

## DECISION REPORT

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### Provision of Civic Services through Special Events Service Level

#### ISSUE

The purpose of this report is to provide information on the current service level provided to outside organizations, hosting public events, under the Provision of Civic Services through special events, and options for consideration regarding changes to the service level.

#### BACKGROUND

##### History

At its January 31, 2017, Standing Policy Committee on Environmental, Utilities and Corporate Services meeting, Corporate Performance presented information on an Internal Process Review for outdoor special events. The review focused on opportunities for efficiency and service improvements within the application, review, approval and implementation stages of the Special Event Process.

City Council, at its meeting held on May 23, 2017, considered a report that provided an update on the Provision of Civic Services program for special events. This report highlighted historical differences between expenditures exceeding funding.

At its June 17, 2019, Governance and Priorities Committee meeting, Administration presented the 2020 and 2021 Indicative Budget report, and included in the proposed Budget projections was an increase in funding for the Provision of Civic Services in the amount of \$90,000 in 2020 and \$75,000 in 2021. The additional funding request, phased in over two years, is required to continue to maintain existing service levels for all outdoor special events, plus in 2020 \$15,000 is the amount required to support the annual Remembrance Day Service at Sasktel Centre, that has not previously been accounted for within this service line.

At its July 29, 2019, City Council Regular Business meeting, Corporate Financial Services presented the 2020/2021 Multi-Year Business Plan and Budget Property Tax Options report. The report included information on an option to consider a subsidized fee for service for the Provision of Civic Services. The option was to adjust the budget allocation for the Provision of Civic Services to be \$86,000 over 2 years instead of the proposed \$150,000 currently in the 2020/2021 Proposed Budget. This option considers a proposed \$64,000 that could be cost recovered by implementing a partial fee for civic services for some or all special events. Outdoor special event organizers would then be responsible to cover a portion of the cost for civic services required to support their event, although a substantial portion of costs would still be subsidized. This option would include a base budget reduction of \$64,000 or a 0.03% mill rate impact.

#### Current Status

The Provision of Civic Services has an annual operating budget of \$80,000 and is included in the Community Investments and Supports Service Line. The Provision of

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Civic Services is defined as non-cash civic assistance for special event activities of external organizations, including such supports as the provision of garbage collection, street sweeping, and equipment such as barricades, signage and pylons.

Since 2015, the number of outdoor special events has increased significantly and with this increase, has come budgetary pressures. There was 386 event contracts created in 2015 compared to 469 in 2018. With both the number of events and the cost to provide the civic services increasing, actual expenditures have consistently exceeded budget by an average of \$142,600. The table below illustrates the Provision of Civic Services budget compared to actual costs.

**Table 1 – Provision of Civic Services Budget versus Actual Costs**

Item	2015	2016	2017	2018	2019 YTD
<b>Budget</b>	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
<b>Actual</b>	\$ 190,100	\$ 198,600	\$ 270,100	\$ 220,000	\$ 233,900
<b>Net</b>	(\$110,100)	(\$118,600)	(\$190,100)	(\$140,000)	(\$153,900)

The increase in expenditures is primarily due to:

- 1) an increased number of outdoor special events;
- 2) an increased volume of attendees to outdoor special events;
- 3) an extended event season that includes year-round booking requests;
- 4) increased staffing and equipment costs to provide the supports;
- 5) \$25,000 in special event support equipment replacement costs (2017) (i.e. barricades, pylons, garbage bins); and
- 6) The inclusion of contractual/historic events supported by the City (Remembrance Day).

### City of Saskatoon's Current Approach

The current special event application and review process involves a number of steps, starting with special event organizers completing the Outdoor Special Event Application. If the special event is approved through the Special Event Interdepartmental Committee and Provision of Civic Services are requested, a job number is created and any costs are charged to the Provision of Civic Services. Since 2017 when the Provision of Civic Services expenditures reached an all-time high, Administration put in place formal processes to meet with special event organizers, who are requesting the provision of civic services, and review their completed special event application. The review and meeting with the special event organizer will determine the amount of non-cash civic assistance that will be provided based on the event size, type and projected attendance. Administration uses data collected from the past five years to determine the amount of civic services required for an event type to ensure resources are being allocated as efficiently as possible. This process resulted in a streamlining of the allocation of civic services and a substantial reduction of civic services charges in 2018.

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Saskatoon Police Services offers in-kind or on-duty support to outdoor special events by directing traffic for events that impact roadways and by providing a presence at the event through beat and bike patrols. Since 2014, whenever Special Duty Officers are required (i.e. alcohol being served to the public), special event organizers are responsible for all costs associated with Special Duty Officers (see Appendix 1). In 2018, Saskatoon Police Services had a presence at 92 outdoor special events; Saskatoon Police Services does not track the on-duty costs of supporting outdoor special events.

