COUNCIL AGENDA : 8/19/2025
FILE : 25-834
ITEM : 3.3

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Toni J. Taber, MMC
City Clerk

SUBJECT: **SEE BELOW**

DATE: August 6, 2025

SUBJECT: Cost of Special Events Audit Report

Recommendation

As recommended by the Community and Economic Development Committee on June 16, 2025, accept the report on the audit of security or other costs of special events.
CEQA: Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action. (City Auditor)
[Community and Economic Development Committee referral 6/16/2025 Item (d)1]
DEFERRED TO 8/26/2025

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Office of the City Auditor

Report to the City Council
City of San José

CITY COSTS FOR OUTDOOR SPECIAL EVENTS: OPPORTUNITIES EXIST TO ENHANCE CUSTOMER SERVICE

Report 25-01
June 2025

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Office of the City Auditor
Joe Rois, City Auditor

June 9, 2025

Honorable Mayor and Members
Of the City Council
200 East Santa Clara Street
San José, CA 95113

City Costs for Outdoor Special Events: Opportunities Exist to Enhance Customer Service

In FY 2023-24, there were 84 outdoor special events that required permits and services from multiple City departments because of their size and scope. These events were hosted by outside event organizers and coordinated with the Office of Economic Development and Cultural Affairs (OEDCA). Overall, they attracted an estimated 330,000 attendees over 300 event days. Events ranged from large annual events like Christmas in the Park and San Jose Jazz Summer Fest, to smaller-scale community or cultural events.

In FY 2023-24, total City costs for the events was at least $622,000. Labor costs, including security, were the biggest driver of City costs, totaling $436,000. The objective of this audit was to assess City-required security or other costs to organizers for large outdoor special events. The audit did not include City-sponsored events, or smaller private events that did not involve multiple departments or were not facilitated by OEDCA.

Finding 1: More Transparent and Predictable Police Staffing Costs Can Help Event Organizers. Event organizers were charged $319,000 for Police Department (Police) staffing in FY 2023-24 — 51 percent of the City's outdoor special event costs. This included both sworn and non-sworn staff, such as Community Service Officers and Crossing Guards. We found:

- Cost estimates for security and traffic control are not consistently provided to event organizers, and not all hourly rates are posted on the City's special events webpage.
- Sworn and non-sworn Police personnel voluntarily sign up to work special events through the Secondary Employment Unit (SEU). Fully staffing events has been a persistent challenge for SEU.
- Roles and responsibilities for sworn officers, non-sworn staff, and private security are not clearly defined. Clarifying these roles and encouraging the appropriate use of private security can help organizers ensure a safe and affordable event.

Recommendations: The Administration and the Police Department should:

→ Identify a threshold for which cost estimates are required to be provided.

→ Update the City's website for all rates for sworn and non-sworn staff.

→ Update the Special Event Guidelines to define and prioritize roles for private security and non-sworn staff.

Finding 2: Improving Coordination in the Event Process May Help Enhance Customer Service. The City has developed a Customer Service Vision and Standards to improve customer service across the organization. While the outdoor event processes meet some elements of these standards, there is room for improvement to better support event organizers. We found:

- Currently, event organizers receive separate invoices and go through different billing processes for each department involved. In some instances, they may receive multiple invoices from the same department months apart.
- A more coordinated approach can streamline the permitting and invoicing processes to provide a seamless customer experience to event organizers.

Recommendations: The Administration and OEDCA should:

→ Assess how the City can better coordinate the permitting process, potentially through a technology solution.

→ Formalize OEDCA's procedures to follow up with departments on post-event invoices.

This report has four recommendations. We plan to present this report at the June 16, 2025, Community and Economic Development Committee. We would like to thank the Office of Economic Development and Cultural Affairs; the Police Department; the Department of Transportation; the Parks, Recreation and Neighborhood Services Department; the Fire Department; and the City Attorney's Office for their time and insight during the audit process. The Administration has reviewed the information in this report, and their response is shown on the yellow pages.

Respectfully submitted,

Joe Rois
City Auditor

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This report is also available online at www.sanjoseca.gov/audits

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Background

Outdoor special events contribute towards the City's goals for creating community identity and reinforcing the cultural character of new and existing neighborhoods. The City Administration has identified the following goals in the Envision San José General Plan 2040 to:

- *Increase the number of special events that bring neighborhoods together, such as street festivals, resource fairs, holiday parades, movies, theatrical plays, and concerts in local parks, on temporarily closed streets, and/or in plazas.*
- *Support the development of Downtown as an arts, cultural, and entertainment center for San José and the region. Promote special events, parades, celebrations, performances, concerts, and festivals.*

In fiscal year (FY) 2023-24, there were 84 non-City events that, because of their size and scope, required permits and services from multiple City departments. These include festivals, marathons, concerts, and community and cultural events. The events were hosted by outside event organizers and coordinated with the Office of Economic Development and Cultural Affairs (OEDCA). Overall, these events attracted an estimated 330,000 attendees over 300 event days. Many of the events are annual events like Christmas in the Park or San Jose Jazz Summer Fest. There are also smaller-scale events like the MACLA (Movimiento de Arte y Cultura Latino Americana) Family Art Day. Events can also occur in a series, such as the Pobladores Night Market.

In an auditor-conducted survey of event organizers, 90 percent of respondents indicated that City costs were important when deciding to host an event in San José. The objective of this audit was to assess City-required security or other costs to organizers for outdoor special events.

City Costs Accounted for at Least $622,000 to External Event Organizers in FY 2023-24

In FY 2023-24, the City charged at least $622,000 in fees for City permits, labor, and services for the 84 outdoor special events. Labor costs were the biggest driver of City-required costs, totaling $436,000—approximately 70 percent of the total.[1] Permit costs, such as for street closures, parades, locations, and others, totaled $141,000. Rental equipment and other costs accounted for the remainder, totaling $45,000.

Depending on the size and scope of the event, overall City costs varied. The event's location, size, and type affect how many permits and services are needed. Generally, larger events like festivals and parades need more permits and services

[1] Labor costs include sworn and non-sworn security and traffic control staff, Fire Department staff, and Department of Transportation staff.

than smaller scale events like community gatherings that might only require a location permit.

Exhibit 1: Average Cost Varies Based on the Size of an Event

Estimated Average Daily Attendance	Number of Events	Total Costs	Average Cost
75 - 500	17	$14,400	$847
500 - 2,500	38	$94,900	$2,497
> 2,500	29	$512,400	$17,669
Total	84	$621,700	$7,401

Source: Auditor analysis of FY 2023-24 outdoor special events from the OEDCA calendar of events, department invoices, event applications, data from the City's financial management system, and Secondary Employment Unit Annual Employer's Reports.

Note: Other small events occur throughout the City, which do not require multiple department involvement and were not within the scope of this audit. For example, small neighborhood block parties and small gatherings or celebrations in parks.

Events Can Incur a Variety of City Costs

Some costs are fixed and more predictable, while others vary depending on quantity of service and labor. Individual permit fees are usually a fixed fee. In contrast, service and labor costs vary depending on the type and scale of the event and may be harder for organizers to predict.

