



## Agenda Report

19-1556

Agenda Date: 1/15/2019

### REPORT TO COUNCIL

#### SUBJECT

Action on Disbursement of Net Proceeds from the 2018 Santa Clara Art & Wine Festival and Related Budget Amendments

#### BACKGROUND

The City of Santa Clara sponsors the Santa Clara Art & Wine Festival with support from the Parks & Recreation Department, other City departments and community volunteers on the third weekend of September annually. The Art & Wine Festival completed its 38<sup>th</sup> consecutive year in Central Park and hosted over 50,000 attendees. The event featured over 175 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. Beyond providing a free special event for the entire City, the event’s secondary purpose is to raise needed funds for local charities and programs.

Volunteers are a key ingredient in support of the event’s success. In particular, the Parks & Recreation Commission works with select non-profit community serving programs to recruit volunteers specifically in support of the event’s commemorative glass, token, wine booths and beer garden. In return for the volunteers’ service, their programs are eligible to receive financial grants from net event proceeds. The following programs submitted applications, and were considered and selected by the Parks and Recreation Commission in the spring for 2018: Santa Clara Schools Foundation, Santa Clara High PTSA Grad Night Committee, Wilcox High PTSA Grad Night Committee, Santa Clara Police Activities League, Santa Clara Senior Center’s Health and Wellness Program, and the Santa Clara Rotary Foundation. In addition, one of the financial grant recipients is the City’s Senior Center Health and Wellness Program. Donations to the City and its programs require City review and recommendation to accept the donation in accordance with City Policy and Procedure #051.

The Parks & Recreation Commission will be at the Council Meeting to recognize the non-profit organizations with the Council.

#### DISCUSSION

To facilitate this annual fund raising activity, the City purchases commemorative glasses, beer, and wine through the City’s Recreation Program Operations Fund (041) Art & Wine Festival account. During the annual Art & Wine Festival, the Parks & Recreation Commission and volunteers from the non-profit groups listed, sold commemorative glasses and drink tokens either through a cash transaction or electronically through Square. After checking valid identification and age in compliance with Alcoholic Beverage Control permit policy, a bracelet was attached to the wrist of age eligible drinkers. Tokens were then redeemed by the adults for one pour of beer or wine per token into a Festival glass. Funds collected by the Commissioners and volunteers were transmitted to City Parks

& Recreation staff with security provided by Santa Clara Police Department, and counted in a secure location according to City cash custody and handling procedures, and deposited into the City's Recreation Program Operations Fund (041) Art & Wine Festival account.

On October 16, 2018, the Parks & Recreation Commission reviewed reported revenues and expenditures (as of that date) and recommended that the City Council approve a disbursement in the amount of \$70,874 from the Santa Clara Art & Wine Festival Program to local programs and services as noted in the table below.

<b>Organization/Program Support</b>	<b>Amount</b>
Santa Clara Schools Foundation	\$16,000
Santa Clara Senior Center Health & Wellness Program	\$16,000
Santa Clara Police Activities League	\$16,000
Santa Clara High School Grad Night	\$8,000
Wilcox High School Grad Night (aka Senior Send Off)	\$8,000
Rotary Club of Santa Clara	\$6,874
<b>Total to be disbursed:</b>	<b>\$70,874</b>

In accordance with Council Policy 051, Donations to the City, the City Manager's Office reviewed and approved the receipt of the donation from the Parks & Recreation Commission Art & Wine Festival net proceeds in the amount of \$16,000. The donation is consistent with the City's goals and objectives and in the best interest of the City. Per the Council Policy, for a donation of \$1,000 or more, the donor (in this case the Commission) shall be invited to a Council Meeting to be recognized under Special Order of Business and receive a letter of acceptance and appreciation signed by the Mayor and City Manager.

The donated funds will provide critical financial support to the City's public health education, care management services, social engagement, home visits, and public health screenings for older adults at the City's Senior Center. This donation and the disbursements to other local programs and services are recognized under a 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**

There is no negative fiscal impact to the City General Fund (001), the City's Recreation Program Operations Fund (041), or the Community Activities Fund (084). General Art & Wine Festival expenses, separate from the Commission related activities discussed in this report, are accounted in the General Fund and supported by revenue generating activities such as artist jury and booth fees, food permit fees, ATM fees, parking fees, etc.

The Commission's Art & Wine Festival glass and token expenses and sales revenue are transacted

through the Recreation Program Operations Fund per past practice. Revenues were in the amount of \$150,656, and expenses from the fund were in the amount of \$80,359, resulting in net revenues of \$70,297. Staff is requesting total appropriations of \$151,233 in the Recreation Program Operations Fund to cover the Commission's 2018 Art & Wine Festival expenses and to disburse the net proceeds to local programs and services. An additional amount of \$577 (due to a late invoice received after the Commission's net proceed disbursement recommendation) from the Recreation Program Operations Fund balance is necessary to fulfill the \$70,874 recommended amount to disburse to local programs and services. Since the Recreation Program Operations Fund Art & Wine Festival account maintains a sufficient reserve balance from prior years' Festival glass and token sales revenues, there will be no impact on the Recreation Program Operations Fund or next year's Festival startup and event costs.

Acceptance of the donation and approval of its appropriation in the Community Activities Fund - Senior Center Health & Wellness Program will provide an additional \$16,000 to be used for public health and social services, including supplies and materials for presentations, and special events.

### BUDGET AMENDMENT

#### FY 2018/19

	Current	Increase/ (Decrease)	Revised
<b><u>Fund 041 - Recreation Program Operations Fund</u></b>			
<u>Revenues</u>			
Misc Other Revenue	\$0	\$150,656	\$150,656
<u>Expenditures</u>			
Program 1158 (Arts, Crafts & Wine Festival) - Operating Supplies	\$17,833	\$134,656	\$152,489
<u>Transfer Out</u> Program 1158 (Arts, Crafts & Wine Festival) - Trs out - Miscellaneous (to Fund 084)	\$	\$16,000	\$16,000
	Current	Increase/ (Decrease)	Revised

### **Fund 084 - Community Activities Fund**

<u>Transfer In</u>			
Trs In - Miscellaneous (from Fund 041)	\$0	\$16,000	\$16,000
<u>Expenditures</u>			
Program 1114 (Health Services) - Operating Supplies	\$168,199	\$16,000	\$184,199

### **COORDINATION**

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

### **PUBLIC CONTACT**

Public contact was made by posting the Parks & Recreation Commission's 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, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) or at the public information desk at any City of Santa Clara public library.

**RECOMMENDATION**

1. Approve appropriations of \$151,233 in the Recreation Program Operations Fund (041) funded by the \$150,656 revenue from the 2018 Santa Clara Art & Wine Festival and \$577 from the program fund balance;
2. Approve appropriation of \$16,000 in the Community Activities Fund (084) for Senior Center Health & Wellness Program; and
3. Authorize disbursement in the amount of \$70,874 to local programs and services.

Prepared by: James Teixeira, Director of Parks & Recreation

Approved by: Deanna J. Santana, City Manager