The Saskatoon Fire Department (SFD) and Saskatoon Emergency Management Organization (EMO) are part of the Special Events Interdepartmental Committee and the support provided to special events involves several sections within the SFD. The total staff replacement and on-scene operational costs vary depending on the level of support provided to a special event. Two examples of the level of support SFD provides for larger events are the Optimist Club Canada Day Event and the Nutrien Fireworks Festival. The on-scene operational costs for these events in 2019 was approximately \$17,800 as Canada Day and the Fireworks Festival require additional supports and a higher level of safety planning (see Appendix 2).

### **Approaches in Other Jurisdictions**

The City of Calgary has a long history of hosting festivals and events in sport, culture and entertainment. Their program (Festivals and Events Subsidy Program) provides approved festivals and events with subsidy for civic services such as permit fees, license fees, waste and recycling, road closures and detours, tent and bike rack rentals and pay duty fees. In 2018, the subsidy program budget was \$2,014,788. The City of Calgary conducts a review of event applications and provides a subsidy for provision of civic services in the range of 80% to 100% based on a scoring template.

The City of Edmonton, through the Edmonton Arts Council, invests in not-for-profit festival events to improve the quality of life for the citizens of Edmonton. The purpose of the Community Investment Program grants is to provide limited assistance to resident non-profit organizations for the purpose of funding new or emerging festivals. In 2018, \$276,000 for civic service cost was allocated to select festival and event groups.

In 2016, the City of Edmonton undertook a comprehensive review of six municipalities across Canada to investigate funding and service model options including research to explore festival and event funding models. Their research indicates that municipalities have unique strategies for supporting festivals and events in their communities, with each city implementing models that suit their specific needs. The amount of funding provided varies greatly, as does the eligibility and method through which the funding is provided (see Appendix 3).

The City of Regina offers in-kind support to outdoor special events by providing selected services such as directing traffic, road closures; garbage pick-up, and utility locates to both major and community events. Expenditures for the in-kind support are included

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within each department's annual operating budgets and are not tracked separately for outdoor special events.

### **OPTIONS**

With increases in the number of events and the cost to provide the services, the current service level for the Provision of Civic Services cannot continue to be provided within the current operating budget. Administration has completed a review of the current delivery of the Provision of Civic Services and below are the options for consideration in determining the appropriate level of support for outdoor special events.

#### **Option 1 – Status Quo City of Saskatoon Funded Supports to Special Events**

Maintain the status quo level of providing civic services to eligible publicly accessible events and address the base budget deficiency by increasing the base budget phased in over two years (\$75,000 in 2020) from \$80,000 to \$155,000 and an additional \$75,000 increase in 2021 from \$155,000 to \$230,000. This option is included in the proposed 2020/2021 Preliminary Operating Budget. The additional funding request, phased in over two years, is required to continue to maintain existing service levels.

##### **Advantages:**

- Events could continue to operate with support from the City by way of the Provision of Civic Services.
- Events would continue to add to the quality of life in Saskatoon and the sense of community spirit, identity, inclusion and cohesion.

##### **Disadvantages:**

- There would be an increase in support from the mill rate as well as potential inflationary or growth increases in the future.

#### **Option 2 - Subsidized Fee for Service**

Through the review, Administration has determined the total annual cost for the delivery of the Provision of Civic Services is currently estimated at \$230,000. This option to consider charging organizations for a portion of the costs to deliver civic services, would see the current budget of \$80,000 increased by \$86,000 to a total of \$166,000 and the remaining \$64,000 recovered in charge backs to the special event organizers. This equates to approximately 25 to 30% of the total provision of civic services being recovered through a fee for services.

##### **Advantages:**

- Less support would be required from the mill rate; and
- Special event organizers would still receive civic services at a subsidized rate and would not be responsible to cover the full cost of civic services.

##### **Disadvantages:**

- Some special events may not have the resources or ability to generate funds to pay the fee for civic services which could negatively impact their event either through not being able to operate or to operate with limited resources/activities; and

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- Additional business administrative costs would be incurred to invoice, process, track and collect payments from event organizers.

### RECOMMENDATION

That the Standing Policy Committee on Planning Development and Community Services recommend to City Council approval of Option 1 – Status Quo City of Saskatoon Funded Supports to Special Events, and increase the budget by \$75,000 in 2020 and an additional \$75,000 in 2021 to a total \$230,000 as included in the proposed 2020 and 2021 Preliminary Operating Budget and provide civic services to eligible publicly accessible events.

### RATIONALE

Special events contribute to a sense of community identity, spirit, inclusion and cohesion, which is why the City supports neighbourhood, community and city-wide events. Such events not only encourage residents to connect to their communities of geography (neighbourhood) and special interest, but also to relate to other aspects of community in Saskatoon.

