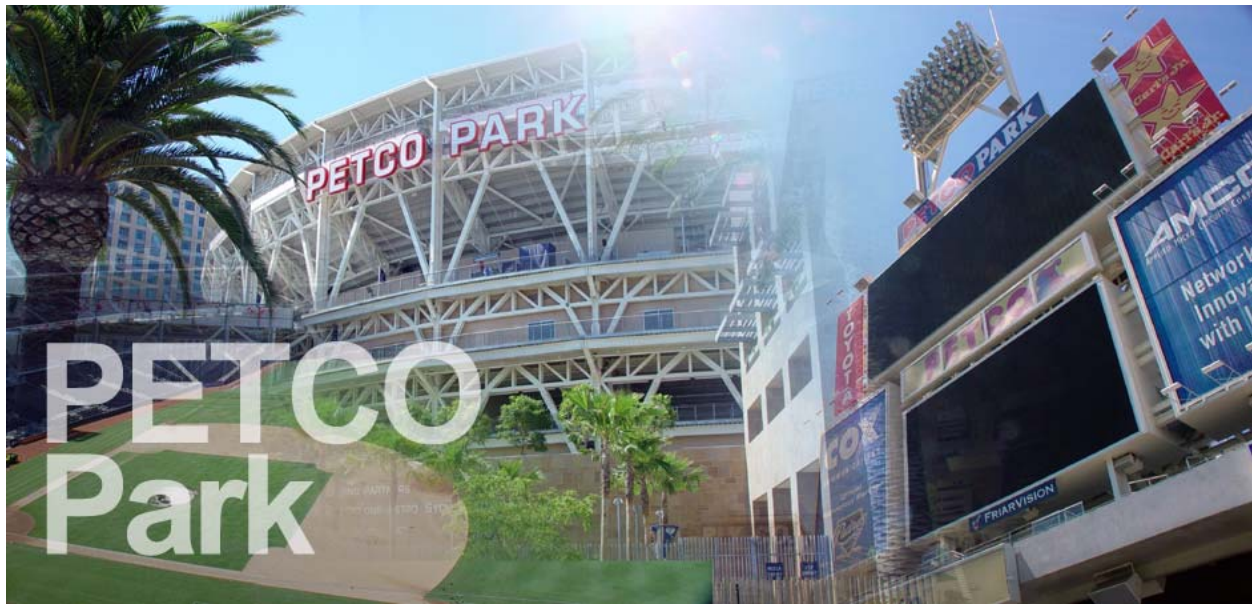


PETCO Park



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Description

The PETCO Park administrator has the role of monitoring and maintaining the personal and fiscal relationship between the City and the San Diego Padres Major League Baseball team. Management is also responsible for ensuring that both the City and the San Diego Padres comply with the contractual agreements set forth in the Joint Use and Management Agreement (JUMA) and the Indenture. It should be noted that the Padres' fiscal year starts November 1st marking the beginning of its reporting period to the City.

In May 2012, the City Council approved a proposal to change the share of the City's revenues from non-baseball events from 70 percent City/30 percent Padres to 70 percent Padres/30 percent City. This change provides an incentive for the Padres to conduct more special events, and therefore, generate more revenue for the City. This Special Event Revenue is paid twice per year. In exchange for the higher split, the Padres guarantee that the City will receive a guaranteed minimum of \$300,000 in special event revenue annually, adjusted upward by the Consumer Price Index (CPI). Additionally, instead of making a \$250,000 annual deposit into the Ballpark Capital Expenditure Reserve Fund, the Padres also agreed to make at least \$1.0 million per year average in capital improvements to Petco Park. The approximately \$957,000 residual remaining in the reserve fund will be accumulating interest and returned to the Padres at lease expiration, unless needed by the City for deferred maintenance. The Padres have spent \$5,366,000 in Fiscal Year 2014 for a state-of-the-art audio system, Park at the Park video board, new concourse flooring, and other capital expenses.

