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# SOUTHWEST COMMUNITY FINANCING AUTHORITY

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## MINUTES OF ANNUAL MEETING

February 5, 2015  
2:00 p.m.

Murrieta City Council Chambers  
1 Town Square  
Murrieta, CA 92562

### Members Present:

Maryann Edwards	Chairperson, City of Temecula
Brian Tisdale	City of Lake Elsinore
Bridgette Moore	City of Wildomar
Randon Lane	Acting Vice Chairperson, City of Murrieta
Kevin Jeffries	County of Riverside, 1st District Supervisor

### Members Absent:

Vicki Warren	City of Canyon Lake
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### Staff and Guests were also present at the meeting

#### 1. CALL TO ORDER:

The annual meeting of the Southwest Communities Financing Authority (SCFA) was called to order at 2:00 p.m. by Chairperson Brian Tisdale. The following board members were present: Chairman Brian Tisdale, Members Maryann Edwards, Kevin Jeffries, Randon Lane and Bridgette Moore. Member Vicki Warren was absent.

#### 2. FLAG SALUTE:

Chairman Tisdale led the group in the flag salute.

#### 3. ELECTION OF OFFICERS:

The current slate of officers is as follows:

Brian Tisdale	Chairman, City of Lake Elsinore
Vicki Warren	City of Canyon Lake
Bridgette Moore	Vice Chairperson, City of Wildomar
Randon Lane	City of Murrieta
Maryann Edwards	City of Temecula
Kevin Jeffries	County of Riverside, 1st District Supervisor

**Member Lane made a motion to elect Bridgette Moore as Chairperson for 2015.**

**Seconded by Member Edwards**

**Motion passed unanimously.**

**Chairperson Moore made a motion to elect Member Lane as Vice Chair.**

**Seconded by Member Edwards**

**Motion passed unanimously.**

**Slate of Officers for 2015:**

Bridgette Moore	City of Wildomar, Chairperson
Randon Lane	City of Murrieta, Vice-Chair
Vicki Warren	City of Canyon Lake
Maryann Edwards	City of Temecula
Brian Tisdale	City of Lake Elsinore
Kevin Jeffries	County of Riverside, 1st District Supervisor

Chairperson Bridgette Moore took over the meeting.

**4. MEMBER COMMENTS:** None at this time.

**5. APPROVAL OF MEETING MINUTES OF April 14, 2014:**

**Member Lane made a motion to approve the meeting minutes of April 14, 2014.**

**Seconded by Member Tisdale**

**Motion passed unanimously.**

**6. PROGRAM ADMINISTRATOR UPDATE/AFV Update:**

Program Administrator Christopher Hans introduced himself and explained that he does not vote but puts together the agenda items to keep the shelter moving forward. He spoke briefly about the upcoming agenda items regarding the audits and the Operations Contract with AFV which is due for renewal in August of this year. He explained that last summer as we entered the last year of a 5-year contract, there would need to be a discussion about the next year's contract, either considering the continuation of the contract with AFV or a contract with a different company. Not knowing what the Board would do; Christopher initiated what he thought to be routine audits. When we went through this five years ago, there was a general release to the public and a request for companies that could provide the service to come forth and to show they were qualified and make a bid on how much it would cost to provide the service. AFV did that and they won the contract years ago. He anticipated a similar process and he wanted to prepare the Board or provide for the Board as much information as he could so they could make a good decision and move forward on the process. This is what recommended and commissioned several routine audits. The results of those audits have been provided in your packets and are also available on line.

**7. UPDATE CITY OF LAKE ELSINORE – “COORDINATED MARKETING PROGRAM”:**

Christopher Hans introduced Nicole Dailey, Management Analyst with the City of Lake Elsinore. Nicole welcomed the most recent members to the Board and provided an update on behalf of the Regional Marketing Program Committee. Last year in April, the JPA approved the program with the goal of bringing together the cities and the county to leverage resources, to increase education and public awareness about critical pet ownership in the community. Nicole provided a status on the five different strategies.

