



City of Richmond

## Report to Committee

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**To:** General Purposes Committee  
**From:** Cathy Volkering Carlile  
General Manager - Parks, Recreation &  
Cultural Services  
**Date:** January 30, 2002  
**File:** 7400-20-TALL1  
**Re:** **Budget – Richmond Tall Ships 2002**

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### Staff Recommendation

That the report regarding the budget for Richmond Tall Ships 2002 be received for information.

Cathy Volkering Carlile  
General Manager - Parks, Recreation & Cultural Services

Att.

## Staff Report

### Origin

At the regular City Council meeting of January 28, 2001, Richmond City Council resolved that the matter of the Tall Ships event be referred to staff for a report to the next meeting of the General Purposes Committee on:

- (a) an overall review including the budget and other information; and
- (b) the preparation of various budget levels dependent on the commitments secured;
- (c) and that a report on the budget be provided by memo within one week.

The purpose of this report is to provide an overview of the budget and provide options for funding the project.

### Analysis

#### 1. Event/Project Budget Overview

The project budget was forwarded to City Council members as requested (Appendix A). This information circulated outlined the approved budget (November 2001); the revised budget as reviewed by the City's Finance Department and an exposure analysis as of January 29, 2002.

The approved cash exposure is \$1,256,000 and at this point in the project, the City is exposed to \$1,873,300

The project budget covers cash and in kind expenses related to:

#### **Marketing and Advertising**

The marketing and advertising funding creates event excitement, event image and promotes the event in the community. To date the brand, the visual identity has been completed and some collateral materials have been created. This program includes the development of posters, media advertising/promotion, public relations, and presentations and creates the event program. This component is supported by 72.5% in kind contributions.

The event will be promoted locally, province wide and internationally through City and City linked web sites, Tourism BC, Tourism Richmond and local mediums. This area should not be reduced and will be targeted for in kind sponsorship increases.

#### **Sponsorship Program/Sponsor Recognition**

The sponsorship program realises \$921,500 in funds to offset cash and in kind costs for the event. As outlined in the last report to Council, the campaign has realised approximately \$500,00 in contributions to date. The cost of supporting the fund raising efforts is 13%. The sponsor program includes signage, hospitality and sponsor recognition. It is imperative that all contributors to the event receive recognition for their support and benefit from the overall experience of the festival. No reductions are recommended.

## **Landside Festival**

The event has included a landside festival that compliments the waterside activities. The land side festival will be located at Garry Point Park and throughout the overall waterfront in Steveston. Consider the festival to be a ribbon of activities that keep up to 50,000 visitors entertained through out the event day.

The festival components provide a focal point for families and the local community. The festival will include such activities as main stage entertainment, food services, children's activities, passive and active areas, fireworks, street entertainment, trade fair, cultural activities and family picnicking. The land side festival area also manages the on site ticketing.

The land side festival includes support amenities such as fit out and tear down, waste management, sanitary facilities, first aid, lost and found and ticketing. This component of the event is attractive to the sponsors as it assures the exposure. This component of the event is supported with 70% in kind funding. This aspect of the event produces \$80,000 in on site revenues from marketplace and food concession revenues in addition to ticket sales.

## **City In Kind**

The City in kind contribution includes event planning, fire, police, recreation and pool staff, tables, chairs, tents and miscellaneous landside costs. No reductions are recommended.

## **Volunteer Program**

The volunteer program include recruiting, co-ordinating, scheduling and recognising the volunteers that supported the event. It is anticipated that at minimum 750 volunteers will be required to host this event. The total volunteer budget is 60% cash, which includes uniforms, training and hiring a volunteer co-ordinator one month prior to the event. Treating the volunteers "right" will ensure that the event is well run and community based. No reductions are recommended.

## **Management and Administration**

The event budget includes administration and event management. The administration and management section provides the planning, co-ordination, purchasing and procuring, volunteer support, Committee support, liaison to City Council, management reporting. An event manager is being recruited to handle all aspects of the event and an event office will be opened upon selection of the individual. Administration and management is solely dependent on cash raised through the sponsorship program.

