DEPARTMENT OF FINANCE
Notice of a Regular Meeting of the Finance Committee
4:00 p.m. – Monday, March 23, 2015
Pasadena City Hall - Council Chambers Room S249

NOTICE IS HEREBY GIVEN that a regular meeting of the Finance Committee will be held **Monday, March 23, 2015** at **4:00 p.m.** in the Council Chambers Room S249, at City of Pasadena City Hall, 100 N. Garfield Ave., Pasadena, California.

A. CALL TO ORDER

B. PUBLIC COMMENT

C. NEW BUSINESS

1. Authorization to Enter into a Contract with the City of Los Angeles for Administration of the 2014 Urban Area Security Initiative (UASI) Grant and Recognize and Appropriate $502,194 to the Fire Grants Fund (230)
2. Approve Journal Voucher Amending Projects in the Fiscal Year 2015 Capital Improvement Program Budget and Operating Budget
3. Authorize the City Manager to Enter Into a Contract with Sharesquared to Furnish and Deliver an Enterprise Content Management System
4. Issuance of a Purchase Order to Cale America, Inc. for an Amount Not to Exceed $124,000 for the Purchase of Multi-Space Parking Meters for the Shoppers Lane Parking Lots
5. Quarterly Investment Report-Quarter Ending December 31, 2014

D. INFORMATION ONLY

1. Response to Questions from the Committee Regarding General Audit Questions (Oral Report)
2. Financial Status Report – 2nd Quarter FY 2014
3. Rose Bowl Operating Company – Proforma & Unfunded Capital Improvements

E. FUTURE MEETINGS

1. Joint meetings with the City Council on the Operating Budget Hearings
   - May 18 – 3 p.m. Budget Overview
   - June 1 – 1 p.m. Water & Power, Library & Information Services, Public Works, Transportation, Public Health, Information Services
   - June 8 – 1 p.m. Human Services & Recreation, Police, Planning, Fire, Housing
   - June 15 – 1 p.m. City Clerk, City Attorney, Affiliated Agencies, City Council, City Manager, Successor Agency to the PCDC, Human Resources, Finance
   - June 22- 4 p.m. Budget Adoption

F. ADJOURN REGULAR MEETING OF THE FINANCE COMMITTE

G.

Terry Tornek, Chair
Finance Committee

This notice, in its entirety, was posted at City Hall and distributed as indicated below by 5:30 p.m. on March 19, 2015.

Lori Eubanks, Recording Secretary
Finance Committee

Distribution:

City Council	Los Angeles Times	City Manager
Star-News	City Attorney	Pasadena Weekly
City Clerk	La Opinion	Main Library
Pasadena Journal	Council Chambers Bulletin Board	City Hall Front Kiosk

Agenda Report

March 23, 2015

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Fire Department

SUBJECT: **AUTHORIZATION TO ENTER INTO A CONTRACT WITH THE CITY OF LOS ANGELES FOR ADMINISTRATION OF THE 2014 URBAN AREA SECURITY INITIATIVE (USAI) GRANT AND RECOGNIZE AND APPROPRIATE $502,194 TO THE FIRE GRANTS FUND (230)**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061, (b) (3),

2. Authorize the City Manager to enter into a contract with the City of Los Angeles to accept and administer Urban Area Security Initiative (UASI) grant funds on behalf of the City of Pasadena,

3. Recognize and appropriate $502,194 from the 2014 UASI grant to the Fire Department Grant Fund 6367-230-361000-91169-85.

BACKGROUND:

The Federal Government's Urban Areas Security Initiative (UASI) Program dedicates funding support to select high-threat, high-density urban areas in order to address their unique multi-discipline planning, organization, equipment, training, and exercise needs in building and sustaining capabilities to prevent, protect against, respond to, and recover from threats or acts of terrorism.

These funds are awarded to the California Office of Emergency Services which, in turn, places the City of Los Angeles as the administrator. The City of Pasadena historically is awarded funds to purchase aviation-related equipment, personal protective equipment, urban search and rescue equipment or training. For the 2014 grant-year, which the

proposed agreement covers, the Police Department will receive $270,830 for personal protective equipment, counter terrorism training and physical security enhancement equipment (does not include body cameras); the Fire Department will received $136,364 for personal protective equipment, search and rescue equipment and an incident response vehicle; the Public Health Department will receive $95,000 for mass fatality training and alternate care site planning.

COUNCIL POLICY CONSIDERATION:

This action supports the City Council's strategic goal to ensure public safety.

FISCAL IMPACT:

The fiscal impact of this action will be to increase revenues and appropriations in the Fire Grants Fund by $502,194. The anticipated impact to other operational programs or capital projects as a result of this action will be none. There is no incremental maintenance contract necessary as a result of this action. Further, ongoing maintenance and replacement costs for grant acquired equipment will be absorbed into fiscal year budgets. Although these funds will be used by multiple departments for tracking purposes, they are received and expended out of the Fire Department Grant Fund 6367-230-361000-91169-85.

Respectfully submitted,

BERTRAL T. WASHINGTON For
Fire Chief
Fire Department

Prepared by:

Gary Gates
Management Analyst
Fire Department

Concurred by:

JULIE A. GUTIERREZ
Interim Finance Director

Approved by:

MICHAEL J. BECK
City Manager

Agenda Report

March 23, 2015

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Public Works

SUBJECT: **APPROVE JOURNAL VOUCHER AMENDING PROJECTS IN THE FISCAL YEAR 2015 CAPITAL IMPROVEMENT PROGRAM BUDGET AND OPERATING BUDGET**

RECOMMENDATION:

It is recommended that the City Council:

1. Approve a journal voucher with a net increase of $909,036 amending 16 projects in the Fiscal Year 2015 Capital Improvement Program Budget as detailed in the Fiscal Impact section of this report; and

2. Amend the Fiscal Year 2015 Operating Budget as detailed in the proposed Operating Budget Amendment section of this report.

ROSE BOWL OPERATING COMPANY RECOMMENDATION:

On March 5, 2015, the Rose Bowl Operating Company recommended appropriating $386,000 in Rose Bowl Funds to the *Rose Bowl Major Improvement Projects FY 2013 – 2016* project in the Fiscal Year 2015 CIP Budget.

BACKGROUND:

As part of the process to update the CIP budget, the Department of Public Works has completed this report detailing necessary budget adjustments. The budget adjustments are needed due to changes in the status of various capital projects. The budgetary changes to the projects are listed below and must be recognized through the City's journal voucher process to formalize the changes. The changes are summarized in Attachment A.

Proposed CIP Amendments

1. **Rose Bowl Major Improvement Projects FY 2013 – 2016 (80218)** – The Rose Bowl Operating Company (RBOC) recommends appropriating $386,000 in Rose Bowl Fund to this project. The stadium is over 90 years old and aging. Continuing to reinvest in the stadium's infrastructure and upgrading key furnishings is critical to keep the stadium viable. To meet event scheduling demands, the yearly capital improvement projects must be completed prior to the summer events and fall football calendar. This appropriation will allow the work planned for FY 2016 to begin early and meet the event calendar schedule. This work will include: installation of the phase I parking lot scanning system; completion of the new stadium server room; stadium re-keying; replacement of 350 – 400 event chairs; and the installation of EOC glow adhesives to the edge of stadium stairs.

   Also, the name of this project has changed from the *Rose Bowl Major and Preventative Maintenance FY 2013 – 2016* project to the *Rose Bowl Major Improvement Projects FY 2013 - 2016*. As part of the FY 2016 CIP budget process, a separate *Rose Bowl Preventative Maintenance* project will be created. The preventative maintenance work each fiscal year can be done during the standard fiscal year timeframe. The major CIP items require a different schedule and focus. The separation of these two items will allow for better management and tracking of the projects.

2. **City Fiber Network Expansion (71212)** – The Department of Information Technology (DoIT) recommends appropriating $34,650 from the Library Services Fund to this project to extend fiber connectivity to the Allendale Library and increase the total estimated project cost by this amount. Given library bandwidth requirements and proximity to the fiber ring, Allendale Library has been identified as a prime candidate for connectivity to the City's fiber ring. The fiber connection will significantly boost the bandwidth available to branch patrons and eliminate ongoing monthly costs for leased lines. It is anticipated that this project will be completed by June 30, 2015.

3. **Enterprise Resource Planning System (71149)** – The Department of Information Technology (DoIT) recommends the actions outlined in the table below to correct the appropriations to this project necessary for the following reasons: three of the funding sources' allocated costs were absorbed by the General Fund as part of the FY 2015 Operating Budget; two of the funding sources have restricted uses and this project was not eligible; one of the funding sources is no longer available; four of the funding sources' allocated costs were absorbed by the Other Housing Fund (238) as part of the FY 2015 Operating Budget; and one funding source was increased.

Funding Source	Action	Reason
Transportation Sales Tax Fund (208)	(15,512)	Cost absorbed by the General Fund in the FY 2015 Operating Budget transfer
Proposition C Local Transit Fund (209)	(26,535)	Cost absorbed by the General Fund in the FY 2015 Operating Budget transfer
Measure R Transportation Fund (236)	(5,692)	Cost absorbed by the General Fund in the FY 2015 Operating Budget transfer
Proposition 1B (234)	(177)	No funds remaining; This fund was closed due to limited term of State transportation fund.
General Fund (101)	47,916	The General Fund will supplant the above listed funding sources that are being removed from this project
Human Service Endowment Fund (211)	(607)	Not eligible use of funds; funds to be returned to fund balance; this fund is not being replaced
HOPWA Fund (226)	(912)	Not eligible use of funds; funds to be returned to fund balance and cost absorbed by Other Housing Fund
Emergency Shelter Grant (224)	(417)	Cost absorbed by the Other Housing Fund in the FY 2015 Operating Budget transfer
Housing Successor Fund (237)	(5,543)	Cost absorbed by the Other Housing Fund in the FY 2015 Operating Budget transfer
Supportive housing Program (223)	(11,789)	Cost absorbed by the Other Housing Fund in the FY 2015 Operating Budget transfer
Housing Assistance Fund (222)	(4,041)	Cost absorbed by the Other Housing Fund in the FY 2015 Operating Budget transfer
Other Housing Fund (238)	22,702	The Other Housing Fund will supplant the funds 226, 224, 237, 223, 222 that are being removed from this project.
Pasadena Housing Authority Fund (220)	380	Increase to match the project funding plan approved by City Council on November 25, 2013
Net Change	(227)	

4. **Citywide Park Accessibility Improvements (78068)** – The Department of Public Works recommends appropriating $48,000 in Community Development Block Grant (CDBG) funds to this project for the installation of ADA accessibility work at Villa Parke and increase the total estimated project cost by this amount. All of the proposed ADA compliance work has been identified as corrective actions required to bring the City into ADA compliance. The work will include: installation and realignment of handrails; a new picnic bench, signage indicating excessive slope and suggesting alternate access to the park grounds; new 'Hi-Low" accessible drinking fountain; and concrete repairs along a few paths of travel. This work will begin in FY 2015 and be completed in FY 2016.

5. **Replacement of Security Lights – Various Locations (78901)** – The Department of Public Works recommends appropriating $301,711 in CDBG funds to this project

to install security lighting, including pedestrian lighting throughout Villa Parke. Existing lighting will be replaced with LED lights. This new lighting system will increase visibility within the park and reduce energy consumption by approximately 40 percent. This work will begin in FY 2015 and be completed in FY 2016.

6. **Sidewalk Improvement Program – Citywide (73604)** – The Department of Public Works recommends appropriating $19,806 in Private Capital to this project and increasing the total estimated project cost by this amount. These funds have been collected from various property owners in response to the Pilot Sidewalk Repair Partnership Program. This work will be completed in FY 2015.

7. **Lower Arroyo – Implement Master Plan – Habitat Restoration (77422)** – The Department of Public Works recommends appropriating $100,000 in State Environmental Enhancement and Mitigation (EEM) - 2011 Grant to this project. The grant was received in 2011 and was never appropriated to the project. During a staff review of the project's revenue and expenditures, it was discovered that this grant was never appropriated. This action will allow staff to complete the habitat restoration that has been planned for in the next phase of this project in FY 2016.

8. **Citywide Sports Field Improvements (78044)** – The Department of Public Works recommends appropriating $92,166 in Residential Impact Fee - Interest to this project and increasing the budget by the same amount. With a budget of $940,000, this project provides for sports field renovations at various parks. In FY 2014, the softball fields at Washington Park and Villa Parke were renovated. At Villa Parke, the scope of work was expanded at the completion of the softball field renovation to address the area just outside of the ball field perimeter. While this area was not a part of the ball field it was directly adjacent to the field and was in a similarly degraded condition. During construction at Washington Park, the backstop needed to be demolished and reconstructed which required additional concrete, grading and drainage work to ensure the field would not be damaged by ponding water. In addition, the concrete walkway to the field was extended. For economy of scale, the scope was increased so the contactors could complete this work while renovating the fields. This additional work at the two sites caused the project to run over budget. This action will correct the project budget.

9. **Brookside Park - Jackie Robinson Baseball Stadium Improvements (77562)** – The Department of Public Works recommends unappropriating $50,000 in Private Capital from this project and appropriating $50,000 in Residential Impact Fees – Arroyo to this project. The private capital was appropriated in 1999 ($25,000) and in 2001 ($25,000). It was supposed to come from Pasadena Community College to be used for improvements to the Jackie Robinson ball field. Unfortunately it was never received and there are no records of the agreement. This action will correct the budget and allow staff to install the outfield netting and replace a portion of the bleacher seats. This work will begin in FY 2015 and be completed in FY 2016.

10. **Implementation of a Citywide Transportation Performance Network (75602) –** The Department of Transportation recommends appropriating $10,013 in Private Capital as a condition of development from two developers. These funds will be used to install three traffic monitoring systems on Hudson Avenue south of Washington Boulevard.

11. **Cordova Street Road Diet (75052) –** The Department of Transportation recommends appropriating $5,113 in Private Capital from Hudson Cordova LLC as a condition of development and unappropriating $174,000 in Metropolitan Transit Authority (Metro) Grant from this project. The unappropriation is necessary as Metro withdrew this funding in 2014 in response to changes in Federal funding. Metro has notified the City that Metro Board action is pending to restore funding for design and construction of this project starting in FY 2016. When this occurs, staff will return to the City Council to approve the execution of an MOU with Metro. The private capital will be used towards signal upgrades at the intersection of Hudson Avenue and Cordova Street.

12. **Neighborhood Traffic Management Program (75903) –** The Department of Transportation recommends appropriating $23,582 in Private Capital from Pacific Medical Buildings LP as a condition of development and increasing the total estimated project cost by this amount. These funds will be used for the planning and implementation of a neighborhood traffic management plan for Bellefontaine Street and other residential streets directly adjacent to Huntington Hospital.

13. **Mobility Corridor Improvements (75904) –** The Department of Transportation recommends appropriating $32,101 in Private Capital from Arroyo – Cordova LTD as condition of development and increasing the total estimated project cost by this amount. These funds will be used for upgrades to traffic signal synchronization at the intersections of Cordova Street and Arroyo Parkway, and Green Street and Arroyo Parkway.

14. **Pasadena Bicycle Program (75600) –** The Department of Transportation recommends appropriating $22,121 in Private Capital from Equity Residential as a condition of development for the Westgate Pasadena Apartments and increasing the total estimated project cost by this amount. These funds will be used for upgrading bicycle signage, restriping and/or modifying existing bicycle lanes, installing new bike racks, and creating bicycle parking.

15. **Detection of Bicycles at Intersections Controlled by Traffic Signals (75043) –** The Department of Transportation recommends unappropriating $324,520 in Private Capital from Sares Regis from this project and appropriating $324,520 in Measure R funds to this project. One of the eligible uses of Measure R funds is bikeway improvement projects. This action frees up the private capital and it will be appropriated to other transportation projects that do not qualify for Measure R funds as part of the FY 2016 CIP budget.

16. **Traffic Mitigation Improvements – Phase I (75711)** – The Department of Transportation recommends appropriating $8,000 in Private Capital from Fortune Craft, Inc. as a condition of development and increasing the total estimated project cost by this amount. These funds will be used for signal and pedestrian push button improvements at the intersection of Sierra Mardre Blvd. and Colorado Blvd.

Proposed Operating Budget Amendment

17. **Department of Transportation – Off Street Parking Facilities Fund (407) Transfer to the General Fund (101)** – The Department of Transportation recommends recognizing revenues in the General Fund and increasing appropriations in the Off Street Parking Facilities Fund by $1,979,903. This transfer is for the repayment of debt service paid by the General Fund on behalf of the Off Street Parking Facilities Fund for the Old Pasadena Parking Garages. Sufficient fund balance is available in the Off Street Parking Facilities Fund to accommodate this request. Appropriations will increase by $989,951 in account 8677-407-774510 - Schoolhouse Block Parking Structure and $989,952 in account 8677-407-774511 - Delacey Parking Structure. Revenues of $989,951 will be recognized in account 6927-101-774510 - Schoolhouse Block Parking Structure and $989,952 will be recognized in account 6927-101-774511 - Delacey Parking Structure.

COUNCIL POLICY CONSIDERATION:

All of the above projects and actions address City Council's goals to maintain fiscal responsibility and stability and improve, maintain, and enhance public facilities and infrastructure. All of the projects have been found consistent with the General Plan.

ENVIRONMENTAL ANALYSIS:

As work for each project moves through the City's approval process, the appropriate environmental analysis will be conducted and brought to the City Council.

FISCAL IMPACT:

The cumulative result of these recommendations will increase the FY 2015 CIP budget by $909,036 and the Operating budget will not change on a net basis. Approval of the proposed FY 2015 Operating Budget amendment will not impact citywide net revenues or expenses. This amendment authorizes the transfer of $1,979,903 from the Off-Street Facilities Parking Fund (407) to the General Fund (101). The specific funding sources for the CIP budget amendments are listed below, and Attachment A shows the detailed changes to each project.

Fund	Fund Balance December 31, 2014	Revenues			Appropriations
		Use of Fund Balance	Proposed Amendments	Net New Resources	Proposed Amendments
Rose Bowl Operating Company Fund[1]	2,653,185	386,000	0	0	386,000
Library Services Fund (212)	3,625,236	34,650	0	0	34,650
Transportation Sales Tax Fund (208)	2,812,777	(15,512)	0	0	(15,512)
Proposition C Local Transit Fund (209)	6,158,348	(26,535)	0	0	(26,535)
Human Service Endowment Fund (211)	4,107	(607)	0	0	(607)
Proposition 1B (234)	N/A	(177)	0	0	(177)
HOPWA Fund (226)	29,904	(912)	0	0	(912)
General Fund (101)	49,158,241	47,916	0	0	47,916
Emergency Shelter Grant (224)	6,794	(417)	0	0	(417)
Housing Successor Fund (237)	21,555,767	(5,543)	0	0	(5,543)
Supportive Housing Program (223)	(438,605)	(11,789)	0	0	(11,789)
Housing Assistance Fund (222)	(870,095)	(4,041)	0	0	(4,041)
Other Housing Fund (238)	8,592,616	22,702	0	0	22,702
Pasadena Housing Authority Fund (220)	818,981	380	0	0	380
Community Development Block Grant	N/A	N/A	349,711	349,711	349,711
Private Capital -- Various	N/A	N/A	(253,784)	0	(253,784)
State Environmental Enhancement & Mitigation - 2011 Grant	N/A	N/A	100,000	100,000	100,000
MTA Grant - State Transportation Program	N/A	N/A	(174,000)	0	(174,000)
Residential Impact Fees Fund (304)	7,784,958	142,166	0	0	142,166
Measure R Transportation Fund (236)	447,307	318,828	0	0	318,828
Fiscal Impact Total	**102,339,521**	**887,109**	**21,927**	**449,711**	**909,036**

[1]Rose Bowl Operating Company Fund balance is from June 30, 2014.

