



DATE: JUNE 11, 2015

FROM: EXECUTIVE OFFICE

**SUBJECT: RESOLUTION NO. _____ - APPROVAL OF AMENDMENT TO
THE HARBOR COMMUNITY BENEFIT FOUNDATION BYLAWS TERM
LIMIT OF OFFICERS**

SUMMARY:

The Harbor Community Benefit Foundation (HCBF) is a non-profit organization that receives funding from the Port Community Mitigation Trust Fund (PCMTF) from the Los Angeles Harbor Department (Harbor Department) and operates the grant administration process of soliciting, selecting and approving grants from the PCMTF under certain guidelines and subject to Board of Harbor Commissioners (Board) approval. The HCBF bylaws, adopted by the HCBF Board of Directors (HCBF Board) and approved by the Board, establish a maximum six-year term limit for its Directors, while service as an Officer is limited to four consecutive years. On January 23, 2015, the HCBF Board approved an amendment to delete the four-year term limit for Officers from its bylaws. By deleting this limit, Officers may serve without any maximum term limit so long as the HCBF Board continues to re-elect them, allowing for continuity of service. The bylaws of the HCBF and the Operating Agreement of the TraPac Memorandum of Understanding state that changes to the HCBF bylaws requires approval from the Board in order to be effective, so long as the HCBF is holding, receiving or using PCMTF funds. HCBF is requesting approval from the Board to amend its bylaws. No funding from the Harbor Department is required for this request.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve the amendment to Section 9.2 of Harbor Community Benefit Foundation Bylaws to delete the four-year term limit for Officers, thereby removing term limits altogether; and
2. Adopt Resolution No. _____.

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DISCUSSION:

Background/Context - On April 2, 2008, the Board approved a Memorandum of Understanding (MOU) between the City of Los Angeles and certain organizations and individuals (TraPac Appellants) to resolve an appeal of the certification of the Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for the TraPac Container Terminal Project (TraPac) to the Los Angeles City Council. The TraPac MOU provides for resolution of the EIR/EIS appeals and creation of a Port Community Mitigation Trust Fund (PCMTF) designated for mitigation projects consistent with the Tidelands Trust purposes of the Harbor Revenue Fund. In addition the MOU required the creation of a nonprofit entity, the HCBF, to operate the PCMTF and oversee the grant selection and grant-making process.

On October 20, 2010, the Board approved the Operating Agreement of the TraPac MOU (Operating Agreement), among the Harbor Department, TraPac Appellants, and the HCBF. The Operating Agreement provides specific details regarding the PCMTF and the role and responsibilities of the nonprofit entity and the bylaws which govern it. The terms of the Operating Agreement will remain in effect as long as there is balance in the PCMTF.

HCBF Board of Directors and Officers - The HCBF bylaws, adopted by the HCBF Board and approved by the Board of Harbor Commissioners, establish a maximum six-year term limit for its Directors. Section 9.2 of the bylaws provides that certain Officers, specifically the President or Chairperson, Vice President, Secretary and Chief Financial Officer, shall be elected by the HCBF Board at its annual meeting for a term of one year, and shall serve up to a maximum of four consecutive one-year terms. Section 9.6.6 of the bylaws provides that the HCBF Board may empower the Chairperson, President, or chief executive, to appoint or remove such other Officers as the business of the Corporation may require each of whom shall hold office for such period, have such authority and perform such duties as are provided in the bylaws as the HCBF Board may from time to time determine, i.e. without a specific pre-determined term limit. Section 9.1 of the bylaws provides that, other than the Chairperson, Officers may, but need not be, selected from among the Directors.

On January 23, 2015, the HCBF Board approved an amendment to delete the four-year term limit for Officers from its bylaws. By deleting this limit, Officers may serve without any maximum term limit so long as the HCBF Board continues to re-elect them, allowing for continuity of service. The maximum six-year term limit for Directors will remain. The bylaws of the HCBF and the TraPac Operating Agreement state that changes to the HCBF bylaws requires approval by the Board in order to be effective, so long as the HCBF is holding, receiving or using PCMTF funds. HCBF is requesting approval from the Board to amend its bylaws (Transmittal 1).

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ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an amendment to the HCBF bylaws to delete the four-year term limit for Officers. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no employment impact.

FINANCIAL IMPACT:

Approval of this proposed Board item is not expected to have a financial impact upon the Harbor Department.

CITY ATTORNEY:

The Office of the City Attorney has reviewed this report and determined that it raises no legal issues at this time.

TRANSMITTAL:

1. HCBF Bylaws Amendment Request



DOANE LIU
Deputy Executive Director

FIS Approval:  (initials)
CA Approval:  (initials)

APPROVED:



EUGENE D. SEROKA
Executive Director