

BUDGET SUPPLEMENT NO: 8**June 2, 2011****SUBJECT: Consider Making the Pet Parade a City Event****BUDGET SUPPLEMENT REQUEST SUMMARY**

A Pet Parade has been conducted annually by the Sunnyvale Downtown Association (SDA) since FY 2008/09, with the City participating as a co-sponsor. Each year, SDA has submitted to the City a special event application to conduct the event and each year it has submitted a separate grant application requesting financial support for the event from the City. This supplement considers making the *Howl'oween Pet Parade and Faire* (Pet Parade) an official City event, to be conducted by the City rather than SDA, at an estimated cost of \$30,500.

BACKGROUND

In 2008, then-Mayor Spitaleri spearheaded efforts to create the Pet Parade as a new community event in Sunnyvale. He worked closely with the Sunnyvale Downtown Association (SDA) to organize the event, which has been held annually since October 2008. Each year, the City of Sunnyvale has contributed financially in the form of fee waivers. In addition, SDA applied for and received a Community Event Grant from the City each time the event was held.

Table 1: City's financial contribution as a percentage of total event expenses

	City Contributions		Total Event Expenses²	Percent received from City
	Grant	Fee Waiver¹		
2008 Pet Parade	\$ 3,495	\$ 6,159	\$ 19,576	49%
2009 Pet Parade ³	\$ 2,000	\$ 6,159	\$ 16,045	51%
2010 Pet Parade ⁴	\$ 3,025	\$ 3,306	\$ 13,339	47%

¹As a co-sponsor of the event, the terms "in-kind services" and "fee waiver" are used synonymously to indicate the value of City services not charged to the event organizer.

²The data listed in the Event Expenses column was generated by SDA, not by City of Sunnyvale.

³In RTC 09-209, the fee waiver amount for the 2009 event was never actually determined, but given a "not-to-exceed" value of \$7,000 and estimated to be the same as the 2008 event.

⁴For the 2010 Pet Parade, the fee waiver amount was re-evaluated and reduced significantly, primarily due to the elimination of Public Safety staff overtime in the calculation. Public Safety staff time was handled by on-duty officers and not included in the fee waiver calculation.

The event expenses listed in Table 1 above do not include time required to plan and coordinate the event. As a community event, the Pet Parade was planned and coordinated by both SDA staff and event volunteers.

EXISTING POLICY

Council Policy 7.2.18 Special Events

Community Engagement Sub-element:

Policy C.2 – Encourage celebrations which help to create a strong, positive community identity and recognize cultural diversity.

DISCUSSION

The issue before Council is a proposal to turn the Pet Parade into a City event. The City currently organizes four events of community-wide interest: Health and Safety Fair, Hands on the Arts, State of The City and July 4 Celebration (the latter event combined with State of The City in some years). Although City staff have not previously organized a Pet Parade, financial data from previously-held Pet Parades provided by SDA in grant paperwork, as well as City staff time budgeted for other City events, were analyzed to develop a reasonable cost estimate for a City-owned Pet Parade.

Based on the information in Table 2 below, SDA has averaged approximately \$16,000 in direct or in-kind expenses for each of the three past events. This figure includes the value of in-kind services provided by the City (fee waivers), equipment rentals and advertising costs. SDA also received community event grant monies from the City to offset their expenses for all three Pet Parades. As the table below reflects, the City expects a \$14,500 direct expense budget to produce a Pet Parade of similar scope to that produced by SDA.

Table 2: Breakdown of Pet Parade event expenses

Event Expenses	SDA 2008	SDA 2009	SDA 2010	City Event
City Services	\$ 6,159	\$ 6,159	\$ 3,519	\$ 0
County Services	60	25	305	60
Entertainment	396	250	1,250	1,000
Equip. Rentals	1,892	0	800	6,000
Marketing/Ads	9,325	8,226	6,532	3,000
Day-of-Event Staff	1,200	Volunteers	250	3,500
Insurance	432	600	659	500
Supplies	112	785	24	440
Total	\$ 19,576	\$ 16,045	\$ 13,339	\$ 14,500

Note: Expenses listed under SDA columns are generated from actual SDA budget data. Expenses listed under the column "City Event" are estimates. Day-of-Event Staff for a City event would include any staff hired on an overtime basis to work the day of the event in a set-up, clean-up, security or traffic control role (e.g. facilities staff working at State of The City event or public safety officers controlling crowds or traffic).

