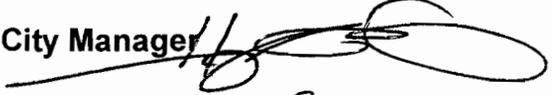


**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Hugh R. Riley, Assistant City Manager 

PREPARED BY: Stephanie Shaw, Recreation Superintendent 

DATE: February 1, 2012 (CC Meeting of March 7, 2012)

SUBJECT: Consider Increasing Admission Fee for the 3rd 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 3rd of July Fireworks Extravaganza for the next two years, raising the fee from \$3.00 per person to \$4.00 per person in 2012, and from \$4.00 to \$5.00 per person in 2013.

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, the admission fee was raised to \$2.00 per person as a means of recovering costs for some of the expenses associated with additional activities at the event for the City's 20th anniversary celebration. The admission fee was raised to \$3.00 per person in 2008, in conjunction with additional expenses from the City's 25th anniversary celebration.

Admission fees are not charged for children four and under, event staff, performers, vendors, or certain sponsors.

DISCUSSION

For the past several years, the City has attempted to recoup all direct costs and a portion of overhead costs associated with the Fireworks Extravaganza, through a variety of revenue sources. Revenue sources for the Fireworks Extravaganza include sponsorships, vendor fees, and admission fees. While revenue from vendor fees has remained relatively consistent for the past three years, sponsorships have seen a steady decline. It is anticipated that the decline in sponsorships will continue this year. The primary source of revenue for the Fireworks Extravaganza is admission fees.

As the Fireworks Extravaganza continues to grow in attendance (both at the event site and at surrounding parks and shopping centers), law enforcement resources as currently budgeted and scheduled have been stretched thin. Attendance at the event site was over 13,000 in 2011, and attendance at surrounding parks and shopping centers is estimated at 5,000. The Moorpark Police Department has recommended that additional traffic control officers be scheduled during event egress, and that law enforcement patrol of other City parks (such as Glenwood Park, Tierra Rejada Park, and Peach Hill Park) be instituted. If additional law enforcement officers are scheduled for the event, raising the admission fee would cover the additional law enforcement costs. The additional cost for increased traffic control and patrol of surrounding areas would be approximately \$1,000.

Additionally, the City is preparing for its 30th anniversary celebration in 2013. Typically, part of the celebration has been to add exciting special activities, such as skydivers or a fly-over, to the Fireworks Extravaganza. In the past, the admission fee has been raised in conjunction with these anniversary activities to cover the costs associated with the additional activities. Due to the anticipated additional anniversary expenses for 2013, coupled with the need for an increase in law enforcement this year, staff recommends increasing the admission fee by \$1.00 per person for 2012 (\$4.00 admission fee), and by another \$1.00 per person for 2013 (\$5.00 admission fee.)

It should be noted that at this time, the Fireworks Extravaganza is meeting its target cost recovery goal, as determined by the Recreation Programs and Services Cost Recovery Policy approved by Council on January 18, 2012. However, if law enforcement costs increase in 2012 and/or 2013, and additional activities are added in 2013 for the anniversary celebration, the program may fall below its target recovery if revenue remains flat. Additionally, the size of this event provides an opportunity to possibly exceed the target cost recovery goal by increasing the admission fee by a small amount, thereby lessening the demand on the general fund and subsequently easing the subsidy of other recreation programs and events that are meeting their minimum recovery goals but not able to meet target recovery goals.

For reference, admission fees for similar events last year were \$10.00 per person in Ojai and Calabasas, \$8.00 per person in Ventura, and \$2.00 per person in Camarillo.

Some of these cities offered a discount (about \$2.00) if tickets were purchased in advance. Free events or displays were offered in cities including Simi Valley, Thousand Oaks, and Oxnard.

A budget summary for the Fireworks Extravaganza for the past three years is attached for reference.

FISCAL IMPACT

There is a potential increase of approximately \$10,000 in event revenue each year for 2012 and 2013.

STAFF RECOMMENDATION (ROLL CALL VOTE)

Approve an increase in the admission fee charged to the public for the Fireworks Extravaganza, from \$3.00 to \$4.00 per person for 2012, and from \$4.00 to \$5.00 per person for 2013.

Attachment: A – Fireworks Budget Summary

FIREWORKS EXTRAVAGANZA BUDGET SUMMARY

2011 EVENT		2010 EVENT		2009 EVENT	
Participants	13,100.00	Participants	12,300.00	Participants	12,500.00
GROSS REVENUE	\$ 45,981.00	GROSS REVENUE	\$ 42,786.86	GROSS REVENUE	\$ 44,130.64
Vendor Fees	\$ 7,776.00	Vendor Fees	\$ 7,047.00	Vendor Fees	\$ 6,154.00
Sponsorships	\$ 3,000.00	Sponsorships	\$ 3,500.00	Sponsorships	\$ 5,500.00
Admission Fees	\$ 35,205.00	Admission Fees	\$ 32,239.86	Admission Fees	\$ 32,476.64
DIRECT COSTS	\$ 37,138.84	DIRECT COSTS	\$ 34,093.66	DIRECT COSTS	\$ 33,251.73
Fireworks Display	\$ 13,000.00	Fireworks Display	\$ 12,000.00	Fireworks Display	\$ 12,000.00
Entertainment	\$ 2,427.87	Entertainment	\$ 3,141.31	Entertainment	\$ 2,783.38
Stage, Sound, Lighting	\$ 4,340.90	Stage, Sound, Lighting	\$ 4,340.90	Stage, Sound, Lighting	\$ 4,394.80
Equipment, Signs, Prizes	\$ 545.36	Equipment, Signs, Prizes	\$ 118.96	Equipment, Signs, Prizes	\$ 399.28
Publicity and Promotion	\$ 291.20	Publicity and Promotion	\$ 192.00	Publicity and Promotion	\$ 377.40
Event Insurance	\$ 2,746.25	Event Insurance	\$ 2,746.25	Event Insurance	\$ 2,286.25
Police/Security/Safety	\$ 9,934.00	Police/Security/Safety	\$ 8,584.00	Police/Security/Safety	\$ 8,930.96
Sanitation	\$ 3,818.96	Sanitation	\$ 2,935.62	Sanitation	\$ 1,808.50
Sponsor Benefits	\$ 34.30	Sponsor Benefits	\$ 34.62	Sponsor Benefits	\$ 271.16
Part-time Staff Costs	\$ 1,925.19	Part-time Staff Costs	\$ 1,839.40	Part-time Staff Costs	\$ 1,537.00
INDIRECT COSTS	\$ 12,726.00	INDIRECT COSTS	\$ 15,926.00	INDIRECT COSTS	\$ 21,678.00
Full-time staff costs (est.)	\$ 11,791.00	Full-time staff costs (est.)	\$ 14,629.00	Full-time staff costs (est.)	\$ 19,853.00
Overhead Costs	\$ 935.00	Overhead Costs	\$ 1,297.00	Overhead Costs	\$ 1,825.00
TOTAL COST	\$ 51,790.03	TOTAL COST	\$ 51,859.06	TOTAL COST	\$ 56,466.73
Gross Profit / (Loss)	\$ 8,842.16	Gross Profit / (Loss)	\$ 8,693.20	Gross Profit / (Loss)	\$ 10,878.91
Net Profit / (Loss)	\$ (5,809.03)	Net Profit / (Loss)	\$ (9,072.20)	Net Profit / (Loss)	\$ (12,336.09)
Net Profit / (Loss)/Participant	\$ (0.44)	Net Profit / (Loss)/Participant	\$ (0.74)	Net Profit / (Loss)/Participant	\$ (0.99)