

Performance Audit

**CITY
SPECIAL EVENTS
COST RECOVERY**

Report by the
Office of City Controller

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February 2008



MICHAEL E. LAMB

CITY CONTROLLER

First Floor City-County Building 414 Grant Street Pittsburgh, Pennsylvania 15219

February 29, 2008

To the Honorables: Mayor Luke Ravenstahl
and Members of Pittsburgh City Council:

The Office of City Controller is pleased to present this performance audit of *City Special Events Cost Recovery*, conducted pursuant to the Controller's powers under Section 404(c) of the Pittsburgh Home Rule Charter. This is a follow up to an audit released by the Controller in 1998.

EXECUTIVE SUMMARY

Each year, hundreds of organizations and individuals apply for permits to hold Special Events throughout the City. Special Events are activities which are held on property maintained by the City, on a City street or sidewalk that will likely obstruct that street or sidewalk or on any other property that requires City services over and above that which the City routinely provides.

The controlling ordinance for Special Events is found in Title 4, Article XI, Chapter 470 of the Pittsburgh Code. Administrative regulations implementing Chapter 470 are available for download on the City website. The regulations describe the permit application process, whether a permit or insurance is required and whether an application fee and cost recovery fees are applicable. The City's special event permit process is multi-departmental, depending on the type of event and City services needed.

Previous audit findings addressed the lack of uniformity in cost recovery billing and the City's failure to pursue and collect outstanding arrears from event sponsors. The main objectives of this audit are to assess cost recovery for arrears from major special event sponsors and to assess compliance with current special event permit and cost recovery guidelines.

Findings and Recommendations

Decentralized Special Events Records

Finding: There is no central location for completed special event files. The City Special Events Coordinator's (SEC) files are limited to the event application, copy of the special event permit and record of application fee payment. Information about departmental costs and cost recovery is to be kept by the applicable City department. The Budget Office keeps its own files for major events like the Regatta and Three Rivers Arts Festival.

Recommendation: The Budget Office should keep a cost recovery master file for all major special events. The file should contain permit payment information and all other cost recovery information. This centralized system would expedite cost recovery reviews by the Special Events Committee as well as by internal auditors.

Recommendation: Any department sending invoices and receiving payment for special event cost recovery should maintain a copy of the billing invoice or memo and a copy of the check or other payment verification for file. This will provide a payment history that can be checked against the files kept by the Budget Office and a payment history for those events not kept by the Budget Office.

Permit Issue and Fee Paid Dates

Finding: All applications requiring an application fee paid the \$125.00 fee. However, some permits were prepared before the permit fee was received. The permit date on 30 or 33% of the 92 permits was prior to the fee paid date. The majority of permits (67% or 62 permits) were dated after the permit fee was received.

Finding: Sponsors of small community events often send in special event permit applications without the permit fee. The SEC stated she sometimes prepares the permit ahead of time but doesn't mail it until the fee is received. The auditors could not confirm when the permit was mailed but all permits in the testing sample had been paid for.

Compliance with Estimated Costs Billing and Payment Requirement

Finding: Event sponsors are not paying upfront estimated costs as required by Section 470.06 of the City Code.

Finding: The Code requires that "Payment in full of this estimated cost recovery amount must be made to the City at least four (4) days before the Event is to begin or the permit will be revoked". The auditors found no permits revoked for not paying estimated costs.

Finding: Not all City departments are invoicing event sponsors for estimated costs. The Bureau of Police invoiced event sponsors of the 2006 St. Patrick's Day Market Square Activities, 2006, 2007 Regatta and Grand Prix and 2006 Arts Festival before the event date. The Bureau of Emergency Medicine (EMS) does not pre bill on a regular basis. EMS has no mechanism to issue a refund if the estimate is higher than actual costs. The Bureau's decision to invoice estimated costs largely depends on whether the event is one-time or ongoing. Budget Office files indicate that the Department of Public Works sent a cost estimate for 2006 St. Patrick Day services.

Recommendation: EMS special event personnel should confer with the Budget Office about the procedure for issuing refunds to event sponsors. From Police special event files, it appears that a memo to the Budget Office that an event sponsor overpaid is sufficient for issuing a refund.

Outstanding Arrears and Failure to Bill

Finding: The City has failed to collect all outstanding arrears from event sponsors. Two of the special events cited in the Controller's previous audit for owing significant arrears (the Marathon and South Side Summer Street Spectacular) are now defunct. The last Marathon was held in 2004 and last Street Spectacular occurred in 2003.

Finding: Information from Budget Office files indicates that on August 15, 2000, the then Finance Director sent a letter to UPMC exonerating them of past due and future cost recovery owed for the Marathon in deference to their payment in lieu of taxes (P.I.L.O.T). The total UPMC marathon exoneration was \$179,645.75.

Recommendation: Although the above cost recovery exoneration appears to have been a one time occurrence, City Administration must make sure this does not happen again. City Administration must not negotiate separate agreements with sponsors of special events who make P.I.L.O.T. payments.

Finding: As of 2006, the Three Rivers Arts Festival and Vintage Grand Prix were current on all cost recovery invoices issued since the prior audit. However, Three Rivers Arts Festival arrears are the same today as in 1997: \$34,668.40 while Vintage Grand Prix arrears have been reduced by 40%.

Finding: It appears that no cost recovery invoices were sent to sponsors of the Three Rivers Arts Festival, Regatta, Grand Prix in 2002, 2003 and 2004 or South Side Summer Street Spectacular in 2002 or 2003, essentially giving these events a 'free ride' on cost recovery. Even with three years of no cost recovery, these sponsors did not pay off past arrears.

Finding: An injunction prohibiting the City from charging fees for police protection at public events is a possible reason for why the 2004 Arts Festival and Grand Prix were not

invoiced for special event costs. A letter from a Regatta official to one of the Deputy Mayors thanking the Deputy Mayor for his "commitment on May 15, 2002 to waive all past and future recovery costs for the Pittsburgh Three Rivers Regatta." could be the reason why no cost recovery invoices were sent to Regatta sponsors in 2002, 2003 and 2004.

Effectiveness of New Cost Recovery Regulations

Finding: The City's current Special Events Permit Regulations provide uniformity in the cost of services billed by the City. The requirement that event sponsors pay estimated costs prior to the event is a good way to prevent the arrears of past events. The auditors' limited testing indicates not all departments are sending estimated cost invoices to event sponsors.

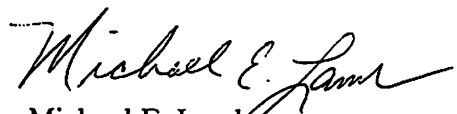
Recommendation: All departments providing services that are eligible for cost recovery should adhere to the estimated billing requirement. In the alternative, the controlling ordinance and administrative regulations should be rewritten to give departments the option to bill event sponsors for estimated services. Making estimated billing optional would allow all departments to be in compliance with the ordinance and regulations.

Finding: The current \$3,000.00 cost recovery and permit application fee cap for parades lasting over 2 hours on a weekend or City holiday may be too low. For example, the City's cost recovery services for the 2006 St. Patrick's Day Parade totaled \$11,970.23, yet the parade organizers could only be charged \$3,000.00.

Recommendation: The Budget Office should review the City's costs for the 2005, 2006 and 2007 St. Patrick's Day and Macy's Thanksgiving Day Parades to determine how much the City's costs were in excess of the \$3,000.00 cost recovery cap. A similar analysis should be done for the other parade caps in the City Code. Based on these analyses, the Administration should consider asking City Council to raise the parade fee caps to better cover the City's costs.

We are pleased that the Administration agrees with many of the audit's recommendations to improve special events cost recovery.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Lamb". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael E. Lamb
City Controller

INTRODUCTION

This performance audit of the City's Special Events Cost Recovery was conducted pursuant to section 404(c) of the Pittsburgh Home Rule Charter. Generally accepted government auditing standards established by the federal General Accounting Office were followed. This audit is a follow up to an audit issued by the Controller in 1998.

OVERVIEW

Each year, hundreds of organizations and individuals apply for permits to hold special events throughout the City. According to the Regulations implementing Chapter 470 of the City Code, special events include "a parade, public assembly, performance, meeting, contest, exhibit, athletic competition or presentation, community event, block party or ceremony" which is to be held wholly or partially on property owned and maintained by the City, on a street or sidewalk located within the City that will likely result in obstruction of that street or sidewalk or on any other property but requires City services "over and above that which the City routinely provides".

The special event permit process is multi departmental, depending on the type of event and the City services needed. Special event permit applications and regulations including fee information are available online from the City's internet website.

Previous Audit Findings

Previous audit findings addressed the lack of uniformity in the cost of services billed for by the City and the City's failure to pursue and collect outstanding arrears from event sponsors.