Exhibit 2: Types of Fixed and Variable Costs for Special Events

Department	Fixed Cost Factors	Variable Cost Factors
Police Department	• Street Closure Permit • Parade Permit • Temporary Alcohol License Permit • Secondary Employment Unit (SEU) Processing Permit	• Police Officers (SEU) • Other Police staff—Crossing Guards, Community Service Officers
Fire Department	• Carnival/Festival Permit • Parade Permit • Pyrotechnic Permit • Tent Permit • Candles & Open Flames in Assembly Permit • Open Burning Permit	• Outdoor Site Fire Inspections • Plan Review • Fire Personnel
Department of Transportation	• Tow Zone Permit	• Traffic Control Equipment • Meter Lost Revenue • Parking and Traffic Control Officers
Office of Economic Development and Cultural Affairs	• Location-based Permits, including Downtown Parks • Limited Special Event & Simple Assembly Permit • Film Permit	• Street and Sidewalk Inspection
Parks, Recreation and Neighborhood Services	• (Special Park Use Unit) Non-Downtown Park Permits based on size of event, Trail Use, Setup/Take Down	
Department of Public Works		• Electrical Services

Source: Auditor summary of the City's website for the costs of special events and invoices.

Note: The Environmental Service Department provides dumpster services free of charge to qualifying events (e.g., events with more than 2,000 attendees).

There are some required services which can only be provided by the City. For example, the Fire Department's Bureau of Fire Prevention provides permitting and inspection for temporary structures, vendor booths, and pyrotechnics. Other required services, such as the deployment of traffic control equipment, can either be rented from the Department of Transportation (DOT) or be provided by private companies, so long as the equipment meets DOT specifications.

The Police Department's Role in Ensuring a Safe Event

The Police Department (Police) oversees safety through the Secondary Employment Unit (SEU), which manages off-duty police staffing for special events. Police sworn staff, such as Officers and Sergeants, help maintain overall public safety at events. Additionally, non-sworn staff, such as Community Service Officers, Crossing Guards, and DOT Parking and Traffic Control Officers may be used to support traffic control at events.

The Police Department, in coordination with DOT, approves traffic plans and determines the number of sworn and non-sworn staff needed for traffic control.[2] Per the SEU Procedures Guide, Police will:

> *Evaluate the promoter's proposal and develop an operations plan considering the following data: Crowd size, location, traffic concerns, alcohol sales, type of entertainment, time of year and past experience.*

Private security is required for events selling or serving alcohol. Additionally, event organizers may choose to also hire private security to enforce event rules. In an auditor-led survey, 67 percent of respondents indicated having used private security for their events. However, private security may not perform all of the functions of Police Officers. While private security can provide services like ticketing or contain alcohol consumption within the permitted area, they cannot enforce laws.

Obtaining Permits for Outdoor Special Events Requires Working with Multiple City Departments

As shown in Exhibit 3, an event organizer will initiate the permit process by submitting an Outdoor Special Events Permit Application to OEDCA. Once received, OEDCA will assign an Event Coordinator, who will notify relevant City departments about the application and typically schedules a pre-event meeting. The pre-event meeting is where an event organizer discusses the permit requirements and services or labor needs of the event with City departments.

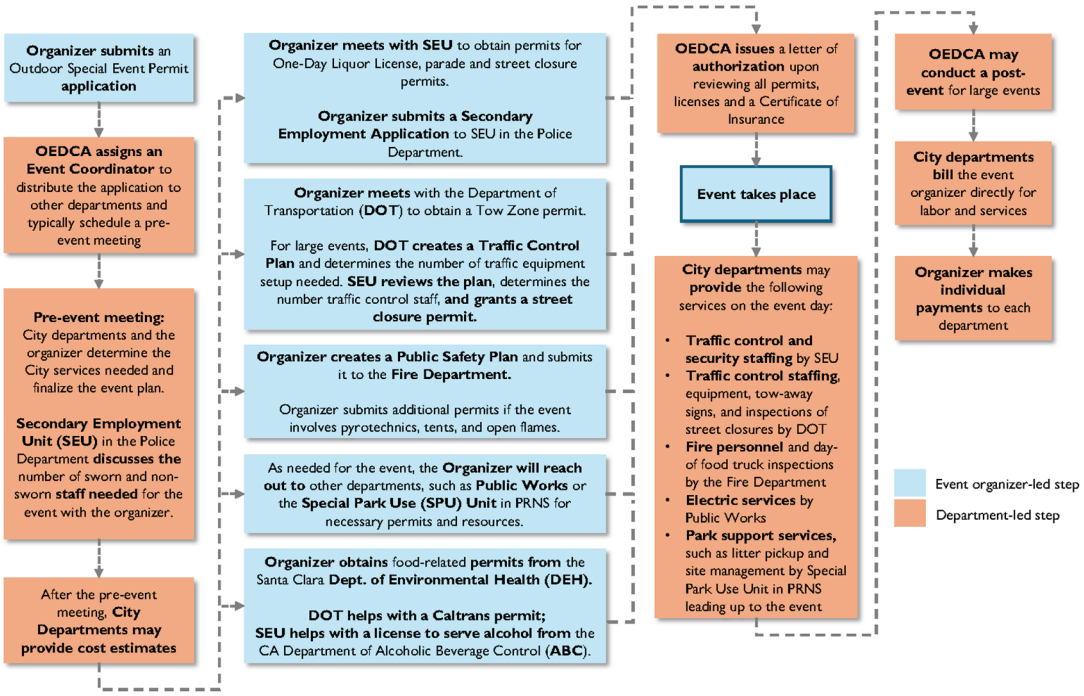
The City also maintains Special Event Guidelines as a reference guide for event organizers. This includes contact information for different departments, a description of the permit application and billing processes, and specific event requirements (such as for street closures, alcoholic beverages, and others).

Following the pre-event meeting, the event organizer will work directly with City departments, and any non-City agencies, to obtain necessary permits outside of the initial application. Event organizers are responsible for providing all required permits and a Certificate of Insurance to the OEDCA Event Coordinator to receive a Final Letter of Authorization that serves as official approval to hold the event.

After the event, City departments that provided services bill the event organizer for any related costs. Exhibit 3 outlines the full process—from application to final billing.

[2] The San José Municipal Code §11.12.050 limits who is authorized to direct traffic. This includes certain staff from the Police Department, as well as select others who have been appropriately trained and certified.

Exhibit 3: Permitting Path for Outdoor Special Events



Source: Auditor summary of the Outdoor Special Events permitting process.
Note: Some steps may vary depending on the size and scope of the event.

Seventy-four percent of survey respondents marked their experience obtaining special event permits as "excellent" or "good". It is important to note that San José's permitting process is similar to other benchmarked cities. Many jurisdictions have a liaison department that initiates and facilitates the permitting process, while event organizers work directly with different departments to obtain necessary permits.

