

CITY OF SACRAMENTO -- COUNTY OF SACRAMENTO



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APPROVED
BY THE CITY COUNCIL

MAR 10 1998

OFFICE OF THE
CITY CLERK



Office of the County Executive
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For the Agenda of:
March 10, 1998

To: Board of Supervisors
City Council

From: Robert P. Thomas, County Executive
William H. Edgar, City Manager

Subject: REPORT BACK ON STRUCTURE OF SACRAMENTO SPORTS
COMMISSION AND ITS EXECUTIVE DIRECTOR AS IT RELATES TO
EVERYDAY FUNCTIONS, AS WELL AS THE OLYMPIC TRIALS EVENT
(AGENDA ITEM #32 - FEBRUARY 10, 1998)

Contact: Paul Hahn, Director, County Department of Economic Development, 874-5889
Thomas Lee, Deputy City Manager, 264-8888

Location: Countywide

RECOMMENDATION:

1. Direct staff to take steps necessary to create an independent structure, budget and personnel, for the City/County Sports Commission to tentatively take effect January 1, 1999. It is expected that City, County, Convention and Visitors Bureau (CVB), and Commission staff would report back to the Board and City Council by September 1, 1998 with the details of the separation, including a long term financial plan which will result in a self-supporting Sports Commission. This action would sever the existing administrative and fiscal ties between the Sports Commission and the Convention and Visitors Bureau (CVB).
2. Approve/sanction the process being employed by the Sports Commission of setting up a 501-C-(3) Non-Profit Corporation for the purposes of carrying out all actions necessary to plan, finance and stage the Olympic Track and Field event in the year 2000, other future year track and field events which will be staged at the renovated CSUS facility, the 1999 John Hancock U.S. Gymnastics Championships, and other future events solicited by the Sports Commission. The internal operations of that corporation will be as spelled out in this report.

SUMMARY:

This report recommends a new structure and relationship between the Sacramento Sports Commission, the Board of Supervisors and City Council, as well as the creation of a 501-C-(3) corporation to support Sports Commission activities. The proposed 501-C-(3), a non-profit corporation, is recommended to implement and coordinate all the activities necessary to bring the Olympic Track and Field Trials to Sacramento in the year 2000. The 501-C-(3) will also be useful for other future events, such as the gymnastic championships, other future track events at CSUS, and the NCAA Basketball Tournament. This report also recommends a change in the relationship between the staff of the Sports Commission and the Convention and Visitors Bureau, the entity that currently provides staff support to the Commission through a contractual arrangement. Finally, this report begins to outline a long term plan which could eliminate all City and County direct financial support to the Sports Commission by using funds earned by the events sponsored by the Sport Commission and its related 501-C-(3) corporation.

BACKGROUND:

The recent success of the Sacramento Sports Commission in winning the bid to host the year 2000 Olympic Track and Field Trials has raised a number of issues related to the structure of the Sports Commission, particularly its role in the implementation of all the necessary steps to achieve a successful event. In fact, it has raised the question of exactly which entity should be involved in the implementation of the 2000 Trials. Should it be the Sports Commission?; The City and County?; the Convention and Visitors Bureau?; or some other entity not yet formed?

Whichever the organization, it is very clear that resolving this issue is time-critical in that the Sacramento community made a number of commitments to win that bid, and some entity must immediately now take responsibility for carrying out those commitments.

The long-term structure of the Sports Commission, its relationship with the Board and City Council, and the organizational structure and reporting authority of its Executive Director and staff have also become issues in recent months. In fact, the genesis of this report comes from a previously discussed November 5 joint report to the Board and City Council on this very topic. After discussion and review by those bodies, staff was directed to report back on the reporting relationship of the Executive Director and the status of this position vis-a-vis the Sacramento Convention and Visitors Bureau.

Given the immediate need to create or assign an entity to coordinate and implement the activities associated with the Olympic Trials (as well as the upcoming NCAA Tournaments and Gymnastics Championships), coupled with the need to clarify the long term structure and reporting relationship of the Executive Director position, this report offers a comprehensive proposal which is designed to address both issues. It also has an added benefit of offering a structure, which continues Board and City Council input and weans the Sports Commission from City and County financial support.

