

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 12/17/07		Item Number: <u>A-1</u>	
AGENDA ITEM: (1) Discussion of the Continuation of the City Council Subcommittee (Re Sister Cities Committee) to the City Council Meeting of January 28, 2008; or (2) Direct the Culver City Sister Cities Committee (CCSCC) to Establish itself as a 501 (c)(3); or (3) Direct Staff to Bring the CCSCC Under the Arm of the City and Approve a Related Budget Amendment in the Amount of \$25,000.			
Contact Person/Dept.: Shelly Wolfberg		Phone Number: (310) 253-6008	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Culver City Sister City Committee and Master Notification List (12/12/07).			
Department Approval: Martin R. Cole (12/12/07)		City Attorney Approval: Carol Schwab (by H. Baker) (12/11/07)	
Fiscal Impact Review: Jeff Muir (by M. Noller) (12/11/07)		City Manager Approval: Jerry B. Fulwood (12/12/07)	
<u>RECOMMENDATION:</u> Staff recommends the City Council continue the City Council Subcommittee (Re Sister Cities Committee) to the City Council meeting of January 28, 2008. <u>BACKGROUND/DISCUSSION:</u> The current City Council Subcommittee is comprised of Vice Mayor Gross and Councilmember Silbiger. On August 20, 2007, the City Council voted to continue the existence of the Subcommittee through December 31, 2007. During the past few months, City staff, the Subcommittee and representatives of the CCSCC (collectively referred to as the "Committee") have conducted research with other sister cities committees. Research indicated that a majority of the sister cities groups that were contacted stated they functioned under the tax exemption provisions of Section 501 (c)(3) of the Internal Revenue Code. The groups reported varying levels of city staff support, funding levels and insurance. The Committee has discussed an overview of the components that would be needed to create a CCSCC 501 (c)(3) or have the CCSCC become officially under the City's organizational structure. The Committee met on December 6, 2007 to discuss some questions about these options including issues and concerns of the CCSCC related to insurance requirements, staffing, bylaws and a potential Memorandum of Understanding with the City.			

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The CCSCC would like to meet again with its Board of Directors at its January 2008 meeting to fully discuss all options with them. To accommodate this desire, Staff recommends the City Council extend the final date to bring this item to the City Council for consideration to January 28, 2008.

However, should the City Council determine it desires to conclude the issue this evening, the following two options are provided for Council's consideration:

1. Direct staff to work with the CCSCC to become a 501 (c)(3), with the City continuing to provide funding, subject to final Council approval each year as part of the adopted budget (note: it is estimated separate liability insurance for the newly formed entity would cost \$2,600 annually (please see Attachment 1));

OR

2. Approve a recommendation to bring the CCSCC under the arm of the City and allocate funding for a part time City staff person to help coordinate this effort. The funding recommendation for the staff person is \$50,000/annually in addition to other budgeted items at \$14,000. Approximately \$25,000 would be needed for the remainder of FY 2007/2008 for the staff person. Funding for the part-time position will increase annually based on negotiated MOU COLA increases.

FISCAL ANALYSIS:

Should the City Council authorize extension of the Subcommittee to January 28, 2008 date as recommended by staff, the recommended action does not have an immediate fiscal impact.

Should the City Council implement Option 1 {CCSCC becomes a 501(c)(3)}, it is expected the annual costs of separate liability insurance is \$2,600. There would also be some one-time legal costs associated with the establishment of the 501(c)(3) estimated to be \$2,000. For purposes of the remainder of Fiscal Year 2007/2008, funding in the total estimated amount of \$4,600 could be allocated from appropriated reserves. Costs for insurance could vary in future years.

Should the City Council implement Option 2 {Bring the CCSCC under the arm of the City}, there would be an estimated cost of \$25,000 to hire a part time City staff person for the remainder of FY 2007/2008 (\$50,000 annual costs with the potential for increases in future years based upon provisions of existing and future

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employment agreements). This amount is recommended to be funded from the FY 2007/2008 General Fund Reserve. This option would require a budget amendment **(a budget amendment requires a 4/5ths vote of the City Council)**

ATTACHMENTS:

1. Culver City Sister City Committee Options

MOTION:

That the City Council:

1. {Staff Recommendation} Continue the City Council Subcommittee (Re Sister Cities Committee) to the City Council meeting of January 28, 2008.

OR

2. Option 1: Direct the CCSCC to become a 501 (c)(3), (with the estimated additional funding for Fiscal Year 2007/2008 in the amount of \$4,600 being allocated from appropriated reserves

OR

3. Option 2: Direct staff to bring the CCSCC under the arm of the City and approve a budget amendment appropriating \$25,000 in funding for a part-time City staff person to coordinate this effort from the General Fund Reserve for the remainder of FY 2007/2008 (a budget amendment requires a 4/5ths vote);

OR

4. Provide other direction to staff as deemed appropriate.