



**MEMORANDUM
FINANCE DEPARTMENT**

TO: Ed Lavallee, City Manager

THRU: Linda Senne, Finance Director

FROM: Peter Boers, Procurement Manager

DATE: March 30, 2017

SUBJECT: Disposal of the Showmobile

The purpose of this memo is to provide information regarding the sale or disposal of the Showmobile.

In October of 2016, the Fleet Services Manager provided a report as to the rapid deterioration of the Showmobile including several safety issues and operational problems. At that time, it was his recommendation to “park the stage and surplus it.”

Upon this decision, Danny Swain of Troll Music, who has provided audio for a majority of the Special Events, contacted the City and requested that the City transfer ownership of the Showmobile to his company. In doing so, he would make the necessary repairs to the stage and, in exchange, offer it free of charge for City events (i.e. Holiday Parade, Graduation). With the word out that the City was looking to dispose of the Showmobile, two (2) additional vendors also contacted the City expressing interest in the Stage.

At this time, the City has the following three (3) alternatives:

1. Draft a Transfer Agreement with Troll Music, or
2. Solicit Sealed Bids with certain stipulations (i.e. making the Showmobile available for use by the City), or
3. Place the item for auction on an on-line auction site (Public Surplus) and sell to the highest bidder.

The sale or disposal of an asset requires prior approval by City Council in accordance with Section 2-226 of the City Code:

A listing of all salable items, not including scrapped items, for either public auction or by sealed bid will be approved by city council and such sales will be to the highest responsible bidder. Items of an unusual nature which would not normally be sold at an auction of this type will be abstracted from the list and submitted to council with a recommended means of sale or disposal.

Requested Action:

Approval for the disposal or sale of the Showmobile and select one of the three proposed alternatives above.

Attachments



City of Venice

MEMORANDUM

Date: 10/12/2016

To: Ed Lavallee, City Manager and John Veneziano, Public Works Director

From: Peter Lilholt, Fleet Operations Manager

RE: Portable Stage (Show mobile)

Since the report John Veneziano provided on the Show mobile in July 2013, this portable stage has deteriorated rapidly. The attached photos show rust and corrosion in all areas of the stage. The frame and conduits are of significant importance. The hinges are both a safety issue and operational problem (water leaks).

At the last Sharks Tooth Festival, the cables which open the stage, broke. Allowing the canopy to drop. The cables had rusted through and have since been replaced. The canopy has several leaks due to the frame which holds the gasket/seal in place, is almost entirely gone due to rust. To properly repair the gasket housing would require some unique fabrication, would be extremely time consuming. The stage is 25 years old and because it is stored outside, the sun, wind, and elements have taken their toll.

The stage is rented out for approximately 10 events each year. They range between 1-4 days. The following is the list of Show mobile events:

- Italian Festival
- Sharks Tooth Festival
- Relay For Life
- Brew Bash
- Venice High School Graduations
- Sun Fiesta
- Blues Festival
- Holiday Parade
- Rotary Art Festival
- BBQ Bash

The remaining schedule for the stage's use is:

- Sun Fiesta – October 21-23, 2016 at Centennial Park
- Blues Festival – November 19, 2016 at Maxine Barrett Park
- Holiday Parade – November 26, 2016 Downtown Venice

The current method of “Patchwork Repairs” is just not addressing the need to either completely overhaul or total replacement. There are companies who will refurbish the stage. However, the process is time consuming and very expensive.

It is my recommendation that we park the stage and surplus it.

Peter Lilholt
Fleet Operations Manager



Memorandum

To: Edward Lavallee, City Manager
From: John Veneziano, Public Works Director
Date: July 19, 2013
Subject: ShowMobile Charges

This report provides information on the costs charged for rental of the City's ShowMobile

Current Rental Charge

The current charge for the ShowMobile is \$50 for up to 9 hours and \$100 for more than 9 hours plus a \$25 transport fee plus actual employee expense (with benefits) for set up, breakdown and time during the event. This results in the event paying for actual employee costs and some portion of the vehicles capital, operating and maintenance costs.

Actual Vehicle Costs

The ShowMobile cost \$53,500 in 1992. The tractor that pulls it cost about \$15,000 in 1983. Escalating these values by CPI yields a current value of about \$125,000; however, the current replacement cost for these two pieces of equipment brand new is about \$175,000, which would include some upgrades over existing equipment such as hydraulically operated stage extensions, ADA requirements and safety equipment not available when the original units were purchased. A suitable tractor could be repurposed from used solid waste equipment with a value of about \$15,000 to \$20,000, so a replacement fund of \$150,000 would probably be sufficient.

