



Fremont City Council

3300 Capitol Avenue
Fremont, CA 94538

SCHEDULED

Meeting: 06/04/19 07:00 PM
Div/Dept: Police Department
Category: Plans, Policies and Studies

STAFF REPORT (ID # 3774)

Sponsors:
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RESPONSE TO COUNCILMEMBER BACON REFERRAL REGARDING 4TH OF JULY STAFFING

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Executive Summary: At the March 5, 2019 City Council meeting, Councilmember Bacon placed a referral on the agenda for staff to provide information on his request that the City of Fremont assume the costs of police/fire staff for the Fremont Fourth of July Parade and do not bill the Fourth of July Parade Committee for these City resources. Staff has prepared the following report to provide background on the special events program, including several cost reduction strategies implemented over the last ten years, an overview of the costs associated with the Fremont 4th of July Parade and several options for Council to consider regarding this request.

BACKGROUND: The City of Fremont is home to approximately 100 special events each year. Fremont is known for events that celebrate history as well as our diversity. Events range from small block parties that celebrate neighborhood unity to one of the largest street fairs in the County, the Fremont Festival of the Arts. Community events directly impact the quality of life for our residents and visitors and the City of Fremont recognizes the important role and contribution they have on the social and economic opportunities our residents and businesses embrace.

Special events are defined as any activity on public or private property that, due to the anticipated number of attendees or the nature of the event, is not compatible with the generally intended use of the property for which it is proposed and is characterized by requiring city services to ensure compliance with state or local laws; for example:

- temporary Alcoholic Beverage Control (ABC) licenses, or temporary structure permits;
- involves use of city owned or managed property such as public streets, sidewalks, parking lots, plazas or other city owned or managed open spaces;
- involves closure, or partial closure of any public right-of-way, or requires traffic control procedures necessitating the involvement of police or street maintenance personnel;
- impairs emergency vehicle access or requires the attendance of emergency personnel at the event; or
- results in impacts to adjacent public or private property because of, for example, the use of live or amplified entertainment or the anticipated impacts on parking.

Uses that are already permitted under the zoning ordinance, such as nightclubs, banquet facilities and assembly halls, are not included in the definition of special event, unless the impact of an event is greater than the impact anticipated under the permitted zoning.

Approximately 90% of the permitted events in Fremont are small in scale. Those include events that take place in plazas, parking lots or on property where there is very little impact to parking, adjacent neighborhoods and don't require any level of City service. In 2018, the City permitted eight large scale events requiring some level of City services. The primary City departments responsible for the services are police, street maintenance, building department staff and fire. Services vary in scale and scope and include road closures, traffic control, fire paramedic services, food booth, structural inspections, plan check and general police services for events with alcohol sales. The actual cost to the City to staff these events range from approximately \$1,800 to more than \$120,000/per event. The Fire Department has relied on daily staffing in lieu of additional event staffing when practical.

Over the last 10 years, the City has modified City staffing fees twice. Hourly rates were reduced costs for materials and supplies, such as barricades have been eliminated and the police department has implemented a cost sharing model to further reduce the impact to event organizers. While these efforts have reduced the cost for organizers, other associated event costs have continued to rise, and event organizers continue to struggle to afford their events.

In 2018, the City's total cost to staff eight events, based on actual staff wages at time-and-a-half for overtime, was \$314,820. The total cost billed to organizers was \$114,809. The total staff cost does not include or take into account on-duty employees assigned to the event or staff time to review, plan and permit the event.

History of the Fremont 4th of July Parade:

In 1999, the Fremont 4th of July Parade was introduced as a mechanism to replace the City's annual fireworks show. Over the course of the first four years, from 1999-2002, the event was fully funded and organized by the City and rotated between historic districts. A Special Events Coordinator was hired to manage the parade and other high impact events. Prior, the City's special events were all managed by a technician in Development Services. Currently, a management analyst in police handles the application review and permitting for all events requiring City services and a permits technician in Development Services handles all other events.

