

**MOORPARK CITY COUNCIL  
AGENDA REPORT**

**TO:** Honorable City Council

**FROM:** Mary K. Lindley, Parks, Recreation & Community Services Director 

**PREPARED:** Stephanie Shaw, Recreation Coordinator II

**DATE:** February 25, 2008 (CC Meeting of March 5, 2008)

**SUBJECT:** Consider Increasing Admission Fee for the 3<sup>rd</sup> of July Fireworks Extravaganza Event

**SUMMARY**

The City Council is being asked to approve a \$1.00 per person increase in the admission fee charged to the public for the 3<sup>rd</sup> of July Fireworks Extravaganza, raising the fee from \$2.00 per person to \$3.00 per person.

**BACKGROUND**

Since 1996, the City of Moorpark has sponsored an event celebrating Independence Day on July 3. For the first three years, admission to the event was free to the public. The event was canceled in 1999 due to the loss of the City's park assessment fee and resulting budget cuts. Upon the event's reinstatement in 2000, City Council approved the institution of a \$1.00 per person admission fee in order to recoup some of the event costs. In 2003, additional expenses were incurred as a result of the 20<sup>th</sup> Anniversary Celebration. The fee was raised to \$2.00 per person as a means of funding some of these additional event expenses. Admission fees were not charged for children four and under, event staff, performers, vendors, or sponsors.

**DISCUSSION**

For the past several years, the City has attempted to recoup direct event costs, including part-time staff costs, through a variety of revenue sources. Revenue sources for the Fireworks Extravaganza include sponsorships, vendor fees, and admission fees. While vendor and admission fees have remained relatively steady for the past three years, sponsorships have seen a steady decline. The decrease in sponsorships, coupled with steadily rising event costs, resulted in the event being unable to cover direct costs last year. Additionally, as part of the City's 25<sup>th</sup> anniversary celebration, additional activities will

be added to the event, resulting in higher event costs. In light of current budget constraints, if the City wishes to work towards recouping more of the Event's direct costs, it is necessary to consider an admission fee increase.

The first source of revenue the City seeks is event sponsorships. Staff has and will continue to seek businesses who wish to partner with the City through event sponsorships. However, the current state of the economy, the increased requests for donations from non-profit organizations, and the decrease in new development may mean a continued decrease in this source of funding.

Another source of revenue for the Fireworks Extravaganza is vendor fees. Vendors at this event are restricted to a limited number of food vendors, attraction vendors, and select vendors selling or giving away patriotic theme items. Revenue available from this source is limited by the controlled number of vendors that are accepted. Staff has raised vendor fees an average of 33% this year to increase revenue from this source. Providing the number of vendors participating in the event does not decrease, the increase in vendor fees will bring in an additional \$1,200 in revenue.

The third source of revenue for this event is admission fees. Staff proposes increasing the admission fee by \$1.00. This will raise the fee from \$2.00 per person to \$3.00 per person. Admission fees would still not be charged for ages four and under. If attendance remains steady, raising the fee should generate sufficient revenue to cover approximately half of this year's \$50,000 event budget.

For reference, admission fees for similar events (events contained within site; i.e., park or stadium) last year were \$10.00 per person in Ojai and Calabasas, \$8.00 per person in Ventura, and \$2.00 per person in Camarillo. Free events or displays were offered in cities including Simi Valley, Thousand Oaks, and Oxnard. These events are held in locations such as parking lots or Channel Islands Marina where charging an admission fee is not practical. A budget summary for the Fireworks Extravaganza for the past three years is attached for reference.

### **FISCAL IMPACT**

Costs not covered by the aforementioned sources, i.e., sponsorships, vendor fees, and admission fees are borne by the General Fund. The \$1.00 proposed fee increase is expected to generate an additional \$9,000, decreasing the demand on the General Fund.

### **STAFF RECOMMENDATION      ROLL CALL VOTE**

Approve an increase in the admission fee charged to the public for the Fireworks Extravaganza from \$2.00 to \$3.00 per person.