City Initiatives to Alleviate Costs for Organizers

To help alleviate costs for smaller scale events, the City piloted the SJ PLACES (Public Life and Community Event Spaces) program beginning in 2023.[3] The program waives fees for location permits, tow-zone permits, tow-zone signage, and lost meter revenue fees for select locations.[4] Eligible events are small in scale, without street closures or alcohol, and with limited attendance and food service. As of March 2025, 24 events had participated, with estimated combined total of 3,600 attendees. Events have included small celebrations, dances, and community gatherings.

The City also provides grant opportunities for organizations hosting events, as well as operating grants to cultural organizations. The Festivals, Parades, and

[3] Previously known as the Downtown Vibrancy Event Pilot.

[4] These locations include Arena Green Park, City Hall Plaza, Fountain Alley, St. James Park, Theater Plaza, and Parque de los Pabladores.

Celebrations grant provides funding opportunities to eligible non-profit organizers of culturally relevant festivals, parades, art festivals, and other events open to the public. The grant's goals include expanding access for all City residents to a wide range of cultural experiences and enhancing San José's cultural environment, among others.

Finding 1 More Transparent and Predictable Police Staffing Costs Can Help Event Organizers

Summary

Event organizers were charged $319,000 for Police staffing for outdoor special events in FY 2023-24—51 percent of total City costs. The Secondary Employment Unit (SEU) determines security and traffic control staffing needs for events, which are typically filled by off-duty sworn staff (e.g., Officers) and non-sworn staff on a voluntary basis. However, SEU does not always provide cost estimates or post all potential hourly rates online. This can create a challenge for organizers wishing to budget for their events.

To support traffic control, SEU may assign non-sworn staff, such as Community Service Officers, Crossing Guards, and Parking and Traffic Control Officers. This can help ensure coverage for events, as filling sworn positions has been a persistent challenge. When SEU is unable to fully staff an event, organizers may need to hire private security to fill the gap. This may occur on short notice, which can lead to challenges in hiring enough security in time. Given the sworn staffing challenges, clarifying and prioritizing roles for private security and non-sworn staff can help organizers ensure a safe and more affordable event.

Police Staffing for Event Security and Traffic Control Account for the Largest Portion of City Costs for Special Events

In FY 2023-24, 51 percent of the City's outdoor special event costs—about $319,000 of the $622,000 total—went toward Police staffing.[5] This included both sworn personnel, such as Police Officers, Sergeants, and Lieutenants, who provide on-site security, crowd control, and traffic control) and non-sworn staff, such as Community Service Officers and Crossing Guards, who assist with traffic control.[6]

Security costs are especially significant for events that require a larger police presence, street closures, and traffic control. Examples include parades, festivals, and marathons.

[5] The City's website for special events posts the following pay rates: Officer: $70/hour, Sergeant: $80/hour, Lieutenant: $92/hour. While the regular rates for San José sworn staff are on the lower end of other jurisdictions benchmarked in the audit, the overtime rates for sworn staff are comparable with rates in other cities. It is important to note that jurisdictions may differ in how they staff special events; for example different minimum hours required to work at special events and some rely on on-duty sworn staff.

[6] Parking and Traffic Control Officers from DOT may also assist with traffic control activities at events, however they are not captured in the Police costs.

Cost Estimates and Hourly Rates Are Not Consistently Provided to Event Organizers

Of 10 events reviewed in the audit that needed SEU staffing, only one event received a cost estimate from the Secondary Employment Unit (SEU) in Police. While many events are recurring and SEU relies on security and traffic control staffing plans from prior events, not providing formal cost estimates may make planning difficult for organizers. According to the City's Special Event Guidelines, City departments are expected to provide cost estimates to OEDCA after the pre-event meeting. Additionally, the SEU Procedures Guide places responsibility on SEU to provide Police cost estimates to both the event organizer and OEDCA. However, this is not always done in practice and typically only created based on request.

Respondents to an auditor survey of event organizers indicated that permit costs for outdoor special events were predictable (87 percent "Strongly Agree"/ "Somewhat Agree"). However, only 65 percent of respondents said the same about service and labor costs; a more than 20-percentage point difference. Cost estimates provided before an event can help ensure event organizers know what to expect and budget as necessary.

Other Jurisdictions Provide Cost Estimates

Other cities improve cost transparency for special events by requiring cost estimates for all events or providing fee estimators. For example:

- The **City of San Diego** Police Department reports they require cost estimates to be provided for all outdoor special events, even if there are no estimated police costs. As part of the permit issuance process, they report requiring the event organizer to sign and return the fee estimate prior to issuing any permits to ensure cost transparency and predictability for event organizers.
- The **City of Seattle** offers a publicly available fee estimator tool to help event organizers. The tool includes instructions for event organizers to identify any use of public streets and bridges and whether alcohol will be served or sold. Additionally, there is also a section to assist event organizers in planning for potential police staffing costs for their event.

Similar tools or practices could help organizers wishing to host events in San José.

Invoiced Sworn Staffing Rates Can Differ From the Rates Published Online

The City's webpage for the cost of special events only includes standard SEU pay rates for sworn staff (e.g., $70/hour for Police Officers). However, to encourage more sworn staff to sign up for events, the Chief of Police issued a memo in May 2023 allowing large events (those requiring 15 or more sworn staff) to offer an

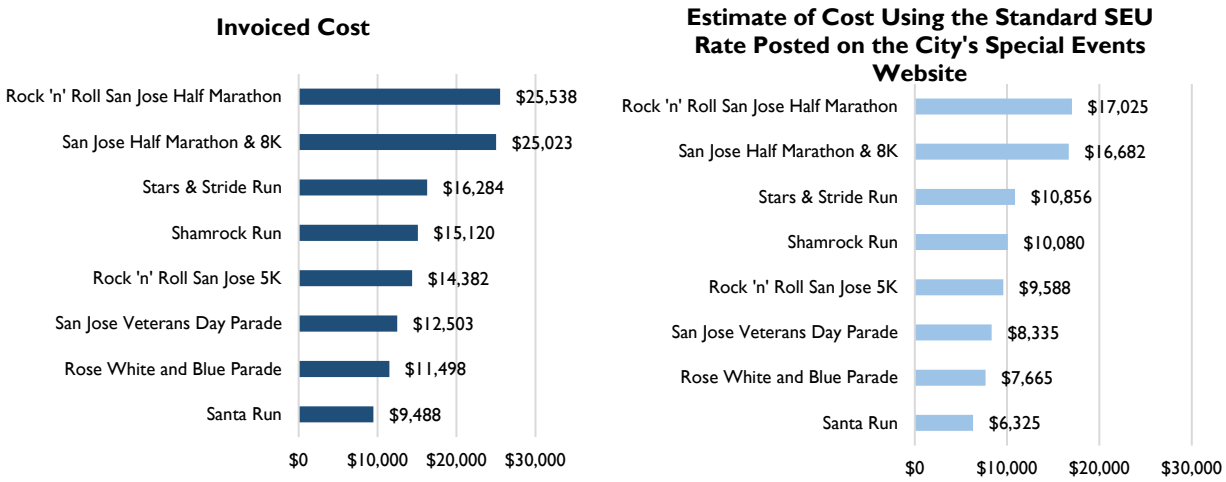
overtime rate of 1.5 times the standard SEU pay rate.[7] Additionally, sworn staff are paid a holiday rate at two times standard SEU pay on five specified holidays.[8]

Though these rates may have had a positive impact on sworn staff signing up for large events, these rates are not included on the City's website or in the Special Event Guidelines. Additionally, rates for non-sworn police staff, such as Community Service Officers and Crossing Guards, are also not listed on the website.

