

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 04/16/07		Item Number: <u>A-1</u>	
AGENDA ITEM: Consideration of a Request by the Culver City Democratic Club to be Sponsored by the City.			
Contact Person/Dept.: Bill La Pointe, Parks, Recreation & Community Services Director		Phone Number: (310) 253-6655	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Master Notification List (04/11/07); Tom Camarella, Culver City Democratic Club President (04/11/07).			
Department Approval: Bill La Pointe (04/02/07)		City Attorney Approval: Carol Schwab (by H. Iker) (04/06/07)	
City Controller Approval: Marlee Chang (04/11/2007)		City Manager Approval: Jerry B. Fulwood (04/11/07)	

RECOMMENDATION:

Staff recommends the City Council consider the request of the Culver City Democratic Club to be sponsored by the City and direct staff as deemed appropriate.

BACKGROUND:

On June 15, 2006 Council adopted Fees and Charges Resolution No. 2006-053, which consolidated all City fees and charges into one resolution including the fee and charge schedule for use of the Veterans Memorial Complex (VMC). Exhibit F-2 of Resolution No. 2006-053, "Fee and Charge Schedule for Use of the Veterans Memorial Complex" is provided as Attachment 1. The fees for the rental of the VMC are broken into four separate categories; Category A – City Sponsored, Category B – Culver City Non-Profit, Category C – Other Non-Profits and Private Events and, Category D – Commercial Events.

As a part of its motion, the City Council changed the definition of Category B to state that in order to qualify for this rental fee, an organization must be a 501(c)3 Charitable organization and be Headquartered in the City of Culver City (emphasis added).

In October 2006 VMC staff mailed letters to all of their annual renters requesting that they submit their meeting dates for the 2007 calendar year. In that letter, renters were informed of the new fees and Category definitions. In particular, all organizations who had previously qualified for Category B fees were asked to include proof of their 501(c)3 standing with their meeting dates in order to determine if they would continue to qualify for Category B fees.

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In 2006, the Culver City Democratic Club was charged Category B rates. However, this organization no longer qualifies for Category B rates because, according to its President, Tom Camarella, it is not a 501(c)3 charitable organization. Therefore, in keeping with Council direction; staff prepared a rental agreement for the Culver City Democratic Club for the 2007 calendar year using Category C rates.

Mr. Camarella has requested by way of a letter that the City consider sponsoring the Culver City Democratic Club (Attachment 2). This would place them in the 2007 Category A rate band, a rate band that is either fully or partially subsidized by the City. A list of the groups that are currently classified as Category A organizations is provided as Attachment 3. The 2007 Category C rate band is a rate that the renter pays the breakeven cost of the facility and the Citywide overhead (i.e., the City does not provide a subsidy).

DISCUSSION:

Mr. Camarella states in his letter that he is requesting that the City of Culver City (1) “sponsor our group for our total yearly rental of \$2300,” and, (2) “If we have a famous speaker that will draw people to Culver City, we would also like the auditorium for ½ price.”

The approval of a waiver of the total yearly rental fee constitutes a move for the Democratic Club to the 2007 Category A rate band. As stated, in Resolution 2006-053:

Category A – “City Sponsored,” as used in this resolution, shall mean any City group, organization or association that is granted the use of any part of the Complex facilities for any purpose for no fee, or for a small stipend determined by the Director.”

As per the Resolution, the Parks, Recreation and Community Services Director has some discretion in designating organizations as “City Sponsored.” However, ultimately this decision rests with City Council. The City Council reviews the list of City Sponsored organizations annually, and may edit or supplement the list as deemed necessary.

It should be noted that the Parks, Recreation and Community Services Department will be bringing forward new policy guidelines regarding City sponsorship of organizations for discussion by the City Council within the next 30-45 days.

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While it is true that the Democratic Club has a well-established history within Culver City, it is an organization with a political agenda directed at a specific audience. As stated in Article II of the Culver City Democratic Club's Constitution:

The purpose of this organization shall be to promote the interests of the Democratic Party; to advance the political and educational interest of the community; to foster the active participation of constituents in politics toward the end of electing Democratic candidates to all public offices; and to achieve the principles and carry out the policies of the local, state, and national organizations of the Democratic Party.

The City Attorney's Office has also reviewed the Democratic Club's request for sponsorship. It has advised that the City cannot legally expend public funds to subsidize political organizations, nor to advocate or oppose political issues. Although the City currently subsidizes the American Association of Retired Persons (AARP) for use of City facilities (see Attachment 3), it is for the limited purpose of providing educational programs and services to the senior population of the general public (i.e. driving classes, income tax assistance and homeowners and renters assistance). If the Democratic Club wishes to provide similar, limited programs or services to the community (i.e. candidates' night, voter registration assistance, etc.), the City would not be legally precluded from subsidizing those specific events. In this instance, however, it would still be a policy decision as to whether to expend public funds for such purposes. As discussed herein above, staff is drafting new policy guidelines to ensure that the decision to sponsor any particular organization is applied in a consistent manner based on objective criteria. Such policy will be provided for Council's discussion at a future meeting.

Given the political purpose of the Culver City Democratic Club (as reflected in its Constitution quoted above), there are significant legal hurdles to overcome before a general fee waiver could be granted. However, should the Democratic Club wish to hold non-partisan general events (similar to AARP as discussed above), the City Council could, as a matter of policy, provide a fee waiver for such specific events.

FISCAL ANALYSIS:

Records indicate that the Democratic Club rents the Rotunda Room for 4.5 hours monthly. The current Category C rate for the Rotunda Room is \$41.25 per hour for a minimum of four (4) hours. If Council determines that the Democratic Club qualifies as a "City Sponsored" organization, the loss in revenue to the City will be approximately \$2,300 annually (under the current fee schedule).

The fiscal impact of subsidizing a 50% discount for use of the auditorium when a "famous speaker" is featured varies depending upon the rate band used to calculate

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the discount, the duration of the event and the number of such events which qualify for the discount. For example, if the Democratic Club used the auditorium for 4 hours at the Category C rate (\$220 hourly), the City subsidy would be \$440 each time (50% of \$880 is \$440 that the City would subsidize).

ATTACHMENTS:

1. Exhibit F-2 of Fees and Charges Resolution No. 2006-053.
2. Letter from Mr. Tom Camarella, President of the Culver City Democratic Club.
3. Current List of City Sponsored Organizations.

MOTION:

That the City Council:

Consider the request of the Culver City Democratic Club to be sponsored by the City and direct staff as deemed appropriate.