligible for a loan.

Ms. Arnold asked about the balloon payment for the mortgage. How is that budgeted for? Mr. Brown replied that it has always been refinanced in the past.

Mr. Sarich inquired about the extent to which the City supports nonprofits.

Ms. Mills replied that the City supports the Laurel Volunteer Fire Department and the Laurel Rescue Squad. Both these organizations are in the City Charter.

The Maryland Choral Society is still in the budget, as is First Generation College Bound and LARS.

The City also has a fee waiver policy to allow free facility use.

Mr. Sarich stated that it is not without precedent that the City can include nonprofits in their budget.

It was asked if the City would take on a line of credit for the Club. Ms. Mills replied that the City would not take on a line of credit for another organization.

Mr. Rousseau stated that since other nonprofits are in the budget, so it is possible for the Club to be added to the budget.

Mr. Wilson called a 5 minute recess at 8:15p.m.

Ms. Mills clarified that nonprofits in the budget are considered contributions and not line items in the budget.

Mr. Wilson opened the public Hearing at 8:20p.m.

Ms. Roselind Gaines of Catonsville, Md. spoke to commend the Laurel Boys and Girls Club for being a major incubator in the community. They provide afterschool activities that allow children to channel their energies. They provide positive reinforcement. School systems cannot do it alone. She is looking to have a performing arts academy in the Club.

Mr. Anthony Barnes of Laurel has been involved with the Soccer Program since 2009. He has children from 15 countries involved. The program has grown, older children are now coaching.

Mr. Damien Hutcheson is a Deacon at one of the Churches that uses the Club. They have used the Club for 9 years. The church started with 100 members and now has 200. Their services sometimes draw in observers. Church families participate in the sports programs. The Church also does outreach activities and it would be a loss for the Community if they were to have to leave.

Mr. Michael Pope of 9652 Canterbury Riding, Laurel, MD. 20723 spoke about the Club being around since he was a child. Kids need something to do. Crime will drop. The Club needs funding.

Mr. Darrell Dunston of Clinton spoke about being on the Board of Directors for seven years. He works for the Juvenile Justice System. Support from the City will help to mend relationships.

Mr. Marcus Colbert spoke in support of the Club.

Pastor Tony Iwinoba of the Hearts of Liberty Ministries spoke of the services they provide from the building. Free food every Saturday. Without the building they cannot continue what they are doing.

Mr. Henry Remsch of 5202 Harvest Bend Lane, Laurel, MD. 20707 came to the podium to speak about his youth in Brooklyn, NY and how much the Community Centers meant to him and his brother,. He also spoke of working in a Community Center in San Francisco and how much success they have with children. He expressed support for the Laurel Boys and Girls Club.

Mr. Miguel Lambert of 17021 Melbourne Dr. Laurel, MD spoke about having two boys that participate in the Laurel Boys and Girls Club. He felt that the Club was good for the Socio-economic development of the City. There will be new revenue from the Mall and new development that will follow and these resources should be used for the best.

Ms. Nancy Lilly, owner of JEM, and engineering firm at 8683 Cherry Lane. She has been in Laurel for 10 years. She is a business owner and would like to support the community. She feels encouraged that everyone is together and listening. She is looking to have a charter school in the building.

Mr. Thomas Matthews of 15016 Laurelland Pl. Laurel, MD 20707 spoke about living in Laurel for 52 years. He is upset that elected officials have appointed people for something that they should be doing themselves. He commends Mr. Brown for being a dedicated volunteer.

Mr. Wilbert Nicholson of 915 5<sup>th</sup> Street, Laurel, MD. 20707 spoke about coming up through the Club. The Boys Club means a lot. His sons came up through the Club, his grandson came up through the Club. He can remember hours and hours spent cutting grass. It hurts to see the Club in disrepair. He hopes to maintain the organization.

Mr. Damon Nicholson of Avebury Court spoke about growing up in the Club. Kids still come to Box and play basketball. It is hard to see it deteriorate. He would like to continue to train there. Thank you.

Ms. Eileen Stamish spoke about running the Bingo at the Phelps Center. The Phelps Center needs to be helped.

Mr. Dennis Harrison of 10000 Goose Pond Ct., Laurel, MD 20708 spoke about spending 27 years in Law Enforcement and taking kids to the Club. He has seen many kids lost in the system. Kids need a place to go. If they have nothing to do they will end up in trouble. We can't save everyone, but anyone that we can save we should.

Ms. Willis of Laurel is interested in performing arts. She would like to bring affordable performing arts classes to Laurel.

Mr. Wilson expressed appreciation that all speakers stayed to 2 minutes.

Next meeting will be June 25 and would be a work session.

Respectfully Submitted,

Jennifer Carmen

## Laurel Boys and Girls Club Financial and Operational Review Task Force

### Meeting Minutes for June 25, 2013

Members in Attendance: The Honorable G. Rick Wilson, The Honorable Robert J. DiPietro, Ms. Monique Holland, Mr. Lionel Francis, Mr. Craig Frederick, Mr. Kenneth Taylor, Ms. Mickey Fink, Mr. Adrian Rousseau.

Members not in Attendance: The Honorable Michael Sarich, Ms. Gloria Arnold and Mr. Marcellus Shepard.

The Meeting was called to order at 7:00p.m.

Mr. Wilson welcomed everyone back to the sixth meeting of the Laurel Boys and Girls Club Financial and Operation Review Task Force.

This meeting and the next two meetings will be work sessions.

Questions from the Committee for the Laurel Boys and Girls Club are being compiled. Also some issues that need clarification are being identified.

Mr. DiPietro requested the floor to provide background and information relating to the past and present ownership of McCullough Field.

The Committee was provided with a packet of information which contained a Resolution, deed and the history pertaining to the ownership and tenancy of McCullough Field.

In 1976 the City signed a lease with the County. The lease was for 99 years which would give the City tenancy until 2075.

Mr. Dipietro stated that the property that the Field is on was never attached to the property of the Old High School as the Field did not exist when the school was built.

Ms. Holland inquired about the fact that if a lease did exist and the County mistakenly attached ownership of the field to ownership of the building why it was not corrected. Mr. DiPietro replied that he did not know why the County did not correct the mistake.

Mr. Brown stated that Patrick Reed was the Executive Director at that time and was informed by the County's Central Services that there were two separate tax accounts and that the Club owned the Property.

The question was asked as to whether or not the City was aware that the Club owned the Field. Mr. Brown replied that since the Club had to approve repairs and that the City paid rent to the Club, the City must have been aware of Club ownership.

Mr. DiPietro stated that the two properties are separate tax properties.

Mr. Rousseau directed a question to Ms. Holland as to whether she felt that monies paid to the Club for the property were appropriate considering the size of the property.

Ms. Holland replied that there appeared to be a "comedy of errors" regarding the ownership of the property and she was unable to say what the value of the property would have been in other circumstances.

Mr. DiPietro expounded upon the use and purchase of surplus properties; Buildings such as the Laurel Junior High School and O.W. Phair had value because they could be made into office space as was done for the Laurel Municipal Center.

McCullough Field is zoned Open Space and had a 99 year lease and could not be developed.

Mr. Rousseau inquired as to whether the City had ever benefitted from grants that should have gone to the Club during the time that they owned it; Grants that were obtained through Program Open Space.

Mr. Lhotsky replied that improvements had been made to the field using both grant money and City funds.

Mr. Brown asked why the City asked permission from the Club to put fencing around the field if they were not aware that the Club owned the Field. Mr. Lhotsky replied that the fencing project took place during the time that ownership was being disputed.

Mr. Brown replied that he would like to have time to look at provided documents before responding.

Mr. Wilson changed the course of the conversation to move to the discussion of the Business Plan provided by the Club. He stated that the Plan appeared to show a desire to have City money fund the Club.

Mr. Wilson decided to poll the members of the Committee as to their thoughts on a possible partnership between the Club and the City and what the extent of that partnership should be.

Mr. Lionel Francis; feels that repetitive programs need to be eliminated, communication should be more fluid. Does not feel that everyone will be happy with final recommendations.

Mr. Rousseau; in favor of a partnership with the City to ensure that the LBGC continues to exist. He feels that the question should be put to a referendum to let the tax payers decide the question. He truly feels that the Community should be making the decision.

Ms. Fink; facility seems to be more than can be maintained. Programs are wonderful, but is very concerned about the building. It seems like it is too overwhelming to maintain. She understands that there is a lot of emotion concerning the building.

