

ADMINISTRATIVE REPORT

Date: July 3, 2001
Author/Local: M. Honey/local 6447
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TO: Vancouver City Council

FROM: General Manager of Engineering Services, in consultation with the Manager of the Park Board, Manager of Vancouver Fire & Rescue Services, and Chief Constable

SUBJECT: Celebration of Light Fireworks Festival

RECOMMENDATION

- A) ***THAT Council approve additional funding of \$385,250.00 to the operating budgets of the Departments listed in this report to cover direct City costs for the Celebration of Light Fireworks Festival; funding to come from contingency reserve.***
- B) ***THAT Council approve the Celebration of Light as a civic event for 2002, with estimated costs to be included as part of the 2002 operating budget.***

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of A & B.

COUNCIL POLICY

On Feb 20, 2001 Council deemed a summer fireworks event to be a civic event and agreed that, if certain conditions were met, the City would cover direct City costs to put on the event.

PURPOSE

The purpose of this report is to update Council on the formation and structure of the Vancouver Fireworks Festival Society, and to identify for Council the direct City costs that will be incurred by the Celebration of Light, a four-night fireworks display similar to the

Symphony of Fire.

BACKGROUND

The Symphony of Fire has been a very popular four-night summer attraction in this city since it began in 1990. It was the largest annual event in the City of Vancouver and promoted as the largest offshore international fireworks competition in the world, enjoyed by 1.6 million people annually. Late last year, after Benson & Hedges announced that it would no longer sponsor the Symphony of Fire events in three Canadian cities, a number of individuals and corporations appealed to the City to help save this popular event. At a February 20th meeting, Council approved the following:

“That Council deem a summer fireworks event similar to the Symphony of Fire to be a civic event, and to cover direct City costs, on condition that private sponsors be secured to fund the rest of the event;

That a not-for-profit society be established to secure corporate sponsorship and organize the production of a summer fireworks event; that the structure and composition of that Society be satisfactory to the Director of Legal Service and the City Manager;

and

That staff report back on the final details and cost estimates to provide city services for the event for inclusion in the 2001 operating budget, as well as identify all possible sources of funds to cover those costs, including Tourism Vancouver.”

DISCUSSION

After Council’s February 20th, 2001 decision to support an annual fireworks event by covering direct City costs a number of individuals and organizations met with potential new sponsors, and on Thursday, May 31st an announcement was made that the “Celebration of Light” would be held on July 28th, August 1st, 4th & 8th, thanks to a partnership of public and private sector organizations.

As well as the City’s commitment to the event, the sponsors include HSBC Bank(\$400,000) and BC Hydro (\$400,000), the BC Lottery Corporation (\$150,000), Tourism Vancouver (\$100,000) and Concord Pacific (\$50,000 plus parking lot revenues). Media and promotional support valued at more than \$300,000 has also been secured. All sponsors have agreed to

support the Celebration of Light for at least a two year period, and it is therefore

recommended that Council approval and support for the event be extended to the same time - frame. The Vancouver Fireworks Festival Society has a six-member board that is chaired by Pacific Newspaper Group Chairman Dennis Skulsky and includes representatives from the two major sponsors and Tourism Vancouver. The Deputy City Manager, although not a formal board member, represents the City's interests.

Since the May 31st announcement a project manager has been hired to coordinate the event and the producer of previous Symphony of Fire events has been retained to handle the technical aspects of the fireworks. South Africa, China and Spain will compete in this year's inaugural Celebration of Light fireworks competition. City staff have been working with the Vancouver Fireworks Festival Society to insure that issues such as licensing and insurance are dealt with to the satisfaction of the City Manager and the Director of Legal Services. The Vancouver Park Board and City Departments involved in the actual presentation of the event have been reviewing operational plans and reallocating existing resources to provide the necessary level of service at reduced costs.

The first Fireworks event was held in 1990. From 1990 till 1999, all direct City costs associated with the event were billed to and paid by the sponsors. These costs include Traffic, Electrical and Sanitation Operations, Park Board, Police and Fire services. In 2000, City costs for the Symphony of Fire totalled \$374,077.52. Of this amount, \$238,379.77 was charged to the sponsors, and Council agreed to absorb \$135,697.43 in additional policing costs associated with the Symphony of Fire event, specifically costs for policing off site locations to deal with the extra crowds in the downtown.

Here is a breakdown of the estimated City costs for the 2001 Celebration of Light:

Park Board - \$30,100.00.

This amount reflects unavoidable overtime hours, primarily sanitation, and equipment rentals, such as fencing, directly related to the fireworks. Although this estimate is \$1,600.00 more than last year's bill, it actually reflects a reduction of \$8,400.00, brought about by rescheduling regularly deployed staff to Fireworks duties by foregoing regular scheduled work in the park. This amount reflects the loss of \$10,000 from the Park Board global budget through the loss of vendor sales commissions which they earned from previous fireworks events; as the Fireworks Festival Society will receive 100% of the profits from concessions to assist with their operating costs.

Engineering - \$18,150.00.

Traffic Operations - \$13,000.00; Sanitation Branch - \$4,450.00; Electrical Operations - \$700.00. All Engineering Departments involved have absorbed some costs and re-allocated resources to reduce costs from last year by almost 50%. Special Event Office staff hours are not charged, as they are supported by Film Industry fees.

Fire & Rescue Services - \$2,000.00

A change in training schedule and deployment adjustments have resulted in a significant reduction in costs for the 2001 event.

Police - \$300,000.00

Police have not been able to reduce their costs from last year, although they are absorbing all administration and equipment costs. Because of a change in policy regarding reconciliation time (the time owed by officers to the department due to the 11 hour shifting formula, approximately 75 hours per year per officer), all extra policing for events is done on an overtime basis. In past years, these 'owed' hours were used to provide extra police for events like the Symphony of Fire. Approximately one half of the policing provided last year was at no extra cost; however, those hours are now being used to provide Prime BC training for police, and no 'extra' owed time hours are available this year. Police costs include overtime rates for sworn officers (130 additional officers added to the 30 on duty normally in the West End, 10 extras in Kitsilano) as well as E-Comm, Marine Squad and Traffic Authority costs.

Other City Departments

Staff costs in Legal Services, Risk Management and other Departments will be absorbed.

*Estimated City Costs - \$350,250.00** (no GST applicable)

*Contingency - \$35,000.00**

Total Commitment \$385,250.00

*Due to some of the uncertainties around the City's new role in this event it is recommended that a 10% contingency be included in the budget.

CONCLUSION

Council's initiative in approving the Fireworks Festival as a civic event and committing to providing sponsorship in the form of funding for direct City cost has proven to be the catalyst needed to preserve this unique and popular event for Vancouver. As well as providing an

exciting event for hundreds of thousands of Vancouver citizens and visitors, the annual Fireworks Festival generates more than \$13 million in visitor spending, \$10 million in wages and salaries and more than \$6 million in provincial and federal tax revenues.

This report recommends that Council approves the funding for direct civic costs as outlined for the 2001 event and extend approval of the Festival as a civic event for 2002 with costs to be included in the 2002 annual budget.

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General Mgr./Dept. Head:	Report dated: July 3, 2001
_____	Author: Muriel Honey
Date: _____	Phone: 871-6447
	Concurring Departments
This report has been prepared in consultation with the departments listed to the right, and they concur with its contents	Park Board
	Police
	Fire