CURRENT STRUCTURE

Currently, the Sacramento Sports Commission is a nine member advisory body whose task is to solicit and promote sporting events to the Sacramento area as well as make recommendations on long-term sports development policy. The Board of Supervisors and City Council appoint eight of the nine members. Four members are chosen by each governing body, with the ninth member chosen by the other eight and confirmed by both governing bodies.

Responsibility for providing staff support and administrative oversight to the Sports Commission presently resides with the Sacramento Convention and Visitor Bureau (CVB) through a contractual relationship. The Executive Director is an employee of the CVB and reports to the Director of the CVB. In addition, some administrative staff support also is provided by the CVB.

Funding for the Sports Commission comes from an annual \$100,000 discretionary contribution from the City and County (\$50,000 each), as well as the in-kind and financial support from the CVB.

In December of 1997, some members of the Board of Supervisors, as well as several members of the Sports Commission, questioned this structure which has a City Council/Board of Supervisors policy advisory body staffed by an employee of the CVB, who reports to the Director of the CVB, who in turn answers to the CVB governing board. Staff from the County was instructed to look at alternative arrangements.

ISSUE #1 TRACK AND FIELD TRIALS STRUCTURE

As part of the presentation to win the Olympic Track and Field Trials in the year 2000, several contractual obligations were proposed in response to the RFP. Issues ranging from insuring that CSUS Hornet Field is upgraded, to insuring the hotel rooms promised are delivered, to insuring the proper marketing is done all must be accomplished. If the Sports Commission fails to "deliver" on any of the soon-to-be contractual obligations, the community will be exposed financially as well as in terms of its future ability to secure high profile sporting events.

Currently, these commitments are being spelled out in a formal contract, which must be signed by some entity representing this community and the Olympic Trial organizers. As a result, several questions have been asked as to who should enter into the contract for the Sacramento Community. Should it be the Sports Commission, the CVB, the City or the County?

Each of the above entities has its advantages and disadvantages. The biggest advantage for the Sports Commission is that it led the effort to attract the event, is up to speed on the commitments, and is a known entity by the Olympic Track and Field organizers. The CVB offers similar qualities, and also has experience in promoting these types of events.

Still, there are disadvantages to either the CVB or Sports Commission. While the Sports Commission could enter into the agreement, it is not the Commission's role to actually stage events. The Commission is a sports policy body; it is also a sport recruiting and promoting entity. Having the Commission bogged down in the actual implementation of the Trials could lead them to be distracted from their main task. Further, the Sports Commission is a formal City/County organization and *administration and oversight of this agreement by the Commission means that ultimate liability for any problems with the event could fall to the County or City. Even though, we do not believe there will be any problems whatsoever with the staging of the Trials in Sacramento. It would not be a prudent decision to place the City and/or County in a position of liability.* Such tasks as renovating Hornet Field, providing hotel rooms, and marketing are far outside either City or County expertise. The City and County should not take on any liability for events/actions outside of our direct control.

Instead, what is already occurring is the formation of a new non-profit corporation whose function would be to comply with and execute the terms of the Olympic Trials contract. The new 501-C-(3) corporation will not only oversee and manage the Olympic Trials, but also implement all future Sports Commission activities. The relationship between the 501-C-(3) corporation and the Sport Commission would be close. In fact, staff is recommending that the by-laws of the Corporation be written to insure that the Sports Commission has majority representation on the Board of Directors of the corporation. As both the Board and City Council control the composition and members of the Sports Commission, indirectly, your members will be able to influence the activities of the non-profit corporation, but will do so with no direct liability exposure for the City and County.

The non-profit status will allow individuals and corporations to make contributions to the non-profit corporation to help offset costs associated with the event, as well as provide the operating capital necessary to fund the activities.

Initially, we are recommending that the staff of the non-profit corporation be led by the existing staff of the Sports Commission. This insures continuity of policy development with implementation of activities. Concerns may be expressed that having the staff of the Sports Commission double as staff of the non-profit corporation constitute too many duties for one person. Staff does not share this view at this time, and believes that with proper management, additional staff resources, and community assistance, both jobs can be accomplished by one individual. At this time, we believe that the Executive Director of the Sports Commission should serve in both capacities. There is little doubt that the existing Executive Director is fully up-to-speed on the requirements of both the needs of the Olympic Trials, as well as everyday Sports Commission activity. Hiring new staff at this point, without at least attempting to see if both jobs can be filled by the same person, seems to put in jeopardy the continuity that will be necessary for this effort to succeed. In the interim, communication lines between the Executive Director and the Sports Commission and City and County staff must be open and forthcoming. Should the Executive Director not be able to serve the Commission and the 501-C-(3) adequately, we can revisit this issue at a later date, but for the present, we are satisfied that the Executive Director can staff both organizations.

