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

Dallas-Together, we do it better
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
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 its 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.