



Legislation Details (With Text)

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Title: CONSIDER A REQUEST FROM MAYOR DAVIS-HOLMES FOR THE CITY COUNCIL TO DISCUSS MODIFICATIONS AND AMENDMENTS TO RESOLUTION NO. 21-012 ESTABLISHING POLICIES AND PROCEDURES TO IMPROVE INTERNAL CONTROLS RELATING TO THE CITY'S SPECIAL EVENTS FUND (CITY COUNCIL)
Sponsors:
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Attachments: 1. 21-012 - Policies and Procedures Relating to Citys Special Events, 2. SMP 01.01.07 (eff 7.6.22)

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, September 20, 2022

Discussion

SUBJECT:

CONSIDER A REQUEST FOR THE CITY COUNCIL TO DISCUSS MODIFICATIONS AND AMENDMENTS TO RESOLUTION NO. 21-012 ESTABLISHING POLICIES AND PROCEDURES TO IMPROVE INTERNAL CONTROLS RELATING TO THE CITY'S SPECIAL EVENTS FUND (CITY COUNCIL)

I. SUMMARY

This item is on the agenda at the request of Mayor Davis-Holmes and transmits a request for City Council to discuss potential modifications and amendments to Resolution No. 21-012 establishing policies and procedures to improve internal controls relating to the city's special events fund. Specifically, staff understands that the Mayor has a desire to further define the resolution's reference to "direct" and "indirect" event costs.

Additionally, Council Policy and Procedure No. 01.01.07 establishes the conditions and terms in which the City may authorize the co-sponsoring of events within the City. The policy references the subject resolution and may also require modification should the City Council enact changes that impact co-sponsored events.

After discussion by the City Council, staff seeks direction to incorporate preferred changes

into a new resolution on internal controls relating to the City's specials events funds, as well as any applicable adjustments to the Council Policy and Procedure on City co-sponsored events. Staff will return at the next possible meeting with the new resolution and updated policy for City Council to adopt.

II. RECOMMENDATION

DISCUSS and PROVIDE direction.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate and that is consistent with applicable law

IV. BACKGROUND

On April 6, 2021, the City Council adopted Resolution No. 21-012 approving policies and procedures to improve internal controls relating to the City's Special Events fund based on the recommendations of the contracted financial advisory firm. These changes were intended to streamline the process of accounting for donations and revenue provided for City of Carson Special Events. The following are guidelines adopted by the Resolution:

- Individual budgets are to be created for each event so that expenses can be charged against the budgeted accounts and that they account for straight time in addition to overtime that employees spend on special events.
- The City is to improve its budgeting process by submitting detailed budgets for each event (including personnel and non-personnel expenditures), which would be approved by Council and entered into the general ledger.
- Budget controls should be focused on the event costs and the General Fund transfer must provide funding for an amount up to the actual costs incurred.
- All indirect costs of each special event are to be tracked each year to capture the true cost of putting on a specific event. This practice will help determine if the "cost benefit" of the event justifies City continuing to subsidize a particular event. This budgeting tool can also be used as a marketing resource to the community to illuminate the cost in which the City is subsidizing events that benefit the community.
- All event fees and financial contributions to special events must be used before any transfer of General Fund monies to the Special Events Fund are made for subsidizing events.
- The Special Events Fund should not accumulate fund balance through the General Fund subsidy.

- Special Events must be treated as a project where all revenues and expenditures can be recorded, which will allow City Council and management the ability to evaluate the cost benefit of each special event.
- All City sponsored events must follow the City's purchasing regulations, inclusive of approved City employees authorizing purchases on behalf of the City.

The resolution is intended to provide a policy structure so that the City's Special Events finances are managed in a manner that will continue to provide for the delivery of quality services, maintain sound financial practices, and direct financial resources towards meeting the City Council's priorities.

Additionally, on July 5, 2022, City Council approved and update to Council Policy and Procedure No. 01.01.07 establishing the conditions and terms in which the City may authorize the co-sponsoring of events within the City. The policy references the subject resolution and may also require modification should the City Council enact changes that impact co-sponsored events.

V. FISCAL IMPACT

The fiscal impact of this item will depend on the final decision of the City Council and any potential budget allocations for events in the City.

VI. EXHIBITS

1. Resolution No. 21-012 (pgs. 4 - 6)
2. CCP 01.01.07 (pgs. 7 - 9)

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