

Report from Corporate Services, Commissioner

Date of Report: January 26, 2017

Date of Meeting: February 1, 2017

Report Number: CSC-B011-2017

File: 10.57.99

Subject: Budget Committee – Outstanding Requests

Recommendation

That the Budget Standing Committee receive the attached memorandums for information purposes.

Report

Following the department presentations and further discussion, the Budget Standing Committee requested additional information from staff. The attached memorandums, with the exception of Fire and Emergency Management Services, provide the additional information as requested.

Corporate Support Services – January 18, 2017

That staff be directed to prepare a follow up report on how an inflationary rate increase would affect the service level of Citizens First;

Financial Management Services – January 18, 2017

That staff be directed to prepare a further report regarding tax appeals and write offs including historic trend lines;

St. Catharines Transit Commission – January 23, 2017

That staff be directed to report back with a total budget increase of 2.1% and include actual figures for 2016;

St. Catharines Public Library – January 23, 2017

That staff be directed to provide more information regarding changes to salaries and benefits, a full accounting of the reserves and actual figures for 2016;

Performing Arts Centre – January 23, 2017

That staff be directed to achieve a 12% target increase for the budget and to provide an explanation as to why costs such as concessions, marketing and consulting fees are going up;

Staff are also directed to report on what ticket price increases will look like in the future.

Financial Implications

The financial implications are identified in the individual memorandums for the Budget Standing Committee's information and consideration.

Prepared by:

Robyn Ertelt, Administrative Assistant

Approved by:

Shelley Chemnitz, Commissioner of Corporate Services



CITY OF
ST. CATHARINES

Memorandum

To: 2017 Budget Standing Committee
Cc:
From: Corporate Support Services
Date: January 19, 2017
Subject: CSS response to motion

During the BSC meeting on January 18, 2017, staff were directed to prepare a report on how the inflationary increase of 2.1% would affect the service level of Citizens First.

In order to bring Citizens First staffing levels to an inflationary rate of 2.1%, approximately \$42,200 must be removed resulting in a decrease of approximately 1,247 part time staff hours. In order to implement this decrease, one part time position would have to be eliminated from the complement.

The Citizens First Division has access to tools and knowledge to provide customers a quicker and more accurate response to their inquiries. Customer demand fluctuates on a daily and hourly basis. By having part time staff on the Citizens First team, there is a greater capacity to adjust the schedule times to maximize staffing levels during high demand periods such as billing due dates; and weather events.

The Citizens First Division has set service level goals based on common industry standards. The target set is similar to other municipal customer service divisions that have staff performing both administrative payment processing and answering telephone calls. After a review of the days with reduced staffing and service levels, it is estimated that the decrease in staffing would result in the following decrease to service levels:

	Service Levels	Abandon Rate	Average Time Delay
Target	70%	5%	30 sec.
2017 (estimated)	61%	9%	57 sec.

The estimated service levels above would mean that, on average 61% of the callers would wait almost one minute to be served. For almost 10% of the calls, the callers would abandon the line before CF was able to serve them. In addition, as these statistics are only averages individual callers experience would vary significantly from the above. Currently monthly service level averages range from 60% to 86%. With the reductions, the service levels may dip below 60% on a regular basis. Overall customer satisfaction, both with counter and phone service, will decrease. While the Citizens First Division will focus on providing the best customer service possible with the funds allocated, staff do not recommend this reduction due to the significant impact it could have on customer service.

Memorandum

To: Budget Standing Committee

Cc: Dan Carnegie, CAO:
Shelley Chemnitz, Commissioner Corporate Services;

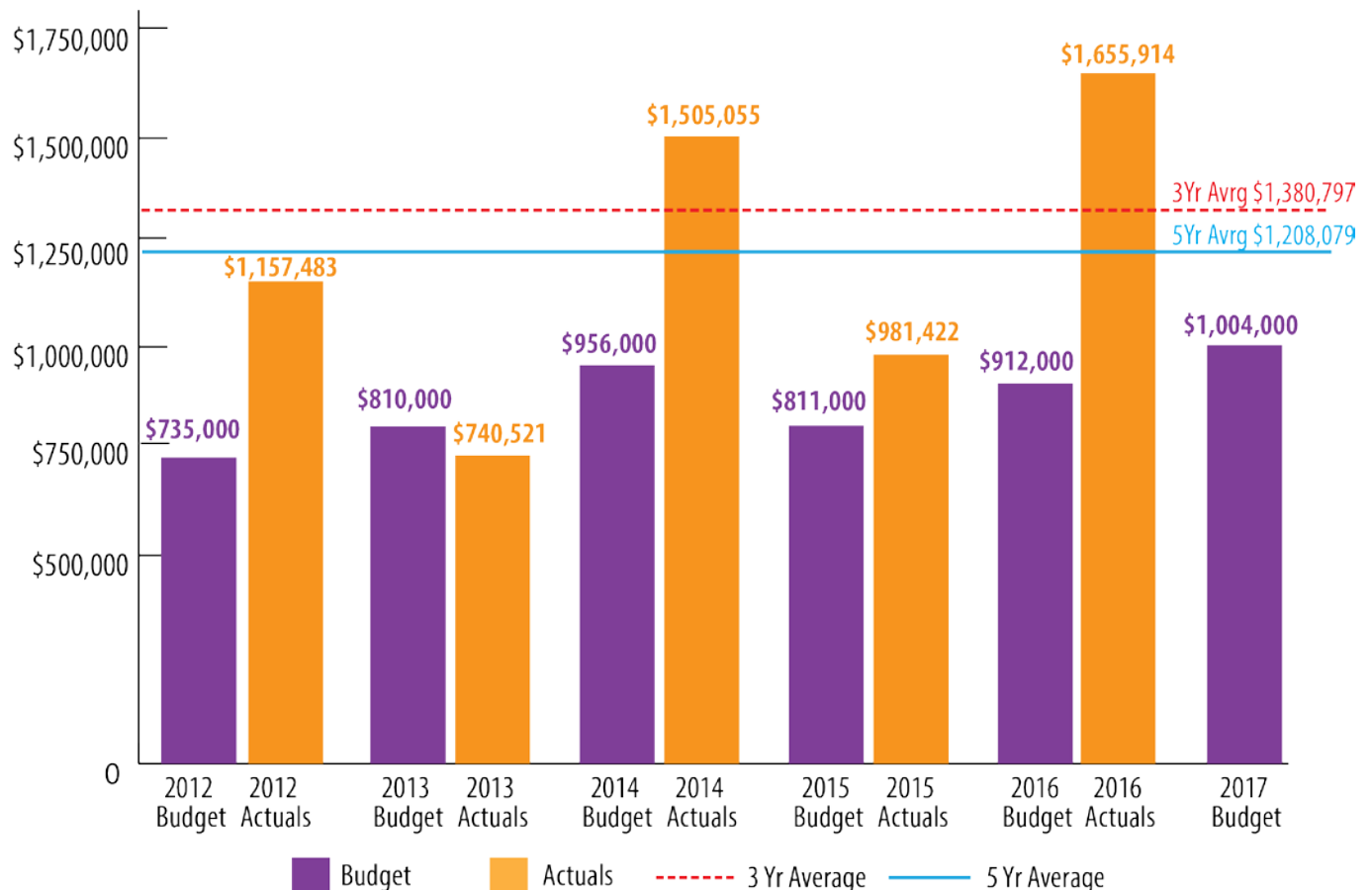
From: Kristine Douglas, Director, Financial Management Services

Date: January 28, 2017

Subject: History of Tax Write-Offs 2012 to 2016

At the January 18, 2017 BSC meeting the Committee requested additional historical information on the tax write-offs. The following chart shows the historical budget and actuals information from 2012 to 2016.

