

# APPROVED MINUTES

## San Diego County Indian Gaming Local Community Benefit Committee

Meeting - February 23, 2011

Supervisor Jacob's El Cajon Office  
250 E Main Street, Suite 169  
El Cajon, CA 92020

### I. Welcome and Roll Call

Committee chair and County Supervisor Dianne Jacob called the meeting to order at 2:30 pm.

#### **Members Present:**

Dianne Jacob, County Supervisor  
Edwin "Thorpe" Romero, Chairman, Barona Band of Mission Indians  
Mark Lewis, Mayor, City of El Cajon  
William Gore, County Sheriff  
Don Steuer, County Chief Financial Officer  
Sheilla Alvarez, Representative, Barona Band of Mission Indians  
Adam Day, Representative, Sycuan Band of The Kumeyaay Nation

#### **Members Absent:**

All members present.

#### **Legal Advisor:**

Shiri Hoffman and Lori Winfree, Office of County Counsel

#### **Staff:**

Teresa Brownyard, County Chief Administrative Office

### II. Approval of minutes for the meeting of September 16, 2010

ACTION: The committee approved the minutes by unanimous vote.

### III. Overview of October 2010 Annual Report

Teresa Brownyard, committee staff, presented an overview of grants reported in the 2010 Annual Report to the State. She noted that half of the pending grants reported at that time have since been closed out, with only six of the twelve still underway.

Member Romero asked about the status of the Regional Training Center grant.

Meeting attendee Chief Ghio responded and said that the project is progressing with planning nearly complete and bids slated to open soon.

## **1. Financial Report of Indian Gaming SDF Trust**

Teresa Brownyard, committee staff, presented a financial report of the Indian Gaming Special Distribution Fund (SDF) Trust Fund and the status of all grants currently underway. She reported that of the total \$23,598,367.82 of SDF that has been distributed for projects since FY03-04, only 8% or a total of \$1,882,764.96 remains unspent. She pointed out that grantees have done well implementing projects, and that only six projects are pending, five from FY08/09 and one from a prior grant cycle.

Teresa noted that the balance of the Countywide Trust Fund is now \$107,001 which includes interest earned on the main trust, interest returned by grantees of FY08-09 grant accounts and excess grant funds returned from projects that came in under bid. She confirmed that these funds will be available for the upcoming round of competitive grants, along with the \$3,086,756.31 allocated by the state in FY10-11 via Chapter 719 Statutes of 2010 that appropriated \$30 million to restore funding deleted from the Budget Act of 2007.

## **IV. State Audit of FY08/09 SDF**

Teresa reported that the State Audit of seven counties that received FY08/09 Indian Gaming Special Distribution Funds (SDF) was posted on 2/15/11 on the state's website. She noted that the County provided written response to the redacted copies of the draft report "Indian Gaming Special Distribution Fund: Local Governments Continue to Have Difficulty Justifying Distribution (of) Grant Funds" which is now included in the audit report on page 73 with response from the state on page 75.

Teresa summarized the audit findings, including that the San Diego IGLCBC process held up as an example of a comprehensive transparent process and all committee members filed disclosure statements (Form 700) on time. She also noted areas for improvement, including that the City of El Cajon's road project was used as an example to consider traffic counts as part of the application process in the future to better quantify impacts; and that the County of San Diego Regional Fire Authority – Regional Fire & Public Utilities Training Center project should seek quantifiable data and show proportionate nexus.

### **1. State Audit recommendations**

Teresa provided an overview of the recommendations in the audit that are applicable to San Diego, including:

- Recommendation 1, which requires the County Auditor to review each grant. Teresa noted that the County response was to take under advisement, and that it may be more advantageous and cost effective to ask the County Auditor to review the grants process in lieu of each application to validate the methods used to quantify impacts. She noted that the County does not have authority to bind the IGLCBC to any course of action, and that any proposed changes to the grants process must be reviewed and approved by the IGLCBC.
- Recommendation 3, to require more rigorous review of applications, including for the committee to require each grant application to clearly show how grant will mitigate casino impact. Teresa noted that the County response was in

agreement, and that San Diego continually seeks to improve the process. She noted that the IGLCBC will review the application process today for possible improvements for the request of information from applicants to ensure that metrics more clearly demonstrate proportionality for impacts.

