

# **SOUTH SANTA CLARA VALLEY MEMORIAL DISTRICT**

## **Board Members**

John Ceballos  
Rita Delgado  
Phil Garcia  
Gabriel Perez  
Ermelindo Puente

## **Interim Executive Director**

James Gargiulo

# **MINUTES**

## **REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE SOUTH SANTA CLARA VALLEY MEMORIAL DISTRICT**

**August 19, 2024**

Veterans Memorial Building  
74 West 6<sup>th</sup> Street, Gilroy, CA

**5:00 p.m.**

**CALL TO ORDER** – Meeting called to order at 5:00 pm.

**ROLL CALL** – All board members were present.

**PLEDGE OF ALLEGIANCE**

**PUBLIC COMMENT TIME**

None.

**CORRESPONDENCE**

None.

**CONSENT CALENDAR**

1. Approve Minutes from the July 15, 2024, Regular Meeting
2. Approve Minutes from the August 5, 2024, Regular Meeting
3. Approve Minutes from the August 12, 2024, Regular Meeting
4. Approve Warrant List for Payment of Received Bills for July to August 2024
5. Approve Financial Statements for July 2024  
Director Perez made a motion to approve Consent Calendar items 1, 2, 3, 4, & 5.  
Director Puente seconded the motion. The motion passed unanimously.

**REGULAR AGENDA ITEMS**

1. Approve janitorial contracts with Firato Service Co. Inc.
  - a. Monthly janitorial services
  - b. Red tile cleaning
  - c. Vinyl composite tile cleaning

Director Perez made a motion to approve the Firato Service Co. Inc. contracts. Director Puente seconded the motion. The motion passed unanimously.

2. Interim Executive Director Report: The Executive Director presented the staff report, a copy of which is attached hereto.
3. Future agenda items: The annual financial audit will be placed on the agenda for September 16, 2024.

**ADJOURNMENT**

The meeting was adjourned at 5:23pm.

# August Staff Report

**BUILDING MAINTENANCE AND IMPROVEMENTS**

**Kitchen:** The Santa Clara County Health Department approved the plans on July 25, 2024, and the District has 180 days from this date to start construction. The County also approved the District's menu for foods to be prepared in the new kitchen.

The City of Gilroy has not yet approved the plans, and Davco Associates, who is the District's architect, is working to address the City's questions and concerns.

The next step is to create the Bid Notice, and this will be handed to the new Executive Director. The bathroom remodel project from 2021 will be used as a template for the Bid Notice.

<b>Approved Budget February 26, 2024</b>	\$400,000
<b>Preliminary Estimate</b>	\$348,666
<b>Total Fundraising as of July 31, 2024</b>	\$241,538*

<b>Actual Expenses</b>			
<b>Date</b>	<b>Payee</b>	<b>Description</b>	<b>Cost</b>
6/30/24		Balance Forward	\$20,501.05
7/3/24	Davco Associates	Respond to Health Dept	\$900.00
<b>Total</b>			<b>\$21,401.05</b>

\* Only includes cash received. The American Legion Association will donate whatever balance is needed to pay for the project once an exact amount is known.

**30-Year Reserve Plan:** This plan will help the District determine how much money is needed for future renovations and replacements and how much needs to be contributed to reserves each year to ensure that all costs are fully funded. This will be handed to the new Executive Director for completion.

In the past and most recently in August 2023, the Board was presented with a 5-year Capital Improvement Plan that identified several unfunded projects. Unfunded projects are a red flag that should be dealt with immediately. Creating a 30-year reserve plan will identify how much funding is needed to close the gap with the unfunded projects. The priority after the kitchen is the roof, which has multiple leaks and needs to be replaced immediately. The plan will ensure the District is meeting its obligations to take care of the building in accordance with the California Military and Veterans Code Section 1191.

**HALL RENTALS AND MARKETING**

Fiscal Year	Total Rentals for the Year*	% Increase Over Last Year	Sales
2021-22	218	---	\$55,345
2022-23	326	50%	\$55,566
2023-24	364	12%	\$66,105
2024-25**	25		\$7,193

\*We are not sure of the methodology used to count rentals in prior years. For the current FY, only rentals that produce income are counted. The Bar Council's lease is counted as one rental per month. The semi-monthly Veterans Benefit Days are counted only for calendar year 2024 because of the funding from the ChangeX \$10,000 grant which was fully recognized in FY 2023-24.

\*\*Through July 31, 2024

We are still primarily using Facebook for marketing. It has come to the staff's attention that there are people in the community who do not know of the District, that the District is a government agency, and that the Veterans Hall is available to rent to non-Veterans. Many people still confuse the District with the VFW or the American Legion or the Bar Council including some of our own volunteers. Our marketing efforts have shifted to clearly explain who the District is and to let people know that the Hall is open for non-Veterans to rent.