The first strategy is to invest resources together and secure funding through each of the member agencies for spay and neuter, as well as reduced cost micro chipping and amnesty programs. This was inspired by AFV who pledged to match the contributions, and in July quarterly marketing meetings began; each member agency went back to its administrative body to obtain approval which took a little while, but we are now moving forward smoothly. Ms. Dailey referenced the power point being displayed which showed participation from the cities of Murrieta, Wildomar, Lake Elsinore, Temecula and the County of Riverside, and provided participation of launch dates with results of microchips, spay/neuter vouchers, and amnesty licenses. Member agencies noted above each contributed \$12,500 towards the program, and AFV matched each for a total of \$62,500.

Strategy No. 2 is to do more consistent messaging throughout the region. Design logos have been displayed on billboards, emails, newsletters, social media, etc., representing each of the cities and the county. Nicole expressed how well the advertising is working to promote animal control in the valley.

Strategy No. 3 is to create partnerships with businesses, other agencies, rescue groups and the importance to leverage resources between member agencies. First we are trying to promote some of AFV’s existing activities out into the community; in Lake Elsinore we partner with the school district to provide the black and white flyer displayed on the screen. AFV recently secured a donation from one of their loyal donors to put aside \$2,500 to create another incentive for our program which will be a \$10 gift card to Walmart to be used to get people to come in with their spay and neuter vouchers to get their pets spayed or neutered and upon leaving, they will be given the gift card. The Marketing Program Committee will be working with AFV to promote this. AFV is redesigning their website; the Marketing Program Committee will work with them on this. As the existing program funds become exhausted, it is important to come up with more incentives.

Strategy No. 4 is Community Events; one event is a regional adoption event and we want to get AFV to come out and participate with these events; we will provide a list of regional events AFV can participate. The County Department of Animal Services has also offered the use of their mobile clinic to do spay and neutering. We know there are areas in our region where residents may have a hard time getting their pets to the clinics or shelter, so we will go out to them in the mobile unit and give them service. A Regional Adoption event is also to “Empty the Shelter” is something that Texas did where they try to adopt out all pets in one day. She mentioned these are things she is excited about and that we will begin to talk about at our quarterly meetings.

Strategy No. 5 is Long Term Solutions, such as what other communities are doing and what would work best for us, exploring the No-Kill communities and steps to take, and consider ordinance changes to address needs of the region.

The last slide provided the latest comparison of statistics by city from 2013 to 2014 on animal intakes at the shelter, rescued, returns to owners, etc. The numbers are going down, but she emphasized that we want to see these numbers continue to go down further. In conclusion, Ms. Dailey thanked the member agencies as well as everyone in the audience and surrounding community for their support with the goal of getting the pet population down. She stated she looks forward to continuing to work with everyone here.

Member Tisdale commented last year when he asked Ms. Dailey to help him with this project, she was able to get all the cities together; and he thanked all the board members for allowing staff (although extremely busy) to get together on this; everyone had a lot of good ideas and together has come up with a lot of good things. He thanked Ms. Dailey for all her hard work in leading this effort.

**8. RECEIVE AND FILE: AUDITED FINANCIAL STATEMENTS:**

Mr. Hans introduced the four items stating it is standard each year to produce financial reports on the health of the board, and the managers of the shelter operations. Also included are fund balances available to support the shelter.

**A) SCFA Audited Financial Statements as of June 30, 2013:** Mr. Hans reported that the audited financial statements, as prepared by Brown Armstrong have no significant findings. A member from Brown Armstrong is available to answer any questions.

**B) AFV Audited Financial Statements as of June 30, 2013:** Mr. Hans reported that audited financial statements are also routine, as prepared by Prudhomme Associates CPAs have no significant findings. He stated Ms. Kris Anderson is available to answer any questions.

**C) Credit Enhancement Fund Balance:** Mr. Hans reported this is a one-page report on the balance of credit enhancement fees charged each year.