Respectfully submitted,

JULIE A. GUTIERREZ
Interim Director of Public Works

Prepared by:

Phyllis Hallowell
Management Analyst V

Approved by:

MICHAEL BECK
City Manager

Attachment A – Changes to FY 2015 CIP

Attachment A - Changes to FY 2015 CIP

	Project/Fund Source	Appropriations Through FY 2015	Changes	Revised Appropriation
1	**Rose Bowl Major Improvement Projects FY 2013 - 2016 (80218)**			
	Rose Bowl Fund	1,280,000	386,000	1,666,000
	Total	**1,280,000**	**386,000**	**1,666,000**
2	**City Fiber Network Expansion (71212)**			
	CDBG Funds	30,000	0	30,000
	General Fund	145,000	0	145,000
	Library Services Fund	230,372	34,650	265,022
	Telecommunications Fund	349,262	0	349,262
	Total	**754,634**	**34,650**	**789,284**
3	**Enterprise Resource Planning System (71149)**			
	Air Quality Improvement Fund	426	0	426
	Benefits and Insurance Fund	3,450	0	3,450
	Building Service Fund	29,260	0	29,260
	Commercial Development Fee	452	0	452
	Computing and Communcation Fund	60,336	0	60,336
	Emergency Shelter Grant	417	(417)	0
	Fleet Maintenance Fund	24,607	0	24,607
	Foothill Air Support Team Fund	1,614	0	1,614
	Gas Tax Fund	16,496	0	16,496
	General Fund	1,555,436	47,916	1,603,352
	General Liability Fund	4,904	0	4,904
	HOPWA Fund	912	(912)	0
	Housing and Community Development Fund	15,233	0	15,233
	Housing Assistant Fund	4,041	(4,041)	0
	Housing Sucessor Fund	5,543	(5,543)	0
	Human Service Endowment Fund	607	(607)	0
	L.A. Impact Fund	1,102	0	1,102
	Library Services Fund	107,489	0	107,489
	Mail Service Fund	2,060	0	2,060
	Measure R Transportation Fund	5,692	(5,692)	0
	Misc Public Safety Grants Fund	117	0	117
	Off-Street Parking Facilities Fund	82,793	0	82,793
	Other Housing Funds	3,360	22,702	26,062
	Parking Operation Fund	2,916	0	2,916
	Pasadena Housing Authority Fund	32,677	380	33,057
	Proposition 1B	177	(177)	0
	Proposition C Local Transit Fund	26,535	(26,535)	0
	Public Health Fund	114,185	0	114,185
	Refuse Fund	46,983	0	46,983
	Sewer Maintenance and Construction Fund	27,855	0	27,855
	Supportive Housing Program	11,789	(11,789)	0
	Telecommunications Fund	3,483	0	3,483
	Transportation Sales Tax Fund	15,512	(15,512)	0
	Underground Utilities Fund	25,698	0	25,698
	Workers Compensation Fund	13,196	0	13,196
	Total	**2,247,353**	**(227)**	**2,247,126**
4	**Citywide Park Accessibility Improvements (78068)**			
	Residential Impact Fees	586,000	0	586,000
	CDBG Funds	0	48,000	48,000
	Total	**586,000**	**48,000**	**634,000**
5	**Replacement or Installation of Security Lights - Various Locations (78901)**			
	Private Capital	10,000	0	10,000
	Residential Impact Fees	1,703,600	0	1,703,600
	Tournament of Roses	56,000	0	56,000
	CDBG Funds	0	301,711	301,711
	Total	**1,769,600**	**301,711**	**2,071,311**
6	**Sidewalk Improvement Program - Citywide (73604)**			
	Private Capital - Various	164,639	19,806	184,445
	Gas Tax	250,000	0	250,000
	Total	**414,639**	**19,806**	**434,445**

Attachment A - Changes to FY 2015 CIP

	Project/Fund Source	Appropriations Through FY 2015	Changes	Revised Appropriation
7	**Lower Arroyo - Implement Master Plan - Habitat Restoration (77422)**			
	Proposition A (Parks) 1992	176,175	0	176,175
	EEM Grant 2006	75,000	0	75,000
	EEM Grant 2007	100,000	0	100,000
	EEM Grant 2008	140,000	0	140,000
	EEM Grant 2010	50,000	0	50,000
	EEM Grant 2011	0	100,000	100,000
	Total	**541,175**	**100,000**	**641,175**
8	**Citywide Sports Fields Improvement (78044)**			
	Pasadena Community Foundation Grant	18,925	0	18,925
	Residential Impact Fees	300,000	92,166	392,166
	Total	**318,925**	**92,166**	**411,091**
9	**Brookside Park - Jackie Robinson Baseball Stadium Improvements (77562)**			
	Golf Course 10% Green Fees	25,000	0	25,000
	Private Capital	50,000	(50,000)	0
	Residential Impact Fees - Interest	172,478	50,000	222,478
	Total	**247,478**	**0**	**247,478**
10	**Implementation of a Citywide Transportation Performance Network (75602)**			
	Gas Tax	25,000	0	25,000
	Private Capital	301,915	10,013	311,928
	Total	**326,915**	**10,013**	**336,928**
11	**Cordova Street Road Diet (75052)**			
	Gas Tax	49,000	0	49,000
	MTA Grant - State Transportation Program - T	174,000	(174,000)	0
	Private Capital	0	5,113	5,113
	Total	**223,000**	**(168,887)**	**54,113**
12	**Neighborhood Traffic Management Program (75903)**			
	Gas Tax	600,000	0	600,000
	Private Capital	50,000	23,582	73,582
	Total	**650,000**	**23,582**	**673,582**
13	**Mobility Corridor Improvements (75904)**			
	Gas Tax	240,000	0	240,000
	Private Capital	0	32,101	32,101
	Total	**240,000**	**32,101**	**272,101**
14	**Pasadena Bicycle Program (75600)**			
	Gas Tax	4,420	0	4,420
	TDA Article 3	499,334	0	499,334
	Bicycle Transportation Account	140,808	0	140,808
	Private Capital	0	22,121	22,121
	Total	**644,562**	**22,121**	**666,683**
15	**Detection of Bicycles at Intersections Controlled by Traffic Signals (75043)**			
	MTA Grant - Federal Flexible CMAQ Funds	1,995,603	0	1,995,603
	Private Capital	324,520	(324,520)	0
	TDA Article 3	67,392	0	67,392
	Measure R	0	324,520	324,520
	Total	**2,387,515**	**0**	**2,387,515**
16	**Traffic Mitigation Improvements - Phase I (75711)**			
	Private Capital	500,000	8,000	508,000
	Total	**500,000**	**8,000**	**508,000**
	Net Change to Capital Budget		**909,036**	

Agenda Report

March 23, 2015

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Information Technology

SUBJECT: **AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH SHARESQUARED TO FURNISH AND DELIVER AN ENTERPRISE CONTENT MANAGEMENT SYSTEM**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed contract is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b) (3);
2. Authorize the City Manager to enter into a contract with ShareSquared to install and configure software, licenses, and provide implementation services for an Enterprise Content Management System (ECMS) for an amount not to exceed $619,654. Competitive bidding is not required pursuant to City Charter Article X Section 1002(F), Contracts for professional or unique services;
3. Amend the Fiscal Year 2015 Capital Improvement Program (CIP) Budget to increase the total estimated cost for the Enterprise Content Management System (ECMS) Project, 71151, by $449,000 to $849,000;
4. Approve a journal voucher appropriating $421,000 to the ECMS Project, 71151, with $221,000 from the Computing and Communications Fund (501) and $200,000 from the Technology Fee in the Building Fund (204); and
5. Approve a journal voucher amending the Fiscal Year 2015 CIP Budget for the Water Capital Fund (412) and the Light and Power Capital Fund (411) as detailed in the Fiscal Impact section of this report.

BACKGROUND:

In 1994, the City purchased the Questys Document and Imaging System to scan and store over three million City documents electronically. The system was originally

purchased to provide central document storage of paper records and to replace outdated microfiche/film storage practices.

For the past twenty years, Questys has met the City's basic document storage and retrieval needs, in that City staff are able to do searches, view and print records and route files. Nine City departments currently use the system to store various City records, including City Council agendas, ordinances, resolutions, contracts, permits, birth certificates and a number of department-specific records.

However, Questys features and functionality in the current version of the software are insufficient. The growing needs of the City requires leveraging technology to improve processes and efficiency. Questys lacks user-rich functionality, has inefficient searches based on a complex folder structure, has weak integration points to other systems, has no automated workflow processing, does not use the latest technologies, such as e-Forms, e-Signature or e-Reporting, does not automatically capture electronic files, has limited visibility into records management, and limited administrative reporting. As an enterprise solution, Questys cannot meet the strategic initiatives outlined in the five-year Information Technology Strategic Plan (ITSP), completed in 2011. Replacing Questys with an Electronic Content Management System (ECMS) is a priority technology investment to improve processes and efficiencies outlined in the ITSP.

An Enterprise Content Management System (ECMS) organizes and classifies documents and content into a system that can be scanned and indexed for easier searching and retrieval. Leading ECMS solutions support all electronic document management needs including imaging, content management, records management, electronic signatures, forms and reports, integration into legacy and line-of-business systems, integration with Microsoft Office products, automated workflow and escalation procedures for time-sensitive activities.

City Clerk and Records Center Use Cases

Storage and retrieval of documents is an important part of the City Clerk's Department function in responding to internal and public record requests and for archiving City Council agenda packet information. Over one-hundred years of official records such as minutes, ordinances and resolutions are stored and maintained by the department. Scanning is the primary vehicle used by City Clerk staff for this purpose.

City Clerk staff in the Records Center also use storage and retrieval capabilities to research and support requests, and staff digitizes paper on an as-needed basis. A walk-up scan center is available to City departments to digitize paper, engineering drawings and microfilm/fiche. Items stored include transfer lists, destruction forms, requisitions, correspondences, and invoices. All documents use Optical Character Recognition (OCR) for full text retrieval of content.

The new ECMS is expected to provide enhanced functionality, efficiencies, a records management component to retain and dispose of records in the proper and legal

timeframe of their lifecycle, automation of several manual processes, and the ability to capture both paper and electronic files from a variety of inbound sources, including integration with Microsoft Office products.

Summarized below are the benefits of an ECMS solution for the City Clerk and Records Center and more broadly to all City departments:

- Increased Efficiency and Staff Productivity
  - Find and use City documents and records in a timely manner
  - Decrease the possibility of lost files and misplaced information
  - Increase document accessibility
  - Reduce the time spent copying and forwarding documents to City Departments
  - Reduce or eliminate staff time to retrieve documents from the physical storage
- Cost Savings from Paper Reduction
  - Reduce or eliminate copier costs (paper, toner, and copier maintenance)
- Enhanced Customer Service
  - Expedite customer service via business process improvement
- Improved Document and Records Management
  - Reduce the need for City departments to maintain duplicate personnel documents
  - Ensure compliance with document retention and accessibility policies

These benefits will yield cost-benefit savings to the City as additional departments leverage the ECMS solution.

Request for Proposals (RFP)

The Department of Information Technology (DoIT) contracted with Third Wave Corporation, a technology consulting agency, to assist in assessing current and future ECMS needs and requirements. A Request for Proposals (RFP) was issued in July 2013 for a new ECMS and implementation support services that incorporated the results of the Third Wave assessment. The RFP resulted in a range of solutions and platforms, one solution was considered, but none were ultimately selected.

Simultaneously, SharePoint, which is a Microsoft software tool already deployed in the organization for cross-team and cross-departmental collaboration, reportedly issued a new software release that could provide the platform for an ECMS solution. Trends at Fortune 1000 organizations indicated a sharp increase in the adoption of SharePoint as an ECMS solution. Staff conducted research and contacted multiple references for input.

Based on recommendations from Gartner Group, a recognized information technology research and advisory company, and the Association for Information and Image Management (AIIM), the industry-leading advocate of Enterprise Content Management

solutions, a SharePoint ECMS solution was rated as a leading system, scalable, and can satisfactorily address specific government records retention and compliance requirements.

This recommendation from Gartner and AIIM led staff to conclude that leveraging the SharePoint platform, which is already owned by the City, as the new ECMS platform was more compelling than building a new and separate system.

Based on the foregoing, DoIT issued a second RFP on November 3, 2014 requesting implementation support services leveraging Microsoft SharePoint ECMS. Proposers were required to provide information on the functional and technical aspects of their solution, recent similar experience implementing ECMS solutions with municipalities, and total cost of ownership. On November 24, 2014, the City received a total of two (2) responsive proposals from ShareSquared and NTT Data. Both vendors provided question and answer sessions, customer references, compatibility requirements, an implementation schedule and expected resource utilization of City staff. Staff used a scoring process to thoroughly analyze the credentials of the vendor and their success with similarly sized projects delivering the same product mix for government entities. Interviews with fourteen references were held using a set agenda to be able to appropriately compare and contrast the vendors.

A panel of reviewers from the City Clerk and Water and Power Departments, as well as DoIT, scored each proposal. Evaluation criteria, stated in the RFP, included six criteria: 1) qualifications of the project team, 2) experience and references, 3) implementation requirements, 4) total cost, 5) Pasadena local business, and 6) small/micro-business preference. The panel ranked the proposals as follows:

Company Name	Location	Total Score (100 max)
ShareSquared	Montrose, CA	90.7
NTT Data	Plano, TX	74.3

The finalist was ShareSquared with nine references interviewed and a consensus among their clients that the vendor would be utilized again based on their technical expertise and ability to deliver. ShareSquared's estimate for professional services and licenses was also more competitive than the response from NTT Data.

Based on the scoring above, staff is recommending authorization for the City Manager to enter into a contract with ShareSquared for an amount not-to-exceed $619,654. The cost includes software licensing and professional services including installation, configuration training and deployment, plus maintenance and support for two years. The proposed contract would be set up as follows:

Professional Services Base Amount	$303,290
Software Licenses	$188,514
Maintenance and Support (2 years)	$ 91,455
Contingency Allowance (12% of Base Amount)	$ 36,395
Contract "Not To Exceed" Amount	$619,654

Typically, a 10% contingency is recommended, but since this is the first engagement with this vendor, staff recommends a modest increase to the contingency amount. In addition to the contract award above, hardware, software and other third-party services are estimated at $83,874. Temporary staff resources will be needed for project management and business analysis, as well as training for City staff. These are estimated to cost $102,500. The total estimated project cost is $806,028.

The following table represents a cost summary per the contract:

COST CATERGORY	ONE-TIME COSTS
ShareSquared Implementation (Professional Services)	$303,290
Software	$188,514
Maintenance and Support (Year 1 and 2)	$91,455
Temporary Staff Support	$95,000
Hardware	$77,442
Third Party Software and Services	$13,932
Contingency 12% of Professional Services	$36,395
Total Fiscal Impact	**$806,028**

The authorization included in this agenda report is for the implementation of a robust ECMS, including software and hardware costs, configuration, implementation and professional services, software licenses with two years of maintenance, temporary staff support, training, and project contingencies. At the conclusion of this phase, the ECMS system infrastructure will be available to all City departments and City Clerk and Records Center documents will be migrated from Questys to the new ECMS system. Future phases of the project will migrate the remaining records of eight departments to the new ECMS. Each future phase will have a differing scope based on how and where department content is stored and processed.

The authorization included in this agenda report also will increase the total estimated cost for the ECMS Project (71151) by $449,000 to $849,000. The original project cost was a high-level estimate based namely on the professional services for a project of this size and scope and did not take into account the conversion requirements or automation goals to enhance efficiencies in current document management practices. The estimate was intended to be adjusted once a thorough cost review of the vendor proposals were received in response to the RFP. Furthermore, the hardware infrastructure is being scaled to support document scanning and storage services for all City departments. Hardware, software licenses and maintenance costs for

implementation largely account for the majority of the project cost increase. The difference between the total fiscal impact of $806,028 and total estimated project costs of $849,000 is due to $42,972 spent out of the project for consulting services to develop the requirements and the first request for proposals.

Funding for this phase is supported by existing appropriations across three Capital Improvement Program (CIP) Projects that in aggregate total $207,028. These projects include: ECMS Project (71151), Water Capital Fund ECMS Project (1071), and the Light and Power Capital Fund ECMS Project (3204). Additional appropriations from other funds are required for this infrastructure investment and are outlined below.

The Water and Power Department will appropriate an additional $178,000, for a total of $278,000, to provide for infrastructure, business process mapping, workflow development and set-up, and scanning devices. This will position the Water & Power Department to take advantage of the system in a future phase, including the potential to scan approximately 1.5 million pages of paper documents into the system.

The Planning and Community Development Department will appropriate $200,000 from the Technology Fee in the Building Fund to support storage of permits currently in the Questys system and to be the repository for all permits, maps, architectural plans and other drawings that will be part of the future Land Management System Replacement project currently in the vendor solicitation process.

Finally, DoIT will contribute $221,000 in funding from the Computing and Communications Fund, some originally earmarked for hardware equipment replacement and a SharePoint version upgrade. This funding will also support temporary staffing support for project management and business analysis resources.

A change order review process will be followed and led by DoIT project management staff to minimize the impacts of any unanticipated changes that could cause delay or increase the project budget. The ECMS project is organized with multiple levels of control; DoIT Project Management Office oversight with a dedicated Project Manager, and a Project Steering Team with manager-level staff from Water and Power, City Clerk, and DoIT that will meet on a regular basis to review project timelines, deliverables and budget.

Staff anticipates that the project will take approximately twelve months to complete upon contract signing, and a comprehensive implementation plan will be defined as part of the project planning phase with the vendor.

COUNCIL POLICY CONSIDERATION:

This contract with ShareSquared supports the City Council's three year goal to improve, maintain and enhance public facilities infrastructure; to provide a high quality of public service, which adds to the quality of life in the City and increases its attractiveness through more efficient management of resources. It also supports DoIT's mission of

providing proven state-of-the-practice technologies in the most strategic, cost effective and efficient ways in line with the projects and initiatives outlined in the IT Strategic Plan.

ENVIRONMENTAL ANALYSIS:

The proposed contract is exempt from CEQA per section 15061(b) (3), the General Rule. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment. The proposed action is for the installation of hardware and software in existing facilities and will not result in any new development or physical changes.

FISCAL IMPACT:

The cost of this action will be $806,028. Funding for this action will be addressed by the utilization of existing budgeted appropriations in three Capital Improvement Program (CIP) Projects that in aggregate total $207,028. These projects include ECMS Project (71151) for $107,028, Water Fund ECMS Project (1071) for $35,000, and the Light and Power Fund ECMS Project (3204) for $65,000.

Staff is recommending an increase in appropriations to the ECMS Project (71151) from the Computing and Communications Fund (501) in the amount of $221,000 and from the Technology Fee in the Building Fund (204) in the amount of $200,000.

Staff also recommends a total of $178,000 in additional appropriations to the Water Capital Fund (412) ECMS Project (1071) for $62,300, the Light and Power Capital Fund (411) ECMS Project (3204) for $115,700, and the following amendments to various projects to provide funding for the ECMS project. Sufficient funds will remain in each of the affected Water Capital Fund and Light and Power Capital Fund projects to complete the scheduled workplans for Fiscal Year 2015:

	Appropriate	Un-Appropriate
Water Capital Fund (412)		
1071 – Enterprise Content Management (ECMS)	$62,300	
1070 – 311 Citizen Request Management		($25,000)
1011 – Customer Information System		($37,300)
Total Water Capital Fund	**$62,300**	**($62,300)**
Light and Power Capital Fund (411)		
3204 – Enterprise Content Management (ECMS)	$115,700	
3203 – 311 Citizen Request Management		($75,000)
3022 – Customer Information System		($40,700)
Total Light and Power Capital Fund	**$115,700**	**($115,700)**
Total Water and Power Capital Funding	**$178,000**	**($178,000)**

It is anticipated that the entire contract amount of $619,654 will be spent during the 2015 and 2016 fiscal years. The contract includes maintenance support for two years and a 12% contingency for professional services that may or may not be utilized. Indirect and DoIT technical support costs such as system maintenance and IT support are anticipated to be $30,000 for the life of the system and will be addressed by the utilization of existing budgeted appropriations in DoIT's annual adopted operating budget. Ongoing vendor maintenance and support on the system will be evaluated after the first two years to determine an appropriate course of action in the best interests of the City. Any maintenance costs thereafter will be funded through a chargeback to departments by DoIT through rates established annually during the budget process.

The following table presents a summary of the sources of funds that will be used.

FUNDING SOURCE	AMOUNT
Existing Appropriations	
ECMS Project (71151)	$107,028
Water Fund ECMS Project (1071)	$ 35,000
Light & Power Fund ECMS Project (3204)	$ 65,000
New Appropriations	
Computing and Communication Fund (501)	$221,000
Building Fund – Technology Fee (204)	$200,000
Light & Power Capital Fund (411)	$115,700
Water Capital Fund (412)	$ 62,300
Total Sources	**$806,028**

The anticipated impact to other operational programs or capital projects as a result of this action will be minimal.

Respectfully submitted,

PHILLIP LECLAIR
Chief Information Officer
Department of Information Technology

Prepared by:

Laurie Yudess
ECMS Project Manager
Department of Information Technology

Concurred by:

MARK JOMSKY
City Clerk
City Clerk Office

Approved by:

MICHAEL J. BECK
City Manager

Concurred by:

PHYLLIS E. CURRIE
General Manager
Water and Power Department

Attachment – Taxpayer Protection Amendment

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. **Contractor/Organization Name:** ShareSquared, Inc.

2. **Type of Entity:**

☒ Non-Government ☐ Nonprofit 501(c)(3), (4), or (6)

3. **Name(s) of trustees, directors, partners, officers of Contractor/Organization:**

David Kruglov, Managing Director / CEO
John Honeycutt, Chief Engagement Specialist
Jim Duncan, Chief Architect

4. **Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:**

David Kruglov, Managing Director / CEO
John Honeycutt, Chief Engagement Specialist
Jim Duncan, Chief Architect

Prepared by: David Kruglov

Title: Managing Director / CEO

Phone: (800) 445-1279

Date: 11/21/2014

Rev.07.10.2007

Agenda Report

March 23, 2015

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Transportation

SUBJECT: **ISSUANCE OF A PURCHASE ORDER TO CALE AMERICA, INC. FOR AN AMOUNT NOT TO EXCEED $124,000 FOR THE PURCHASE OF MULTI-SPACE PARKING METERS FOR THE SHOPPERS LANE PARKING LOTS**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the following proposed actions are exempt from review pursuant to the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b) (3); and

2. Authorize the City Manager to enter into a contract with CALE America, Inc. for the purchase of 14 multi-space parking meters to be placed in the Shoppers Lane parking lots in the amount not to exceed $124,000. Competitive bidding is not required pursuant to City Charter Section 1002 (H) Contacts with other governmental entities or their contractors; and

3. It is further recommended that the City Council grant the proposed contract an exemption from the competitive selection process of the Competitive Bidding and Purchasing Ordinance pursuant to Pasadena Municipal Code Section 4.08.049 (B), contracts for which the City's best interest are served; and

4. Appropriate $124,000 from the South Lake Parking Operating Fund unappropriated fund balance to account number 8109-217-774212.

SOUTH LAKE PARKING PLACE COMMISSION RECOMMENDATION:

On January 22, 2015, the South Lake Parking Place Commission recommended that the City Council approve staff's recommendation.