The website [www.GilroyVeteransHall.org](http://www.GilroyVeteransHall.org) is temporarily down. This was a result of when the ownership of the website was transferred from the prior Executive Director's email account to the Interim Executive Director's email account. We have contacted Wix, who hosts the website, to fix this, but their customer service has been slow to respond.

The District received the final \$3,000 payment from the ChangeX (Amazon) grant of \$10,000 for hosting Veterans Benefit Days.

**ELECTION**

**District Board of Directors:** The District has been notified by the Santa Clara County Registrar of Voters (ROV) that the nomination period has not been extended because at least three people filed to run for the three open Board seats. We do not yet know if more than three people filed or the financial impact of any election fees.

**Voting Location:** The District signed the contract to be a polling location for the ROV. We are still waiting for the ROV to countersign and send back. The ROV will be onsite on October 19 for training and November 1-6 for the election.

The Fire Marshall visited the District on August 6, 2024, and confirmed that extra locks cannot be placed on the door. The ROV has agreed to use their security stickers to seal the doors and verify that no one entered, and this is an acceptable solution for the Fire Marshall.

### **ADMINISTRATIVE**

**Gilroy Veterans Memorial Hall Fictitious Business Name:** The District has been using a few different versions of the Gilroy Veterans Memorial Hall name for conducting business. This name is not a registered Fictitious Business Name with Santa Clara County. We are in the process of removing it from all rental leases, vendor accounts, and business licenses/permits and replacing it with the South Santa Clara Valley Memorial District name. Going forward, the District will only use the Hall name for marketing and branding purposes through the website, Facebook, etc.

**Annual Workers Compensation Audit:** The District has submitted all requested payroll documents for the annual audit covering July 2023 to June 2024.

**Workplace Violence Prevention Policy:** All District employees completed an online training class about this policy. This online class was provided through our insurance carrier SDRMA.

**Conflict-of-Interest Policy:** The County has requested that the District review and amend the conflict-of-interest policy as needed. The only material change is that the Rental Manager position will now be included and required to file Form 700. This will be handed to the new Executive Director to submit the amendment to the County. The County requested to review the amendment before asking the District's Board to approve. The District should be able to approve the policy at the September 2024 Board meeting.

**Financial Reports:** Through July 31, the District has a deficit of \$5K vs. a budgeted deficit of \$1K. This variance is primarily due to a slow fundraising start. Beginning this month, the Profit and Loss (P&L, Income Statement) will be in two versions to report variances against the budget and by Class code for evaluating the profitability of our different segments.

The District's subscription with QuickBooks was upgraded for \$34 per month to get the budget and Class features, and the District will be better able to monitor its financial performance throughout the year.

**Annual Financial Audit:** The District has submitted all requested documents to the auditor, who expects to have a first draft of the report completed by August 19.

- The auditor confirmed that the District owes sales tax for the plant sales in April 2024. This will be handed to the new Executive Director to create an account

with the California Department of Tax and Fee Administration (CDTFA) to file and pay the taxes. We estimate this tax to be a little over \$400 for 2024. This error was caused by misclassification of plant sale transactions as donations instead of an exchange transaction. We are going to fix this problem from here forward, and we do not plan to go back to prior years because of concerns about being able to accurately identify which transactions are subject to sales tax.

- The auditor will record a liability for the cumulative surplus of Veterans Day Parade funds of \$3,869.33 that is owed to the Parade Committee. The District will keep this liability until the Committee is ready to receive the funds either through a fiscal sponsor or by creating their own nonprofit organization.

**Banking:** The District received a response from Pinnacle Bank about the low interest rates on the rental and reserve sweep accounts. Effective July 1, 2024, the bank will increase the rates to a promotional rate of 3.75% through January 31, 2025. We have not yet seen this rate take effect, but it should catch up with the August statement. The District should earn several thousand dollars because of this change.

**Website:** The District needs to decide how best to ensure compliance for being a special district and for the Americans with Disabilities Act. This will be handed off to the new Executive Director to decide the next steps. The following pages are from Streamline ([www.getstreamline.com](http://www.getstreamline.com)), which is a recommended vendor from the California Special Districts Association. They can host the District's website. There are two levels of service that would be most appropriate: Compliance Basics for \$140 or Community Pro \$210 per month. Both levels have a \$500 one-time setup fee. Initial penalties for non-compliance with the ADA could be tens of thousands of dollars.

**Next Board Meeting:** September 16, 2024