

**Agenda Questions/Responses**  
**April 14, 2005**

**15. What is the proposed use of revenue? (Council Member Raul Alvarez)**

The revenue generated by the beverage vending contract will primarily be used for citywide employee reward and recognition programs and activities. However, commissions from sales at several specific locations around the City will be subject to different treatment. For example:

At CTECC, the City has a written agreement between the City and the other governmental entities regarding the use of the vending proceeds for facility improvements and employee recognition of all staff from the nine agencies located at CTECC. As a result CTECC will continue to get all commissions related to the machines located at their facility.

PARD recreation centers have historically allowed their advisory boards to determine how to spend vending machine proceeds for operations or activities at the recreation center. These centers will continue to receive beverage vending commissions at the same level they were receiving prior to the award of the new vending contract. By doing this, the recreation center advisory boards will still be able to have access to and control the spending of these receipts for recreation center activities and programs and will not see a loss in funding.

Staff is looking into how the proceeds are used at several other locations to determine if a special circumstance exists.