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Hollister Independence Day Rally

INTRODUCTION

What began as the Hollister Riot of 1947 and inspired the movie "The Wild One", starring Marlon Brando, is also believed to be the birthplace of the American Biker. In 1997, the first official, large-scale Hollister Independence Day Rally (Rally) was held to commemorate the 50th anniversary of the movie. It continued off and on for a few years before the Hollister City Council (City Council) directed a Rally hiatus in 2018. In 2022, Measure T passed. This was an advisory ballot item, and the voters decided 63% to 37% to bring back the Rally. The City Council decided to move forward with holding the Rally during the 4th of July weekend in 2025. Along with our Mayor, some City Council Members, and others in the community, it was believed that the Rally would bring in thousands (millions?) of dollars to the City of Hollister (City) and establish us as a tourist destination. Others believed the event may not generate sufficient revenue and could result in a financial loss for the City. The San Benito County Civil Grand Jury (Civil Grand Jury) conducted an investigation to see what type of financial outcome took place.

This report is not intended to determine whether the Rally had a positive or negative impact on the community. It is intended to provide insight into the financial and managerial issues that occurred.

METHODOLOGY

The Civil Grand Jury met with the Mayor, City Council, Chief of Police, and key stakeholders to the Rally to discuss the event, budget, security, and measured outcomes. The Civil Grand Jury reviewed the budget and electronic communications as part of the investigation.

BACKGROUND

The Rally returned in 2025. The last official Rally was held in 2017, and the event went on hiatus due to financial concerns. Following the COVID-19 pandemic, in November 2022, voters approved an advisory vote to bring the Rally back. The City moved forward to hold the Rally in the Summer of 2025. An ad hoc committee, consisting of Mayor Stephens and Councilmember Resendiz, was formed to plan the event. The Mayor stated that it would bring "millions and millions of dollars" into the local economy.

DISCUSSION

During interviews with the City Council, it was apparent that there was no clearly defined or approved budget for the 2025 Rally. When City Council members were asked for further information regarding the expenditure plan, the Civil Grand Jury was directed to ask the ad hoc committee.

The Rally ad hoc committee could not provide consistent financial details and referred the Civil Grand Jury to city staff. The Civil Grand Jury subpoenaed financial data and cost documentation. The information provided was incomplete and inaccurate.

The Civil Grand Jury looked at two cost centers for the Rally: Security and Revenue.

Security

In January of 2025, the City Council directed staff to proceed with the Rally in July 2025. This short planning window did not allow time for a formal bid process. The City utilized an informal bid process which did not provide all of the details necessary for a complete understanding of the security requirements. The informal bid process allowed the low bidder to negotiate

following a comprehensive review of the security requirements.

A low bidder was determined in February 2025, and final negotiations proceeded. In May 2025, the security company adjusted the costs after a complete understanding of the requirements. A review of communications between the Chief of Police and City Manager showed that the revised overall cost for security would average $118,000 per day, not including costs for City staff.

The cost was higher than expected, and the security company gave the following reasons:

1. It is a holiday weekend, and it will take a higher hourly rate to attract the guards that would be needed.
2. Because of the type of event, he wants guards who are levelheaded and who have police experience. They will require a higher rate of pay.
3. Like the police departments that have refused to assist our agency, they are finding it hard to find security officers and companies who are willing to participate in this type of event with the potential dangers involved. Therefore, they have to offer a higher hourly rate.
4. This is a last-minute event when it comes to planning events of this size.
5. This rate has been used in other events when they have similar concerns or potential dangers.

The bid was withdrawn as the parties could not reach a final cost agreement.

The ad hoc committee and the city executive team moved forward in securing another security company, American Global Security (AGS). AGS did not participate in the initial bidding process. The City entered into an agreement with AGS on June 9, 2025. The replacement security contract was secured at a cost of $264,497, exceeding the previously adjusted bid. To date, final costs of the AGS contract have not been provided.

Public concerns were raised concerning the qualifications of AGS staffing. Issues pertained to the lack of experience at events such as this and language barriers with AGS. In addition, City staff witnessed AGS personnel sleeping in their personal vehicles, without nearby sanitation stations.

Following the event, the Hollister Police Department stated that security personnel for the event must be able to speak/understand English, and all field staff must be issued radios for emergency communication. Concerns were also noted regarding the consumption of alcohol outside of designated areas.

AGS issued an after-action report on July 7, 2025. Among other issues noted, AGS indicated for future Rally events in the City should contract for security services at least six months ahead of the event, but in no case less than four months.

Revenue Projections

The community has expressed concerns about the financial sustainability of the Rally. Some City officials projected that the event would either generate significant revenue or break even, while others expressed concern that it would result in a financial loss. The former City Manager briefed the City Council that the costs for the 2025 Rally would require the use of “one-time” money to “come close” to breaking even. The City leveraged one-time funds associated with the Amazon project to help close the gap. These funds were identified for use by the City for public benefit.

To date, the City has failed to provide the Civil Grand Jury with a true accounting of the costs associated with the Rally. When pressed for detailed information on the budget vs. actual revenue, final revenue and expenditure figures were not made available, indicating a lack of transparency. Records were requested but not included in the documents provided.

FINDINGS AND RECOMMENDATIONS

F1: The initial security vendor withdrew due to insufficient or inaccurate information during the bidding process. A replacement vendor was secured two weeks prior to the event at significantly higher cost, with personnel lacking relevant experience.
R1: A professional security company for the Rally must be contracted no later than six months prior to the event.

F2: Many of the contracted security company's personnel did not have adequate rest or sleeping facilities and slept in vehicles, which is a violation of local ordinances.
R2: All contracts for services must require vendors to comply with the City's municipal code and San Benito County Public Health code.

F3: There is conflicting information in regard to the forecasted budget for the 2025 Rally vs the actual amount spent on the Rally.
R3: Within three months following the 2026 Rally event, the City must disclose the actual expenditures incurred. Including but not limited to all staff time.
R3A: Following any large event (greater than 1000 people) where City funds are expended, the City must disclose actual incurred costs.
R3B: Any future Rally event must have a realistic budget, including revenue projections and sources adopted by the City Council at least nine months prior to the event.

F4: There is a lack of continuity of information between the city officials and staff members. The ad hoc Committee, Mayor Stephens, and Councilmember Resendiz made the majority of decisions for the Rally.

R4: The ad hoc committee cannot make decisions for the entire City Council. Within the next six months, the City must adopt rules and responsibilities for all ad hoc committees to ensure continuity of information.

R4A: The City Council members are responsible for knowing what the actions the ad hoc committee is taking and what is being proposed.

RESPONSES REQUIRED

The following responses are required, pursuant to Penal Code sections 933 and 933.05, from the following governing boards within 90 days:

Hollister City Council

RESPONSES REQUESTED

Hollister City Manager

Hollister Police Chief

Hollister Finance Director