



Legislation Text

File #: 25-0549, Version: 1

TO:
Honorable Mayor and Members of the City Council

THROUGH:
Talyn Mirzakhanian, City Manager

FROM:
Libby Bretthauer, Finance Director
Emy- Rose Hanna, Financial Services Manager
Toni Page, Revenue Services Supervisor

SUBJECT:
Consideration of an Update to the Longstanding Local Business Award Program (Budgeted) (Finance Director Bretthauer).

(Estimated Time: 30 Mins.)

DISCUSS AND PROVIDE DIRECTION

RECOMMENDATION:
Staff recommends that the City Council discuss and provide direction regarding the Longstanding Local Business Award Program.

FISCAL IMPLICATIONS:
The Finance Department budget for the Longstanding Local Business Award Program has steadily increased over time to support the program’s expansion. Rising supply costs, inflation and an increasing number of qualifying businesses have significantly increased the program’s costs and staff workload. As illustrated in the table below, supply costs for the Award Program have risen steadily from FY 2020-21 through the current year budget estimate.

Year	Supply Costs	% Increase
FY 2018-19	\$1,387	-
FY 2019-20	\$1,304	-6%
FY 2020-21	\$1,677	29%
FY 2021-22	\$1,868	11%*
FY 2022-23	\$2,183	17%
FY 2023-24	\$2,670	22%
FY 2024-25	\$3,214	20%
FY 2025-26**	\$4,000	24%

* In September of 2021, the City expanded the Award milestones.

** FY 2025-26 costs are based on the available budget.

BACKGROUND:

The Longstanding Local Business Award Program was established by the City Council to recognize and congratulate longstanding businesses for 10, 20 and 40 years that continuously maintained a commercially-zoned premise providing services to our community for many years.

On May 1, 2018, the City Council updated the Program to five incremental milestones recognizing 10, 25, 30, 40, and 50 years of continuous service.

On September 9, 2021, the City Council directed staff to expand the Program by including milestones of 5, 15 and 20 years. Based on the last direction provided by City Council, the City currently recognizes the following milestones and award types:

Years	Award Type	Delivery Method
5 years	Certificate	By mail
10 years	Certificate	By mail
15 years	Certificate	By mail
20 years	Plaque	Presented at City Council meeting
25 years	Plaque	Presented at City Council meeting
30 years	Plaque	Presented at City Council meeting
40 years	Plaque	Presented at City Council meeting
50 years	Plaque	Presented at City Council meeting

Upon request, the City also supports the Chamber of Commerce at ribbon cuttings and other events by providing recognition of businesses for reaching certain milestones and achievements.

To be eligible for an award, qualifications for the Program are as follows:

1. Business Location Requirements
 - a. Continuously maintained a commercially-zoned premises. The business must have an operational physical location within a commercially-zoned area and have maintained it throughout the duration of its operation.
2. Business License Tax Requirements:
 - a. The business must pay the Business License Tax and be in good standing with the City. This means there should be no outstanding tax or fee balances for the business.
3. The following business type categories are excluded:
 - a. Residential Property
 - b. Commercial Property
 - c. Home Occupation
4. Milestone Achievement:
 - a. The business must have achieved recognized milestones set forth by the City Council.
 - b. The qualification of the milestone achievement is based on:
 - i. The date the business was first licensed in Manhattan Beach.
 - ii. The business must operate under the same business name during the entire milestone.
 - iii. The business should still be open and operating as of the date of the

Award Ceremony.

For additional background, staff surveyed other California municipalities to determine if they had a business recognition program and, if so, how it was conducted. Of the six cities that responded, one had a City program and three had programs led by their local Chambers of Commerce.

DISCUSSION:

The Longstanding Local Business Award Program is jointly coordinated by City staff from the Finance Department and the City Clerk's Office. City staff work collaboratively to ensure all necessary steps are completed prior to, during and following the recognition event held at the City Council Meeting.

To ensure a successful Program each year, the resources committed to the Program have evolved over time. Steps to administer the Program include identifying eligible businesses based on the criteria and verifying service milestones. Once eligibility is confirmed, City staff notifies the businesses receiving a plaque that they will be honored at a City Council meeting. Under current parameters, plaques are purchased for all businesses who have achieved 20, 25, 30, 40 and 50 years of continuous service in the community. On average, about half of the businesses invited attend the City Council meeting to receive their plaque. If unable to attend the City Council meeting, businesses are invited to pick up their award at City Hall during regular business hours.

A recurring challenge with the Program has been the distribution of plaques for businesses that do not claim their awards in person. Mailing plaques is cost prohibitive due to their weight and associated packaging and postage expenses. In response, City staff have attempted to hand deliver plaques, however, this approach requires significant staff time and in-office resources during business hours.

Under the current parameters of the Program, approximately 157 businesses will be recognized for the 2025 Longstanding Local Business Awards. With increases in staff time and supply costs, and challenges of not every business wanting to receive recognition, staff began exploring options to reduce operational strain and protect future budget resources.

As summarized in the attached chart, options for consideration to streamline a City Program include:

Step 1: Simplify Plaque Awards that are Presented at City Council Meetings

- The City could reduce the tiers receiving plaques to major milestones of 25, 50, 75, and 100 years. This would eliminate the 20, 30 and 40-year plaques and add milestones for 75 years and 100 years.

Impact: By adding 75 and 100-year milestones, we would recognize approximately three additional businesses that fall between 75-80 years in the 2025 ceremony and one business would be recognized for their 100th year in 2027. Businesses achieving 20, 30 and 40-year milestones would no longer receive a plaque, which reduces the cost of plaques and would likely streamline City Council award ceremonies.

Step 2: Streamline Certificate Awards that are Signed and Mailed

- The City could award certificates in 10-year increments (10, 20, 30, 40, 60, 70, 80, 90) with the exception of 50 and 100 years, which would receive plaques.

Impact: This would eliminate 5- and 15-year recognitions, reducing the number of 2025 award recipients by 40 and 21, respectively. A total of 39 businesses reaching milestones of 20, 30 and 40 years would receive certificates of recognition by mail instead of plaques.

Steps 1 and 2 can be considered together as one option to streamline the Award Program. If approved, the City would recognize a total of 101 businesses for 2025 consisting of 22 plaques presented at a City Council meeting and 79 certificates mailed to businesses.

POLICY ALTERNATIVES:

The Program could remain the same by only recognizing the current eight milestones (5, 10, 15, 20, 25, 30, 40, and 50 year). This means the City would continue to not recognize any additional milestones (60, 70, 75, 80, 90 and 100 year) nor remove the lower tier milestones (5 and 15 years) in the Program.

If the award program remains unchanged, the City would recognize a total of 157 businesses for 2025 consisting of 58 plaques presented at a City Council meeting and 99 certificates mailed to businesses.

CONCLUSION:

Staff recommends the City Council discuss the suggested options to streamline the award program and provide direction to maximize the usage of City resources while achieving the City's business recognition goals. Based on the direction provided, staff will formalize the categories and award types before returning in January 2026 to present the 2025 Longstanding Local Business Awards.

PUBLIC OUTREACH:

After analysis, staff determined that public outreach was not required for this issue.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because it consists of an administrative activity of government that will not result in direct or indirect physical changes in the environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW:

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

ATTACHMENTS:

1. Proposed Longstanding Award Tiers Chart
2. PowerPoint Presentation