**D) Contingency/Reserve Fund Balance:** Mr. Hans reported this is a one-page report on the Contingency Reserve fund balance.

**RECEIVE AND FILE.**

**9. APPROVAL OF OPERATING BUDGET ITEMS**

**A) FY 15/16 Proposed AFV Operating Budget:**

Kristine Anderson, employee of AFV gave an update of the operational cost of the budget for this year and a preview of the cost to run the shelter for next year. She stated that according to the JPA agreement each of the cities, county and AFV will have a portion of paying the operation maintenance costs for the shelter. The budget has increased which will

allow for raises and repairs; also we have projected additional revenues. We are looking forward to a positive year-end.

**Member Lane made a motion to approve the FY 15/16 AFV Shelter Operating Budget.**

**Seconded by Member Edwards**

**Motion passed unanimously.**

**B) FY 15/16 Annual Fee Schedule and Pie Charts of Animal Counts:** Mr. Hans explained the Annual Fee Schedule and Pie Charts of Animal Counts and how the debt service is calculated based on each city's and the county's percentage of animals housed the prior year. AFV does not pay into debt service. AFV pays into Shelter Operation costs along with the cities and the county.

**Member Edwards made a motion to approve the FY 14/15 Annual Fee Schedule and Pie Charts of Animal Counts.**

**Seconded by Member Lane**

**Motion passed unanimously.**

**C) SCFA Revenue/Expense Allocation Credit to Cities (FY 10/11 thru FY 14/15):**

Mr. Hans stated this document shows the revenue that was collected on behalf of each city in the county and the payments made for their portion of the expense.

Chairperson Moore asked Kris Anderson of AFV to explain Wildomar's mandatory reserve balance. Ms. Anderson explained at one of the first meetings the Board decided to keep a mandatory \$75,000 on hand so there would be a cushion. AFV holds those credits; allocation amounts are calculated based on the percentage of animals in the shelter. These monies are not to be committed to spay/neuter, microchipping, etc., and are to remain in there. Member Tisdale mentioned the County's portion, and Ms. Anderson explained the county has been the only entity owing in the past and has set up a contingency fund reserve which holds their balances.

**RECEIVE AND FILE.**

**10. Review and Approval of AFV Audits:**

**A) Administrative Audit – County of Riverside Department of Animal Services**

**B) Financial Audit Review - County of Riverside Executive Office**

**C) Operational Audit – Dr. Larry Kosmin**

Member Lane stated that he supports AFV and the he is going to make a motion at some point to reject the audits as incomplete because they should have been performed by a neutral third party. He asked first if it affects the contract renewals for Item #11, and asked if another meeting could be called to bring back these items. JPA Counsel Bruce Fordone responded it does not affect Item #11 and yes, the items can be brought back to another meeting.

Member Lane stated he would like to make a motion to reject the audits as incomplete. One: The reports or audits were never brought forward to this Board prior to this meeting and he feels it is a failure in policy of this Board. Secondly: Audits were never given to the AFV to allow for a rebuttal of any of that information. He thanked Kris Anderson for provided email after email of AFV's rebuttal, but he thought it inappropriate that AFV had to do this. Third reason: The audit was performed by the County of Riverside, which is a conflict of interest. An audit of the AFV should be done by a neutral third party. Fourth: Member Lane stated he is concerned about the process brought forth from an audit that has turned into something that he believes it did not need to be. At some point, the policies and procedures should be brought back for review because he, as a board member, had no say in these audits and he sits on this board as a member and has the right to have a say in that.

