

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 06/15/2007		Item Number: <u>A-4</u>	
AGENDA ITEM: Discussion of the Fiesta La Ballona and Consideration of a Loan to Temporarily Fund the Fiesta La Ballona Activities in the amount of \$20,000.00.			
Contact Person/Dept.: Jerry B. Fulwood, City Manager		Phone Number: (310) 253-6000	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☐	
Public Notification: Master Notification List (06/13/07); Fiesta La Ballona Committee (06/13/07)			
Department Approval: Jerry B. Fulwood ()		City Attorney Approval: Carol Schwab (by H. Iker) ()	
City Controller Approval: Marlee Chang ()		City Manager Approval: Jerry B. Fulwood ()	
<u>RECOMMENDATION:</u> Staff recommends the City Council discuss the Fiesta La Ballona and consider a loan from the General Fund appropriated reserves to temporarily fund the activities of the Fiesta La Ballona in the amount of \$20,000.00. <u>BACKGROUND/DISCUSSION:</u> The Fiesta La Ballona has been a part of Culver City for several decades. Over that time, the Fiesta may have changed. But the Fiesta La Ballona has remained an important community event with increasing attendance. From time to time, the City has provided financial assistance to the Fiesta. The original intent of the City funding was to act as “seed monies” with the goal that at some point in the future, the success of the Fiesta would lead to its financial self-sufficiency. Proudly, the Fiesta La Ballona Committee’s hard work has paid off, with the Fiesta showing a net profit from operations over the past few years. Over the past year, the City and members of the Fiesta La Ballona Committee have been working together to consider further improving the operations of the Fiesta event. Two areas discussed include: (1) a proposal to incorporate the funds of the Fiesta into the City’s cash management/handling process; and, (2) due to the Fiesta’s success, the curtailment of the City’s seed monies assistance. As part of the City’s standard procedure, prior to incorporating outside funds into the City’s cash management/handling system, an audit of the Fiesta is currently underway and is expected to be completed soon.			

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To allow for completion of the audit and to facilitate incorporation of the Fiesta's funds into the City's operations, staff is proposing the following:

- (1) The establishment of a loan from the General Fund appropriated reserves to a separate account in the City's financial records in the amount of \$20,000;
- (2) Expenditures of this \$20,000 loan would be temporarily allocated from appropriated reserves;
- (3) From June 18 forward, Fiesta expenses would be paid from this City account under the direction and control of the Director of Parks, Recreation, and Community Services (any monies needed in FY 06/07 would be available on a temporary basis from funds already appropriated in the General Fund);
- (4) This loan would be repaid to the General Fund appropriated reserve from the Fiesta funds upon conclusion of the audit in FY 07/08.
- (5) With the success of the Fiesta, future financial assistance may no longer be necessary and can be considered by the City Council on an as-needed basis.

FISCAL ANALYSIS:

Should the City Council adopt this recommendation, the Fiscal Year 2007/2008 proposed budget would be reduced by \$10,000. However, the exact amount of these revenues would be uncertain pending the conclusion of the audit.

Upon conclusion of the audit, an item will be presented to the City Council including any appropriate budget amendments.

ATTACHMENTS:

None

MOTION:

That the City Council:

- (1) Authorize a loan from the City's General Fund appropriated reserve to an account (to be determined by staff) within the City's financial records in the amount of \$20,000;

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- (2) This account would be transferred to the Department of Parks, Recreation, and Community Services under the control of the Director; and,
- (3) Direct staff to report to the City Council the amount of funds incorporated into the City's financial records from the Fiesta upon conclusion of the audit.