Graphically, the proposed structure is displayed in Diagram 1. As portrayed in this diagram, the Sports Commission will continue to focus on future event solicitation as its main task, and will continue to have a very close working relationship with the CVB. What is different is the new non-profit. The non-profit will be the repository of private funds and be the entity that will enter into any contractual implementation obligations. The non-profit could either receive or donate funds to the Sports Commission; furthermore, the non-profit and the Sports Commission will be very closely related and share information and ideas. As noted, it is recommended that the structure of the Board of Directors of the non-profit always maintain a majority of its members from the Sports Commission. Other Directors could be selected from the sports community to fulfill specific needs.

The bottom line is that this organizational structure continues to:

- Insure continuity that the people involved in the bid (Sports Commission and Executive Director) are involved in the implementation;
- Eliminate any liability for the City and County;
- Allows the Board and City Council some assurance that they, through their representatives on the Sports Commission and non-profit corporation, will have policy input without exercising any operational authority;
- Allows a legal mechanism for the expenditure and collection of tax deductible funds necessary to stage events;
- Does not duplicate existing resources, especially if close coordination between the staffs of the CVB and Sports Commission continues.

LONG TERM STATUS OF EXECUTIVE DIRECTOR OF THE SPORTS COMMISSION

As noted in the beginning of this report, another distraction for the Sports Commission has been the reporting relationship of the Executive Director of the Sports Commission. Because the Sports Commission is an independent City/County Advisory Board, it has been suggested that the Executive Director should report directly to the Commission and/or the City Council and County Board. The present arrangement does not provide for that direct reporting, and in fact, has the Director working through a completely different organizational structure and ultimately the CVB. What the present arrangement does provide, however, is some funding and administrative support for the Sports Commission.

To rectify this situation, we are making recommendations that we believe will result in a more cleaner structure. It also will address the funding issues that are a necessary part of any reorganization.

REPORT BACK ON STRUCTURE OF SACRAMENTO SPORTS COMMISSION AND ITS EXECUTIVE DIRECTOR AS IT RELATES TO EVERYDAY FUNCTIONS, AS WELL AS THE OLYMPIC TRIALS EVENT (AGENDA ITEM #32 – February 10, 1998)

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For the remainder of this fiscal year, we are recommending that the CVB and Sports Commission enter into a scope of services contract in which services received by the Commission are more clearly tracked and reimbursed. Beginning this process now will help facilitate the longer-term change and more clearly identify the actual costs necessary to maintain a financially and structurally “independent” Sports Commission.

As for the long term, we are recommending that January 1, 1999 be the target date for the formal separation of the current employment relationship between the CVB and Sports Commission. At that time, shared employees of the CVB-Sports Commission would become exclusive employees of either the Sports Commission or the non-profit and serve only the Commission.

Further, we are recommending that the Sports Commission also sever all informal financial ties with the CVB. The CVB currently provides the Sports Commissions budget with some in “in-kind” services; therefore, we are recommending that any reorganization recognize this support and account for it in the language. One way would be to look at whether current contributions from the City and County to the Commission be increased by an equal amount to cover operating costs. Conversely, contributions to the CVB could be reduced by the same amount. We are expecting that private sector contributions and revenues from staging events will be necessary to offset any additional operating costs that might the Commission may incur. With the creation of the non-profit discussed above, and with the expected contributions and revenues anticipated from the Olympic Trials, it is very possible that the non-profit could have revenues exceeding expenditures which would allow it to financially assist the Sports Commission. In short, long term, stable financing will have to be included in any report back.

This recommendation does not mean that the Sports Commission should or will entirely sever its relationship with the CVB. It is expected that the cooperative relationship between the CVB and Sports Commission will continue. The Sports Commission can not succeed without the services of the CVB. They need to operate as a seamless team.

