

Commissioner Provided Items

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4th Of July Celebrations Request to Form Subcommittee

Submitted by Commissioner Dave Chennault

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City Outsources 4th of July Celebrations Third Parties

- PSQ Productions – 5K Run, Parade, Fireworks
 - 2024 - \$150,000 , 2025 - \$160,500 , 2026 - \$ 171 ,735
- Unknown - Bike Parade –
- City Staff – Manage Contractors

Background - 3-19-24 – Contract NOT extended 9/1/26

Contractor

- PSQ Productions was selected and will manage and produce the 2024, 2025, and 2026 Independence Day Celebration events, which include the annual Surf City 5K Run, 4th of July Parade, and Fireworks over the Ocean.
- The Contract will have a three-year term and will automatically terminate three (3) years after commencement on September 1, 2026, or may be extended up to two (2) one-year terms upon mutual consent of the parties.



Responsibilities

- implement all logistical plans
- provide general event production and management
- provide research and planning
- marketing services
- budget development, management, reconciliation, and regular reporting to the City
- collaborate with the Independence Day Board for community sponsorships and development of the Event theme, logo, and selection of parade participants and grand marshals



City Responsibilities

City responsibilities:

- Assign a staff coordinator to work directly with Contractor.
- Provide a contingency allowance of no more than \$10,000 to cover variations that may occur in the expected values of elements of cost or schedule.
- Assist with promotion and marketing of the event.



4th of July Board dissolved by Council in 2025

- No current oversight by public
- Managed by Community and Library Services
- No public meetings providing insight on how decisions made
- PSQ hired former part time employee and long term contractor Stacey Newton after PSQ was awarded the contract to be the project manager of the event
- Stacey Newton was a former 4th of July Board Director and over 20 years working on the 4th – mainly as an independent contract for \$37,500 to \$50,000 per year

4th of July Celebrations Management History

- Has been run ad-hoc throughout the years
- Troubling audit in 2016 that revealed huge issues with lack of control and record keeping and lack of transparency on cash receipts and procedures
- Unclear why 4th Celebration board/task force was dissolved in 2025
- SoundSkilz was given contract from 2020-2023 and they were not renewed

City Does not Make any Money on 4th and In Fact only spends Money

- All money around parade, run, fireworks, vendor expo, ticket sales went through PSQ checking account
- PSQ was able to subcontract services to itself – unclear how much of that occurred
- Audit is not available within the PSQ Agreement
- ABC Broadcast Agreement allows ABC to broadcast parade and keep all revenue from broadcast advertising – city gets nothing
- No clarity on what city actually pays for the events and celebrations around the celebrations and events associated with the 4th
- No clarity on how the Bike Ride on the 5th is managed by city and what that costs the city
- There are many open questions at the moment

Meeting to Discuss PSQ contract Canceled Twice in last week

- City council members Williams and Gruel asked to meet with City manager and Staff to review PSQ contract (I was also on that request)
- Meeting set and cancelled twice in the last week
- No new meeting set as of 2 PM on 9/17/26
- Many open questions submitted to staff without any response

“P&L” Statements from PSQ 2024 - 2026

PSQ Productions, LLC Profit and Loss HB 2024

	4th of July Celebration
Income	
Ticket Revenue	
40105 Admission & Passes	207,000.25
Total for Ticket Revenue	\$207,000.25
Vendor Commissions & Fees Revenue	
40130 Earned Food Commission	5,811.27
Total for Vendor Commissions & Fees Revenue	\$5,811.27
Venue Fees & Sponsorships Revenue	
40125 Sponsorships	26,113.80
Total for Venue Fees & Sponsorships Revenue	\$26,113.80
Total for Income	\$238,925.32
Cost of Goods Sold	
Entertainment Costs	
50195 Entertainers / Performers Service Fees	3,000.00
Total for Entertainment Costs	\$3,000.00
Event Services Costs	
50331 Event Services Management	51,400.50
50355 Event Services Security	17,141.00
50555 Event Supplies	22,154.83
Total for Event Services Costs	\$90,696.33
Operations Costs	
50520 Rental Tents	4,375.58
50530 Rental Equipment	77,424.50
Total for Operations Costs	\$81,800.08
Ticketing Costs	
50565 Merchant Processing & Ticket Fees	1,933.28
Total for Ticketing Costs	\$1,933.28
Total for Cost of Goods Sold	\$177,429.69
Gross Profit	\$61,495.63
Expenses	
Business Expenses	
60400 Business Licenses & Permits	140.44
Total for Business Expenses	\$140.44
Commission & Fees Expenses	
60020 Commission & Fees	11,553.72
Total for Commission & Fees Expenses	\$11,553.72
Marketing Expenses	
60040 Marketing Content & Graphic Design	2,200.00
60062 Marketing Print Advertising	4,233.49
Total for Marketing Expenses	\$6,433.49
Total for Expenses	\$18,127.65
Net Operating Income	\$43,367.98
Net Income	\$43,367.98

