



Agenda Item Summary

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Submitted By

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Reviewed By

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Agenda Item Title

An Ordinance Amending Chapter 30 (“Special Events”), Article 1 (“General Regulations”) of the Oak Park Village Code to Credit Certain Previously Paid Fees and Amend Fees to be Charged in the Future

Overview

On December 11, 2017, the Village Board held a first reading of an ordinance to amend special event fees and at that time voted to waive second reading and adopt the ordinance as presented. Following staff implementation of the ordinance thru the course of 2018, Trustees have asked for several updates. While it was planned to present this to the Finance Committee of the Village Board for review, scheduling conflicts have delayed that and subsequently, Trustees requested the recommendations come directly to the full Village Board.

Staff Recommendation

Adopt the Ordinance.

Fiscal Impact

Attached is a spreadsheet tracking FY2018 Special Event related expenditures through September 7, 2018 and it identifies application fees paid, deposits paid, and expenses unpaid.

Specifically in regards to parking fees, the fiscal impact of reversing the fees for parking and right of way will result in a loss of revenue of \$15,480 for event applications on file through September 8, 2018. The revenue loss is split roughly 50 percent to the General Fund and 50 percent to the Parking Fund.

Background

As part of the FY2018 budget process and the Village Board’s direction to identify up to \$2 million in cuts from the General Fund, the Village Manager presented a combination of expenditure reductions of \$1.8 (inclusive of approximately \$500,000 in employee salary/benefit cuts) and along with revenue increases of \$200,000. In order to realize the revenue increases, the Village Board approved ordinance amendments to increase fees related to special events, vehicle impounds and vehicle booting.

The ordinance provided for staff to become more diligent about capturing reimburse of all Village costs associated with permitted and supporting special events. However, for event organizers, this change was late in their planning process for 2018 events and despite special events producing revenues for some sponsoring organizations, for other entities, it caused fiscal hardship. Specifically, event organizers were surprised by the

costs associated with right of way permits and parking fees. The parking and right-of-way obstruction fees were not listed specifically in the 2018 fee schedule prepared by the Village Manager pursuant to the new ordinance amendment which has led to the confusion. The Village Manager has acknowledged this is an error and therefore, the Board discussion will assist in clarifying what is the consensus of the Village Board in regards to parking and right-of-way fees.

As background, it is noted that as part of the historic permitting process, Village services such as police, fire and public works and parking had often been provided without charge to some events and this was in violation of the Village Code, even prior to 2018. When services were charged, the Village process for reimbursement was decentralized; relying on each department to bill events and subsequently, refund the appropriate line item in the individual department budget. This ad hoc approach simply meant that most departments did not charge for services and when they did bill the event organizers; they did not follow up to ensure payments were made or that costs were allocated appropriately.

The Board's direction during the FY2018 budget process was to capture all Village costs associated with producing special events complimented the long term goal of the Village Manager's Office to ensure that the Village was effectively and efficiently managing the special event process to ensure that event planners had met all public safety and operational requirements, had the proper permits in place before the event and were utilizing Village services appropriately.

To achieve the goal of balancing fiscal integrity with public safety and operational effectiveness, an internal operations team was established in May of this year by the Village Manager to ensure consistent communication with the Village Clerk, who by Code issued all special event permits when recommended by the Special Events Committee - who is selected by the Village Manager pursuant the Village Code and chaired by the Village Clerk.

The focus of the internal operations team was to ensure that Village resources were appropriately utilized and to provide the Finance team with a more consistent communication loop which allowed for better tracking and billing of costs. The Village Manager also assigned the task of managing the internal operations team to the Assistant Village Manager.

The key issue the Village has struggled with has been the cultural change for event organizers who have come to expect that Village services will be supplied at a low or no cost. Introduced for the first time to the full costs of Village services such as police and parking, has been a difficult fiscal transition for most event planners. Key to the concern expressed by most event planners has been what they felt was what was perceived as a lack of communication on the changes in the past practices and the totality of the fees included. The most concerning issue to most event planners was the addition of parking and right of way fees.

In researching similar communities, such as Naperville and Glenview, the Village can be comfortable that their desire to recapture 100% of the costs is the norm and is the best practice. Larger communities also recapture fees at the same rate while some communities with special revenues such as gaming, have offset expenses with a grant process for special events or have used TIF funds when appropriate. The Village, with its limited financial resources is appropriate when asking events to pay for services.

The discussion regarding fees is timely as event planners will soon begin to budget for their 2019 events. With

this in mind, we have begun planning for the 2019 events permitting season as well. Working in tandem with the Village Clerk, the operations team has begun designing a fall workshop for event planners. The special event teams have also started discussion on the potential of creating communication tools for event planners and partner agencies and updating the application process via online access to the application. Additionally, the teams are reviewing the ordinance language to offer event planners more clarity in expected costs.

The recommended ordinance eliminates right-of-way obstruction fees and related parking fees for special events and provides a process for sponsors who have paid such fees in 2018 to receive a credit for those costs in 2019. In addition, reimbursement of the costs of Village staff (e.g. police, fire, and public works) will be ramped up in 2018, 2019 and 2020 with the Village waiving 30%, 20% and 10% of the costs each year respectively. The Village will credit any 2018 fees paid by a special event sponsor which are eligible for a waiver toward the same event in 2019.

Alternatives

The Village Board could elect to refer this matter to the Finance Committee for additional review and discussion. Alternatively, the Board could take no action and maintain status quo which would require all fees established in the Village Code to be charged.

Previous Board Action

The Village Board amended the Village Code related to special event fees on December 11, 2018.

Citizen Advisory Commission Action

N/A

Anticipated Future Actions/Commitments

Should the Village Board approve the request to waive fees, staff will begin working with the appropriate event planners for waivers and credits as applicable.

Intergovernmental Cooperation Opportunities

N/A

Performance Management (MAP) Alignment

N/A