



City and Borough of Juneau
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TO: Chair Woll and Assembly Finance Committee
DATE: February 5, 2025
FROM: Robert Barr, Deputy City Manager
RE: 4th of July Fireworks Show

The purpose of this memo is to outline the existing history and practices of the CBJ sponsored 4th of July fireworks display and ensure the Assembly and community are aware of the risks and ultimately decide to accept or mitigate those risks.

Current Situation

For some time, through the Assembly grants process, CBJ has been providing funding¹ to purchase fireworks and associated supplies for the 4th of July fireworks display that has been traditionally discharged from a barge on Gastineau Channel late in the evening on July 3. Two years ago after an accident on the barge, staff became concerned with the risks associated with status quo operations along with the historical procurement practice, which does not align with current CBJ procurement code. Last year, we attempted to negotiate a Memorandum of Agreement with the entity that receives those grant funds, which is typical for other Assembly grants distributed by CBJ. This negotiation was unsuccessful for a variety of reasons:

- A legal entity to receive the funds does not exist
- Attempts to matchmake volunteers who have been successfully conducting the display with a local non-profit were not successful

Risk

Had negotiations been successful, staff planned to propose an increase to the related Assembly grant to pay for additional insurance expenses that we anticipated a non-profit would incur related to the storage and discharging of commercial fireworks. Mitigating the life and property risks of long-term commercial firework storage, set-up, and conducting the fireworks display are CBJ's primary interests. Staff currently believes that CBJ liability is significant because there is no legal entity and CBJ has been paying the fireworks vendor directly. The fireworks are CBJ property, the individuals accessing/discharging them are community volunteers, and CBJ has no place to receive, store, or control their use outside of individual volunteer efforts.

Existing Mitigation

The commercial fireworks vendor supplies an insurance policy that provides up to \$2M of coverage for claims made against the vendor.

CBJ's general liability policy contains a \$350k deductible that is likely to apply for claims.

¹ FY24: \$39,500. FY25: 59,000. FY26 45,000

Mitigation Options

- 1) No change, determine existing situation falls within acceptable levels of risk. In a catastrophic event CBJ's maximum exposure is likely \$350k. It may be too late to issue an RFP and procure the fireworks themselves (still owned by CBJ) this year, but we could do so for July of 2026. The body would need to direct staff to prepare an ordinance exempting the 2025 purchase from the procurement code.
- 2) Issue an RFI or RFP for a professional fireworks business to conduct the show. We expect this would cost significantly more than we currently spend and may not be viable for July of 2025 from a timing perspective.
- 3) Explore other options (e.g. identifying potential local partners, drone shows, other ideas) for 2025 or future years

Recommendation:

Staff recommends option 1 if the Assembly finds the level of risk acceptable and desires a similar fireworks display to prior years downtown.