In 1987, the City attempted to implement a sliding scale cost recovery rule that would incrementally increase the percent of City services that special event sponsors would be charged for from 20% to 80%. However, the reimbursement figure never rose above 40% and in 1990 the reimbursement amount was dropped to 30% for the Marathon and Grand Prix. Arrears from prior events kept piling up and by the end of the audit scope period (1987-1997) organizers of the Three Rivers Arts Festival, the Regatta, the Marathon, the South Side Summer Street Spectacular and the Vintage Grand Prix owed the City \$396,140.40.

The audit recommended that the billed amount should be due and payable immediately, thirty days net cash, with appropriate monthly interest charges attached after those 30 days and the City's intent to pursue appropriate legal action if necessary.

Current Special Event Guidelines

Current special event guidelines provide uniformity in billing and attempt to prevent cost recovery arrears by requiring the event sponsor to pay estimated City costs prior to the event.

Controlling Legislation and Guidelines

The controlling ordinance for Special Events is Chapter 470, Permitting of Special Events, of the Pittsburgh Code. This amendment to Title Four, Public Places and Property, Article XI, Parks, Playgrounds and Special events, was passed by City Council on October 12, 2004 with an effective date of October 25, 2004. (Although City Council amended the Code to add a new Chapter 471 entitled Permitting of Special Events, the new chapter was finally codified as Chapter 470.)

Administrative regulations implementing Chapter 470 are available for download from the City's website. These regulations apply to all special events in the City and may be updated annually by the Mayor.

Pursuant to the ordinance and regulations, the City is authorized to charge certain application and cost recovery fees in conjunction with Special Events. City Council determines the annual fee schedule for Special Events. Fees include the application fee and cost recovery fees for Police, Public Works and Emergency Medical Services. Council last updated the fee schedule in July 2005. A copy of the current regulations and fee schedule can be found in the Appendix.

Event Categories

Special Events include activities such as parades, community events, contests, exhibits, public assemblies and performances which are wholly or partially held on property maintained by the City, on a City street or sidewalk that will likely obstruct that street or sidewalk or on any other property but requires City services over and above that which the City routinely provides.

Event type determines if an event qualifies as a Special Event, whether a permit or insurance is required and whether an application fee and cost recovery fees are applicable. Permit, insurance and all fee requirements are waived for First Amendment protest activity that does not block a sidewalk, close down a street or is held on the front portico of the City County Building. This type of activity is not considered to be a Special Event. Examples would be anti-fur leafleting in front of a fur store or an issue driven rally gathering in the City County Building portico. Events in the other categories are considered Special Events.

Larger First Amendment or Public Assembly activities that block a street or sidewalk require payment of an application fee unless an indigency waiver applies. The application fee is waived if the applicant submits the Notarized Indigency Affidavit that is included with the application. The Affidavit states that “the costs to be imposed by the City for this Event exceed the available resources” of the applicant organization/sponsor.

Cost recovery fees for City services may apply. If cost recovery fees apply, the first \$750 of City services is provided at no charge and the City and sponsor split any remaining costs unless an indigency exception applies. Insurance and indemnification is generally not required. A permit is needed for these type events such as anti-war protest marches and the annual St. Patrick’s Day Parade. Per ordinance, parade cost recovery charges and permit application fee charges are limited to \$3,000. The Budget Office prorates any departmental charges against the \$3,000 and then distributes the money as a percentage of the department’s total cost.

Block party and community events require permits. Sponsors must pay an application fee and half the cost of City services remaining after the first \$750 of services is waived. Community parades and all other parades have permit fee and cost recovery caps set by ordinance. Community event sponsors must obtain a permit but insurance and indemnification is generally not required. There is no indigency waiver for these events. (The regulations do require general liability insurance if the event involves animals, fireworks, automobiles or other land, watercraft or aircraft vehicles or the sale of food.)

Generally, rallies involving more than 25 people need a permit and, absent an indigency waiver, sponsors must pay event application fees. The first \$750 of City services is provided at no charge and the sponsor pays half of the remainder. Insurance and indemnification is generally not required. An example of this type event is a protest rally on Flagstaff Hill.

The last event category includes Non-First Amendment Activity such as festivals and athletic events and multi-day large Special Events such as the Regatta and Three Rivers Arts Festival. These events require a permit, insurance and application fees and full cost recovery. Basic Department of Public Works and Public Safety costs are determined by City Council. As required by the Fraternal Order of Police collective bargaining agreement, there is a four hour minimum requirement for all police officers.

With the exception of Emergency Medical Services (EMS) and Department of Public Works (DPW) costs, all cost recovery monies are deposited into the City’s General Fund. EMS recovery monies are deposited into a separate EMS Special Events Account and DPW recovery monies are deposited into the department’s Impress Fund.

Finding: City Administration has adopted one of the recommendations made in the Controller’s prior Special Events Cost Recovery audit, i.e., that sponsors of large events are responsible for paying 100% of cost recovery.

Special Events Application Process

All Special Event applications are sent to the Mayor's Special Events Committee for processing. Not all events held in the City automatically require a Special Event Permit. A phone call to the Mayor's Office will provide guidance as to whether a permit is needed. All events that call for a permit require a \$125 application fee (non-refundable) unless an indigency waiver applies. The regulations are clear that this requirement is a quid pro quo for obtaining a Special Event Permit: "Permits will not be issued until payment has been received". To obtain the waiver, the event sponsor submits a notarized affidavit of indigency with the event application. Insurance requirements and additional fees for cost recovery also may be applicable.

A fully completed and signed application should arrive at the Special Events Committee at least fourteen days and not more than 180 business days prior to the first day of the event. (Applicants must provide a site plan, clean up plan, etc.) Some special events will require additional fees for City services if the services are beyond what the City routinely provides such as regularly scheduled trash pickup. There is a section in the application to request specific City services from the Police, and Fire Bureaus, EMS and Public Works.

The City's Special Events Committee meets every Tuesday morning to determine the logistics/manpower needed for the services requested. Attendees include representatives from the Mayor's Office, Police, EMS, Fire, Public Works, Engineering and Construction, Citiparks and Port Authority. If the event warrants it, traffic control or other department of public safety or public works services are included in the cost recovery calculations.

Based on the information in the application, each department or bureau is to estimate the costs of services that will be provided and invoice the event applicant. Section VII (b) of the regulations requires that these estimated costs be paid in full at least four days prior to the event. The regulations also allow the City to assess additional costs for litter and refuse collection to the extent that the applicant fails to meet its obligations as set forth in its required Clean Up Plan. Payment is to be sent to the invoicing department. In case of overpayment for cost recovery, a refund is issued after the event.

Prior to October 25, 2004, payment for City services was made by the event organizer after the event. Payment was due and payable within thirty days and no longer than ninety days following the conclusion of the event or upon invoicing by the City of Pittsburgh Department of Finance. There was no penalty for failure to pay and arrears accumulated. This new pay up front or no permit system was designed to prevent the cost recovery arrears of the past.

OBJECTIVES

1. To assess compliance with current special event permit and cost recovery guidelines.
2. To assess the City's cost recovery efforts for arrears from past major special events.
3. To assess the effectiveness of current cost recovery procedures.
4. To assess the effectiveness of current special event regulations.
5. To make recommendations for improvement.

SCOPE

Audit scope is limited to arrears accrued from 1987 through 1997 by the South Side Summer Street Spectacular, Vintage Grand Prix, Three Rivers Arts Festival, UPMC/City of Pittsburgh Marathon and Three Rivers Regatta; the 2003 to 2007 St. Patrick's Day Parade, Three Rivers Arts Festival, Vintage Grand Prix and Regatta and a 21% sample of all 2006 and 2007 special events.

METHODOLOGY

The auditors had an initial meeting with members of the City Special Events Committee to discuss previous audit findings, the audit process and tentative audit scope. The City Special Events Coordinator and representatives of the Budget Office, Police Bureau, Law and Public Works departments attended the meeting.

The auditors requested arrearage payment information for the \$396,140.40 owed by organizers of the Marathon, South Side Street Spectacular, Three Rivers Arts Festival, Three Rivers Regatta and Vintage Grand Prix.

To test compliance with the new special event guidelines effective October, 2005, the auditors selected a random 20% sample of the 500 non major special event permit applications received by the Special Events Coordinator (SEC) in 2006 and 2007. These events ranged from church festivals, outdoor weddings and street festivals. The SEC keeps major special event applications in a separate folder. From this folder the auditors obtained permit applications for the 2006 and 2007 St. Patrick's Day Parade, Vintage Grand Prix and Three Rivers Regatta, the 2005, 2006 and 2007 Three Rivers Arts Festival and added them to the 100 other event applications. A checklist was developed to test compliance with application and permit issuance procedures.

To test compliance with new cost recovery procedures and to compare cost recovery before and after October 2005, the auditors requested payment and billing information for the following four major annual special events:

St. Patrick's Day Parade: 2003-2007
Pittsburgh Vintage Grand Prix: 2003-2007
Three Rivers Arts Festival: 2003-2007
Three Rivers Regatta: 2003-2007

Cost recovery information for the above events was requested from the Police, Emergency Medical Services and Public Works. The auditors also requested access to files kept by the Budget Office for these events.