In 2003, as a result of the economic downturn, the City Manager imposed limitations on the number of events. This included limiting each district to two events, the elimination of funding for the 4th of July Parade and reassigning the special events coordinator to a new role. That same year, the community developed a non-profit organization that subsequently took over full control of the 4th of July parade. Based on a news article, it's believed the full cost for the parade in 2003, including City services, was estimated at \$55,000. At this time, events were charged the actual cost for each employee who worked the event, as well as for equipment such as vehicles, signs, barricades, cones, etc. As the years went on, the costs varied as each district's parade route was different in size and scope, requiring varying levels of staff for road closures. As a result, the parade permanently moved to the Downtown as a place-making event. The static event venue allows organizers to properly plan in advance for the annual costs associated.

DISCUSSION/ANALYSIS: As special events in Fremont became larger and associated staff costs increased, it became difficult to provide accurate cost estimates to community event organizers. In 2008, the Chamber of Commerce formally appealed their bill for the Fremont Festival of Arts due to rising staff costs. As a result, Council adopted a flat fee hourly rate for City employees who provide services at events and also eliminated all costs for equipment use. The Master Fee Schedule established a modified/blended staffing charge and the estimated effect of the change was a 10-15% reduction to organizers. While the hourly rate could be increased annually based on employee COLA increases, the City has maintained the following rates since 2008:

- Police Officers - \$84.81 per hour
- Fire Employees - \$59.83 per hour
- Maintenance Employees - \$50.07 per hour
- Other Police Department Employees - \$46.28 per hour

Fees continue to only be charged for staff providing a service at the event and the City continues to waive all staff time to review, process and/or plan for the event. A small permit fee, ranging from \$25-\$200 is collected for each event application, but it does not cover staff time. To provide perspective on the Fremont 4th of July Parade, it's estimated that approximately 20 staff persons review the event application. Staff from Transportation Engineering, Fire, Street Maintenance, Environmental Services and Police each meet multiple times to prepare staffing and operation plans for the event. All major events are assigned a police lieutenant who works the day of, managing City operations. The management analyst in the police department responsible for the permitting of the larger events spends roughly 20 hours of staff time on recurring events and upwards of 40 hours on new events.

Cost Sharing:

In 2015, as a result of increased participation at events and recent terrorist attacks at event venues throughout the world, the Police Department re-evaluated staffing at events. To further reduce the impact on event organizers, a cost sharing model was approved by the City Manager. The police department now discounts the first \$5,000 of all special event bills by 50% and discounts costs above \$5,000 by 25%. Additionally, the police department does not charge for services such as bomb dogs brought in by allied agencies and undercover officers, such as, members from our Special Investigations Unit, Major Crimes Task Force or SWAT members needed at events. Furthermore, the Police Department has enhanced safety in recent years by acquiring new street barricades, installing fixed video cameras and adding a surveillance tower for some of our largest events. The barricades for example have increased staff time for Street Maintenance staff, especially with regard to parades, however the City continues to absorb the cost in the interest of public safety.

Demand and Impact of Special Events Expansion:

City staff continues to meet the challenge of managing the current events; however, with the upturn in the economy and City growth we have seen higher demand for larger events in recent years. In addition, a number of new plazas and public venues have been recently built, or are currently being designed, to host community events. The impact on staff, especially during summer months has been especially challenging. This past year, police officers were mandated to work at least one event and other events have had to reduce staffing due to staff shortages. In addition, this past August, we had two large scale events on the same day that made road closures in two different areas of town tasking on Street

Maintenance Staff. While private security is already used for several events, it is more challenging with events such as parades or open venues where our large-scale barricades are utilized, and alcohol is served.

This year, we have already received requests from our current event organizers to increase hours and add additional space to increase event scale and scope. These changes are a direct reflection on our community’s enjoyment and participation of events, but also must be balanced with our realistic capacity to manage and staff events. Unfortunately, staff has had to turn away two newly proposed large-scale events due to not having the capacity or adequate venue space to host the events in Fremont. Furthermore, there appears to be a decline in event sponsorship and activities surrounding fund-raising. Several of our major event organizers don’t have adequate funds to pay for City services and while staffing costs have not risen over the last ten years, several have recently appealed their billing. Additional complexities in recent years include increased requests for food centric events and events taking place at corporate facilities not permitted for assembly use. These events are having an impact on our Fire Department and tend to be during times of increased fire danger, when we have competing staffing challenges.

