

CITY OF SEBASTOPOL
CITY COUNCIL
AGENDA ITEM

Meeting Date: September 7, 2021
To: Honorable Mayor and City Councilmembers
From: City Administration/Administrative Services
Subject: Approval of Budget Amendment for Appropriation of Community Benefit Funds to Sebastopol Chamber of Commerce as follows:
1. Approval of Waiver to Policy for Residual FY 20-21 Community Benefit Funds to be retained by the Chamber of Commerce and not to be Returned to City; and
2. Approval of Budget Amendment for 4th Quarter City Budget for Appropriation of FY 20-21 Community Benefit Funds to Sebastopol Chamber of Commerce for Use in FY 21-22 for Use Towards the September 2021 Apple Blossom Chamber of Commerce Parade.
Recommendation: Approval of Budget Amendment for Appropriation of Community Benefit Funds to Sebastopol Chamber of Commerce
Funding: Currently Budgeted: _____ Yes _____X_____ No _____ N/A

Account Code/Costs authorized in City Approved Budget (if applicable) AK (verified by Administrative Services Department)

INTRODUCTION/PURPOSE:

The item is to request Council Approval the following:

1. Approval of Waiver to Policy for Residual FY 20-21 Community Benefit Funds to be retained by the Chamber of Commerce and not to be Returned to City; and
2. Approval of Budget Amendment for 4th Quarter City Budget for Appropriation of FY 20-21 Community Benefit Funds to Sebastopol Chamber of Commerce for Use in FY 21-22 for Use Towards the September 2021 Apple Blossom Chamber of Commerce Parade.

BACKGROUND:

Annually the City of Sebastopol City Council through the budget process awards grant recipients for projects which have direct relation to resident services and community enhancement in the area of recreation, support and environment. Funding is not intended for ongoing operating expenses and per Council Policy, funding for projects/programs are to be expended by the end of each fiscal year. Any unexpended funds are to be returned to the City.

DISCUSSION:

Each year, organizations that receive the community benefit grant funding sign an agreement agreeing to the terms in the City funding agreement. Due to COVID 19 Pandemic, the Budget Committee in FY 20-21 budget process extended the grant application due date to allow for grantors to revise their application to adjust for COVID. The Chamber of Commerce maintained their current application and did not submit an amended application to request use of the FY 20-21 funds for the delayed parade to be held in September. Therefore, the City assumed that the funds which were not expended in the FY 20-21 budget by the Chamber of Commerce would be returned to the

City and City staff reached out to those organizations that had not expended those funds to remind them that any unused funds would need to be returned to the City.

On August 13, 2021 the Chamber of Commerce reached out to the City to discuss use of the FY 20-21 funds for the September parade. City staff discussed the policy with the Chamber. At that time, the Chamber sent a letter to the Council requesting use of the FY 20-21 funds (please see letter attached).

In order for the Chamber to retain use of the FY 20-21 funds, the Council would need to approve waiver of the policy and allow the Chamber to retain the FY 20-21 funds for use in the new fiscal year.

GOALS:

This action supports the following City Council Goals and General Plan Actions: Goal 1.1 Develop and Implement Sound Financial Management Policies and Procedures

PUBLIC COMMENT:

As of the writing of this staff report, the City has not received any public comment. However, staff anticipates receiving public comment from interested parties following the publication and distribution of this staff report. Such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, public comments may be offered during the public comment portion of the agenda item.

PUBLIC NOTICE:

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date.

FISCAL IMPACT:

Approval of this item will increase community benefit grant budget account number 100-10-01-4820 from \$99,660 to \$103,410. The difference is the 4th quarter of FY20-21 funding.

RECOMMENDATION:

Staff does not recommend this action; however the City Council has the option to approve or not approve the following:

1. Approval of Waiver to Policy for Residual FY 20-21 Community Benefit Funds to be retained by the Chamber of Commerce and not to be Returned to City; and
2. Approval of Budget Amendment for 4th Quarter City Budget t for Appropriation of FY 20-21 Community Benefit Funds to Sebastopol Chamber of Commerce for Use in FY 21-22 for Use Towards the September 2021 Apple Blossom Chamber of Commerce Parade.

Attachments:

Letter from Linda Collins
FY 20-21 Application/Agreement



SEBASTOPOL
Chamber of Commerce
& Visitor Center

Local Flavor. Global Vision.

