



# CITY OF LONG BEACH

# R-29

DEPARTMENT OF HEALTH AND HUMAN SERVICES

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February 20, 2018

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager, or designee, to execute an agreement, and any subsequent amendments, with the Long Beach Community Foundation, a California nonprofit corporation, to establish and administer a Fund for the Public's Health. (Citywide)

## DISCUSSION

The Long Beach Department of Health and Human Services (Health Department) was notified that Long Beach Cares, the Health Department's 501(c)(3) nonprofit organization, will stop operating on June 30, 2018. In response, the Health Department has identified the Long Beach Community Foundation (LBCF), to replace Long Beach Cares as the Health Department's nonprofit organization.

The LBCF has been administering charitable funds and fostering philanthropy to benefit the City of Long Beach (City), local nonprofits, and educational institutions for more than 20 years. Their 150 charitable funds, totaling \$35 million, have created and sustained critical services offered by hundreds of Long Beach organizations, including the Long Beach Library Foundation, YMCA of Greater Long Beach, Long Beach Day Nursery, Long Beach City College, and California State University Long Beach. The LBCF has agreed to work with the Health Department to establish and administer the "Fund for the Public's Health (Fund)" to provide necessary assistance to Long Beach residents for issues related to public health.

The LBCF will create and administer the Fund on a year-round basis providing residents, businesses, foundations and other funding sources the opportunity to make donations by cash, check or credit card. The LBCF will provide donors and funders with a receipt for their tax-deductible contributions. In addition, the LBCF will carefully select and manage investment options, which is anticipated to result in additional revenue to the Fund.

Long Beach Cares will provide the initial investment to initiate the Fund, which will become part of the pool of funds eligible for disbursement. The LBCF will be responsible for the management of the Fund and Health Department staff will continue to administer disbursement of the Fund to address pressing public health issues in the City, in accordance with the intent of the funds contributed and in compliance with all applicable laws.

The LBCF charges a foundation support fee of 1 to 1.5 percent to cover general operating costs, including: fund establishment, fund administration, due diligence procedures, and verification of non-profit organizations. Fees are negotiated based on donation volume. In addition, an LBCF investment fee of 15 basis points (0.15 percent) of the average fair market value of the Fund's assets will be charged to cover the cost of internal investment accounting and management. Fees will be paid directly from revenues and investment earnings in the Fund.

The LBCF is expected to comply with state and federal regulations as they relate to grants or contributions. The City will not be responsible for implementation or management of the Fund. However, the Health Department will administer disbursement of funds once they are received from LBCF.

This matter was reviewed by Deputy City Attorney Linda T. Vu on February 5, 2018 and by Revenue Management Officer Geraldine Alejo on February 2, 2018.

TIMING CONSIDERATIONS

City Council action is requested on February 20, 2018, to ensure prompt completion of the agreement with the LBCF, and to begin collecting additional funds to provide critically needed services to Long Beach residents.

FISCAL IMPACT

There is no direct cost to the City as a result of this agreement. Additional funding to address the City's public health issues may be made available through the Fund; however, it cannot be quantified at this time and will depend on LBCF's investment results. There is no local job impact associated with this recommendation.

**SUGGESTED ACTION:**

Approve recommendation.

Respectfully submitted,



KELLY COLOPY  
DIRECTOR  
HEALTH AND HUMAN SERVICES

APPROVED:



PATRICK H. WEST  
CITY MANAGER