



Meeting Date: May 22, 2017

Report No. CC-17-86

Agenda Item No. 2a

Status: General Orders

Purpose: Presentation and Discussion of Proposed Events Policy Recommendations

Background Summary: Stillwater has many events throughout the year that add to the cultural life of our community. These events attract visitors who contribute to the economy.

Events are not included in the annual budget; but typically require City resources for support. The City redirects resources budgeted for public safety, city facility maintenance, and infrastructure needs to support the event. Among other issues, there is no formal process for managing events, determining costs, or tracking cost recovery, which becomes more problematic as events grow in size and frequency.

Issues associated with events include the following:

- Contribution of public funds to privately sponsored events.
- Inconsistent treatment of citizen groups due to unspecified and reactive process.
- Significant legal time spent researching and answering questions that are not “City” questions, such as application of state alcoholic beverage statutes.
- Sales tax revenue and resources are diverted from budget to support events.
- Increased overtime – Events are typically on the weekend; therefore overtime is a necessary alternative to work week schedule adjustments, which would pull Operations employees from needed infrastructure repairs during the week.
- Skilled employees (i.e. equipment operators) utilized in event setup and monitoring.

Cost of Event Support

Event support consumed approximately \$250,000 in City resources per year as of 2015. From January 1 through April 30 of this year, 1,033 staff hours were spent supporting events, or the equivalent of \$34,000 in labor costs alone.

Research

In 2016, staff worked with the OSU Industrial Engineering and Management to analyze and develop recommendations for an events policy. Staff implemented recommendations that did not require Council direction. These included: 1) designating an events coordinator as a central point of contact and 2) holding regular review and coordination meetings with the City Manager’s Office. The remaining OSU

recommendations involve the establishment of an annual budget and a cost-recovery process that calls for Council action.

Since the OSU study, staff researched policies and procedures in several other cities that have a formal process and cost-recovery system. We also discussed the economic impact issues with various event sponsors and Visit Stillwater. This input, in addition to the OSU study, was used to develop the proposed policy recommendations.

Three basic types of special events in Stillwater:

- Government entity sponsored events, such as OSU Homecoming.
- City sponsored events, such as the Halloween Festival.
- Privately sponsored events, which include non-profit fundraisers (such as Juke Joint Jog) and for profit events (such as Land Run 100).

The first two event categories are typically long-established and regular public events with clear goals and/or clear economic impact.

Privately Sponsored Events

Privately sponsored events are the focus of the proposed policy recommendations for the following reasons:

- Currently, the City contributes public resources to support charitable causes and for-profit businesses.
- Privately sponsored events may or may not align with City goals and its available resources; and they may or may not align with public expectations (e.g., closed roads and impacts to businesses).
- City often provides resources that are not cost effective to do so and may compete with commercially available resources (stages, sound systems, marketing and event staff).
- Event sponsors often claim positive economic impact and large numbers of visitors; however, data is not available to evaluate or to verify their claims.

Cost Tracking

One missing piece of information in managing events has been accurate cost tracking. In order to facilitate development of policy recommendations, Finance Department staff undertook a detailed cost study. The proposed fee schedule attached to this report is based on the study.

The information from the cost study was applied to a recent for-profit event. The City contributed in excess of \$15,000 in resources to the event. Information from Visit Stillwater on economic impact indicates that sales tax back to the General Fund was less than half of the expenditure.

Budget Impact: None at this time.

Prior Council Action or Part of an Approved Project: Yes

Recommendation: This report is primarily for information and discussion of a proposed policy. Staff recommends Council direct that we proceed as outlined on the next page:

- Application process for all events (necessary to confirm insurance requirements are met)
 - Deadline for submission prior to event.
 - Nominal processing fee for small events that do not require City resources.
 - All required documentation (i.e. ABLE license, Certificate of Insurance) at time of application.
 - Special event resource guide.
- Full cost recovery for privately sponsored special events that require City support.
 - Cost study as basis for fees (see attached fee schedule).
 - Cost reimbursement may be granted by Council after events that have verifiable economic impact.
- Specific list of items and services available from the City of Stillwater for a fee, subject to availability.
 - Traffic Control
 - Waste Management
 - Access to utilities
 - Public Safety
 - Commercially available items and services will be listed in the resource guide but will not be provided by the City.
- Prepare enabling ordinances and resolutions.

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Attachments: Proposed Fee Schedule