

CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 12

Date: November 17, 2010

TO: Honorable Mayor and Members of the City Council
FROM: Jerry Van Leeuwen, Director of Community Services
SUBJECT: California Center for the Arts Escondido 2009-2010 Operating Deficit

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2010-176 authorizing the payment of \$149,000 for the 2009-2010 operating deficit of the CCAE.

FISCAL ANALYSIS:

This action will reduce the General Fund operating reserves by \$149,000.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

This item relates to the Council's Action Plan regarding Economic Development.

PREVIOUS ACTION:

The City Council Subcommittee for the Center for the Arts (Daniels and Diaz) recommends payment of the operating deficit.

BACKGROUND:

The CCAE established a new operating model at the direction of the City Council. The model was instituted in the 2009-2010 fiscal year. The goal of the new model was to reduce financial risk to the city and to reduce operating deficits that had occurred in previous years. While the initial year of implementation was more successful than anticipated, CCAE was not able to completely cover all operating expenses. The deficit of 2009-2010 is \$149,000. This is approximately half of the deficit experienced in 2008-2009. The approved budget of the City did not allocate funds for the deficit and therefore it is necessary to request Council approval.

Respectfully submitted,

Jerry Van Leeuwen, Director

RESOLUTION NO. 2010-176

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE CITY MANAGER TO
EXPEND FUNDS TOWARDS THE
OPERATING EXPENSES OF THE
CALIFORNIA CENTER FOR THE ARTS-
ESCONDIDO

WHEREAS, The California Center for the Arts, Escondido (CCAE) has successfully implemented a new operating model that reduces financial risk to the City and provides greater assurance of economic success for the CCAE; and

WHEREAS, The CCAE has signed Management Agreements with the City that have, and will continue to further advance the new operating model; and

WHEREAS, the CCAE was not able to cover all operating expenses associated with the implementation of the new operating model during FY 2009-2010; and

WHEREAS, the City and CCAE are both committed to the success of the CCAE and the operating model, as well as to the goal of stimulating the local economy and downtown area through the support of CCAE; and

WHEREAS, the City has significant investment in the facilities of CCAE, and wishes to assure that such investment is successful.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true and correct.
2. That the City Council authorizes the City Manager or his designee to make an expenditure of City funds in the amount of \$149,000 for the purpose of covering the CCAE the operating deficit for 2009-2010.