The ticketing strategy will include pre sales, daily attendance sales, multi day sales. The ticketing structure and cash management will be a responsibility of administration to co-ordinate.

Co-ordinating and managing this event cannot be supported within existing resources in the City. No reductions are recommended.

## **Fleet Recruitment**

Fleet Recruitment includes fulfilling the contractual obligations with the American Sail Training Association and supplying appearance fees for ships. By paying appearance fees the City

controls the public access to the ships and enables tickets to be sold. The festival is "all about the ships". The larger ships are the major attractions and they require a stipend to secure their participation.

Currently, there are 12 ships committed. The Ship agreements are being drafted. This aspect is solely supported by cash donations by sponsors. No reductions are recommended.

### **Fleet Protocol and Events**

This event is international and Richmond is the only Canadian port of call. It is also the first time hosting a Pacific race series that if it goes well, will be an ongoing event for Richmond. There is a contractual obligation to the ships and to the American Sail Training Association that crew event occur.

This area funds those crew activities. Activities include Captain's receptions for the community to participate in and will manage all protocol related to special guests and naval vessels. This budget is 80% cash funded unless specific sponsors come on board to offset costs related to crew activities.

### **Waterside Logistics/Operation**

The majority of the funding is allocated to ensuring the waterfront can accommodate the fleet. This includes development of moorage, engineering, dredging, coast guard, supplying the ships with water, power, waste management, mobilisation and demobilisation. There is potential through another funding source to fund \$300,000 plus from another City source for the development of a Garry Point pier.

This option has been referred back to staff for review. A report will come to City Council outlining the options for moorage. Significant support has already been received by Steveston Harbour Authority (by use of their moorage facilities), the Federal Government and Port Authority for dredging and by BC Ferries for moorage.

The Waterside logistics are essential to the success of the event. If this are cannot be developed to adequately support the fleet, the event cannot occur. The infrastructure must accommodate the ships, the visitors, enable servicing and provisioning and assure appropriate security for the vessels and their crews.

This area is 75% cash dependent.

### **Transportation**

The transportation section manages people, vehicles, on the water, on land routing, scheduling, parking and shuttling throughout the event. This is requires support of TransLink and will require off site parking for up to 20,000 vehicles per day.

The plan is to issue a proposal for parking management resulting in some revenues retained by the City . No reductions are recommended.

## **Date Sensitivity**

Many aspects of this project are date sensitive including fund raising, moorage, dredging and construction to name a few. From the perspective of the Committee, the next critical funding milestone is March 30, 2002. This date is the year end for provincial and federal governments. If funding support was to be received it would have to be committed prior to March 31, 2002.

A successful moorage plan is also dependant on meeting the required FREMP permitting schedules. Administration are paying close attention to these deadlines.

## **Options**

To date the Sponsorship and Fundraising Committee has been successful in securing \$115,000 in cash and \$386,000 in kind commitments. Sponsorship agreements are being drafted that outline the terms of the sponsor commitments. The campaign is still gaining momentum and results are occurring. The Committee feels that the targets are realistic and will be attainable.

City Council directed staff to prepare various budget levels dependent on the commitments secured. There are other options to reduce the exposure to the City. They are:

1. Fund the waterfront infrastructure legacy from the Steveston Road End Reserve.
2. Downscale the festival.
3. Increase efforts for sponsorship.
4. Rework the festival budget based on commitments secured to date.

### **1. Fund the waterfront infrastructure legacy from the Steveston Road End Reserve.**

Staff have been directed to review this and a report will be coming forward outlining the feasibility of funding a Garry Point wharf from the Steveston Road End reserve. This would immediately reduce the budget by \$300,000. The staff report will outline the impact of the reduction.

### **2. Downscale the Festival.**

The festival site at Garry Point could be eliminated. This will reduce the on site revenues from the food festival and marketplace. It would eliminate the managed festival site, organised children's and family activities, beer gardens, main stage entertainment and fireworks.

The festival site is the value-added component of the event and is heavily supported by the sponsors. Costs related to handling the volume of people would still be incurred such as sanitary facilities, trash/waste management, fit out and tear down and signage.