FINDINGS AND RECOMMENDATIONS

Finding: There is no central location for completed special event files. The City Special Events Coordinator (CSEC) does not keep cost recovery information relating to special events. Her files are limited to the event application, copy of the special event permit and record of application fee payment. Information about departmental costs and cost recovery is kept by the applicable City department. According to the CSEC, the Budget Office keeps its own files for major events like the Regatta and Three Rivers Arts Festival.

RECOMMENDATION NO. 1:

The Budget Office should keep a cost recovery record beginning with permit application payment and all other cost recovery payments for major special events in a master file. This centralized system would expedite cost recovery reviews by the Special Events Committee as well as by internal auditors.

Application/Permit Issuing Compliance

All special events require a permit. First Amendment activity may or may not require a permit, depending on the event. To obtain a permit, current Special Event Application instructions and Permit Regulations require the applicant to submit a completed Special Event Permit Application form accompanied by a non-refundable application fee. The current fee is \$125.00 but is waived for applicants who qualify for an indigency waiver.

For events that require City services over those normally provided, the Special Event Regulations are clear about prepayment of estimated cost recovery. According to Section VII. Fees: Event Permit Application and Cost Recovery (b) “. . . payment in full for estimated cost recovery is required four (4) days before an Event is to begin”. The only exception is an indigency waiver. Absent an indigency waiver **“Permits will not be issued until payment has been received”**. These regulations are effective October 25, 2004.

Application Testing Findings

The Special Event Application instructs an applicant “prior to returning this Application to the Mayor’s Office” to “please attach a check or money order made out to ‘Treasurer, City of Pittsburgh’ in the amount of \$125.00, which is the 2007 application fee”. This application fee has not changed since 2005. This language implies that, absent an indigency waiver, permits will not be issued until the application fee has been paid.

The Special Events Coordinator stamps and writes the check number and date received on the front of the application and keeps a photo copy of the permit in the file. At the bottom of permit is the issue date. The auditors reviewed 107 2006-2007 Special Event applications.

Permit Application Fee Payment Compliance

Fifteen (15) Special Event permit applicants, representing 14% of the sample, received an indigency waiver and paid no permit application fee. The rest of applications (92 or 86%) were date stamped that the application fee had been paid.

Permit Issue Date and Fee Paid Date

Finding: All applications requiring an application fee of \$125.00 paid the fee. However, some permits were prepared before the permit fee was received. The permit date on 30 or 33% of the 92 permits was prior to the fee paid date. The majority of permits (67% or 62 permits) were dated after the permit fee was received.

Finding: Sponsors of small community events often send in special event permit applications without the permit fee. The SEC stated she sometimes prepares the permit ahead of time but doesn't mail it until the fee is received. The auditors could not confirm when the permit was mailed but all permits in the testing sample had been paid for.

The auditors selected four major annual special events (St. Patrick's Day Parade, Regatta, Grand Prix and Three Rivers Arts Festival) that are subject to cost recovery to determine if event sponsors were paying estimated costs as required by the new regulations. To compare cost recovery effectiveness before and after the new regulations, the auditors requested cost recovery information for 2003 through 2007.

Each department invoices the event sponsor for its departmental cost recovery. The auditors emailed Special Events Committee representatives from the Police Bureau, EMS Bureau and Department of Public Works and asked to review their cost recovery files for the above events and years. The auditors also reviewed the Budget Office's files for these events.

Cost recovery for the St. Patrick's Day Parade involves two events and two sponsors: the Irish Society sponsors the Parade and the Market Square Association sponsors the post-parade activities in Market Square. As per the Special Event Permit Regulations effective October 2004, the Irish Society's total cost for City services is capped at \$3,000.00. The Market Square Association's costs are based on actual City services provided.

Finding: Event sponsors are not paying upfront estimated costs as required by Section 470.06 of the City Code. Not all City departments are invoicing event sponsors for estimated costs.

Finding: The Code requires that “Payment in full of this estimated cost recovery amount must be made to the City at least four (4) days before the Event is to begin or the permit will be revoked”. The auditors found no permits revoked for not paying estimated costs.

Bureau of Police

Sponsors of major special events always request assistance from police officers for traffic and other public safety needs. Cost recovery fees are based on the officer’s rank and rate. There is a four-hour minimum requirement for all off duty officers assigned to a special event, as per union agreement. In addition, the Police add a 10% administrative cost recovery fee to the off duty officer costs. The Police Bureau does not charge event sponsors for on duty officers unless they are used for parades.

Before the new regulations were effective, cost recovery checks were issued to each officer working the special event on off duty detail. Because the City Code prohibits direct payments, as of March 2005, all cost recovery checks for Police services are made out to ‘Treasurer, City of Pittsburgh’. These payments are sent to the Police Special Events Office. Payments for major special events are forwarded to the Finance Department for deposit into the General Fund.

Finding: The Bureau of Police currently has three officers assigned to its special events division. The officers joined in 2005, 2006 and 2007. Of the three departments audited, the Police maintained the most complete records of special event billings and payments. The Police Special Events files did not contain billing and payment information for the following requested special events:

2004 and 2005	St. Patrick’s Day Parade*
2003 and 2004	Pittsburgh Vintage Grand Prix (PVGP)
2003, 2004 and 2005	Regatta
2003 and 2004	Three Rivers Arts Festival

However, the reason for missing information from 2003 and 2004 events could be that no invoices were sent. As noted on page 16 of the audit, it appears that no cost recovery invoices were sent to sponsors of the Three Rivers Arts Festival, Regatta or Grand Prix in 2003 or 2004.

*After October 24, 2004, cost recovery for the St. Patrick’s Day Parade could not exceed \$3,000.00. The Police and other departments providing services for the parade submit their costs to the Budget Office. If the total departmental costs exceed \$3,000.00, the

costs are pro rated against the \$3,000.00 and each department is allocated a percentage of the \$3,000.00.

Finding: As the following table indicates, some event sponsors are being sent estimated costs invoices in accordance with Section VII (b) of the Special Event Permit Regulations. The Police invoiced event sponsors of the 2006 St. Patrick's Day Market Square Festival, 2006, 2007 Regatta and Grand Prix and 2006 Arts Festival before the event date.

SPECIAL EVENT INVOICING AND PAYMENT INFORMATION Obtained From Police Special Event Files						
EVENT NAME	EVENT DATE	INVOICE DATE	INVOICE NUMBER	INVOICE AMOUNT	PAYMENT DATE	AMOUNT PAID
St. Pat Parade	3/15/03	3/19/03	Missing	\$ 4,417.54	3/20/03	\$ 4,417.54
St. Pat Parade Market Square	3/11/06	2/21/06	06-071	\$7,697.62	3/8/06	\$7,697.62
St. Pat Parade Market Square	3/11/06	Refund Memo*	N/A	N/A	N/A	N/A
St. Pat Parade Market Square	3/17/07	3/29/07	07-090	\$ 5,356.47	5/23/07	\$ 5,356.47
Pittsburgh Vintage Grand Prix (PVGP)	7/11/05	7/18/05	05-159	\$ 330.88	Missing	\$ 330.88
PVGP	7/15/05	7/18/05	05-160	\$ 992.64	8/2/05	\$ 992.64
PVGP	7/14/06	6/15/06	06-315	\$ 4,322.12	6/26/06	\$ 4,322.12
PVGP	7/13/07	6/19/07	07-603	\$ 3,995.85	7/17/07	\$ 4,295.85
Regatta	7/4/06	3/10/06	N/A	\$50,629.79	N/A	N/A
Regatta	7/4/06	3/25/06	05-264	\$45,294.00	6/1/06	\$22,650.00
Regatta	7/4/06	N/A	N/A	N/A	6/22/06	\$22,644.00
Regatta	7/4/07	6/14/07	07-569	\$ 1,906.23	6/15/07	\$ 1,906.24
Arts Festival	6/3-19/05	6/20/05	05-095	\$17,623.24	7/8/05	\$17,623.24
Arts Festival	6/2-18/06	5/10/06	06-223	\$19,877.80	5/31/06	\$19,877.80
Arts Festival	6/1-17/07	6/21/07	07-613**	\$ 7,205.92	6/29/07	\$ 7,205.92
Arts Festival	6/1-17/07	6/18/07	07-572	\$17,030.19	6/29/07	\$23,738.41

*Undated memo from Police to Budget Office that Market Square Association paid in advance and is owed refund of \$886.75.

**Invoice for crossing guard cost recovery.

Finding: Cost recovery information was complete in all Police special event files reviewed. One invoice (2003 St. Patrick's Day Parade) was undated. Information not found upon initial review of the files was later provided by Police special events personnel.

Bureau of Emergency Medical Services (EMS)

City Emergency Medical Services also bill on a regular basis for special event cost recovery. EMS services are not always requested by event sponsors but are provided at events where the need may occur. For example, medical emergencies often arise from the St. Patrick Day revelers in the Market Square area. EMS bills event sponsors per paramedic on an hourly basis with a minimum of four hours billed as per union contract. Additional costs are applied to ambulances and other equipment. Like other City departments, the EMS charges for the Parade are emailed to the Budget Office to be pro rated against the \$3,000.00 cost recovery cap.