**Member Lane made a motion to reject the audits as incomplete, and to bring in a neutral third party to do so if we so choose to do so, and we give AFV a chance to rebut the information that was presented in all of the audits.**

**Seconded by Member Edwards.**

Member Tisdale asked that the Program Administrator speak to his authority in this matter before rejecting. Mr. Hans apologized for the confusion with the audits. He stated it was not his intent to drive the contracts negotiation in any particular direction. It was his intent to bring as much information to the Board as possible. He stated there are some things that he did not anticipate. He stated we all feel very strongly about our pets and should have anticipated the kind of emotion that these meetings would bring or that the talk of these audits or renewing a contract would stir up emotion. He stated he faults himself with not anticipating that but the intent was to bring to this board all the information they would need to make the best decision possible on renewing the contract or have another contract. Regarding the point about selecting the County of Riverside, He stated he was trying to keep the cost down; and the conflict of interest never did occur to him. Mr. Hans stated he works for the County and it was easier and quicker to get the audit done that way. He stated public requests were made, one of which came back extremely high at above \$50,000.

Mr. Lane stated that although he understands that, but he was only informed that this audit may occur and for this board to be kept out of the loop is completely and utterly inappropriate under every single level he could imagine. He stated he also has issue with the fact that this Board only meets once per year; an organization that has \$1,000,000 budget does everyone as dis-service to meet only once per year. A lot of things were missed and done without the authority of this Board. His recommendation is that they reject these audits and come back to another meeting in the near future.

Member Edwards stated this is a gross error to communicate; just the appearance of a conflict in having the County audit when they are in direct competition with the AFV Animal Shelter is primary, but in an audit, we should never come back to the Board for a decision without having AFV the chance to answer. She stated that as she looks through the audit, so many things are procedural in nature and minor corrections but there are so many. With so many volunteers and so many services offered, naturally some of these minor mistakes will happen. Member Edward stated she wants AFV to be able to answer these questions,

get volunteers involved, retrain, etc. because we must work as a team. Most of these things can be so easily overcome, but AFV did not have a chance to explain.

Member Tisdale we met with all of the cities on this; the first meeting held back in August included a representative from each city, some call in and some were present at the meeting where we talked about some of the concerns and whether we should do an audit. He stated when he received a bunch of complaints he took it to the Board, Executive Office. He stated with those concerns, they thought it best to do an audit. He asked specifically to put this in closed session so it could be discussed in order to share complaints with other Board members. He was told the only to do this is to share with the EMC. He stated he thinks it a problem this could not be shared with the Board, but felt that every staff member was aware and responsible for making their board members aware. He stated concerns were there and if enough for the administrator, then that is why we are where we are.

Member Lane stated that is correct, but when he requested information on the first audit, he was told that direction was given not release that information to a Board member or to anyone. As a Board member making decisions for this Board, with what really ends up being a personnel issue with the audit, a closed session meeting should have been called, not the Executive Management Committee.

**Member Lane made a motion to reject the audit as incomplete, have bids on what audits would cost to be reviewed by the Board, and to allow AFV to respond to the audits at the next meeting. The County should be out of the mix of the audit. AFV should be given the chance to respond to the audits that have been prepared, either item by item or in one single page, but allowing them to respond.**

**Chairperson Edwards added to the motion audit should be only of the operations of the shelter and indicate what we are getting for the money that the cities are spending.**

**Seconded by Member Edwards.**

**Motion carried unanimously.**

**11. AFV Contract Renewal:**

Christopher Hans asked what direction does the Board want to take on the renewal of the contract that ends August 31, 2015. Members discussed rejecting audits completely or rejecting audits as incomplete until AFV responds to both audits as presented. Member Lane would like to renew AFV's contract for another 5 years, once AFV responds to both audits that were presented. Member Edwards stated AFV has done a remarkable job and has no problem renewing AFV's contract for another five years. Member Tisdale stated he has no problem with renewing contract, but since things have changed over the years, suggested reviewing contract for changes before renewing.