Tax Write Off History

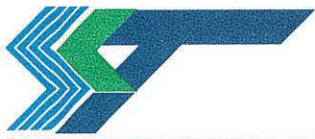


The average actual tax write-offs for the past five years was \$1.21 million; however, with an average budget of \$845,000, there was budget shortfall of \$365,000. For the past three years, the actual tax write-off average was \$1.38 million with an average budget of \$893,000 – a budget shortfall of \$487,000.

Average Budget (past five years)	\$845,000
Average Actual Tax Write-Offs	\$1,210,000
Variance	(\$365,000)

Average Budget (last three years)	\$893,000
Average Actual Tax Write-Offs	\$1,380,000
Variance	(\$487,000)

As a result of the budget shortfalls for tax write-offs, 2017 being the first year of a four-year reassessment phase-in and with an anticipated Request for Reconsiderations (RfRs) and Assessment Review Board (ARB) appeals (often increase in the first couple of years of reassessments) – to minimize budget impact, staff recommend an increase in the tax-write off budget amount for 2017 of \$92,000.



January 30, 2017

The Chairman and Members of -
Budget Standing Committee

Dear Mr. Chair, Ladies and Gentlemen:

Re: 2017 St. Catharines Transit Commission Budget

Background

At the January 23, 2017 meeting of the Budget Standing Committee the following request was made of Transit;

"What would the budget look like with a total increase of 2.1%? And to include actuals from 2016"

Report

The attached document "Appendix A" shows our budget request including 2016 actuals.

The Transit budget would come very close to the Committee's target of 2.1%, without affecting transit service in the city, if the following action is taken:

Remove the four capital budget items shown on page 6 of 6 in Appendix A.

- 3 Paratransit vehicles
- Replace 25 year old bus wash
- Repair asphalt in downtown terminal
- Replace 17 year old service truck

Financial Implications

- | | |
|-------------------------------------|------------------|
| • 3 Paratransit vehicles | \$ 270,000 |
| • Replace 25 year old bus wash | \$ 100,000 |
| • Repair Asphalt in terminal | \$ 35,000 |
| • Replace 17 year old service truck | <u>\$ 90,000</u> |

Total budget reductions	\$495,000
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This would result in a Transit budget request of \$10,417,726, which is 2.6% above our 2016 budget.

The above is presented as per your request.

Sincerely,



Mr. Dave Sherlock, General Manager
St. Catharines Transit Commission

Sincerely,



Mr. Rick Werner, Chair
St. Catharines Transit Commission

DS/fs

**ST. CATHARINES TRANSIT COMMISSION
2017 BUDGET**

APPENDIX A

	2017 Budget	\$ Change From 2016 Budget	% Change From 2016 Budget	2016 Budget	2016 Actuals	2016 Variance	2015 Actuals	2014 Actuals	2013 Actuals
REVENUE	\$ 11,841,496	\$ 647,421	5.8%	\$ 11,194,076	\$ 11,239,801	\$ 45,726	\$ 10,909,087	\$ 10,469,815	\$ 10,107,346
EXPENSES									
TRANSPORTATION	11,348,858	589,702	5.5%	10,759,156	10,956,950	197,794	10,454,736	9,903,157	9,287,602
PROPELLANTS	2,610,846	11,160	0.4%	2,599,686	2,042,419	- 557,267	2,465,926	2,807,812	2,557,137
VEHICLE MAINTENANCE	3,881,439	257,003	7.1%	3,624,435	3,919,414	294,979	3,876,761	3,390,114	2,942,246
PLANT PREMISES	639,884	40,142	6.7%	599,742	661,260	61,518	642,636	559,519	568,235
GENERAL ADMINISTRATION	2,141,310	89,584	4.4%	2,051,727	2,043,886	- 7,841	1,937,485	1,848,979	1,658,086
DOWNTOWN TERMINAL	306,019	20,654	7.2%	285,365	221,121	- 64,244	320,289	291,856	273,073
PARATRANSIT	1,330,866	32,758	2.5%	1,298,108	1,317,658	19,550	1,240,557	1,206,110	1,164,356
NET OPERATING COST	\$ 10,417,726	\$ 393,583	3.9%	\$ 10,024,143	\$ 9,922,907	-\$ 101,236	\$ 10,029,303	\$ 9,537,732	\$ 8,343,389
CAPITAL	\$ -	-\$ 130,000	-100.0%	130,000	130,000	\$ -	\$ 115,000	\$ 305,000	\$ 260,000
2016 BUDGET REQUEST	\$ 10,417,726	\$ 263,583	2.6%	10,154,143	10,052,907	- 101,236			

**ST. CATHARINES TRANSIT COMMISSION
2017 BUDGET**

APPENDIX A

				% Change							
		2017 Budget	\$ Change From 2016 Budget	From 2016 Budget	2016 Budget	2016 Actuals	2016 Variance	2015 Actuals	2014 Actuals	2013 Actuals	
<u>FAREBOX REVENUE</u>											
CASH	5.100.010	\$ 1,900,000	\$ -	0.0%	\$ 1,900,000	\$ 1,798,695	-\$ 101,305	\$ 1,851,449	\$ 1,910,848	\$ 1,858,930	
ADULT RIDE CARDS	5.100.020	\$ 792,000	12,000	1.5%	\$ 780,000	\$ 793,207	13,207	\$ 785,778	\$ 746,244	\$ 705,812	
STUDENT RIDE CARDS	5.100.030	\$ 78,000	- 2,000	-2.5%	\$ 80,000	\$ 82,065	2,065	\$ 72,229	\$ 80,685	\$ 75,852	
SENIOR RIDE CARDS	5.100.050	\$ 180,000	-	0.0%	\$ 180,000	\$ 174,262	- 5,738	\$ 180,110	\$ 160,187	\$ 178,652	
ADULT MONTHLY PASS	5.100.060	\$ 1,200,000	-	0.0%	\$ 1,200,000	\$ 1,164,711	- 35,289	\$ 1,124,530	\$ 1,099,540	\$ 1,184,075	
SENIOR MONTHLY PASS	5.100.080	\$ 180,000	-	0.0%	\$ 180,000	\$ 187,131	7,131	\$ 178,291	\$ 177,570	\$ 171,710	
STUDENT MONTHLY PASS	5.100.085	\$ 170,000	-	0.0%	\$ 170,000	\$ 190,185	20,185	\$ 169,198	\$ 152,644	\$ 171,863	
SEMESTER PASS	5.100.070	\$ 300,000	- 20,000	-6.3%	\$ 320,000	\$ 270,764	- 49,236	\$ 306,708	\$ 353,746	\$ 310,613	
NIA. STUDENT TRANS.	5.105.010	\$ 110,000	-	0.0%	\$ 110,000	\$ 91,945	- 18,055	\$ 111,205	\$ 82,443	\$ 192,998	
		\$ 4,910,000	-\$ 10,000	-0.2%	\$ 4,920,000	\$ 4,752,965	-\$ 167,035	\$ 4,779,498	\$ 4,763,907	\$ 4,850,505	
<u>CONTRACTS</u>											
BROCK UNIVERSITY	5.100.075	\$ 3,758,864	\$ 84,140	2.3%	\$ 3,674,724	\$ 3,650,458	-\$ 24,266	\$ 3,387,636	\$ 3,142,786	\$ 2,910,180	
NIAGARA COLLEGE	5.110.030	\$ 817,541	\$ 43,862	5.7%	\$ 773,680	\$ 781,248	7,569	\$ 743,652	\$ 652,366	\$ 449,475	
THOROLD SERVICE	5.110.020	\$ 666,540	\$ 22,980	3.6%	\$ 643,560	\$ 643,569	9	\$ 624,824	\$ 604,068	\$ 572,516	
INTERMUNICIPAL SERVICE	5.110.025	\$ 1,388,507	\$ 483,227	53.4%	\$ 905,280	\$ 1,058,850	153,570	\$ 906,123	\$ 871,701	\$ 844,905	
		\$ 6,631,452	\$ 634,209	10.6%	\$ 5,997,244	\$ 6,134,125	\$ 136,882	\$ 5,662,235	\$ 5,270,921	\$ 4,777,076	
<u>OTHER INCOME</u>											
IN-TOWN CHARTER	5.115.010	\$ 46,000	\$ 6,000	15.0%	\$ 40,000	\$ 50,309	\$ 10,309	\$ 70,806	\$ 95,669	\$ 56,048	
BUS ADVERTISING	5.115.020	\$ 110,000	-	0.0%	\$ 110,000	\$ 110,000	-	\$ 110,000	\$ 110,000	\$ 110,000	
SHELTER ADVERTISING	5.115.025	\$ 75,000	-	0.0%	\$ 75,000	\$ 104,794	29,794	\$ 75,000	\$ 75,000	\$ 77,609	
DOWNTOWN TERMINAL	5.115.030	\$ 28,644	12	0.0%	\$ 28,632	\$ 28,642	10	\$ 42,392	\$ 85,616	\$ 83,744	
BENCH ADVERTISING	5.115.035	\$ 19,400	2,200	12.8%	\$ 17,200	\$ 26,087	8,887	\$ 22,963	\$ 18,054	\$ 17,148	
OTHER INCOME	5.115.040	\$ 21,000	15,000	250.0%	\$ 6,000	\$ 32,879	26,879	\$ 146,193	\$ 50,648	\$ 135,216	
		\$ 300,044	\$ 23,212	8.4%	\$ 276,832	\$ 352,711	\$ 75,879	\$ 467,354	\$ 434,987	\$ 479,765	
TOTAL REVENUE											
		\$ 11,841,496	\$ 647,421	5.8%	\$ 11,194,076	\$ 11,239,801	\$ 45,726	\$ 10,909,087	\$ 10,469,815	\$ 10,107,346	