BACKGROUND:

Prior to 2007, on-street parking, where metered, was controlled by single space parking meters. In 2007, multi-space pay-by-space parking meters were introduced in the Old Pasadena Parking Meter District and replaced the single space parking meters on Colorado Blvd. Additional areas of the City saw deployment of the pay-by-space technology throughout the next several years.

In 2011, as the original pay-by-space meter deployment was approaching the point where the equipment would need to be upgraded or replaced, staff evaluated the efficiency of the pay-by-space meters and compared them to multi-space pay-and-display parking meters.

A multi-space pay-and-display parking meter controls 7-10 parking spaces and dispenses a parking permit that is displayed on a vehicle's dashboard. This technology has the potential to increase occupancy and turnover of parking spaces, provide more complete and timely information and statistics, increase parking meter revenue, and provide greater flexibility and control of parking meter configurations. The technology also supports cash and credit card payment options among others.

In 2011, a pilot project deployed seven multi-space (pay-and-display) pay stations on Colorado Boulevard between Los Robles Avenue and Arroyo Parkway and three multi-space (pay-and-display) pay stations in the city owned surface lot at Union Street and El Molino Avenue. The multi-space pay stations replaced ten multi-space pay stations. Baseline data for existing parking meters at these locations was compiled in preparation for later comparison with data gathered during the pilot project period. The comparisons showed that the pay-and-display meters resulted in lower maintenance and repair costs, lower coin collection and data gathering costs, and parking meter revenue increases that accrue from more efficient space management, lowered credit card fraud and less equipment downtime from tampering/jamming.

In 2012, on the basis of the pilot deployment, staff recommended and the City Council approved deployment of pay-and-display parking technology in the Civic Center and Old Pasadena Meter Districts and in the City's El Molino and Madison off-street parking lots in the Playhouse District. In 2014, the South Lake Parking Place Commission recommended and the City Council approved the replacement of the pay-by-space multi-space parking meters on South Lake Avenue with CALE pay-and-display meters.

For these deployments, the City used the competitive procurement process utilized by the city of Baltimore, MD to select CALE as the multi-space parking meter vendor and was able to use the favorable pricing negotiated by Baltimore. Again we will take advantage of the competitive bidding process utilized by the city of Baltimore and "piggyback" on Baltimore's contract with CALE. The Baltimore contract with CALE is still in effect and the negotiated favorable pricing provides a good value to the City, therefore it is in the best interest of the City to exempt this procurement from the competitive selection process, the transaction is also exempt from the competitive

bidding pursuant to City Charter Section 1002 (H), Contacts with other governmental entities or their contractors.

All other multi-space meters located in the City have been replaced with Cale meters. The Shopper's Lane parking lots are the only remaining City managed parking lots with Duncan pay-by-space meters that have now reached an age where they need to be replaced or upgraded substantially. The South Lake Parking Place Commission has reviewed options for the parking lots and recommended the replacement of the existing meters with CALE multi-space pay-and-display meters. After the purchase of the meters, the City's Master Equipment Lease will be used to reimburse the parking meter fund.

COUNCIL POLICY CONSIDERATION:

The proposed purchase order agreement is consistent with the City Council's Strategic Planning Goals to improve, maintain, and enhance public facilities and infrastructure throughout the City.

ENVIRONMENTAL ANALYSIS:

This purchase order with CALE America, Inc. is exempt from CEQA per section 15061 (b) (3), the General Rule. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment. The proposed action will not result in any new development or physical changes.

FISCAL IMPACT:

As of period ending January 31, 2015, the unappropriated fund balance in Fund 217, South Lake Parking Operating Fund is approximately $99,398. Fund 217 is projected to end the fiscal year with an unappropriated fund balance of approximately $200,000. An outright purchase of meters from this fund would have a negative impact to the fund balance. Therefore, once the meters are delivered and installed we will return seeking approval for Financing of the CALE meter Equipment. The South Lake Avenue Parking Operating Fund will then be reimbursed through the Equipment Lease agreement with Chase. Staff recommends the lease purchase agreement, as there is not sufficient fund balance available for an outright purchase. There is sufficient annual revenue in this fund to cover the meters lease payment estimated at $23,973.60 per year.

Respectfully submitted,

F. C. Dock

FREDERICK C. DOCK
Director
Department of Transportation

Prepared by:

Gloria Flores
Management Analyst

Concurred by:

JULIE A. GUTIERREZ
Interim Director
Department of Finance

Approved by:

MICHAEL J. BECK
City Manager

Agenda Report

March 23, 2015

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Finance

SUBJECT: Quarterly Investment Report
Quarter Ending December 31, 2014

RECOMMENDATION:

This report is for information purposes only.

BACKGROUND:

Government Code Section 53646 (2)(b)(1) states that in the case of a local agency, the Treasurer or Chief Fiscal Officer (CFO) may render a quarterly report to the legislative body of the local agency containing detailed information on: 1) all securities, investments, and moneys of the local agency; 2) a statement of compliance of the portfolio with the statement of investment policy; and 3) a statement of the local agency's ability to meet its pool's expenditure requirements for the next six months. By making these reports optional, this bill does not impose a state-mandated local program but encourages local agencies to continue to report. The bill also states that the Treasurer or CFO may report whatever additional information or data may be required by the legislative body of the local agency.

The quarterly report shall include the following:

1) The type of investment, name of the issuer, date of maturity, par and dollar amount invested in each security, investment, and money within the treasury;

2) The weighted average maturity of the investments within the treasury;

3) Any funds, investments, or programs, including loans, that are under the management of contracted parties;

4) The market value as of the date of the report, and the source of this valuation for any security within the treasury;

5) A description of the compliance with the Statement of Investment Policy.

Economic Summary

After a strong GDP (Gross Domestic Product) come back of 4.6% and 5% growth rates consecutively in the second and third quarter, the preliminary estimate for the last quarter of 2014 annualized GDP slowed down to 2.6% rate but continued to demonstrate solid progress. Sustained improvement in the labor market coupled with the drop in oil prices and improved government finances increased consumer and federal government spending and made a significant contribution during the fourth quarter to the economic growth. The global economy, on the other hand, was not as healthy as the domestic US economy. Weaknesses in Europe and Asia continued. The growth in the Eurozone was an anemic 0.6% and the European Central Bank was focused on reaccelerating inflation as deflationary pressures continued in the market and sovereign debt issues resurfaced in Greece. Foreign central banks became more accommodative during the quarter. China cut interest rates, Japan expanded its quantitative easing and the European Central Bank planned to do more to curb disinflationary trends.

The labor market continued to improve in the U.S. during the quarter. Recent data solidified the strength of the labor market as the economy added 973,000 jobs during the quarter,and the unemployment rate dropped to 5.6%, the lowest level since 2008. Most analysts are anticipating a steady payroll gain in 2015 and predicting that unemployment rate will trend down to 5% rate. Housing remained on course and continued its uptrend as mortgage rates remained historically low and below the 4% rate. Both existing home sales and new home sales remained healthy and the inventory of existing homes for sale continues to be tight. Headline inflation, as measured by the Consumer Price Index ("CPI") measured 0.8% and the core inflation which excludes food and energy, came in at 1.6% rate, well within Fed's targeted range. The Fed is closely monitoring the developments in the labor market as it considers a shift in monetary policy. The Federal Open market Committee (FOMC) completed its asset purchase program in October and removed the language stating that interest rates would remain low for a "considerable time": The FOMC replaced it with the text stating that it would be "patient" in determining the course for interest rates. Federal Reserve policymakers are expecting growth to pick up in 2015 as they weigh the timing of their first interest rate hike and are estimating GDP to measure between 2.6%-3% in 2015.

The shape of the yield curve continued to flatten with short term rates rising relative to the intermediate and long-term rates. Yields on the one to three year U.S. Treasury bonds increased by an average of 10 basis points or 0.10% while the yield on the ten year Treasury bond dropped by 0.32% and the yield on the thirty year Treasury bond dropped 0.445%. Most analysts are anticipating small and gradual increases in the Fed

Funds rate beginning sometime in 2015. However, Fed minutes reveal that there are downside risks to the U.S. outlook from international concerns, mainly risks from China, the Middle East, Ukraine and Greece as well as "persistent restraint" from the strong U.S. Dollar and "global disinflationary pressures".

Total Funds Under Management

The following table represents the total City funds under management based on their market values as of December 31, 2014:

	12/31/2014	09/30/2014	$ Change
Pooled Investment Portfolio	346,154,927	326,018,755	20,136,172
Capital Endowment	1,899,047	2,426,972	-527,925
Stranded Investment Reserve Portfolio	67,705,648	67,359,977	345,671
Special Funds	62,343,379	80,959,080	-18,615,701
Investments Held with Fiscal Agents	65,601,808	64,619,505	982,303
Total Funds Under Management	**543,704,809**	**541,384,289**	**2,320,520**

The Pooled Investment Portfolio value increased by $20.14 million mainly due to the receipt of $26.8 million in property and sales tax revenues, and an increase in check deposits offset by $17.2 million in debt service payments during the period. The City targets a duration of 2 years in managing the pooled portfolio based on the portfolio's risk and return evaluation and industry best practice as it pertains to public funds management. As of December 31, 2014 the portfolio's duration was 2.2 years.

The Capital Endowment Fund decreased by $527,925 due mainly to budgeted expenditures and drawdown of $530,000 to cover the capital cost of the seismic retrofitting and rehabilitation of Fire Station No. 39.

The Stranded Reserve portfolio increased by $345,671 representing the net investment earnings, for the period, adjusted by the unrealized gains.

Special Funds declined by a net $18.16 million mainly due to withdrawal of $18.57 million made from the 2013A Electric Revenue Bond Construction Fund to cover pre-planned expenditures related to the GT5 repowering project.

Investments held with the Fiscal Agents increased by $982,303 million mainly as a result of a $5.88 million transfer to the Trustee to prefund the debt service on the pension obligation bonds (POBs) and an unrealized investment gain of $1.45 million offset by the payment of $1.86 million on the 1999 POBs and a drawdown of $4.48 million from the 2013 Rose Bowl bonds to cover cost of the renovation project.

The City pools all internal funds to gain economies of scale and to simplify the investment function. There are over 100 funds in the Pooled Investment Portfolio. As

of December 31, 2014, the General Fund had $32.6 million invested in the Pooled Investment Portfolio which represents 9.41 percent of the Pooled Portfolio value. The General Fund's cash balance fluctuates daily based on the timing of revenues receipts and payment of expenditures. Investments in the Capital Endowment Fund, the Stranded Investment Reserve Fund, the Special Funds, and funds held with fiscal agents are restricted funds or bond proceeds reserved in accordance with the City Charter, City ordinances, and the bond indentures.

Per government code requirements, attached are the reports by each fund indicating the type of investments, date of maturity, par and dollar amount invested in each security, as well as investment and moneys within the treasury with market values as of December 31, 2014. On a monthly basis, the City Treasurer prices the pooled portfolio and all other funds and investments under management. The market values are obtained from Interactive Data Corporation (IDC) and Bloomberg Financial System. IDC is an independent third party whose sole service is to provide market prices for all types of securities.

The types of securities held in the portfolio and their percentage allocation to the total are in compliance with the City's Fiscal Year 2015 Investment Policy, which was adopted by the City Council on August 11, 2014, and Section 53600 of the State Government Code. The City Treasurer currently maintains a minimum of $45 million short-term liquid investments (1 to 90 day maturities) which represent approximately $1/12^{th}$ of the City's total aggregate annual operating budget. This balance, along with anticipated cash flows into the City's account, represents a strong liquidity position to meet budgeted expenditures for the next six months.

The yield to maturity on the City's Pooled Portfolio began to gradually increase after it stabilized at around 1% due to declining interest rates in the last six years as short-term rates remained between 0.00 percent and 0.25 percent. The fiscal year to date effective yield which represents the portfolio investment earnings rate adjusted by the realized trading gains and losses was 1.12 percent for the Pooled Portfolio as of December 31, 2014, compared to the State Treasurer's Local Agency Investment Fund (LAIF) of 0.25 percent, the Los Angeles County Treasurer's Pooled portfolio yield of 0.75 percent, and the average yield on the two-year U.S Treasury of 0.52 percent. The fiscal year to date effective yield for the Power Reserve portfolio was 1.49 percent.

COUNCIL POLICY CONSIDERATION:

This action supports the City Council's strategic goal to maintain fiscal responsibility and stability.

FISCAL IMPACT:

This report is for information only. There is no fiscal impact as a result of this action nor will it have any indirect or support cost requirements. There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,

JULIE A. GUTIERREZ
Interim Director of Finance
Department of Finance

Prepared by:

Vic Erganian
Deputy Director of Finance/City Treasurer

Approved by:

MICHAEL J. BECK
City Manager

Attachments: (1)

Attachment A – Quarterly Investment Report (Quarter Ending 12/31/2014)

Rose Bowl
Rose Bowl Operating Company

Agenda Report

March 23, 2015

TO: Finance Committee

FROM: Darryl Dunn, General Manager

SUBJECT: Proforma & Unfunded Capital Improvements

RECOMMENDATION:

This is an information item only.

BACKGROUND:

RBOC staff has been working on a draft pro-forma over the past few months in an effort to update financial projections to more accurately account for future funding of bond debt service, operating expenses, preventative maintenance and capital improvements on a 5-10 year basis.

The pro-forma will continue to evolve based on a number of key factors including market conditions and the policy of the City of Pasadena on the number of Displacement Events permitted and potential parameters surrounding them. However, regardless of factors, there must be additional revenue generated to support the RBOC and Stadium capital maintenance. Potential revenue streams:

- Pursue and secure as many displacement events as possible as market conditions allow;
- Secure a third tenant, specifically a music and arts festival on a long term basis. In addition, increase the number of annual displacement events permitted in the Arroyo Seco Ordinance to 15, excluding July 4th, prior to requiring City Council's approval of specific findings that would allow additional events. An Environmental Impact Report (EIR) would need to be certified by the City Council in order for the proposed music and arts festival to take place as well as the increase in displacement events;

- Secure a NFL team on an interim basis, which would increase the number of displacement events to 25 while the NFL potentially played at the Rose Bowl (An EIR has already been certified to support this);
- Analyze potential events where the RBOC would take on greater shared revenue risk with promoters, allowing for greater financial upside on successful events;
- Fully support the Rose Bowl Legacy campaign in order to provide for funding for future capital improvements;
- Receive financial support from alternate and/or additional designated city revenue sources;
- Review RBOC business operations, premium seating and sponsorships, and consider field naming rights to determine the feasibility of earning additional revenues from these sources;
- Pursue additional opportunities to generate incremental revenue related to the golf course operations;

It is expected that one or more of the revenue streams noted above would need to be pursued to achieve the financial stability required to maintain the Rose Bowl as a competitive venue for sports and entertainment.

It is important to recognize that each item referenced above has its own set of challenges, and risks, including market conditions, public sentiment, and available funding.

Attached is the current version of the pro-forma for your reference.

FISCAL IMPACT:

The unfunded recommended capital improvement list, including preventative maintenance, is at minimum $25 million. It should also be recognized that additional funding could be utilized to build up reserves and/or pay down bond debt service.

Respectfully submitted,

Darryl Dunn
General Manager

PRELIMINARY DRAFT – SUBJECT TO REVISION

ROSE BOWL OPERATING COMPANY

FINANCIAL ANALYSIS (LIMITED SCOPE)

PREPARED BY:
BARRETT SPORTS GROUP, LLC

MARCH 18, 2015

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BSG
BARRETT SPORTS GROUP, LLC

I. INTRODUCTION

I. INTRODUCTION

- Barrett Sports Group (BSG), LLC (BSG) is Pleased to Present Our Preliminary Findings to the Rose Bowl Operating Company (RBOC)
- RBOC Engaged BSG to Prepare a Limited Scope Financial Analysis for the Rose Bowl Stadium
- Objective of Analysis is to Further Understand RBOC's Ability to Meet Ongoing Operating, Capital Maintenance, and Debt Service Requirements and to Estimate the Event Mix Needed Going Forward to Meet These Obligations and to Maintain Stadium in First Class Condition
- Limited Scope Financial Analysis is a Working Draft – BSG has Not Conducted Updated Market Demand Surveys/Focus Group Sessions
- Financial Statements Summarized Herein Reflect Operations for the Rose Bowl Stadium – Variance Between Financial Analysis Included Herein and Audited Financial Statements Due to Revenue and/or Expense Allocation Differences
- Analysis is Based on Review of Historical Financials/Current Budget and Discussions with Management
- Renovation Substantial Completion is Expected in 2016 – Contractual Obligation is 2018

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II. FINANCIAL PERFORMANCE – HISTORICAL

II. FINANCIAL PERFORMANCE – HISTORICAL

Event/Turnstile Attendance

- It is Important to Note that the Number of Events at the Rose Bowl Stadium is Limited by the Arroyo Seco Public Lands Ordinance of the City of Pasadena Municipal Code (Ordinance)
  - Maximum of 12 Displacement Events (Attendance Over 20,000) Annually per **Calendar Year** – Excludes Temporary NFL Events

Note: Table is Based on Fiscal Year

Rose Bowl Turnstile Attendance Summary

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Average	FY 2015 YTD
Flea Market/Swap Meet	127,286	151,578	161,551	177,220	172,373	158,002	47,338
Americafest	18,842	23,983	18,907	22,305	22,842	21,376	25,137
Turkey Tussle	9,495	7,630	7,500	5,866	Not Taken	7,623	6,086
UCLA Football							
Number of Games	6	6	6	7	6	6.2	6
Average Attendance	53,868	50,807	46,483	56,836	55,423	52,684	66,323
Total Attendance	323,208	304,844	278,898	397,852	332,540	327,468	397,940
Rose Bowl Game	91,364	82,538	80,068	80,466	84,712	83,830	NA
BCS Championship Game	92,518	NA	NA	NA	89,875	91,197	NA
Soccer Games							
Number of Games	4	3	0	0	1	1.6	1
Average Attendance	57,435	53,749	NA	NA	45,849	52,344	68,401
Total Attendance	229,738	161,247	0	0	45,849	87,367	68,401
Concerts							
Number of Concerts	1	0	0	0	1	0.4	7
Average Attendance	95,770	NA	NA	NA	61,541	78,656	54,008
Total Attendance	95,770	0	0	0	61,541	31,462	378,057
Total Annual Attendance	988,221	731,820	546,924	683,709	809,732	752,081	922,959

Source: RBOC.

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II. FINANCIAL PERFORMANCE – HISTORICAL

Rose Bowl Stadium Financial Performance

- Rose Bowl Revenues have Increased Significantly from FY 2011 to FY 2014, Increasing at a Compound Annual Growth Rate (CAGR) of 33.4%
  - Significant Increase in Operating Revenue in FY 2014 Due to BCS Game and Renovation Project Revenue Impacts
  - Renovation Significantly Increased Opportunities for Rose Bowl to Generate Revenue – Premium Seating, Advertising/Sponsorship, Concessions, Capital Maintenance User Fee, Parking Surcharge, Etc.
- Rose Bowl Expenses have Increased Significantly from FY 2011 to FY 2014, Increasing at a CAGR of 10.0%
  - Significant Increase in Event Related Expenses in FY 2014 Due to BCS Game
- In FY 2014, the Rose Bowl has Realized Operating Income (Before Golf Course Transfer and Debt Service) of $12.0 Million ($7.3 Million Excluding FY 2014 BCS Game)
- Adjusted Operating Income (After Golf Course Transfer and Debt Service) was $5.2 Million in FY 2014 ($482,000 Excluding FY 2014 BCS Game)

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II. FINANCIAL PERFORMANCE – HISTORICAL

- Summary of Historical Financial Performance

  - FY 2014 Includes BCS Game ($4.7 Million Net Event Income)

Includes FY 2014 BCS Game	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Actuals	FY 2014 Actuals	CAGR FY 2011-14
Operating Revenue	$8,518,664	$8,438,421	$9,439,312	$20,451,141	33.9%
Other Revenue	$280,347	$254,619	$300,821	$422,312	14.6%
Total Revenue	$8,799,011	$8,693,040	$9,740,132	$20,873,453	33.4%
Event Expenses	$2,830,922	$2,040,801	$2,439,300	$3,866,026	10.9%
Operating Expenses	$3,830,958	$3,796,079	$4,197,870	$4,997,527	9.3%
Total Expenses	$6,661,880	$5,836,880	$6,637,170	$8,863,553	10.0%
Operating Income/(Loss) Before Golf Course/Debt Service	$2,137,131	$2,856,160	$3,102,962	$12,009,900	77.8%
Add: Transfer from Golf Course - (1)	$1,617,775	$1,659,242	$1,584,855	$1,579,228	-0.8%
Less: Debt Service	($2,770,828)	($2,998,231)	($3,255,507)	($8,396,964)	44.7%
Adjusted Income/(Loss) After Golf Course/Debt Service - (2)	$984,078	$1,517,171	$1,432,310	$5,192,164	74.1%

(1) - Reflects amounts available from golf course operations.
(2) - Does not include surplus distribution (if any) and capital contributions (Legacy/Concessionaire), etc.
Source: RBOC.

