



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JUNE 28, 2016**

FROM: PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT **WARDS: 1 AND 7**

SUBJECT: SECOND ADDENDUM TO PRODUCTION AGREEMENTS WITH PYRO SPECTACULAR, INC. TO AMEND THE JULY 4, 2016 PRODUCTION AGREEMENT FOR MT. RUBIDOUX IN THE AMOUNT OF \$10,000 AND TO REINSTATE THE JULY 4, 2016, LA SIERRA PARK PRODUCTION IN THE AMOUNT OF \$20,000

ISSUE:

Approval of the Second Addendum to Production Agreements with Pyro Spectaculars, Inc. of Rialto, California, to amend the July 4, 2016, Production Agreement for the Mt. Rubidoux event for an additional \$10,000; and the July 4, 2016, Production Agreement re-instating the La Sierra Fire Works event, in the amount of \$25,000.

RECOMMENDATIONS:

That the City Council:

1. Approve the attached Second Addendum to Production Agreement with Pyro Spectaculars, Inc., amending the July 4, 2016, Production Agreement for the Mt. Rubidoux event for an additional \$10,000 and the July 4, 2016, Production Agreement re-instating the La Sierra Fire Works event in the amount of \$25,000.;
2. Approve budget transfer of \$2,400 from Council Ward 6 Office Expenses 02000000-425406, \$2,100 from Council Ward 7 Office Expenses 0200000-425407, \$4,700 from Council Ward 6 Travel and Meeting and \$4,000 from Council Ward 7 Travel and Meeting to Parks, Recreation and Community Services Department budget 5205005225-42104000 (\$13,200); and
3. Authorize the City Manager, or his designee, to execute the Second Addendum to Production Agreements with Pyro Spectaculars, Inc.

BACKGROUND:

On May 12, 2015, the City Council approved production agreements with Pyro Spectaculars for two distinct pyrotechnic shows, one at Mt. Rubidoux and one at La Sierra, in the amounts of \$30,000 and \$20,000, respectively. The production agreements authorized both locations and amounts for July 4, 2015, 2016 and 2017, for a total contract price of \$150,000 at \$50,000 annually for the events.

Production	July 4, 2015	July 4, 2016	July 4, 2017
Mt Rubidoux	\$30,000	\$30,000	\$30,000
La Sierra	20,000	20,000	20,000
Approved on May 12, 2015	\$50,000	\$50,000	\$50,000

On May 3, 2016, staff presented budget reduction proposals to City Council for the current fiscal year 2015/16 budget, including the cancellation of the La Sierra show. As a result of this presentation, on May 19, 2016, staff notified Pyro Spectaculars to cancel the La Sierra production due to budgetary constraints. The contractual liquidated damages for this cancellation were 50% or \$10,000.

As a gesture of good faith, Pyro Spectaculars agreed to apply the value of the liquidated damages to the Mt. Rubidoux production by increasing the firework shells. This show has been packaged and is unable to be reconfigured.

DISCUSSION:

On June 6, City Councilmembers redirected funds to reinstate the La Sierra show. City Councilmembers Jim Perry and John Burnard donated funds from their respective City Council budgets in a combined amount of \$13,200 to offset the additional \$15,000 cost of reinstating the La Sierra show. After the \$13,200 in budget contributions from City Councilmembers Jim Perry and John Burnard, the remaining \$1,800 will be absorbed by PRCSO.

July 4, 2016 Production	Contract price	As of May 19, 2016	As of June 28, 2016	Cost of Second Addendum
Mt Rubidoux	\$30,000	\$40,000*	\$40,000	\$10,000
La Sierra	20,000		25,000	\$5,000
Total	\$50,000	\$40,000	\$65,000	\$15,000

*\$10,000 in liquidated damages from cancelling La Sierra applied to Mt. Rubidoux

FISCAL IMPACT:

The cost associated with the Second Addendum to the Production Agreements for Mt. Rubidoux and La Sierra Fire Works show is \$15,000. Funding transferred from the City Council Wards 6 and 7 in the amount of \$13,200 will be transferred to PRCSO to help offset the cost to reinstate La Sierra show. The remaining funds \$1,800 are available in the PRCSO Recreational Services Account 5205000-421040.

Prepared by: Adolfo Cruz, Parks, Recreation and Community Services Director
 Certified as to
 Availability of funds: Scott G. Miller, Interim Finance Director/Treasurer
 Approved by: Alexander T. Nguyen, Assistant City Manager
 Approved as to form: Gary Geuss, City Attorney

Attachment: Addendum to Production Agreements