During the City Fiscal Year 2014, Special Event Revenue was greater than expected primarily as a result of the Padres Sales and Marketing staff booking efforts. Although the Petco Park Fund budgets the guaranteed minimum revenue, the actual Special Event Revenue was \$627,608 or \$323,108 more than the guaranty. This is slightly more than the \$605,810 produced in Fiscal Year 2013. The success in getting the Davis Cup match at PETCO in January 2014 alone produced over \$67,000 in net revenue to the City. This event, as well as the Rock and Roll Marathon and other events, have helped local businesses enjoy substantial new revenue.

The City expects the Special Event Revenue to continue to increase over the coming years due to both a continuing economic recovery and the continued efforts being made by the Padres Sales and Marketing staff at PETCO. Events currently scheduled for City Fiscal Year 2015 are a Xolos soccer match, three Comic Con events, Tijuana Toros baseball game, Perfect Game Baseball Classic, and other events.

PETCO Park

This year's budget was increased by \$95,000 to replace palm trees in the City right-of-way which died of a fungal disease, as well as root pruning to eliminate raised sidewalks.

Department Summary

	FY2013 Actual	FY2014 Budget	FY2015 Adopted	FY2014–2015 Change
FTE Positions (Budgeted)	1.00	1.00	1.00	0.00
Personnel Expenditures	\$ 133,067	\$ 143,131	\$ 139,498	\$ (3,633)
Non-Personnel Expenditures	16,033,263	17,261,918	17,403,344	141,426
Total Department Expenditures	\$ 16,166,331	\$ 17,405,049	\$ 17,542,842	\$ 137,793
Total Department Revenue	\$ 17,997,704	\$ 16,494,163	\$ 15,723,720	\$ (770,443)

PETCO Park Fund

Department Expenditures

	FY2013 Actual	FY2014 Budget	FY2015 Adopted	FY2014–2015 Change
PETCO Park	\$ 16,166,331	\$ 17,405,049	\$ 17,542,842	\$ 137,793
Total	\$ 16,166,331	\$ 17,405,049	\$ 17,542,842	\$ 137,793

Department Personnel

	FY2013 Budget	FY2014 Budget	FY2015 Adopted	FY2014–2015 Change
PETCO Park	1.00	1.00	1.00	0.00
Total	1.00	1.00	1.00	0.00

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Replacement of Palm Trees Adjustment to reflect the addition of expenditures to replace palm trees at PETCO Park as required by the Joint Use and Management Agreement with the Padres.	0.00	\$ 100,500	\$ -
Joint Ballpark Operating Expense Adjustment to reflect the addition of non-personnel expenditures related to the joint ballpark operating expense per contractual agreement.	0.00	41,936	-
Landscape Maintenance Adjustment to reflect the addition of non-personnel expenditures for landscape maintenance around PETCO Park.	0.00	2,300	-
Security Services Adjustment to reflect the addition of expenditures for security services at the City suite at PETCO Park.	0.00	500	-
Equipment/Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00	(727)	-
Non-Discretionary Adjustment Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	(3,083)	-

PETCO Park

Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
Salary and Benefit Adjustments	0.00	(3,633)	-
Adjustments to reflect the annualization of the Fiscal Year 2014 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.			
Revised Revenue	0.00	-	(770,443)
Adjustment to reflect Fiscal Year 2015 revenue projections.			
Total	0.00	\$ 137,793	\$ (770,443)

Expenditures by Category

	FY2013 Actual	FY2014 Budget	FY2015 Adopted	FY2014-2015 Change
PERSONNEL				
Personnel Cost	\$ 107,390	\$ 113,561	\$ 114,998	\$ 1,437
Fringe Benefits	25,677	29,570	24,500	(5,070)
PERSONNEL SUBTOTAL	133,067	143,131	139,498	(3,633)
NON-PERSONNEL				
Supplies	\$ 106	\$ 5,890	\$ 5,890	\$ -
Contracts	4,543,666	5,786,956	5,932,192	145,236
Information Technology	8,401	1,810	1,083	(727)
Energy and Utilities	10,611	10,404	10,420	16
Other	70	-	-	-
Transfers Out	11,470,409	11,456,858	11,453,759	(3,099)
NON-PERSONNEL SUBTOTAL	16,033,263	17,261,918	17,403,344	141,426
Total	\$ 16,166,331	\$ 17,405,049	\$ 17,542,842	\$ 137,793