The festival is supported by 70% in kind. If in kind sponsorship is not secured, the festival will be reduced accordingly. Other cash reductions could result from no main stage entertainment or supporting stage crew. Potential reductions in the festival are \$150,000 in the areas of entertainment, stage support and park repairs.

### **3. Increase efforts for Sponsorship.**

The Sponsorship Committee is supported by a contract fund raising consultant. The focus of the campaign is corporate. The hiring of the event manager will increase the support for corporate fund raising campaign. The City could focus more attention on raising the profile of the Friends of the Tall Ships campaign.

In November, the City sent correspondence to 11,500 local businesses asking for support. Additional resources could be dedicated to follow up with those requests, which would raise cash to support this event.

To date, the Friends of the Tall Ships has raised \$13,000 in cash and \$6,500 in kind donations. A City Council member leads this campaign. Directing additional resources to this campaign would likely result in increased cash donations. This would need a dedicated resource currently not funded by the City.

### **4. Rework the festival budget based on commitments secured to date.**

At this point, the Committee has \$501,500 raised. Some of the funding is directly tied to promotion and advertising, communications and ship recruitment. At this level of funding, the event should not proceed. There is not sufficient cash to attract the ships or service the ships.

The Committee is reluctant to plan an event based on establishing a festival based on funds raised. This means that every time a funding amount is secured the project has to be re-budgeted and re worked. The scope of the event would continually change resulting in frustrated volunteers and sponsors.

Administration does not recommend paring down the budget based on funds raised. Expectations for a quality event are high. The Committee realises that the event could be cancelled if funds to provide a quality experience for the visiting ships, sponsors and to the community are not possible.

### **Financial Impact**

The overall budget for the Tall Ships festival is \$2,374,500. The on site revenues account for 30% of total revenues with the remaining revenues from funds raised from sponsor donations, governments and City approved contributions.

The City approved its exposure to be \$1,256,000, which accounts for the maximum cash risk. As of January 29,2002, the City 's cash exposure is \$1,873,300. The difference being unconfirmed funding from government and corporate sponsors.

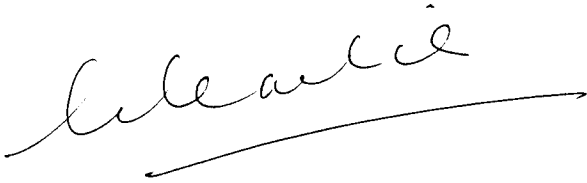
### **Conclusion**

Upon analysis, the current budget of \$2.3 million provides a quality project, which results in economic benefits to the business community in Richmond and a great experience for the citizens of Richmond.

January 30, 2002

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If City Council is not comfortable with the status of the project to date, they might wish to re-consider hosting this event.

A handwritten signature in cursive script, reading "Cathy Volkering Carlile". The signature is written in black ink and is positioned above a horizontal line that extends to the right.

**Cathy Volkering Carlile**  
**General Manager - Parks, Recreation & Cultural Services**

**CVC:cer**



**City of Richmond**  
Parks, Recreation & Cultural Services

## Memorandum

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**To:** Mayor and Council  
**From:** Cathy Volkering Carlile  
General Manager - Parks, Recreation & Cultural Services  
**Date:** January 28, 2002  
**File:** 7400-20-Tall1  
**Re:** Budget - Richmond Tall Ships

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Last Monday, the General Purpose Committee referred the following to staff:

*That the matter of the Tall Ships event be referred to staff for a report to the next General Purpose Committee on:*

1. An overall review including the budget and other information; and
2. The preparation of various budget levels dependent on the commitments secured; and
3. That a report on the budget be provided by memo within one week.

This memo presents the project budget (revised January 2002) for the Richmond Tall Ships event. The Tall Ships Committee forwarded the budget to our Finance Department for review.

The City's Finance Department substantiated the projections, reviewing them for reasonableness, balanced in-kind revenues and expenditures and balanced cash revenues and expenditures.

This package includes three budget worksheets. The original budget as approved (Appendix A), the revised budget (Appendix B) and the Budget Variance (Appendix C).

The budget outlines the expenditures and revenues for each area of the event. One of the largest challenges for the event is the waterside infrastructure. In the original budget, the waterside infrastructure was estimated at \$306,000.

