



Date: February 26, 2019

To: Mayor and Members of the City Council

From: Charles Parkin, City Attorney *CP*  
Laura Doud, City Auditor *ld*  
Patrick H. West, City Manager *PW*

Subject: **Procedures for Special Events Requested by the Legislative Department**

The Council District Priorities appropriations have allowed Council Districts to target City expenditures to provide benefits to residents within each Council District (and beyond). These funds have allowed Districts to provide targeted funding for more sidewalks, more street improvements, parks, playgrounds and many other benefits, including special events.

Many aspects of the associated procedures issued in 2015 by the City Attorney and City Manager have worked well. Some need additional clarification and expansion to make it easier for the Council Districts to remain in compliance with the City Charter (Charter) and Long Beach Municipal Code (Municipal Code) and the City's purchasing and expenditure processes.

Later this year, a comprehensive update and broadening of the 2015 procedures will be issued to cover all Legislative Department appropriations, purchases and expenditures. These procedures are designed to retain the exclusive appropriation authority granted to the City Council by Charter sections 1704 and 1705, and to protect individual Councilmembers, City Management and employees from unintentionally violating either the Charter or the Municipal Code. In essence, the process must avoid a single Councilmember (or staff) from giving expenditure or other direction to City Manager staff; or from making or attempting to direct expenditure decisions. These types of actions would be in violation of Section 208 of the Charter. Until the overall update is complete and can be issued, the interim special events procedures (attached) provide the same protections that the overall procedures provide. The special events procedures protect Councilmembers and the City and, in addition, allow Council Districts to take advantage of the expertise of the Special Events Bureau and the cost savings they provide through their expertise and purchasing powers.

If you have any questions about these procedures, please contact Assistant City Manager Tom Modica at (562) 570-5091, Finance Director John Gross (562) 570-6427, or Budget Manager Grace Yoon at (562) 570-6408.

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ATTACHMENT

CC: TOM MODICA, ASSISTANT CITY MANAGER  
KEVIN JACKSON, DEPUTY CITY MANAGER  
REBECCA G. GARNER, ADMINISTRATIVE DEPUTY TO THE CITY MANAGER  
ALL DEPARTMENT HEADS

**Interim Guidelines for Council District Funding of Special Events**

*This is an interim implementation of procedures for funding for Special Events. These guidelines are intended to prevent violations of the Charter (Sections 208, 1704, and 1705), the Municipal Code Purchasing regulations, and to minimize City and Council Office liability exposure. These interim procedures will be incorporated into an overall guideline for Legislative Department Appropriations, Purchases and Expenditures to be issued later in 2019.*

There are two ways for a Council District to provide a special event: either through the Special Events Bureau or by a contribution to a City-approved private sponsor for the event. Council Offices may not conduct any event, execute contracts, or specify, or negotiate with prospective vendors for special events. Special events can only be funded with a Council District Priority appropriation, not the standard Council District Office Operations appropriation.

**Special Events Conducted by the Special Events Bureau**

- Council Offices may discuss with the Special Events Bureau (Special Events) as to whether they will be able to conduct an event. A written agreement should be prepared to ensure there is a clear understanding. The agreement should identify what the special event will be, what will be provided, when, and the fixed or estimated cost. This agreement should exist prior to approval by the City Council for the specific event and the basic description from the agreement should be included in the City Council Letter.
- If Special Events does not have adequate resources to conduct the event, or there are other issues that cannot be resolved, it may decline to conduct the event, unless the City Council subsequently directs the specific event as a higher priority than other Special Events functions and events.
- Specific artists that are essential to the nature of a special event may be identified in the description of a special event or program. Use of specific artists depend on Special Events' staff being able to successfully negotiate a suitable contract.
- Special Events will treat newly requested special events on a first-come, first-served basis in terms of available resources and capacity.
- Special Events will include in its costs both City Special Events staff time and resources and any outside vendor costs to manage aspects of the event. The goal is to ensure that Special Events, when adding a mid-year event, has adequate resources to conduct already identified City Council priorities and budgeted activities.
- Public safety costs will be included in the event costs. The cost estimate will be based on the specific event and the circumstances of the event.
- Special Events may engage a vendor to manage any aspect of the project. Council Districts have no role in the selection or management of these (or other) vendors.

**Interim Guidelines for Council District Funding of Special Events**

- Special Events may procure unique insurance for a single event, or for events in general, and may charge the event an appropriate cost for insurance.
- A 501c(3) or private party may contribute funds to an event conducted by Special Events, but such a contribution must be made at the sole determination of the 501c(3) or the private party, and the contribution may not specify conditions (other than that the funds are to be used for the predefined special event). Donated funds will not be returned or refunded unless the event is cancelled and may not have any impact on the conduct of the event. Contributions raised by Councilmembers may also be made to Special Events and must follow all FPPC requirements (see below).
- If the budget for a special event assumes contributions that may be forthcoming and not already available, the written agreement between Special Events and the Council Office must specify how the project is to be funded if the contributions are short of the budget (typically the shortfall would be funded from Council District Priority funds).
- Special Events will determine, at its sole discretion, or that of the City Manager, the funding requirement for an event and may or may not provide a fixed cost to be charged to the Council Office's Priority funds. The Council Office must agree to pay actual costs and there must be City Council approval for the reasonably expected cost and any potential cost overruns or other funding shortfalls, for which the Council Office is responsible.
- Special Events will manage all aspects of the event, including negotiating and executing any contracts and agreements and Council Offices (or their staff) may not be involved in managing or directing any aspect of the event other than to specify event characteristics as described in the initial agreement between the Council Office and Special Events.

**Special Events Conducted by a Private Party**

- A Councilmember may suggest to a 501(c)3 that it conduct an event but, in order to avoid endangering the tax-exempt status of the 501c(3) or the tax deductibility of any contributions to the 501c(3), a Councilmember (or their staff) may not direct or attempt to direct a 501c(3) to conduct an event.
- A proposed 501(c)3 must first be reviewed and approved by Special Events to ensure it is a valid and appropriate 501(c)3.
- Similarly, a Councilmember may contribute funding to a promoter for a special event that the promoter is sponsoring/organizing or that the Councilmember may suggest to the promoter, but a Councilmember (or their staff) may not direct or attempt to control how the promoter runs an event, or what vendors or sponsors it uses for an event.

**Interim Guidelines for Council District Funding of Special Events**

- Any proposed event promoter must first be reviewed and approved through Special Events to ensure the promoter is both qualified and appropriate.
- Prior to approval of any contribution to a 501(c)3 or a promoter for an event, the event must be described in writing by the 501(c)3 or promoter and the proposed event and associated insurance requirements must be reviewed and approved through Risk Management to ensure there is no risk to the City. The City Council Letter presented to the City Council for the special event to be conducted by a 501(c)3 or a promoter must identify the 501(c)3 or the promoter and must also indicate that the promoter and the promoter contribution agreement has been reviewed and approved by Special Events and Risk Management.
- Any payment from the City to a 501c(3) or a promoter must be in the form of a contribution from the City/Special Events and not a contract for services.
- If a Councilmember or his/her staff engage in fundraising for an event, they must comply with FPPC "behest" procedures (currently applies to any voluntary contribution over \$5,000, but the Council District is responsible for being aware of the current limit). The FPPC procedures are also applicable to fundraising by a Councilmember for a special event, whether or not given directly to a 501c(3) or promoter. Council Districts may not directly accept contributions for an event.