**ST. CATHARINES TRANSIT COMMISSION
2017 BUDGET**

APPENDIX A

				% Change								
			\$ Change From	From 2016								
		2017 Budget	2016 Budget	Budget		2016 Budget	2016 Actuals	2016 Variance		2015 Actuals	2014 Actuals	2013 Actuals
<u>TRANSPORTATION</u>												
SUPERVISOR SALARIES	5.200.005	\$ 604,745	\$ 6,339	1.1%	\$ 598,406	\$ 588,289	-\$ 10,117		\$ 566,855	\$ 587,201	\$ 550,025	
SUPERVISOR BENEFITS	5.200.006	\$ 207,667	1,825	0.9%	\$ 205,842	\$ 208,275	2,433		\$ 216,789	\$ 197,861	\$ 187,106	
OPERATOR WAGES	5.200.010	\$ 7,540,698	400,802	5.6%	\$ 7,139,896	\$ 7,314,757	174,861		\$ 6,974,010	\$ 6,556,255	\$ 5,951,584	
OPERATOR BENEFITS	5.200.020	\$ 2,561,066	150,804	6.3%	\$ 2,410,262	\$ 2,427,316	17,054		\$ 2,373,857	\$ 2,160,532	\$ 2,261,916	
THOROLD TRANSCAB	5.200.025	\$ 214,675	6,275	3.0%	\$ 208,400	\$ 200,224	- 8,176		\$ 197,703	\$ 193,253	\$ 162,901	
UNIFORMS	5.200.030	\$ 48,530	6,580	15.7%	\$ 41,950	\$ 52,789	10,839		\$ 25,220	\$ 48,318	\$ 39,450	
LICENSES	5.200.040	\$ 69,120	11,520	20.0%	\$ 57,600	\$ 57,490	- 110		\$ 47,762	\$ 39,322	\$ 28,030	
FARE MEDIA	5.200.050	\$ 55,000	- 10,000	-15.4%	\$ 65,000	\$ 70,958	5,958		\$ 24,913	\$ 65,058	\$ 58,252	
SAFETY AND TRAINING	5.200.070	\$ 47,358	15,558	48.9%	\$ 31,800	\$ 36,852	5,052		\$ 27,627	\$ 55,357	\$ 48,338	
		\$ 11,348,858	\$ 589,702	5.5%	\$ 10,759,156	\$ 10,956,950	\$ 197,794		\$ 10,454,736	\$ 9,903,157	\$ 9,287,602	
<u>PROPELLANTS</u>												
GASOLINE	5.300.010	\$ 30,000	\$ -	0.0%	\$ 30,000	\$ 20,009	-\$ 9,991		\$ 23,386	\$ 28,252	\$ 27,287	
DIESEL FUEL	5.300.020	\$ 2,475,846	11,160	0.5%	\$ 2,464,686	\$ 1,947,616	- 517,070		\$ 2,361,084	\$ 2,678,239	\$ 2,461,363	
LUBRICANTS	5.300.030	\$ 105,000	-	0.0%	\$ 105,000	\$ 74,794	- 30,206		\$ 81,456	\$ 101,321	\$ 68,487	
		\$ 2,610,846	\$ 11,160	0.4%	\$ 2,599,686	\$ 2,042,419	-\$ 557,267		\$ 2,465,926	\$ 2,807,812	\$ 2,557,137	
<u>VEHICLE MAINTENANCE</u>												
MECHANICS WAGES	5.400.010	\$ 1,168,576	\$ 26,998	2.4%	\$ 1,141,578	\$ 1,112,800	-\$ 28,778		\$ 1,137,950	\$ 1,073,023	\$ 947,302	
MECHANICS BENEFITS	5.400.020	\$ 434,170	10,526	2.5%	\$ 423,644	\$ 422,218	- 1,426		\$ 422,715	\$ 385,993	\$ 329,555	
SERVICE WAGES	5.400.030	\$ 509,640	12,534	2.5%	\$ 497,106	\$ 498,423	1,317		\$ 497,186	\$ 435,707	\$ 394,492	
SERVICE BENEFITS	5.400.040	\$ 201,677	4,746	2.4%	\$ 196,932	\$ 195,304	- 1,628		\$ 226,783	\$ 164,010	\$ 149,188	
SERVICE & SHUTTLE VEHICLES	5.400.050	\$ 15,375	-	0.0%	\$ 15,375	\$ 8,940	- 6,435		\$ 12,948	\$ 20,489	\$ 14,150	
TIRES	5.400.060	\$ 105,000	-	0.0%	\$ 105,000	\$ 144,343	39,343		\$ 160,827	\$ 92,822	\$ 86,656	
PARTS & MATERIALS	5.400.070	\$ 1,400,000	200,000	16.7%	\$ 1,200,000	\$ 1,487,255	287,255		\$ 1,373,351	\$ 1,176,824	\$ 983,947	
FREIGHT IN	5.400.090	\$ 8,000	-	0.0%	\$ 8,000	\$ 8,704	704		\$ 7,350	\$ 6,885	\$ 7,157	
SHOP EXPENSE	5.400.100	\$ 6,000	-	0.0%	\$ 6,000	\$ 7,211	1,211		\$ 7,264	\$ 8,558	\$ 5,934	
STAFF TRAINING	5.400.110	\$ 10,000	1,200	13.6%	\$ 8,800	\$ 12,226	3,426		\$ 5,667	\$ 3,840	\$ 8,875	
MECHANICS TOOLS	5.400.120	\$ 10,000	1,000	11.1%	\$ 9,000	\$ 12,627	3,627		\$ 11,242	\$ 10,429	\$ 8,019	
TWO WAY RADIOS	5.400.130	\$ 13,000	-	0.0%	\$ 13,000	\$ 9,363	- 3,637		\$ 13,478	\$ 11,534	\$ 6,971	
		\$ 3,881,439	\$ 257,003	7.1%	\$ 3,624,435	\$ 3,919,414	\$ 294,979		\$ 3,876,761	\$ 3,390,114	\$ 2,942,246	