EMS cost recovery monies are usually put into the bureau's own Special Event account, not the City's General Fund. From this Special Event account, funds are transferred into EMS' premium pay account which pays the paramedics' constant overtime. An exception was the 2003 Vintage Grand Prix and Regatta when the Mayor's Office billed and deposited any monies received into the General Fund.

Auditors were unable to access EMS' Special Event files because EMS did not have a master file accessible in one location. The request for Three Rivers Arts Festival invoicing data was not relevant because EMS does not cover the festival.

The auditors were told by the Division Chief in charge of special events that EMS does not pre bill on a regular basis because it is too hard to estimate costs. For example, one year the Pittsburgh Vintage Grand Prix was supposed to end at 4:00 P.M., but was extended to 7:00 P.M. because of rain. Another concern about estimated invoicing is EMS has no mechanism to issue a refund if the estimate is higher than actual costs.

RECOMMENDATION NO. 2:

EMS special event personnel should confer with the Budget Office about the procedure for issuing refunds to event sponsors. From Police special event files, it appears that a memo to the Budget Office that an event sponsor overpaid is sufficient for issuing a refund.

Finding: EMS' decision to invoice for estimated costs largely depends on whether the event is one-time or on-going.

According to the Division Chief, EMS is sometimes paid before the event. For example, EMS used historical costs to estimate costs for this year's Regatta which was a one day event. EMS may send an estimated services invoice to sponsors of first time events, with whom the City has no prior relationship. Because threatening to withhold next year's permit is not applicable to one time event sponsors, the sponsors have less incentive to pay after the event. Payment of estimated recovery costs from these promoters will ensure that the City recoups a good share of actual recovery costs.

The Division Chief provided copies of paid invoices for the 2003, 2005, 2006 and 2007 Vintage Grand Prix and Regatta. According to the Chief, since March, 2005, all special event sponsors have been paying cost recovery, although payment for the 2005 Market Square St. Patrick's Day festivities wasn't received until February 1, 2006.

Department of Public Works (DPW)

DPW charges sponsors of events an hourly rate for workers as needed to clean up, set-up barricades, drive trucks, etc. Equipment, such as barricades, bleachers, and stages are billed on a per diem basis.

DPW did not reply to the auditors' repeated requests for access to their Special Event billing and payment records. The auditors received one e-mail stating "FYI: Received in the mail today a check from the Vintage Grand Prix for services provided by DPW for the 2007 event".

Although the auditors could not access DPW special event information, from information in the Budget Office's files, it appears that DPW does issue estimated cost recovery bills. Budget Office files indicated DPW sent a cost estimate for 2006 St. Patrick's Day Parade services.

There is some inconsistency about where DPW's cost recovery monies are deposited. The Budget Office told us that DPW's cost recovery check for this year's (2007) Vintage Grand Prix was forwarded to the Budget Office by DPW and deposited in the General Fund. Prior cost recovery funds have been deposited in the department's Impress Fund. According to the City Controller's Accounting Manager, this fund is a non specific, omnibus account that can be used for discretionary purposes.

Office of Management and Budget

Auditors attempted to obtain the missing and inaccessible invoicing and payment information from OMB. OMB's Special Event files are organized by event name. The auditors reviewed the St. Patrick's Day Parade, Regatta, Vintage Grand Prix and Arts Festival files for invoicing and payment documentation for the Special Events in the audit testing sample.

Finding: The Budget Office files were missing billing and payment information for the following requested special events:

2003, 2004 and 2005	St. Patrick's Day Parade and Festival
2003, 2004, 2005 and 2006	Pittsburgh Vintage Grand Prix (PVGP)
2003 and 2004	Regatta
2003, 2004, 2005 and 2006	Three Rivers Arts Festival

As stated on page 16, it appears that no invoices were sent to sponsors of the 2003 and 2004 Grand Prix, Regatta and Arts Festival. This could be the reason for those years missing invoices.

Finding: As the following tables indicate, event sponsors sometimes are being sent estimated costs in accordance with Section VII (b) of the Special Event Permit Regulations.

COST RECOVERY PAYMENT INFORMATION From OMB Special Event Files							
EVENT NAME	EVENT DATE	INVOICE DATE	INVOICE NUMBER	INVOICE AMOUNT	PAYMENT DATE	AMOUNT PAID	DEPARTMENT REIMBURSED
St. Pat's Parade	3/11/06	3/9/06	Missing	\$3,000.00	Missing	\$1,050.00	All Departments
St. Pat's Parade	3/11/06	6/13/06 Memo	N/A	N/A	Missing from Memo	\$1,950.00	All Departments
St. Pat's Parade	3/11/06	N/A	N/A	N/A	N/A	\$ 328.42	DPW
St. Pat's Parade Market Square	3/11/06	3/9/06 Cost Estimate	N/A	\$4,981.58	N/A	No request for payment	DPW
St. Pat's Parade Market Square	3/11/06	3/21/06 Letter re: Actual Costs	N/A	\$3,280.42	8/3/06	\$3,280.42	DPW
St. Pat's Parade Market Square	3/11/06	2/21/06* Cost Estimate	N/A	\$7,697.62	Missing	\$7,697.62**	Police
St. Pat's Parade	3/17/07	3/15/07	Missing	\$3,000.00	6/8/07	\$3,000.00	All Departments

*Market Square Association was told "Payment must be received 4 days prior to the event or permit will be revoked".

**On 3/17/06, Police sent a letter to the Market Square Association concerning a refund of \$886.75 to be issued by the Treasurer's Office.

COST RECOVERY PAYMENT INFORMATION From OMB Special Event Files (Continued)							
EVENT NAME	EVENT DATE	INVOICE DATE	INVOICE NUMBER	INVOICE AMOUNT	PAYMENT DATE	AMOUNT PAID	DEPARTMENT REIMBURSED
PVGP	7/14/07	9/10/07	Missing	\$10,696.34	10/9/07	\$10,696.34	DPW
PVGP	7/14/07	10/4/07	7-603	\$ 4,295.85	7/17/07	\$ 4,295.85	Police
Regatta	7/1-4/05	6/20/05	05-144	\$46,217.80	6/28/05	\$29,525.61*	Police
Regatta	7/1-4/05	7/00/05	05-139	\$ 7,969.71	7/11/05	\$29,525.61*	EMS
Regatta	7/1-4/05	7/15/05	66705	\$ 1,486.00	6/28/05		Fire
Regatta	7/1-4/05	N/A	N/A	\$ 3,376.91	7/11/05		DPW
Regatta	7/1-4/06	5/25/06	05-264	\$45,294.00	6/1/06	\$22,650.00	Police
Regatta	7/1-4/06	N/A	N/A	N/A	6/22/06	\$22,644.00	Police
Regatta	7/1-4/06	5/25/06 Cost Estimate	N/A	\$14,939.00	N/A	No request for payment	DPW
Regatta	7/1-4/06	Missing	Missing	\$12,261.54	7/24/06	\$12,261.54**	DPW
Regatta	7/4/07	Missing	07-569	\$ 1,906.24	6/19/07	\$1,906.24	Police
Arts Festival	6/1-17/07	6/18/07	07-572	\$17,030.19	N/A	N/A	Police
Arts Festival	6/1-17/07	6/18/07	07-599	\$ 6,098.96	6/29/07	\$23,738.41	Police
Arts Festival	6/1-17/07	6/21/07	07-613	\$ 7,205.92	6/29/07	\$ 7,205.92	Police

*These two payments are payment in full for all Police, DPW, EMS and Fire 2005 Regatta cost recovery charges.

**Payment confirmed by email dated 7/24/06.

Finding: The Budget Office's special event files do not contain billing and payment information for all departments due cost recovery for that event. For example, the 2006 St. Patrick's Day Market Square festival, the 2007 Vintage Grand Prix file and 2006 and 2007 Regatta files had no EMS cost recovery information.

RECOMMENDATION NO. 3:

Any department sending invoices and receiving payment for special event cost recovery should maintain a copy of the billing invoice or memo and a copy of the check or other payment verification for file. All cost recovery information should be kept in a reasonably accessible place or format. This will provide a payment history that can be checked against the files kept by the Budget Office and a history for those events not kept by the Budget Office.

RECOMMENDATION NO. 4:

If the Budget Office is going to maintain files for major special events, cost recovery information for all departments providing services should be included in these files. Members of the Special Events Committee should ensure that this information is forwarded to the Budget Office. This would provide a centralized accessible location for cost recovery information.

Collection of Past Arrears

Finding: The City has failed to collect all outstanding arrears from event sponsors. Two of the special events cited in the Controller's previous audit for owing significant arrears (the Marathon and South Side Summer Street Spectacular) are now defunct. The last Marathon was held in 2004 and last Street Spectacular occurred in 2003.