Now, we have more accurate estimates for waterside infrastructure that increases the budget by \$310,000 minimum at this time. Further reductions will impact/reduce our ability to have a permanent waterfront legacy. The Waterside Committee is looking at options to further reduce expenditures in the budget.

The festival is attractive to the sponsors and to the community. The festival site, planned for Garry Point, will be a free event including entertainment, trade show, exhibition area, beer gardens and food festival. It is the value-added component of the event, which will draw attendance prior to and after the tall ship visits.

The Tall Ships visits will be a gated entry component at each pier. It is likely that there will be two gated entries, one in Steveston and one at # 3 Road



January 28, 2002

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The sponsorship campaign is approximately 1/3 committed. I will provide an update on the status of the sponsorship and fundraising program later today.

We will be reviewing the budget for reductions and outline in a report to you the impact of those reductions for next GP meeting. If you have any questions on this budget, please contact me at 604-276-4068.

Cathy Volkering Carlile  
General Manager - Parks, Recreation & Cultural Services

CVC:cvc

pc: TAG  
Director - Finance

**TALL SHIPS 2002 WORKSHEET BUDGET**

<b>REVENUE</b>	<b>INKIND</b>	<b>CASH</b>	
<b>GOVERNMENT</b>			
City of Richmond	\$ 446,800	\$ -	
Provincial/Crown Corporations	\$ 40,000	\$ 100,000	
Federal - Matching Grants	\$ -	\$ 200,000	
<b>CASH SPONSORS</b>	\$ -	\$ 300,000	
<b>SPONSORS-DONATIONS IN KIND</b>	\$ 783,200	\$ -	
<b>EVENT/ONSITE REVENUE</b>	\$ -	\$ 710,000	
<b>TOTAL REVENUE</b>	<u>\$ 1,270,000</u>	<u>\$ 1,310,000</u>	
<b>TOTAL ALL REVENUES</b>			<b>\$ 2,580,000</b>
<b>EXPENDITURES</b>			
FLEET RECRUITMENT/FEE	\$ 60,000	\$ 100,000	
WATERSIDE OPERATIONS	\$ -	\$ 136,000	
WATERSIDE INFRASTRUCTURE	\$ 20,000	\$ 270,000	
RACE OPERATIONS	\$ -	\$ 18,000	
FLEET/CREW EVENTS/TRANSPORATION	\$ 20,000	\$ 90,000	
FESTIVALS	\$ 73,000	\$ 150,000	
EVENT INFRASTRUCUTRE - CITY SERVICE	\$ 447,000	\$ -	
SPONSOR RECOGNITION	\$ -	\$ 120,000	
VOLUNTEERS	\$ -	\$ 22,000	
MARKETING/ADVERTISING	\$ 600,000	\$ 150,000	
MANAGEMENT/ADMINISTRATION	\$ 50,000	\$ 200,000	
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,270,000</u>	<u>\$ 1,256,000</u>	
<b>TOTAL ALL EXPENDITURES</b>			<b>\$ 2,526,000</b>
<b>SURPLUS</b>			<b>\$ 54,000</b>