Mr. Rousseau responded to Ms. Fink by asking if she had visited the building. To his knowledge only Mr. Wilson, Ms. Holland and Mr. Taylor had toured the building.

Mr. Frederick; the LBGC should stay in the City, but the City should not fund the Club. He loves the LBGC. He grew up playing sports at the Club and it should stay in the City, but changes need to be made.

Mr. DiPietro; the LBGC should stay in the City. What needs to be figured out is how to resolve issues. The building is an emotional issue and there is a perception problem between the Club, the City and the Community. There are too many duplication of services and fundraising is difficult because the market is saturated. The focus needs to be on the financial structure of the Club. It needs to break even at least. Some funding from the City should be possible to fill the gaps.

Ken Taylor; has been in the City for 30 years. He believes that everyone feels that the LBGC is important. He is not in favor of the amount of funding requested in the Business Plan to be provided from a City government to a private organization.

Ms. Holland; still have a lot of questions. Does not believe that the LBGC should become an agency of the City. She believes they should raise their own money. The City has provided services to the Club already. The City should be a reference for the Club for grants. The City cannot afford to partner with every nonprofit for kids. Questions need to be answer and then a way can be found to make some funding happen. Too many questions to make any recommendations about how the Club should go forward.

Mr. Wilson; is in favor of the Club, and the kids in the Club. He took on the job to find a way to help the Club. He does not believe that the Club should be a part of the City budget. Feels that the business plan was somewhat disappointing, the full amount of funding requested is not possible to give. He feels that there is some duplication of services. He does not feel that it is the City's business to decide what entity gets money or not. Any organization should be able to have funds available.

Ms. Holland responded that she felt that there is no end to this process. While everyone agrees that something should be done, everyone agrees that is should not be funded by the City.

Mr. Wilson organized topics for upcoming meetings:

- Internal Policy
- Building and Rental Policies for the Facility

- External Fundraising
- Governing policy and restriction on any potential funding
- Youth Grants
- Session on questions

#### Public Hearing

Ivy Harrison of 10000 Goose Pond Ct. Laurel, MD 20708. Many good ideas. Questions should be allowed by both sides. She is encouraged by the support shown. Need to come up with a plan to save the Club. It doesn't matter who is right.

Mr. Levet Brown, President of the Laurel Boys and Girls Club. The Club will remain. What is being asked for is a way for the Club to be fully operational. They have raised 1.2-1.6 million dollars. The Club will be there. The LBGC is not asking the City for the money. It is asking the City to take the lead in securing the funding.

The meeting ended at 8:50p.m.

Respectfully Submitted,

Jennifer Carmen

Laurel Boys and Girls Club Financial and Operational Review Task Force

Meeting Minutes for July 23, 2013

Members in Attendance: The Honorable G. Rick Wilson, The Honorable Robert J. DiPietro, Ms. Monique Holland, Mr. Lionel Francis, Mr. Craig Frederick, Ms. Mickey Fink, Ms. Gloria Arnold, Mr. Marcellus Shepard, The Honorable Michael Sarich and Mr. Adrian Rousseau.

Members not in Attendance: Mr. Kenneth Taylor

The meeting was called to order at 7:00p.m.

Mr. Wilson opened the proceedings by welcoming everyone to the seventh meeting of the Laurel Boys and Girls Club Financial and Operational Review Task Force.

He inquired about any questions about the Agenda.

No questions were asked.

Ms. Michele Saylor was asked to present information on City of Laurel contributions to local organizations.

Ms. Saylor presented the Committee with a packet of information detailing the information she was presenting;

- CIP for Parks
- City's contributions to Recreational Infrastructure
- Capital Expenditures to Community Centers
- Operating Budget from FY2004 through FY2012
- Total expenditures for Programs and for Maintenance of Recreational Facilities
- Line item for Mayors Voucher Program for area Youth Organizations
- Payments to the LBGC
- Tax credits given to the LBGC
- Itemization of Youth Sports Policy payments and what the payments are used for

Mr. Wilson asked if there were any questions. None were asked.

Mr. Wilson thanked Ms. Saylor for a complete overview.

Mr. Sarich questioned why the LBGC was taxed when other non-profits were not. Ms. Saylor replied that the County requires the LBGC to be taxed because of the rental income that they collect.

Mr. Rousseau commended the City for their support of recreation. He inquired about where the funds were for the LBGC, the busiest and most used recreational facility in the City.

Mr. Wilson replied that the funding was for City owned facilities and the LBGC was not owned by the City and therefore not included in the Budget.

The Meeting proceeded to Section by Section findings and recommendations.

### **LBGC Role in the Community**

Mr. Wilson stated that the Club is a separate entity from the City Government.

Mr. Sarich stated that his understanding of the term “role” was what the Club does in the Community.

Ms. Holland stated that the Club was important to the fabric of the Community and hopefully it would be able to remain so.

Mr. Wilson recommended a needs assessment for programs in the City. It should be a collaborative effort from Youth leaders.

### **Membership**

A definition of membership and participation would be important to the report.

Ms. Arnold stated that the Committee was to make recommendations. It was possible that some of the recommendations may already be in place.

Mr. Sarich felt that it was important that the recommendations were not to be taken by those reading the reports as corrective actions.

Ms. Holland felt that the membership numbers should be regularly audited to reflect the current numbers; numbers that the community can count on.

### **Sports Program Operations**

There should be a new focus on Sports.

Ms. Arnold was curious about the organizations that have left the Club. She recommended that they find out why these sports have left the Club; where did the break with sports begin and how can we bring this participation back.

Mr. Rousseau replied that the number of football registrations had increased. He felt that the change in the demographics of the City and the economy were responsible for the fact that so many people could not afford to pay for sports.

Ms. Arnold felt that sponsorships from the Community needed to be encouraged and that a way needed to be found to give sponsoring businesses a better return on their investment.

Mr. Wilson asked that each recommendations not be rebutted as it would be very time consuming. Recommendations were just that, they could be accepted or not.

Ms. Holland suggested that each member be allowed to offer recommendations if they have them.

Mr. Wilson stated that the Sports Programs need to break even. If a participant can't pay, there should be some program in place to help them, but they should be required to provide proof of need.

Also, when there are fundraisers, a portion of the proceeds for the fundraiser should directly benefit that sport. Mr. Rousseau replied that that is the Clubs policy at this time.

Ms. Holland suggested that each participant in a sport be required to raise a certain amount of money.

Another recommendation was to survey County programs to compare where the Club stands with other Programs in the County.

### **Internal Management Challenges**

Mr. Sarich spoke on behalf of the LBGC to state that he felt that the clean audit reports that the Club receives year after year should be recognized and show that they are financially sound.

A request was made to view the Management letter provided with the audit. Mr. Brown responded that he would be happy to allow the letter to be viewed by the committee but did not what it available to the public.

Ms. Holland suggested better documentation of Rental agreements. She noticed that many of the contracts were unsigned. Ms. Arnold agreed saying there should be a signed agreement with every organization that uses the Club. Written agreements would also protect the Club.

Ms. Holland also recommended more clarity in distinguishing programs.

Mr. Wilson feels that the Club should have a full time Executive Director. Someone "in charge" should always be at the facility.

Mr. Rousseau replied that there is a security system that allows him to see the entire building from his office.

Ms. Holland agreed that there should be more security at the building. There needs to be building attendants always available.

Information should also be posted about how to contact the Club.

### **Board of Directors**

Information was needed on the operations of the Board and election proceedings.

Board actions and decisions need to be well documented. It was also recommended that the Board take on the role of strategic planning.

The terms of the Members of the Board should also be clearly spelled out.

Mr. Rousseau suggested reports of the Minutes of Board Meetings be provided to the City.

Ms. Holland suggested that they also be available to the public on the Club's website.

Ms. Arnold suggested hiring someone to come into the Club to develop a good, attainable Strategic Plan.

### **Relationship with City, County and State Governments**

Mr. Wilson felt that at this time some of these relationships were strained. There needed to be a proactive plan to reach out to government agencies. Trust would come from sustained communication.

A relationship needed to be built with these agencies for reasons other than funding requests.

Mr. Rousseau expressed his hopes of having support from the City as backing for funding requests.

Communication also needs to improve with the Community. Positives need to be acknowledged.

The Club should work with government agencies with other things than funding.

It was also recommended that the Club partner with other Community Organizations for events.

