



Agenda Cover Memorandum

Meeting Date: September 23, 2013

Meeting Type: COW (Committee of the Whole) City Council Budget Workshop

Item Title: Extension of Contract with Taste of Park Ridge, NFP, Inc for the 2014 Event

Action Requested:

Approval

For discussion

Feedback requested

For your information

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Information:

2013 Event:

The City completed an RFP process and awarded a service contract with the Taste of Park Ridge, NFP, who organize and run the event. The contract was a one year contract with possible extension up to two years (2013 and 2014), if agreed by both parties. Both parties agreed to an extension for the 2013 event.

Under the terms of the service contract, the city invoices the TOPR for actual expenses incurred for the use of city services. The City invoiced the TOPR \$15,954.81 for city services on August 14, 2013. TOPR prepaid 50% of city services based upon an estimated amount before the special event permit was issued. The remaining balance was paid by TOPR one week after invoice. By way of comparison, for the 2012 event TOPR was invoiced and paid \$17,617.59 for city services.

Another component of the services contract benefits the City by way of a revenue sharing, if and when the internal fund balance of the event exceeds \$100,000. This information is verified and supported by providing financial records for the event, 90 days after the event, that follow standard accounting practices. TOPR met this requirement and the P&L report for the 2013 event is attached. You will see that the 2013 event generated a Net Income of \$4,546.89. That compares to a loss of over \$10,000 for the 2012 event. As a result, there will be no revenue sharing proceeds for the 2013 event.

2014 Event:

The TOPR is interested in extending the services contract for the 2014 event. I recommend that the Council extend the services contract for the 2014 event. For the 2013 event, the Council approved amending the services contract to remove the letter of credit requirement and reduce the per occurrence general liability coverage from \$2 million to \$1 million. TOPR is making the same request for the 2014 event. I recommend the Council approve the removal of this requirement for the 2014 event, as removal of these two items would be consistent with other events in the city.

If consensus is reached, these items would be placed as action on the October P&R COW agenda.

Attachments:

- Taste of Park Ridge services contract & 2013 Amendment
- Statement of Revenues and Expenses, 2013 Taste Event

TASTE OF PARK RIDGE NFP
Statement of Revenues & Expenses
Income Tax Basis
For the Period Ended August 31, 2013

	<u>8 Months Ended Aug. 31, 2013</u>
Income	
Vendor fees	10,025.00
Sponsorship revenue	34,025.00
Ticket revenue	272,018.61
Vendor payouts	<u>(180,945.00)</u>
Total Income	135,123.61
Cost of Goods Sold	
Supplies	1,591.71
Entertainment	15,100.00
Kiddie rides	2,800.00
Ice, water & beverage	15,954.22
Portable restrooms	2,495.00
Stage rental	10,700.00
City services	17,954.81
Electrical	7,117.59
Banners & signs	2,707.93
Equipment rental	18,723.26
Security	2,437.49
Grounds maintenance	5,489.48
Storage costs	880.00
Tickets	<u>4,123.29</u>
Total Cost of Goods Sold	108,074.78
Gross Operating Profit	27,048.83
Expenses:	
Telephone	5,183.06
Office supplies	1,034.90
Postage	133.36
Internet	1,980.00
Printing and copying	182.06
Licenses & permits	125.00
Insurance/liquor liability	600.00
Insurance/liability	2,018.50
Insurance - other	2,218.00
Supplies	49.67

Repairs & maintenance	800.75
Advertising & Promotion	3,749.68
Fest meetings	583.96
Travel expenses	705.40
Gifts	76.50
Contributions	1,200.00
Professional services	<u>1,961.00</u>
 Total Expenses	 <u>22,601.84</u>
 Net Operating Income	 4,446.99
 Other Income (Expenses)	
Interest income	<u>99.90</u>
 Total Other Inc/Exp	 <u>99.90</u>
 Net Income (Loss)	 <u><u>4,546.89</u></u>