Version 1 Nov 2001

**Tall Ships 2002 Worksheet Budget**

Revised Jan 2002

<b>REVENUE</b>	<b>INKIND</b>	<b>CASH</b>	
<b>GOVERNMENT</b>			
City of Richmond	\$ 447,000		
Provincial - Crown Corporations	\$ 80,000	\$ 110,000	
Federal - Matching Grants		\$ 160,000	
Tourism Richmond	\$ 120,000	\$ 30,000	
<b>CASH SPONSORS</b>		\$ 290,000	
<b>SPONSORS-DONATIONS IN KIND</b>	\$ 431,500	\$ -	
<b>EVENT/ONSITE REVENUE</b>	\$ -	\$ 706,000	
<b>TOTAL REVENUE</b>	<u>\$ 1,078,500</u>	<u>\$ 1,296,000</u>	
<b>TOTAL ALL REVENUES</b>			<b>\$ 2,374,500</b>
 <b>EXPENDITURES</b>			
<b>FLEET RECRUITMENT/FEE</b>		\$ 175,500	
<b>TRANSPORTATION</b>	\$ 33,000	\$ 39,500	
<b>WATERSIDE INFRASTRUCTURE</b>	\$ 158,450	\$ 455,000	
<b>RACE OPERATIONS</b>	\$ -		
<b>FLEET/CREW EVENTS/TRANSPORTATION</b>	\$ 12,000	\$ 49,000	
<b>FESTIVALS</b>	\$ 277,200	\$ 123,000	
<b>EVENT INFRASTRUCTURE - CITY SERVICE</b>	\$ 123,800	\$ -	
<b>SPONSOR RECOGNITION</b>	\$ 50,980	\$ 71,600	
<b>VOLUNTEERS</b>	\$ 15,000	\$ 20,000	
<b>MARKETING/ADVERTISING</b>	\$ 394,100	\$ 150,000	
<b>MANAGEMENT/ADMINISTRATION</b>	\$ 13,970	\$ 183,000	
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,078,500</u>	<u>\$ 1,266,600</u>	
<b>TOTAL ALL EXPENDITURES</b>			<b>\$ 2,345,100</b>
 <b>SURPLUS</b>			<b>\$ 29,400</b>

Version 2 Jan 2002

**RICHMOND TALL SHIPS 2002**  
**COMPARISON OF ORIGINAL VS. REVISED RICHMOND TALL SHIPS 2002 BUDGETS**

	ORIGINAL IN-KIND	REVISED IN-KIND	DIFFERENCE	ORIGINAL CASH	REVISED CASH	DIFFERENCE	TOTAL DIFFERENCE
<b>REVENUE</b>							
Government	486,800	647,000	160,200	300,000	300,000	0	160,200
Sponsors - Cash	0	0	0	300,000	290,000	(10,000)	(10,000)
Sponsors - In-Kind	783,200	431,500	(351,700)	0	0	0	(351,700)
Event Revenue	0	0	0	710,000	706,000	(4,000)	(4,000)
<b>TOTAL REVENUE</b>	<b>1,270,000</b>	<b>1,078,500</b>	<b>(191,500)</b>	<b>1,310,000</b>	<b>1,296,000</b>	<b>(14,000)</b>	<b>(205,500)</b>
<b>EXPENSES</b>							
Marketing & Advertising	600,000	394,100	(205,900)	150,000	150,000	0	(205,900)
Sponsorship Recognition	0	50,980	50,980	120,000	71,600	(48,400)	2,580
Festival - Landside	73,000	277,200	204,200	150,000	123,000	(27,000)	177,200
Event Infrastructure - City	447,000	123,800	(323,200)	0	0	0	(323,200)
Volunteers	0	15,000	15,000	22,000	20,000	(2,000)	13,000
Management Administration	50,000	13,970	(36,030)	200,000	183,000	(17,000)	(53,030)
Fleet Recruitment	60,000	0	(60,000)	100,000	175,500	75,500	15,500
Fleet & Protocol Events	20,000	12,000	(8,000)	108,000	49,000	(59,000)	(67,000)
Waterside Logistical Operations	20,000	158,450	138,450	406,000	455,000	49,000	187,450
Transportation	0	33,000	33,000	0	39,500	39,500	72,500
<b>TOTAL EXPENSES</b>	<b>1,270,000</b>	<b>1,078,500</b>	<b>(191,500)</b>	<b>1,256,000</b>	<b>1,266,600</b>	<b>10,600</b>	<b>(180,900)</b>
<b>DIFFERENCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>54,000</b>	<b>29,400</b>	<b>(24,600)</b>	<b>(24,600)</b>

**Richmond Tall Ships 2002 – Budget Update  
Parks and Recreation Committee  
January 2002**

Tall Ships Event Budget (revised Jan 29, 2002)	\$2,374,500
Confirmed Cash	\$115,000
Confirmed In Kind	\$386,500
Total Fund Raising (effective Jan 29, 2002)	\$501,500
Total Exposure (effective Jan 29, 2002)	\$1,873,300
Approved Exposure (approved Nov, 2001)	\$1,256,000
Increased Exposure Difference (effective January 29, 2002)	\$617,300