In 2018, the City processed 469 outdoor special event application requests which attracted approximately 919,500 people to an outdoor special event in Saskatoon.

Discontinuing the current service level could negatively impact the ability for a number of special events to continue to occur and by impacting the types and/or number of activities/amenities available during events.

### ADDITIONAL IMPLICATIONS/CONSIDERATIONS

#### Financial Implications

In 2018, out of the 469 outdoor special events, 129 events utilized the Provision of Civic Services (see Appendix 4 for an overview of 2018 and 2019 year to date summary categories for the provision of civic services). There were 101 special events which attracted approximately 139,000 people and 28 special events which attracted approximately 616,500 people to an outdoor special event in Saskatoon.

Subject to City Council approval of the base budget increase of \$75,000 in 2020 and \$75,000 in 2021, the total budget for the Provision of Civic Services will be \$230,000. Per capita, the Provision of Civic Services would then be approximately \$0.84 per person. Table 2 (below) illustrates civic services support between the City of Saskatoon and other municipalities (per capita).

**Table 2 – Civic Services Support Comparison Per Capita**

Municipality	Population (July 2019 estimate)	Civic Services Support	Cost per Capita
Saskatoon	272,200	\$ 230,000	\$ 0.84
Calgary	1,267,344	\$ 2,014,788	\$ 1.59
Edmonton	966,199	\$ 276,000	\$ 0.29

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In 2018, approximately 755,500 people attended 129 outdoor special events and the actual costs for Provision of Civic Services was \$220,000. In 2018, for each person attending an outdoor special event there was a \$0.29 Civic Service subsidy provided.

Should City Council choose Option 2, outdoor special events currently accessing the civic services would be negatively impacted in 2020 as a majority of the events are already in the planning phase for their 2020 event. As per past practice, special event organizers for the annually hosted events will be anticipating civic services support for the 2020 event season. In order to support this option and provide sufficient time for event organizers to plan for the change, Administration recommends the proposed subsidized fee for service be implemented in 2021. Administration will develop a communication plan for providing information to event organizers in 2020, in time for planning for the 2021 event season.

Tourism Saskatoon's Event Hosting Strategy (2016) identified key areas event organizers would like addressed, with one being financial support. Saskatoon's tourism industry is reliant on festivals, conferences, tradeshow, sporting events and leisure and cultural events to drive and support the tourism economy. The event scene in Saskatoon is dynamic and diverse and creates a vibrant and animated city. The strategy has identified the action item for reducing costs for civic services for events. The funding increase proposed in the 2020/2021 budget, to maintain the existing service level for the Provision of Civic Services, is directly aligned with this action item. Implementing a subsidized fee for the provision of civic services would be in conflict with this action item. Tourism Saskatoon was consulted and has provided their comments (see Appendix 5).

### Policy Review

The current Provision of Civic Services, Policy No. C0-026, has not been updated since 2006 and therefore, does not reflect current practices. Subject to City Council approval of the 2020/2021 Preliminary Operating Budget, Administration will complete a review of the existing policy. Changes and revisions to the policy will be presented at the February 10, 2020 Standing Policy Committee on Planning, Development and Community Services Committee for approval.

The revised policy will provide processes for determination of the level of non-cash civic assistance and identify general eligibility criteria to access the Provision of Civic Services. Revisions to the policy will include:

1. A special event definition;
2. The Special Event Interdepartmental Committee would be responsible for reviewing and approving applications requesting non-cash civic assistance subject to new general eligibility criteria; and
3. To be eligible for non-cash civic assistance, the general eligibility criteria would include:
  - a. The special event must be available to the general public to attend and of a limited time period;

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- b. The special event must demonstrate a need for the non-cash civic assistance based on programming, safety and the size of the event; and
- c. The special event can only receive non-cash civic assistance once in a calendar year.

Moving forward, Administration will ensure that private events, events not accessible to the general public, or for profit events that are not publicly accessible continue to be required to pay for all requested civic services. Events run by for profit organizations that are publicly accessible and for the benefit of a charitable cause or organization could be eligible for the Provision of Civic Services. Of all the special events that received the Provision of Civic Services in 2018 and 2019, the majority were run by not for profit organizations, community associations, community groups and fundraising organizations.

### **COMMUNICATION ACTIVITIES**

Depending on City Council's decision, Administration will develop a communication plan and communicate changes to the Provision of Civic Services Policy with outdoor special event organizers, the Community Associations, the Business Improvement Districts and Tourism Saskatoon.

### **APPENDICES**

1. Special Events and Police Special Duty Report
2. Saskatoon Fire Department/EMO Special Event Summary 2019
3. Research Summary – Charges to Festival and Events
4. Provision of Civic Services Summary Categories – 2018 & 2019
5. Letter from Tourism Saskatoon

### **REPORT APPROVAL**

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