**ST. CATHARINES TRANSIT COMMISSION
2017 BUDGET**

APPENDIX A

			% Change								
		2017 Budget	\$ Change From 2016 Budget	From 2016 Budget	2016 Budget	2016 Actuals	2016 Variance	2015 Actuals	2014 Actuals	2013 Actuals	
<u>PLANT & PREMISES</u>											
UTILITIES	5.500.010	\$ 160,000	\$ -	0.0%	\$ 160,000	\$ 144,977	-\$ 15,023	\$ 162,693	\$ 137,347	\$ 150,413	
GARAGE EQUIPMENT	5.500.020	\$ 50,000	-	0.0%	\$ 50,000	\$ 40,509	- 9,491	\$ 47,755	\$ 49,808	\$ 47,762	
BUILDING & JANITORIAL	5.500.030	\$ 236,904	10,304	4.5%	\$ 226,600	\$ 222,258	- 4,342	\$ 279,893	\$ 233,217	\$ 238,361	
BUS SHELTERS	5.500.040	\$ 14,000	3,000	27.3%	\$ 11,000	\$ 37,523	26,523	\$ 14,916	\$ 8,964	\$ 7,027	
PROPERTY TAXES	5.500.050	\$ 172,200	26,548	18.2%	\$ 145,652	\$ 209,513	63,861	\$ 129,071	\$ 123,191	\$ 118,463	
FIRE & BOILER INSURANCE	5.500.060	\$ 6,780	290	4.5%	\$ 6,490	\$ 6,480	- 10	\$ 8,308	\$ 6,992	\$ 6,209	
		\$ 639,884	\$ 40,142	6.7%	\$ 599,742	\$ 661,260	\$ 61,518	\$ 642,636	\$ 559,519	\$ 568,235	
<u>ADMINISTRATION</u>											
SALARIES	5.600.010	\$ 798,391	\$ 13,578	1.7%	\$ 784,813	\$ 779,951	-\$ 4,862	\$ 758,569	\$ 725,794	\$ 692,420	
BENEFITS	5.600.020	\$ 280,483	5,193	1.9%	\$ 275,290	\$ 267,563	- 7,727	\$ 282,295	\$ 259,120	\$ 243,176	
FLEET INSURANCE	5.600.030	\$ 557,312	24,229	4.5%	\$ 533,083	\$ 538,056	4,973	\$ 512,799	\$ 481,881	\$ 345,142	
ADVERTISING	5.600.040	\$ 60,000	-	0.0%	\$ 60,000	\$ 60,611	611	\$ 55,510	\$ 64,514	\$ 70,623	
OFFICE SUPPLIES	5.600.050	\$ 11,100	160	1.5%	\$ 10,940	\$ 14,482	3,542	\$ 17,907	\$ 9,164	\$ 14,176	
INFORMATION TECHNOLOGY	5.600.060	\$ 183,201	38,174	26.3%	\$ 145,027	\$ 130,354	- 14,673	\$ 68,034	\$ 62,988	\$ 78,003	
TELECOMMUNICATIONS	5.600.070	\$ 55,960	2,000	3.7%	\$ 53,960	\$ 55,811	1,851	\$ 55,296	\$ 52,519	\$ 48,402	
AUDIT & LEGAL	5.600.080	\$ 31,000	2,000	6.9%	\$ 29,000	\$ 36,984	7,984	\$ 48,044	\$ 23,351	\$ 23,751	
BANK & BRINKS	5.600.090	\$ 42,700	700	1.7%	\$ 42,000	\$ 47,164	5,164	\$ 35,371	\$ 40,375	\$ 42,429	
FARE SALES COMMISSION	5.600.110	\$ 10,000	-	0.0%	\$ 10,000	\$ 9,369	- 631	\$ 9,734	\$ 9,200	\$ 8,848	
LIABILITY INSURANCE	5.600.120	\$ 75,464	3,250	4.5%	\$ 72,214	\$ 72,350	136	\$ 72,216	\$ 69,108	\$ 58,350	
TRAINING & CONFERENCES	5.600.130	\$ 28,500	300	1.1%	\$ 28,200	\$ 21,969	- 6,231	\$ 14,225	\$ 45,298	\$ 27,866	
E.A.P.	5.600.140	\$ 7,200	-	0.0%	\$ 7,200	\$ 9,222	2,022	\$ 7,485	\$ 5,667	\$ 4,900	
		\$ 2,141,310	\$ 89,584	4.4%	\$ 2,051,727	\$ 2,043,886	-\$ 7,841	\$ 1,937,485	\$ 1,848,979	\$ 1,658,086	
<u>DOWNTOWN TERMINAL</u>											
INTERCITY FEES	5.800.010	-\$ 223,452	\$ -	0.0%	-\$ 223,452	-\$ 228,341	-\$ 4,889	-\$ 133,134	n/a	n/a	
OTHER COMMISSIONS	5.800.020	-\$ 5,040	\$ -	0.0%	-\$ 5,040	-\$ 6,147	- 1,107	-\$ 4,440	n/a	n/a	
TERMINAL WAGES	5.850.010	\$ 143,009	\$ 13,212	10.2%	\$ 129,797	\$ 156,812	27,015	\$ 85,570	n/a	n/a	
TERMINAL BENEFITS	5.850.020	\$ 28,602	\$ 2,642	10.2%	\$ 25,959	\$ 31,842	5,883	\$ 15,539	n/a	n/a	
BANKS & BRINKS CHARGES	5.850.030	\$ -	-\$ 4,800	-100.0%	\$ 4,800	\$ -	- 4,800	\$ -	n/a	n/a	
OFFICE SUPPLIES	5.850.040	\$ 6,000	\$ -	0.0%	\$ 6,000	\$ 5,103	- 897	\$ 3,305	n/a	n/a	
TELECOMMUNICATIONS	5.850.050	\$ 49,900	\$ -	0.0%	\$ 49,900	\$ 34,480	- 15,420	\$ 33,889	n/a	n/a	
BUILDING & JANITORIAL	5.850.060	\$ 54,000	-\$ 2,000	-3.6%	\$ 56,000	\$ 54,483	- 1,517	\$ 41,528	n/a	n/a	
RENT & UTILITIES	5.850.070	\$ 106,000	\$ -	0.0%	\$ 106,000	\$ 30,768	- 75,232	\$ 59,940	n/a	n/a	
CONTRACTED SERVICES	5.850.080	\$ 147,000	\$ 11,600	8.6%	\$ 135,400	\$ 142,121	6,721	\$ 75,812	n/a	n/a	
CARLISLE TERMINAL	5.500.070	-	-	n/a	\$ -	\$ -	-	\$ 142,280	291,856	273,073	
		\$ 306,019	\$ 20,654	7.2%	\$ 285,365	\$ 221,121	-\$ 64,244	\$ 320,289	\$ 291,856	\$ 273,073	