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II. FINANCIAL PERFORMANCE – HISTORICAL

- Detailed Statement of Historical Financial Performance (FY 2014 Includes BCS Game)

	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Actuals	FY 2014 Actuals	CAGR FY 2011-14
Revenue					
Operating Revenue					
License Fee/Rent/Admissions Tax/Rebates	$3,416,711	$2,807,990	$3,493,789	$4,648,865	10.8%
Ticket Surcharge	$0	$861,337	$811,641	$1,761,112	NA
Concessions (Net)	$1,595,618	$1,126,741	$1,206,088	$3,309,450	27.5%
Novelties (Net)	$60,948	$16,058	$24,241	$56,311	-2.6%
Parking/Shuttle (Net)	$1,014,220	$793,448	$1,166,511	$2,082,993	27.1%
Advertising/Sponsorship (Net)	$974,515	$1,875,653	$1,586,860	$1,875,780	24.4%
Premium Seating (Net)	$1,327,515	$1,300,676	$975,181	$6,685,831	71.4%
TV/Miscellaneous	$129,138	$156,518	$175,000	$30,799	-38.0%
Operating Revenue - Total	$8,518,664	$8,438,421	$9,439,312	$20,451,141	33.9%
Other Revenue					
Tour Program Income	$0	$0	$0	Above	NA
Trademark Income	$23,834	$8,821	$8,382	$11,427	-21.7%
Concessions Subcontractor Fee	$385,314	$113,748	$147,617	$168,629	7.6%
Cell Sites	$121,199	$132,050	$144,821	$167,256	11.3%
PCOC	$0	$0	$0	$0	NA
Tournament of Roses Gift	$0	$0	$0	$75,000	NA
Other Revenue - Total	$280,547	$254,619	$300,821	$422,312	14.6%
Revenue - Total	$8,799,011	$8,693,040	$9,740,132	$20,873,453	33.4%
Expenses					
Event Expenses (Net of Billable Costs Recovery)	$2,830,922	$2,040,801	$2,439,300	$3,866,026	10.9%
Operating Expenses					
Executive	$694,192	$1,046,575	$1,013,944	$1,103,797	16.7%
Human Resources	$69,864	$76,575	$69,610	$87,648	7.9%
Finance	$301,687	$330,351	$340,479	$393,691	9.3%
Event Management	$214,025	$202,315	$189,580	$196,556	-2.8%
Corporate Communications	$107,132	$89,642	$112,666	$84,346	-7.7%
Field Operations	$767,138	$737,641	$779,455	$423,941	-17.9%
Stadium Operations	Above	Above	Above	$379,366	NA
Facility Maintenance	$1,362,708	$1,106,466	$1,460,254	$1,725,332	8.2%
Pavilion Maintenance	$178,867	$141,415	$166,733	$316,304	20.9%
Marketing	$0	$0	$150	$222,650	NA
Abatements	$135,346	$65,098	$65,000	$65,000	-21.7%
Other Non-Reimbursable Costs	$0	$0	$0	($1,106)	NA
Operating Expenses - Total	$3,830,958	$3,796,079	$4,197,870	$4,997,527	9.3%
Expenses - Total	$6,661,880	$5,836,880	$6,637,170	$8,863,553	10.0%
Operating Income/(Loss) Before Golf Course/Debt Service	$2,137,131	$2,856,160	$3,102,962	$12,009,900	77.8%
Add: Transfer from Golf Course - (1)	$1,617,775	$1,659,242	$1,584,855	$1,579,228	-0.8%
Less: Debt Service	($2,770,828)	($2,998,231)	($3,255,507)	($8,396,964)	44.7%
Adjusted Income/(Loss) After Golf Course/Debt Service - (2)	$984,078	$1,517,171	$1,432,310	$5,192,164	74.1%

(1) - Reflects amounts available from golf course operations.
(2) - Does not include surplus distribution (if any) and capital contributions (Legacy/Concessionaire), etc.
Source: RBOC.

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II. FINANCIAL PERFORMANCE – HISTORICAL

- Summary of Historical Financial Performance

  - FY 2014 Excludes BCS Game ($4.7 Million Net Event Income)

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Excludes FY 2014 BCS Game	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Actuals	FY 2014 Actuals	CAGR FY 2011-14
Operating Revenue	$8,518,664	$8,438,421	$9,439,312	$15,650,963	22.5%
Other Revenue	$280,347	$254,619	$300,821	$422,312	14.6%
Total Revenue	$8,799,011	$8,693,040	$9,740,132	$16,073,275	22.2%
Event Expenses	$2,830,922	$2,040,801	$2,439,300	$3,776,032	10.1%
Operating Expenses	$3,830,958	$3,796,079	$4,197,870	$4,997,527	9.3%
Total Expenses	$6,661,880	$5,836,880	$6,637,170	$8,773,559	9.6%
Operating Income/(Loss) Before Golf Course/Debt Service	$2,137,131	$2,856,160	$3,102,962	$7,299,716	50.6%
Add: Transfer from Golf Course - (1)	$1,617,775	$1,659,242	$1,584,855	$1,579,228	-0.8%
Less: Debt Service	($2,770,828)	($2,998,231)	($3,255,507)	($8,396,964)	44.7%
Adjusted Income/(Loss) After Golf Course/Debt Service - (2)	$984,078	$1,517,171	$1,432,310	$481,980	-21.2%

(1) - Reflects amounts available from golf course operations.
(2) - Does not include surplus distribution (if any) and capital contributions (Legacy/Concessionaire), etc.
Source: RBOC.

II. FINANCIAL PERFORMANCE – HISTORICAL

- Net Event Income (Excluding Advertising/Sponsorship and Premium Seating Allocation)

NET EVENT INCOME (EXCLUDES PREMIUM SEATING AND ADVERTISING/SPONSORSHIP ALLOCATION) - (1)

Per Event - (1)

	UCLA	Tournament of Roses	BCS National Championship	Concerts	Soccer	Air & Style	July 4th	Flea Market	Minor Events/ Facility Rentals (Total) - (2)
FY 2010 Actuals	$94,570	$608,304	$2,205,879	$424,342	$212,558	NA	$50,166	$882,775	$252,240
FY 2011 Actuals	$103,506	$641,438	$0	$0	$222,808	NA	$117,799	$1,002,826	$419,689
FY 2012 Actuals	$67,377	$1,734,738	$0	$0	$0	NA	($86,488)	$1,099,081	$588,611
FY 2013 Actuals	$171,382	$1,526,533	$0	$0	$0	NA	$99,391	$1,156,546	$1,028,625
FY 2014 Actuals	$206,575	$1,739,863	$4,710,184	$558,698	$218,114	NA	($112,054)	$1,145,323	$606,496
FY 2015 Estimate	$243,135	$1,749,051	$0	$391,779	$550,787	$150,000	($105,000)	$1,126,000	$684,684
CAGR 2010-15	20.8%	23.5%	-100.0%	-1.6%	21.0%	NA	NA	5.0%	22.1%

Season - (1)

	UCLA	Tournament of Roses	BCS National Championship	Concerts	Soccer	Air & Style	July 4th	Flea Market	Minor Events/ Facility Rentals (Total) - (2)
FY 2010 Actuals	$567,422	$608,304	$2,205,879	$424,342	$850,233	$0	$50,166	$882,775	$252,240
FY 2011 Actuals	$621,038	$641,438	$0	$0	$668,423	$0	$117,799	$1,002,826	$419,689
FY 2012 Actuals	$404,265	$1,734,738	$0	$0	$0	$0	($86,488)	$1,099,081	$588,611
FY 2013 Actuals	$1,199,672	$1,526,533	$0	$0	$0	$0	$99,391	$1,156,546	$1,028,625
FY 2014 Actuals	$1,239,451	$1,739,863	$4,710,184	$558,698	$218,114	$0	($112,054)	$1,145,323	$606,496
FY 2015 Estimate	$1,458,810	$1,749,051	$0	$2,742,450	$550,787	$300,000	($105,000)	$1,126,000	$684,684
CAGR 2010-15	20.8%	23.5%	-100.0%	45.2%	-8.3%	NA	NA	5.0%	22.1%

(1) Allocation pertains to UCLA, Tournament of Roses, and July 4th. Net event income analysis does not include certain other events (Autism Walk, etc.).
(2) Minor Events/Facility Rentals includes allocation of unassigned advertising revenue in FY 2013 (approximately $473,000).

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III. FINANCIAL PERFORMANCE – ESTIMATED

III. FINANCIAL PERFORMANCE – ESTIMATED

Major Assumptions – Overview

- Estimated Financial Performance was Developed on a Per Event Basis
- Event Mix is Expected to Fluctuate from Year-to-Year
  - Number of Concerts is Not Expected to Continue at FY 2015 Level (7 Concerts in Summer 2014)
  - Does Not Include Music Festival, Interim NFL, or Other New Major Event/Tenant
- Assumes Renovation Substantial Completion as of FY 2016
- License Fee/Rent is Based on Per Event Actual Results and Assumed to Escalate at Nominal Growth Rate
- Admissions Tax Revenue Based on Per Event Actual Results and Assumed to Escalate at Nominal Growth Rate
- Ticket Surcharge Revenue Based on Tenant Lease Terms and Estimated Attendance (Not Included for Other Applicable Events)
- Ticket Master Rebate is Based on October 2014 Contract

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III. FINANCIAL PERFORMANCE – ESTIMATED

Major Assumptions – Overview

- Concessions/Novelties/Parking Revenue Assumption Based on Per Event Actual Results – Parking Surcharge Revenue is Included in Parking Revenue (RBOC has Not Separated Parking Revenue from Surcharge Revenue)
- Premium Seating Assumptions (Luxury Suites/Loge Boxes/Club Seats) Based on Legends Current Budget and RBOC Provided Allocation – Horizon Club Assumptions Based on FY 2014 Results
- Advertising Revenue Assumption Reflects IMG Contract Terms, Less Fulfillment/Other Costs
- Other Revenue (Tour Program/Trademark/Concessions Subcontractor Fee/Cell Sites/PCOC) Based on Historical Actual Results
- Tournament of Roses Gift Based on Tenant Lease Terms – Gift has been Included in Estimate
- Event Expenses (Net of Billable Costs Recovery) Based on Per Event Actual Results and Assumed to Escalate at Nominal Growth Rate – Based on Historical Management of City Department Costs (Municipal Services, etc.)
- *Operating Expenses Based on FY 2015 Budget and Assumed to Escalate at Nominal Growth Rate – Assumes Current Staffing Level Remains Unchanged*

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III. FINANCIAL PERFORMANCE – ESTIMATED

Major Assumptions – Overview

- Non-Operating Revenues/Expenses Excluded
  - Loss on Disposal of Capital Asset ($9.3 Million in FY 2012) – Pressbox Depreciation Timing
  - Depreciation Expense ($6.9 Million in FY 2014)
  - Other

- Capital Contributions Excluded – Audit Documents Indicate Capital Contribution Funds are Dedicated to Capital Acquisitions and/or Construction – According to Audit Document, RBOC Received No Capital Contributions in FY 2014

- Assumes Renegotiated Golf Course Management Agreement as of FY 2017 Based on Discussions with RBOC – No Increase/Decrease to Funds Available from Golf Course
  - Golf Course Capital Improvements Not Included

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III. FINANCIAL PERFORMANCE – ESTIMATED

Event Mix

- Hypothetical Event Mix Provided on Fiscal Year Basis – Does Not Reflect Calendar Year Displacement Events
  - Event Mix Could be Impacted by Potential Music Festival or Other Major Tenant
  - FY 2015 Event Mix Reflects July 1, 2014 through June 30, 2015

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Events	FY 2015 Estimate	FY 2016 Estimate	FY 2017 Estimate	FY 2018 Estimate	FY 2019 Estimate
UCLA	6	6	6	6	6
USC Game	Yes	No	Yes	No	Yes
Tournament of Roses	1	1	1	1	1
College Football Playoff	Yes	No	No	Yes	No
Concerts	7	2	2	2	2
Soccer	1	3	1	1	1
Air & Style	2	0	0	0	0
Autism Walk	Yes	Yes	Yes	Yes	Yes
Fourth of July	Yes	Yes	Yes	Yes	Yes
Flea Market	Yes	Yes	Yes	Yes	Yes
Minor Events/Facility Rentals	Yes	Yes	Yes	Yes	Yes

III. FINANCIAL PERFORMANCE – ESTIMATED

Net Event Income (Excluding Advertising/Sponsorship and Premium Seating Allocation)

NET EVENT INCOME (EXCLUDES PREMIUM SEATING AND ADVERTISING/SPONSORSHIP ALLOCATION) - (1)

Per Event - (1)

	UCLA	Tournament of Roses	BCS National Championship	Concerts	Soccer	Air & Style	July 4th	Flea Market	Minor Events/ Facility Rentals (Total) - (2)
FY 2010 Actuals	$94,570	$608,304	$2,205,879	$424,342	$212,558	NA	$50,166	$882,775	$252,240
FY 2011 Actuals	$103,506	$641,438	$0	$0	$222,808	NA	$117,799	$1,002,826	$419,689
FY 2012 Actuals	$67,377	$1,734,738	$0	$0	$0	NA	($86,488)	$1,099,081	$588,611
FY 2013 Actuals	$171,382	$1,526,533	$0	$0	$0	NA	$99,391	$1,156,546	$1,028,625
FY 2014 Actuals	$206,575	$1,739,863	$4,710,184	$558,698	$218,114	NA	($112,054)	$1,145,323	$606,496
FY 2015 Estimate	$243,135	$1,749,051	$0	$391,779	$550,787	$150,000	($105,000)	$1,126,000	$684,684
FY 2016 Estimate	$211,015	$1,774,298	$0	$430,497	$223,182	$0	($108,150)	$1,159,780	$705,224
FY 2017 Estimate	$257,942	$1,800,274	$0	$442,787	$312,603	$0	($111,395)	$1,194,573	$726,381
FY 2018 Estimate	$223,866	$1,827,000	$0	$455,433	$321,199	$0	($114,736)	$1,230,411	$748,172
FY 2019 Estimate	$273,651	$1,854,498	$0	$468,445	$330,038	$0	($118,178)	$1,267,323	$770,617
CAGR 2010-19	12.5%	13.2%	-100.0%	1.1%	5.0%	NA	NA	4.1%	13.2%
CAGR 2015-19	3.0%	1.5%	NA	4.6%	-12.0%	-100.0%	3.0%	3.0%	3.0%

Season - (1)

	UCLA	Tournament of Roses	BCS National Championship	Concerts	Soccer	Air & Style	July 4th	Flea Market	Minor Events/ Facility Rentals (Total) - (2)
FY 2010 Actuals	$567,422	$608,304	$2,205,879	$424,342	$850,233	$0	$50,166	$882,775	$252,240
FY 2011 Actuals	$621,038	$641,438	$0	$0	$668,423	$0	$117,799	$1,002,826	$419,689
FY 2012 Actuals	$404,265	$1,734,738	$0	$0	$0	$0	($86,488)	$1,099,081	$588,611
FY 2013 Actuals	$1,199,672	$1,526,533	$0	$0	$0	$0	$99,391	$1,156,546	$1,028,625
FY 2014 Actuals	$1,239,451	$1,739,863	$4,710,184	$558,698	$218,114	$0	($112,054)	$1,145,323	$606,496
FY 2015 Estimate	$1,458,810	$1,749,051	$0	$2,742,450	$550,787	$300,000	($105,000)	$1,126,000	$684,684
FY 2016 Estimate	$1,266,092	$1,774,298	$0	$860,995	$684,545	$0	($108,150)	$1,159,780	$705,224
FY 2017 Estimate	$1,547,652	$1,800,274	$0	$885,574	$312,603	$0	($111,395)	$1,194,573	$726,381
FY 2018 Estimate	$1,343,197	$1,827,000	$0	$910,866	$321,199	$0	($114,736)	$1,230,411	$748,172
FY 2019 Estimate	$1,641,904	$1,854,498	$0	$936,891	$330,038	$0	($118,178)	$1,267,323	$770,617
CAGR 2010-19	12.5%	13.2%	-100.0%	9.2%	-10.0%	NA	NA	4.1%	13.2%
CAGR 2015-19	3.0%	1.5%	NA	-23.5%	-12.0%	-100.0%	3.0%	3.0%	3.0%

(1) Allocation pertains to UCLA, Tournament of Roses, and July 4th. Net event income analysis does not include certain other events (Autism Walk, etc.).
(2) Minor Events/Facility Rentals includes allocation of unassigned advertising revenue in FY 2013 (approximately $473,000).

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III. FINANCIAL PERFORMANCE – ESTIMATED

Net Event Income (Excluding Advertising/Sponsorship and Premium Seating Allocation)

- UCLA
  - Net Event Income from UCLA Events is Estimated at Approximately $1.5 Million in FY 2015 (Excluding Advertising/Sponsorship and Premium Seating Allocation)
  - Net Event Income Fluctuates Based on USC Game (and Overall Schedule)

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Season	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	CAGR	CAGR
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Estimate	Estimate	Estimate	Estimate	FY 2010-19	FY 2015-19
Events:												
UCLA	6	6	6	7	6	6	6	6	6	6		
USC Game	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes		
Revenue												
License Fee/Rent	$772,421	$909,425	$748,711	$1,256,897	$793,784	$1,088,806	$842,125	$1,155,114	$893,411	$1,225,461	5.3%	3.0%
Admissions Tax	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Ticket Surcharge	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Ticket Master Rebate	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Concessions (Net)	$293,194	$244,953	$240,320	$411,586	$609,350	$821,067	$646,459	$871,069	$685,829	$924,118	13.6%	3.0%
Novelties (Net)	$17,909	$17,445	$16,058	$24,241	$22,109	$0	$0	$0	$0	$0	-100.0%	NA
Parking/Shuttle (Net)	$307,885	$286,843	$334,087	$656,839	$847,342	$803,579	$898,945	$852,517	$953,691	$904,435	12.7%	3.0%
Miscellaneous	$107,787	$129,138	$156,518	$175,000	$23,929	$0	$0	$0	$0	$0	-100.0%	NA
Revenue - Total	$1,499,196	$1,587,804	$1,504,694	$2,524,563	$2,296,514	$2,713,451	$2,387,530	$2,878,701	$2,532,931	$3,054,013	8.2%	3.0%
Expenses												
Event Expenses (Net of Billable Costs Recovery)	$931,774	$966,766	$1,100,429	$1,324,891	$1,057,063	$1,254,641	$1,121,438	$1,331,049	$1,189,734	$1,412,109	4.7%	3.0%
Net Event Income - (1)	$567,422	$621,038	$404,265	$1,199,672	$1,239,451	$1,458,810	$1,266,092	$1,547,652	$1,343,197	$1,641,904	12.5%	3.0%

(1) - Does not include advertising/sponsorship and premium seating.
Source: RBOC.

III. FINANCIAL PERFORMANCE – ESTIMATED

Net Event Income

- UCLA Event Income Detail
  - Combined Stadium and Pavilion Operations Generated Approximately $5.8 Million in FY 2015
  - Net Event Income per Game (Including Advertising/ Sponsorship and Premium Seating) was Approximately $972,000 in FY 2015
  - FY 2015 Premium Seating (Net) Results May Not Tie to Legends Budget – Figures Not Final

	FY 2014			FY 2015		
	Stadium	Pavilion	Combined	Stadium	Pavilion	Combined
Revenue						
License Fee/Rent	$793,784	$0	$793,784	$1,088,806	$0	$1,088,806
Admissions Tax	$0	$0	$0	$0	$0	$0
Ticket Master Rebate	$0	$0	$0	$0	$0	$0
Concessions (Net)	$609,350	$116,793	$726,143	$821,067	$128,981	$950,048
Novelties (Net)	$22,109	$0	$22,109	$0	$0	$0
Parking/Shuttle (Net)	$847,342	($21,557)	$825,785	$803,579	($21,441)	$782,138
Advertising/Sponsorship (Net)	$1,082,969	$0	$1,082,969	$1,071,070	($1,637)	$1,069,433
Premium Seating (Net)	$0	$3,155,060	$3,155,060	$0	$3,665,192	$3,665,192
Miscellaneous	$23,929	$0	$23,929	$0	$0	$0
Revenue - Total	$3,379,483	$3,250,296	$6,629,779	$3,784,521	$3,771,096	$7,555,617
Recovery of Billable Costs	$1,121,113	$185,041	$1,306,154	$919,175	$261,309	$1,180,484
Event Expenses	$2,178,176	$720,536	$2,898,712	$2,173,816	$732,896	$2,906,712
Net Event Income	$2,322,420	$2,714,801	$5,037,221	$2,529,880	$3,299,509	$5,829,389
Games	6	6	6	6	6	6
Net Event Income - Per Game	$387,070	$452,467	$839,537	$421,647	$549,918	$971,565
Net Event Income - Per Game Excluding Advertising/Sponsorship	$206,575	$452,467	$659,042	$243,135	$550,191	$793,326

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III. FINANCIAL PERFORMANCE – ESTIMATED

Net Event Income (Excluding Advertising/Sponsorship and Premium Seating Allocation)

- Tournament of Roses
  - Net Event Income from the Tournament of Roses was Approximately $1.7 Million in FY 2014 (Excluding Advertising/Sponsorship and Premium Seating Allocation) and is Expected to Increase Moderately
  - FY 2015 Actual Results Not Available

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	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	CAGR	CAGR
	Actuals	Actuals	Actuals	Actuals	Actuals	Estimate	Estimate	Estimate	Estimate	Estimate	FY 2010-19	FY 2015-19
Events												
Tournament of Roses	1	1	1	1	1	1	1	1	1	1		
College Playoff Game - (1)	BCS		No	No	BCS	Yes	No	No	Yes	No		
Revenue												
License Fee/Rent	$168,808	$172,209	$246,576	$185,937	$175,724	$180,996	$186,426	$192,018	$197,779	$203,712	2.1%	3.0%
Admissions Tax	$130,692	$132,249	$193,481	$125,511	$139,691	$142,485	$145,335	$148,241	$151,206	$154,230	1.9%	2.0%
Ticket Surcharge	$0	$0	$867,337	$811,641	$875,350	$860,000	$860,000	$860,000	$860,000	$860,000	NA	0.0%
Ticket Master Rebate	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Concessions (Net)	$577,006	$558,341	$546,800	$522,726	$786,583	$810,180	$834,486	$859,520	$885,306	$911,865	5.2%	3.0%
Novelties (Net)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Parking/Shuttle (Net)	$210,157	$176,176	$366,794	$381,013	$317,486	$327,011	$336,821	$346,926	$357,333	$368,053	6.4%	3.0%
Miscellaneous	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Revenue - Total	$1,086,664	$1,038,975	$2,154,989	$2,026,829	$2,294,834	$2,320,672	$2,363,067	$2,406,706	$2,451,624	$2,497,861	9.7%	1.9%
Expenses												
Event Expenses (Net of Billable Costs Recovery)	$478,360	$397,538	$420,251	$500,296	$554,971	$571,620	$588,769	$606,432	$624,625	$643,363	3.3%	3.0%
Net Event Income - (2)	$608,304	$641,438	$1,734,738	$1,526,533	$1,739,863	$1,749,051	$1,774,298	$1,800,274	$1,827,000	$1,854,498	13.2%	1.5%

(1) - BCS National Championship game not included in the net event income.
(2) - Does not include advertising/sponsorship and premium seating.
Source: RBOC.

