

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 09/17/07		Item Number: <u>A-1</u>	
AGENDA ITEM: Approval of a Budget Amendment to Appropriate \$49,654 to Pay Guadagno & Sons Amusement for their Percentage of the Revenue Derived from the Rides at the 2007 Fiesta La Ballona.			
Contact Person/Dept.: Pam Robinson, VMC Manager		Phone Number: (310) 253-6632	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Master Notification List on 09/12/07			
Department Approval: Bill La Pointe (09/11/07)		City Attorney Approval: Carol Schwab (by H. Iker) (09/12/07)	
City Controller Approval: Marlee Chang (09/11/07)		City Manager Approval	
<u>RECOMMENDATION:</u> Staff recommends the City Council approve a budget amendment to appropriate funds for Account 10132810 – Fiesta La Ballona Event, to pay Guadagno & Sons Amusement (G&S) for their percentage of the revenue derived from the rides at the 2007 Fiesta La Ballona (Fiesta). <i>Budget amendment requires a 4/5th Vote.</i> <u>BACKGROUND/DISCUSSION:</u> For the last four (4) years, the Fiesta has included a carnival with rides and games. This has been a very successful addition to the Fiesta not only for its ability to attract a larger attendance, but for its ability to increase the amount of revenue collected by the City. This year, as in the past, the City contracted with G&S of Garden Grove to supply the rides and games. Attachment 1 is a copy of the agreement with G&S. Exhibit B of Attachment 1 – Schedule of Compensation – describes the arrangement between the City and G&S for the sharing of the revenue. Specifically, paragraph 3 states; A. Fifteen percent (15%) of the first Fifteen Thousand Dollars (\$15,000.00) of Ride Gross; B. Twenty (20%) of the second Fifteen Thousand Dollars (\$15,000.00) of Ride Gross; and			

City of Culver City, California
City Council Agenda Item Report

C. Twenty-five (25%) of balance of Ride Gross.

In addition, the agreement requires a sharing of their food concession and game revenue.

The agreement states that the City is responsible for the sale of ride tickets and collection of monies for those tickets. The portion of the revenue owed to G&S, less a ten-thousand dollar (\$10,000) down payment (already paid to G&S), is paid after the conclusion of the Fiesta and after an accounting of the money derived from ticket sales has been completed by the City.

In past years this money was deposited into the Fiesta checking account, and G&S was paid directly by the Fiesta Committee. However, this year the revenue receipts were deposited into a City account. Therefore, it is necessary to appropriate the funds to the expenditure account in order to pay G&S. The requested amount requires City Council's approval.

It should be noted that the only purpose of this evening's action is to finalize the agreement with G&S. Staff is working to reconcile the revenue receipts and record payments, which will require extra time for staff to complete a detailed report on the 2007 Fiesta Event. Staff anticipates presenting a full report to Council in mid-October.

FISCAL ANALYSIS:

Attachment 2 is an accounting of the revenue derived from ride ticket and concession sales; a total of seventy-seven thousand, eight-hundred and seventy-two dollars (\$77,872). Per the City's agreement, the balance due G&S is forty-nine thousand, six-hundred and fifty-four dollars (\$49,654). The City's percentage of revenue derived from the Fiesta carnival is eighteen-thousand, two-hundred and eighteen dollars (\$18,218).

The revenue receipts from the ride ticket sale has been deposited to the City's account, therefore, a budget amendment is requested to increase the appropriation in Account # 10132810 – Fiesta La Ballona - to pay G&S per the agreement. There are sufficient funds identified for this event to be able to make this appropriation amendment.

City of Culver City, California
City Council Agenda Item Report

ATTACHMENTS:

1. 2007 City Agreement with Guadagno & Sons Amusement.
2. Accounting of the Revenue from Ticket and Concession Sales.

MOTION:

That the City Council:

Approve a Budget Amendment to Appropriate \$49,654 to Pay Guadagno & Sons Amusement for their Percentage of the Revenues Derived from the 2007 Fiesta La Ballona. Sufficient revenue receipts will support this amendment.

Budget amendment requires a 4/5ths vote.