It was brought to the Committees attention that the Club already did work with other organizations.

Ms. Holland suggested that there be announcements of actual programs at the Club. The website should be enhanced. Information needs to get out to the community.

### **Fundraising**

Ms. Arnold recommended that the Club “think outside the box” for rental ideas. The Club needed to make money with their rentals.

Mr. Shepard recommended a membership drive for the Club.

There should be membership fees for organizations that work out of the Club. They would be a “member organization”.

Organizations should be charged to use the building.

Fundraising should be required.

There should be a Director of fundraising, marketing and development.

Reinstate the Parental Involvement Program.

### **Options**

Access to Capital for grants.

Governance of any funding.

The meeting was adjourned at 8:25p.m.

The next meeting would be July 30.

Respectfully Submitted,

Jennifer Carmen

## Laurel Boys and Girls Club Financial and Operational Review Task Force

July 30, 2013

Members in Attendance: The Honorable G. Rick Wilson, The Honorable Robert J. DiPietro, Ms. Monique Holland, Mr. Lionel Francis, Mr. Craig Frederick, Ms. Gloria Arnold, Mr. Marcellus Shepard, The Honorable Michael Sarich , Mr. Adrian Rousseau and Mr. Kenneth Taylor.

Members not in Attendance: Ms. Mickey Fink.

The meeting was call to order at 7:02p.m.

Mr. Wilson suggested that the Public Hearing portion of the meeting be held at the beginning and then the work session would continue.

Mr. Wilson stated that a minority report would be welcome with the findings and recommendations of the Task Force. The report would be finalized in September and voted on at a yet to be scheduled meeting. The report is scheduled to be presented to the Mayor and City Council during the second week of September.

Mr. Sarich requested that since the Public Hearing is usually at the end of the meeting, time be allowed for anyone who comes in later. Mr. Wilson agreed to leave 15 minutes at the end of the meeting for this purpose.

### Public Hearing

Mr. Levet Brown of 7114 Old Sandy Spring Rd. approached the podium. Mr. Brown is the President of the Laurel Boys and Girls Club and wanted to thank everyone for their time on the Task Force. He is happy that everything at the Club will be publicly known. He thanks all the volunteers at the Club. He feels that everyone benefits from the Club.

Mr. Brown feels that if the Club does not receive the backing of the City that they are requesting through the Task Force, the main section of the building will have to be shut down. The Club has plans to implement memberships, but he does not believe that the Club can make money from programs.

Mr. Brown feels that a majority of the community has benefitted from the Club. He feels that the Club must be accountable for any funding it receives. The Clubs financial papers are always in place. Mr. Brown maintains that the City needs to give the Club funding to show it's support of the Club.

Mr. Sarich thanked Mr. Brown for his openness and prompt production of Club documents. He felt that Mr. Brown had done a great job of producing information.

Reverend Allen Grimes of 15409 Bauer Lane, Laurel Md. came forward to speak. As a parent Rev. Grimes feels that his child has benefitted from the Club. He has volunteered 170 hours with the Club and gained valuable leadership experience and worked with people not as fortunate as he is. Rev. Grimes feels that the Club is necessary to the area to produce productive citizens. Citizens and tax payers are obligated to keep these institutions in the area. We should do whatever is necessary.

Ms. Lori Rousseau of 1001 5<sup>th</sup> St, Laurel, Md. approached the podium to speak. Ms. Rousseau is the Acting Treasurer of the Laurel Boys and Girls Club. She has noticed, through all of the meetings, that there is a focus on the mission of the LBGC. She would like to ask about the mission of the Task Force. She would like them to keep their mission in mind when recommendations are put forth. The Task Force was created for the LBGC, not other organizations.

She stated that programs did not leave the Club, people left the Club. The programs are still being run at the Club by other volunteers. Thank you.

Mr. Thomas Matthews of 15016 Laureland Place, Laurel Md. rose to speak. Mr. Matthews is a lifelong resident of Laurel, and he commends Mr. Brown, Mr. & Mrs. Rousseau and Mr. Sarich for their work at the Club. Mr. Matthews states that he is against the Task Force. He thinks that the Mayor and City Council should be making the decisions regarding the Club.

Mr. Daryel Dunsten of 10404 Becky Ct., Clinton Md. rose to speak. Mr. Dunsten is a Member of the Board. He is experienced with nonprofit organizations. Mr. Dunsten supports Mr. Browns vision. He does not always agree with it, but he admires what Mr. Brown is doing. He supports the versatile programs and all the volunteerism. Any rifts between the City and the LBGC should be overlooked. The outside interests are more important.

Next to come to the podium was Ms. Dorothy Fields-Walker of 8706 Bovelder Dr., Laurel, Md. Ms. Fields-Walker is a clinical social worker. She has three sons with no active father. The LBGC provides character development that is needed for children. It is about children and family. As a single parent she finds it hard to provide her children with added activities. The LBGC is the best in the area of providing support to families and children. She is stepping up to volunteer. Even with budget cuts, we need to invest in our children. Thank you.

Mr. Wilber Nicholson of 915 5<sup>th</sup> St. Laurel, Md. rose to speak. He has been in the area since 1964. He left for a couple of years, but returned to open arms. His son is a professional boxer. He would say to the committee that the Club is bigger than all of us. The Club means a lot to him-he loves the Club. We need to do what is best for the Club and the Community.

The Work Session began at 7:40p.m.

Mr. Wilson opened the floor.

Mr. Sarich stated that in all the Public Hearings, no speaker had disagreed with funding the Club

Ms. Holland stated that last week she was not prepared to respond to the answers provided by the Club. She had reviewed all the materials.

The Club is important to the Community. It serves the Community, reaches out to the kids in Prince Georges County and Laurel.

Ms. Holland feels that memberships need to be defined. She recommends a \$25.00 membership fee above the program fee. Participants and members need to be delineated. Have membership drives.

- The Club needs to audit paid memberships regularly.
- A criteria needs to be set for Financial Aid and Vouchers.
- Sports programs need to be retooled. The Club needs to be realistic about the programs that have left the Club. Strengthen the programs that remain.
- The Club needs to obtain more support from businesses and parents. Fundraising proceeds should benefit the program that has raised them. Have kids become vested in their sports programs by requiring them to raise money for their program.
- Fees for sports should be re-evaluated.
- Internal management; evaluate challenges, realities of volunteers.
- Organization should be required to raise 35% of operation costs.
- Ms. Holland feels that the building is hurting the organization
- Rental agreements should all be in writing.
- A grant writer should be hired. It is too much for Mr. Brown to run the organization and to write the grants.
- There should be monthly assessments of the goals of the Strategic Plan.
- Debt needs to be paid back. The bus should be sold to pay back debt.
- Improvements for the Board of Directors; maintain meeting minutes, add meeting minutes to the website to make them available to the community.
- Relationship improvements; show the community that you can be a partner. Take disagreements in stride. Periodically sit down with the City to see how to better serve the community.

- Add goals and achievements on the website. Send out email blasts about events and fundraisers.
- Rental improvements; evaluate leasing on a square footage basis instead of the amount of time in the building.
- Hire a Director of Finance.

Ideas for the building. The historic building is a problem; it is too hard to maintain.

Ms. Holland believes that the City should contribute \$80,000.00 to the Club. However, improvements should be required to receive the money.

Mr. Rousseau disagreed with the idea that the changes need to be made to receive funding. Also he felt that having to raise 35% of the operational costs was unrealistic. He felt that the membership ideas were great and a membership package a good idea.

- Internal management should include Board meetings, parent meetings and community meetings. Someone from the City should attend the meetings to be able to provide the administration with information.
- The Community should be polled to determine the funding for the LBGC.
- Lease agreements do need to be better.
- Cash management; outside accounts, 990's , if it needs to be done a different way then that is what will be done.
- Building management; just received a \$60,000 grant for new security doors. A "front desk person is necessary.
- Offer an office to the police department to have them spend more time in the building.
- Debt management; debt has grown because of the lack of support from the City.
- The community does need to step up, to participate in building maintenance. Parents need to step up.
- Board of Directors; meeting minutes should be online. Minutes should be provided to the City if it is partnering with the Club.
- There should be accountability for the Club.
- Relationships; the relationship with the City is a little shaky. There are misconceptions about money and volunteerism. The City and Club should be one

entity. If the County and state see a partnership with the city they will look more favorably on the Club.