Finding: Information from Budget Office files indicates that on August 15, 2000, the then Finance Director sent a letter to UPMC exonerating them of past due and future cost recovery owed for the Marathon in deference to their payment in lieu of taxes (P.I.L.O.T). The total UPMC marathon exoneration was \$179,645.75.

Cost Recovery versus P.I.L.O.T. Payments

The purpose of payments in lieu of taxes is to partially reimburse the City for the real estate tax it loses because the non-profit institution's property is tax exempt. Real estate tax is the City's biggest source of General Fund revenue which pays for the everyday public safety and public works services that benefit the entire City. On the other hand, special event cost recovery services are above and beyond those City services normally provided. It is unconscionable to equate a partial payment for daily City services as just compensation for special events cost recovery services.

RECOMMENDATION NO. 5:

Although the above cost recovery exoneration appears to have been a one time occurrence, City Administration must make sure this does not happen again. City Administration must not negotiate separate agreements with sponsors of special events who make P.I.L.O.T. payments for the reasons stated above.

Finding: According to information from the Budget Office, as of 2006, the Three Rivers Arts Festival and Vintage Grand Prix were current on all cost recovery invoices issued since the prior audit. However, Three Rivers Arts Festival arrears are the same today as in 1997: \$34,668.40 while Vintage Grand Prix arrears have been reduced by 40%

(\$30,427.80 to \$18,256.68). At the end of 2006, Regatta sponsors owed more than they did in 1997: \$291,201.34 versus \$261,945.00.

Failure to Bill

Finding: It appears that no cost recovery invoices were sent to sponsors of the Three Rivers Arts Festival, Regatta, Grand Prix in 2002, 2003 and 2004 or South Side Summer Street Spectacular in 2002 or 2003, essentially giving these events a 'free ride' on cost recovery. Even with three years of no cost recovery, these sponsors did not pay off past arrears.

According to the City Law Department, a possible reason that the 2004 Three Rivers Arts Festival and Grand Prix were not invoiced could be due to an injunction that prohibited the City from charging fees for police protection at public events. This injunction, effective October 2003, was the result of a lawsuit filed against the City by People Against Police Violence.

An October 25, 2002 letter from the Regatta Executive Vice President to one of the Deputy Mayors thanks the Deputy Mayor for his "commitment on May 15, 2002 to waive all past and future recovery costs for the Pittsburgh Three Rivers Regatta." This could be the reason why no cost recovery invoices were sent to Regatta sponsors in 2002, 2003 and 2004.

Effectiveness of New Cost Recovery Regulations

Finding: The City's current Special Events Permit Regulations provide uniformity in the cost of services billed by the City. The requirement that event sponsors pay estimated costs prior to the event is a good way to prevent the arrears of past events. The auditors' limited testing indicates that estimated billing is being done with some regularity by most City departments. However, not all departments are sending estimated cost invoices to event sponsors.

RECOMMENDATION NO. 6:

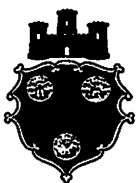
All departments providing services that are eligible for cost recovery should adhere to the estimated billing requirement. In the alternative, the controlling ordinance and administrative regulations should be rewritten to give departments the option to bill event sponsors for estimated services. Making estimated billing optional would allow all departments to be in compliance with the ordinance and regulations.

Finding: The current \$3,000.00 cost recovery and permit application fee cap for parades lasting over 2 hours on a weekend or City holiday may be too low. For example, the

City's cost recovery services for the 2006 St. Patrick's Day Parade totaled \$11,970.23, yet the parade organizers could only be charged \$3,000.00.

RECOMMENDATION NO. 7:

The Budget Office should review the City's costs for the 2005, 2006 and 2007 St. Patrick's Day and Macy's Thanksgiving Day Parades to determine how much the City's costs were in excess of the \$3,000.00 cost recovery cap. A similar analysis should be done for the other parade caps in the City Code. Based on these analyses, the Administration should consider asking City Council to raise the fees caps for parades to better cover the City's costs.



CITY OF PITTSBURGH

Department of Finance

Luke Ravenstahl, Mayor

Scott Kunka, Director

February 21, 2008

The Honorable Michael Lamb
City Controller
First Floor, City-County Building
Pittsburgh, PA 15219

Dear Mr. Lamb:

The Administration has reviewed the preliminary audit findings for the City's Special Events Cost Recovery. This letter serves as our reply to the recommendations.

- The Administration notes that most of the audit period covered prior administrations.
- It is also noted that the cost recovery of special events has been in fluctuation since an injunction was placed on the City between October 2003 and January 2006, in which the City's ability to collect certain cost recovery fees was affected.

Recommendation 1: The Administration disagrees that the Finance Department—Office of Management and Budget should keep a master file of all cost recovery information for major special events. The Finance Department—Office of Management and Budget has decentralized the billing of special events to the individual departments to reduce duplicate paperwork and to expedite the billing process.

Recommendation 2: The Administration agrees that EMS should develop a procedure for issuing refunds to event sponsors. However, a memo to the Finance Department—Office of Management and Budget is not the proper venue for such a refund. The Administration will meet with EMS to discuss aligning its refund procedures with other City departments to ensure uniformity.

Recommendation 3: The Administration agrees that any department sending invoices and receiving payment for special event cost recovery should maintain a copy of the billing invoice or memo and a copy of the check or other payment verification.

Recommendation 4: In the past, when the Finance Department—Office of Management and Budget was responsible for invoicing major special events, they maintained cost recovery files for each event. Since the decentralization of the billing process to the individual departments, the Finance Department—Office of Management and Budget has not maintained files for major special events and the Administration does not feel that it is necessary to keep duplicate paperwork.

Recommendation 5: The Administration agrees that separate agreements should not be negotiated with sponsors of special events and the current Administration has not participated in such negotiations. All sponsors of special events should be billed for cost recovery fees in a consistent manner.

Failure to Bill Finding – page 17: The City Law Department clarifies that although the injunction in the People Against Police Violence lawsuit included verbiage that the City was prohibited from charging for “police protection” at public events, such cost recovery fees are actually imposed to recoup costs for traffic control, not “police protection.”

Recommendation 6: While the Administration agrees that the billing protocol should track the subject ordinance, we also must treat all those seeking permits consistently to avoid any constitutional infirmities, particularly any allegations concerning unbridled discretion of decision makers. Therefore, we can either bill everyone ahead of time for estimated costs and give refunds as needed or bill everyone after events. The current ordinance language requiring billing ahead of time was included to try to better ensure that the City receives payment for services rendered.

Recommendation 7: The Administration will consider increasing the \$3,000 cap for cost recovery on parades. This would have to be accomplished by amending the ordinance. The Administration is currently in the process of updating the fee schedule for 2008, which is done via resolution. The Administration did perform an analysis of the parade costs in excess of the cost recovery caps for 2006, which was available to the auditors.

Sincerely,



Scott Kunka
Finance Director

APPENDIX



**SPECIAL EVENT
PERMIT REGULATIONS**

REGULATIONS IMPLEMENTING CHAPTER 471:

I. Purpose

The purpose of these Administrative Regulations, which may be updated annually by the Mayor, is to implement the provisions of Chapter 471 of the City of Pittsburgh Code of Ordinances. These Regulations apply to all Special Events held in the City and include information regarding the application procedure, bases for issuing permits, fees (application and cost recovery for City services), and the appeals process. Event sponsors are encouraged to contact the Mayor's Office at (412) 255-2641 for assistance in completing applications and/or to answer any questions that may arise.

II. Definitions

Definitions used herein shall be in addition to and/or consistent with those set forth in Chapter 471 of the City Code.

- (a) Applicant. "Applicant" refers to the person or group sponsoring or organizing an Event and applying for an Event permit required under Chapter 471 of the City Code (hereinafter "Chapter 471").
- (b) Athletic Competition. "Athletic Competition" means an event involving sports, games, or exercises which is reasonably anticipated to obstruct the normal flow of traffic on a public property or otherwise limit public access to public property. Examples include but are not limited to the Great Race, Grand Prix Rally, and Marathon.
- (c) "Barricade" A barricade is defined as a sawhorse, metal gate, barrel or other approved barrier set up by the City or as otherwise permitted in Chapter 471 or these Regulations as a warning device to block the passage of pedestrian and/or vehicular traffic from a particular designated area.
- (d) "Block party." A "block party" means an outdoor public event organized by the residents of a neighborhood or city block and held upon a city right-of-way for social or entertainment purposes. For purposes of this Chapter, it shall be limited to R-1 residential districts as defined in the Zoning Code.
- (e) Business day. "Business Day" refers to normal City of Pittsburgh work hours occurring Monday through Friday, excluding holidays.
- (f) CCB. "CCB" refers to the City-County Building located at 414 Grant Street, Pittsburgh, PA 15219.