SDA spent a significant portion of their budget advertising and promoting the event to generate attendance. Although the City would likely spend less on advertising, similar attendance levels would be expected through traditional City methods of event promotion, as well as the community interest already generated by the Pet Parade returning as an annual event.

Not included in SDA's event expenses are costs for staff time to plan and coordinate the event, as well as recruit and manage volunteers, all of which must be considered in the budget for a City event. Even though the City was not involved in the planning and coordinating of previous Pet Parades, the measure of staff time and related costs can be estimated using other City events as a benchmark. Staff estimates the number of work hours needed for this event at 250, which translates into a \$16,000 budget allocation.

If the Pet Parade were to become a City event, decisions regarding all aspects of the event, including, but not limited to: venue, date of the event, sponsorships and vendors, would be based on service objectives and operational needs.

The SDA's Executive Director has recently expressed a willingness to continue organizing and operating the Pet Parade, provided the organization receives financial support for the event from the City. Financial support could be in the form of a Community Event Grant.

SERVICE LEVEL IMPACT

Council approval of this supplement would fund this program for FY 2011/12 only. Renewal would be considered by Council annually.

FISCAL IMPACT

This supplement proposes \$30,500, which includes an estimate of both direct expenses (\$14,500) and staff time (\$16,000) to plan and coordinate the event. The City may offset some of the direct expenses through event sponsorships and vendor booth fees, but those potential revenues are not guaranteed and cannot be estimated at this time.

ALTERNATIVES

1. Support Sunnyvale Downtown Association's continued operation of the Pet Parade and consider funding it through the Community Event Grant Program.
2. Approve the budget supplement request for \$30,500 and make the Pet Parade a City event. Council to identify a corresponding reduction elsewhere in the budget for funding.

3. Approve a budget supplement request for \$14,500 to cover direct expenses and make the Pet Parade a City event. Council to identify a corresponding reduction elsewhere in the budget for funding. Direct the City Manager to allocate necessary staff support (estimated 250 hours) by reducing hours spent on other activities by the Community Resources Program Coordinator (see Attachment A for specific list).
4. Do not approve the budget supplement and do not make the Pet Parade a City event.
5. Other action as directed by Council.

STAFF RECOMMENDATION

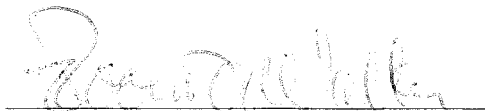
Staff recommends Alternative 1: Support Sunnyvale Downtown Association's continued operation of the Pet Parade and consider funding it through the Community Event Grant Program. SDA's Executive Director has recently expressed a willingness to continue organizing and operating the Pet Parade, provided the organization receives financial support for the event from the City. Staff does not recommend the City take on the added responsibility of another special event, since funding of this nature is difficult during a time of economic hardship and significant reductions in City services. Rather, staff recommends Council consider this event in the context of all other special events conducted by outside agencies.

Prepared by:



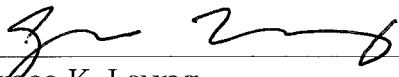
John Pilger, Communications Officer

Reviewed by:



Robert Walker, Assistant City Manager

Reviewed by:

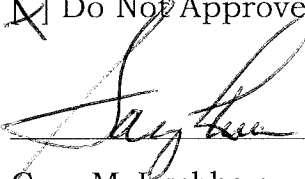


Grace K. Leung
Director of Finance

City Manager's Recommendation

☐ Approve Budget Supplement for funding

☒ Do Not Approve Budget Supplement for funding



Gary M. Luebbers
City Manager

Attachments

A. Community Resources Program Coordinator Activities List