August 13, 2021

To the City of Sebastopol,

I was just notified by Ana Kwong that our Benefit Grant funds for Apple Blossom Festival & Parade needed to be spent by June 30th, 2021. Due to COVID we had to pivot and do a virtual Apple Blossom Festival and schedule our Parade for September 18, 2021. Ana is stating that we will need to reimburse the City for the funds not spent by June 30, 2021.

I sent a report (which I have attached) to the City on May 25, 2021 explaining our expenditures and the timing. I would have thought that if there was concern the City would have contacted our office.

I was notified by the finance office asking if I wanted to amend our request due to COVID. I stated no that what we had requested would be enough. (Thinking I could still use the funds granted) If we are not able to use these funds we may have to reconsider having our Parade, as Public Works and the Police Department has sent me a cost breakdown of over 10k to just put on the Parade. I understand that the City must close out their books for 20-21, however it will put the Parade in Jeopardy.

Thank you

Linda M. Collins

Executive Director



SEBASTOPOL
 Chamber of Commerce
 & Visitor Center

May 25, 2021

**2020-2021
 Board of Directors**

Paul Butkus

Mia Del Prete

Susan Puga

Ambrosia Thomson

Brandon Parkhurst

Brian Purcell

Aleia Coate

Geni Houston

Edward Nguyen

To The City of Sebastopol

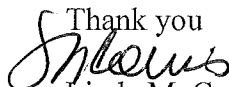
Our expenditures for our grant funds for Apple Blossom Festival are as follows:

Greenacre Homes-T-Shirts	\$ 750.00
Dax Entertainment	\$2,370.75
Ron Blair Signs	\$1,331.48
Insurance for Parade	\$6,400.00 *
Police/Public Works	\$7,600.00 *

TOTAL: \$18,452.23

*Estimates from both parties

265 South Main Street
 Sebastopol, CA 95472
 707.823.3032
 sebastopol.org
 linda@sebastopol.org

Thank you

 Linda M. Collins
 Executive Director

APPLICANT INFORMATION

Name of Organization Sebastopol Chamber of Commerce & Visitor Center	501(c)(3) Certification (attach copy)
Type of Organization Chamber of Commerce & Visitor Center	Website www.sebastopol.org
Address of Organization (Must be located or do business in Sebastopol) 265 S. Main St	Phone No. 707 823 3032
Contact Name Linda M. Collins	Phone No. (If Different than above)
Address of Contact 265 S. Main St.	Email linda@sebastopol.org

REQUEST INFORMATION

Amount Requested 15,000.00	Total Project Cost 80150.00	Project Title Apple Blossom Festival & Parade	Current Organizational Operating Budget <input checked="" type="radio"/> Yes <input type="radio"/> No
Year Founded 1921	List of Board of Directors/Principals (attached) <input checked="" type="radio"/> Yes <input type="radio"/> No	Recent Financial Statement (Audited Preferred) <input checked="" type="radio"/> Yes <input type="radio"/> No	

REASON FOR REQUEST

Briefly state the mission or purpose of your organization. Please provide your answer to the following questions.

1. Briefly describe the project and the specific purpose for which you are requesting funds.
The Apple Blossom Festival serves as an economic attraction to the community, celebrating our community's agricultural heritage and community spirit. It provides opportunities for our businesses and non-profits to collaborate on ideas and projects for a weekend worth of activities to market their products and services and bring more attention to what the Sebastopol community has to offer and the bounty of its assets. The festival serves as an attraction to draw visitors to the town and the county as an economic development tool. Its fills the lodging venues to support TOT and generates tax dollars through restaurants, bars and retailers. It also supports the programs that promote and support the Visitor Center. The weekend also supports non-profit organizations which are paid to staff various areas of the festival.

2. What exact results do you hope to achieve and how will those results be sustained after this grant period?
 We hope to have our attendance increased by advertising throughout our county as well as the bay area.

3. Describe your organization's capacity to conduct this program or project and list your recent accomplishments.
 This will be our 74th year in presenting the Apple Blossom Festival. Due to the longevity of our festival we are well adapted to the planning and executing of this event. We have adapted to the evolving areas, changing life styles, budget expense increases, weather conditions, and the ever increasing competition from other Count wide events.....The Sebastopol Apple Blossom

Festival and Parade has a sustainable reputation in our area. We are financially solvent, as reflected at the gate. We have been able to provide a venue for other non-profits to fundraise at our events. The Chamber continues to be the a great resource for providing information for not only our local community but the outside visiting community with our on-line community calendar that hosts all major events and activities. We are dedicated to the on-going continuation of this community tradition and reach out to others in efforts to grow the activities through the month around this event.