Finally, more analysis also needs to take place regarding the long-term appointment of the Executive Director. One way would be to have the City Manager and County Executive jointly recommend appointment of the Executive Director of the Sports Commission to the Sports Commission Board. This assures that City and County managers have some input into the selection process, but that the Sports Commission Board approves of the arrangement. Other approaches need to also be examined.

If this recommendation to sever the existing ties between the Sports Commission and CVB Board is approved, it will result in the following:

- An Executive Director who is directly responsible to his/her Commission leading to more accountability;
- A cleaner organization;

- Input by the Board and City Council through the appointment of the Executive Director and through the appointment of the Sports Commissioners.

LONG TERM FUNDING FOR THE SPORTS COMMISSION

Once the non-profit corporation is formed, and sufficient revenue is generated, the Sports Commission should wean itself from the existing City/County annual contributions. Revenues raised from the NCAA events, the Olympic Trials, Gymnastic Championships, etc. should result in funds of such magnitude that the Sports Commission becomes a self supporting operation, relieving the City and County and CVB of any financial responsibility. We recognize that the Commission is not ready for this move at this time, but staff, in its planning, should consider this arrangement as a high priority for future years.

SUMMARY:

The bottom line is that these recommendations, if approved by both the board and council, will lead to the following:

1. The creation of an entity responsible for executing all activities associated with the staging the 2000 Olympic Track and Field event. This would occur with no liability to either the City or County. The Board and Council would continue to have input through its respective appointments to the Sports Commission.
2. With tax deductible contributions coming to the non-profit, it is possible that sufficient funds will be raised to allow the Sports Commission to sever their formal ties with the CVB.
3. If successful, the Track and Field event, coupled with other events, should enable the Sports Commissions, through the non-profit corporation, to become self-sufficient resulting in an end to annual subsidies by the City and County.

FINANCIAL CONSIDERATIONS

This recommendation should result in no long-term additional costs for either the City or County. In fact, it could result in long term savings if the non-profit is able to raise sufficient revenues to offset both the CVB and City and County subsidies. Although our ultimate recommendation could involve changes in the distribution of Transient Occupancy (TO) Funds to the CVB and Sports Commission, it essentially is only representing the status quo and should not result in any increased costs for the City or County, or any reduction in services to the CVB.

Finally, the creation of the non-profit results in no liability to the City and County for the staging of any sporting events.

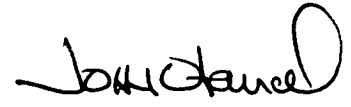
ENVIRONMENTAL CONSIDERATIONS


Pursuant to Public Resources Code Section 15378 (b) (3), this project is exempt from the review requirement of the California Environmental Quality Act (CEQA). This is because “continuing administrative or maintenance activities, which are not conducted in conjunction with a projected subject to CEQA review, are not considered to be ‘projects’ and are, therefore, exempt from CEQA. Such activities include the following: “general policymaking and procedure making.”

MBE/WBE


None. No goods or services are being purchased as a result of this decision.