Operating costs for the past year included \$1,775 in vehicle maintenance costs and \$198 in fuel costs. These costs do not include any overhead, administration or management costs with the exception of those paid under the vehicle maintenance contract.

Annual Events in City

In the past year there were 13 events ranging from 1 to 4 days. Of these events, only one was city-sponsored. As the events lasted from 1 to 4 days, there were a total of 21 event-days where the ShowMobile was used, 20 of which were organized by private groups. There were more events in 2012-

2103 then in many prior years. From 6 to 8 events encompassing 13 to 15 days was more typical in prior years.

What Others Charge

We performed an internet search and found ShowMobile rental prices ranging from \$100 to \$1,000 for rental with all manner of pricing schemes. One very common practice was a differential between for-profit and not-for-profit groups. For-profits were generally charged a rental fee 50 to 100% as high as not-for-profits. There was a mix of rental charges by-the-hour, by-the-day or by-the-event, no consistent pattern. Separate charges were made by some jurisdictions for audio systems, generators and stage extensions. Generally, jurisdictions charged some hourly rate for employee time, either actual or a pre-calculated figure, but in some cases they did not or it was not clear if they did. We have attached a table summarizing charges from various jurisdictions within Florida and in other states.

Discussion of Possible Fee Structure Components

The following discussion assumes that there is an interest to recover as much of the actual cost of owning and maintaining a ShowMobile as possible from the organizers of events in which it is used. Clearly the more events held the lower the cost that can be charged, so some proactive measures to find users might be necessary to keep charges reasonable for all.

1. Capital Cost Factor

$$\begin{aligned} &= \text{current replacement value} / \text{equipment life in years} / \text{number of event-days per year} \\ &= \$150,000 / 25 / 21 \\ &= \$286 \text{ per day} \end{aligned}$$

The importance of recovering the capital cost is it provides a source of revenue for a capital replacement fund. At the daily rate a 2-day event would be charged \$572, a 3-day event \$858 and a 4-day event \$1,144. A half-day event could be charged \$143. Currently the charge is \$50 for half a day (up to 4 hours) and \$100 total for one or any number of additional days. At the current rate there would need to be at least 60 events of more than 4 hours per year to recover all the capital cost. If the cost was spread equally on a per event basis it would be \$462 per event.

2. Operating & Maintenance Cost Factor

$$\begin{aligned} &= \text{O\&M cost} / \text{number of event-days} \\ &= (\$1,775 + \$198) / 21 \\ &= \$94 \text{ per day} \end{aligned}$$

At the daily rate a two day event would be charged \$188, 3-day event \$282, and 4-day event \$376. Currently we charge \$25 for transport regardless of the number of days. If the cost was spread equally on a per event basis it would be \$152 per event.

3. Labor Cost

= cost of actual time spent with benefits

The labor cost is in the range of \$20-22 for regular hours and \$30-32 for overtime hours. Any overtime hours includes a three hour minimum. If the stage extensions are used a second employee is needed for set up otherwise most times only one employee is needed.

One change that should be considered is that all hours spent on the program should be overtime hours so that time is not taken away from maintenance of city parks and other facilities. Current policy is to use regular hours to set up and breakdown when feasible.

4. Discount for not-for-profit groups (501 (3) (c) groups)

= some % discount of capital cost factor (still pay 100% of O&M and Labor costs)

It is reasonable to provide some type of discount to groups which are holding events where any proceeds are donated to charitable causes, or which are providing some civic benefit. A discounted rate of, say 50% for not-for-profit groups, would be either \$143 per day or \$231 per event depending on choice of fee structure. The city would then cover the difference in the capital replacement fund. No discount is provided at present without specific action by the City Council.

5. Auxiliary Equipment

Additional charges could be levied for use of the sound system and the stage extensions. At present the sound system is aging and is in need of replacement. It would not be unreasonable to charge a fee for the sound system when it is replaced. The stage extensions generally cause an increase in labor hours since it takes two people to set them up. The generator runs on propane and the cost to operate it per year is very minimal. The original 1992 generator was replaced last year. The cost of the new generator was about \$7,000. This new generator had been purchased at some time in the past out of operating budget funds but had not received much use.

