

BUDGET AND FINANCE COMMITTEE REPORT relative to the results of a review of the disbursement of special funds' interest earnings for all City departments.

Recommendations for Council action:

1. INSTRUCT departments in future reports with instructions for the establishment of new funds to specify whether or not the funds are interest-bearing.
2. REQUEST the Office of the City Attorney (City Attorney), in preparing ordinances for the establishment of new funds, to specify whether or not the funds are interest-bearing.
3. INSTRUCT the Office of the City Administrative Officer (CAO) to work with the City Attorney and report back on the distribution of interest earnings for Fund 438, Construction Services Trust Fund, and Fund 492, Special Safety and Paramedic Communications Equipment Tax Fund.
4. INSTRUCT the Department of Recreation and Parks to work with the City Attorney and report back on the distribution of interest earnings for Fund 209, Park and Recreation Sites and Facilities.
5. INSTRUCT the Information Technology Agency to report back on the outcome of the discussions with the City Attorney regarding the distribution of interest earnings for Fund 342, Telecommunications Liquidated Damages and Lost Franchise Fees Fund.
6. INSTRUCT the Department of Aging to report upon completion of the review on interest earnings distribution with the Office of Finance, the findings for the following funds:

<u>Fund No.</u>	<u>Fund Name</u>
395	Area Plan for the Aging Title 7
40F	Community Based Series
410	Other Programs for the Aging
46V	Ombudsman Initiative Program
564	Title VII Older Americans Act

Fiscal Impact Statement: The Controller and CAO report that adoption of the above recommendations would result in no impact to the General Fund.

Community Impact Statement: None submitted.

## SUMMARY

At its regular meeting of January 12, 2015, the Budget and Finance Committee considered a joint Controller and CAO report relative to the results of a review of the disbursement of special funds' interest earnings for all City departments. The Controller and CAO report that Council previously directed the departments/offices that were listed on Attachment G of the joint

Controller and CAO Special Funds Review report, dated March 19, 2014, to reconcile with the Office of Finance discrepancies in the reported distribution of interest earnings, and report back to the Budget and Finance Committee on the results of their reviews. Given that the Committee would be receiving a number of separate reports at different times from departments, the Controller and CAO requested departments to submit their reports to them first so that the results could be summarized for the Committee and any potential General Fund impact could be noted. The joint Controller and CAO report and all individual department reports are attached to the Council file.

During Committee discussion, Controller and CAO representatives provided a brief overview of the joint report and responded to related questions from Committee members. After further consideration and having provided an opportunity for public comment, the Committee recommended approval of the recommendations in the joint Controller and CAO report dated December 15, 2014. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<b><u>MEMBER</u></b>	<b><u>VOTE</u></b>
KREKORIAN:	YES
ENGLANDER:	ABSENT
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**