



COMMUNICATIONS • 115 Executive Parkway, Suite 400 • Hudson, Ohio 44236 • (330) 342-9539

MEMORANDUM

Date: April 28, 2015
To: Jane Howington, City Manager
From: Jody Roberts, Communications Manager
Re: **Special Event Cost Funding Discussion**

Background

In 2014, Hudson spent approximately \$48,000 on services for special events, an amount that has been increasing each year due to general rising costs, requests for additional services and more events. Our estimated out-of-pocket for 2015 is approximately \$60,000. A breakdown of overtime costs by department follows:

2015 Estimated Overtime Hours By Department						Total
Public Works	HPP	Police	Fire	EMS	Parks	
\$34,448	\$1,760	\$16,270	\$4,709	\$400	\$124	\$57,711

Currently, event promoters pay a refundable \$150 security deposit, provide a certificate of insurance, and are not charged for City services. Council requested staff explore how other cities pay for these special event services and look for ways to potentially lower the City's cost to support these events. In this report, we only focus on out-of-pocket expenses.

Research

We contacted 28 Ohio cities that hold special events.

- 21 charge back costs to the promoter if event is not city sponsored.
- 3 cover all costs for city services for all events.
- 7 charge back some costs, usually police, clean up and/or street closures.
- 9 charge an application/permit fee, ranging from \$25 to \$500, usually nonrefundable. Of those with permit fees, some offer two fee levels: 1) nonprofit and for-profit, or 2) city resident/business and non-city resident/business.
- Some sponsor or co-sponsor a few events, paying either all out-of-pocket costs or some (usually 50%) of the costs.
- Two offer "grants" that are applied for by the organizations to help them offset the costs.
- About 50% bill back at cost, while other bill back based on predetermined rate structure.
- Many have an electric and/or water hookup fee, and some charge a tent fee, food vendor fee, and/or an alcohol permit fee.

Possible Options:

Following are some options to help offset the increasing costs of special events. These are best-guess estimates, since we do not currently track items like the number of electric pedestals. These estimates are provided to start the discussion with Council. Stated fee amounts and tiered pricing can be adjusted based on Council's input.

1. Nonrefundable Application Fee Based on Organization Type

Charge a nonrefundable permit fee, based on nonprofit, for-profit or multi-use (more than one day) events: Nonprofit \$50; For-profit \$100; Multi-use \$250.

Estimated Savings: \$3,600

2. Charge Back Police

Charge back the cost of police at standard overtime rates.

Estimated Savings: \$16,270

3. Charge Back Police and Road Closures

Charge back the cost for police at our standard overtime rate and charge \$350 per road closure. Note that the \$350 would not recoup our entire out-of-pocket costs for some closures where staff must close the road, then stay to reopen the road. The actual cost is approximately \$520 for staff to remain to reopen the road. Events with the largest number of road closures are the Bandstand Concerts, followed by Taste of Hudson.

Estimated Savings: \$28,520

4. Charge Electric and Water Hookup Fees

Charge a \$20 per electric pedestal/hookup and \$25 for each water hookup

The event with the largest electric usage is Taste of Hudson, followed by the Farmers Market. Farmers Market and Taste of Hudson have the greatest water usage.

Estimated Savings: \$6,450

5. Running / Bicycle Event Fee & Designated Route

The most requests for new events are running races or bicycle events. We currently have requests for 13 bicycle/running events, and we receive one or two more each year. Other cities have addressed this increase by charging an event fee for these events.

Additionally, many cities have a pre-designated routes approved for safety and traffic concerns. We could change a \$100 event fee.

Estimated Savings: \$1,300

Staff Recommendation

If Council would like to recoup some or all of our out-of-pocket costs for special events, staff would recommend a combination of #3 and #5. We could charge back for police and road closures, as well as charge an event fee for running races/bicycle events. The potential savings could be as much as \$29,820. We would recommend that these costs not go into effect until January 1, 2016, allowing organizations time to plan for these cost increases for next year.