Staff Recommendation

Given that the existing equipment is old and will need to be replaced within a few years, it would be more practical and justifiable to recalculate and charge a full fee whenever a new unit is purchased. The existing fees are too low and should be somewhat higher, so in the interim it is recommended to increase the half-day rate to \$100, the full-day rate to \$150, and any additional days another \$50 each. The transport fee is recommended to be increased to \$50. Labor costs should remain as is, but changing our practice to perform all activities on an overtime basis. Any discounts would remain within control of the City Council.

We would be glad to meet with you to discuss this report at your convenience.

Show Mobile Pricing Comparison											
Location		Pricing				Extras					Comments
		Rental	Additional Time	Set-up / Break-down	Transport fee	Employee Time	Stage Extensions	Sound System	Outside Jurisdiction	For Profit Business	Security Deposit
		\$50 per 9 hrs, \$100 for > 9 hrs.				\$20-23 per hr/ \$30-35 per hr OT	6 hr add'l labor charge				
Venice	FL				\$25			incl.			
		\$1000 M-F, \$1200 weekends	\$300 per day			\$31.50 per hr	\$300 sm, \$400 lrg		\$4 per mi		100%
Sarasota	FL			at hr rate, 3 hr min							
Broward	FL	\$500					\$66 per hr min			add \$298	
Coral Springs	FL	\$190									
Deerfield Beach	FL	\$500		\$100 per hr		\$100 per hr					
Hollywood	FL	\$1,000								add \$250	
					add \$225 if beyond normal business hrs		\$16 per hr/\$24 per hr OT				
Lauderhill	FL	\$450									
		\$1000 per 4 hrs	\$40 per hr	\$110 per hr		\$110 per hr		\$25 per event	add \$200		
Miami	FL					\$80 per hr					
North Miami	FL	\$400 per event									
						\$75 per hr				add \$450 per 8 hrs, +\$25 per hr add'l	
Pompano Beach	FL	\$300 per 8 hrs	\$50 per hr	\$75 per hr						add \$44 per 4 hrs	4 hr minimum
Tallahassee	FL	\$351 per 4 hr \$955 OT	\$87.75 per hr								
		\$1315 per 2 hrs for sm or lrg unit, respectively	\$135/\$195 per hr, sm/lrg res.					\$810 per 2 hrs. +\$135/hr			
Phoenix	AZ										
Jurupa	CA	\$725			\$670	\$50 per hr			add \$400	add \$800	\$1,000 incl \$50 non-ref processing fee
		\$300 per day			\$125	\$35 per hr	add \$175 per day		\$10 per mile		
Fort Collins	CO							tech @ \$17.55 per hr			
		\$150 up to 3 days		\$288 Sat, \$384 Sun	\$36 per hr	\$30-40 per hr, min 4 hrs.				add \$40 per hr	
Bristol	CT								\$0.50 per mi		
Middletown	CT	\$100 per hr									
Stamford	CT	\$250 per day		\$450							

ShowMobile Pricing Comparison											
Location		Pricing				Extras					Comments
		Rental	Additional Time	Set-up / Break-down	Transport fee	Employee Time	Stage Extensions	Sound System	Outside Jurisdiction mileage fee, rate not provided	For Profit Business	Security Deposit
Council Bluffs	IA	\$75 per hr		\$200			\$25 per hr each				100% of fees
Kokomo	IN	\$200 if <4 hrs., \$300 full day			OT cost if beyond NBH				\$75	add \$225 per 2 days	\$250
Quincy	MA	\$550 per 2 days		\$200 if weekend	\$250 NBH, \$320 O.T.			\$50 per day			\$500
Saline	MI	\$400 per day									
Minneapolis	MN	\$300 per 4 hrs	\$75 per hr	\$75	\$350					add \$285 per day	\$200
Willmar	MN	\$215 per day				going rate					
Middlesex	NJ	\$700 per 4 hrs	\$100	incl.						add \$1265 per 4 hrs, + \$150 per hr add'l hrs	incl. \$35 appl fee NFP, \$100 FP not for profits only
Brookhaven	NY	\$435 per 4 hrs	\$25 per hr								
Riverhead	NY	\$100 per day						\$100 per 4 hrs, +\$25 per add'l hr			
Southampton	NY	\$400 per 4 hrs.	\$25 per hr								
Akron	OH	\$500 per day			\$250	\$30/hr					
Allegheny	PA	\$535 per day	\$219 addl day								
Nashville	TN	\$550 per day							add \$50 per day		\$150
Chesapeake	VA	\$325 weekdays, \$400 weekends							\$650 and \$750, res. for non-residents		\$150
Green Bay	WI	\$225/day				going rate	add \$50 per day				