- Fundraising; agree with Ms. Holland. Must require more of parents.

Mr. Rousseau is not sure of what the future will hold for the Club.

Again, Mr. Rousseau strongly suggests that the community be asked to make the decision about funding the Club.

“Fund the Club and see if the changes have been made; see if the Club steps up.” Continue the funding if they do.

Mr. Taylor requested more time to spend on the money requests.

Mr. Sarich responded that he is astounded at how many people have come through the Club.

All audits have been clear.

Internal management has met all legal standards.

He feels that without funding; all recommendations, while good intentioned, will not come to fruition.

Mr. DiPietro offered the following observations:

It is not the responsibility for a City government to spend money for a 501C. Some of the community will not want that to happen. He does, however, feel that there will be a degree of help.

Facts about the City budget need to be reviewed. The budget has had to be reduced in recent years.

- The City should create a Youth Services Commission. A budget would be allocated to the commission to provide grants to youth groups. The City would still be in charge of the money. Does not know what the amount of this budget should be.

Mr. DiPietro states that the City was never in favor of the LBGC being in the building or taking ownership of the building. The center core of the building is important. It is on the Historic Registry.

- Mr. DiPietro’s suggestion would be to condominium the building. The LBGC would maintain ownership of the land. People would own their own part of the building. LBGC would maintain ownership of the East wing. The City would have the West wing. The City would control and maintain the building.

Mr. DiPietro is not sure if the bond council or bond market would be allowed to put money into a building that they do not own.

Mr. Ken Taylor wanted to address the funding requests.

The Club is requesting \$250,000 for operational costs and matching funds to building improvement grants. Mr. Taylor was concerned about providing operational costs to one nonprofit and not to other area nonprofits.

Also, Mr. Taylor inquired about what the future of the building would be if the Club did not have it.

The building is a concern to Mr. Taylor; also, he feels that constraints are needed on the funding provided to the LBGC.

A \$500,000 budget for matching grants would still be a debt against the City. Even though it is matching money, it would still be considered a debt against the City.

Mr. Brown replied that the matching funds would always be reimbursed. The only way the money would not be returned is if the government ran out of money.

A discussion/disagreement on grants ensued.

Mr. Taylor again expressed concern about providing money to one entity and not to another.

Mr. Rousseau stated his desire to have the other groups come together. If the LBGC were to partner with the City, the Club will be responsible for working and partnering with other groups.

Ms. Arnold liked Mr. DiPietro's idea. The center part of the building is the only historical part.

Many good ideas expressed; memberships are a great idea. The focus should be on the positives.

Mr. Rousseau responded that the West Wing is the best part of the building. The LBGC should be able to keep the best part of the building. Trust would be needed to go forward.

Mr. Wilson thanked everyone for coming out.

Mr. Wilson, Ms. Holland and Mr. Anastasio would compile a report with all the ideas. The Task Force can only make recommendations. The ultimate decision will lie with the Mayor and City Council.

While the Club is a vital part of the City, they are not a part of the City Government.

Ms. Holland responded that the process was good. It was good to learn about the inner workings of the LBGC.

She requested that all members of the Task Force give their opinions.

Respectfully Submitted,

Jennifer Carmen

# Laurel Boys and Girls Club Financial and Operational Review Task Force

Meeting Minutes for September 24, 2013

Members in Attendance: The Honorable G. Rick Wilson, The Honorable Robert J. DiPietro, Ms. Monique Holland, Mr. Craig Frederick, Mr. Marcellus Shepard, Mr. Kenneth Taylor, Ms. Mickey Fink, The Honorable Michael Sarich, and Mr. Adrian Rousseau.

Members not in Attendance: Mr. Lionel Francis and Ms. Gloria Arnold.

The meeting was called to order at 7:00p.m.

Mr. Rick Wilson thanked everyone for attending and for participating in the process of the Task Force.

Mr. Wilson stated that the job for this evening is to come to an agreement about the recommendations to the Mayor and City Council.

Mr. Wilson informed the members of the Task Force that Mr. Francis was ill, he was improving, but he was unable to be at the meeting. Mr. Francis has reviewed the report.

Everyone's ideas and recommendations were included in the report. Mr. Frederick stated that his remarks were not included. Mr. Wilson replied that they would be in the final report, but that they had come in too late for the current report.

Mr. Wilson suggested reading through the majority approved recommendations and findings portion of the report and to either unanimously approve each page or to pin point disputed sections to return to for discussion and voting.

Everyone agreed with this process.

Page 4 of the report began the recommendation and findings section of the report.

Mr. Sarich felt that the wording in paragraph 4 of this page needed to be changed to include the word "financial". A note was made to return to this sentence to discuss the change.

Mr. Sarich also suggested that some typographical errors and awkward wording be corrected in the report.

Mr. Wilson agreed.

Mr. Sarich also felt that paragraph six of this page was unnecessary, since the Task Force was created to explore support for the Laurel Boys and Girls Club. Mention of other organizations was not needed.

All other areas of this page were agreed upon and review of page 5 began.

Mr. Sarich felt that the wording of the second sentence of page 5 needing to be changed. This was noted and since the rest of this page was agreed upon, Mr. Wilson moved to page 6.

Mr. Sarich requested that new information be inserted in the first paragraph under the heading of “Internal Management Controls”. He also wanted the language of paragraph 5 under this heading to be adjusted.

The rest of this page was agreed upon and review of page 7 began. Clarification of the information in paragraph 2 under the heading of “Board of Directors” was requested. Also, the last paragraph on this page needed to be reviewed. This was noted and the Task Force moved on to page 8.

Mr. Sarich requested further explanation and clarification of the Laurel Area Youth Services Commission (LAYSC) that the Task Force recommended forming. He did not feel comfortable with the idea of a commission recommending the formation of another commission. Also, Mr. Rousseau wanted to discuss paragraph 3 three of this page. The rest of page 8 was agreed upon and the Task Force moved on to review page 9.

Mr. Sarich pointed out that in paragraph 3 of this page the amount previously requested for the Revolving Capital funds was \$500,000.00, not \$100,000.00.

Again, Mr. Sarich was not in favor of a commission recommending the formation of another commission as suggested in paragraph 1 under the heading of “LBGC Facility-Special Commission for Innovative Planning.

Mr. Wilson requested a vote on the approval of all recommendations that were not questioned.

The Task Force voted unanimously to approve recommendations not questioned and not noted to be returned to for discussion.

#### Discussion of Questioned Recommendations and requested insertions

Discussion of the addition of the word “financial” to the first sentence under the heading “LBGC Role in the Community” began.

Mr. Sarich was in favor of adding the word “financial” to this sentence to help define the support given. Mr. Frederick preferred to remove the word “continued” and just leave the word “support”.

Mr. Rousseau stated that “continued” might not be needed as there was disagreement about whether the City did support the Club.

Ms. Holland also had reservations about the word “continued”.

Mr. Wilson suggested holding the statement and returning to this discussion for a vote.

Discussion moved to Mr. Sarich’s request to remove paragraph 3 under the same heading. His argument was that the Task Force was to explore funding of the LGBC so there should be no mention of other organizations.

Mr. Frederick was in favor of the paragraph remaining in the report.

A motion was made to strike the paragraph. The vote was 5 votes to 4 votes in favor of the paragraph remaining in the report.

Discussion began on paragraph 3 of page 5. Mr. Sarich requested rewording of the second sentence of this paragraph. The wording was discussed and change to remove the word disagreement and change the first part of the sentence to “Some in the community....” Mr. Wilson asked for and received unanimous consent for this change.

Mr. Sarich questioned the sentence “Some of the rental income sources may be severely reduced in the near term.” He feels that the rental income could just as well increase. Mr. Wilson asked if the sentence should be struck. A motion was made to strike the sentence. Unanimous consent was given to strike the sentence.

The Task Force moved on to page 7 to discuss clarification of the wording in Paragraph 2 under the heading of “Board of Directors” pertaining to the 2010 Strategic Plan goals. Mr. Sarich wanted the addition of “5 year plan” added to the first sentence of this paragraph.

Discussion began on the wording of the actual Strategic Plan which was Mr. Brown explained was a 2-3-5 year plan. Unanimous consent was given to change the wording of this sentence to “3-5 year Strategic Plan.

Mr. Wilson stressed that the wording of the paragraph did not imply any judgment that goals have not been met.

