

Memorandum



DATE April 3, 2009

TO Members of the Economic Development Committee: Ron Natinsky (Chair),
Tennell Atkins (Vice-Chair), Dwaine Caraway, Jerry R. Allen, Sheffie Kadane,
Mitchell Rasansky, Linda Koop, Steve Salazar

SUBJECT **Agenda Item #2 Briefing on Mayor's International Cabinet Fund**

On Monday, April 6, 2009, you will be briefed on the creation of a Mayor's International Cabinet Fund. Attached is a copy of that briefing.

Should you have any questions, please contact me at (214) 670-3314.



A.C. Gonzalez
Assistant City Manager

C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Judiciary
Ryan S. Evans, First Assistant City Manager
Forest Turner, Interim Assistant City Manager
Ramon Miguez, P.E., Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Jeanne Chipperfield, Director, Budget & Management Services
David Cook, Chief Financial Officer
Karl Zavitkovsky, Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic Development
Helena Stevens-Thompson, Assistant to the City Manager

Mayor's International Cabinet Fund



Economic Development Committee
April 6, 2009

Purpose

- ★ To **brief** the Economic Development Committee on the formation of a **privately capitalized restricted fund**, established to support **international initiatives** of the City of Dallas

Previous International Funds: Dallas Education Inc.

- ★ Dallas Education Inc. (also known as “Diet” or **DEI**) was **established** as a non-profit corporation in **1992** to manage funds raised/received from the Dallas World Salute and Ambassador’s Forum.
 - Funds raised from these events were intended for the support of the **international hospitality** and **protocol** functions of the **Office of the Mayor**.
 - This **fund remains** on balance in an account established originally by DEI and is subject to the **control of the Office of the Mayor**.
- ★ According to State records, the **DEI was dissolved** in February **2004**.
 - The **remaining balance** of the DEI account may be spent in accordance with the **originally stated guidelines** but **new contributors cannot receive a tax benefit** from contributing to this fund as it lost it’s non-profit status.

Creation of a New Restricted Fund

- ★ Because of the loss of its non-profit status, the DIE is **no longer an optimum fundraising tool.**
 - The Office of Economic Development requested that the World Affairs Council (WAC) make recommendations for creation of a similar fund optimized for fundraising to support international activities by the City of Dallas.
- ★ WAC's legal council recommends that a **"Restricted Fund"** be **established** under the auspices of the City of Dallas' protocol contract with the **WAC to manage a new 501(c)3 fund** "in accordance with the stated goals and objectives".
 - It was also recommended that the **guidelines regarding use and expenditure approvals** surrounding the **new fund be applied to use of the remaining balance of the DEI** fund.

Who Participates in the Mayor's International Cabinet

- ★ A group of **individuals and corporations** with a commitment to developing Dallas as an international City
- ★ Cabinet participant **contributions** will range from **\$2,500 to \$5,000 annually**

What is the fund and how will it be capitalized?

- ★ A restricted fund established under the World Affairs Council's **(WAC) 501(c)3 charter**.
- ★ WAC will act as a **fiduciary** for the City of Dallas and the fund in accordance with the **WAC's Protocol Contract** with the **City of Dallas**
- ★ Capitalized by **membership contributions with annual fund raising goal of \$50,000**
- ★ Purpose is to **support** international initiatives, specifically **protocol activities, hospitality, and business development**.
- ★ Will **replace existing "Diet" fund** when current balances are expended.

What are authorized expenses?

- ★ **Hospitality** for visiting dignitaries
- ★ Promotional **gifts**
- ★ **Entertainment and promotional** expenses
- ★ **International travel** by Mayor and/or designated elected city representatives
- ★ International travel by designated representatives to advance and staff delegations headed by Mayor or designee
- ★ **Organizational memberships** for international trade or cultural organizations and ethnic chamber of commerce
- ★ **Office support** necessary for international activities

* **Note:** Trade missions should be underwritten by corporate or individual sponsors and are not eligible for support by this fund.

What is the approval process?

- ★ Requests for City Council Travel and all other expenditures **over \$2,500** require:
 - **Written recommendation** from **Director** of the **Office of Economic Development, AND**
 - **Approval** by **Economic Development Committee, OR**
 - Signatures by the **Mayor and the Chairman of the Economic Development Committee**
- ★ Non-Council expenditures up to **\$2,500** require:
 - Written **recommendation** from **International Business Manager**
 - Written **Approval** by **Director of Economic Development**

Next Steps

- ★ **WAC initiates solicitations** to capitalize Mayor's International Cabinet Fund
- ★ Continue to **draw down** on existing **“Diet” funds** under **new expense and approval guidelines.**