



## CITY COUNCIL ACTION REPORT

December 13, 2006

TO: The Honorable Mayor and City Council  
FROM: Phillip L. Nelson, City Manager  
SUBJECT: Troy Daze Festival

### Background:

- At the December 3<sup>rd</sup> meeting, several members of the Troy Daze Advisory Board submitted their resignations.
- Mayor Louise Schilling suggested that a solution to challenges addressed by the former members of the Troy Daze Advisory Board could be worked out through discussions between the parties.
- Former members of the Troy Daze Board contacted Council Members Wade Fleming and Dave Lambert to meet and discuss the future of the Festival. At that meeting it was suggested that the members meet with Mayor Schilling for continued discussions.
- Former members of the Troy Daze Board stated that they can now obtain affordable insurance coverage, and suggested that the operation of the Festival be returned to a newly formed private organization.
- As history, in 1988 the Troy Daze Committee (a private organization) asked the Troy City Council to take over operations of the Troy Daze Festival, as the committee could not get affordable insurance coverage to continue the Festival.
- Since 1988, the Festival has been conducted under the auspices of the City of Troy, meaning that Troy assumed all fiduciary and liability obligations associated with the Festival.

### Financial Considerations:

- Return of the operation to a private committee would save the City of Troy an estimated \$197,000 in budgeted expenditures.

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- Conversely, the 2006-2007 budget indicates the Troy Daze Festival would generate approximately \$180,000 in operating revenues. Consequently, the City of Troy could eliminate the possibility of operating losses from the budget.
- By not having to be in on the planning, marketing, public relations and other ancillary functions that are performed by staff, the City of Troy could save hundreds of personnel hours and resultant monetary costs.

## Legal Considerations:

- If the Festival is to be held on City-owned property, adequate liability insurance coverage as determined by the City of Troy has to be obtained by the sponsoring agency, naming the City of Troy as an additional insured party for the Festival.
- The Troy City Council will set the hours of operation and other measures as indicated in Chapter 26.17 et. seq. of the Municipal Code to better ensure safety and security for the surrounding houses and businesses to the Festival site.

## Policy Considerations:

- Returning the Troy Daze Festival to private sponsorship could give more of a volunteer ownership feel to the Festival.
- Private ownership does away with City of Troy mandates such as bidding for contracts; financial oversight by bonded agents; and, general authority over security operations.
- Due to the fact that the size and scope of the Festival is significantly larger than any other use of any park facilities, special processes will have to be implemented to provide for use of park facilities and equipment.

## Options:

- The Council can return ownership of the Festival to a private sector group.
- The Council can maintain sponsorship of the Festival under the auspices of the City of Troy.