On page 7, Mr. Sarich also requested that wording in the last paragraph be changed to “appointing a dedicated Public Affairs Officer to report to the Executive Director”. Unanimous consent was given for this change.

On page 8 Mr. Sarich suggested that the wording in paragraph 3 be changed to “Hire a part time professional Fundraising Director to report to the Executive Director”. Unanimous consent was given for this change.

On page 9, paragraph 3 Mr. Sarich stated that testimony showed that the requested amount of funding for the Capital Grant Account was \$500,000.00.

Ms. Holland was not in favor of this amount. She was not in favor of the City guaranteeing that amount of money to nonprofits.

Mr. Rousseau suggested lowering the amount by half and if this worked successfully, then the amount could be revisited in the future.

Discussion of the process of matching amount grants ensued. Mr. Lhotsky was asked to explain the City's process in matching grants. He explained that the City spent its' own share of the money first and then the State would match that amount.

Mr. Sarich maintained that the City would not actually be putting out any money since the State guarantees reimbursement. They would just be guaranteeing payment.

Mr. Taylor felt that it would be better to have the City open to the possibility of helping if the opportunity for a very large project came about.

Mr. Sarich made a motion to change the amount to \$500,000.00. This motion was denied by a 7 to 2 vote.

A counter motion was made by Mr. Shepard to change the amount to \$250,000.00. This motion was approved by a 7 to 2 vote.

Discussion began on requested insertions to the report.

Mr. Sarich requested that a statement be inserted to note that all financial information had been willingly produced and Mr. Brown had put to rest all questions about the Club's financial management. All the independent audits had been clean.

Mr. Frederick did not agree that the finances were open. He stated that he had not received the management letter as requested.

Mr. Sarich replied that the management letter would be provided.

Discussion of the wording of the requested statement ensued.

A motion was made to insert the statement.

The motion was denied by a 5 to 4 vote.

Ms. Holland stated that the financial information should be addressed, but the language was too strong.

Mr. Rousseau suggested that the statement should be that the Task Force "acknowledge that the LBGC had produced audits and financial documents that satisfied grantors and other government agencies".

Mr. Brown stated that in order to retain a 501C 3 status audits must be done by a Certified Public Accountant. All results are official.

Mr. Sarich recommended that the wording for the insertion be "The independent annual audits provided by the LBGC certify compliance with GAP and have met the criteria of multiple grantors".

The motion for requested wording insertion was approved by a 7 to 2 vote.

Discussion began about the clarification of the formation of a Laurel Area Youth Services Commission. Information was needed to provide understanding of how the commission would distribute funding.

The Commission is provided a lump sum of money for grants. Area youth organizations would submit grant requests for projects or programs detailed in their grant submission. The commission would vote on approval and distribution of funds.

Ms. Holland asked when the commission meets. Mr. DiPietro replied that the commission meets every month. Funding is provided once a year.

Mr. DiPietro explained that since this direct funding is tax payer money, all funding is accounted for and documented.

Mr. DiPietro added that a byproduct of this process is that groups will start to work together to either forgo funding so that another group who needs it more receives it or will work to find a way to allow everyone to receive funding.

Mr. Sarich questioned whether this commission would duplicate the duties of the Parks and Recreation Citizens Advisory Committee.

Mr. Lhotsky replied that the Parks and Recreation Citizens Advisory committee did not deal with the same considerations that the LAYSC would deal with. They only handle Departmental issues, not outside organizations.

Mr. Sarich asked if this commission would relieve the council of making decisions about funding. Mr. Wilson replied that the Council would still be involved with funding to the extent of what they agreed upon.

Mr. Wilson asked for unanimous consent for the formation of LAYSC. The Task Force gave unanimous consent.

The amount of money recommended to provide to the Commission is \$125,000.00.

Mr. Sarich did not feel that this amount made sense. He proposed a budget of \$275,000.00

Mr. Wilson requested a motion on this amount. This motion was denied by a 7 to 2 vote

Ms. Holland requested that the amount stay at \$125,000.00. This motion passed by a 7 to 2 vote.

Discussion began on a commission to identify and evaluate future options for the Facility.

Ms. Holland felt that no commission was needed. A report should be done to get a true scope of necessary work that needs to be done.

A motion was made to strike the paragraph recommending the formation of this commission.

Unanimous consent was given.

A motion was made to change the funding request for the Building Consulting Firm from \$25,000.00 to necessary funding. The consultants would have no constraints and the report would be provided to the LBGC and the City of Laurel.

Unanimous consent was given.

Mr. DiPietro requested to add a sentence to allow the LBGC to recoup any funds that they put into the building in the event that the building would for any reason revert back to the ownership of the County. He felt it would be a good idea to protect the Clubs money in the event that future leadership decided to give up the building.

Mr. Brown replied that no actual Club funds were used on the building, only State grants.

Mr. DiPietro retracted his request.

Mr. Wilson stated that Appendix 13 of the report would be Mr. Frederick's comments and recommendations.

Mr. Rousseau made a recommendation that the Task Force majority approved recommendations be put to a referendum.

Ms. Holland felt that this would just continue the process and that the process would never end.

Ms. Mills was asked if this referendum would be able to be on this November's ballot. Ms. Mills replied that there was not enough time to have the City Council request an advisory referendum.

Mr. Sarich felt that there was enough time for the meetings necessary to have the referendum added to the ballot. It could be done.

The request for a referendum on this years' ballot was denied by a 7 to 2 vote.

Mr. Wilson again stated that Appendix 13, Mr. Frederick's information, will be added to the report. Also, any additional information provided by Mr. Sarich will be added.

The Task Force returned to discussion of the wording of paragraph 4 on Page 4 of the report.

Mr. Taylor made a motion to leave it as written.

Mr. Sarich requested that the word "continued" be removed and the word "financial" added. He felt it important that financial support was specifically mentioned.

Mr. Wilson asked for consent to remove the word "continued".

Unanimous consent was granted to remove the word "continued".

A discussion ensued about the need to add the word "financial" to the sentence.

A motion was made to change the wording to "financial and other".

This motion was approved by a 7 to 2 vote.

Mr. Wilson requested a vote to approve the document.

The vote was unanimous to approve the document.

Mr. Wilson thanked everyone for their participation in the process of the Task Force. City Staff and Cable personnel were thanked. Mr. Brown was applauded for his work and cooperation. LBGC Board of Directors and Mr. Frank Anastacio were thanked.

All documents will be available to the public in the City Administrators office.

Respectfully Submitted,

Jennifer Carmen

## VOTING

**Vote to approve unquestioned portions of the report.**

The Honorable G. Rick Wilson Yes

The Honorable Robert J. DiPietro Yes

Ms. Monique Holland Yes

Mr. Craig Frederick Yes

Mr. Marcellus Shepard Yes

Mr. Kenneth Taylor Yes

Ms. Mickey Fink Yes

The Honorable Michael Sarich Yes

Mr. Adrian Rousseau Yes

**Vote to strike paragraph 6 on Page 4**

The Honorable G. Rick Wilson	No
The Honorable Robert J. DiPietro	No
Ms. Monique Holland	Yes
Mr. Craig Frederick	No
Mr. Marcellus Shepard	No
Mr. Kenneth Taylor	Yes
Ms. Mickey Fink	No
The Honorable Michael Sarich	Yes
Mr. Adrian Rousseau	Yes

**Vote for motion to change amount of Capital Funds to \$500,000.00.**

The Honorable G. Rick Wilson	No
The Honorable Robert J. DiPietro	No
Ms. Monique Holland	No
Mr. Craig Frederick	No
Mr. Marcellus Shepard	No
Mr. Kenneth Taylor	No
Ms. Mickey Fink	No
The Honorable Michael Sarich	Yes
Mr. Adrian Rousseau	Yes

**Vote to change amount of Capital Funds to \$250,000.00**

The Honorable G. Rick Wilson Yes

The Honorable Robert J. DiPietro No

Ms. Monique Holland Yes

Mr. Craig Frederick No

Mr. Marcellus Shepard Yes

Mr. Kenneth Taylor Yes

Ms. Mickey Fink Yes

The Honorable Michael Sarich Yes

Mr. Adrian Rousseau Yes

**Vote to insert financial statement on Page 6**

The Honorable G. Rick Wilson No

The Honorable Robert J. DiPietro No

Ms. Monique Holland No

Mr. Craig Frederick No

Mr. Marcellus Shepard No

Mr. Kenneth Taylor Yes

Ms. Mickey Fink Yes

The Honorable Michael Sarich Yes

Mr. Adrian Rousseau Yes

**Vote to insert modified wording about financial statements on Page 6**

The Honorable G. Rick Wilson	Yes
The Honorable Robert J. DiPietro	No
Ms. Monique Holland	Yes
Mr. Craig Frederick	No
Mr. Marcellus Shepard	Yes
Mr. Kenneth Taylor	Yes
Ms. Mickey Fink	Yes
The Honorable Michael Sarich	Yes
Mr. Adrian Rousseau	Yes