4. Give a detailed budget for your project and (a) include the time frame for your budget, and (b) specify just how the funds will be used if granted.

These funds will be used for advertising our festival and our town.

ABF Advertising	\$15,000.00
ABF Crafts	\$ 1,000.00
Food & Drink	\$ 1,600.00
ABF Beer cost	\$ 2,500.00
Entertainment	\$ 16,500.00
Parade	\$ 1,000.00
Souvenirs	\$ 1,000.00
General Expenses	\$ 600.00
City Services	\$ 7,300.00
Grounds	\$ 22,000.00
Liability Ins.	\$ 6,500.00
TOTAL	\$75,000.00

5. Please indicate any collaboration which will take place on this project in the way of other sources of funding, staffing, in-kind contribution, and/or joint participation. Please be specific.

We do ask for sponsors for different elements, such as banner, stage, wine, and children's area.

Sonoma West Times & News prints the programs for us at no charge, because they sell ads to cover the cost.

We use the Sebastopol Lions for beer pouring, girls' softball for garbage pickup and Analy High School. We make a donation to each of these organizations.

6. How do you propose to publicize and involve the community in the project?

We publicize the event through local newspapers, radio, digital media, through the schools, Chamber publications, Facebook, special event website, word of mouth, road signs, street banners and our official Poster. We invite community members to judge the parade,

7. How will you evaluate the success of your project? What reporting mechanism will you use to communicate your progress to the Council and the community?

We will evaluate our success by ticket sales as well as beverage sales, food and Arts and Craft vendor's spaces sold.

8. Please explain your organizations policies' and or plans for greening your organization's day to day operations and/or events.

All of vendors must comply with the new ordinance passed in November 2019. We will have water re-fill stations instead of bottled water; food waste will be picked up by a farmer to feed to her pigs. Our food vendors will have specific food ware to sell their food in. We have gone to an online application system to minimize paper.

Signature	Title	Date
<i>JM Collins</i>	<i>Ex. Director</i>	<i>2/24/2020</i>



SEBASTOPOL
Chamber of Commerce
& Visitor Center

Local Flavor. Global Vision.

2019-2020 Board of Director

Paul Butkus-Butkus Insurance (Farmers)

Susan Puga-A & M Mail Center

Mia DelPrete-West Sonoma County District Office Human Resource Director

Ambrosia Thomson-Recology Marin Sonoma

Brian Purcell-Morgan Stanley

Brandon Parkhurst-Gravenstein Grill

Edward Nguyen-Big O Tires

Geni Houston-Elephant Ear

Aleia Coate-Edward Jones

Internal Revenue Service

Department of the Treasury

District
Director

PO Box 2350 Los Angeles, CA. 90053

Sebastopol Chamber of
Commerce
PO Box 178
Sebastopol, CA 95473-0178

Person to Contact: Gilda Lewis

Telephone Number: (213) 894-2336

Refer Reply to: Org. Name

Date: January 9, 1997

EIN: 94-0851715

Dear Taxpayer:

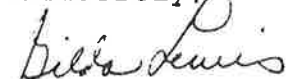
This letter is in response to your request for a copy of the determination letter for the above named organization.

Our records indicate that this organization was recognized to be exempt from Federal income tax in July 1959 as described in Internal Revenue Code Section 501(c)(06).

The exempt status for the determination letter issued in July 1959 continues to be in effect.

If you need further assistance, please contact our office at the above address or telephone number.