**12. PUBLIC COMMENT REGARDING AFV CONTRACT RENEWAL:**

**Jeanette Marie Bassi** - member of the Temecula Valley Women's Club, which consist of more than 160 women who have put more than two million back into the community and donated over 1.2 million volunteer hours. Our organization has existed for 30 years. Our

goal is to partner with non-profit organizations that are charitable to help them to be more successful. We are made up of numerous committees and the committee I chair is the Animal Advocates Committee. She has been in this position for 5 years and works very closely with AFV. We have as an organization in the past three years donated in-kind in momentary donations toward AFV, totaling \$38,280.46. We have in the past three years accumulated \$36,366.43 and also donated two automobiles to transfer animals to the clinic. We support AFV completely, also in the past three years, we have volunteered 3,000 hours with AFV which is equal to a government grant writing of \$67,500. AFV is very important in our community and as a member of the TVWC we are very selective in whom we partner with. We chose the one with an ethical reputation and the one that is well oiled, and have shown the community benefits beyond compare. We are proud to partner with AFV and we will continue to do so in the future and I'm here on behalf of myself as the Chairperson for Animal Advocates Committee and as a member of the TVWC. In supporting AFV, we began some time ago when we donated 25K from one of our holiday home tour. We will continue to support AFV as long as they are contracted with the communities.

**Beth Gruff** - President of "It's The Pits K-9 Rescue" a non-profit organization, in San Diego, California. The policies have loosened up at AFV for non-placeable dogs. Within one year we have been able to place 95 non-placeable dogs in families with children, cats and other dogs. These dogs were considered non-placeable which is an ambiguous term. Most non-placeable dogs are euthanized. The policies for pit bull type dogs have allowed more adoptions. A horrendous situation occurred in which the wrong dog was euthanized because the tag on the dog's collar was not checked and apparently, the dog was put in the wrong kennel. Within the same week we were told that a dog we were committed to take was killed; but when our volunteer went in that dog was still there happy and wagging his tail, so we took him and he is alive and well. The euthanizing of dogs by accident need to be non-existent and should not occur.

**Rochelle Summers** - Five years ago AFV made promises that they have kept. You have put a lot of pressure on AFV by performing the audit. AFV did not have a lot of big red flags. Only small flags that are fixable. AFV has done a good job for the community and we will be lost without their services. Good job, way-to-go for providing such a service to the community. I bet none of you would want to do their job. Their contract should be renewed.

**Darlene Hilz** - A local business owner in Lake Elsinore for 20 years with 43 employees. I have the ability to use funds from my company and other private donors and pay it forward. I have done a lot of research and studied local non-profit business. We decided to partner with AFV because they are efficient, professional and forward thinking. Every dollar donated they double or triple it. Last year, we donated over 30K to AFV for grants to subsidize adoptions. This year we will donate a minimum of 30K but hoping to increase our donations and continue working with the professionals at AFV.

**Jan Bates** - She lives in Fallbrook and she represents families that want to move to Temecula. She met Willa many years ago and she is doing an amazing job taking care of the animals. Some military servicemen are struggling with PTSD and we are losing one serviceman per hour. An animal can rescue them and save their lives. Please support AFV and give AFV another five-year contract.

**Kristyl Adams** – Chairperson Moore called Kristyl Adams' name she did not respond.

**Kathy McIntire** - Lake Elsinore resident, Administrative Supervisor at AFV. She takes pride in the shelter and the hard work of our employees. We train our employees diligently on policies and procedures. In my opinion, the Operational Audit is a blatant conflict of interest. It was a waste of taxpayers' dollars. Our employees are passionate and work endlessly to provide a thankless service to the public. As you will hear most complaints are from disgruntled ex-employees or disgruntled rescue groups.

**Linda Briggs** - Resident of Murrieta, known as the "Dog Lady". She works closely with the AFV and she shares information about the free micro chipping, spay and neuter. I'm in favor of renewing AFV's contract.

**Tammi Boyd** - Board Member for AFV and she is in favor of renewing their contract.

**Christine Antonelli** - AFV employee. The employees are concerned about their future and they are hard workers who gives 150%, but that is very difficult to do when facing uncertainties.

**Joni Guart** - Did not respond when called to speak.

**Wendy Lesovsky** - Lake Elsinore resident, business owner in Murrieta for 25 + years. She is in favor or renewing AFV's contract.

