




Staff Report

City of Manhattan Beach

TO: Honorable Mayor Montgomery and Members of the City Council

THROUGH:  David N. Carmany, City Manager

FROM: Richard Gill, Director of Parks and Recreation
Mark Leyman, Recreation Services Manager

DATE: July 5, 2011

SUBJECT: Discussion of the Financial Status of the International Surf Festival's Charlie Saikley Six-Man Beach Volleyball Tournament

RECOMMENDATION:

Staff recommends that the City Council discuss the financial status of the International Surf Festival's Charlie Saikley Six-Man Beach Volleyball Tournament and provide direction.

FISCAL IMPLICATION:

The fiscal impact for the 2011 International Surf Festival's (ISF) Charlie Saikley Six-Man would be a loss of \$102,000 with the current team registrations. The total operational costs are estimated to be \$202,000 and revenue from entry fees as of June 27, 2011 is \$100,000.

BACKGROUND:

The Six-Man Volleyball Tournament is part of the International Surf Festival (non-profit, volunteer committee), which is supported by the Los Angeles County Lifeguards, Los Angeles County Department of Beaches and Harbors, the City of Torrance, the City of Redondo Beach, the City of Hermosa Beach, and the City of Manhattan Beach. Volleyball is one of many events including: surfing, bodysurfing, sand soccer, paddleboard, lifeguard relay, dory races, and pier-to-pier swim. The 2011 event will be the 50th Anniversary of the International Surf Festival.

The Six-Man Volleyball Tournament began in 1961 with minimal players and spectators. At capacity, there are 200 teams competing in the event and each team consists of approximately 15 players. This year's event is scheduled for July 30-31, 2011. Attendance for the event in 2002 had grown to approximately 12,000, and by 2004 it reached approximately 20,000. In 2009 the attendance reached approximately 60,000 people. Last year the total attendance dropped to approximately 50,000 people due to the loss of approximately 50 teams.

DISCUSSION:

At the April 6, 2010 City Council meeting, staff came to City Council with a staffing and operational plan for the International Surf Festival's Charlie Saikley Six-Man Volleyball Tournament. These operational changes included:

- Increased Manhattan Beach Police Department personnel, Contemporary Services Corporation (CSC) Security personnel, Manhattan Beach Fire Department personnel, Lifeguards and Parks and Recreation personnel
- Eliminated plastic snow fencing and installed metal bicycle fencing around the perimeter of the event
- Assigned teams to one 10'X10' pop-up-tent with fencing between tents to eliminate spectators from entering team areas
- CSC security personnel checking all bags and coolers entering the event site
- Eliminated home furniture, structures, car batteries, gas generators and amplified sound on the beach
- Required a team representative with tournament I.D. tag in the pop-up-tent at all times
- Required each team member to wear a wrist band
- Required that each team send a team manager to a mandatory pre-event meeting
- Reduced total number of teams

These changes overall were successful by reducing the alcohol on the beach, opening up the event footprint to accommodate the crowds, providing an emergency safety lane on the west side of the event and providing increased safety and structure to the event site.

The primary goal of our operational plan was to control and reduce the alcohol entering the event. This moved the alcohol off of the beach up into the downtown businesses and private homes. Manhattan Beach Police Officers were assigned to foot beats throughout the downtown area and contacted individuals who were openly consuming alcohol away from licensed premises and took proactive police action.

Event Financing / Department Costs

Prior to the 2010 Six-Man event, the volleyball tournament was always at the capacity with approximately 200 teams. The 2010 Six-Man event had a 37 team reduction in sign-ups (143 out of a possible 180), and therefore did not meet the anticipated revenue target to cover operational costs. The 2010 event generated \$160,000 in revenue and \$214,000 in operational costs with a total deficit of \$54,000.

Due to the operational and staffing changes to the 2010 event, staff had to raise fees from \$400 to \$500 for the masters division, \$600 to \$1,100 per team in the open division, and \$1,000 to \$2,500 for sponsored open division teams to meet the increased overall operational costs.

The anticipated deficit for the 2011 Six-Man event is projected to reach \$102,000. The total operational costs are estimated to be \$202,000 and current revenue as of June 24, 2011 is \$100,000.

The total operational costs include the following:

Staffing	2011 Estimate
Police department staff	\$80,000
CSC security	\$38,000
Fire department	\$7,000
P&R staff (with contractors)	\$9,000
Volleyball officials	\$10,000
Public works staffing (with contractors)	\$30,000
Operations	
ISF shirts, medals and tournament supplies	\$5,000
Bicycle fencing and porta-potties	\$20,000
4X4 trucks and gators	\$3,000
Total Cost	\$202,000
Total Revenue (team registrations)	\$100,000
Total Net (loss)	-\$102,000

Sponsorship

Sponsorship of the event is provided through the International Surf Festival’s contract fundraising agency, Beachsport.org. The ISF Committee uses this money to offset all of the costs associated with aforementioned ISF events.

Specific to the Charlie Saikley Six-Man event, the contract company Beachsport.org provides a \$15,000 insurance policy for the event which covers the City of Manhattan Beach. In addition Beachsport.org has provided in-kind contributions (i.e. pallets of water, Muscle Milk, granola bars, etc.) with an estimated value of \$10,000.

CONCLUSION:

The popularity of the Six-Man Tournament has grown to a point where the operational costs surpass the revenue that can be generated by team entry fees. As the team entry fees increased, there has been a significant reduction in team registrations.

Staff recommends the following options for City Council consideration:

- A) Subsidize \$102,000 dollars in lost revenue with City funds for the 2011 Charlie Saikley Six-Man Beach Volleyball Tournament.
- B) Suspend the 2011 Charlie Saikley Six-Man Beach Volleyball Tournament event until staff can examine funding options for future year’s events