Respectfully submitted,



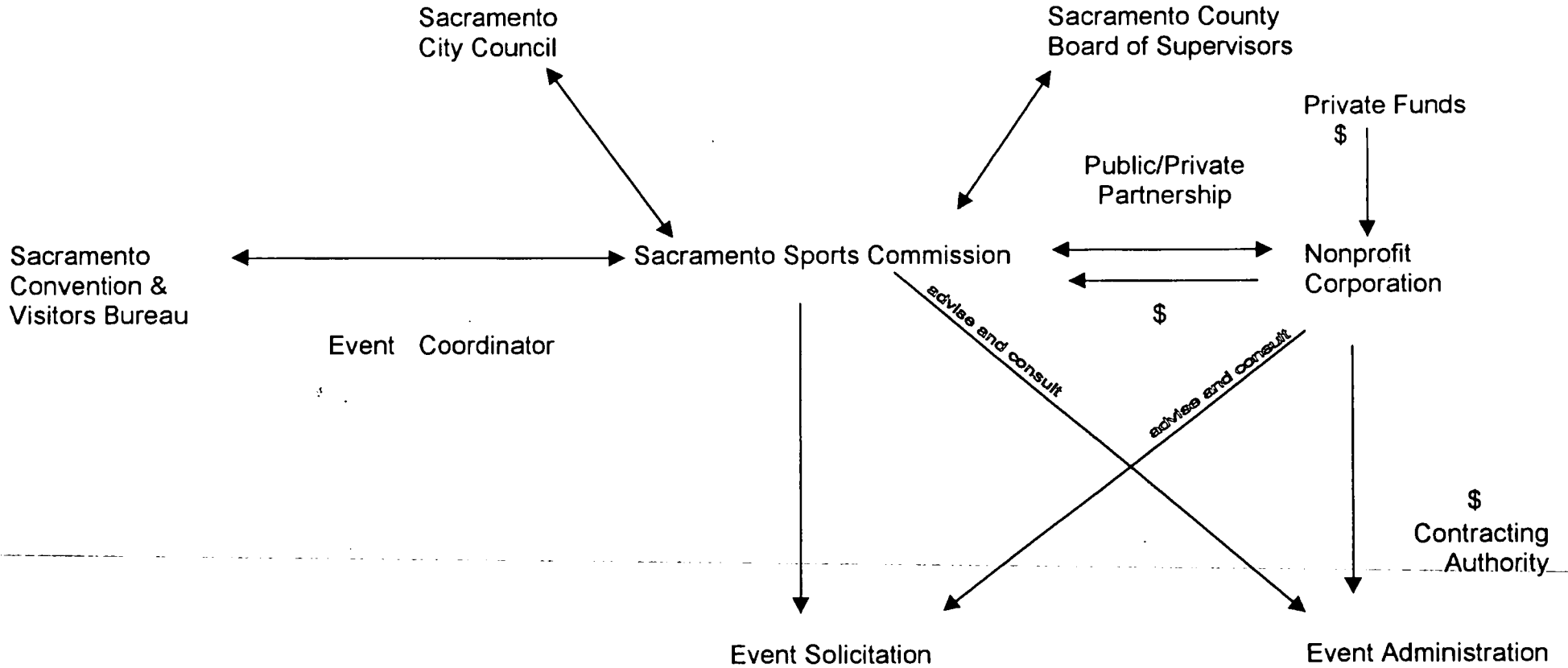
 ROBERT P. THOMAS
County Executive



 WILLIAM H. EDGAR
City Manager

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CONCEPTUAL ORGANIZATIONAL STRUCTURE





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DEPARTMENT OF
POLICE

CITY OF SACRAMENTO
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March 5, 1998

City Council
Sacramento, California 95814

PASSED FOR
PUBLICATION
& CONTINUED
TO 03-17-98

Honorable Members in Session:

SUBJECT: AN ORDINANCE ADDING CHAPTER 10.06 TO TITLE 10 OF THE
SACRAMENTO CITY CODE, RELATING TO SOLICITATION ON STREET
MEDIANS AND FREEWAY ON-RAMPS AND OFF-RAMPS

LOCATION AND COUNCIL DISTRICT: City-wide.

RECOMMENDATION:

This report recommends that the item be passed for publication of title, pursuant to City Charter Chapter 10, and continued to March 17, 1998.

CONTACT PERSON(S): Rhonda Matsuo, Office of the Chief, 264-7346
David Topaz, Office of Operations, 264-8478

FOR COUNCIL MEETING OF: March 10, 1998

SUMMARY:

The Police Department proposes the addition of Section 10.06 to the Sacramento City Code relating to the solicitation on street medians and freeway on-ramps and off-ramps. The Police Department received input and assistance of concerned citizens, the City Manager's Office and the City Attorney's Office. This type of solicitation is distracting to drivers who are attempting to be alert, watch traffic and observe the rules of the road and all traffic control devices. The Police Department believes that the public safety, welfare and freedom will be enhanced by prohibiting solicitation activity in the areas covered in this ordinance. As a means of improving the quality of life for residents, business people, shoppers and tourists in the City, it is important to reduce these unsafe solicitation activities.

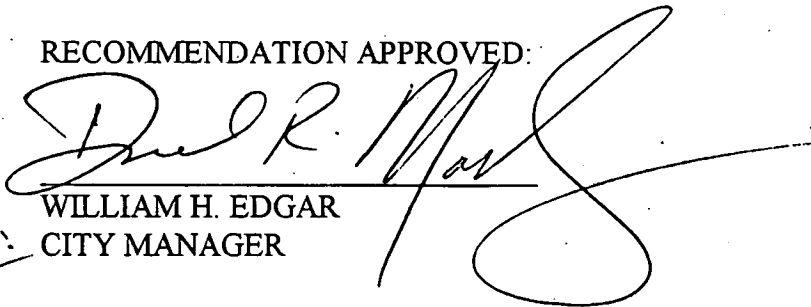
The mission of the Sacramento Police Department is to work in partnership with the Community to protect life and property; solve neighborhood problems, and enhance the quality of life in our City.