**Vote to change funding to LAYSC to \$275,000.00**

The Honorable G. Rick Wilson	No
The Honorable Robert J. DiPietro	No
Ms. Monique Holland	No
Mr. Craig Frederick	No
Mr. Marcellus Shepard	No
Mr. Kenneth Taylor	No
Ms. Mickey Fink	No
The Honorable Michael Sarich	Yes
Mr. Adrian Rousseau	Yes

**Vote to keep funding amount for LAYSC at \$125,000.00**

The Honorable G. Rick Wilson	Yes
The Honorable Robert J. DiPietro	Yes
Ms. Monique Holland	Yes
Mr. Craig Frederick	Yes
Mr. Marcellus Shepard	Yes
Mr. Kenneth Taylor	Yes
Ms. Mickey Fink	Yes
The Honorable Michael Sarich	No
Mr. Adrian Rousseau	No

**Vote to change the wording to “financial and other” on Page 4.**

The Honorable G. Rick Wilson	No
The Honorable Robert J. DiPietro	Yes
Ms. Monique Holland	Yes
Mr. Craig Frederick	No
Mr. Marcellus Shepard	Yes
Mr. Kenneth Taylor	Yes
Ms. Mickey Fink	Yes
The Honorable Michael Sarich	Yes
Mr. Adrian Rousseau	Yes

**Vote on requesting an advisory referendum on Novembers' ballot to approve Task Force**

**Recommendations.**

The Honorable G. Rick Wilson      No

The Honorable Robert J. DiPietro      No

Ms. Monique Holland      No

Mr. Craig Frederick      No

Mr. Marcellus Shepard      No

Mr. Kenneth Taylor      No

Ms. Mickey Fink      No

The Honorable Michael Sarich      Yes

Mr. Adrian Rousseau      Yes

**Vote to approve the 9 page recommendation document.**

The Honorable G. Rick Wilson      Yes

The Honorable Robert J. DiPietro      Yes

Ms. Monique Holland      Yes

Mr. Craig Frederick      Yes

Mr. Marcellus Shepard      Yes

Mr. Kenneth Taylor      Yes

Ms. Mickey Fink      Yes

The Honorable Michael Sarich      Yes

Mr. Adrian Rousseau      Yes



## **Appendix 9 – Task Force Work Sessions – Draft Findings and Recommendations**

The following draft recommendations and findings are presented in full in this appendix. Most have been incorporated into the context of the final report.

N.B. - The Findings and Recommendations below have been stated by the Task Force for the betterment of the Laurel Boys & Girls Club (LBGC). Some of the Findings and Recommendations may currently be in place in Laurel Boys & Girls Club, but have been stated to assure the future progress of the Club.

### **July 23<sup>th</sup> Work Session Draft Findings & Recommendations**

1. LBGC is an important Club, as are all public Clubs in Laurel, to the fabric of the community
2. The membership of the Club should be clarified and made easier to comprehend

#### **Sports Programs**

3. LBGC should build a Sports base again, as well as creating a structure to prevent future Clubs from wanting to leave again
4. LBGC Sports programs should get involved with more local business for support
5. Though not all children are capable of affording membership fees, all sports programs should strive to break even with expenses
  - a. Scholarships through the Club
  - b. Scholarships through the City of Laurel
6. The individual sports program within LBGC should be able to keep a large percentage of the fund raising they raised.
7. In order to participate in sports program, each player should be responsible for raising a certain amount of money for the program.
8. LBGC should look to other Boys & Girls Club to see where their pricing rates fall. Are the membership fees and program fees competitive? Are they under priced?

#### **Internal Management of the LBGC**

9. A stronger volunteer base, whether parents or high school students looking for community service hours, should be established.
10. The LBGC should have a Certified Audit preformed by a third party to ensure the Club is being run the most efficiently
11. The Club should a clear, well defined Management Letter
12. Since the LBGC rents the facility to other organizations, rental agreements should be controlled properly and recorded correctly within the Club
13. The LBGC should have signed agreements with any organization, whether they are paying or not, with a set lease duration for the protection of the Club
  - a. Keeping a simple log would suffice

14. There should be more clarity on the monies coming into the Club
15. Total amount of cash for the organization and the total expenses for the Club should be monitored
16. In order to achieve a constant, efficient control of: records, agreements, monies, etc, a Full Time, paid Executive should be instated in the LBGC
17. The LBGC should staff, or have a volunteer, that manages and tracks the people in the LBGC facility
18. Labels and Signs should be visible at all times for contact information as well as navigation through facility

### **The Board of Directors**

- a. All Decisions and voting should be recorded and made public
- b. How the members of the Board of Directors are elected should be clearer
- c. What is the Board of Directors role in Strategic Planning
- d. The Board of Directors should bring in a third party consultant to help with the Clubs strategic planning
- e. Clearly state the term limits of the Board of Directors

### **Relationships with the City, County, and State**

19. Relations between LBGC and City seem strained and have trust issues.
  - a. If the City government is to help, the LBGC needs to create a more proactive out reach
  - b. The issues at hand should consist of more than just monetary issues
  - c. The LBGC and City should find opportunity to create support for each other
20. City can help by 'Giving Witness' for the LBGC for fund raising support and helps with reputation of the Club
21. The relationship between City and LBGC should NOT only be about fund raising
22. LBGC should partner up with other local Clubs, showing a true community involvement (IE LARS)
23. New organizations within the LBGC should be promulgated throughout the community better
  - a. Enhancement of the website could help increase the communication between the Club and the Community

### **Fundraising Strengths and Weaknesses**

24. Seeing the LBGC owns and operates the building, there is a much opportunity providing rental space for other organizations, such as other small Non-Profit organizations looking for office space
25. Membership drives or Membership fees for each organization using the facility.
  - a. If the organization cannot afford the Membership fees, they can fundraise for it

26. Though the space may be donated to them, organizations and schools, such as Pallotti High School and Laurel High School, should provide 'In Kind' donations for the resources used that will help offset the costs used in the facility for events and activities.
27. Parental Involvement should be greatly increased for the betterment of the LBGC
28. Board of Directors should consider hiring or establishing a Board Member as a part-time Director of Fundraising.
29. Incentives should be provided to sports programs that stay with LBGC
30. The LBGC should partner with other organizations for fundraising events

### **July 30<sup>th</sup> Work Session Draft Findings & Recommendations**

The first finding and recommendation to the City of Laurel shall be the unanimous support the community has for the Laurel Boys & Girls Club

#### **Ms. Monique Holland -- Findings and Recommendations**

1. Needs to be defined as in the By-Laws of the Club
2. The Membership fee should be Increased by \$25.00
3. Members should be separated internally for the purpose of the grants awarded to LBGC
4. Criteria of the Club should match City of Laurel's financial support scholarships awarded to the children of Laurel
5. The LBGC needs to Re-tool and focus primarily on sporting programs
6. The Club needs to achieve more support from the local businesses and parents with children in the Club
7. Believes that the Club can't really afford the building, which is the reason for all of the problems within the Club. The Club mistakenly believed, without having an appropriate business plan in place, that buying the building would result in the City, County and State paying to refurbish the building.
8. Believes that the President's heart is in the right place, but he is significantly overextended serving as Executive Director, Grant Writer, family man and who has a full time job. This understandably results in some sloppy record keeping.
9. Believes generally the Club is doing the right things with the funds that it has but improvements need to be made immediately in the way it does business. In keeping with the goals of the task force, in reviewing programs, finances, grants, current locations and problems, I make the following overall key recommendations: hire a part time Grant Writer, hire an Executive Director, and immediately clamp down on payment of all expenses until budget v. actual budget implemented
10. Consider selling the historical building. It is in deplorable condition and will continue to inhibit the Club in performing its mission. i.e. could rent the building for \$1. In exchange for annual market rent that entirely goes to pay utilities for that portion of the building

as well as covering the annual cost to begin making capital improvements. Ten year lease with options. Once you have a prospective tenant, get with the City to get a U&O and figure out what work is required immediately vs. the work that can be done over time & window repairs. If that is not an option, then

11. Alternatively, Club could condominiumize the facility, sell it to someone who can afford to fix it up. The Club retains the gym and all the space below and the Phelps Center, which is adequate space to run its programs.
12. Meet with the Mayor and City officials quarterly to provide updates and begin to establish a trusting, working relationship
13. If the above recommendations occur within 180 days, Mrs. Holland recommends that the City of Laurel should Grant \$80,000.00 to the Laurel Boys & Girls Club to offset the cost of utilities for one year and is not meant to be an ongoing contribution. This will allow the Board to re-tool and provide some financial breathing room until they could hire a full time fundraiser and see fruits from those efforts.
14. Renewal of any assistance is contingent upon the Club doing a complete evaluation and analysis and showing progress in making improvements.
15. Ms. Holland also fully supports Mr. DiPietro's recommendations.

