

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: February 13, 2007

TO: Bernard C. Parks, Chair
Budget and Finance Committee

Attention: Steve Ongele

FROM:  Laura N. Chick, City Controller

SUBJECT: CONTROLLER REPORT ON ESTABLISHING A NEW FUND FOR COUNCIL DISTRICT 6 PUBLIC BENEFITS TRUST FUND (COUNCIL FILE 06-1661)

City Financial Policies require that the Controller be given an opportunity to prepare a report and recommendations to the City Council when the Council considers establishing new funds (CF 04-1822-S5). This Office was requested by the Budget and Finance Committee to report on the consideration of a new fund entitled "Council District 6 Public Benefits Trust Fund."

This office reviewed the necessity of creating a new fund using the policy criteria (C.F. 04-1822-S5) and provides the following findings and recommendations:

FINDINGS

1. The revenue sources for the new fund are voluntary gifts, contributions and bequests with no defined revenue stream.
2. The funds are to be used specifically to provide services and enhancements for the communities within Council District 6.
3. There are currently forty-five (45) existing trust funds for Council Districts. Of these funds, thirty-seven (37) benefit specific Council Districts or communities. Exhibit A summarizes the open Council District funds.
4. The creation of the proposed Trust Fund will have no impact on General Fund revenues.

The findings referenced above address the technical aspects to be considered when creating a trust fund. However, what is clearly not included in this proposal or in any of the other Council District trust funds is transparency. From a policy perspective, it is imperative that the City Council provide full disclosure of their respective funds. As the administrators of the City Council's trust funds, the City Clerk should be instructed to publish a comprehensive activity report of each trust fund on a semi-annual basis.

RECOMMENDATIONS

If the City Council elects to approve the creation of a new fund entitled "Council District 6 Public Benefits Trust Fund", the following actions are recommended:

1. Instruct the City Clerk to publish a semi-annual activity report on its website of all City Council trust funds that details each financial transaction as follows:
 - Source of donation
 - Amount of each donation
 - Details on actual expenditures (how and where funds were spent)
 - Method to select service provider
2. Request the City Controller to create a new fund entitled "Council District 6 Public Benefits Trust Fund."

Please contact Shirley Tan of my staff at (213) 978-7208 should you have any questions regarding this matter.

Enclosure

Trust Funds Administered By City Clerk
Prepared by Coontroller's Office

EXHIBIT A

Fund No.	Trust Fund Name	Benefit - City	Benefit - CD	Year-end Report	Interest Bearing	Cash Balance as of 1/31/07
40C	STATE ONE-STOP FUND	YES			YES	\$2,075.01
41Z	ANTI-SMOKING FUND	YES		YES	YES	\$405.34
429	GREATER LOS ANGELES VISITORS	YES				\$2,367,455.50
436	SPECIAL REWARD TRUST	YES				\$0.00
441	FURTHERANCE OF INT EARTHQ CONF	YES				\$0.00
445	SENIOR TRANSPOR 12TH DIST TRUST FUND		YES - CD 12		YES	\$52,960.23
45V	INTELLECTUAL PROPERTY FUND	YES				\$205,818.87
46G	ILLEGAL DUMPING REWARD PROG TRUST	YES		YES	YES	\$2,000.00
46M	THREAT PREPAREDNESS	YES		YES	YES	\$0.00
47S	CENTRAL LA TRFR STATION COMM		YES - CD 14		YES	\$810,385.25
48M	BRADLEY LANDFILL COMM TRUST FUND		YES - CD 6	YES	YES	\$215,552.17
48N	EFFICIENCY PROJ POLICE HIRING	YES			YES	\$6,125,442.12
48X	COUNC DIST9 PUB BENEFIT TRUST FUND		YES - CD 9	YES	YES	(NO ACTIVITY)
49F	COUNC DIST8 PUB BENEFIT TRUST FUND		YES - CD 8	YES	YES	\$16,339.10
492	SP FIRE SAF & PARA COMMU EQUIP	YES				\$40,410.29
531	LOPEZ CANYON COMMUNITY AMENITIES		Communities in the vicinity of Lopez Canyon			\$283,203.60
542	JEOPARDY BALANCE THE ODDS YOUTH PROGRAM		Northeast San Fernando Valley			\$20,951.88
552	TR OF FLOOR AREA RATIO PUB BEN	YES			YES	\$234,419.28
683	COUNCIL DIST 1 REAL PROP TRUST		YES - CD 1	YES	YES	\$88,917.28
684	COUNCIL DIST 2 REAL PROP TRUST		YES - CD 2	YES	YES	\$97,356.58
685	COUNCIL DIST 3 REAL PROP TRUST		YES - CD 3	YES	YES	\$116,598.00
686	COUNCIL DIST 4 REAL PROP TRUST		YES - CD 4	YES	YES	\$71,050.38
687	COUNCIL DIST 5 REAL PROP TRUST		YES - CD 5	YES	YES	\$145,754.49
688	COUNCIL DIST 6 REAL PROP TRUST		YES - CD 6	YES	YES	\$120,033.29
689	COUNCIL DIST 7 REAL PROP TRUST		YES - CD 7	YES	YES	\$67,989.13
690	COUNCIL DIST 8 REAL PROP TRUST		YES - CD 8	YES	YES	\$378,308.63
691	COUNCIL DIST 9 REAL PROP TRUST		YES - CD 9	YES	YES	\$82,423.36
692	COUNCIL DIST 10 REAL PROP TRUST		YES - CD 10	YES	YES	\$305,178.80
693	COUNCIL DIST 11 REAL PROP TRUST		YES - CD 11	YES	YES	\$371,412.70
694	COUNCIL DIST 12 REAL PROP TRUST		YES - CD 12	YES	YES	\$301,343.79
695	COUNCIL DIST 13 REAL PROP TRUST		YES - CD 13	YES	YES	\$80,685.51
696	COUNCIL DIST 14 REAL PROP TRUST		YES - CD 14	YES	YES	\$241,366.39
697	COUNCIL DIST 15 REAL PROP TRUST		YES - CD 15	YES	YES	\$681,400.25
699	SUNSHINE CYN COMMUNITY AMENITIES		Communities in the vicinity of Sunshine Canyon	YES	YES	\$1,959,687.34
870	VANDALISM & GRAFFITI REWARD TRUST	YES		YES	YES	\$80,207.67
879	E BERNANI SCHOLARSHIP TRUST FD		Communities in the vicinity of Lopez Canyon		YES	\$417,384.03
883	CD12 LA POL D/F DIV POL ASSIST		YES - CD12	YES	YES	\$1,118.82
884	COUNC DIST 4 PUB SAFETY TRUST		YES - CD 4	YES	YES	(NO ACTIVITY)
888	COUNC DIS15 LAPD HAR POL ASSISTANCE		YES - CD 15	YES	YES	\$10,612.68
889	COUN DIST 1 PUB BENEFIT		YES - CD 1	YES	YES	\$865.00
891	COUNC DIS15&8 LAPD SE DIV ASSISTANCE		YES - CD15&8	YES	YES	(NO ACTIVITY)
892	VOLUNTEER TRUST FUND	YES		YES	YES	\$151,750.86
904	CD 13 PUBLIC BENEFIT TRUST FUND		YES - CD 13	YES	YES	(NO ACTIVITY)
905	COMMUNITY CRISIS RELIEF FUND	YES		YES	YES	(NO ACTIVITY)
917	PICO/GENESSEE COM POCKET PK TR		YES - CF 10	YES	YES	\$94,023.73