City Council
PFP - "Solicitation on Medians and Freeway On/Off-Ramps"
March 10, 1998

Respectfully submitted,


ARTURO VENEGAS, JR.
CHIEF OF POLICE

RECOMMENDATION APPROVED:


WILLIAM H. EDGAR
CITY MANAGER

for:

AV:rmm
REF: 3-12

Attachment: Proposed Ordinance

ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

AN ORDINANCE ADDING CHAPTER 10.06 TO TITLE 10 OF THE SACRAMENTO CITY CODE, RELATING TO SOLICITATION ON STREET MEDIANS AND FREEWAY ON-RAMPS AND OFF-RAMPS

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Findings.

(a) The activity of soliciting employment, business or contributions from occupants of vehicles distracts drivers from their primary duty to watch traffic and be alert for potential hazards in the roadway, to observe all traffic control signals, signs or warnings, and to be prepared to move through the City's streets and intersections.

(b) The practice of soliciting employment, business or contributions on medians and freeway on-ramps and off-ramps from occupants of vehicles impedes the flow of traffic on the streets within the City, results in the delay and obstruction of the public's free flow of travel, and results in congestion and blockage of the streets when such persons converse and negotiate with the occupants of vehicles.

(c) Distracted drivers are more prone to be involved in automobile accidents, and accidents on the public streets constitute a substantial traffic safety problem which further impedes and prevents the orderly flow of traffic, is unsafe for the person engaging in the solicitation, pedestrian traffic, and automotive traffic generally.

(d) The cumulative impact of this type of activity on the City's streets and highways on a daily basis has created a potential safety hazard, which poses a significant and substantial risk to the interest of the public in the free flow of travel in the City.

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FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

DATE ADOPTED: _____

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SECTION 2.

Chapter 10.06 is hereby added to Title 10 of the Sacramento City Code, to read as follows:

10.06 Solicitation on Medians, On-Ramps and Off-Ramps Prohibited.

10.06.800 Purpose.

It is the intent of this chapter to impose reasonable place limitations on solicitation, as defined herein, in order to protect the safety of the general public while respecting the constitutional right of free speech.

10.06.801 Definitions.

As used in this chapter, the following terms have the meanings respectively ascribed to them:

(a) "Business" means any type of product, goods, service, performance or activity which is provided or performed, or offered to be provided or performed, in exchange for money, labor, goods or any other form of consideration.

(b) "Employment" means services, industry or labor performed by a person for wages or other compensation or under any contract of hire, written, oral, express or implied.

(c) "Median" means that concrete portion of a divided highway separating the traveled ways for traffic in opposite directions.

(d) "Off-ramp" means any public roadway providing vehicular access from a freeway or highway.

(e) "On-ramp" means any public roadway providing vehicular access to a freeway or highway.

(f) "Solicit" means any request, offer, enticement, or action which announces the availability for or of employment, or a request for money or other property; or any request, offer, enticement or action which seeks to purchase or secure goods or employment, or to make a contribution of money or other property. A solicitation shall be deemed complete when made whether or not an actual employment relationship is created, a transaction is completed, or an exchange of money or other property takes place.

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ORDINANCE NO. _____

DATE ADOPTED: _____

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10.06.802 Prohibited Solicitation.

It shall be unlawful for any person to stand or sit on any median or freeway on-ramp or off-ramp to solicit or attempt to solicit employment, business or contributions of money or other property from any person traveling in a vehicle along a public right-of-way, including but not limited to public streets, highways or driveways.

10.06.803 Violation and Penalty.

Any person violating Section 10.06.802 is guilty of an infraction.

10.06.804 Non-exclusivity.

Nothing in this chapter shall limit or preclude the enforcement of other applicable laws.

DATE PASSED FOR PUBLICATION:
DATE ENACTED:
DATE EFFECTIVE:

ATTEST:

CITY CLERK

MAYOR

FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

DATE ADOPTED: _____