It is not clear how event organizers would learn about the higher rates, or the rates for non-sworn Police staffing, unless they receive a cost estimate from SEU. As noted earlier, these are not provided to all events.

As an example of how the rates can impact costs, in 2024 the Rock 'n' Roll San Jose Marathon incurred approximately $25,500 in fees for SEU staffing using the large event rate, 1.5x the posted rate. This was $8,500 more than they would have been invoiced had they used the posted rate online. These differences are shown in Exhibit 4.

Exhibit 4: Large Events May Pay More for Sworn Staffing Costs



Source: Auditor analysis of large events from the 2024 Secondary Employment Unit Annual Employer Report and the City's website.

The Composition of Staffing for Special Event Security and Traffic Control Can Impact Overall Costs

Event staffing can include a mix of sworn staff and non-sworn personnel, which can significantly affect overall costs. For example, although the 2023 Applied Materials Silicon Valley Turkey Trot (Turkey Trot) and 2023 Rock 'n' Roll San Jose Half

[7] Overtime increases the rate to: Officer $105/hour, Sergeant $120/hour, and Lieutenant $138/hour.

[8] The five holidays include: Christmas, Christmas Eve, New Year's Eve, New Year's Day, and Thanksgiving.

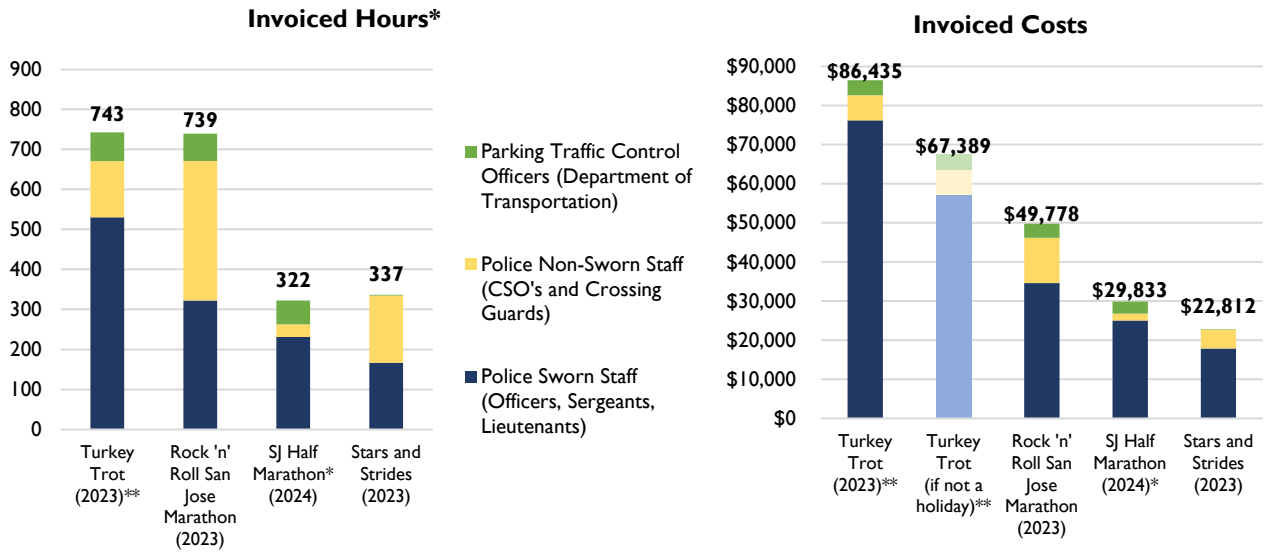
Marathon required nearly the same number of staff hours, the Turkey Trot costs were $36,700 more. This was because two factors with the Turkey Trot:

- **Holiday Pay:** The event took place on Thanksgiving. Organizers paid a holiday rate at two times the base rate online, rather than the 1.5 times overtime rate for large events.
- **Sworn vs Non-Sworn Staffing:** This event included a larger portion of sworn Offers, Sergeants, and Lieutenants compared to non-sworn personnel.

The 2023 Rock 'n' Roll San Jose Half Marathon included a larger proportion of Crossing Guards, Community Service Officers, and Parking and Traffic Control Officers to help with traffic control. Despite having similar number of overall hours, non-sworn staff worked 417 hours at the Rock 'n' Roll San Jose Half Marathon, compared to 213 hours during the Silicon Valley Turkey Trot. Non-sworn staff are charged at lower rates than Police Officers, especially for larger events.[9]

The 2023 Stars and Strides event also saw lower costs because of the proportion of non-sworn staffing. The event incurred $22,800 for 337 hours of work, just over half of the hours was for non-sworn staffing. If this was entirely staffed by sworn staff, it could have been upwards of $35,700.

Exhibit 5: Events with Similar Hours Differ in Costs Depending on the Composition of Staff



Source: Auditor analysis of invoices for select large events, provided by the Police Department and Department of Transportation.

[9] Parking and Traffic Control Officers current rates, as noted on the website, are: $56.48 per hour and $66.52 per hour for Senior Parking and Traffic Control Officers. Rates for Community Service Officers and Crossing Guards are not listed on the website.

* It should be noted that there may have been a discrepancy in the Police Department's invoices for non-sworn staffing. According to the operational plan for the San Jose Half Marathon, non-sworn staff worked over 250 hours more than the amount charged in the final invoice. This has been brought to the attention of the Police Department.

** Turkey Trot (2023) occurred on Thanksgiving Day. This was charged at a holiday rate of 2x the base rate. If normalized for comparison at 1.5x rate for large scale events, it would still be larger than the rest due to the number of sworn staff.

Police departments from other jurisdictions also note that different factors can impact staffing decision, such as the number of street closures, attendance, and whether they were any concerns from previous years. A marathon in San Diego with an estimate of 200,000 attendees, for example, could be staffed with 185 police personnel (75 sworn and 110 non-sworn). A marathon in Oakland, with about 17,000 estimated attendees, was staffed with 95 police personnel (85 sworn and 10 non-sworn).