- (g) City. "City" means the City of Pittsburgh.
- (h) Community Event. A "Community Event" is an annual one-day community or neighborhood event organized for the purpose of celebrating community arts, recreation or culture or to commemorate a holiday, seasonal, or special day to the community.
- (i) Cost Recovery. "Cost recovery" refers to administrative and departmental costs charged by the City to an applicant in conjunction with an Event permitted under Chapter 471 and these Regulations.
- (j) Event Permit. "Event Permit" means any written authorization issued as required by Chapter 471 and these Regulations that authorizes the performance of a specified act or acts on a street or other City property.
- (k) First Amendment Activity. "First Amendment Activity" includes all expressive and associative activity that is protected by the United States and Pennsylvania Constitutions, including speech, press, assembly, and/or the right to petition. For purposes of Chapter 471 and these Regulations, commercial advertising that is regulated by the Zoning Ordinance or elsewhere in the City Code is excluded from this definition.
- (l) Parade. "Parade" for purposes of Chapter 471 and these Regulations means a march, procession, organized movement, or motorcade consisting of persons, vehicles, or a combination thereof that is 1) held with an intent to attract attention; 2) takes place upon streets within the City or on streets within a City park; and 3) interferes or has a tendency to interfere with the normal flow or regulation of pedestrian or vehicular traffic or does not comply with normal and usual traffic, regulations or controls.
- (m) Participant. "Participant" in a Special Event refers to those individuals, including but not limited to the Applicant, who take part in the activities of the Special Event.
- (n) Person. "Person" means any person, firm, partnership, association, corporation, society, company, or organization of any kind.
- (o) Portico. "Portico" refers to the outside area of the front of the CCB abutting Grant Street.
- (p) Public Assembly. "Public Assembly" means a group activity including but not limited to a demonstration, march, meeting, parade, protest, rally, or vigil which involves the expression of opinions or grievances

of persons for a common purpose as a result of prior planning and which interferes or has a tendency to interfere with the normal flow or regulation of pedestrian or vehicular traffic upon the streets, parks, sidewalks, or other public grounds within the City or does not comply with normal and usual traffic, regulations or controls; or which occupies any public area open to the general public to the exclusion of others.

- (q) **Public Safety Services.** “Public Safety Services” are those services provided by the Bureau of Police, the Fire Department or the Department of Emergency Medical Services.
- (r) **Sidewalk.** “Sidewalk” is any area or way set aside or open to the general public for the purpose of pedestrian traffic, whether or not it is paved.
- (s) **Special Event.** “Special Event” refers to:
 - a. A Special Event shall include but not be limited to a parade, public assembly, performance, meeting, contest, exhibit, athletic competition or presentation, community event, block party, or ceremony, and which event is to be held:
 - 1. wholly or partially on property owned or maintained by the City which is (i) designated by the City for First Amendment Activity or (ii) in a traditional public forum;
 - 2. on a street or sidewalk located within the City and will likely result in the obstruction of such streets or sidewalks or will likely compromise the ability of the City to respond to a public safety emergency; or
 - 3. on any other property, but requires for its successful execution the provision and coordination of City services to a degree over and above that which the City routinely provides.
 - b. The definition of “Special Event” is not intended to include:
 - 1. an activity held solely on private property and which does not otherwise require for its successful execution the provision and coordination of City

III. Event Permit Applications

All Event Permit Applications shall be available for pick-up or mailing upon request by calling (412) 255-2641. They may also be downloaded from the internet on the City's web site at www.city.pittsburgh.pa.us.

- (a) Applications shall be submitted to the Mayor's Office, Special Events Committee, 414 Grant Street, 5th Floor City-County Building, Pittsburgh, PA 15219 (by mail or telefax at 412-255-4738). Applications shall be time-stamped by the Mayor's Office upon receipt and shall be processed by the Mayor's designee in the order they are received unless otherwise regulated herein. All review time periods discussed in this Section III shall begin to run only upon the City's receipt of a fully-completed Application. For example, it is not acceptable to skip portions of the Application or to write in "same as last year" in blanks. If an application is returned to an Applicant for failure to fill in all Sections as are applicable, the time-stamping and preference order discussed in this subsection (a) shall be restarted upon the return of the completed Application back to the Mayor's Office.
- (b) Permits for First Amendment Activity intended to respond to current events and depending for its value on a timely response shall be evaluated by the Mayor's designee no later than two business days from the receipt of a completed permit application by the Mayor's Office. The applicant shall designate the activity as one involving spontaneous speech in the application. If the Bureau of Public Safety does not have the opportunity to completely review the requested permit application before a permit is issued under these expedited circumstances, the City reserves the right to modify the permit duration, route, or location of the Special Event based upon content-neutral public safety concerns including but not limited to accommodations for pedestrians, vehicular traffic, staffing availability, and emergency vehicle access.
- (c) An application for a Traditional Parade as defined in these Regulations shall be given a preference to continue on the same date and route for the purpose of protecting the expectations and enjoyment of the public. It is requested that a completed application for the Traditional Parade be provided to the Mayor's designee no later than 45 days prior to such Event. The City of Pittsburgh shall annually sponsor the "City of Pittsburgh Veteran's Day Parade" and shall assume all costs therefore. No permit will be required for that parade.
- (d) Otherwise, applications for Special Events shall be submitted to the Mayor's Office at least fourteen (14) business days and not more than one hundred eighty (180) business days before the date and time at which the Event is proposed to commence. Upon receipt of a completed application,

services to a degree equal to and/or over and above that which the City routinely provides;

2. programmed activities provided or managed by the City, i.e. recreational and senior center programs;
 3. any event that would otherwise fall within the definition of a Special Event held in a city park but which involves fewer than 25 people at the same time within a circumscribed 100-foot radius and does not interfere with regular use of the park by the general public (but the provisions of Chapter 477 may still apply);
 4. First Amendment Activity on City streets or sidewalks (including those in parks) that will not likely result in the obstruction of City streets or sidewalks nor compromise the ability of the City to respond to a public safety emergency; or
 5. Permitting of Sports Fields, Sports Facilities, or Park Shelters, Recreation or Senior Centers, or usages otherwise governed by Chapter 477 of the Code.
- (t) Street. "Street" is any paved or unpaved road, thoroughfare, avenue, boulevard, parkway, drive, or other public way set aside or open for purposes of vehicular traffic, including any berm, shoulder or median strip thereof.
- (u) Traditional Parade. A "Traditional Parade" is one which has been conducted on or about a certain date on a substantially similar route and in connection with a particular holiday for at least the past five years.
- (v) Traffic Control. "Traffic Control." Traffic Control is defined as those activities performed by the Police Bureau during a Special Event that relate to the orderly flow of pedestrian, vehicular and other forms of movement along public rights-of- way.

the Mayor's designee will review the application and respond within seven (7) business days. For Events requested at least forty-five (45) days ahead, the Mayor's designee reserves the right to respond within fourteen (14) business days.

- (e) Special Events (including those taking place on private property) that will involve temporary requested on-street parking for extended exhibition viewing must also obtain a Special Event Permit pursuant to these Regulations. Absent overriding public safety traffic or emergency vehicle access concerns prohibiting temporary parking at the location desired, permits will be issued for those Events that: (i) run no more than sixty (60) days; (ii) request exhibition viewing parking only during off-peak (after 6 p.m.) and weekend hours, and (iii) involve no more than one lane of blocked traffic at a time. During any closures there must be an open/available lane in the same direction for traffic to continue. If signage is desired by the Applicant to identify times/dates/locations temporary parking is permitted for the Event, the Applicant shall work with the City's Department of Public Works, which shall identify appropriate locations for such signage and shall notify the Applicant if any additional permissions/sign variances are required prior to the posting thereof. All signage costs shall be the responsibility of the Applicant.
- (f) The information requested in the written permit application shall include the following and shall be updated by Applicant in a timely fashion should circumstances change prior to the Event:
 - 1. Application information including the name, address, and telephone number of the person(s) and, if applicable, the organization seeking to conduct the Event and billing address;
 - 2. A description of the Event as well as the requested date(s) and hours of the Event;
 - 3. The location of the Event and, if applicable, a Route and Traffic Plan detailing plans for categories listed in the Application, including but not limited to the proposed route to be traveled, including the starting point and the termination point, notification to the Port Authority regarding bus route changes, and parking availability for the Event.
 - 4. If roads and/or sidewalks will be closed, the Applicant will be required to explain how motorists and business owners and residents will be notified in advance of the Event;

5. If the Event is taking place on private property, written authorization from the owner will be required;
6. The approximate number of participants in the Event;
7. Whether any animals and/or vehicles will be involved in the Event and the type of animals and description of the vehicles;
8. A statement as to whether the Event will occupy all or only a portion of the width of the streets proposed to be traversed;
9. A Proposed Site Plan, including the location of structures, electrical, sanitation, and plumbing and the location by street of any assembly areas for the Event;
10. The time at which any unit of an Event will begin to assemble at such area;
11. If the Event is designed to be held by or on behalf of an individual or organization other than the applicant, a letter from said person/group shall be filed with the permit authorizing the applicant to file for the said permit on his/her/its behalf;
12. A description of any sound systems, or other electrical or other devices to be used in connection with the Event, including a list of entertainers/band/performers;
13. The estimated/approximate number of spectators;
14. Whether alcohol is planned to be served. Event organizers are required to secure necessary authorizations from appropriate county, state or federal authorities;
15. A designation of any public services, facilities or equipment to be utilized and a description of Event access for persons with disabilities and security plans, if any. In the event that an Applicant wishes to use City equipment that is made available to the public, it shall be necessary to pay the hourly or flat fee rental rates set by the applicable Department. Such rates shall be provided in writing upon request. Alternatively, a permit holder may procure barricades from an outside source so long as type and placement are approved by the Bureau of Public Works;