Attachment: A – Fireworks Budget Summary

Attachment A- Fireworks Budget Summary

**FIREWORKS EXTRAVAGANZA BUDGET SUMMARY**

2007 EVENT		2006 EVENT		2005 EVENT	
Participants	10,000.00	Participants	11,000.00	Participants	10,000.00
<b>GROSS REVENUE</b>	<b>\$ 26,322.75</b>	<b>GROSS REVENUE</b>	<b>\$ 34,399.15</b>	<b>GROSS REVENUE</b>	<b>\$ 37,311.86</b>
Vendor Fees	\$ 3,735.00	Vendor Fees	\$ 3,078.00	Vendor Fees	\$ 3,930.00
Sponsorships	\$ 5,000.00	Sponsorships	\$ 12,500.00	Sponsorships	\$ 15,250.00
Admission Fees	\$ 17,587.75	Admission Fees	\$ 18,821.15	Admission Fees	\$ 18,131.86
<b>DIRECT COSTS</b>	<b>\$ 33,096.69</b>	<b>DIRECT COSTS</b>	<b>\$ 32,441.01</b>	<b>DIRECT COSTS</b>	<b>\$ 31,135.34</b>
Fireworks Display	\$ 9,000.00	Fireworks Display	\$ 8,804.00	Fireworks Display	\$ 9,000.00
Entertainment	\$ 5,750.00	Entertainment	\$ 6,250.00	Entertainment	\$ 5,255.00
Stage, Sound, Lighting	\$ 4,284.80	Stage, Sound, Lighting	\$ 4,191.60	Stage, Sound, Lighting	\$ 3,874.18
Equipment, Signs, Prizes	\$ 535.70	Equipment, Signs, Prizes	\$ 542.49	Equipment, Signs, Prizes	\$ 670.41
Publicity and Promotion	\$ 447.90	Publicity and Promotion	\$ 207.50	Publicity and Promotion	\$ 240.50
Event Insurance	\$ 2,236.25	Event Insurance	\$ 2,368.31	Event Insurance	\$ -
Police/Security/Safety	\$ 8,534.00	Police/Security/Safety	\$ 7,542.48	Police/Security/Safety	\$ 9,000.88
Sanitation	\$ 1,894.75	Sanitation	\$ 1,872.59	Sanitation	\$ 2,270.07
Sponsor Benefits	\$ 413.29	Sponsor Benefits	\$ 662.04	Hospitality Pavilion	\$ 824.30
<b>Part-time Staff Costs</b>	<b>\$ 1,263.00</b>	<b>Part-time Staff Costs</b>	<b>\$ 2,267.00</b>	<b>Part-time Staff Costs</b>	<b>\$ 1,577.44</b>
<b>INDIRECT COSTS</b>	<b>\$ 18,567.00</b>	<b>INDIRECT COSTS</b>	<b>\$ 13,900.00</b>	<b>INDIRECT COSTS</b>	<b>\$ 18,559.94</b>
Full-time staff costs (est.)	\$ 18,100.00	Full-time staff costs (est.)	\$ 13,408.00	Full-time staff costs (est.)	\$ 17,835.12
Overhead Costs	\$ 467.00	Overhead Costs	\$ 492.00	Overhead Costs	\$ 724.82
<b>TOTAL COST</b>	<b>\$ 52,926.69</b>	<b>TOTAL COST</b>	<b>\$ 48,608.01</b>	<b>TOTAL COST</b>	<b>\$ 51,272.72</b>
<b>Gross Profit / (Loss)</b>	<b>\$ (6,773.94)</b>	<b>Gross Profit / (Loss)</b>	<b>\$ 1,958.14</b>	<b>Gross Profit / (Loss)</b>	<b>\$ 4,599.08</b>
<b>Net Profit / (Loss)</b>	<b>\$ (26,603.94)</b>	<b>Net Profit / (Loss)</b>	<b>\$ (14,208.86)</b>	<b>Net Profit / (Loss)</b>	<b>\$ (13,960.86)</b>
<b>Net Profit / (Loss)/Participant</b>	<b>\$ (2.66)</b>	<b>Net Profit / (Loss)/Participant</b>	<b>\$ (1.29)</b>	<b>Net Profit / (Loss)/Participant</b>	<b>\$ (1.40)</b>