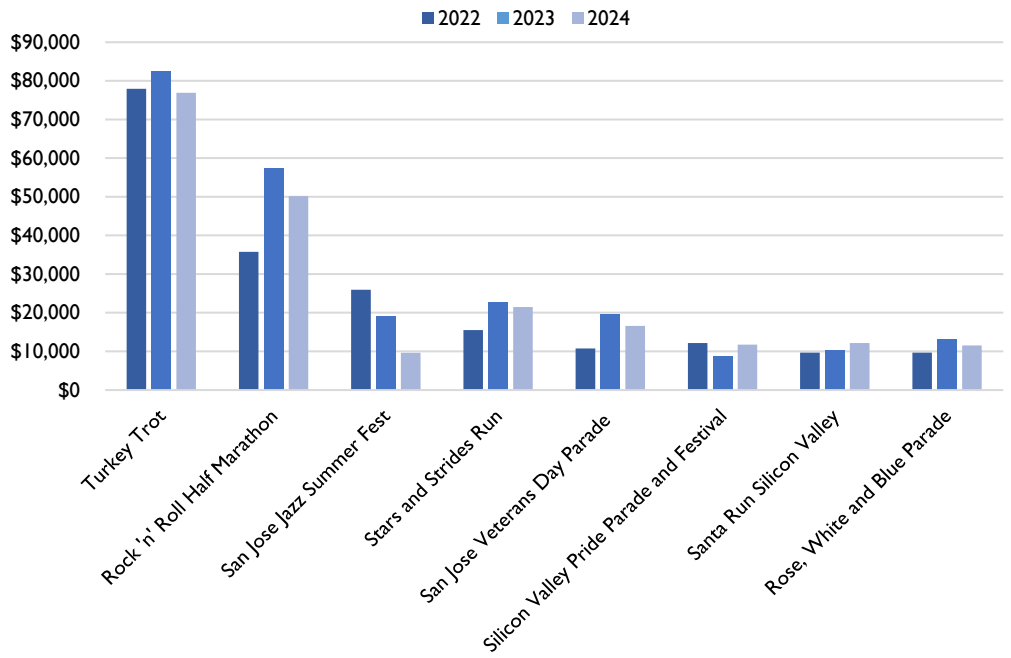
Lack of Availability of Sworn Staff Creates Variability in Costs

Police is not always able to fill staffing assignments for outdoor special events. In the FY 2024-25 Adopted Operating Budget, SEU estimated only filling 48 percent of requested special event hours in FY 2023-24.[10] SEU determines staffing needs and Police labor cost estimates for outdoor special events. Both sworn and non-sworn staff fill these positions on a voluntary basis, but fully staffing sworn staff has been a persistent challenge. Of seven smaller events requiring fewer than 15 SEU staff reviewed in the audit, only four were fully staffed for all event days.

The inability to fully provide staff has led to inconsistent labor costs for the same events over time. For example, the San Jose Jazz Summer Fest was invoiced for $25,900 in 2022, $18,900 in 2023, and just $9,600 in 2024. This variation can be seen in other events, as shown in Exhibit 6.

[10] This performance measure includes more events than the larger, outdoor special events included in this audit. It also includes smaller, private events that may not involve multiple departments or require OEDCA facilitation.

Exhibit 6: Police Sworn and Non-Sworn Staffing Costs Vary From Year to Year



Source: Auditor analysis of the secondary employment unit's annual employer reports, invoices, and data from the City's financial management system.

According to SEU staff, if they cannot fill all security staffing positions for a special event, they will notify the event organizer at least one week before the event and suggest adding private security. As reported by one event organizer in response to our survey, short notice can affect the cost of hiring private security. In another example, an organizer had to reach out to the Police Department four days before the event because they still had not heard whether the positions were filled.[11]

If the event organizer chooses not to hire extra private security when SEU cannot fully staff an event, the event may still take place—potentially creating a security risk.

Officers Should Be Used for the Highest and Best Use of Their Time

Given the staffing shortage, sworn staff should be used for the highest and best use of their time. While the Special Event Guidelines and the SEU Procedures Guide identify roles for Officers to support security and traffic control at events, they do not define all respective responsibilities for private security or non-sworn City staff.

[11] The Department was not able to provide staffing for the event and the organizer was instructed to arrange for private security.

As noted in the Background, the SEU Procedures Guide instructs SEU to set security staffing levels for outdoor special events based on an event threat assessment, historic data, and whether alcohol will be served. PD also considers the security plan that is prepared by the event organizer.

Police require a minimum of two Officers to staff events that include alcohol, though Police can waive this requirement for events with fewer than 200 attendees and events that meet other criteria.[12] The guides also instruct organizers to have at least one private security guard at each booth serving alcohol.

Exhibit 7: Police Staffed at an Intersection

Source: Auditor photo of the 2025 Shamrock Run.

Additionally, the San José Municipal Code (§11.12.050) limits who is authorized to direct traffic on city streets to certain staff from the Police Department, as well as select others who have been appropriately trained and certified. This includes Police non-sworn staff, like Community Service Officers, Crossing Guards, and DOT Parking and Traffic Control Officers.

Roles of Security Staffing

Other jurisdictions have taken steps to further clarify the roles of sworn, non-sworn, and private security for outdoor special events. The City of San Diego's Special Event Guidelines define the role of the host organization, role of private security, and the role of their police department.

- Private security is typically used for enforcing operations, rules and regulations established by the host, crowd control, alcohol safety, money transfers, VIP management, and parking at the venue.
- The San Diego Police Department staff is intended to supplement the organizers security plan. It also identifies that it is not the responsibility of Officers to provide the services that are the job of private security staff.

Organizers wishing to host in San José may benefit from clear guidance when they can use private security, at a lower cost, rather than requiring sworn staff. The City of Oakland specifies which events will require security or Police Officers in an ordinance.

- Police Officers are required in certain types of events or when the City Administrator determines, in writing, that law enforcement is required.

[12] State law requires an RBS-trained (Responsible Beverage Service) individual to remain on site for the duration of the event. There is no requirement for law enforcement to be present.

- Private security and Police Officers are not required if the event is a repeat of a prior event (with no changes), the prior event resulted in no public safety incidents, no traffic control is required, there is no sale of alcohol or cannabis, no exchange of cash, and the event is less than 100 people.

Due to San José's Police staffing challenges in securing SEU volunteers to staff special events and the year-to-year inconsistencies in staffing levels, Police should update their guidelines to ensure Officers are used only for the highest and best use of their time. Adding parameters for determining security staffing requirements could help standardize Police staff across events and make the costs more predictable for event organizers. Likewise, defining roles which can be filled by private security or non-sworn staff can reduce the overall cost to event organizers.

Recommendations:

1: To better inform event organizers about potential City security costs, the Administration and the Police Department should update the Special Event Guidelines and the Secondary Employment Unit Procedures Guide to:

a. Identify a threshold for which labor cost estimates are required to be provided to event organizers for security and traffic control.

b. Identify a reasonable timeframe in which the Police Department is required to notify event organizers of potential gaps in Secondary Employment Unit Staffing for organizers to secure additional private security.

2: To ensure transparency of rates, the Police Department and the Office of Economic Development and Cultural Affairs should update the City's special event's website and the Special Event Guidelines to reflect all police costs, including large event rates, holiday rates, and all rates for sworn and non-sworn staffing.

3: To reduce costs and address sworn staffing challenges, the Administration and Police Department should update the Special Event Guidelines and the Secondary Employment Unit Procedures Guide to define and prioritize roles for:

a. Private security which could include enforcing event rules and regulations, crowd control, parking, or other roles as appropriate; and

b. Non-sworn personnel around traffic control, including Community Service Officers, Crossing Guards, and the Department of Transportation's Parking and Traffic Control Officers.