III. FINANCIAL PERFORMANCE – ESTIMATED

Net Event Income

- Tournament of Roses Event Income Detail
  - Combined Stadium and Pavilion Operations Generated Approximately $3.8 Million in FY 2014 (Including Advertising/ Sponsorship and Premium Seating) – Figures Do Not Include Ticket Surcharge Revenue (FY 2014 was $875,350)
  - FY 2015 Premium Seating (Net) Results May Not Tie to Legends Budget – Figures Not Final

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	FY 2014		
	Stadium	Pavilion	Combined
Revenue			
License Fee/Rent	$175,724	$0	$175,724
Admissions Tax	$139,691	$0	$139,691
Ticket Master Rebate	$0	$0	$0
Concessions (Net)	$786,583	$45,945	$832,528
Novelties (Net)	$0	$0	$0
Parking/Shuttle (Net)	$317,486	($3,070)	$314,416
Advertising/Sponsorship (Net)	$633,561	$0	$633,561
Premium Seating (Net)	$0	$2,487,278	$2,487,278
Miscellaneous	$0	$0	$0
Revenue - Total	$2,053,045	$2,530,153	$4,583,198
Recovery of Billable Costs	$335,345	$23,179	$358,524
Event Expenses	$890,316	$207,774	$1,098,090
Net Event Income	$1,498,074	$2,345,558	$3,843,632
Net Event Income Excluding Advertising/Sponsorship	$864,513	$2,345,558	$3,210,071

III. FINANCIAL PERFORMANCE – ESTIMATED

Net Event Income

- Concerts
  - Net Event Income from the Seven Hosted Concerts in FY 2015 was Approximately $2.7 Million
  - Number of Concerts is Assumed to Decrease from FY 2015 Level
  - Per Event Increase for FY 2016 and Beyond a Result of New Ticket Master Agreement

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Season	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	CAGR	CAGR
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Estimate	Estimate	Estimate	Estimate	FY 2010-19	FY 2015-19
Events:												
Concerts	1	0	0	0	1	7	2	2	2	2		
Revenue												
License Fee/Rent	$289,874	NA	NA	NA	$308,833	$2,117,500	$461,524	$475,370	$489,631	$504,320	6.3%	-30.1%
Admissions Tax	$144,551	NA	NA	NA	$96,238	$579,373	$125,052	$127,554	$130,105	$132,707	-0.9%	-30.8%
Ticket Surcharge	$0	NA	NA	NA	$0	$0	$0	$0	$0	$0	NA	NA
Ticket Master Rebate	$0	NA	NA	NA	$162,946	$756,393	$390,000	$401,700	$413,751	$426,164	NA	-13.4%
Concessions (Net)	$216,681	NA	NA	NA	$271,289	$789,999	$172,186	$177,351	$182,672	$188,152	-1.6%	-30.1%
Novelties (Net)	$63,256	NA	NA	NA	$27,902	$166,820	$36,360	$37,450	$38,574	$39,731	-5.0%	-30.1%
Parking/Shuttle (Net)	$442,515	NA	NA	NA	$356,564	$407,549	$88,828	$91,493	$94,238	$97,065	-15.5%	-30.1%
Miscellaneous	$0	NA	NA	NA	$17,502	$10,313	$2,248	$2,315	$2,385	$2,456	NA	-30.1%
Revenue - Total	$1,156,878	NA	NA	NA	$1,241,274	$4,828,447	$1,276,198	$1,313,234	$1,351,355	$1,390,595	2.1%	-26.7%
Expenses												
Event Expenses (Net of Billable Costs Recovery)	$730,935	NA	NA	NA	$602,654	$2,214,989	$482,773	$497,256	$512,173	$527,539	-3.6%	-30.1%
Net Event Income - (1)	$425,943	NA	NA	NA	$638,620	$2,613,458	$793,426	$815,978	$839,182	$863,056	8.2%	-24.2%
Advertising/Sponsorship (Net)	$0	NA	NA	NA	$45,000	$0	$0	$0	$0	$0	NA	NA
Premium Seating (Net)	($1,601)	NA	NA	NA	($124,921)	$128,992	$67,569	$69,596	$71,684	$73,835	NA	-13.0%
Net Event Income - Adjusted	$424,342	NA	NA	NA	$558,698	$2,742,450	$860,995	$885,574	$910,866	$936,891	9.2%	-23.5%

(1) - Does not include advertising/sponsorship and premium seating.
Source: RBOC.

III. FINANCIAL PERFORMANCE – ESTIMATED

Net Event Income

- FY 2015 Actual Concert per Event Detail is Illustrated in the Following Table

Actuals	FY 2015 Beyonce/JZ - Actuals	FY 2015 Eminem/Rihanna	FY 2015 One Direction	Average Per Event
		PER EVENT		7 Events
Revenue				
License Fee/Rent	$302,500	$302,500	$302,500	$302,500
Admissions Tax	$81,071	$79,461	$86,103	$82,768
Ticket Master Rebate	$103,614	$104,918	$113,277	$108,128
Concessions (Gross)				
Concessions Revenue	$487,554	$274,552	$250,541	$325,147
Concessions Expense	($372,944)	($115,760)	($169,582)	($212,290)
Concessions (Net)	$114,610	$158,952	$80,959	$112,857
Novelties (Gross)				
Novelties Revenue	$317,644	$487,540	$66,761	$258,664
Novelties Expense	($204,938)	($467,517)	($32,974)	($234,833)
Novelties (Net)	$12,706	$20,023	$33,787	$23,831
Parking/Shuttle (Gross)				
Parking/Shuttle Revenue	$491,225	$471,763	$367,464	$432,624
Parking/Shuttle Expense	($398,525)	($398,222)	($342,442)	($374,403)
Parking/Shuttle (Net)	$92,700	$73,541	$25,023	$58,221
Advertising/Sponsorship (Gross)				
Advertising/Sponsorship Revenue	$0	$0	$0	$0
Advertising/Sponsorship Expense	$0	$0	$0	$0
Advertising/Sponsorship (Net)	$0	$0	$0	$0
Premium Seating (Gross)				
Premium Seating Revenue	$155,320	$162,250	$76,781	$123,640
Premium Seating Expense	($155,320)	($162,250)	($33,784)	($105,213)
Premium Seating (Net)	$0	$0	$42,997	$18,427
Miscellaneous	$5,157	$0	$0	$1,473
Revenue - Total	$712,356	$739,394	$684,646	$708,206
Recovery of Billable Costs	$35,204	$67,870	$39,358	$46,318
Event Expenses	$360,499	$380,230	$352,585	$362,745
Net Event Income	$387,061	$427,035	$371,420	$391,779

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III. FINANCIAL PERFORMANCE – ESTIMATED

Net Event Income

- Soccer
  - Net Event Income from Soccer in FY 2015 was Approximately $551,000
  - Estimated Soccer Performance is Expected to Approximate Historical Average – FY 2015 Match Included Manchester United/LA Galaxy (High Profile Event)

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Season	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	CAGR	CAGR
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Estimate	Estimate	Estimate	Estimate	FY 2010-19	FY 2015-19
Events												
Soccer	4	3	0	0	1	1	3	1	1	1		
Revenue												
License Fee/Rent	$698,751	$372,212	NA	NA	$290,694	$165,000	$425,317	$194,701	$200,542	$206,558	-12.7%	5.8%
Admissions Tax	$230,461	$249,946	NA	NA	$69,933	$95,756	$172,473	$78,188	$79,752	$81,347	-10.9%	-4.0%
Ticket Surcharge	$0	$0	NA	NA	$0	$0	$0	$0	$0	$0	NA	NA
Ticket Master Rebate	$0	$0	NA	NA	$0	$56,744	$31,919	$14,612	$15,050	$15,501	NA	-27.7%
Concessions (Net)	$513,589	$531,972	NA	NA	$166,214	$324,216	$447,835	$205,009	$211,159	$217,494	-9.1%	-9.5%
Novelties (Net)	$0	$43,503	NA	NA	$6,300	$0	$11,701	$5,356	$5,517	$5,682	NA	NA
Parking/Shuttle (Net)	$575,289	$419,450	NA	NA	$139,258	$197,914	$349,206	$159,859	$164,655	$169,594	-12.7%	-3.8%
Miscellaneous	$0	$0	NA	NA	$0	($53,152)	$0	$0	$0	$0	NA	-100.0%
Revenue - Total	$2,018,091	$1,622,081	NA	NA	$672,399	$786,478	$1,438,451	$657,724	$676,674	$696,177	-11.2%	-3.0%
Expenses												
Event Expenses (Net of Billable Costs Recovery)	$1,233,535	$1,052,833	NA	NA	$441,534	$239,415	$753,906	$345,121	$355,475	$366,139	-12.6%	11.2%
Net Event Income - (1)	$784,556	$569,248	NA	NA	$230,865	$547,063	$684,545	$312,603	$321,199	$330,038	-9.2%	-11.9%
Advertising/Sponsorship (Net)	$0	$0	NA	NA	$0	$0	$0	$0	$0	$0	NA	NA
Premium Seating (Net)	$65,677	$99,175	NA	NA	($12,752)	$3,724	$0	$0	$0	$0	-100.0%	-100.0%
Net Event Income - Adjusted	$850,233	$668,423	NA	NA	$218,114	$550,787	$684,545	$312,603	$321,199	$330,038	-10.0%	-12.0%

(1) - Does not include advertising/sponsorship and premium seating
Source: RBOC.

III. FINANCIAL PERFORMANCE – ESTIMATED

Net Event Income (Excluding Advertising/Sponsorship and Premium Seating Allocation)

- July 4th
  - Net Event Income from the July 4th Event was Approximately a $112,000 Loss in FY 2014 (Excluding Advertising/Sponsorship and Premium Seating Allocation)
  - Estimated Advertising/Sponsorship Allocation Offsets Event Operating Loss

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Season	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	CAGR	CAGR
Events	Actuals	Actuals	Actuals	Actuals	Actuals	Estimate	Estimate	Estimate	Estimate	Estimate	FY 2010-19	FY 2015-19
July 4th												
Revenue												
License Fee/Rent	$245,318	$255,229	$212,336	$284,040	$269,920	$270,000	$278,100	$286,443	$295,036	$303,887	2.4%	3.0%
Admissions Tax	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Ticket Surcharge	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Ticket Master Rebate	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Concessions (Net)	$63,006	$73,788	$46,457	$72,805	$56,147	$78,000	$80,340	$82,750	$85,233	$87,790	3.8%	3.0%
Novelties (Net)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Parking/Shuttle (Net)	$69,006	$95,438	$80,707	$120,257	$111,814	$164,000	$168,920	$173,988	$179,207	$184,583	11.6%	3.0%
Miscellaneous	$0	$0	$0	$0	$5,689	$5,000	$5,150	$5,305	$5,464	$5,628	NA	3.0%
Revenue - Total	$377,330	$424,455	$339,480	$477,102	$443,571	$517,000	$532,510	$548,485	$564,940	$581,888	4.9%	3.0%
Expenses												
Event Expenses (Net of Billable Costs Recovery)	$327,165	$306,656	$425,969	$377,711	$555,625	$622,000	$640,660	$659,880	$679,676	$700,066	8.8%	3.0%
Net Event Income - (1)	$50,166	$117,799	($86,488)	$99,391	($112,054)	($105,000)	($108,150)	($111,395)	($114,736)	($118,178)	NA	3.0%

(1) - Does not include advertising/sponsorship and premium seating
Source: RBOC

III. FINANCIAL PERFORMANCE – ESTIMATED

Net Event Income

- Flea Market
  - Net Event Income from the Flea Market in FY 2014 was Approximately $1.1 Million and is Estimated to Remain Relatively Constant in FY 2015
  - Net Event Income is Expected to Increase Moderately

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Season	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	CAGR	CAGR
Events	Actuals	Actuals	Actuals	Actuals	Actuals	Estimate	Estimate	Estimate	Estimate	Estimate	FY 2010-19	FY 2015-19
July 4th												
Revenue												
License Fee/Rent	$794,156	$896,356	$963,498	$1,058,296	$1,062,863	$1,058,000	$1,089,740	$1,122,432	$1,156,105	$1,190,788	4.6%	3.0%
Admissions Tax	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Ticket Surcharge	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Ticket Master Rebate	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Concessions (Net)	$139,459	$167,520	$171,312	$198,726	$194,249	$192,000	$197,760	$203,693	$209,804	$216,098	5.0%	3.0%
Novelties (Net)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Parking/Shuttle (Net)	$36,169	$43,654	$44,631	$40,080	$39,800	$40,000	$41,200	$42,436	$43,709	$45,020	2.5%	3.0%
Miscellaneous	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Revenue - Total	$969,784	$1,107,503	$1,179,441	$1,297,102	$1,296,912	$1,290,000	$1,328,700	$1,368,561	$1,409,618	$1,451,906	4.6%	3.0%
Expenses												
Event Expenses (Net of Billable Costs Recovery)	$87,009	$104,677	$80,360	$140,556	$151,589	$164,000	$168,920	$173,988	$179,207	$184,583	8.7%	3.0%
Net Event Income - (1)	$882,775	$1,002,826	$1,099,081	$1,156,546	$1,145,323	$1,126,000	$1,159,780	$1,194,573	$1,230,411	$1,267,323	4.1%	3.0%

(1) - Does not include advertising/sponsorship and premium seating.
Source: RBOC.

III. FINANCIAL PERFORMANCE – ESTIMATED

Net Event Income

- Minor Events
  - Minor Events Generally Include Filmings, RV/Car Shows, Meetings, Walks, Etc.
  - Net Event Income from Minor Events in FY 2015 is Estimated at Approximately $685,000
  - Net Event Income is Expected to Increase Moderately

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Season	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	CAGR	CAGR
Events	Actuals	Actuals	Actuals	Actuals	Actuals	Estimate	Estimate	Estimate	Estimate	Estimate	FY 2010-19	FY 2015-19
Minor Events												
Revenue												
License Fee/Rent	$355,698	$424,111	$573,183	$595,119	$748,409	$770,861	$793,987	$817,807	$842,341	$867,611	3.0%	3.0%
Admissions Tax	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Ticket Surcharge	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Ticket Master Rebate	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Concessions (Net)	$10,419	$21,683	$30,624	$25,500	$54,566	$56,203	$57,889	$59,626	$61,415	$63,257	3.0%	3.0%
Novelties (Net)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	NA	NA
Parking/Shuttle (Net)	($8,029)	($17,900)	($32,872)	($33,177)	($61,108)	($62,941)	($64,829)	($66,774)	($68,778)	($70,841)	3.0%	3.0%
Miscellaneous	$0	$0	$0	$0	$44	$45	$47	$48	$50	$51	3.0%	3.0%
Revenue - Total	$358,088	$427,894	$570,935	$587,443	$741,911	$764,169	$787,094	$810,707	$835,028	$860,079	3.0%	3.0%
Expenses												
Event Expenses (Net of Billable Costs Recovery)	$101,416	$5,091	($17,676)	$31,922	$77,170	$79,485	$81,870	$84,326	$86,856	$89,461	3.0%	3.0%
Net Event Income - (1)	$256,672	$422,803	$588,611	$555,521	$664,741	$684,684	$705,224	$726,381	$748,172	$770,617	3.0%	3.0%
Advertising/Sponsorship (Net)	($4,431)	($3,000)	$0	$473,104	$18,000	$0	$0	$0	$0	$0	NA	NA
Premium Seating (Net)	$0	($114)	$0	$0	($76,235)	$0	$0	$0	$0	$0	NA	NA
Net Event Income - Adjusted	$252,240	$419,689	$588,611	$1,028,625	$606,496	$684,684	$705,224	$726,381	$748,172	$770,617	3.0%	3.0%

(1) - Does not include advertising/sponsorship and premium seating
Source: RBOC

III. FINANCIAL PERFORMANCE – ESTIMATED

Premium Seating

- Legends Estimate – Gross Revenue
  - Adjusted for RBOC Revenue Allocation (UCLA / Tournament)

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Gross Revenue		FY2015	FY2016	FY2017	FY2018	FY2019	CAGR
Suites							
UCLA	54%	$2,073,600	$2,052,000	$1,998,000	$2,167,236	$2,268,000	2.3%
Tournament	46%	$1,766,400	$1,748,000	$1,702,000	$1,846,164	$1,932,000	2.3%
Suites - Total		$3,840,000	$3,800,000	$3,700,000	$4,013,400	$4,200,000	2.3%
Loge Boxes							
UCLA	54%	$680,400	$702,000	$718,200	$745,200	$761,400	2.9%
Tournament	46%	$579,600	$598,000	$611,800	$634,800	$648,600	2.9%
Loge Boxes - Total		$1,260,000	$1,300,000	$1,330,000	$1,380,000	$1,410,000	2.9%
Club Seats							
UCLA	54%	$1,620,000	$1,674,000	$1,674,000	$1,830,600	$1,890,000	3.9%
Tournament	46%	$1,380,000	$1,426,000	$1,426,000	$1,559,400	$1,610,000	3.9%
Club Seats - Total		$3,000,000	$3,100,000	$3,100,000	$3,390,000	$3,500,000	3.9%
Total							
UCLA		$4,374,000	$4,428,000	$4,390,200	$4,743,036	$4,919,400	3.0%
Tournament		$3,726,000	$3,772,000	$3,739,800	$4,040,364	$4,190,600	3.0%
Total		$8,100,000	$8,200,000	$8,130,000	$8,783,400	$9,110,000	3.0%

Source: Legends.

III. FINANCIAL PERFORMANCE – ESTIMATED

Premium Seating

- Estimated Net Revenue

Premium Seating		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	CAGR
Gross Revenue		$8,100,000	$8,200,000	$8,130,000	$8,783,400	$9,110,000	3.0%
Less: UCLA Tickets		($1,269,390)	($1,269,390)	($1,269,390)	($1,269,390)	($1,269,390)	0.0%
Less: Tournament Tickets		($497,800)	($497,800)	($497,800)	($497,800)	($497,800)	0.0%
Premium Net of Tickets		$6,332,810	$6,432,810	$6,362,810	$7,016,210	$7,342,810	3.8%
Commissions	10%	($633,281)	($643,281)	($636,281)	($701,621)	($734,281)	3.8%
Net Premium - Before UCLA Tickets		$5,699,529	$5,789,529	$5,726,529	$6,314,589	$6,608,529	3.8%
Add: UCLA Ticket Revenue		$1,269,390	$1,269,390	$1,269,390	$1,269,390	$1,269,390	0.0%
Net Premium Seating (After UCLA Ticket Revenue)		$6,968,919	$7,058,919	$6,995,919	$7,583,979	$7,877,919	3.1%
Less: UCLA Share	12%	($524,880)	($531,360)	($526,824)	($569,164)	($590,328)	3.0%
Less: Other Expenses		($100,000)	($100,000)	($100,000)	($100,000)	($100,000)	0.0%
Net to Stadium		$6,344,039	$6,427,559	$6,369,095	$6,914,815	$7,187,591	3.2%
Horizon Club							
Revenue Estimated	3%	$208,770	$215,033	$221,484	$228,129	$234,972	3.0%
Less: UCLA Expenses	7%	($14,614)	($15,052)	($15,504)	($15,969)	($16,448)	3.0%
Less: UCLA Share	12%	($25,052)	($25,804)	($26,578)	($27,375)	($28,197)	3.0%
Horizon Club - Net to Stadium		$169,104	$174,177	$179,402	$184,784	$190,328	3.0%
Total Premium Seating/Horizon to Stadium		**$6,513,143**	**$6,601,736**	**$6,548,497**	**$7,099,599**	**$7,377,919**	3.2%

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III. FINANCIAL PERFORMANCE – ESTIMATED

Advertising/Sponsorship

- Estimated Net Revenue

Fiscal Year	Base Guarantee Royalty Payment	Threshold Amount	GCCR Subject to Threshold	Threshold Calculated Payment	Total Base and Threshold Payment	REVENUE ALLOCATION			EXPENSE ALLOCATION			NET TO EVENT		
						UCLA	TofR	July 4th	UCLA	TofR	July 4th	UCLA	TofR	July 4th
Escalation			50.0%			60.0%	35.0%	5.0%	3.0%	3.0%	3.0%			
FY 2015	$2,100,000	$3,800,000	NA	NA	$2,100,000	$1,260,000	$735,000	$105,000	$150,000	$54,000	$0	$1,110,000	$681,000	$105,000
FY 2016	$2,400,000	$4,400,000	NA	NA	$2,400,000	$1,440,000	$840,000	$120,000	$154,500	$55,620	$0	$1,285,500	$784,380	$120,000
FY 2017	$2,400,000	$4,400,000	NA	NA	$2,400,000	$1,440,000	$840,000	$120,000	$159,135	$57,289	$0	$1,280,865	$782,711	$120,000
FY 2018	$2,450,000	$4,500,000	NA	NA	$2,450,000	$1,470,000	$857,500	$122,500	$163,909	$59,007	$0	$1,306,091	$798,493	$122,500
FY 2019	$2,525,000	$4,650,000	NA	NA	$2,525,000	$1,515,000	$883,750	$126,250	$168,826	$60,777	$0	$1,346,174	$822,973	$126,250

Source: RBOC.