While this report is not directed at looking at the larger scale special event program, staff believes it’s important for Council to have a good understanding of event management in the City. Staff must also share that while we have listened to event organizers over the last decade and done what we can to keep costs low, the cost to the City has significantly increased. While we don’t charge event organizers the full cost, we must still pay our employees who work these events. In just the last three years, the total cost to the City has risen by approximately \$80,000; however, the cost to event organizers has remained flat. For the first time in ten years, staff is considering a 3% increase to all staff fees for events in FY 2019/20.

FISCAL IMPACT: The costs associated with City staff costs for the Fremont 4th of July Parade, over the last three years is as follows:

	Actual City Cost	Billed Cost	Subsidized Cost
2016	\$29,748	\$13,259	\$16,488
2017	\$27,070	\$12,487	\$14,582
2018	\$42,475	\$13,140	\$29,335
Total:	\$99,294	\$38,887	\$60,406

One of the driving factors for higher costs in 2018, were the new barricades the City began deploying for road closures. Staff time for set up and take down, has doubled. This time has not been transferred over as a billable cost to organizers. As part of our research staff surveyed the City of Pleasanton, Oakland, San Jose and Irvine to learn how they bill event organizers and to learn what portion of City Services, if any they recover.

- The City of Pleasanton does not bill for events organized by non-profits or City sponsored events. They bill City services at a rate of 4 hour minimum at 1.5 time to for-profit organizers and they have a flat fee for road closures and setting up barricades. They do not bill non-profits, or events organized by schools.
- Oakland fully recovers the cost associated with City Staff. They bill the employee’s top step rate at time-and-a-half and include City overhead. The City of Oakland has a funding account that was established through tax measures and other means for a

few particular special events, such as the Chinese New Year Street Fest and the Cinco de Mayo Festival.

- San Jose has adopted a flat fee for staff, very similar to ours. They have no additional discounts, funding sources or cost-sharing programs.
- Irvine charges the actual cost (including overtime) for personnel assigned to special events, and like Pleasanton, they have a 4-hour minimum per employee. They also charge an hourly rate for all vehicles, including patrol cars, motorcycles and command post vehicles at all events. They have no special rates for non-profits; no discounts, funds, or cost-sharing of any type.

4th of July Parade Billing Options:

Staff has developed a number of options for Council to consider with regard to costs associated with the Fremont 4th of July Parade. While staff has several recommendations stated below, Council should be aware that other event organizers could make similar requests based on any action taken. Additionally, staff requests Council consider the current scope and scale of the parade when considering the recommendations. Any increase or change with the current parade location, hours, or associated events, etc. could significantly change the current staffing model and the City's ability to manage the event. Additionally, some of the options could require additional time to study.

1. Recognize the current subsidized cost contribution and make no recommended changes.
2. Cover the full costs associated with all City staffing costs for the Fremont 4th of July Parade, with a stipulation that only the parade is covered. Additional modifications in scope would need to be evaluated by staff for availability and capacity.
3. Official City of Fremont sponsorship. Staff recommends the City become an official sponsor of the Fremont 4th of July Parade. The top sponsorship package for the parade is \$15,000, however Council could take into consideration the proposed rise in staff costs and choose to sponsor at a higher level. Staff is particularly supportive of this model, as it is consistent with the City's currently sponsorship of the Festival of Arts event. The City currently contributes \$25,000 annually.
4. Direct staff to study further modification to the City's flat fee and/or the Police Department's cost sharing program. Unfortunately, this option would take a few weeks and would not likely be in place prior to the 2019 event.

ENVIRONMENTAL REVIEW: None.

ATTACHMENTS: None.

LINKS: None.

RECOMMENDATION:

1. Staff recommends Council consider the options staff has provided above and/or further direct staff to consider studying other specific options.
2. Staff recommends that Council limit any further special event cost subsidies to the 4th of July Parade only.