**ST. CATHARINES TRANSIT COMMISSION
2017 BUDGET**

APPENDIX A

					% Change From 2016 Budget										
		2017 Budget	\$ Change From 2016 Budget			2016 Budget	2016 Actuals	2016 Variance		2015 Actuals	2014 Actuals	2013 Actuals			
PARATRANSIT															
CASH REVENUE	6.100.010	-\$ 22,000	\$ -		0.0%	-\$ 22,000	-\$ 16,713	\$ 5,287		-\$ 18,152	-\$ 22,928	-\$ 23,117			
TICKET REVENUE	6.100.020	- 37,000	-		0.0%	- 37,000	-\$ 38,387	1,387		- 38,096	- 37,182	- 34,030			
PASS REVENUE	6.100.030	- 36,720	-		0.0%	- 36,720	-\$ 37,536	816		- 37,536	- 36,992	- 36,720			
THOROLD CONTRACT REVENUE	6.100.050	- 80,000	-		0.0%	- 80,000	-\$ 87,150	7,150		- 66,787	- 80,461	- 70,779			
OPERATOR WAGES	6.200.010	526,758	9,564		1.8%	517,194	\$ 553,392	\$ 36,198		504,378	481,270	488,943			
OPERATOR BENEFITS	6.200.020	193,794	3,858		2.0%	189,936	\$ 189,098	-\$ 838		187,127	184,689	185,918			
UNIFORMS	6.200.030	6,000	-		0.0%	6,000	\$ 6,000	\$ -		5,892	5,892	5,892			
LICENSES	6.200.040	660	110		20.0%	550	\$ 166	-\$ 384		96	-	593			
MISCELLANEOUS	6.200.050	-	-		0.0%	-	\$ -	\$ -		28	-	29			
DIESEL FUEL	6.300.010	70,000	-		0.0%	70,000	\$ 53,590	-\$ 16,410		53,532	71,850	70,695			
LUBRICANTS	6.300.020	1,104	-		0.0%	1,104	\$ 1,104	\$ -		1,104	1,100	1,104			
MECHANIC WAGES	6.400.010	70,211	-		0.0%	70,211	\$ 70,200	-\$ 11		68,832	67,475	66,085			
MECHANIC BENEFITS	6.400.020	25,460	-		0.0%	25,460	\$ 25,464	\$ 4		24,780	24,291	23,473			
SERVICE PERSON WAGES	6.400.030	57,054	-		0.0%	57,054	\$ 57,060	\$ 6		55,908	54,787	53,620			
SERVICE PERSON BENEFITS	6.400.040	21,881	-		0.0%	21,881	\$ 25,654	\$ 3,773		20,118	19,723	19,046			
MATERIALS	6.400.060	25,000	-		0.0%	25,000	\$ 1,137	-\$ 23,863		9,701	24,737	9,586			
TWO-WAY RADIO	6.400.070	1,394	-		0.0%	1,394	\$ 1,392	-\$ 2		1,394	1,100	1,104			
UTILITIES	6.500.010	15,000	-		0.0%	15,000	\$ 15,000	\$ -		15,000	15,000	15,024			
GARAGE EQUIP SUPPLIES	6.500.020	2,064	-		0.0%	2,064	\$ 2,064	\$ -		2,064	2,064	2,064			
BUILDING & JANITORIAL	6.500.030	7,740	-		0.0%	7,740	\$ 7,740	\$ -		7,740	7,740	7,716			
PROPERTY TAXES	6.500.040	11,520	540		4.9%	10,980	\$ 10,980	\$ -		10,980	10,980	10,812			
FIRE & BOILER INSURANCE	6.500.050	756	36		5.0%	720	\$ 720	\$ -		720	938	600			
ADMIN WAGES	6.600.010	128,146	2,585		2.1%	125,561	\$ 151,931	\$ 26,370		133,244	120,679	110,466			
ADMIN BENEFITS	6.600.020	44,669	919		2.1%	43,750	\$ 43,564	-\$ 186		59,461	35,437	37,068			
FLEET INSURANCE	6.600.030	75,600	3,600		5.0%	72,000	\$ 72,000	\$ -		70,020	67,848	48,564			
ADVER & PROMOTION	6.600.040	888	-		0.0%	888	\$ -	-\$ 888		-	-	504			
OFFICE SUPPLIES	6.600.050	3,000	-		0.0%	3,000	\$ 3,549	\$ 549		3,826	2,530	2,735			
TELECOMMUNICATIONS	6.600.060	2,400	-		0.0%	2,400	\$ 2,400	\$ -		1,740	1,680	1,644			
AUDIT & LEGAL	6.600.070	2,520	-		0.0%	2,520	\$ 2,520	\$ -		2,520	2,740	4,020			
MISCELLANEOUS	6.600.080	600	-		0.0%	600	\$ 457	-\$ 143		364	103	56			
TAXI CONTRACT	6.700.010	129,760	35,235		37.3%	94,525	\$ 113,112	\$ 18,587		93,332	96,897	88,892			
THOROLD TAXI CONTRACT	6.700.015	82,608	23,688		-22.3%	106,296	\$ 87,150	-\$ 19,146		67,227	82,123	72,749			
		\$ 1,330,866	\$ 32,758		2.5%	\$ 1,298,108	\$ 1,317,658	\$ 19,550		\$ 1,240,557	\$ 1,206,110	\$ 1,164,356			

MEMORANDUM

St Catharines Public Library

54 Church Street, St. Catharines, Ontario L2R 7K2

905-688-6103 or Fax 905-688-6292

TO: Budget Standing Committee

**FROM: L. Stripnieks
C.E.O.**

DATE: Friday, January 27, 2017

**SUBJECT: 1. Report on Library Reserves 2016
2. Report on Salaries and Benefits 2015 & 2016**

Please find attached:

- Report on Library Reserves 2016 (Funds held for a specific purpose)
- Report on Salaries and Benefits 2015 & 2016 Budget versus Actuals (with attachments)

L. Stripnieks,
C.E.O.

LS/nb

cc: Central Files

ST. CATHARINES PUBLIC LIBRARY

Report on Library Reserves 2016 (Funds held for a specific purpose)

Since 1999 (and prior to) the Library Board has approved with the City's support, moving any unexpended funds to reserves to be used for future capital expenditures.

Since 1999 the Library has made many capital improvements at the Centennial Library including the following: replaced the HVAC system, roof, skylights and windows; replaced the carpets; painted the facilities; removed asbestos; upgraded the Life Safety System; upgraded the computer and telephone system; upgraded meeting rooms and washrooms to comply with AODA standards; as well as offsetting capital costs for the construction of the Dr. Huq Branch.

The Library's budget document and power point presentation included a table Proposed 2017-2021 Capital Facilities Upgrade Budget. This table provided timelines and estimated expenditures. The table did not include the RFID project since it began in 2016 but funding has been set aside in a reserve.

Please find below a table indicating the estimated Capital Expenditures for 2017-2019:

Capital Expenditures – Proposed completion date 2017 – 2019	
HVAC replacement	\$1,100,000.00
Electrical Upgrade – Central	500,000.00
Elevator and dump waiters	450,000.00
Roof replacement	400,000.00
Flooring (Tile and carpet)	350,000.00
Hardware (doors, locks)	150,000.00
RFID materials management	350,000.00
Total	\$3,300,000.00

Please find below a list of all of the Library's Reserve Accounts:

Reserve Account	Description of Reserve	Notes	Value \$
2.130.003	Branch Development	For new services	151,968.
2.130.004	Computer Upgrade	RFID	189,240.
2.130.010	Facility and System Enhancement	HVACs, Hardware, Electrical, Elevators	2,465,014.
2.130.013	Professional Fees Reserve	Legal matters	28,131.
2.130.016	Utilities-Hydro Reserve	Rates increases	76,012.
2.130.018	Grievance Reserve	For grievances	13,674.
2.130.020	Atrium Glass Replacement	Glass replacement	59,000.
2.130.021	Economic Adjustment Reserve	Negotiations, EI, CPP Minimum wage	50,000.
2.130.022	Retirement benefit Reserve	Retiree benefits	20,000.
2.130.023	Special Formats Reserve	Accessible materials	16,670.
2.130.026	Dr. Huq Relocation Reserve	Bldg. & equipment	244,814.
2.130.027	Dr. Huq Materials Reserve	Materials	160,929.
		Total General Ledger Balance	\$3,475,452

The projected Capital expenditures for 2017 – 2019 total \$3,300,000.00. The balance in the Reserves is \$3,475,452.

