

CITY OF LOS ANGELES  
CALIFORNIA

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April 9, 2010

Honorable Members of the Education and Neighborhoods Committee  
Office of the City Clerk  
City Hall, Room 395  
200 North Spring Street  
Los Angeles, CA 90012

**SUBJECT: LIMITED ACCESS TO NEIGHBORHOOD COUNCIL ROLL OVER FUNDS  
(CF# 09-0600-S159)**

Honorable Members:

Per Council Motion (CF-09-0600-S159) which authorized Neighborhood Councils (NC) limited access to roll over funds for contracts, committed projects, ongoing rent and leases and unpaid bills, the Department has been instructed to collect all NC funding requests and report back to City Council with our recommendations.

The Department issued two Information Bulletins (February 24 and March 2) which provided an explanation of the recently passed Council policy regarding roll over funds, the criteria that the Council determined would be eligible for the use of roll over funds, and the back up documentation which would be required in order to process the payments per City Controller procedures and requirements.

It is understood that NCs had less than two full weeks to prepare the required documents for submission, which may have affected their ability to fully comply with the Department's instructions, however, the Council Policy required us to move quickly before all remaining roll over funds would be swept back to the City's general or reserve fund. This matter was further compounded by the Department's action which temporarily froze NC access to roll over funds so that the Department could complete a comprehensive forensic accounting for each NC in order to determine an accurate roll over balance. This had the unintended result of many NCs paying for prior year bills from the current fiscal year's budget. It should be noted that the Department's fiscal systems do not allow for a separate accounting of Accounts Payable from different fiscal years. The Department took this action so that public funds can be properly accounted for; there was no prior knowledge that the City Council would restrict access to roll over funds due to the City's budget crisis.

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The following summary encompasses the results all of the responding Neighborhood Councils with a breakdown illustrating how many did and did not comply with both the Council Policy and the Department's instructions.

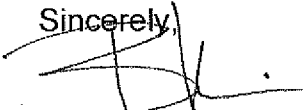
	<u>Number of NCs</u>	<u>Total Amount</u>
Total Number of NC Responses	<b>39</b>	<b>\$ 1,053,968.70</b>
Compliant		\$ 915,239.99
No Documents		\$ 138,728.71

**RECOMMENDATIONS FOR COUNCIL ACTION:**

That the City Council, subject to approval of the Mayor:

1. AUTHORIZE the City Controller to transfer \$ 915,239.99 from the Unappropriated Balance to the Reserve Fund for transfer to Department 47, Fund 44B, Account F158, for allocation to the appropriate Neighborhood Council subsidiary accounts within Department 47, Fund 44B; and,
2. REQUEST the City Administrative Officer make any technical language adjustments that may be required to effectuate these transfers.

Sincerely,



BONGHWAN (BH) KIM  
General Manager

BH/CD/TJL

Attachment

NEIGHBORHOOD COUNCIL ROLLOVER TALLY SHEET

April 9, 2010

NC	Total Submitted	Compliant	No Documents
Arroyo Seco	\$8,550.77	\$8,550.77	
CANNDU	\$29,493.40	\$13,239.40	\$16,254.00
Central Hollywood	\$5,300.00	\$5,300.00	
Downtown LA	\$13,953.49	\$13,953.49	
Eagle Rock	\$10,110.00	\$10,110.00	
Empowerment Congress North	\$12,267.28	\$12,267.28	
Empowerment Congress West	\$21,093.00	\$21,093.00	
Granada Hills North	\$25,072.43	\$25,072.43	
Granada Hills South	\$5,203.55	\$5,203.55	
Griffith Park	\$33,883.37	\$28,252.81	\$5,630.56
Harbor City	\$29,226.68	\$28,726.68	\$500.00
Harbor Gateway North	\$12,477.00	\$12,477.00	
Harbor Gateway South	\$26,684.78	\$26,684.78	
Historic Highland Park	\$20,369.39	\$20,369.39	
Hollywood United	\$6,000.00	\$6,000.00	
Lake Balboa	\$21,836.00	\$21,836.00	
Lincoln Heights	\$10,236.51	\$10,236.51	
Mar Vista	\$26,719.10	\$19,940.10	\$6,779.00
Mid City West	\$19,092.65	\$12,037.50	\$7,055.15
NC Valley Village	\$8,748.00	\$8,748.00	
North Hills West	\$4,755.00	\$0.00	\$4,755.00
Northridge East	\$25,000.00	\$25,000.00	
Northridge West	\$42,500.48	\$42,500.48	
Olympic Park	\$43,922.45	\$43,922.45	
Palms	\$19,295.79	\$19,295.79	
Pico	\$58,326.94	\$58,326.94	
Reseda	\$66,330.00	\$23,000.00	\$43,330.00
Studio City	\$6,405.00	\$6,405.00	
Sunland-Tujunga	\$1,202.80	\$1,202.80	
Sun Valley	\$65,753.17	\$65,753.17	
Tarzana	\$89,888.90	\$89,888.90	
United Neighborhoods	\$29,032.06	\$29,032.06	
Van Nuys	\$16,079.20	\$16,079.20	
Venice	\$31,863.61	\$31,863.61	
West Adams	\$22,691.25	\$22,691.25	
West Hills	\$41,631.00	\$4,800.00	\$36,831.00
Westchester Playa del Rey	\$49,926.00	\$32,332.00	\$17,594.00
Westside	\$25,920.00	\$25,920.00	
Winnetka	\$67,127.65	\$67,127.65	
<b>Totals</b>	<b>\$1,053,968.70</b>	<b>\$915,239.99</b>	<b>\$138,728.71</b>