Finding 2 Improving Coordination in the Event Process May Help Enhance Customer Service

Summary

The City has developed a Customer Service Vision and Standards to provide reliable, empathetic, and solution-oriented customer service. While the outdoor special event processes meet some elements of these standards, there is room for improvement to better support organizers. Currently, event organizers receive separate invoices and go through different billing processes for each department involved. In some instances, they may receive multiple invoices from the same department months apart, and beyond the 30-45 day timeframe recommended in the City's Special Event Guidelines. The Police Department is currently implementing a new permitting platform that could help streamline the permit process. A more coordinated approach can improve efficiency and provide a seamless experience to event organizers.

Better Alignment with the Customer Service Vision and Standards Can Improve Event Organizers' Experiences

The City aims to provide reliable, empathetic, and solutions-oriented customer service to its customers. To support this vision, the City developed the Customer Service Vision and Standards, approved by City Council in February 2023. This serves as a framework for facilitating a seamless customer service experience across all departments.

Vision:
Working together to serve our community through reliable, empathetic, and solutions-oriented customer service.

Standards:

1. Deliver customer service with a focus on solutions.
2. Support a consistent and accessible experience for all customers.
3. Work as one team to facilitate a seamless customer experience.
4. Enable customers to easily navigate the City on their first try.
5. Set expectations for next steps at point of contact and communicate along the journey.
6. Treat every customer like their problem matters and we are on the same team to solve it.
7. Continually improve our customer service through our people, processes, and technologies.

While the outdoor special events process reflects some aspects of this framework, there are opportunities for improvement to better support event organizers hosting events in San José.

The Event Process Meets Some Elements of the Customer Service Vision and Standards

For large outdoor special events, the City meets some of its customer service goals by having a liaison department that, according to the City's Adopted Operating Budget, "leads the inter-departmental and inter-agency Special Events Team."

As described in the Background, when initiating the process to host a special event in San José requiring three or more City services, an event coordinator from OEDCA will be assigned to work with the event organizer(s). The coordinator will facilitate a pre-event meeting where City departments set expectations for permits. OEDCA will issue the authorization for the event to occur once all permits are approved and paid.

The Permit Process Requires Organizers to Work Separately with Multiple Departments

Even though OEDCA assigns an Event Coordinator, organizers are responsible for working with the different departments individually to obtain all requisite permits—such as street closure permits from Police; carnival and pyrotechnic permits from Fire; tow zone permits from DOT; and location-based permits from OEDCA or PRNS.

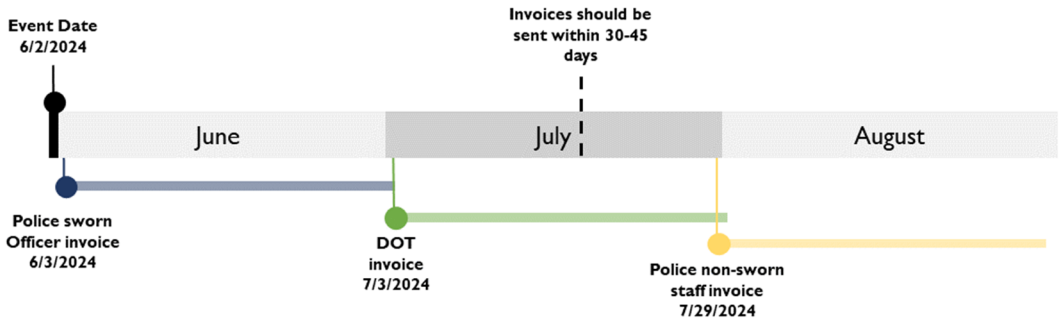
Each department has its own systems for issuing permits for event organizers. The initial application, submitted to OEDCA, includes a compilation of some key permits from DOT, Fire, and Public Works, in addition to OEDCA use permits. The initial application is a paper-based PDF document that organizers can only submit via email. Alternatively, organizers can apply online for Police Department permits or to hire off-duty Officers. This is separate from the initial special event application submitted to OEDCA.

Organizers May Receive Multiple Invoices for Labor and Services, Sometimes Long After the Event

The more departments involved in an event, the more invoices that may be issued. For the 10 events with the highest City costs in FY 2023-24, we estimated that organizers received an average of eight unique bills for permits, labor, and other services. Billing is a decentralized process in the City—with each department using different systems to issue an invoice. Permit fees must be paid prior to event authorization. Post-event invoices for labor and other services are sent after the event at various times resulting in different due dates for each invoice.

The Special Event Guidelines recommend invoices for labor and services to be sent no later than 30-45 days after the event. However, invoices are sent at varying times, in some cases well beyond the recommended window of time. For example, the organizer for the 2024 San Jose Half Marathon received three post-event invoices with overlapping due dates. Two of the invoices came from the same department but were issued almost two months apart.[13]

Exhibit 8: Multiple Invoices with Separate Timelines After an Event



Source: Auditor analysis of the San Jose Half Marathon 2024 invoices after the event.

Another example is the 2023 Silicon Valley Turkey Trot. Post-event invoices were sent far apart from each other, despite being for the same type of service provided at the event (traffic control).

- SEU invoiced for sworn staff **five days** after the event;
- DOT invoiced **three weeks** after; and
- The Police Fiscal Unit invoiced for non-sworn staff **three months** after.

Eleven of the 22 events, which were billed for non-sworn staffing from July 2023 through December 2024, received invoices far beyond the 30–45 day recommended timeframe after an event. In some cases, invoices were sent more than 100 days after the event.

The Special Event Guidelines directs organizers to OEDCA for questions about their invoices for City services. However, departments do not always share this information with OEDCA, adding another layer for organizers to go through to receive answers to their questions. According to OEDCA, they follow up with departments when organizers reach out with questions.

Other Jurisdictions Are Working to Improve the Special Event Permitting Process for Organizers

Other jurisdictions have begun to leverage technology to help streamline the process for event organizers to apply for permits. Oakland and San Diego use a

[13] The final invoice for non-sworn staff appeared to have omitted over 250 hours worked by non-sworn staff (e.g., Crossing Guards) based on their operations plan. This has been brought to the attention of the Police Department.

centralized platform which is accessible to each department involved. Additionally, Sacramento has issued an RFP for a similar type of system to "…develop and implement a comprehensive, user-friendly online entertainment permitting system to streamline the application, review, and approval process."

The Police Department has begun implementing a new permitting system similar to those used by other jurisdictions. The system allows the user to see when the application was submitted and see the status of each application through an online dashboard. Police staff noted that the new system could potentially incorporate permit fees from other departments, helping to consolidate the outdoor special event permitting process. It should be noted that Police and other departments have other permits outside of the ones issued for outdoor special events. Additionally, according to Police staff, this may require a change order to the agreement to expand the system for other departments involved in outdoor special event permitting.