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III. FINANCIAL PERFORMANCE – ESTIMATED

Financial Performance

- Operating Expenses
  - Per RBOC Management, Operating Expenses are Expected to Increase from FY 2014 to FY 2015, but are Expected to Stabilize Thereafter (To Be Evaluated/Discussed)
  - Facility Maintenance, Pavilion Maintenance, and Marketing are Budgeted to have the Largest Increases from FY 2014 to FY 2015 (See Comments Section)
  - Executive Expenses Increased from FY 2011 to FY 2012 Primarily Due to New Staffing and NFL EIR Study
  - Finance Expenses Increased from FY 2013 to FY 2015 Primarily Due to New Staffing
  - Marketing Expenses Increased from FY 2013 to FY 2015 Primarily Due to New Staffing

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Expenses	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Budget	Difference $	Difference %	Comments
Executive	$694,192	$1,046,575	$1,013,944	$1,103,797	$1,053,386	($50,411)	-5%	
Human Resources	$69,864	$76,575	$69,610	$87,648	$94,344	$6,696	8%	
Finance	$301,687	$330,351	$340,479	$393,691	$455,181	$61,490	16%	Payroll re-allocation from golf course
Event Management	$214,025	$202,315	$189,580	$196,556	$251,622	$55,066	28%	Payroll
Corporate Communications	$107,152	$89,642	$112,666	$84,346	$87,937	$3,591	4%	
Field Operations	$767,138	$737,641	$779,455	$423,941	$418,125	($5,816)	-1%	
Stadium Operations	Above	Above	Above	$379,366	$367,053	($12,313)	-3%	
Facility Maintenance	$1,362,708	$1,106,466	$1,460,254	$1,725,332	$1,933,091	$207,759	12%	Payroll re-allocation from golf course, electricity, insurance, elevators, temp employees, janitorial, HVAC
Pavilion Maintenance	$178,867	$141,415	$166,733	$316,304	$647,050	$330,746	105%	Payroll, Legends marketing budget
Marketing	$0	$0	$150	$222,650	$367,100	$144,450	65%	Payroll, equipment, other contract services
Abatements	$135,346	$65,098	$65,000	$65,000	$65,000	$0	0%	
Other Non-Reimbursable Costs	$0	$0	$0	($1,106)	$0	$1,106	-100%	
Sub-Total	$3,830,958	$3,796,079	$4,197,870	$4,997,527	$5,739,889	$742,362	15%	

Source: RBOC.

III. FINANCIAL PERFORMANCE – ESTIMATED

Financial Performance

- Debt Service
  - Estimated Debt Service Payments (Net of Subsidy) are Summarized in the Table Below
  - Estimated Debt Service Payments Expected to Increase in FY2024 (Payments Extend through FY2043)

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Projected Debt Service Payments
2010 and 2013 Series Bonds

FY	2010 ABCD Series	BABS and RZEDB Subsidy	Net Debt Service 2010 Series	Debt Service 2013AB	Total Debt Service
2015	$9,891,632	($2,692,436)	$7,199,196	$2,567,257	$9,766,453
2016	$10,208,414	($2,692,436)	$7,515,978	$2,570,079	$10,086,057
2017	$10,328,237	($2,692,436)	$7,635,801	$2,568,721	$10,204,522
2018	$10,488,631	($2,692,436)	$7,796,195	$2,569,677	$10,365,872
2019	$10,714,137	($2,692,436)	$8,021,701	$2,568,130	$10,589,831
2020	$10,878,648	($2,692,436)	$8,186,212	$2,565,873	$10,752,085
2021	$11,045,391	($2,692,436)	$8,352,955	$2,568,437	$10,921,392
2022	$11,512,641	($2,692,436)	$8,820,205	$2,567,414	$11,387,619
2023	$11,687,391	($2,692,436)	$8,994,955	$2,565,857	$11,560,812
2024	$13,627,891	($2,692,436)	$10,935,455	$2,567,163	$13,502,618

Source: City of Pasadena.

III. FINANCIAL PERFORMANCE – ESTIMATED

Financial Performance – Estimated

- Operating Income Before Debt Service/Other is Estimated at Approximately $11.2 Million in FY 2015 and $9.0 Million in FY 2017 (Adjusted for Normalized Number of Concerts and Soccer)
- After Transfer from Golf Course and Debt Service, Adjusted Income is Estimated at Approximately $3.0 Million in FY 2015 and $366,000 in FY 2017 (Adjusted for Normalized Number of Concerts and Soccer)
- Does Not Include Preventative Maintenance Expense and Capital/Operating Reserve or Tenant Distribution of Aggregate Net Revenue from Renovation to Tenants (If Any)

	FY 2015 Estimate	FY 2016 Estimate	FY 2017 Estimate	FY 2018 Estimate	FY 2019 Estimate	CAGR
Revenue						
Operating Revenue						
License Fee/Rent	$6,977,163	$4,207,000	$4,377,559	$4,212,529	$4,644,152	-6.5%
Admissions Tax	$817,614	$442,860	$353,983	$361,062	$368,284	-18.1%
Ticket Surcharge	$860,000	$860,000	$860,000	$860,000	$860,000	0.0%
Ticket Master Rebate	$813,637	$421,919	$416,312	$428,801	$441,665	-14.2%
Concessions (Net)	$3,254,970	$2,625,759	$2,653,487	$2,521,719	$2,815,085	-3.6%
Novelties (Net)	$166,820	$48,060	$42,807	$44,091	$45,414	-27.8%
Parking/Shuttle (Net)	$1,810,509	$1,750,490	$1,529,785	$1,651,277	$1,622,949	-2.7%
Advertising/Sponsorship (Net)	$1,800,000	$2,189,880	$2,183,576	$2,227,084	$2,295,396	4.9%
Premium Seating (Net)	$6,645,859	$6,669,305	$6,618,093	$7,171,283	$7,451,753	2.9%
TV/Miscellaneous	($37,794)	$7,444	$7,668	$7,898	$8,135	NA
Operating Revenue - Total	$22,304,777	$19,222,717	$19,043,269	$19,485,743	$20,552,832	-2.0%
Other Revenue						
Tour Program Income	$22,500	$23,175	$23,870	$24,586	$25,324	3.0%
Trademark Income	$5,200	$5,200	$5,200	$5,200	$5,200	0.0%
Concessions Subcontractor Fee	$178,000	$183,340	$188,840	$194,505	$200,341	3.0%
Cell Sites	$240,000	$247,200	$254,616	$262,254	$270,122	3.0%
PCOC	$45,000	$0	$0	$0	$0	-100.0%
Tournament of Roses Gift	$75,000	$100,000	$100,000	$100,000	$100,000	7.5%
Other Revenue - Total	$565,700	$558,915	$572,526	$586,546	$600,987	1.5%
Revenue - Total	$22,870,477	$19,781,632	$19,615,795	$20,072,289	$21,153,818	-1.9%
Expenses						
Event Expenses (Net of Billable Costs Recovery)	$5,918,245	$4,633,592	$4,517,166	$4,471,434	$4,792,264	-5.1%
Operating Expenses						
Executive	$1,053,386	$1,084,988	$1,117,537	$1,151,063	$1,185,595	3.0%
Human Resources	$94,344	$97,174	$100,090	$103,092	$106,185	3.0%
Finance	$455,181	$468,836	$482,902	$497,389	$512,310	3.0%
Event Management	$251,622	$259,171	$266,946	$274,954	$283,203	3.0%
Corporate Communications	$87,937	$90,575	$93,292	$96,091	$98,974	3.0%
Field Operations	$418,125	$430,669	$443,589	$456,896	$470,603	3.0%
Stadium Operations	$367,053	$378,065	$389,407	$401,089	$413,121	3.0%
Facility Maintenance	$1,933,091	$1,991,084	$2,050,816	$2,112,341	$2,175,711	3.0%
Pavilion Maintenance	$647,050	$666,462	$686,455	$707,049	$728,260	3.0%
Marketing	$367,100	$378,113	$389,456	$401,140	$413,174	3.0%
Abatements	$65,600	$66,950	$68,959	$71,027	$73,158	3.0%
Other Non-Reimbursable Costs	$0	$0	$0	$0	$0	NA
Operating Expenses - Total	$5,739,889	$5,912,086	$6,089,448	$6,272,132	$6,460,296	3.0%
Expenses - Total	$11,658,134	$10,545,678	$10,606,614	$10,743,566	$11,252,557	-0.9%
Operating Income/(Loss) Before Golf Course/Debt Service	$11,212,344	$9,235,954	$9,009,181	$9,328,723	$9,901,261	-3.1%
Add: Transfer from Golf Course - (1)	$1,561,385	$1,561,000	$1,561,000	$1,561,000	$1,561,000	0.0%
Less: Debt Service	($9,766,453)	($10,086,057)	($10,204,522)	($10,365,872)	($10,589,831)	2.0%
Adjusted Income/(Loss) After Golf Course/Debt Service - (2)	$3,007,276	$710,897	$365,659	$523,851	$872,430	-26.6%

(1) - Reflects amounts available from golf course operations.
(2) - Does not include surplus distribution (if any) and capital contributions (Legacy/Concessionaire), etc.

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III. FINANCIAL PERFORMANCE – ESTIMATED

Financial Performance – Estimated

- RBOC has Provided the Following Capital Improvement Schedule
  - Per RBOC Management, Schedule Assumes Wi-Fi Improvements ($5.0 Million) are Paid for by Wireless Provider and Included in Capital Improvement – Funded Column

	Capital Improvement - Funded	Capital Improvement - Unfunded *Recommended*	Capital Improvement - Unfunded *Additional Potential Improvements*	Total Capital Improvement - Unfunded
FY 2015	$0	$386,000	$0	$386,000
FY 2016	$2,567,000	$0	$450,000	$450,000
FY 2017	$3,322,000	$431,000	$350,000	$781,000
FY 2018	$7,000	$5,596,000	$2,040,000	$7,636,000
FY 2019	$82,000	$5,631,000	$835,000	$6,466,000
FY 2020	$0	$755,000	$645,000	$1,400,000
FY 2021	$0	$635,000	$260,000	$895,000
FY 2022	$0	$475,000	$320,000	$795,000
FY 2023	$75,000	$280,000	$10,790,000	$11,070,000
FY 2024	$0	$175,000	$8,800,000	$8,975,000
FY 2025	$0	$150,000	$290,000	$440,000
FY 2026	$0	$3,475,000	$6,700,000	$10,175,000
Total	$6,053,000	$17,989,000	$31,480,000	$49,469,000

(1) - Per RBOC, the recommended CIP expense budgeted in FY 2016 is expected to occur in FY 2015.
Source: RBOC

- Preventative Maintenance has been Assumed at $692,000 in FY 2016 and $741,600 in FY 2017 and Escalating Thereafter at 3% Annually

III. FINANCIAL PERFORMANCE – ESTIMATED

Financial Performance – Estimated

- RBOC has Provided the Following Capital Improvement Schedule – Recommended Improvements

Recommended Capital Improvements	FY 2015 - (1)	FY 2016 - (1)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Replace Locker Room 50 KVA Transformers										$25,000			$25,000
Parking Operations Scanning System	$31,000		$31,000	$31,000	$31,000								$124,000
Level B Server Room Completion	$75,000												$75,000
HVAC Major Repair/Replacement									$200,000				$200,000
Elevator Escalator Major Repair/Replacement							$50,000					$25,000	$75,000
Repair/Replace Underground Drainage System					$150,000							$150,000	$300,000
North & South Endzone Corner Padding			$10,000	$10,000									$20,000
Multiuse Tractors					$100,000								$100,000
Major Roof Repairs/Replacement						$100,000	$75,000	$50,000	$25,000				$250,000
Concourse Restrooms Repairs	$15,000		$15,000	$15,000	$15,000	$15,000							$75,000
Repair Concession Stand Cabinetry/Plumbing	$25,000							$25,000	$25,000				$75,000
East Musco Re-Lamp & Ballast				$300,000									$450,000
Concourse Asphalt Replacement						$250,000	$250,000					$150,000	$500,000
Renovate Lot F Restroom					$100,000								$100,000
Fed Wash Basin Improvements (SWEPP)													$0
SWEPP Plan Development (W2Designe)	$35,000												$35,000
Stadium Step ECO Striping	$100,000												$100,000
Stadium Seating Replacement (Sidelines)				$4,000,000	$4,000,000								$8,000,000
Concrete Retrofit and Overlay (Sidelines)				$500,000	$500,000								$1,000,000
Added Aisles and handrails (Sidelines)				$500,000	$500,000								$1,000,000
New Speaker System/Replacement (Stadium/Gates)			$200,000			$200,000							$400,000
Upgrade/Replace Video Displays & Scoreboards													$3,000,000
Seating Covers	$25,000		$50,000	$25,000								$3,000,000	$100,000
Exterior Painting										$150,000			$150,000
Suite Furnishing Replacement/Upgrades							$250,000	$250,000					$500,000
Flooring Upgrades/Repairs (Common Areas)						$150,000						$150,000	$300,000
Pavilion Electrical Drops & TV Hook Ups - Level C			$25,000	$25,000									$50,000
Video / TV Software for Minor Events			$45,000										$45,000
AV/Sound System Upgrades (Pavilion)			$20,000			$15,000			$15,000				$50,000
F&B Kitchen Upgrades	$10,000		$25,000	$50,000	$15,000								$100,000
Minor Event Chairs - 400	$45,000												$45,000
Web Based Staffing Audit & EM System	$0												$0
Stadium Re-Keying	$25,000												$25,000
Broadcast Cabling Upgrades					$75,000			$75,000			$75,000		$225,000
Replace Flooring in Locker Rooms				$40,000	$40,000			$75,000			$75,000		$230,000
Replace Flooring in Media Rooms				$40,000	$75,000								$115,000
Major Repair/Replacement Ticket Booths			$10,000	$10,000	$30,000	$25,000	$10,000		$15,000				$100,000
Public Safety Building Floor Replace				$50,000									$50,000
Total	$386,000	$0	$431,000	$5,596,000	$5,631,000	$755,000	$635,000	$475,000	$280,000	$175,000	$150,000	$3,475,000	$17,989,000

(1) - Per RBOC, the recommended CIP expense budgeted in FY 2016 is expected to occur in FY 2015.
Source: RBOC

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III. FINANCIAL PERFORMANCE – ESTIMATED

Financial Performance – Estimated

- RBOC has Provided the Following Capital Improvement Schedule – Potential Additional Improvements

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Potential Additional Improvements	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Escalator Stair Cleaner		$20,000											$20,000
Terrafloor Replacement		$20,000	$20,000	$20,000		$20,000	$20,000						$100,000
Maintained Yard / Storage Container		$75,000											$75,000
Portable Soccer Goals		$15,000											$15,000
Parking Lot Slurry B,D,K,F		$100,000		$100,000		$100,000		$100,000		$100,000			$500,000
New Restroom between T13 and T14				$1,000,000									$1,000,000
Remodel and Upgrade Concourse Restrooms			$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$2,000,000
Row 29 Removal		$25,000											$25,000
23A & 28A Hydraulic Bleachers						$250,000							$250,000
Removable Field Seating					$400,000								$400,000
Electrical Heaters					$75,000	$75,000							$150,000
Install Call Switch for Elevator		$40,000											$40,000
Recyclable Container per suite				$20,000			$20,000	$20,000					$60,000
Kitchen Walk-In Refrig/Freezers									$75,000		$75,000		$150,000
Level D - AC Lobby Area Solution				$350,000									$350,000
Concrete Seal Coating Club Seating Area		$35,000											$35,000
Level C & Level D FFE		$10,000	$10,000	$20,000									$40,000
F&B Concourse Signage					$10,000		$10,000		$15,000		$15,000		$50,000
Trash/Recycle Containers		$10,000		$10,000	$10,000		$10,000						$40,000
Office Trailer (Mod Space Purchase)			$20,000	$40,000									$60,000
Trash Compactor - West Concourse / or Boan Yard				$50,000									$50,000
Trash Chute					$40,000								$40,000
New Permanent Concession Stands												$6,500,000	$6,500,000
Miscellaneous FFE		$100,000	$100,000	$200,000	$100,000								$500,000
Widen 4 Remaining Tunnels									$4,000,000	$4,000,000			$8,000,000
Field Level Lounges									$6,500,000	$4,500,000			$11,000,000
Will Call Booth Landing Improvement				$30,000									$30,000
Total	$0	$450,000	$350,000	$2,040,000	$835,000	$645,000	$260,000	$320,000	$10,790,000	$8,800,000	$290,000	$6,700,000	$31,480,000

Source: RBOC

III. FINANCIAL PERFORMANCE – ESTIMATED

Financial Performance – Estimated

- Assuming All Unfunded Capital Improvements are Completed Based on RBOC Schedule, the Capital Repair/Improvement Program Balance would Show a Deficit in FY 2018
  - RBOC Reserve Balance of $2.65 Million as of July 1, 2014

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All Capital Improvements	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Program Balance - Beginning	$2,650,000	$5,271,276	$4,840,173	$3,683,233	($4,192,764)
Add: Annual Deposit (Operating Income)	$3,007,276	$710,897	$365,659	$523,851	$872,430
Less: Annual Draw/Expenditure - Preventative Maintenance	$0	($692,000)	($741,600)	($763,848)	($786,763)
Less: Annual Expenditure - CIP - Recommended	($386,000)	$0	($431,000)	($5,596,000)	($5,631,000)
Less: Annual Expenditure - CIP - Potential Additional Improvements	$0	($450,000)	($350,000)	($2,040,000)	($835,000)
Program Balance - Ending	$5,271,276	$4,840,173	$3,683,233	($4,192,764)	($10,573,097)

Note: Does not include interest earnings (expected to be nominal).
Source: RBOC.

III. FINANCIAL PERFORMANCE – ESTIMATED

Financial Performance – Estimated

- Assuming All Unfunded Capital Improvements are Completed Based on RBOC Schedule, FY 2015 to FY 2019 (Estimate) Summarized Below

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	FY 2015 Estimate	FY 2016 Estimate	FY 2017 Estimate	FY 2018 Estimate	FY 2019 Estimate	CAGR FY 2015-19
Operating Revenue	$22,304,777	$19,222,717	$19,043,269	$19,485,743	$20,552,832	-2.0%
Other Revenue	$565,700	$558,915	$572,526	$586,546	$600,987	1.5%
Total Revenue	$22,870,477	$19,781,632	$19,615,795	$20,072,289	$21,153,818	-1.9%
Event Expenses	$5,918,245	$4,633,592	$4,517,166	$4,471,434	$4,792,261	-5.1%
Operating Expenses	$5,739,889	$5,912,086	$6,089,448	$6,272,132	$6,460,296	3.0%
Total Expenses	$11,658,134	$10,545,678	$10,606,614	$10,743,566	$11,252,557	-0.9%
Operating Income/(Loss) Before Golf Course/Debt Service	$11,212,344	$9,235,954	$9,009,181	$9,328,723	$9,901,261	-3.1%
Add: Transfer from Golf Course - (1)	$1,561,385	$1,561,000	$1,561,000	$1,561,000	$1,561,000	0.0%
Less: Debt Service	($9,766,453)	($10,086,057)	($10,204,522)	($10,365,872)	($10,589,831)	2.0%
Adjusted Income/(Loss) After Golf Course/Debt Service - (2)	$3,007,276	$710,897	$365,659	$523,851	$872,430	-26.6%
Less: Preventative Maintenance	$0	($692,000)	($741,600)	($763,848)	($786,763)	NA
Less: Capital/Operating Reserve	($386,000)	($450,000)	($781,000)	($7,636,000)	($6,466,000)	102.3%
Adjusted Income/(Loss) After GC/Debt Service/PM/Capital - (2)	$2,621,276	($431,103)	($1,156,941)	($7,875,997)	($6,380,333)	NA

(1) - Reflects amounts available from golf course operations.
(2) - Does not include surplus distribution (if any) and capital contributions (Legacy/Concessionaire), etc.
Source: RBOC.

III. FINANCIAL PERFORMANCE – ESTIMATED

Financial Performance – Estimated

- Assuming Only Unfunded **"Recommended"** Capital Improvements are Completed Based on RBOC Schedule, the Capital Repair/Improvement Program Balance would Show a Deficit in FY 2018
  - RBOC Reserve Balance of $2.65 Million as of July 1, 2014

Only Necessary Capital Improvements	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Program Balance - Beginning	$2,650,000	$5,271,276	$5,290,173	$4,483,233	($1,352,764)
Add: Annual Deposit (Operating Income)	$3,007,276	$710,897	$365,659	$523,851	$872,430
Less: Annual Draw/Expenditure - Preventative Maintenance	$0	($692,000)	($741,600)	($763,848)	($786,763)
Less: Annual Expenditure - CIP - Recommended	($386,000)	$0	($431,000)	($5,596,000)	($5,631,000)
Less: Annual Expenditure - CIP - Potential Additional Improvements	$0	$0	$0	$0	$0
Program Balance - Ending	$5,271,276	$5,290,173	$4,483,233	($1,352,764)	($6,898,097)

Note: Does not include interest earnings (expected to be nominal).
Source: RBOC.