PSQ Productions, LLC Profit and Loss HB 2025

	4th of July Celebraton
income	
Equipment Revenue	
40005 Equipment Revenue Rental	1,200.00
Total for Equipment Revenue	\$1,200.00
Ticket Revenue	
40105 Admission & Passes	232,464.33
Total for Ticket Revenue	\$232,464.33
Vendor Commissions & Fees Revenue	
40045 Permit Fees	21,750.00
40130 Earned Food Commission	17,465.95
Total for Vendor Commissions & Fees Revenue	\$39,215.95
Venue Fees & Sponsorships Revenue	
40125 Sponsorships	27,875.00
Total for Venue Fees & Sponsorships Revenue	\$27,875.00
Total for Income	\$300,755.28
Cost of Goods Sold	
Entertainment Costs	
50195 Entertainers / Performers Service Fees	3,500.00
Total for Entertainment Costs	\$3,500.00
Event Services Costs	
50330 Event Services Venue Cleaning	5,465.00
50331 Event Services Management	54,369.50
50355 Event Services Security	36,981.70
50555 Event Supplies	48,317.41
Total for Event Services Costs	\$145,003.61
Operations Costs	
50450 Fuel & Maintenance for Equipment & Rentals	798.48
50520 Rental Tents	4,983.92
50530 Rental Equipment	88,562.64
Total for Operations Costs	\$94,345.04
Ticketing Costs	
50565 Merchant Processing & Ticket Fees	2,113.46
Total for Ticketing Costs	\$2,113.46
Total for Cost of Goods Sold	\$244,962.11
Gross Profit	\$55,793.17
Expenses	
Business Expenses	
60400 Business Licenses & Permits	457.12
Total for Business Expenses	\$457.12
Commission & Fees Expenses	
60020 Commission & Fees	19,377.33
Total for Commission & Fees Expenses	\$19,377.33
Marketing Expenses	
60040 Marketing Content & Graphic Design	3,250.00
60062 Marketing Print Advertising	724.22
Total for Marketing Expenses	\$3,974.22
Total for Expenses	\$23,808.67
Net Operating Income	\$31,984.50
Net Income	\$31,984.50

PSQ Productions, LLC Profit and Loss HB 2026

	4th of July Celebration
Income	
Reimbursable Revenue	
40040 Reimbursables Revenue	3,500.00
Total for Reimbursable Revenue	\$3,500.00
Ticket Revenue	
40105 Admission & Passes	309,313.83
Total for Ticket Revenue	\$309,313.83
Vendor Commissions & Fees Revenue	
40035 Merchandise Sales & Commissions	10,000.00
40045 Permit Fees	3,500.00
40130 Earned Food Commission	36,060.99
Total for Vendor Commissions & Fees Revenue	\$49,560.99
Venue Fees & Sponsorships Revenue	
40125 Sponsorships	10,500.00
Total for Venue Fees & Sponsorships Revenue	\$10,500.00
Total for Income	\$372,874.82
Cost of Goods Sold	
Entertainment Costs	
50195 Entertainers / Performers Service Fees	5,000.00
Total for Entertainment Costs	\$5,000.00
Event Services Costs	
50330 Event Services Venue Cleaning	9,785.00
50331 Event Services Management	57,154.50
50355 Event Services Security	80,877.20
50555 Event Supplies	49,318.99
Total for Event Services Costs	\$197,115.69
Operations Costs	
50530 Rental Equipment	104,303.15
Total for Operations Costs	\$104,303.15
Ticketing Costs	
50565 Merchant Processing & Ticket Fees	1,750.51
Total for Ticketing Costs	\$1,750.51
Total for Cost of Goods Sold	\$308,169.35
Gross Profit	\$64,705.47
Expenses	
Business Expenses	
60115 Business Professional Fees	3,500.00
60400 Business Licenses & Permits	1,188.86
Total for Business Expenses	\$4,688.86
Commission & Fees Expenses	
60020 Commission & Fees	27,836.44
Total for Commission & Fees Expenses	\$27,836.44
Marketing Expenses	
60045 Marketing Video Production	3,000.00
Total for Marketing Expenses	\$3,000.00
Total for Expenses	\$35,525.30
Net Operating Income	\$29,180.17
Net Income	\$29,180.17

Accrual Basis Wednesday, August 26, 2026 09:03 AM GMT-07:00

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It is Thought an RFP Being Developed for New Contract

- It is believed an RFP is being developed for the 4th of July management for 2027 and beyond
- No details on this effort
- No timeframe

Request

- Request the Finance Commission create a subcommittee to
 - Gather information on the 4th and review the PSQ contract and revenues and expenses reported
 - Report back to Finance commission and Council on Findings
 - Determine next steps that are in the best interest of the city and report recommendations to city council
- Request we vote today to set up subcommittee and appoint 3 commissioner to be on it.
 - I would like to be on that subcommittee
- Work with City Council to pass an item to ensure staff answers our questions – similar to Sports Complex