**Monica Alexander** - Rescue Group Coordinator at AFV for almost two years. There are 195 approved rescue partners that speak positive on their behalf and they are in favor of renewing AFV's contract.

**Judy Henderson** - A member of Temecula Valley Women's Club and she is in favor of renewing AFV's contract.

**Karen Synder** - Disapprove of the Audit and feels that another audit is not necessary. She is in favor of renewing AFV's contract.

**Barbara Bousman** - Lake Elsinore resident, in favor of renewing AFV's five-year contract.

**Josh Libby** - He felt that the audit performed by Riverside County was a conflict of interest. He has personal issues with AFV's policies and procedures regarding pit bulls. He asked for an independent audit of both AFV and Riverside County Animal Control.

**Monica Mestas** - She said AFV have had 28 years to make a difference. We need an independent audit and the contract should go to bids.

**Mary Craton** - She said AFV is a wonderful group with a great staff. She had a pet euthanized and after that, she ordered another pet in which she was very pleased with. She knew nothing about the audit but feels AFV should have a chance to respond to the audit.

**Norm Hull** - Norm shares support for AFV. He said AFV has a great foundation and needs to have a chance to respond to the audit. Instead of paying for a new audit let's buy dog food.

**Kristyl Adams** - Kristyl volunteers at AFV and is known as the "Peanut Butter Lady". Another Audit would be a waste of time. She would rather see the money spent on food or surgeries for needed animals.

**Zia Bosenmyer** - One thing shelters do to make themselves look better is create a category of adoptable vs unadoptable animals and true no-kill shelters do not really have that category. She said if opposition is expressed an individual is fired or banned from pulling dogs from the shelter. There are a lot of unethical things going on at AFV.

**Melinda Shaw** - She said I'm not too familiar with AFV nor with all the other rescue groups in the area. I have a background in animal rescue. I feel passionately about the no-kill revolution that is happening across the country and I don't know where AFV stand on it. But, I feel it should be addressed. The no-kill revolution is essentially to get every single animal adopted by ending the killing of animals. There are very few animals that need to be euthanized

**Glen Masse** - A dog trainer and AFV's volunteer. He traveled around the country and there is not one animal shelter that he could not criticize. He asked, why wasn't there an independent audit if it was needed? He is pro life and he does not want to see any dogs euthanized.

**Kathleen Vergers Sances** - She is a former employee of AFV that witnessed the use of expired vaccines. She stated that she is a disgruntled employee. On the proposed budget under spay/neuter it showed an income of \$1500. She did not understand how AFV received that number. It should be \$253,000.

**Tiffani Young (no blue sheet)** - Event and Fundraiser Coordinator for AFV, She stated, as a parent I have two young girls and sometime will all the chaos going on in the world. We struggle with what are we going to teach our kids. I work with people who really do care and they try to make a difference. I believe in Willa and her mission.

Blue sheets were filled out by Nancy C. Horton, and Rosemary Smith but no comments were given.

**Member Lane** - Proposed that he would like to hear from AFV. He wants AFV to respond to the contract and the audit in a fair manner at a specific hearing in the future. He stated, we have the ability to create subcommittee that can be setup to work with AFV.

Ms. Kris Anderson of AFV stated we need to look at the contract one last time and we would like to see a price index and online services. We need to work together and not against each other.

**Member Lane withdrew his previous motion to reject audits and made a motion to review contract for changes and bring back to next BOD meeting, and have AFV respond to audits as presented.**

**Seconded by Member Edwards.**

**Motion passed unanimously.**

AFV director Willa Bagwell asked if they could find out what complaints are about. Chairperson Moore stated they will have staff look into this.

**13. ADJOURNMENT:**

The Board adjourned the meeting at 4:00 p.m. to its regular meeting of February 4, 2016, at 2:00 P.M., at the Murrieta City Council Chambers, 1 Town Square, Murrieta, CA 92562.