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III. FINANCIAL PERFORMANCE – ESTIMATED

Financial Performance – Estimated

- Assuming Only Unfunded **"Recommended"** Capital Improvements are Completed Based on RBOC Schedule, FY 2015 to FY 2019 (Estimate) Summarized Below

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	FY 2015 Estimate	FY 2016 Estimate	FY 2017 Estimate	FY 2018 Estimate	FY 2019 Estimate	CAGR FY 2015-19
Operating Revenue	$22,304,777	$19,222,717	$19,043,269	$19,485,743	$20,552,832	-2.0%
Other Revenue	$565,700	$558,915	$572,526	$586,546	$600,987	1.5%
Total Revenue	$22,870,477	$19,781,632	$19,615,795	$20,072,289	$21,153,818	-1.9%
Event Expenses	$5,918,245	$4,633,592	$4,517,166	$4,471,434	$4,792,261	-5.1%
Operating Expenses	$5,739,889	$5,912,086	$6,089,448	$6,272,132	$6,460,296	3.0%
Total Expenses	$11,658,134	$10,545,678	$10,606,614	$10,743,566	$11,252,557	-0.9%
Operating Income/(Loss) Before Golf Course/Debt Service	$11,212,344	$9,235,954	$9,009,181	$9,328,723	$9,901,261	-3.1%
Add: Transfer from Golf Course - (1)	$1,561,385	$1,561,000	$1,561,000	$1,561,000	$1,561,000	0.0%
Less: Debt Service	($9,766,453)	($10,086,057)	($10,204,522)	($10,365,872)	($10,589,831)	2.0%
Adjusted Income/(Loss) After Golf Course/Debt Service - (2)	$3,007,276	$710,897	$365,659	$523,851	$872,430	-26.6%
Less: Preventative Maintenance	$0	($692,000)	($741,600)	($763,848)	($786,763)	NA
Less: Capital/Operating Reserve (Recommended Only)	($386,000)	$0	($431,000)	($5,596,000)	($5,631,000)	95.4%
Adjusted Income/(Loss) After GC/Debt Service/PM/Capital - (2)	$2,621,276	$18,897	($806,941)	($5,835,997)	($5,545,333)	NA

(1) - Reflects amounts available from golf course operations.
(2) - Does not include surplus distribution (if any) and capital contributions (Legacy/Concessionaire), etc.
Source: RBOC.

III. FINANCIAL PERFORMANCE – ESTIMATED

Financial Performance – Sensitivity Analysis

- Sensitivity Analysis Based on Limited Number of Events

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Events	FY 2015 Estimate	FY 2016 Estimate	FY 2017 Estimate	FY 2018 Estimate	FY 2019 Estimate
UCLA	6	6	6	6	6
USC Game	Yes	No	Yes	No	Yes
Tournament of Roses	1	1	1	1	1
College Football Playoff	Yes	No	No	Yes	No
Concerts	7	1	1	1	1
Soccer	1	1	1	1	1
Air & Style	2	0	0	0	0
Autism Walk	Yes	Yes	Yes	Yes	Yes
Fourth of July	Yes	Yes	Yes	Yes	Yes
Flea Market	Yes	Yes	Yes	Yes	Yes
Minor Events/Facility Rentals	Yes	Yes	Yes	Yes	Yes

III. FINANCIAL PERFORMANCE – ESTIMATED

Financial Performance – Sensitivity Analysis

- Based on Event Mix Summarized on Earlier Page, Rose Bowl Stadium would Operate at Near Break Even From FY 2016 to FY 2018 (After Debt Service/Golf Course Transfer) .

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	FY 2015 Estimate	FY 2016 Estimate	FY 2017 Estimate	FY 2018 Estimate	FY 2019 Estimate	CAGR
Revenue						
Operating Revenue						
License Fee/Rent	$6,077,163	$3,739,950	$4,139,874	$3,967,713	$4,391,992	-7.8%
Admissions Tax	$817,614	$284,516	$290,206	$296,010	$301,930	-22.0%
Ticket Surcharge	$860,000	$860,000	$860,000	$860,000	$860,000	0.0%
Ticket Master Rebate	$813,637	$209,186	$215,462	$221,925	$228,583	-27.2%
Concessions (Net)	$3,254,970	$2,290,869	$2,564,812	$2,430,383	$2,721,009	-4.4%
Novelties (Net)	$166,820	$23,380	$24,081	$24,804	$25,548	-37.4%
Parking/Shuttle (Net)	$1,810,509	$1,512,073	$1,484,038	$1,604,158	$1,574,416	-3.4%
Advertising/Sponsorship (Net)	$1,896,000	$2,189,880	$2,183,576	$2,227,084	$2,295,396	4.9%
Premium Seating (Net)	$6,645,859	$6,635,520	$6,583,295	$7,135,441	$7,414,836	2.8%
TV/Miscellaneous	($37,794)	$6,321	$6,516	$6,705	$6,907	NA
Operating Revenue - Total	$22,304,777	$17,751,695	$18,351,854	$18,774,223	$19,820,617	-2.9%
Other Revenue						
Tour Program Income	$22,500	$23,175	$23,870	$24,586	$25,324	3.0%
Trademark Income	$5,200	$5,200	$5,200	$5,200	$5,200	0.0%
Concessions Subcontractor Fee	$178,000	$183,340	$188,840	$194,505	$200,341	3.0%
Cell Sites	$240,000	$247,200	$254,616	$262,254	$270,122	3.0%
PCOC	$45,000	$0	$0	$0	$0	-100.0%
Tournament of Roses Grant	$75,000	$100,000	$100,000	$100,000	$100,000	7.5%
Other Revenue - Total	$565,700	$558,915	$572,526	$586,546	$600,987	1.5%
Revenue - Total	$22,870,477	$18,310,610	$18,924,381	$19,360,770	$20,421,604	-2.8%
Expenses						
Event Expenses (Net of Billable Costs Recovery)	$5,918,245	$3,973,369	$4,268,538	$4,215,348	$4,528,492	-6.5%
Operating Expenses						
Executive	$1,053,386	$1,084,988	$1,117,537	$1,151,063	$1,185,595	3.0%
Human Resources	$94,344	$97,174	$100,090	$103,092	$106,185	3.0%
Finance	$455,181	$468,836	$482,902	$497,389	$512,310	3.0%
Event Management	$251,622	$259,171	$266,946	$274,954	$283,203	3.0%
Corporate Communications	$87,937	$90,575	$93,292	$96,091	$98,974	3.0%
Field Operations	$418,125	$430,669	$443,589	$456,896	$470,603	3.0%
Stadium Operations	$367,053	$378,065	$389,407	$401,089	$413,121	3.0%
Facility Maintenance	$1,933,091	$1,991,084	$2,050,816	$2,112,341	$2,175,711	3.0%
Pavilion Maintenance	$647,050	$666,462	$686,455	$707,049	$728,260	3.0%
Marketing	$367,100	$378,113	$389,456	$401,140	$413,174	3.0%
Abatements	$65,000	$66,950	$68,959	$71,027	$73,158	3.0%
Other Non-Reimbursable Costs	$0	$0	$0	$0	$0	NA
Operating Expenses - Total	$5,739,889	$5,912,086	$6,089,448	$6,272,132	$6,460,296	3.0%
Expenses - Total	$11,658,134	$9,885,455	$10,357,986	$10,487,479	$10,988,787	-1.5%
Operating Income/(Loss) Before Golf Course/Debt Service	$11,212,344	$8,425,154	$8,566,395	$8,873,290	$9,432,816	-4.2%
Add: Transfer from Golf Course - (1)	$1,561,385	$1,561,000	$1,561,000	$1,561,000	$1,561,000	0.0%
Less: Debt Service	($9,766,453)	($10,086,057)	($10,204,522)	($10,365,872)	($10,589,831)	2.0%
Adjusted Income/(Loss) After Golf Course/Debt Service - (2)	$3,007,276	($99,903)	($77,127)	$68,418	$403,985	-39.5%

(1) - Reflects amounts available from golf course operations.
(2) - Does not include surplus distribution (if any) and capital contributions (Legacy/Concessionaire), etc.

III. FINANCIAL PERFORMANCE – ESTIMATED

Financial Performance – Sensitivity Analysis

- Assuming All Unfunded Capital Improvements are Completed Based on RBOC Schedule, the Capital Repair/Improvement Program Balance would Show a Deficit in FY 2018
  - RBOC Reserve Balance of $2.65 Million as of July 1, 2014

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All Capital Improvements	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Program Balance - Beginning	$2,650,000	$5,271,276	$4,029,373	$2,429,646	($5,901,784)
Add: Annual Deposit (Operating Income)	$3,007,276	($99,903)	($77,127)	$68,418	$403,985
Less: Annual Draw/Expenditure - Preventative Maintenance	$0	($692,000)	($741,600)	($763,848)	($786,763)
Less: Annual Expenditure - CIP - Recommended	($386,000)	$0	($431,000)	($5,596,000)	($5,631,000)
Less: Annual Expenditure - CIP - Potential Additional Improvements	$0	($450,000)	($350,000)	($2,040,000)	($835,000)
Program Balance - Ending	$5,271,276	$4,029,373	$2,429,646	($5,901,784)	($12,750,562)

Note: Does not include interest earnings (expected to be nominal).
Source: RBOC.

III. FINANCIAL PERFORMANCE – ESTIMATED

Financial Performance – Sensitivity Analysis

- Assuming Only Unfunded **"Recommended"** Capital Improvements are Completed Based on RBOC Schedule, the Capital Repair/Improvement Program Balance would Show a Deficit in FY 2018
  - RBOC Reserve Balance of $2.65 Million as of July 1, 2014

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Only Necessary Capital Improvements	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Program Balance - Beginning	$2,650,000	$5,271,276	$4,479,373	$3,229,646	($3,061,784)
Add: Annual Deposit (Operating Income)	$3,007,276	($99,903)	($77,127)	$68,418	$403,985
Less: Annual Draw/Expenditure - Preventative Maintenance	$0	($692,000)	($741,600)	($763,848)	($786,763)
Less: Annual Expenditure - CIP - Recommended	($386,000)	$0	($431,000)	($5,596,000)	($5,631,000)
Less: Annual Expenditure - CIP - Potential Additional Improvements	$0	$0	$0	$0	$0
Program Balance - Ending	$5,271,276	$4,479,373	$3,229,646	($3,061,784)	($9,075,562)

Note: Does not include interest earnings (expected to be nominal).
Source: RBOC.

IV. GENERAL OBSERVATIONS

IV. GENERAL OBSERVATIONS

- Renovation Project has had Significant Impact on Stadium Generated Revenue and Secured Long Term Commitments from Key Tenants
- Current and Planned Regional/National Competition should be Considered when Estimating Future Events
- Fluctuations in Event Mix May Significantly Impact Financial Performance of Rose Bowl Stadium
- RBOC has Identified Necessary Capital Improvements Likely Necessary to Continue to Attract Events – Capital Improvement List to be Refined
- RBOC/City May Need to Identify Additional Funding Source for Future Capital Improvements Given Additional Debt Service Requirements, Limited Debt Coverage Surplus and Limited Reserves
- Music Festival, Interim NFL, or Other New Major Event/Tenant could Generate Additional Net Income to Fund Capital Improvements
- RBOC has Indicated Potential Need for Additional Staffing (To Be Evaluated/Discussed)
- Legacy Currently Working on New Phase of Fundraising to Support Rose Bowl Stadium Future Capital Improvements – Phase I Raised Over $13 Million to Date ($4.9 Million Provided/Balance Pledged for Renovation Project)

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LIMITING CONDITIONS AND ASSUMPTIONS

LIMITING CONDITIONS AND ASSUMPTIONS

- The analysis has been prepared for internal decision making purposes of the City of Pasadena/RBOC only and shall not be used for any other purposes without the prior written permission of Barrett Sports Group, LLC.
- Ownership and management of the stadium are assumed to be in competent and responsible hands.
- Any estimates of historical or future revenues, rents, expenses, occupancy, net operating income, mortgage debt service, capital outlays, cash flows, inflation, capitalization rates, yield rates or interest rates are intended solely for analytical purposes and are not to be construed as predictions of the analysts. They represent only the judgment of the authors based on information provided by operators and owners active in the market place, and their accuracy is in no way guaranteed.
- Our work has been based in part on review and analysis of information provided by unrelated sources which are believed accurate, but cannot be assured to be accurate.
- Current and anticipated market conditions are influenced by a large number of external factors. We have not knowingly withheld any pertinent facts, but we do not guarantee that we have knowledge of all factors which might influence the operating potential of the facility. Due to rapid changes in the external factors, the actual results may vary significantly from estimates presented in this report.
- The analysts reserve the right to make such adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional data or more reliable data which may become available.
- The analysis is intended to be read and used as a whole and not in parts. Separation of any section or page from the main body of the report is expressly forbidden and invalidates the analysis.
- Possession of the analysis does not carry with it the right of publication. It shall be used for its intended purpose only and by the parties to whom it is addressed. Other parties should not rely on the findings of this report for any purpose and should perform their own due diligence.
- Our performance of the tasks completed does not constitute an opinion of value or appraisal, or a projection of financial performance or audit of the facility in accordance with generally accepted audit standards. Estimates of value (ranges) have been prepared to illustrate current and possible future market conditions.
- The analysis shall not be used in any matters pertaining to any financing, or real estate or other securities offering, registration, or exemption with any state or with the federal Securities and Exchange Commission.
- No liability is assumed for matters which are legal or environmental in nature.

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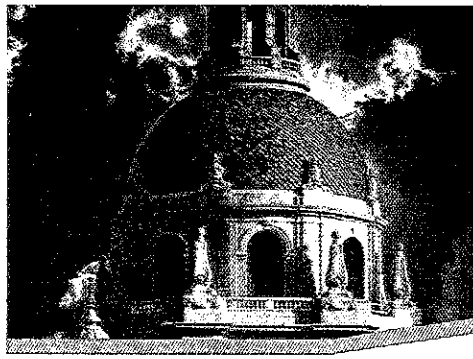


City of PASADENA

FINANCIAL STATUS REPORT

Fiscal Year 2015 – Year-to-Date through December 2014

INTRODUCTION

The purpose of this Financial Status Report (FSR) is to provide an estimate of projected fiscal year-end results based on current and extrapolated performance using current financial performance trends. Year-end projections are based on a comparison and analysis of fiscal performance for the current fiscal year and the same period over the previous four fiscal years. The formula-based forecast is then adjusted to reflect the fiscal impact of any one-time events or other non-trend based factors.

This FSR provides a forecast of where revenues and expenses are anticipated to be at the end of Fiscal Year (FY) 2015. For this report the analysis encompasses fiscal activity from July 1, 2014 through December 31, 2014.

This report focuses on major City funds. In addition to the General Fund, which is presented in a standalone section of this report, the standard Other Funds section includes financial status data on the following funds:

Special Revenue Funds:

- Public Health Fund (203)
- Building Services Fund (204)
- Library Services Fund (212)
- Housing Funds (219 / 220 / 221 / 222 / 223 / 224/ 226 / 238)

Enterprise Funds:

- Light and Power Fund (401 / 410)
- Water Fund (402)

Internal Service Funds:

- Computing and Telecommunications Fund (501)
- Building Maintenance Fund (502)
- Fleet Maintenance Fund (503)
- Printing Services Fund (508)

Operating Companies:

- Pasadena Center Operating Company (PCOC)
- Rose Bowl Operating Company (RBOC)
- Pasadena Community Access Company (PCAC)

Funds other than these major funds can be included in future FSRs when necessary based on the issues identified as potentially problematic, trends that are much better than originally anticipated, or items specifically requested by the City Council or the Finance Committee. Financial Status Reports are presented to Finance Committee on a quarterly basis.

Through the first half of FY 2015 the General Fund and most non-General Funds are projected to be at budget or have revenues exceeding expenses at a rate better than anticipated in the adopted budget. Staff continues to closely monitor revenues and expenses in all funds to ensure any unfavorable trends are identified and addressed as quickly as possible.

Forecast Background and Issues of Concern

As reported in the FY 2015 1st Quarter FSR, the economic environment, including the City of Pasadena, has shown improvement since the 2008 recession bottomed-out. Retail sales have consistently improved since FY 2011. Property values have been rising and single-family home sales, while not a consistent upward trend, have improved significantly over the last several years. Development activity has also shown significant signs of improvement, and the unemployment rate for the region, and Pasadena specifically, continues to decline.

Use of these positive signs of economic improvement to develop forecast assumptions however, must be tempered with the numerous challenges previously identified by staff that may materialize over the next several years. These challenges include, but are not limited to:

- Increased pension and health care costs
- Funding for other Post Retirement Employee Benefits (OPEB) liabilities
- Labor negotiations
- Unfunded infrastructure maintenance and replacement
- Replenishment of rainy day reserve funds

GENERAL FUND

As detailed in this report, current projections indicate the General Fund will end FY 2015 with an operating surplus of approximately $5.8 million. This estimate, however, is based on first half of the fiscal year and the forecast will be revised

throughout the fiscal year to reflect additional financial information as it becomes available.

Revenue Forecast

Overall, General Fund (101) revenues are forecast to end the year approximately $2.0 million or 1.0 percent higher than the revised budget. This favorable variance can be attributed to higher than budgeted forecast for Property Tax and Construction Tax revenues.

Tax Revenues

Property taxes are projected to be $1.2 million (2.6 percent) higher than budget. Los Angeles County releases property tax payments to cities based on collections. Most property taxes are paid to the Los Angeles County Assessor in November and April of each year. As a result of the uneven monthly distribution of property tax revenues the mid-year forecast is heavily influenced by the November payment. Variations between the annual November and April payments will impact this forecast. Construction tax revenues continue to show significant increases and, if current trends continue, will end FY 2015 $1.4 million (57.8%) higher than budget. Three areas of tax revenues are trending below budget: Sales, Utility Users (UUT), and Franchise Taxes. Sales tax is forecast to be $399,000 (1.2 percent) under budget. However, this forecast is likely to change as the fiscal year progresses. Similar to Property Tax, no Sales Tax revenues are recorded for the first two months of each fiscal year (July and August). The unfavorable UUT revenue forecast is driven primarily by two accounts: Telephones are forecast to be $158,000 or 7.9 percent and Mobile/Cellular Telephones are projected to be $627,000 or 12.1 percent below budget. These projected unfavorable variances are partially offset by a favorable forecast for Electric UUT revenues of $651,000 or 5.7 percent more than budget. The unfavorable variance for Franchise Tax revenue is driven by the tax on Southern California Gas which is forecast to underperform the budget by $380,000 or 31.1 percent. This appears to be a multiyear trend that was not reflected in the FY 2015 Budget. The FY 2016 Budget will be revised to reflect the more recent trend.

Non-Tax Revenues

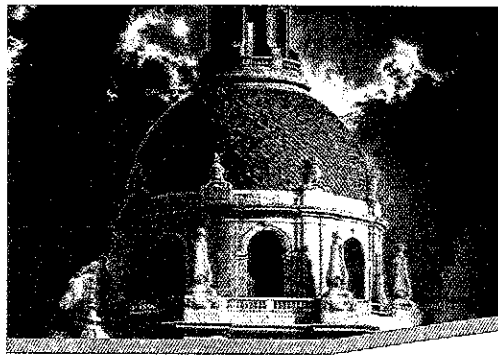
With the exception of Charges for Services, all non-tax related revenue categories are forecast to end FY 2015 with favorable variances. The most significant favorable variance is in the area of Fines and Forfeitures which are projected to be $342,000 or 5.1 percent more than budgeted. The primary driver of this variance are Parking Citation revenues which

through December 2014 are $445,000 (16.6 percent) higher than the same six month period in FY 2014. Part of this increase is the result of a one-time accounting adjustment. Charges for Services are forecast to be approximately $290,000 (1.3 percent) under budget. This is a difficult revenue category to project as it includes many different accounts which can each have unique annual trends. Additional research will need to be done prior to the 3rd Quarter FSR to determine if this variance is just the result of timing or if there are issues with specific revenue line items.

Expense Forecast

The expense forecast for the General Fund indicates a year-end slight favorable variance of approximately $3.7 million (1.8 percent). Personnel expenses are projected under budget ($1.2 million or 2.6 percent). Services & Supplies expenses are forecast to end the fiscal year $2.2 million (6.4 percent) under budget. Primarily driver of this variance are lower than anticipated expenditures in the contract services account. However, as stated previously, these estimates are based on six months of financial activity and are subject to change as the fiscal year progresses.

The charts on the following pages reflect estimated financial activity through December for the past four fiscal years, the resulting forecast, and the forecast to budget variance for the General Fund by revenue and expense category and by department.