Sincerely,



Gilda Lewis
Disclosure Assistant

Sebastopol Area Chamber of Commerce
Profit & Loss Budget Overview
July 2018 through June 2019

	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	TOTAL Jul '19 - Jun 20
Ordinary Income/Expense							
Income							
4500 · ABF							
4510 · ABF -- Sponsorships	0.00	10,000.00	10,000.00	5,000.00	0.00	0.00	25,000.00
4515 · ABF - Donations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4520 · ABF -- Advertising	0.00	0.00	10,000.00	5,000.00	0.00	0.00	15,000.00
4530 · ABF -- Crafts	0.00	0.00	14,000.00	0.00	0.00	0.00	14,000.00
4535 · ABF -- Gate	0.00	0.00	0.00	50,000.00	0.00	0.00	50,000.00
4540 · ABF -- Food/drinks	0.00	0.00	0.00	10,000.00	0.00	0.00	10,000.00
4542 · ABF -- Beer	0.00	0.00	0.00	26,000.00	0.00	0.00	26,000.00
4550 · ABF -- Parade	0.00	0.00	0.00	8,500.00	0.00	0.00	8,500.00
4555 · ABF -- Wine	0.00	0.00	0.00	10,000.00	0.00	0.00	10,000.00
4580 · ABF -- Souvenirs	0.00	0.00	0.00	1,000.00	0.00	0.00	1,000.00
4590 · ABF -- Children's area	0.00	0.00	0.00	2,000.00	0.00	0.00	2,000.00
4597 · ABF -- Grounds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4500 · ABF - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total 4500 · ABF	<u>0.00</u>	<u>10,000.00</u>	<u>34,000.00</u>	<u>117,500.00</u>	<u>0.00</u>	<u>0.00</u>	<u>161,500.00</u>
Total Income	<u>0.00</u>	<u>10,000.00</u>	<u>34,000.00</u>	<u>117,500.00</u>	<u>0.00</u>	<u>0.00</u>	<u>161,500.00</u>
Gross Profit	<u>0.00</u>	<u>10,000.00</u>	<u>34,000.00</u>	<u>117,500.00</u>	<u>0.00</u>	<u>0.00</u>	<u>161,500.00</u>
Expense							
5500 · ABF expense							
5510 · ABF -- Sponsorships	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5515 · ABF-Donations	0.00	0.00	0.00	2,750.00	0.00	0.00	2,750.00
5520 · ABF -- Advertising	2,000.00	3,000.00	5,000.00	5,000.00	0.00	0.00	15,000.00
5530 · ABF -- Crafts	0.00	0.00	0.00	1,000.00	0.00	0.00	1,000.00
5535 · ABF -- Gate	0.00	0.00	0.00	2,000.00	0.00	0.00	2,000.00
5540 · ABF -- Food/drinks	0.00	0.00	0.00	1,600.00	0.00	0.00	1,600.00
5542 · ABF -- Beer Cost	0.00	0.00	0.00	2,500.00	0.00	0.00	2,500.00
5545 · ABF -- Entertainment	0.00	0.00	0.00	16,500.00	0.00	0.00	16,500.00
5550 · ABF -- Parade	0.00	0.00	0.00	1,100.00	0.00	0.00	1,100.00
5555 · ABF -- Wine	0.00	0.00	0.00	1,000.00	0.00	0.00	1,000.00
5560 · ABF -- Apple Pavilion	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5580 · ABF -- Souvenirs	0.00	0.00	0.00	1,000.00	0.00	0.00	1,000.00
5590 · ABF -- Children's area	0.00	0.00	0.00	500.00	0.00	0.00	500.00
5595 · ABF-- General Expense	0.00	0.00	0.00	600.00	0.00	0.00	600.00
5596 · ABF -- City services	0.00	0.00	0.00	7,300.00	0.00	0.00	7,300.00
5597 · ABF -- Grounds	0.00	0.00	0.00	22,000.00	0.00	0.00	22,000.00
5598 · ABF -- Liability Insurance	0.00	0.00	0.00	6,500.00	0.00	0.00	6,500.00
5500 · ABF expense - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total 5500 · ABF expense	<u>2,000.00</u>	<u>3,000.00</u>	<u>5,000.00</u>	<u>71,350.00</u>	<u>0.00</u>	<u>0.00</u>	<u>81,350.00</u>
Total Expense	<u>2,000.00</u>	<u>3,000.00</u>	<u>5,000.00</u>	<u>71,350.00</u>	<u>0.00</u>	<u>0.00</u>	<u>81,350.00</u>
Net Ordinary Income	<u>-2,000.00</u>	<u>7,000.00</u>	<u>29,000.00</u>	<u>46,150.00</u>	<u>0.00</u>	<u>0.00</u>	<u>80,150.00</u>
Net Income	<u>-2,000.00</u>	<u>7,000.00</u>	<u>29,000.00</u>	<u>46,150.00</u>	<u>0.00</u>	<u>0.00</u>	<u>80,150.00</u>