

**City of Culver City, California
City Council Agenda Item Report**

Meeting Date: <u>07/14/08</u>		Item Number: <u>C-7</u>
AGENDA ITEM: Approval of the Final Year of a Three-Year Agreement with Guadagno and Sons for Supplying the Carnival Rides at the 2008 Fiesta La Ballona.		
Contact Person/Dept.: Pam Robinson, Acting Recreation Manager		Phone Number: (310) 253-6632
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐
Public Hearing: ☐	Action Item: ☐	Attachments: ☒
Public Notification: Fiesta La Ballona Committee (07/09/08); Guadagno and Sons (07/14/08); Master Notification List (07/09/08).		
Department Approval: Bill La Pointe, (07/03/08)	City Attorney Approval: Carol Schwab (by H. Baker) (07/09/08)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (07/09/08)	City Manager Approval: Jerry B. Fulwood (07/09/08)	

RECOMMENDATION:

Staff recommends the City Council approve the final year of a three (3) year agreement with Guadagno and Sons for supplying the carnival rides at the 2008 Fiesta La Ballona.

BACKGROUND:

The Fiesta la Ballona (Fiesta) began in 1951 as a week long festival in honor of the City's heritage. The Fiesta is a celebration with events that evoke pride and remind residents of Culver City's impressive past while enhancing a sense of community.

In 2004 the Fiesta La Ballona Committee (Committee) contracted with Guadagno and Sons (G&S) to supply carnival rides during the Fiesta in order to attract families to the event. This has been a very successful addition to the Fiesta and has increased attendance as well as revenue to the vendors and to the City which in turn helps to offset the cost of producing the Fiesta. After the 2005 Fiesta, the Committee agreed that G&S should come back for the next three (3) years, through 2008 due to their entertainment value and their commitment to the success of the Fiesta.

DISCUSSION:

Attachment 1 is a copy of Agreement #2008-052 between the City and G&S. A few of the details of the agreement, particularly with regard to the profit sharing with the City include;

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- A. Fifteen percent (15%) of the first Fifteen Thousand Dollars (\$15,000) of Ride Gross;
- B. Twenty percent (20%) of the second Fifteen Thousand Dollars (\$15,000) of Ride Gross; and
- C. Twenty-Five percent (25%) of balance of Ride Gross.

In addition, the agreement requires a sharing of their food concession and game revenue. These percentages are unchanged from the percentages paid to G&S for the 2007 Fiesta.

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 paid upon their arrival the week before the Fiesta, is paid after the conclusion of the Fiesta and after an accounting of the money has been completed by the City.

There is only one difference between the 2007 and 2008 Schedule of Compensation and that is the addition of paragraph 7 on page 2 of 2 titled "Donation to Fiesta". This paragraph reads that "At the conclusion of the Fiesta, and after all payments have been made, contractor shall donate a total of one-thousand dollars (\$1,000) to the City to be used for the 2009 Fiesta La Ballona." This donation to the Fiesta was negotiated by the Committee Chair and will be paid to the City after G&S has received their final payment.

As this is the final year of a three (3) year agreement, it is staff's intention to go out to bid for these services prior to the 2009 Fiesta.

FISCAL ANALYSIS:

The ten-thousand dollar (\$10,000) down payment is anticipated when the budget for the Fiesta is prepared, and this amount is included in the Parks, Recreation & Community Services 2008/2009 adopted budget. This amount is then deducted from the final payment which is made from the revenues derived from the Fiesta carnival.

In 2007, gross revenues from carnival ride tickets and concession sales were a total of seventy-seven thousand, eight-hundred and seventy-two dollars (\$77,872). Per the City's agreement, the balance due G&S after the deduction of the ten-thousand dollar (\$10,000) down payment was forty-nine thousand, six-hundred and fifty-four dollars (\$49,654). This left eighteen-thousand, two-hundred and eighteen dollars (\$18,218) as the City's net revenue from the 2007 Fiesta carnival. The Fiesta Committee hopes to match or perhaps even surpass this amount at the 2008 Fiesta.

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ATTACHMENTS:

1. Copy of Agreement #2008-052 between the City and Guadagno & Sons.

MOTION:

That the City Council:

1. Approve the final year of a three-year agreement with Guadagno and Sons for supplying the carnival rides for the 2008 Fiesta La Ballona; and
2. Authorize the City Attorney to review/prepare the necessary documents; and
3. Authorize the City Manager to execute such documents on behalf of the City.