The Customer Service Vision and Standards suggest to "continually improve our customer service through people, processes, and technologies." While it may not be feasible for all departments involved to utilize a combined system for the small number of events, we encourage the Administration to explore piloting a more coordinated approach for the permitting and invoice processes and assess whether it can streamline and simplify permitting for event organizers moving forward.

Recommendation:

4: To improve customer service and ensure alignment with the City's Customer Service Vision and Standards:

a. The Administration should assess how the City can better coordinate or consolidate the permitting process, potentially through a technology solution.

b. The Office of Economic Development and Cultural Affairs should formalize their procedures to follow up with appropriate department staff post event to ensure organizers receive all necessary invoices in a timely manner.

Conclusion

In FY 2023-24, OEDCA helped facilitate 84 outdoor special events hosted by external organizers, attracting an estimated 330,000 attendees over 300 event days. These included large annual events like Christmas in the Park and San Jose Jazz Summer Fest, as well as smaller community or cultural events.

Event organizers spent at least $622,000 on City permits, labor, or other services for these events in FY 2023-24—51 percent of which went toward Police sworn and non-sworn staffing. However, fully staffing events has been a challenge for the Police Department, which relies on staff to voluntarily sign up through Police's Secondary Employment Unit. There is also limited information available for event organizers about what roles non-sworn staff and private security can fill for traffic control and overall security of outdoor special events. To improve transparency, the Police Department should provide organizers with cost estimates for events, revise procedures to ensure timely notification of unfilled Police positions, clarify when non-sworn staff or private security may be used, and update hourly rates posted on the City's website.

The City's current process for invoicing outdoor special events can be improved further to align with the City's Customer Service Vision and Standards. Organizers receive multiple invoices for permits, labor, and services, at varying times before and after the event, sometimes well beyond the timeframe outlined in the City's Special Event Guidelines. A more coordinated approach can streamline the permitting and invoicing processes to provide a seamless customer experience to event organizers.

RECOMMENDATIONS

Finding 1: More Transparent and Predictable Police Staffing Costs Can Help Event Organizers

Recommendation #1: To better inform event organizers about potential City security costs, the Administration and the Police Department should update the Special Event Guidelines and the Secondary Employment Unit Procedures Guide to:

a. Identify a threshold for which labor cost estimates are required to be provided to event organizers for security and traffic control.

b. Identify a reasonable timeframe in which the Police Department is required to notify event organizers of potential gaps in Secondary Employment Unit Staffing for organizers to secure additional private security.

Recommendation #2: To ensure transparency of rates, the Police Department and the Office of Economic Development and Cultural Affairs should update the City's special event's website and the Special Event Guidelines to reflect all police costs, including large event rates, holiday rates, and all rates for sworn and non-sworn staffing.

Recommendation #3: To reduce costs and address sworn staffing challenges, the Administration and Police Department should update the Special Event Guidelines and the Secondary Employment Unit Procedures Guide to define and prioritize roles for:

a. Private security which could include enforcing event rules and regulations, crowd control, parking, or other roles as appropriate; and

b. Non-sworn personnel around traffic control, including Community Service Officers, Crossing Guards, and the Department of Transportation's Parking and Traffic Control Officers.

Finding 2: Improving Coordination in the Event Process May Help Enhance Customer Service

Recommendation #4: To improve customer service and ensure alignment with the City's Customer Service Vision and Standards:

a. The Administration should assess how the City can better coordinate or consolidate the permitting process, potentially through a technology solution.

b. The Office of Economic Development and Cultural Affairs should formalize their procedures to follow up with appropriate department staff post event to ensure organizers receive all necessary invoices in a timely manner.

APPENDIX A

Audit Objective, Scope, and Methodology

The mission of the City Auditor's Office is to identify ways to increase the economy, efficiency, effectiveness, equity, and accountability of City government by independently assessing and reporting on City operations and services. The audit function is an essential element of San José's public accountability, and our audits provide independent analysis, reliable information, and recommendations for improvement to the City Council, City Administration, and public. In accordance with the City Auditor's Fiscal Year 2024-25 Audit Work Plan, we have completed an audit of City-required costs to organizers for outdoor special events. The audit was conducted in response to the request by the Mayor.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objective of this audit was to assess City-required security or other costs to organizers for special events. We did not include City-sponsored events, or smaller private events that did not involve multiple departments or were not facilitated by OEDCA. We sought to understand the relevant internal controls over outdoor special event permitting and billing, and have performed the following to achieve the audit objective:

- To understand the City-required costs for special events, we:
    - Analyzed costs for outdoor special events included on OEDCA's calendar of special events occurring in FY 2023-24.
    - Selected a stratified random sample of 13 outdoor special events from CY 2024, and:
        - Reviewed and compared estimated costs and actual invoiced costs, and
        - Documented fixed and variable costs.
    - For select events, compared invoiced costs across three fiscal years.
    - Reviewed City-led initiatives to alleviate costs of organizing special outdoor events, such as grants, special permit rates, and the SJ PLACES program.
- To understand the event application process for event organizers, we:
    - Interviewed staff from the following departments: Office of Economic Development and Cultural Affairs; Police Department (Secondary Employment Unit and Fiscal Units); Department of Transportation; Fire Department (Bureau of Fire Prevention); and Parks, Recreation and Neighborhood Services Department (Special Park Use Unit).
    - Surveyed event organizers who planned events from January 2023 to February 2025 from an email list held by OEDCA. The survey was sent to 189 external event organizers and received 36 responses (a 19 percent response rate). Some event organizers surveyed were affiliated with events that were canceled or marked as information only and not requiring permits. Of the respondents, 34 indicated "I have organized a special event(s) in San José and expect to do so again in the future."; one

indicated "I previously have organized special event(s) in San José, but no longer organize events in San José"; and one indicated "I have never organized a special event in San José." In two instances it appears that more than one response may have been from the same organization. The survey gathered information about the event organizer experience navigating the permit process, cost of organizing events, use of security at events, and the impact of City initiatives and grants on the feasibility of events.

- Reviewed the following guidelines and manuals to understand the permitting and staffing requirements for outdoor special events:
    - The Municipal Code Chapter 6 (Business Licenses and Regulations), Chapter 11 (Vehicles and Traffic), Chapter 13 (Streets, Sidewalks and Public Places), and Chapter 20 (Zoning).
    - Special Events Guidelines (Outdoor Special Events in the City of San José), August 2022
    - The City of San José One-Start Outdoor Special Event Permit Application
    - San José Police Department Secondary Employment Unit Procedures Guide 2021 and 2023
    - San José Police Department Duty Manual
    - Alcohol Beverage Control Act requirements related to alcohol sales at events
- Benchmarked the following jurisdictions to understand the outdoor special event permitting process and compare City-required costs: the cities of Campbell, Fremont, Long Beach, Oakland, Sacramento, San Diego, and Seattle, and the city and counties of Denver and San Francisco.

We would like to thank the Office of Economic Development and Cultural Affairs; the San José Police Department; Department of Transportation; the Parks, Recreation and Neighborhood Services Department; the San José Fire Department; and the City Attorney's Office for their time and insight during the audit process.

