



## **CITY OF SALINAS COUNCIL STAFF REPORT**

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**DATE:** AUGUST 12, 2025

**DEPARTMENT:** ADMINISTRATION

**FROM:** RENE MENDEZ, CITY MANAGER

**TITLE:** COMPASS CHURCH SPONSORSHIP OF \$100,000 FOR THE 2025  
4<sup>TH</sup> OF JULY CELEBRATE AMERICA FIREWORKS  
EXTRAVAGANZA

**RECOMMENDED MOTION:**

It is recommended that the City Council:

1. Provide direction to staff regarding Councilmembers' requests to provide a sponsorship contribution in the amount of \$100,000 to Compass Church for the 2025 Fourth of July Celebrate America Fireworks Extravaganza; and
2. If the City Council determines to provide a sponsorship contribution, approve a Resolution authorizing a sponsorship contribution in the amount of \$100,000 to Compass Church, and also approve a corresponding budget allocation of \$100,000 from the General Funds – Fund Balance, thereby reducing available funding to start FY 2026-27.

**EXECUTIVE SUMMARY:**

At the City Council meeting of July 1, 2025, a request was made by several Councilmembers directing the City Manager to identify funding and present a report to Council to consider providing a \$100,000 sponsorship to Compass Church for the 2025 Celebrate America Fireworks Extravaganza.

Since there was no appropriation in the Council approved FY 2025-26 City Operating Budget, if approved, the sponsorship would need to be funded through the Community Sponsorship Budget, the General Fund Contingency Budget, or the General Fund – Fund Balance. If funded from Contingency, it would result in a reduction of \$100,000 leaving a remaining balance of \$900,000 set aside for unanticipated City-wide needs. If funded from the Community Sponsorship Program, it would reduce the current budget of \$150,000 to \$50,000 available for other community sponsorships. If funded from anticipated FY 2025-26 Fund Balance, estimated in the budget to be \$2.8 million, it would reduce available resources to start FY 2026-27<sup>1</sup>.

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<sup>1</sup> It is important to understand that we are yet to close out Fiscal Year 2024-25 and therefore, based on actual revenue received and expenditures incurred, the fund balance could change. We won't have the final fund balance until the audited financials are complete and accepted by the Council.

## BACKGROUND:

This item is being presented for consideration at the request of several Councilmembers. By way of background, the City has an adopted Community Sponsorship Policy, which was established to provide a standardized process for sponsorship award to qualifying non-profit organizations, youth athletic groups/organizations, educational groups or individuals that provide a public benefit for the City's residents. As stated in the overview of the policy:

*The City Council recognizes the importance of providing support for community programs that are held for the general economic benefit of the City's business community; support of nonprofit organizations serving Salinas residents; cultural, athletic and educational enrichment; and/or promotion of the City of Salinas. In order to expand access to a wide range of cultural experiences and community connections for all its residents, the City of Salinas provides limited assistance, if the budget allows, through in-kind and cash sponsorships to local organizations in support of community programs that serve a public purpose. The intent is that the general public will receive some intrinsic cultural, educational, or entertainment value from the community program.*

The policy further allows appropriation for the program up to \$250,000 during the annual budget process provided funding availability. \$150,000 was appropriated for FY 2025-26 in contrast to the \$100,000 initial appropriation in FY 2024-25. The policy establishes requirements, an application review process, eligibility criteria, and a defined procedure to bring forward funding recommendations to Council for consideration and approval. It is Council discretion on who is funded and for how much, however, providing \$100,000 outside this process to Compass Church for the 4<sup>th</sup> of July Celebrate America Fireworks Extravaganza or any other organization outside this process, could set precedent and invite other requests. In FY 2024-25, Compass Church applied for funding through the Community Sponsorship Funding and was awarded \$15,000.

The FY 2025-26 application process closed on August 2, 2025. A total of 37 requests for funding were received totaling over \$1 million. Last year, the City received 54 applications totaling \$1.7 million and awarded a total of \$150,000.

At the direction of Council, staff recommends this request be considered via the Community Sponsorship Policy process and brought back for further consideration and award at that time. If the Council directs that the \$100,000 be provided, staff strongly recommends that this be a one-time contribution and that Compass Church work on developing other funding sources moving forward.

After discussing the recommendations and options provided within this report, staff requests the City Council provide direction on next steps and identify appropriate funding source outlined below:

1. General Funds – Fund Balance;
2. General Fund Contingency Budget. City Council appropriated \$1 million in the General Fund Contingency Budget for unanticipated needs Citywide; or
3. The Community Sponsorship Program, reducing the available amount from \$150,000 to \$50,000 to fund other community sponsorships.

**CEQA CONSIDERATION:**

**Not a Project.** The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

**CALIFORNIA GOVERNMENT CODE §84308 APPLIES:**

No.

**STRATEGIC PLAN INITIATIVE:**

If funded, this action is consistent with the City Council Goal of *Youth and Seniors*: “Increase community events throughout the City for youth and seniors.”

**DEPARTMENTAL COORDINATION:**

This item was prepared by the City Manager and will be coordinated with the Finance Department.

**FISCAL AND SUSTAINABILITY IMPACT:**

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 25-26 Operating Budget Page	Last Budget Action (Date, Resolution)*
1000-1200	General Funds	Financial Assistance/Contributions	\$0	\$100,000	N/A	N/A

**ATTACHMENTS:**

Community Sponsorship Policy  
Resolution