ST. CATHARINES PUBLIC LIBRARY
Report on Salaries and Benefits 2015 and 2016 (Budget versus Actuals)

Since 1999 (and prior to) the Library Board has approved, with the City's support, moving any unexpended funds to reserves to be used for future capital expenditures.

The actual expenditures in 2013, 2014, and 2015 provide a figure for Salaries and Benefits after the unexpended funds have been moved to Reserves. The 2016 expenditures have not yet been audited and unexpended funds have not yet been allocated to Reserves.

Please find below the analysis of the 2015 Salaries and Benefits Budget versus Actuals and an analysis of 2016 Salaries and Benefits Budget and Unaudited Year-end Expenditures.

2015 Budget versus Actuals

In 2015, the Salaries and Benefits Budget was \$4,078,000. The actual expenditure was \$3,536,400 resulting in an unexpended balance of \$531,580 (Reconciliation of 2015 Salary and Benefits Budget to Actuals is attached).

Over the past years, the Library has had unexpended balances in Salaries and Benefits for a variety of reasons (i.e. legislated government rate for CPP, EI, and WSIB; YMPE lower than budget; negotiated benefit premium rates lower than budget; Collective Agreement rates lower than budget; job vacancies, gapping, unexpected sick leave, maternity leave and leaves of absence).

During the past four years (2013 – 2016), the Library has experienced a significant turnover in staff as a result of retirements and staff leaving as they secure full-time positions in other systems.

In 2015, the Library had 24 staff vacancies to fill or 35% of our full and part-time work force, excluding Pages. Thus, in 2015 the Library experienced a significant amount of gapping and this along with sick leaves, maternity leaves and staff starting at lower labour rates contributed largely to the unexpended balance.

In addition, for many years the Library has retained 1 vacant Management position (\$78,147). This amount has been secured in the budget in order to provide coverage or acting pay for unexpected management occurrences (i.e. sick leave, resignations, and leaves of absence) or special projects that may arise.

The Library also had several vacant Union positions in the budget (\$142,071) which we were unable to staff in 2015 and 2016 but intend to fill in 2017.

Benefits savings for the above vacant positions in 2015 totalled \$40,351. In summary, together with salaries, the vacancies account for a total of \$260,569 in unexpended funds.

When preparing the Benefits Budget, staff strive to be as accurate as possible and make projections on legislated benefit rates based on historical data as well as cost projections from our group benefits consultant. In 2015 rates were lower in almost all benefits categories than expected and resulted in savings.

In conclusion, for 2015 the vacant positions, significant staffing turnover, gapping, maternity leaves, sick leaves, reduced benefits costs and lower than expected negotiated wage settlements, account for the unexpended balance in Salaries and Benefits (see chart for 2015).

2016 Salaries and Benefits Budget and Unaudited Actuals (Reconciliation of 2016 Salaries and Benefits Budget to Unaudited Actuals is attached).

In 2016, the Salaries and Benefits Budget was set at \$4,102,900 and our unaudited projected unexpended balance is \$412,562.

In 2016, the Library experienced the same conditions as in 2015. We had 22 staffing actions which was a 33% turnover in staff. In addition, one of our long serving staff, the Manager of Circulation Services retired. She was a key member of the Management Team responsible for investigating the implementation of a new RFID materials management system and Technology Hub. Both of these services would have major staffing implications. It was decided to postpone the filling of the vacant positions until 2017, when we would be further into the process.

The above, along with reduced benefits and lower than expected negotiated wage settlements, account for the unexpected balance in Salaries and Benefits (see chart for 2016).

In 2017, we do not anticipate the same turnover in staff and we intend to fill our vacancies. Barring the unknown, we expect to normalize the Salaries and Benefits Budget.

ST. CATHARINES PUBLIC LIBRARY BOARD
2015 SALARIES & BENEFITS BUDGET
Reconciliation of Budget to Actuals

2015 SALARIES & BENEFITS BUDGET	4,078,000
2015 Audited Statement Salaries Expense	2,970,252
2015 Salaries Budget	<u>3,394,725</u>
Salaries Unexpended	424,473
2015 Audited Statement Benefits Expense	576,168
2015 Benefits Budget	<u>683,275</u>
Benefits Unexpended	107,107
2015 SALARIES & BENEFITS UNEXPENDED (Audited)	531,580

Contributing Factors to 2015 Unexpended Salary & Benefits Budget

	<u>2015 Budget</u>	<u>Year-end Cost</u>	<u>Variance</u>
FT Contract Settlement 0.05% lower than budget (2,395,000 vs 2,383,804)			-11,196
PT Contract Settlement 0.05% lower than budget (986,845 vs 981,984)			-4,861
Unused PT salaries per GL & adjusted PT budget above	981,984	980,193	-1,791
Vacancy: MANAGEMENT position	78,147	0	-78,147
Vacancy: CUPE positions	142,151	0	-142,151
Replaced Admin Asst to CEO - lower rate	47,415	40,296	-7,119
Mgr. Circ/Huq Libr. PG 12/Merr Libr PG 11- job changes	186,505	169,273	-17,232
Circ Clerk FT replaced in May 2015	33,290	20,676	-12,614
CCS Libr PG 11 (mat leave March, 2015)	58,426	12,161	-46,265
AIS Libr PG 10 (mat leave May 2015)	46,801	19,383	-27,418
AIS Libr 14/Libr 15 -job changes	118,179	106,458	-11,721
Huq Lib Tech PG 6 vacant due to mat leave	44,679	0	-44,679
Net Burden Rate (less Pay Eq. offset)	11,956	0	-11,956
	1,749,533	1,348,440	-417,150
<u>Benefits savings</u>			
Vacant positions (OMERS, CPP, EI...etc.)	40,351	0	-40,351
<u>Benefits cost centres (less above vacant positions)</u>			
OMERS YMPE actual lower than budgeted	188,219	180,324	-7,895
EHT unexpended due to lower gross salaries	62,188	57,855	-4,333
CPP YMPE actual 1% lower than budgeted	110,484	104,445	-6,039
EI actual FT multiplier rate 1.0% lower than budgeted	65,924	62,499	-3,425
GROUP LIFE/ADD actual rate 11.0% lower than budgeted	9,456	7,641	-1,815
LTD actual rate 8.0% lower than budgeted	37,593	26,391	-11,202
EXTENDED HEALTH actual rate 7% lower than budgeted	97,002	83,939	-13,063
DENTAL actual rate 15% lower than budgeted	52,310	44,204	-8,106
WSIB actual rate 3.0% lower than budgeted	10,581	9,514	-1,067
Benefits Contingency	10,000	0	-10,000
	684,108	576,812	-107,296
			-524,446

ST. CATHARINES PUBLIC LIBRARY BOARD
2016 SALARIES & BENEFITS BUDGET
Reconciliation of Budget to Actuals (Unaudited)

2016 SALARIES & BENEFITS BUDGET	4,102,900
2016 Estimated Salaries Expense (Unaudited)	3,060,604
2016 Salaries Budget	<u>3,414,016</u>
Estimated Salaries Unexpended	353,412
2016 Estimated Benefits Expense (Unaudited)	629,734
2016 Benefits Budget	<u>688,884</u>
Estimated Benefits Unexpended	59,150
2016 ESTIMATED SALARIES & BENEFITS UNEXPENDED (Unaudited)	412,562