16. Information as to whether any food, beverages or other concessions will be sold within a "special event area" or "concession venue." Any plans to sell concessions must be separately reviewed by the Mayor's designee. Event organizers are required to secure the necessary City mercantile and vendor licenses and Allegheny County Health Department permits
17. You must provide a clean-up plan. You are expected to clean up after your event. You may provide your own personnel for cleaning up or you may contact the City's Director of the Department of Public Works as to rates for use of City employees. The Pittsburgh Downtown Partnership is another source to contact for clean-up assistance. The Applicant shall also address separate receptacle use for recyclables.
18. If insurance is required as set forth in Section VIII herein, a copy of the certificate listing the City of Pittsburgh as an additional insured and a signed indemnification statement; and
19. A listing of marshals or volunteers for Traditional Parades. Traditional parade holders are expected to provide twenty parade marshals to assist with staffing street closings at the direction of the police. Please see Exhibit A-2 for more information on costs if volunteers are not provided.

IV. Permit Issuance:

- (a) The Mayor's designee shall issue a permit as provided for herein when, after a consideration of the application and all other information that is obtained, it finds that:
 1. The proposed Event is appropriate for the size and use for which the requested location has been established or designated;
 2. The proposed Event will not interfere with a previously permitted Event or previously approved construction or maintenance work.
 3. The proposed Event will not substantially or unnecessarily interfere with traffic in the area contiguous to the Event, or that, if the activity will substantially interfere with traffic, there will be sufficient City resources available at the time to mitigate the disruption. Due to high traffic volume, parades (other than those

that take place on holidays) are not permitted in the Central Business District between 8 a.m. and 10 a.m. and 4 p.m. and 6 p.m. from Monday through Friday.

4. The proposed Event is scheduled to occur during normal operating hours of the City for the particular location requested. Operating hours of particular facilities are posted therein or may be obtained from the Mayor's designee or from applicable department in charge of said facility;
 5. The applicant has obtained all necessary approvals, permits, or licenses from other governmental agencies or otherwise required pursuant to this Code or state or other applicable law. The Mayor's designee will endeavor to notify the applicant of permits or licenses required by the City Code, but applicant must determine what approvals, permits or licenses are required by other governmental agencies;
 6. The noise levels anticipated for the proposed event comply with the applicable Section of the City Code;
 7. The applicant has complied with the application requirements including but not limited to permit fees, Cost Recovery, insurance and indemnification requirements where applicable;
 8. The application is complete and does not contain misrepresentations of fact;
 9. The concentration of persons, animals, and vehicles at public assembly points of the Event or during a continuous procession will not unduly interfere with property, fire and police protection of, or ambulance service to, areas contiguous to such public assembly or processional areas; and
 10. Adequate sanitation and other required health facilities are or will be made available in or adjacent to any public assembly areas.
- (b) Event organizers shall be responsible for provided adequate toilet facilities throughout an event venue as required by the Mayor's designee.
- (c) Application for fireworks permits must be made with the Bureau of Fire Prevention by an approved, Commonwealth of Pennsylvania licensed vendor. Application for such permits must be accompanied by proof of insurance as required under Section VIII herein. All details pertaining to a fireworks display must be approved by a City Bureau of Fire representative.

- (d) If a Special Event will includes animals, at least one week prior to the Special Event, the applicant or coordinator shall provide the Mayor's Office with a health certificate for each animal to participate as well as the name of a local veterinarian who shall provide care for an injured or sick animal, a copy of the handler's licenses required under federal and/or state law, and verify access to an animal ambulance.
- (e) It is recommended that no advertising of the Event commence until the Applicant receives final permit approval.

V. Denials

- (a) No permit shall be denied based solely on the applicant or content of protected speech scheduled to occur at a Special Event.
- (b) All denials shall be in writing and shall state the specific reason for such denial. The denial shall be provided in person to the Applicant or shall be mailed to the Applicant or other person so designated on the permit application at the address set forth therein within the response time frames set forth in Section III of these Regulations.
- (c) The Mayor's designee, in denying an application for an Event Permit, shall, where possible, propose measures to cure the defects in the permit.
- (d) In the event that the permit is denied due to another event occurring at the same time and location, the Mayor's designee may authorize the conduct of the Event at a date, time, location, or route different from that named by the Applicant. An Applicant desiring to accept an alternate permit shall notify the Mayor's designee of its acceptance within three (3) days after notice of the denial.
- (e) An alternate Event permit shall conform to the requirements of, and shall have the effect of, an Event Permit issued under Chapter 471 and these Regulations.

VI. Appeal Procedure

- (a) Any Applicant shall have the right to appeal the denial of a Special Event Permit to the City Solicitor. The denied Applicant shall make the appeal within three (3) business days after receipt of the denial by filing a written notice with the Mayor's designee and a copy of the notice to the City Solicitor. The City Solicitor's Office is located at 414 Grant Street, Suite 313 City-County Building, Pittsburgh, PA 15219. (The fax number is 412-255-2285). The City Solicitor shall act upon the appeal and render a written decision within two (2) business days following receipt of the appeal. In the event of a denial which affects an event that is to be held in

response to spontaneous speech pursuant to Section III(b) of these Regulations, the City Solicitor will issue a written decision within one business day following receipt of the appeal. If time is insufficient for the one day evaluation period and the City Solicitor does not provide an opinion on the denial within the one-day period, the Applicant may deem the Mayor's designee's decision a final denial and may immediately appeal the Mayor's designee's decision to a court of competent jurisdiction or take other action as is legally available to it.

- (b) In the event that the City Solicitor rejects an applicant's appeal, the applicant may file an immediate request for review with a court of competent jurisdiction, or take such other action as is legally available to it.

VII. Fees: Event Permit Application and Cost Recovery

- (a) **Application fees:** Event Permit application fees shall be non-refundable and shall be set annually by City Council in its operating budget. A copy of the current fee is attached hereto as Exhibit A-1 and is also available on the City's website. No permit application fee shall be assessed for First Amendment Activity on the Portico of the CCB. **Waivers for indigency are also available to eligible Applicants per Section 471.06(d) of the City Code.** An affidavit is attached to the Application to be used as needed.
- (b) **Cost Recovery for City Departmental Services:** **Some Special Events will require the Applicant to pay fees (in addition to the application fee) for City services as described herein.** The Applicant shall work with the Mayor's designee to memorialize a Cost Recovery plan that will cover departmental charges incurred by the City relating to any required police traffic control provided by the Bureau of Police, Emergency Medical Services if applicable, as well as other set-up and cleaning activities provided by the Department of Public Works. Cost Recovery shall take into account the requirements of Chapter 471 of the City Code. The City will provide the Applicant with a Cost Recovery Invoice detailing all fees due prior to the Event. A schedule of general fees and specific costs for major categories of Special Events is attached hereto as Exhibit A-2. Per Section 471.06(h) of the City Code, payment in full for estimated cost recovery is required four (4) days before an Event is to begin. If any payment is due for Events subject to the exigency exception for First Amendment activity, such Applicant may pay such costs on the day of the Event. **Waivers for indigency are available to eligible Applicants per Section 471.06(d) of the City Code.** Permits will not be issued until payment has been received.

- (c) Use of volunteers: The Mayor's designee will work with applicants to determine ways to reduce the need for City services with the use of volunteers if possible. The use and placement of volunteers are subject to the discretion of the Bureau of Police.
- (d) To the extent permitted under applicable Pennsylvania labor law, organizers will be allowed to hire security guards for security functions related to the Special Event.
- (e) Additional Charges.
 - i. Property or Equipment Damage. Within thirty (30) days after the completion of a Special Event, the Mayor's designee shall transmit to the Applicant (individual or group) an itemized bill setting forth any verifiable damages or loss to City equipment or property known by City to be caused by said Applicant during a Special Event. In the event that the Applicant refuses to pay such bill, the City reserves the right to seek legal recourse permitted under applicable law for recovery of said damages.
 - ii. The City reserves the right to assess additional costs for litter and refuse collection to the extent that the Applicant fails to meet its obligations as set forth in its Clean-up Plan required pursuant to these Regulations. Charges shall be determined by the Director of the Department of Public Works after he or she receives the verified time sheet of the foreperson in charge of said clean-up. The current applicable hourly rates for City personnel shall be charged, and an itemized bill shall be sent to the Applicant. In the event that the Applicant refuses to pay such bill, the City reserves the right to seek legal recourse permitted under applicable law for recovery of said damages.
 - iii. As set forth in Section 471.06 of the City Code, the City shall also charge Special Event applicants and/or sponsors for all optional services specifically requested in writing by such applicant/sponsor, including but not limited to requests for public safety or public works personnel and/or for the use of City equipment. These costs are for those services requested over and above routine/required cost recovery items.

