



## Agenda Report

20-69

Agenda Date: 2/11/2020

### REPORT TO COUNCIL

#### SUBJECT

Action on Disbursement of Proceeds from the 2019 Santa Clara Art & Wine Festival and Related Budget Amendment [Council Pillar: Enhance Community Engagement and Transparency]

#### BACKGROUND

The City of Santa Clara Art & Wine Festival (Festival) completed its 39<sup>th</sup> consecutive year in Central Park and hosted over 50,000 attendees on the third weekend of September 2019. The event featured over 150 artist booths, three live entertainment stages, event sponsor activation booths, a “kid’s kingdom” with festival rides, City department services and information booths, a food alley and a food court with over 25 local non-profit charities selling food and beverages. The Festival generates revenue to cover expenditures from parking, artist jury fees, booth fees, sponsors, ATM fees, Kid’s Kingdom carnival and ride tickets, as well as the Parks & Recreation Commission (Commission) commemorative glass and token booths. In addition, funds are raised to give grants to local community non-profit organizations and programs.

The Park & Recreation Department coordinates special event advanced planning, logistics, set-up, security, day of Festival support and clean-up. The Department and Commission also work extensively with contractors and community volunteers to ensure the success of the Festival. The City contracts with vendors to provide Festival tents, booths, staging, sound systems and live music/entertainment, security, carnival rides, marketing, portable toilets, communication/radios, ATMs, Square, and others. The City contracts with the Santa Clara Rotary Foundation to provide the beer/wine service including ABC permit, beverages, supplies, equipment, materials and volunteers. In addition, funds are raised to give grants to local community non-profit organizations and programs.

Local youth and/or senior serving programs that do not have a fundraising booth (such as food or beverage booths on the Festival’s Food Alley) and who commit to providing volunteers to assist in the Commission’s booths at the Festival are eligible to receive a Festival community grant. For the 2019 Festival, this included the Santa Clara Schools Foundation, the Santa Clara PTSA Grad Night Committee, Wilcox High PTSA Grad Night Committee and the Santa Clara Police Activities League. The Parks and Recreation Commission reviewed applications from these groups and is recommending that grants in the total amount of \$56,000 be approved.

#### DISCUSSION

On January 21, 2020, the Parks & Recreation Commission reviewed revenues and expenditures. The Festival grant account carryover balance as of July 1, 2019 was \$194,345. The Festival grant account maintains a target annual remaining balance of approximately \$150,000 to \$195,000 to provide for future Festival start-up costs, materials, supplies, promotion, etc. which can vary year to year. Revenues from the 2019 Commission glass and token sales was \$149,440 and expenditures were in the amount of \$130,910, resulting in net balance increase of \$18,530 for a remaining Festival

grant account balance of \$212,875. The Commission recommended that the City Council approve grant disbursements in the amount of \$56,000 as noted in the table below.

<b>Organization/Program Support</b>	<b>Amount</b>
Santa Clara Schools Foundation	\$18,000
Santa Clara Police Activities League	\$18,000
Santa Clara High School Grad Night	\$10,000
Wilcox High School Grad Night (aka Senior Send Off)	\$10,000
<b>Total to be disbursed:</b>	<b>\$56,000</b>

If authorization is approved to award \$56,000 in grants, then the remaining balance will be \$156,875 for future Festival expenses and within the average target range. The Parks & Recreation Commission will attend the Council Meeting to recognize the non-profit organizations recommended to receive grants under a Council Special Order of Business.

### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

### **FISCAL IMPACT**

The Festival grant account, held in the Public Donations Fund, carryover balance as of July 1, 2019 was \$194,345. The Festival grant account maintains a target annual remaining balance of approximately \$150,000 to \$195,000 for future Festival start-up costs, materials, supplies, promotion, etc. Revenues from 2019 Art & Wine Festival 2019 Commission festival glass and token sales were \$149,440. The Commission expenses were \$130,910: (contractual \$60,519; labor \$56,856, materials/supplies \$13,535). The net balance increased by \$18,530 for a remaining Festival grant account balance of \$212,875. These funds are available to disburse as grants to local non-profit programs and services.

<b>Public Donations Fund - Parks &amp; Recreation Department</b>	
<b>Description</b>	<b>Amount</b>
Starting Balance/Carryover Expenditures (as of July 1, 2019)	\$194,345
Revenue	\$149,440
Expense	(\$130,910)
<b>Subtotal:</b>	<b>\$212,875</b>
<b>Community Grants:</b>	<b>(\$56,000)</b>
<b>Remaining Balance/Carryover for Future Festival:</b>	<b>\$156,875</b>

Staff recommends recognition of the Commission revenues of \$149,440 and approval of its appropriation. Of this amount, \$92,584 is recommended to be held in the Festival grant account of the Public Donations Fund to cover festival expenses and a portion of the community grants and \$56,856 is recommended to be transferred to the Budget Stabilization Reserve in the General Fund

to reimburse the General Fund for Festival labor expenses that were incurred in the General Fund. The carryover balance will also be used to fund \$37,470 of the community grants. As a result, there is no negative impact to the General Fund

<b>Budget Amendment FY 2019/20</b>			
	<b>Current</b>	<b>Increase/ (Decrease)</b>	<b>Revised</b>
<b>Public Donations Fund</b>			
<u>Revenues</u> Art & Wine Festival	\$0	\$149,440	\$149,440
<u>revenue Expenditures</u>			
Art and Wine Festival	\$194,345	\$92,584	\$286,929*
<u>Transfers Out</u>			
Transfer to the General Fund	\$0	\$56,856	\$56,856
<b>General Fund</b>			
<u>Transfers In</u>			
Transfer from the Public Donations Fund	\$0	\$56,856	\$56,856
<u>Fund Balance</u>			
Budget Stabilization Reserve	\$80,030,340	\$56,856	\$80,087,196

\* From the revised total of \$286,929, \$60,519 will be used for contractual services, \$13,535 will be used for supplies/materials, and \$56,000 will be used for community grants, resulting in a remaining balance of \$156,875.

## **COORDINATION**

This report has been coordinated with the Finance Department and City Attorney's Office.

## **PUBLIC CONTACT**

Public contact was made by posting the Council and Authorities Concurrent Meeting agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, e-mail [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) or at the public information desk at any City of Santa Clara public library.

## **RECOMMENDATION**

1. Approve the related budget amendment in the Public Donation Fund to recognize revenue from the Santa Clara Art & Wine Festival in the amount of \$149,440 and increase the Art, and Wine Festival appropriation by \$92,584 and establish a Transfer to the General Fund in the amount of \$56,856;

- in the General Fund, establish a transfer from the Public Donation Fund in the amount of \$56,856 and increase the Budget Stabilization Reserve by \$56,856; and
2. Authorize City Manager to disburse grants in the amount of \$56,000 to local programs and services as recommended by the Parks & Recreation Commission.

Prepared by: James Teixeira, Director of Parks & Recreation

Approved by: Deanna J. Santana, City Manager