### **Findings and Recommendations of Mr. Rousseau**

1. Agrees there should be an increased in Club membership fee
2. LBGC should have more community meetings to inform local citizens of progress
3. The City of Laurel should partner with the Club
4. Lease agreements should have more clarity and more organization for the safety of the Club
5. Recommends the City of Laurel grant \$250,000.00 to the LBGC
6. In order to help security of the facility, the Club should adopt I.D. Cards
7. City Police should have a greater presences at the facility, deterring any type of problems at the LBGC
  - a. LBGC should provide incentives to visit the Club, such as coffee or some other refreshments
8. Mr. Rousseau states the current Financial Situation is due to the lack of funding (\$50,000.00) to the Club from the City four (4) years ago.
9. Parents need to be more involved and be more accountable
10. The Board of Directors should place minutes of the meetings online and provide a copy to the City since they are partnering with the Club
11. Relationship with the City needs to be restored, as well as the relationship with the County and State
  - a. If County and State see partnership with the City, they will be more confident in supporting the LBGC in the future
12. As members, Parents and Children should be more responsible for the funding raising of the LBGC

13. The City should back certain grants that require funding to be spent before the money is reimbursed to the LBGC
14. The Club should be self sustaining, but the City should provide funding to see if LB GC is worth the investment
15. The City should hold a community poll to assess the support for the Club.

**Mr. Robert J. DiPietro**

1. A degree of help to the LBGC will be supported by the community of Laurel
2. If one reads the City Budget, City of Laurel's budget is down 4 million dollars, so it has 4 million dollars less to operate with
3. The LBGC took care of sports, and the City covered the Recreation Department
4. If the Club, the City, and the Community are worried about the Children, it should be worried about all the programs offered in the City
5. The City of Laurel should create a program equal to the how it funds the Emergency Services Commission
  - a. Prince George's County was not chartered until 1974, so there was no County Fire Department until that time.
  - b. Fire and Rescue in the City was placed in a charter because without it, the City of Laurel would have had no means in the event of an emergency within the city limits
  - c. The City has a commission that regulates the budget set for the emergency services providers.
  - d. The City should create a Youth Services Commission, which has its funding allocated grant money by the City Mayor and Council.
  - e. In this process, the money is controlled by the City and the requestor's apply for grants and submit their invoices for payment.
6. The Main area of the LBC should be historical property, however, the LBGC, or any other Club for that matter, should occupy that portion of the building.
7. The LBGC should own the land, however, condo the building that can be occupied to other owners. This way, the Club can generate more revenue.
  - a. The City should take over the center portion and the west wing of the building due to the fact they are capable of absorbing the costs needed to repair the building to modern day standards
  - b. The LBGC will use the facility, and focus their energy, time, and money on the East Wing of the building and the Clubs main purpose, sports programs
  - c. The reason the City should take ownership of the Center and West Wing of the building is because the City Bond Council may not even be permitted to put money into a building it does not own

**Other findings and recommendations from various Task Force Members:**

1. The money requested for the Club may only be a fraction of what it needs to sustain itself and make repairs to the building.
2. The Building seems to be a hindrance to the LBGC
3. The Laurel Boys & Girls Club is NOT the Building
4. IF the Club is awarded the City money, where does the City funding stop for other Clubs and programs? Are we creating a slippery slope?
5. Taking over the building shows a Complete Investment in the Laurel Boys & Girls Club
6. If the County ever needs to reclaim control over property the LBGC resides in, the Club will be at the mercy of the County, and not the City
7. The City should be partnered with the LBGC and Invest in the facility because the City can provide protection and resources.
8. The LBGC should provide a more positive appearance with the City, the negative appearance and comments must come to an end.

## **Appendix 10 – Task Force Member Mr. Ken Taylor’s Findings and Recommendations**

Transmitted via Email on 5 August 2013

### **Laurel Boys and Girls Club Financial and Operational Review Task Force - Final Recommendations and Comments By Kenneth Taylor**

#### **August 5, 2013**

The Laurel Boys and Girls Club and city residents have made a strong case for the City to provide financial support to this worth while community organization. This is our Laurel Boys and Girls Club. My recommendations are based on the request placed before the Task Force in the Laurel Boys and Girls Club Business Plan. The request asks the City to help secure:

- \$250,000 a year for two years to cover operational cost,
- Act on the behalf of LBGC to secure matching funds of \$500,000 for capitol improvements.

Based on the LBGC requests, the information and justification provide by the Club, my personal research and discussions with City residents, I make the following recommendations:

1. My recommendation is we find a way to secure up to \$200, 000 in matching funds per year for two years. The follow-on year allocations of matching funds are based on the Club successfully repaying the matching funds from the Grants. A clause should be included that enable the Club to request support for a single large grant that could provide significant upgrade to the building.
2. Currently the Club is operating at a \$100, 000 annual deficit. I recommend the City help fill the gap in the current year by contributing \$100,000 towards operating cost. Two recommendations based on the City providing these funds:
  - 1) The Club focus on their current core services and continue ways to increase revenue.
  - 2) No new programs should be added unless they are fully funded. The focus of these funds is to give the Club some operational breathing room. Any new funds raised by the Club can be used to sure up your financial sheet.

Although these are basic recommendations, I have listed my position in the key categories below. There are others inside and outside the Club that understand what needs to be done for the Club to reach it's vision. I heard many suggestions and

ideas on ways the Club can grow from our Task Force meetings. I welcome the chance to work with the members of the Task Force on our recommendations for the Club.

### **Role in the community**

The Laurel Boys and Girls Club is a fine organization that contributes to the well being of the kids of Laurel for almost sixty years. It is my opinion from the information provided that they run an efficient operation. It is clear that LBGC management and parents have a shared goal of providing for the kids and they work hard to do that.

In my opinion LBGC is a very important organization for the citizens of Laurel. They have done an excellent job utilizing fundraising revenue, grants, and volunteers to provide sports program to our youth directly and through partnerships. I commend the LBGC Board and Mr. Levitt for the results they have accomplished so far and acknowledge his vision to expand the services they offer.

I support the many good suggestions presented by Task Force members and by supporters of the LBGC. It is important that the Club continue supporting our children.

### **Cash Management**

I concur that LBGC financial position is truthful and straight forward. They have identified many areas that need better oversight, plus the urgent need to increase revenue. Yes, they run into management issues that could be run better, but the leadership seems to address them quickly. They also are open to suggestions that will improve their operation. There is always room for improvements to financial oversight and control of LBGC funds and programs. There have been several recommendations from other Task Force members and acknowledged by LBGC.

I like the recommendation from Mr. DiPietro on Youth Services Commission to disperse funds. LBGC has demonstrated they understand how to request and manage funds to be in compliance. I feel they will comply with any reasonable requirements suggested by the City.

### **Facilities Management**

The building seems to pose the greatest challenge to the Club that affects their programs and their financial situation. The requirements for maintenance and capitol improvements for such an old building will require a large investment. The Club has identified potential grants that could provide money. They require matching funds to secure these grant funded building improvements. I did not see where past matching funds opportunities met the level of \$500,000.

The building currently used by LBGC is a historic building. It is historic to Laurel. These two points are important to what I have heard from citizens on why we should find a way to help the LBGC restore the building.

I recommend we find a way to supply matching funds to support the Club's capitol improvement plan. I do not support the city taking ownership of the building in exchange for building renovation.