Teresa noted that the County is required to submit a report to the State on the status of implementation of the recommendations in 60 days, 6 months and 1 year.

Member Day expressed disappointment that he was unaware of the audit and that he first saw it in an article in the Union Tribune, and that today is the first day that he has seen the County response letter. He noted that the audit has a number of flaws and that the State auditor got things wrong. He felt that the response would have been much stronger if the Tribes had been involved in drafting the letter.

Member Romero agreed that the committee should have been informed. He agreed that the San Diego IGLCBC process is a good process and noted that he was unsure if the recommendation to use the County auditor to review all applications should be used or not. He noted that the Barona Band is sponsoring a spot bill that may be used for language to respond to the audit.

Member Jacob suggested that committee members should have known about the audit and stressed the need to distribute to all and do better next time.

Member Lewis stated that he agreed with all comments and noted that he felt the County auditor reviewing each application may be too much.

Member Jacob stated that there is no reason the County auditor should be involved and that the open, transparent process speaks for itself.

Member Romero suggested that the committee compile a joint letter for the 60 day response to the State.

Member Lewis agreed, and noted that he is proud of the process.

Member Romero noted that the problem with the State is that they lack an understanding of San Diego issues and layout.

Teresa noted that the auditor did conduct site visits with select grantees as part of the audit process.

Meeting attendee Ghio noted that the auditor did conduct a site visit of the San Miguel Fire Protection District, but that they "don't get the situation down here even after providing the auditors with data that met the intent of the grant".

Member Jacob asked for clarification of the committee's role and proposed response to the audit.

Committee Counsel representative Shiri Hoffman confirmed that the audit targeted the County and not the committee. She noted that counsel advised County staff that the state prohibited distributing the draft redacted copies of the audit findings outside of the

county.

Meeting attendee Ken Miller noted that the committee does a great job. As a grant applicant he said that he is impressed with the level of scrutiny on proposed projects. He noted that the State was seeking one data set and would not take into account the various data sets with quantifiable impacts.

Meeting attendee Ghio noted that the Regional Training Center is a regional facility and that auditors lacked understanding of the location and intended uses.

Member Alvarez noted that often rough estimates are all we have with proposed projects and that quantifiable data is not always available when submitting applications. She agreed that the committee rigorously reviews all applications and that one letter to respond will be good.

Member Jacob confirmed that the committee will send one letter that all members will sign. She asked members to provide comments to Teresa by 3/9/11 so that she can compile the letter and distribute for final review.

## **2. Review of grant documents**

Teresa distributed a copy of the grant application form and Frequently Asked Questions (FAQ) documents used in FY08/09, and noted areas to update FAQs to be reflective of the current RFP. She also said that she already asked the County Auditor to review the documents. Auditor Jim Pelletier reviewed the documents and advised that they already captured all necessary information. He noted the importance of thorough review and analysis. Teresa suggested she add source data to the matrix for review of applications.

## **V. Adoption of Schedule and Milestones for next round of competitive grants**

Teresa went over the proposed schedule and milestones for the next round of competitive grants, with the grant application period to run 2/25/11 through 3/28/11; the second meeting of the committee to be 4/8/11 for applicants to provide oral presentations; the Tribes to submit sponsorship letter to the IGLCBC by 4/21/11; and the final meeting of the committee for selection of grants to be 5/4/11. She noted the need for a quick turnaround to meet state due dates, including the 5/13/11 deadline to submit the recommended projects to the State Controller's Office; and the 6/30/11 deadline for State Allocation of grant funds. She also asked committee members if they are okay to not convene the Subcommittee for this round due to the timeline.

Member Romero agreed that the aggressive timing does not allow time for the Subcommittee to meet. However, he noted that not convening the Subcommittee would be for this year only and that the Subcommittee will be used in subsequent years. He informed the other two Subcommittee members of his availability to meet should there be any concerns of selected projects.

**ACTION:** The committee adopted the FY10-11 Schedule and Milestones by unanimous vote.

**VI. Public Comments and Communications**

Member Jacob noted that meeting attendees had participated in the discussion of the audit. She asked if anyone else had other issues for discussion. No further comments were presented.

**VII. Adjournment**

With no further matters to consider, the meeting was adjourned at 3:25 pm.