- iv. Any fees required in obtaining other permits required for an event (such as to allow pyrotechnics or alcohol) are not included in the calculations associated with the Special Event Permit itself and shall be paid separately.
- (e) Refunds: In the event that it is determined that Applicant overpaid for Cost Recovery, the City will refund money to the Applicant within 60 (sixty days) of the Event.
- (f) Pursuant to applicable case law, including but not limited to *Forsyth County Georgia v. the Nationalist Movement*, 505 U.S. 123 (1992) the City shall not charge any fees for police protection that is required due to potential public response to speech content.
- (g) In the event that a Special Event does not fit within the classifications set forth on the chart attached hereto as Exhibit A-2, the Chief of Police shall determine whether and to what extent the traffic control services of police (including the need for barricades) are reasonably necessary for a Special Event. The Chief of Police shall base this decision only the following objective criteria:
 - 1. The location, duration, route, time and date and expected size of the event; and
 - 2. The expected sale or service of alcoholic beverages; and
 - 3. The number of streets and intersections blocked and what portion of the streets are planned to be used for the Event; and
 - 4. Whether bridges or main arteries shall be involved in the Event route; and
 - 5. The need to detour or preempt citizens' travel on and use of the streets and sidewalks.
- (h) As set forth in Section III (e)(15) herein, barricades specifically requested by a permittee may be provided through the City's Department of Public Works for a set fee or by the permittee from an outside source so long as *type and placement* of the barricades are approved by the Bureau of Police. If provided by the Department of Public Works, delivery and/or pick-up fees will apply.
- (i) An Applicant is responsible to notify the Mayor's Office immediately upon the postponement or cancellation of an Event. Applicants will be charged for

City services provided in advance of the Event up through the time of notification.

VIII. Insurance and Indemnification

- (a) General liability Insurance: Due to the risk of personal injury and property damage under certain circumstances, insurance will be required under the following conditions:

- i. All Athletic Competition Events.
- ii. Any Special Event involving animal(s), fireworks, automobile(s) or other vehicle(s), including but not limited to watercraft, aircraft, or motorcycles, or the sale of food. Additionally, requests made by applicants to use the following City equipment: sound equipment, showmobile, transstage, or transbleachers.

Where required, the Applicant or, if applicable, the Organization/Sponsor shall maintain insurance in the amount specified below to cover the entire duration of the Event. The Applicant shall provide to the Mayor's designee a certificate of insurance duly executed by the officers or authorized representatives of a responsible and non-assessable insurance company, evidencing the following minimum coverage(s) and specifically identifying CITY as an additional insured, which insurance shall be non-cancelable, except upon thirty (30) days prior written notice to CITY:

	Individual Occurrence	Aggregate
General Liability		
Bodily injury, including death	\$ 500,000.00	\$1,000,000.00
Property damage	\$ 50,000.00	\$ 100,000.00

All policies must be made on an occurrence basis. Claims-made policies are not acceptable.

- (b) Liquor Liability. Where the Applicant, on behalf of any other persons, organizations, firms or corporations on whose behalf application is made, seeks to hold a Special Event involving the sale of alcoholic beverages and has otherwise been granted all necessary permits for such purpose, the Applicant shall maintain a policy or policies of Liquor Liability Protection with limits of not less than \$1,000,000. Such insurance shall be evidenced on the certificate of insurance provided to the Mayor's designee.
- (c) Where insurance is required per subsection (a) or (b), the Applicant on behalf of himself/herself or any other persons, organizations, firms or corporations on

whose behalf the application is made, by filing a permit application shall represent, stipulate, contract and agree that they will jointly and severally indemnify and hold the City harmless against liability, including court costs and attorney's fees, and attorney's fees on appeal, for any and all claims for damage to property, or injury to, or death of persons arising from the sponsor's activities authorized by the Special Event permit. In such circumstances, a specific Indemnification Statement shall be attached to the Application.

EXHIBIT A-1: APPLICATION FEE

The application fee for 2005 is: \$125.00 per Event.

2005

EXHIBIT A-2: DPW AND PUBLIC SAFETY COSTS FOR
SPECIFIC TYPES OF EVENTS AND GENERAL COST RECOVERY FEES:

NOTE: These are base costs calculated before consideration of indigency waivers or City-sharing of costs as dictated by Chapter 471 of the City Code and by these Regulations as applicable.

COST RECOVERY FEES:

I. Police:

Rates are as follows:

- a. \$37.60 per hour is billed for all Police Officers.
- b. \$42.87 per hour is billed for Sergeants.
- c. \$48.87 per hour is billed for all Lieutenants.

**There is a four-hour minimum requirement for all officers per the union's collective bargaining agreement.*

- d. \$25.00 per hour is charged for each police vehicle required.
- e. Specific Event rates--For parades, marches, or other Special Event requiring a rolling closure (police officer(s) at the front and back of parades or marches), the following applies:
 - i. Less than 100 participants: two police officers (one at front and one at back of marchers) will be required plus a police car for each officer. Four hour minimum per officer applies.
 - ii. Greater than 100 participants: for each additional 200 participants, an addition officer and police car will be required. Four hour minimum per officer applies.
- f. If all twenty (20) parade marshals required by the Regulations (See III(f)(19)) are not provided, the City shall provide police officers at a rate of \$150.40 per officer per four hours for each missing marshal. Four hour minimum per officer applies.
- g. No Parking signs (if needed): \$.50 per sign.
- h. A ten percent (10%) administration fee is added on to all totals for any secondary detail requests.

EXHIBIT A-3: SPECIAL EVENT PERMITTING REQUIREMENTS

The following is a sample of Special Events and corresponding permit requirements. If you have a question as to where your event would fit in, please do not hesitate to contact the Mayor's Office for further assistance.

Categories	Example	Permit Required	Fee Required	Insurance and Indemnification Required
First Amendment Activity that does not constitute a Special Event (e.g. does not block a sidewalk or close down a street)	Sidewalk protest in front of the County Courthouse; Leafleting or gathering petition signatures on Grant Street.	No	No	No
First Amendment Activity on the front portico of the City-County Building.	Protest on front steps of City-County Building that does not request exclusive use or expanded City services.	No	No	No
Public Assembly/First Amendment Activity that blocks a street or sidewalk	Protest march, Annual Parade downtown	Yes	Yes; there is an application fee unless the indigency waiver applies. Additionally, a cost recovery fee may be applicable. The first \$750 of City services shall be provided at no charge, and the sponsor and City will thereafter split costs unless the indigency exception applies. For parades, costs shall not exceed amounts set forth in Section 471.06(d) of the City Code.	No (unless required per Section VIII (a) of the Regulations).
Block party and Community Events	Annual neighborhood block party; Neighborhood parade	Yes	Yes; there is an application fee. Additionally, a cost recovery fee will be applicable. The first \$750 of City services shall be provided at no charge, and the sponsor and City will thereafter split costs.	No (unless required under Section VIII(a) of the regulations.)
Rally	Protest at Flagstaff Hill in	Yes, if more than 25 people are using an	Yes; there is an application fee	No (unless required under Section VII(a) of

II. Department of Public Works (DPW)

- a. Positions as needed to clean, set-up barricades, etc., are paid the following hourly rates:

i. Truck drivers	\$17.27
ii. Laborers	\$15.62
iii. Sweeper Operators	\$17.66
iv. Foreman	\$17.77

Overtime and benefits will be added onto total where applicable.

- b. Public Works equipment:

- i. Showmobile, Transtage, or Bleachers \$505 per day for 1st day; \$75 per day thereafter.
- ii. Barricades needed for community or other small parades (40-50) shall cost: \$275.05 (lesser amounts needed shall be pro-rated). This fee includes costs for the Department of Public Works to drop off barricades. Group will be required to return barricades to DPW at end of Event.

III. Emergency Medical Services (if applicable to event):

- a. \$25 per hour per paramedic (minimum 4 hours per union contract).
- b. \$150 per ambulance per day.
- c. \$150 per rescue truck per day.
- d. \$25 per day for bicycle.
- e. \$50 per day for a motorcycle.
- f. 3% administration fee for scheduling added to all amounts.

	Schenley Park	area of more than a circumscribed 100-foot radius for an event.	absent an indigency waiver. Additionally, a cost recovery fee will be applicable. The first \$750 of City services shall be provided at no charge, and the sponsor and City will thereafter split costs unless the indigency exception applies.	the Regulations.)
Non-First Amendment Activity such as Athletic Events, Festivals, or multi-day large Special Events	Three Rivers Regatta, South Side Spectacular, Arts Festivals, Athletic Events	Yes.	Yes. Application Fee plus full Cost Recovery.	Generally, yes per Section VIII(a) of the Regulations.)