



WINNETKA NEIGHBORHOOD COUNCIL

PO Box 3692, Winnetka, CA 91306

www.winnetkanc.com



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January 19, 2010

BongHwan Kim
General Manager
Department of Neighborhood Empowerment
334-B East 2ND St.
Los Angeles, CA 90012

Dear Mr. Kim:

I am contacting you today on behalf of the Winnetka Neighborhood Council (WNC) to officially demand the immediate return and release of the funds allotted to the WNC under the 2009-2010 L.A. City Budget, including all applicable rolled over funds.

Our records show that we have the following available funds:

Funds Rolled Over		
	FY 2005-2006	\$ 5,554.65
	FY 2006-2007	\$ 21,171.19
	FY 2007-2008	\$ 31,775.49
	FY 2008-2009	\$ 29,196.19
Sub-Total		\$ 122,663.60
Current Fiscal Year		
	FY 2009-2010	\$ 39,642.43
Total Funds Available		\$ 162,306.03

The WNC is a duly certified Neighborhood Council and DONE has no authority to withhold the funds that have been allotted to the WNC without due cause. The fact that DONE has not fulfilled its fiduciary duty to the citizens of Los Angeles and has been negligent in every sense of the word is not cause to punish the WNC or any other NC without cause.

I am sure that you are well aware that it is not up to DONE to determine how the NC's spend their funds so long as they spend them within the guidelines set by the City Council, the Charter, and applicable ordinances and laws. We have complied with all of those guidelines. I am also sure you will agree that DONE's chartered duty is to assist, not manage, NCs in the course of their duly appointed role. Therefore unless DONE can produce evidence of wrongdoing on the WNC's part they cannot legally withhold our funding.

The actions of DONE have left the WNC in an untenable position. We currently have approximately \$36,019.11 in outstanding bills and commitments that we cannot pay. This includes expenses already

incurred for the March 2, 2010 WNC elections. In addition, the lack of access to our funds is holding up completion of our Sherman Way median improvement project; a major community project that has been over five years in the making. As it stands not only is the reputation of our NC irreparably damaged, but DONE's actions are creating a serious legal issue in terms of the validity of our elections. We simply have no funds to inform stakeholders of the election or the candidates that are running.

Just to give you an idea of the seriousness of the outstanding bill problem our NC is faced with I am including short list of bills that have not been paid:

Creditor	Amount Due
Anderson Plumbing	\$ 3,200.00
Barco Products	\$ 2,500.00
Crowe Marketing (WVN)	\$ 7,171.20
Nationwide Display	\$ 3,500.00
Valley Village	\$ 5,000.00
Winnetka Rec Center	\$ 1,354.91
Academy Mailing	\$ 3,293.00
LAPD	\$ 5,000.00
Safe Passages	\$ 2,500.00
LAPD	\$ 2,500.00
Approximate Total	\$ 36,019.11

Please note that some of these are almost a year old due to stalling actions taken by DONE.

Over the last year we have complied with a myriad of audits and inventories requested of DONE. In December of 2009, our Treasurer met with Jacqueline Mendez at your office and was advised that the WNC had no more funds available. It was during this meeting that we were advised officially, per Ms. Mendez, that the rollover funds had been swept without authorization or notice. We were also informed that bills which should have been paid with earmarked rollover funds were paid out of our current year's budget. This was not authorized. DONE is supposed to pay with the oldest funds available before touching the current year's budget.

In subsequent conversations we have been advised that Controller Wendy Gruel ordered all NC funding to be held pending the results and corrective action required by her audit. Ms. Gruel attended a Valley Alliance of Neighborhood Councils meeting on Thursday, January 14, 2010. At this meeting she spoke publically and privately with our Treasurer and Vice President and clearly indicated that she gave no such order to DONE and stated she would follow up with DONE to see that funding is restored.

We are well aware of the financial situation the City is in. We are also well aware of the public nightmare that the Controller's audit must be causing your office. However, neither the audit nor the City's situation gives your office the authority to withhold funding without cause. We cannot be held accountable for someone else's failure.

I have been authorized by the WNC to take whatever action is deemed necessary to obtain our funding. Please understand that I do not wish this to be a contentious situation. The WNC and I would like nothing more than to resolve this amicably without further negative impacts to either party.

However, if the funds are not restored within 10 days of the receipt of this letter I will be approaching the City Attorney's office to determine what legal action we can take. It is important that you understand that this is an absolutely serious matter and that the WNC will not rest until we have had all of our funding fully stored.

If you would like to discuss and resolve this issue you may either simply restore the funding immediately and pay the outstanding bills submitted to your office, or you may contact me at my office, 1-626-564-6000, ext. 4520 to discuss the issue.

Sincerely,

JJ Popowich
President, WNC

C: Dennis P. Zine, City Councilmember, District 3
Greig Smith, City Councilmember, District 12
Wendy Gruel, LA City Controller
Michele Siqueiros, President Board of Neighborhood Commissioners
Thomas Soong, Project Coordinator, DONE



Winnetka Neighborhood Council
WNC
Celebrating Diversity with Unity
and Dedication to the Community