Revenues by Category

	FY2013 Actual	FY2014 Budget	FY2015 Adopted	FY2014-2015 Change
Charges for Services	\$ 727	\$ -	\$ -	\$ -
Other Revenue	1,276,136	930,000	930,000	-
Rev from Money and Prop	1,199,591	1,048,413	977,970	(70,443)
Rev from Other Agencies	11,321,250	-	-	-
Transfers In	4,200,000	14,515,750	13,815,750	(700,000)
Total	\$ 17,997,704	\$ 16,494,163	\$ 15,723,720	\$ (770,443)

Personnel Expenditures

Job Number	Job Title / Wages	FY2013 Budget	FY2014 Budget	FY2015 Adopted	Salary Range	Total
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FTE, Salaries, and Wages

20001222	Program Manager	1.00	1.00	1.00	\$46,966 - \$172,744	\$ 114,998
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FTE, Salaries, and Wages Subtotal		1.00	1.00	1.00		\$ 114,998
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	FY2013 Actual	FY2014 Budget	FY2015 Adopted	FY2014-2015 Change
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Fringe Benefits

Employee Offset Savings	\$ -	\$ 3,450	\$ -	\$ (3,450)
Flexible Benefits	4,500	4,500	5,018	518
Long-Term Disability	630	615	396	(219)

PETCO Park

	FY2013 Actual	FY2014 Budget	FY2015 Adopted	FY2014-2015 Change
Medicare	1,642	1,668	1,668	-
Other Post-Employment Benefits	6,386	6,241	6,066	(175)
Retiree Medical Trust	277	288	288	-
Retirement 401 Plan	1,106	1,150	1,150	-
Retirement ADC	8,686	8,084	8,521	437
Risk Management Administration	1,022	947	947	-
Unemployment Insurance	324	327	227	(100)
Workers' Compensation	1,106	2,300	219	(2,081)
Fringe Benefits Subtotal	\$ 25,677	\$ 29,570	\$ 24,500	\$ (5,070)
Total Personnel Expenditures			\$ 139,498	

PETCO Park

Revenue and Expense Statement (Non-General Fund)

PETCO Park Fund	FY2013 Actual	FY2014 [*] Budget	FY2015 Adopted
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ 1,560,733	\$ 1,925,919	\$ 2,593,667
TOTAL BALANCE AND RESERVES	\$ 1,560,733	\$ 1,925,919	\$ 2,593,667
REVENUE			
Interest Earnings	\$ 38,641	\$ 50,000	\$ 40,000
Padres Rental Payment	570,850	598,413	628,970
Reimbursement from Padres for Police Services/Costs	1,276,136	930,000	930,000
Special Event Revenues	588,967	400,000	309,000
Transfer from Other Funds	11,321,250	14,515,750	13,815,750
Redevelopment Agency Loan Repayment	4,200,000	—	—
Other Land-Building Lease	1,133	—	—
Processing Fees	727	—	—
TOTAL REVENUE	\$ 17,997,704	\$ 16,494,163	\$ 15,723,720
TOTAL BALANCE, RESERVES, AND REVENUE	\$ 19,558,437	\$ 18,420,082	\$ 18,317,387
OPERATING EXPENSE			
Administrative and Project Costs	\$ 316,257	\$ 300,178	\$ 293,235
Debt Service Payment (Bond)	11,306,445	11,317,915	11,317,415
Landscaping Contract	59,186	80,319	183,119
Security Service Contract	14,000	17,000	17,500
Operations & Maintenance (Joint Ballpark Operating Expenses Contract)	3,407,078	4,314,637	4,356,573
Police Services	1,063,365	1,375,000	1,375,000
TOTAL OPERATING EXPENSE	\$ 16,166,331	\$ 17,405,049	\$ 17,542,842
TOTAL EXPENSE	\$ 16,166,331	\$ 17,405,049	\$ 17,542,842
BALANCE	\$ 3,392,106	\$ 1,015,033	\$ 774,545
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ 19,558,437	\$ 18,420,082	\$ 18,317,387

^{*} At the time of publication, audited financial statements for Fiscal Year 2014 were not available. Therefore, the Fiscal Year 2014 column reflects final budget amounts from the Fiscal Year 2014 Adopted Budget. As such, current fiscal year balances and reserves are estimates of carryover from the previous fiscal year.