### **Access to capital**

This is where I have some conflict. As a tax paying resident of Laurel, I do not support City government contributing large sums to one outside organization. As a long time resident of Laurel I understand the challenges facing the LBGC. I would love to find ways to help them financially but not relying heavily on public funds. The input I have received from the community is equally divided on City funds for non profits. Everyone would like to help, but they are skeptical about using tax dollars.

A strong partnership of the City, Community, and the Club should produce several ways to meet the Club's ongoing financial needs. The City is doing its part for the community in various other programs under the umbrella of City government. Many people understand tax dollars are going to programs for children. They may not know exactly what programs are City run/funded.

Clearly the Club can and should look for access to capital through the local community and from the country at large. It would be great if a grant was available to cover the full cost of the building.

## Appendix 11 – Task Force Member Mr. Michael Sarich's Findings and Recommendations

Transmitted via Email on 28 August 2013

### Recommendations For LBGC Task Force

Like many nonprofits, there are a number of areas of operation that the LBGC can improve upon. The Task Force has focused on a number of these that are worthy of consideration and in some cases, immediate implementation. After reviewing my notes and consulting with some fellow task force members, these are the recommendations that should be included in the final report.

**Membership Concerns:** A concrete and public definition of membership should be established. Mr. Brown's Board-supported vision of offering an annual all-sports and activities membership package should be embraced and implemented.

Mr. Brown has called for an annual fee in the \$75.00 range with a means tested fee waiver for eligible families. This would serve both the Club's and communities desire to have increased participation (once a family has paid the fee once, they're likely to view it as a "sunk cost" and enroll in year-round activities) and total transparency in terms of actual dues-paying (and fee-waived) members. It is clear that this level of annual fee (\$75.00) would require funding assistance from the Club's traditional funding partners and the City.

**Internal Management:** One of the greatest achievements of this task force must be the comprehensive and frankly exhausting and exhaustive review of the Club's internal management. Thankfully, the unqualified independent annual audits certifying compliance with all GAAP and the extreme candor of Mr. Brown has put any serious questions of LBGC internal operations to rest. That said, there is room for improvement. This improvement can come through the active and ongoing embrace of both social and traditional media and the hiring of an Executive Director.

Many times, volunteer based organizations without full time active Executive Directors struggle with keeping up in the information exchange required of cutting edge community organizations. To overcome this challenge, the LBGC should seek to partner with local schools and seek out qualified web developers to assist in getting fuller information out to the community at large. A comprehensive communication strategy (usually the purview of an Executive Director) should be implemented. This strategy should include the publication of Board meeting minutes/summaries, PDF's of all publicly available documents, and the increased use of Twitter, Facebook, and traditional print and news media.

While the above steps will help close the gap with the public information, it is imperative that the LBGC search out and hire an Executive Director as soon as possible. It's simply not feasible for volunteers to shoulder so much of the load. With an Executive Director, the communication shortfalls should be limited and the burden on volunteers lessened.

**Lease Agreements:** Lease agreements should be standard and available on the web. While the Club generates a tremendous amount of goodwill by hosting events for diverse groups, standardization under the leadership of an Executive Director would be helpful.

**Cash Management:** LBGC money management is in full compliance with GAAP as certified by external independent auditors.

**Internal Security of the Building:** Currently the LPD is listed as an authorized agent of the LBGC. A comprehensive key system with sign-outs should be implemented and audited on a quarterly basis.

**Debt Management:** Like many 501-c's, the LBGC has had a challenging period with limited support from the City of Laurel and other governmental and NGO's. Consequently, the Board of Directors authorized Mr. Brown to take expedient actions to ensure continuity of operations. It is anticipated that as the country recovers from the economic crisis, the LBGC will also recover and pay down its debt in full accordance with GAAP and the direction of the Board. It is the consensus of the Task Force that this is an area where the City of Laurel, alongside the County can and should take immediate action to assist the Club.

**Facility Management:** This area can be improved with the hiring of an Executive Director. The LBGC Board of Directors is actively working on this issue.

**Relationship with external partners:** The LBGC has an outstanding relationship with many local businesses and the community at large. However, sadly, the relationship with certain elected officials has not shared the same spirit of cooperation and coordination for community betterment. Despite that unfortunate past, this Task Force represents the best chance in many years to reset that relationship and start anew with cooperation and collegiality. Quite simply, the children that are served by the LBGC are far too important to let the adults mess it up any longer.

This task force has the chance to shape the policy of this community for decades to come. Some of the outstanding ideas presented include:

- Posting minutes of our Board Meetings Online
- Televising them (using Laurel Cable Access Studio)
- Enhancing our web presence

Regularly hosting those politicians that support the Club.

The Club has hosted Lt. Governors, Members of Congress, Members of the House of Delegates, etc. in the past

Funding: As one Task Force Member indicated, without serious funding, the recommendations and hard work of this Task Force may come to nothing. The Task Force Recommends that in order to accomplish the above goals, the City allocate 1% of its budget for the kids. The City of Laurel budget is for FY 2014 calls for \$27,316, 094.00 in revenues. An increase of over 1.5 million dollars year over year. Allocating \$273, 316 for the LBGC would send a historic signal of cooperation and commitment to community betterment through the strongest nonprofit in the region.

## **Appendix 12 – Task Force Member Mr. Adrian Rousseau’s Findings and Recommendations**

### **Membership**

Club should offer membership package to participants, which should include offering sports package to participants, this would allow Club the ability to create membership list.

### **Internal Management**

Board Meetings, Parent Meetings, Community Polling, Advisory Board, Yearly Audits, Grant Management (Community Block Grant, County Executive Committee, Maryland State Comptroller’s Office, Maryland National Park and Planning.

### **Lease Agreements**

Handled by Ellen Berhane, task force received lease agreements sent to President to present to Board, Club has signed agreements on file and with independent auditor’s office.

### **Cash Management**

Outside Accountant and monthly Board meeting in which expenditures and monies are discussed.

### **Internal Management Control**

(Building), implementing night security and cameras already on premises.

### **Debt Management**

Supporting Operating Request will cure this.

### **Facility Management**

Hire/or secure volunteer to manage in and out traffic. (High school students, etc.)

### **Board of Director**

Provide minutes online.

### **Relationship with City of Laurel/State and County Government**

Open communication, bi-monthly meetings.

Police Substation during Club open hours. (In-kind service)

Club and City of Laurel Government work in partnership to offer quality youth programs to its community.

### **Communicating and Public messaging**

More informational message on website-currently the Club provides newsletter.

### **Fundraising Strength and Weakness**

Hire professional fundraiser, which falls under Support Operating Request.

Club should seek out local businesses to support Club by sponsoring sports teams.

### **Potential Recommendation for future**

Everything that I have recommended. Better communications. Club and City of Laurel Government make concerted effort to let community know that the Club and city are partners.

### **Access to Capital-**

**Community Based Fundraising operation**-going to businesses that are not funding Club.

**Governmental funding Operation**-Currently Club receives funding from State, County. Nothing from Feds (need to investigate federal monies) Club and City attempted in 2009 to secure grants in partnership-grant was not funded.

### **Community Based Governance Operation**

Continue to make available 990 and financial audit, etc. public records

**McCullough Field**-cannot be considered as in-kind contribution, Club has contract for usage.

Final Recommendations to City of Laurel Government

1. Support Operating Request (\$250,000), take leadership in securing funding.
2. Building Support (\$500,000 dollar match)
3. Open Communication with Club (Club provide 6 month report on funding City of Laurel Government).
4. Poll Community

## **Appendix 13 – Task Force Member Mr. Craig Frederick’s Findings and Recommendations**

Chairman Wilson,

It appears the committee efforts are winding down. I am sure you will agree that the experience on the committee has been very interesting. As a taxpayer and youth advocate, I want to personally thank you and each member of the task force for the commitment and time invested. I am sure the Mayor, City Council and City staff will do the same.

As you are aware, I believe the LBGC is important to the City of Laurel and surrounding communities, however based on the information provided and some information not provided, I am of the opinion that a professional forensic audit is needed in order to determine an effective remedy that will help the LBGC. This should be at the City's expense.

If the recommendation of the task force is to fund the LBGC any amount of capital, I do not agree. The City of Laurel government should not spend taxpayer money without a full understanding of this organization's financial make up. It would be very sad, for all parties, if the task force's recommendation promoted more of the same. The community and youth in the City of Laurel, and surrounding areas, deserve better.

Yours truly,

Craig Frederick