Contributing Factors to 2016 Unexpended Salary & Benefits Budget

	<u>2016 Budget</u>	<u>Year-end Cost</u>	<u>Variance</u>
PT salaries budget unexpended	988,165	967,055	-21,110
Vacancy: MANAGEMENT POSITIONS	78,928	0	-78,928
Vacancy: CUPE POSITIONS	143,639	0	-143,639
Vacancy: CUPE - SYS - CLERK (vacant Sept/16)	42,741	29,575	-13,166
Replaced Admin Asst to CEO - lower rate	48,866	45,688	-3,178
CCS Librarian PG 9 (mat leave March, 2016)	48,840	12,061	-36,779
CIRC Clerk FT (on LTD 75%, 0%)	33,623	16,324	-17,299
CCS Librarian PG 11 (mat leave return March 2016)	59,010	46,093	-12,917
AMS Librarian PG 12 (mat leave return May 2016)	47,269	32,093	-15,176
Net Burden Rate (less Pay Eq. offset)	12,137	0	-12,137
	1,503,218	1,148,889	-354,329
<u>Benefits savings</u>			
Vacant positions (OMERS, CPP, EI...etc.)	40,748	0	-40,748
OMERS YMPE actual lower than budgeted	199,169	197,735	-1,434
EHT budget less vacant positions	62,415	59,506	-2,909
CPP YMPE actual 1% lower than budgeted	113,526	108,302	-5,224
EI actual FT multiplier rate 1.0% lower than budgeted	67,978	70,628	2,650
GROUP LIFE/ADD actual rate 11.0% lower than budgeted	7,306	7,056	-250
LTD actual rate 8.0% lower than budgeted	29,398	25,119	-4,279
EXTENDED HEALTH actual rate 7% lower than budgeted	99,154	105,415	6,261
DENTAL actual rate 15% lower than budgeted	48,853	46,095	-2,758
WSIB actual rate 3.0% lower than budgeted	11,805	9,873	-1,932
Benefits Contingency	10,000	0	-10,000
	690,352	629,729	-60,623
			-414,952

Memorandum

To: Mayor and Members of Council

Cc: Department Heads

From: Steve Solski, Executive Director, FirstOntario Performing Arts Centre

Date: January 30, 2017

Subject: FirstOntario Performing Arts Centre 2017 Budget

Background

The FirstOntario Performing Arts Centre started formulating its budget back in May 2016 with a series of staff meetings to bring together a realistic budget for 2017. The staff did their best projection at the time for annual expenditures, and spent a lot of time on revenue generation opportunities and market conditions affecting targets.

The FirstOntario Performing Arts Centre staff then met with the Financial Management Services (FMS) Director and budget staff to analyze the budget line by line for the centre, taking into account the market pressures driving revenue projections down and the rationale for the increase in net required to operate the centre. The budget was then discussed with the Commissioner of Corporate Services, allowing FMS and the Centre staff to outline the revenue challenges and expense drivers. The budget then went to a Senior Management Team (SMT) meeting for input.

All agreed that the original revenue projections for the PAC were too aggressive for the current market, and advised Centre staff to look at revenue growth over three to five years to bring the venue to capacity.

The FirstOntario Performing Arts Centre presented its 2017 Budget to the Budget Committee on Dec 13, 2016 at a 32% increase over the 2016 budget based on the SMT recommended 2017 Budget. At that meeting, the Budget Committee asked the FirstOntario Performing Arts Centre staff to look at what a 24% and a 12% increase would look like, and present a 5-year budget forecast.

After an analysis of the actuals that were available, The FirstOntario Performing Arts Centre staff presented a revised budget to the Budget Committee on January 23, 2017. This budget surpassed the committee's request for 24%. Centre Staff had a list of suggested expense items that they could remove, or revenue that they could add to get to the 12% increase threshold, but did not recommend the additions. Staff also

presented a 5-year budget forecast outlining how the expenses would inflate, as per the FMS recommended model that applied to all other departments. It included a 3-year revenue plan that would grow the revenues to capacity over the next three years. This detailed analysis demonstrated that the annual budget required to run the Centre was approximately \$1.5 million.

The Budget Committee asked staff to return with a 12% budget increase over the 2016 budget. The budget committee also request an explanation on increase to concessions, marketing, and consulting fees. The Budget Committee also wanted to see how ticket prices would increase annually to meet targets in 5 year forecast.

The commmitte also referred to the Vinik report and the information present regarding cost and revenue opportunites.

Vinik Report Analysis

There has been conversation about how consulting and analysis presented in the Vinik report (2008) relates to how much the venue should cost annually. Staff reviewed the revenue opportunities and annaul support requirement presented in the Report.

The Vinik Report stated that the venue would need about \$1,000,000 annual support from the City tax base. The Vinik report also recommend that the City build retail opportunities along St. Paul to allow the centre to generate \$260,000 in ancillary revenues to further offset the cost. The Vinik report recommended that the Centre build a cafeteria facing St. Paul to generate \$50,000 in revenue as another means of offsetting the expense of operating the centre . The City however determined early in the funding phase that they would not build retail space or a cafeteria therefore removing these revenue opportunities from the future centre's budget.

Therefore, in terms of actual cost, without this revenue the Centre would need \$1,310,000 of tax base support to run annually based on the Vinik Report in 2008 dollars.

The chart below as prepared by FMS outlines that the cost of \$1,310,000 in 2008 would cost \$1,562,723 in 2017.

Combined										
Start	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
CPIX	1.70%	1.80%	1.70%	1.70%	1.70%	1.20%	1.80%	2.20%	1.90%	2.10%
1,310,000	1,332,270	1,356,251	1,379,307	1,402,755	1,426,601	1,443,721	1,469,709	1,502,042	1,530,580	1,562,723

Report

After the last Budget Committee meeting, SMT met to discuss the overall cuts required to meet the direction of the Budget Committee. The FirstOntario Performing Arts staff also further reviewed the 2016 Actuals to determine additional cuts that could be made to the 2017 budget submission.

After this detailed review of the FirstOntario Performing Arts Centre's 2016 Expense Actuals, the following additional cuts could be made to the centre's budget without effecting the service level for 2017.

\$110,000 the original cuts made on January 23, 2017

Additional Cuts

\$10,337	not hiring 2 summer students
\$5000	equipment repairs reductions based on equipment lifecycle
\$2500	mileage reduction based on 2016 actual
\$5000	concession supplies reduction based on 2016 actual
\$5412	eliminate 3 rd party landscaper and absorb into PRCS
\$2000	garbage collection reduction based on 2016 actual
\$7500	telephone system reduction based on 2016 actual
\$2574	software license reduction based on 6 months of need

\$150,323 Total cut to 2017 original submission

These cuts represent a 12% increase over 2016 Actual and a 19% over 2016 Budget.

Non Recommended Cuts

The cuts listed below are not recommended as they will hinder the service levels of the venue, and make the venue too expensive for this market.

\$4320	Biochem – service in female washrooms.
\$2120	Reduction in servicing and tuning the Grand piano in Partridge Hall.
\$10000	Reduction in general supplies, 1 ply tissues, paper towels, less cleaning.
\$25,000	Annual wear and tear - without this money the centre will look run down.
\$2,000	Reduction in attending booking conferences
\$6,500	All market research studies, audience survey, and Environics profiling.
\$5,000	Reduction in the materials used to sell the venue and sponsorships
\$5,000	Artist rider reduction may affect our ability to book acts
(\$12,570)	Increase each ticket by \$7 for Fall shows (contracts profit share 85/15)
(\$20,000)	Increase in bar sales by charging \$9 per beer and wine.

\$92,510 Additional cuts that are not recommended

If we proceed with these reductions and additions the overall expense budget for the centre would actually decrease by 1% from the 2016 budget. Additionally these changes would represent a 5% increase over 2016 Actuals, and an 11% percentage on budget.