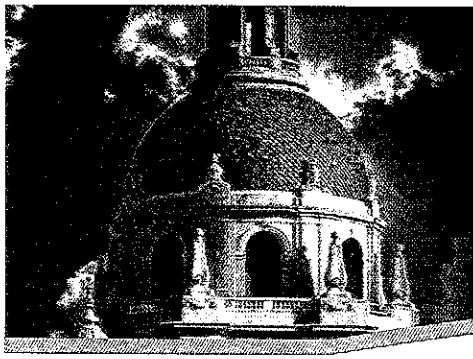
CiTy of PASADENA

FINANCIAL STATUS REPORT

Fiscal Year 2015 – Year-to-Date through December 2014

General Fund (101)

	Year-End Actuals				Fiscal Year 2015				Forecast Variance from Budget	
Revenues	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**Year-to-Date Actuals July - Dec.**	**Year-to-Date as % of Budget**	**Revised Budget**	**Forecast**	**Amount**	**%**
Taxes	120,212,594	126,594,686	128,251,864	134,803,180	57,476,057	41.3%	139,149,100	140,682,169	1,533,069	1.1%
Licenses and Permits	2,394,541	2,661,357	2,946,637	4,003,257	1,818,678	52.8%	3,444,575	3,591,723	147,148	4.3%
Charges For Services	21,695,387	19,548,126	21,329,441	20,719,147	11,186,727	49.4%	22,662,020	22,372,372	(289,648)	(1.3%)
Intergovernmental Revenue	14,307,851	14,212,581	14,448,000	15,097,847	903,125	5.8%	15,438,737	15,438,737	0	0.0%
Fines and Forfeitures	6,362,034	6,796,481	7,452,899	6,768,360	3,617,963	53.5%	6,763,091	7,105,201	342,110	5.1%
Rental Income	613,649	868,175	1,242,471	1,356,455	516,371	42.8%	1,205,589	1,210,808	5,219	0.4%
Investment Earnings	22,917,161	9,889,603	9,869,948	3,293,430	240,351	16.9%	1,424,894	1,494,219	69,325	4.9%
Transfers In	26,752,664	23,418,529	21,849,291	20,062,612	13,606,146	71.3%	19,092,226	19,092,226	0	0.0%
Miscellaneous Revenues	1,149,374	1,789,896	1,454,800	1,604,286	880,943	58.1%	1,515,154	1,748,677	233,523	15.4%
Revenues Total	**216,405,255**	**205,779,434**	**208,845,351**	**207,708,573**	**90,246,361**	**42.8%**	**210,695,386**	**212,736,132**	**2,040,746**	**1.0%**
Expenses										
Personnel	134,541,494	126,624,979	122,757,167	125,739,018	64,604,008	49.6%	130,374,329	128,756,271	1,618,058	1.2%
Services and Supplies	25,651,145	25,764,299	25,209,550	30,334,752	11,801,858	34.4%	34,287,825	32,109,387	2,178,438	6.4%
Equipment	25,157	36,284	391,690	286,344	14,644	5.4%	271,476	287,803	(16,327)	(6.0%)
Internal Service Charges	14,730,880	15,708,589	16,751,076	17,024,845	9,377,256	51.2%	18,307,993	18,307,993	0	0.0%
Debt Service	34,441,883	23,224,781	22,494,295	13,651,220	2,665,056	19.3%	13,828,122	13,828,122	0	0.0%
Transfers Out	13,184,777	14,497,743	18,728,258	17,903,967	6,347,317	46.7%	13,599,056	13,599,056	0	0.0%
Expenses Total	**222,575,336**	**205,856,675**	**206,332,035**	**204,940,146**	**94,810,140**	**45.0%**	**210,668,801**	**206,888,633**	**3,780,168**	**1.8%**
Surplus/(Deficit)	**(6,170,081)**	**(77,241)**	**2,513,316**	**2,768,427**	**(4,563,779)**		**26,585**	**5,847,499**	**5,820,914**	
Tax Revenues										
Taxes										
Property Tax	37,952,058	39,698,464	41,549,264	43,048,906	18,836,061	42.7%	44,120,000	45,273,638	1,153,638	2.6%
Sales Tax	29,249,499	31,381,150	30,200,687	32,391,442	8,302,006	25.1%	33,140,000	32,741,005	(398,995)	(1.2%)
Utility Users Tax	29,355,396	29,317,951	29,530,245	28,893,275	14,168,990	46.3%	30,601,500	30,281,686	(319,814)	(1.0%)
Transient Occupancy Tax	7,667,816	9,552,884	11,109,306	12,043,439	6,522,723	51.0%	12,800,500	12,906,980	106,480	0.8%
Construction Tax	1,480,416	2,818,988	2,066,459	3,681,913	2,045,182	85.2%	2,400,000	3,788,238	1,388,238	57.8%
Franchise Tax	2,215,701	2,014,794	2,062,860	2,361,294	949,780	29.3%	3,237,100	2,707,989	(529,111)	(16.3%)
Other Taxes	12,291,707	11,810,455	11,733,044	12,382,911	6,651,316	51.8%	12,850,000	12,982,633	132,633	1.0%
Taxes Total	**120,212,594**	**126,594,686**	**128,251,864**	**134,803,180**	**57,476,057**	**41.3%**	**139,149,100**	**140,682,169**	**1,533,069**	**1.1%**



General Fund by Department

	Year-End Actuals				Fiscal Year 2015				Forecast Variance from Budget	
Department	FY 2011	FY 2012	FY 2013	FY 2014	Year-to-Date Actuals July - Dec.	Year-to-Date as % of Budget	Revised Budget	Forecast	Amount	%
City Attorney	5,791,889	5,561,404	4,909,550	5,802,828	2,666,410	43.4%	6,137,431	5,798,551	338,880	5.5%
City Clerk	2,164,843	1,646,914	1,995,509	1,484,696	763,454	32.2%	2,373,842	1,804,768	569,074	24.0%
City Council	1,923,959	2,029,858	2,000,417	2,035,280	990,062	48.1%	2,057,582	2,236,360	(178,778)	(8.7%)
City Manager	2,762,384	4,327,984	4,879,176	4,620,641	2,353,776	45.5%	5,171,741	4,753,202	418,539	8.1%
Finance	8,603,764	8,833,012	8,518,342	8,309,390	3,935,086	44.2%	8,894,353	8,433,346	461,007	5.2%
Fire	39,106,914	38,705,007	38,125,199	39,025,142	19,968,838	49.4%	40,394,866	41,303,873	(909,007)	(2.3%)
Human Resources	2,603,536	2,372,445	2,357,666	2,972,090	1,425,213	40.6%	3,507,284	3,296,028	211,256	6.0%
Human Services & Recreation	8,982,568	9,447,454	8,615,826	9,332,798	4,836,268	50.3%	9,622,118	9,433,000	189,118	2.0%
Non-Departmental	62,136,101	44,531,201	48,289,568	41,916,207	11,941,754	33.7%	35,485,208	35,579,839	(94,631)	(0.3%)
Planning & Community Development	8,107,508	7,063,906	6,808,305	6,686,608	3,108,118	43.2%	7,199,581	6,961,243	238,338	3.3%
Police	58,008,753	58,138,373	57,766,019	58,418,682	30,989,717	49.0%	63,228,545	61,732,626	1,495,919	2.4%
Public Works	17,291,813	18,240,217	17,761,548	19,720,331	9,550,678	45.2%	21,147,403	20,770,467	376,936	1.8%
Transportation	5,035,273	4,958,901	4,304,911	4,615,453	2,280,764	41.9%	5,448,847	4,785,333	663,514	12.2%
Expenses Total	**222,575,336**	**205,856,675**	**206,332,035**	**204,940,146**	**94,810,140**	**45.0%**	**210,668,801**	**206,888,633**	**3,780,167**	**1.8%**

OTHER FUNDS

The table at the end of this section provides revenue and expenditure forecasts for selected major non-General Funds. The funds included here are high profile funds or funds in which the FY 2015 forecast indicates there may be a positive or negative trend.

Public Health Fund (203)

The forecast indicates this fund will end the fiscal year with a deficit of $1.8 million. This deficit is the result of unanticipated reductions in intergovernmental (i.e. grant) revenues and miscellaneous revenues. The forecasted reduction in grant revenues ($2.4 million or 21.8 percent) is due in large part to staff vacancies within cost reimbursement programs and a reduction in patient loads as individuals enroll in newly established health care programs offered as a result of the Affordable Care Act (ACA). In addition, selected revenues from the miscellaneous revenue budget have been adjusted and are now reflected in the intergovernmental revenue category. As such, the variance reported in the miscellaneous revenue budget is offset by adjustments to the intergovernmental revenues budget.

A favorable expenditure variance of $1.6 million (10.3 percent), primarily related to a favorable variance in personnel expenses, partially offsets the anticipated reduction in intergovernmental revenues. As previously noted, the Public Health Department is experiencing several staff vacancies including key positions such as the Director, Senior Accountant, and programmatic mid-management staff. While these vacancies result in a favorable variance in personnel costs they also contribute to the lower grant revenues.

Building Service Fund (204)

Revenues are forecast to be approximately $1.7 million or 26.5 percent over budget. As discussed in previous FSR's development related revenues have shown a significant turnaround in the last couple of years as a result of higher permit valuations. While year-to-date actuals have dropped since the same period last year, the budget anticipated that FY 2015 would not continue at the same growth rate as reported in FY 2014. Therefore, this variance is more the result of underestimating the FY 2015 Budget than a significant change in actual performance. Expenses are forecast to end FY 2015

with a favorable variance of approximately $432,000 (6.9 percent) which can be attributed entirely to the forecast for personnel costs which are projected to be under budget by $444,000 (12.0 percent). The FY 2015 Budget assumes the fund would end the year with a surplus of approximately $212,000. Based on this mid-year forecast the fund and the projections noted above, the fiscal year surplus is forecast to be $2.2 million higher than budget.

Library Services Fund (212)

The year-to-date financial performance of the Library Services Fund is trending slightly better than the adopted budget. The forecast indicates this fund will end the year with a surplus of $24,000. This is better than the $372,000 budgeted deficit and indicates the fund can support all FY 2015 expenses without the planned use of any fund reserve balance. Revenues are trending virtually on budget. Expenses are trending slightly under budget with personnel costs projected to end the fiscal year $188,000 or 2.4 percent under budget. Services and Supplies are also trending slightly below budget with a forecasted year-end variance of approximately $205,000 (7.3 percent).

Housing Funds (219 / 220 / 221 / 222 / 223 / 224 / 226 / 238)

These funds include both grant funded activities and housing-related expenses supported through transfers from the General Fund. Since revenues from these sources are typically consistent with the budget only a small variance is projected at year-end. Similarly, expenses are forecast to be on budget. While year-to-date expenses show some significant variances, they are mostly the result of timing differences. These variances are forecast to be resolved by the end of the fiscal year.

Light and Power Fund (401/410)

FY 2015 revenues for the Light and Power Fund are expected to be about $1.2 million or 0.6 percent more than the adopted budget. This is mainly due to an increase in projected retail sales by $3.8 million or 0.7 percent. The increase is offset by decreases in wholesale ancillary services sales and in interest earnings of subordinated notes receivable from Intermountain Power Agency that were refunded in July 2014. Projected FY 2015 expenses are expected to be about $9.0 million or 4.2 percent less than the adopted budget. This is mainly caused

by decreases in personnel cost as a result of vacant positions and total energy cost due to lower natural gas prices.

Water Fund (402)

FY 2015 revenues for the Water Fund are expected to be about $2.0 million or 3.0 percent less than the adopted budget. This is primarily caused by a decrease in forecasted retail sales by 3.6 percent and a reduction of reimbursement from Jet Propulsion Laboratory for expenses of Monk Hill treatment plant. Projected FY 2015 expenses are forecasted to be less than the adopted budget by $2.7 million or 4.8 percent. It is mainly due to a reduction in expense of contracted services.

Computing and Communications Fund (501)

FY 2015 projections indicate the fund will end the year with surplus of $211,000. The forecasted surplus is $331,000 greater than the $121,000 deficit included in the adopted budget. The budgeted deficit was based on the planned use of available fund balance. Lower than budgeted revenues of approximately $145,000 are the result of lower than anticipated internal service fund billing for telephone usage. The unfavorable revenue variance is partially offset by higher than budgeted Charges for Services, which reflects a revised estimate of anticipated receipts for the City of Montebello radio agreement. The unfavorable revenue variance forecast is more than offset by projected expenditure savings of $476,000. The expenditure savings is mainly the result of vacancy driven lower personnel costs and a revised estimate of annual depreciation. DoIT anticipates the imminent filling of some vacancies and the year-end forecast reflects higher personnel costs in the second half of the fiscal year.

Building Maintenance Fund (502)

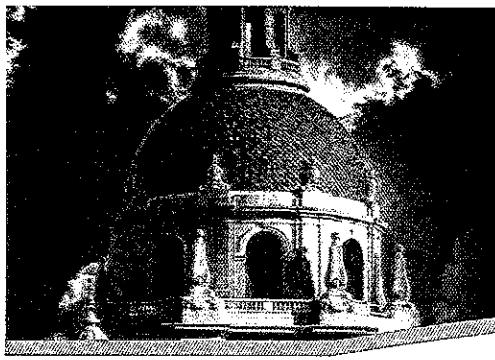
Revenues are forecast to be $122,000 or 1.0 percent higher than budgeted. This is primarily due to tenant improvement revenue. Expenses are forecast to be over budget by $576,000 (5.9 percent). This unfavorable expense variance is due to costs associated with Project Maintenance Program which are unfunded and recovered through direct charges to projects or work done for various departments and increased expenses to perform the tenant improvements which generated the favorable revenue forecast.

Fleet Maintenance Fund (503)

Revenues are higher than the budget amounts as the revenue budget was developed based on FY 2015 departmental budget requests. Departments historically under budget the required services from BSFMD which results in a budget versus actual variance. Expenses are lower than budgeted figures due to savings in fuel costs.

Printing Services Fund (508)

Revenues are projected to be approximately $168,000 (11.4 percent) under budget. As an internal service fund, revenues are based on providing services to and being reimbursed by other City funds. Lower than anticipated revenues indicate year-to-date service demand has been less than anticipated. Expenses are forecast to be slightly under budget ($44,000 or 3.0 percent). .



City of PASADENA

FINANCIAL STATUS REPORT

Fiscal Year 2015 – Year-to-Date through December 2014

Summary of Selected Major Funds

	Year-End Actuals				Fiscal Year 2015				Forecast Variance from Budget	
	FY 2011	FY 2012	FY 2013	FY 2014	Year-to-Date Actuals July - Dec.	Year-to-Date as % of Budget	Revised Budget	Forecast	Amount	%
Public Health Fund (203)										
Revenues	$10,748,726	$11,581,134	$13,455,201	$11,510,237	$6,027,319	39.1%	$15,416,071	$11,628,757	($3,787,314)	-24.6%
Expenses	$11,027,475	$10,899,114	$13,479,817	$13,606,507	$6,703,033	44.2%	$15,171,689	$13,606,048	$1,565,641	10.3%
Surplus/(Deficit)	**($278,749)**	**$682,020**	**($24,616)**	**($2,096,270)**	**($675,714)**		**$244,382**	**($1,977,292)**	**($2,221,674)**	
Building Services Fund (204)										
Revenues	$3,626,958	$5,770,154	$5,109,652	$9,514,938	$4,024,211	61.8%	$6,508,190	$8,231,978	$1,723,788	26.5%
Expenses	$4,884,565	$4,047,953	$3,965,180	$4,674,030	$2,501,616	39.7%	$6,295,709	$5,863,723	$431,986	6.9%
Surplus/(Deficit)	**($1,257,607)**	**$1,722,201**	**$1,144,472**	**$4,840,907**	**$1,522,596**		**$212,481**	**$2,368,255**	**$2,155,774**	
Library Services Fund (212)										
Revenues	$11,745,249	$11,764,180	$13,007,216	$13,248,362	$6,636,422	50.0%	$13,277,941	$13,281,811	$3,870	0.0%
Expenses	$11,119,766	$12,223,621	$11,637,829	$12,575,832	$5,778,419	42.3%	$13,650,308	$13,257,938	$392,370	2.9%
Surplus/(Deficit)	**$625,483**	**($459,441)**	**$1,369,387**	**$672,530**	**$858,003**		**($372,367)**	**$23,873**	**$396,240**	
Selected Housing & Career Services Funds (219 / 220 / 221 / 222 / 223 / 224 / 226 / 238)										
Revenues	$19,686,406	$29,321,003	$20,645,407	$17,422,013	$8,869,783	47.0%	$18,887,874	$18,886,535	($1,339)	0.0%
Expenses	$18,400,658	$23,409,670	$20,340,745	$17,167,647	$8,475,864	42.2%	$20,098,102	$20,176,187	($78,085)	-0.4%
Surplus/(Deficit)	**$1,285,748**	**$5,911,333**	**$304,661**	**$254,366**	**$393,920**		**($1,210,228)**	**($1,289,652)**	**($79,424)**	
Light and Power Fund (401 / 410)										
Revenues	$201,231,694	$196,135,227	$208,433,529	$201,686,668	$114,261,775	53.4%	$213,827,445	$215,801,246	$1,973,801	0.9%
Expenses	$180,949,746	$189,251,736	$197,305,793	$192,272,423	$100,873,650	47.2%	$213,500,861	$204,494,884	$9,005,977	4.2%
Surplus/(Deficit)	**$20,281,948**	**$6,883,491**	**$11,127,736**	**$9,414,245**	**$13,388,125**		**$326,584**	**$11,306,362**	**$10,979,778**	
Water Fund (402)										
Revenues	$51,438,612	$62,754,259	$66,128,956	$67,010,171	$33,945,666	51.9%	$65,437,890	$63,482,950	($1,954,940)	-3.0%
Expenses	$43,065,226	$49,977,515	$50,196,461	$55,022,404	$26,176,732	46.1%	$56,835,783	$54,090,107	$2,745,676	4.8%
Surplus/(Deficit)	**$8,373,386**	**$12,776,744**	**$15,932,495**	**$11,987,767**	**$7,768,934**		**$8,602,107**	**$9,392,843**	**$790,736**	
Computing and Communications Fund (501)										
Revenues	$10,276,176	$11,971,098	$12,655,963	$13,225,697	$7,095,646	49.4%	$14,372,197	$14,227,668	($144,529)	-1.0%
Expenses	$11,103,279	$11,306,036	$12,306,984	$13,342,490	$6,325,766	43.6%	$14,492,729	$14,017,166	$475,563	3.3%
Surplus/(Deficit)	**($827,103)**	**$665,063**	**$348,980**	**($116,792)**	**$769,880**		**($120,532)**	**$210,501**	**$331,033**	
Building Maintenance Fund (502)										
Revenues	$10,662,004	$10,879,118	$11,011,346	$11,110,993	$6,049,252	50.7%	$11,932,230	$12,054,354	$122,124	1.0%
Expenses	$10,534,925	$10,943,866	$10,651,175	$10,299,837	$5,150,998	53.1%	$9,697,880	$10,273,931	($576,051)	-5.9%
Surplus/(Deficit)	**$127,079**	**($64,748)**	**$360,171**	**$811,156**	**$898,255**		**$2,234,350**	**$1,780,423**	**($453,927)**	
Fleet Maintenance Fund (503)										
Revenues	$9,071,621	$9,292,204	$8,779,509	$8,782,918	$5,134,941	55.4%	$9,268,958	$9,814,211	$545,253	5.9%
Expenses	$8,974,722	$9,026,602	$8,722,606	$8,717,643	$4,187,933	38.0%	$11,019,075	$10,757,299	$261,776	2.4%
Surplus/(Deficit)	**$96,900**	**$265,602**	**$56,903**	**$65,275**	**$947,008**		**($1,750,117)**	**($943,088)**	**$807,029**	
Printing Services Fund (508)										
Revenues	$1,176,900	$1,127,540	$1,024,727	$1,072,623	$578,690	39.5%	$1,465,824	$1,298,206	($167,618)	-11.4%
Expenses	$1,378,372	$1,470,823	$1,502,944	$1,453,399	$748,346	51.1%	$1,465,823	$1,421,816	$44,007	3.0%
Surplus/(Deficit)	**($201,473)**	**($343,283)**	**($478,217)**	**($380,777)**	**($169,656)**		**$1**	**($123,610)**	**($123,611)**	

OPERATING COMPANIES

Pasadena Community Access Corporation

Fiscal results for PCAC were not received by Finance department staff in time for inclusion in this report.

Pasadena Center Operating Company (PCOC)

Revenue	$19,541,000
Expenses	19,518,000
Surplus / (Deficit)	$ 23,000

Mid -year revenues totaled $9,964,000 which is approximately $367,000 better than budget. Operating revenue is up $255,000 and Non-Operating revenue accounts for the balance of $112,000. Expenses are $4,756,000 which is $254,000 better than budget. Included in the FY 2015 revised CIP budget was an amount of $450,000 for capital expenses which takes into account the approved $200,000 additional life safety system in the Historic Exhibition Hall. To date $152,000 has been expended. Assuming the entire capital budget is expended, and based on current operating trends, PCOC is forecast to end FY 2015 with approximately a $23,000 in operating surplus.

Rose Bowl Operating Company (RBOC)

Revenues	$44,130,840
Expenses	$41,735,330
Surplus/Deficit $	$ 2,395,510

RBOC staff is currently processing financial information from the recent college football season and have not yet completed second quarter financial reports which included 5 of the 6 home UCLA games. However, based upon first quarter information, it is anticipated that the RBOC will end the year ahead of target, which initially indicated almost a $2.4 million surplus. This is due primarily to event revenues exceeding initial projections, noting that some of the revenue will be offset primarily by higher event- related expenses. Stadium Net Event Income totaled $4,436,237 which was approximately $405,573 ahead of budget estimates, due primarily to better than anticipated admission taxes, concession and parking revenue. Other Operating Expenses totaled $1,638,286 which was about $139,144 higher than anticipated due primarily to higher utilities, HVAC repairs in multiple locations and increased temporary staffing, especially in the areas of purchasing and administrative support. Golf

Course revenues totaled approximately $630,000 which was about $7,000 short of expectations. Golf Course expenses totaled approximately $99,771 which was about $12,659 better than budgeted. It is anticipated that the financial information related to the 2014 UCLA Football Season and Rose Bowl game will be finalized by early March and will be incorporated into the third quarter Financial Status Report (FSR). In the near future, RBOC anticipates bringing forth a budget amendment for FY 15, recognizing the above variances, as well as other adjustments (e.g. recalculated bond payments, increases to temporary staffing).