

NEIGHBORHOODS AND COMMUNITY ENRICHMENT and BUDGET FINANCE AND INNOVATION COMMITTEES' REPORT relative to the Department of Cultural Affairs (DCA) admissions and special services fees, and resulting in the Arts and Cultural Facilities and Services Trust Fund subsidy.

Recommendation for Council action:

ADOPT the recommendations listed under Option A of the November 30, 2022 City Administrative Officer (CAO) report, attached to the Council file.

Fiscal Impact Statement: The CAO reports that there is no General Fund impact. Architectural design review fees are deposited in the General Fund, and the Controller's Office allows DCA to deduct this amount from its following fiscal year's General Fund related cost reimbursement. Admissions and theater rental fees are deposited in the Cultural Affairs Trust Fund pursuant to the Los Angeles Administrative Code Section 5.111.2, which is an off-budget special fund.

Financial Policies Statement: The CAO reports that the City's Financial Policy No. 23 states that sufficient fees for service shall be levied based on the reasonable cost of providing the service for which they are charged. The request to increase fees for services is set lower than the reasonable cost of the service. City Financial Policy No. 24 states that if the Mayor and City Council determine to set the amount of a fee for service below the level required to recover the reasonable cost of providing the service, the Mayor and City Council must take specific action to appropriate the necessary funds to fully pay for the service.

Community Impact Statement: None submitted.

Summary:

On February 1, 2023, the Neighborhoods and Community Enrichment Committee considered a November 30, 2022 CAO report relative to the DCA admissions and special services fees, resulting in the Arts and Cultural Facilities and Services Trust Fund subsidy of approximately \$3.23 million. The report attached to the Council file includes some background on the matter.

On February 13, 2023, the Budget, Finance and Innovation Committee considered the item and concurred with the action taken by the Neighborhoods and Community Enrichment Committee. After providing an opportunity for public comment, the Committee moved to approve the recommendation as amended and reflected above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

NEIGHBORHOODS AND COMMUNITY ENRICHMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
HERNANDEZ:	YES
LEE:	YES
HUTT:	YES

A handwritten signature in black ink, appearing to read "Carlos Arroyo", is written over the right side of the first table.

BUDGET, FINANCE AND INNOVATION COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
BLUMENFIELD:	YES
PRICE:	YES
YAROSLAVSKY:	YES
MCOSKER:	YES
RODRIGUEZ:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-