

Agenda Report

TO: CITY COUNCIL
THROUGH: FINANCE COMMITTEE

DATE: MAY 21, 2007

FROM: CITY MANAGER

SUBJECT: RECOGNITION OF REVENUE AND TRANSFER OF FUNDS TO
THE ROSE BOWL OPERATING COMPANY

RECOMMENDATION

It is recommended that the City Council recognize \$913,886 in previously unappropriated investment earnings from the 2006 Rose Bowl / City Hall Certificates of Participation in the City Hall Seismic Upgrade and Exterior Restoration Project No. 71904 and transfer these funds to the Rose Bowl Operating Company (RBOC).

BACKGROUND

In February 2006 the city issued the 2006 Rose Bowl / City Hall Certificates of Participation generating \$24 million for these projects. Of this amount \$9.4 million was appropriated to the City Hall Seismic Upgrade and Exterior Restoration Project and \$14.6 million was appropriated to the Rose Bowl Locker Room and Media Center Improvements Project.

To date a total of \$1,523,144 in investment earnings has been generated in the bond's construction fund. On April 30, 2007 the City Council recognized a portion of these funds, \$609,258, and programmed them for the purchase of office furniture for City Hall. This \$609,258 figure represents a proration of the total investment earnings (\$1,523,144) represented by each project, which works out to approximately 40% for City Hall and 60% for the Rose Bowl Locker Room and Media Center project.

It is recommended that the remaining amount of approximately \$913,886 is to be allocated to the Rose Bowl; however, these funds are not expected to be needed to complete the Locker Room and Media Center project. The structure of the bonds requires that the proceeds be appropriated directly to projects related to the Locker Room or City Hall. Nevertheless, these funds may still be of benefit to other Rose Bowl projects. Staff is recommending that the \$913,886 be

recognized in the City Hall Seismic Retrofit project, which is a permissible use of the funds, and that a like amount of funding within the project reserve be transferred to the RBOC.

This action will not change overall appropriations in the City Hall project and will benefit the RBOC by providing much needed funds. Pending approval of this recommendation it is expected that the RBOC will come forward to the City Council regarding the appropriation of these funds to the RBOC budget.

FISCAL IMPACT

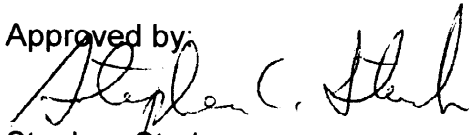
This action will increase unappropriated fund balance in the Rose Bowl Fund by \$913,886.

Respectfully submitted,



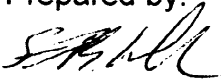
Cynthia J. Kurtz
City Manager

Approved by:



Stephen Stark
Director of Finance

Prepared by:



Steve Mermell
Deputy Finance Director