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: Joseph Rois, City Auditor

FROM: Paul Joseph
Lee Wilcox

SUBJECT: **See Below**

DATE: June 5, 2025

Approved

Date: 6/5/2025

SUBJECT: Response to the Audit "City Costs for Outdoor Special Events: Opportunities Exist to Enhance Customer Service"

BACKGROUND

The City Auditor conducted an audit of the City's costs for outdoor special events coordinated by the Office of Economic Development and Cultural Affairs (OEDCA) that require permits and services from multiple City departments due to their size and scope. The objective of this audit was to assess City-required security or other costs to organizers for these events.

The Administration reviewed the audit titled *City Costs for Outdoor Special Events: Opportunities Exist to Enhance Customer Service*, which contains four recommendations. The following are the Administration's responses to each recommendation. Consistent with other priority-setting processes, the green, yellow, and red light system is utilized to convey the Administration's operational readiness to undertake the workload demands.

RECOMMENDATIONS AND ADMINISTRATION'S RESPONSE

Finding 1: More Transparent and Predictable Police Staffing Costs Can Help Event Organizers

Recommendation #1: To better inform event organizers about potential City security costs, the Administration and the Police Department should update the Special Event Guidelines and the Secondary Employment Unit Procedures Guide to:

a. Identify a threshold for which labor cost estimates are required to be provided to event organizers for security and traffic control.
b. Identify a reasonable timeframe in which the Police Department is required to notify event organizers of potential gaps in Secondary Employment Unit Staffing for organizers to secure additional private security.

Administration's Response: The Administration agrees with this recommendation.

Green - In addition to providing a threshold for rates, the Administration sees an opportunity to offer a range of rates and update it on an annual basis to reflect current hourly rates for police officer positions secured through the Secondary Employment Unit (SEU), which are updated with each new Memorandum of Agreement between the Police Department and the Police Officers' Association (POA). The rates provided will include those for City services related to City traffic control and safety required for outdoor special events involving street closures and alcohol sales. Furthermore, the Police Department and OEDCA will collaborate to identify a reasonable timeframe for the Police Department to notify event organizers of potential gaps in SEU staffing so that organizers can secure additional private security. This new approach may require prototyping new SEU timelines for sign-up and procedures regarding notification to event organizers.

Target Date for Completion: December 2026

Recommendation #2: To ensure transparency of rates, the Police Department and the Office of Economic Development and Cultural Affairs should update the City's special event's website and the Special Event Guidelines to reflect all police costs, including large event rates, holiday rates, and all rates for sworn and non-sworn staffing.

Administration's Response: The Administration agrees with this recommendation.

Green - OEDCA will work with the Police Department to annually update and publish on the City's special events website all police costs, event rates, holiday rates, and rates for sworn and non-sworn staffing.

Target Date for Completion: December 2025

Finding 2: Improving Coordination in the Event Process May Help Enhance Customer Service

Recommendation #3: To reduce costs and address sworn staffing challenges, the Administration and Police Department should update the Special Event Guidelines and the Secondary Employment Unit Procedures Guide to define and prioritize roles for:

a. Private security which could include enforcing event rules and regulations, crowd control, parking, or other roles as appropriate; and
b. Non-sworn personnel around traffic control, including Community Service Officers, Crossing Guards, and the Department of Transportation's Parking and Traffic Control Officers.

Administration's Response: With a commitment to serving our community through reliable, empathetic, and solutions-oriented customer service, the Administration agrees with this recommendation.

Green - The Administration, including OEDCA, the Police Department, and the Department of Transportation, will update the Special Event Guidelines and the SEU Procedures Guide to define and prioritize roles for: a) private security, whose functions could include enforcing event rules and regulations, crowd control, parking, or other roles as appropriate; and b) non-sworn personnel centered around traffic control, including Community Service Officers, Crossing Guards, and the Department of Transportation's Parking and Traffic Control Officers. As this will require formalizing current practices, in accordance with the evaluation of existing sworn and non-sworn human resources, as well as traffic control equipment, across departments that are classified to serve these roles, this will require interdepartmental collaboration, planning, testing, ongoing evaluation and possible requests for additional staffing and budgetary resources. The Administration recognizes the need for a consistent process to be communicated while also recognizing that voluntary work assignments related to traffic control are subject to sign-ups and availability of sworn and non-sworn traffic control staff. Given that event locations often differ in geographic footprints, implementation of this recommendation will require analysis of specific frequently used locations and the associated public safety needs to ensure a safe, cost-effective outdoor special event, yet will also be subject to the site-specific needs of proposed special event footprints and routes.

Target Date for Completion: June 2026

Recommendation #4: To improve customer service and ensure alignment with the City's Customer Service Vision and Standards:

a. The Administration should assess how the City can better coordinate or consolidate the permitting process, potentially through a technology solution.
b. The Office of Economic Development and Cultural Affairs should formalize its procedures to follow up with appropriate department staff post-event to ensure organizers receive all necessary invoices in a timely manner.

Administration's Response: The Administration agrees with this recommendation.

Yellow - The Police Department is piloting a new centralized permitting software system that, if effective, could be a shared software system across departments that tracks costs and billing. Upon completion of this initial pilot phase, the OEDCA and the Police Department will assess the efficacy of the new software system and work with the interdepartmental teams that provide outdoor special event services to evaluate a shared system, available budget resources, and, most likely, to issue a Request for Proposals for a system to serve multiple departments. In addition to OEDCA and the Police Department, other departments that provide permits and services for outdoor special events include the following: the Fire Department, Parks, Recreation and Neighborhood Services Department, the Department of Public Works, and the Department of Transportation. Implementing this system and following up with involved departments will require additional OEDCA staff and interdepartmental budgetary resources for a City-wide full implementation.

Target Date for Completion: June 2027

CONCLUSION

The Administration thanks the City Auditor and his staff for the audit of *City Costs for Outdoor Special Events: Opportunities Exist to Enhance Customer Service*. The Audit Report's four recommendations are consistent with the Administration's vision to provide excellent, clear customer service for outdoor special events while maintaining safe events for San José residents and visitors. While there are recommendations that can be implemented, some will take coordinated interdepartmental efforts beyond OEDCA and the Police Department, engaging all departments that provide billing to event organizers in consideration of staffing and budget capacity. The Administration expects it will require several years to fully complete all recommendations given the City's current priorities and budget status as of the date of this response.

The Administration looks forward to strengthening its service efforts to facilitate safe, vibrant outdoor special events in the public realm through the improvements identified.

/s/
Police Chief Paul Joseph
San José Police Department

/s/
Lee Wilcox
Assistant City Manager, Acting Director,
City Manager's Office of
Economic Development and Cultural Affairs

For further information, please contact San José Police Department Research and Development Unit Commander, Lt. Paul Hamblin at paul.hambin@sanjoseca.gov.

For further information, please contact OEDCA Director of Cultural Affairs Kerry Adams Hapner at kerry.adams-hapner@sanjoseca.gov or OEDCA Special Events Director Melina Iglesias at melina.iglesias@sanjoseca.gov.