The Budget Committee requested further information regarding some of the increases in the 2017 Budget over the 2016 Actuals specifically, as it related to concessions, marketing, and consulting costs. Concession increases are based on corporate events, and a landmark fee associated with working with SMG therefore the profit margins are not as high as liquor and concession sales. The marketing cost increases are based on the need to market the venue to the commercial sector to increase rental revenue. This also includes the increasing costs of printing, the need for sponsorship sales collateral to meet the revenue required, and further online and social media advertising.

The consulting cost is a requirement of transitioning the financial management of the centre to a board. Outside expertise is required to consult on the best way to set up the centre financial management system to effectively manage the financial operation of the centre.

The committee also wanted information in how the Centre intends to grow ticket revenues over the next several years. It was determined that the average ticket price for the 2016/2017 season was \$41.00. It is the intent of Centre staff to raise the average price by 1.8 percent over the next 4 years, resulting in the following average ticket price chart.

Average Ticket Price Targets				
2017	2018	2019	2020	2021
\$41	\$ 41.74	\$ 42.49	\$ 43.25	\$ 44.03

Performance Indicator

The Centre staff also surveyed Performing Art Centres across Ontario to compare some revenue numbers for the committee's information. The Centers include The Burlington Performing Arts Centre, Rose Theatre Brampton, Markham Theatre, and the Sanderson Centre in Brantford, which offer the closest comparators we have in Ontario in size, scope of venue, and programming.

City	Population	Median House Inc.
St. Catharines	131400	\$ 72,659.67
Burlington	175779	\$ 110,113.81
Brampton	523911	\$ 100,000.00
Markham	394000	\$ 112,387.02
Brantford	94000	\$ 77,970.08

This graph demonstrates how the FirstOntario Performing Arts Centre in St. Catharines is performing against other similar venues:

City	Events	Avg Tix Price	Ticket Revenue	Artist Fee Exp	As A %	Marketing Exp	% Sales	Priv Sector Cont
St. Catharines	117	\$41	\$ 1,624,919.84	\$ 839,448.00	52%	\$ 285,460	18%	\$ 137,180.00
Burlington	98	\$32	\$ 1,197,000.00	\$ 846,956.00	71%	\$ 300,000	25%	\$ 125,933.00
Brampton	85	\$37	\$ 1,100,000.00	\$ 700,000.00	64%	\$ 350,000	32%	\$ 100,000.00
Markham	80	\$45	\$ 838,677.00	\$ 650,000.00	78%	\$ 343,000	41%	\$ 407,733.00
Brantford	32	\$26	\$ 565,790.00	\$ 455,933.00	81%	\$ 101,000	18%	\$ 210,006.00

Conclusion

Based on the information presented in this memo, The FirstOntario Performing Arts Centre is performing below the costs anticipated in the Vinik report and is performing at a high level compared to other venues in Ontario. After only its first full season of operation, The FirstOntario Performing Arts Centre is on its way to fulfilling the goal of being the best centre of its kind in Canada.

Updated 5 year forecast.

The forecast on the following page shows the centre balancing out at the \$1.5 million over the next three years as the revenue capacity grows for the centre. This level of funding is supported by the assessment by FMS of the Vinik report on the annual cost to operate the venue.

Account Number & Description	2016 Actual	2017 Budget 19%	2018	2019	2020	2021
770.100.001 Salaries/Wages-Regular	1,114,080.09	1,297,674.00	\$ 1,313,894.93	\$ 1,330,318.61	\$ 1,346,947.59	\$ 1,363,784.44
770.100.003 Salaries/Wages-Ext. Serv	818,372.48	843,374.00	\$ 853,916.18	\$ 864,590.13	\$ 875,397.50	\$ 886,339.97
770.100.007 Holiday/Vacation Pay	46,230.30	22,638.56	\$ 23,204.52	\$ 23,784.64	\$ 24,379.25	\$ 24,988.73
770.100.030 Pensions	185,771.90	250,343.20	\$ 256,601.78	\$ 263,016.82	\$ 269,592.25	\$ 276,332.05
770.100.031 Other Benefits	137,507.18	150,643.00	\$ 154,409.08	\$ 158,269.30	\$ 162,226.03	\$ 166,281.69
770.100.032 Workers Compensation	53,983.87	66,655.96	\$ 68,322.35	\$ 70,030.41	\$ 71,781.17	\$ 73,575.70
770.100.033 Employment Insurance	40,163.68	46,668.10	\$ 47,834.80	\$ 49,030.67	\$ 50,256.44	\$ 51,512.85
770.100.041 Safety Shoes	175.00	350.00	\$ 358.75	\$ 367.72	\$ 376.91	\$ 386.33
770.100.053 Service Contracts	166,105.35	183,667.00	\$ 187,340.34	\$ 191,087.15	\$ 194,908.89	\$ 198,807.07
770.100.054 Equipment Repairs	1,465.33	10,000.00	\$ 12,100.00	\$ 14,410.00	\$ 18,051.00	\$ 19,856.10
770.100.067 Mileage	2,908.02	3,500.00	\$ 3,570.00	\$ 3,641.40	\$ 3,714.23	\$ 3,788.51
770.100.101 General Supplies	20,227.94	35,000.00	\$ 38,500.00	\$ 42,350.00	\$ 46,585.00	\$ 51,243.50
770.100.110 Uniform Clothing	3,280.30	4,500.00	\$ 4,590.00	\$ 4,681.80	\$ 4,775.44	\$ 4,870.94
770.100.127 Concession Products	153,638.49	198,500.00	\$ 202,470.00	\$ 206,519.40	\$ 210,649.79	\$ 214,862.78
770.100.140 Concession Supplies	8,594.55	18,000.00	\$ 18,360.00	\$ 18,727.20	\$ 19,101.74	\$ 19,483.78
770.100.150 Cleaning Services	37,439.57	3,224.00	\$ 3,546.40	\$ 3,901.04	\$ 4,291.14	\$ 4,720.26
770.100.152 Grl Bldg Maintenance	144.90	4,000.00	\$ 4,400.00	\$ 4,840.00	\$ 5,324.00	\$ 5,856.40
770.100.153 Snow Yard Maintenance	15,280.46	10,989.34	\$ 11,209.13	\$ 11,433.31	\$ 11,661.98	\$ 11,895.22
770.100.157 Rent	185,000.00	212,500.00	\$ 212,500.00	\$ 212,500.00	\$ 212,500.00	\$ 212,500.00
770.100.162 Building Repairs	14,567.02	40,000.00	\$ 44,000.00	\$ 48,400.00	\$ 53,240.00	\$ 58,564.00
770.100.163 Heat, Light, Power, Water	262,763.85	286,743.69	\$ 301,080.88	\$ 316,134.92	\$ 331,941.67	\$ 348,538.75
770.100.173 Insurance-Bldg/Contents	31,767.55	33,358.00	\$ 34,025.16	\$ 34,705.66	\$ 35,399.78	\$ 36,107.77
770.100.200 Contract-Advisory Service	1,932.66	10,000.00	\$ 10,200.00	\$ 10,404.00	\$ 10,612.08	\$ 10,824.32
770.100.201 Contract-Legal Service	500.00	-				
770.100.203 Contract-Artists/Entert'r	839,448.37	822,812.00	\$ 839,268.24	\$ 856,053.60	\$ 873,174.68	\$ 890,638.17
770.100.205 Contracts-Security	18,218.10	51,754.00	\$ 52,789.08	\$ 53,844.86	\$ 54,921.76	\$ 56,020.19
770.100.206 Contract-Garbage Collec'n	1,970.44	2,479.00	\$ 2,528.58	\$ 2,579.15	\$ 2,630.73	\$ 2,683.35
770.100.211 Show Production	43,628.88	45,000.00	\$ 45,900.00	\$ 46,818.00	\$ 47,754.36	\$ 48,709.45
770.100.235 Contract-Pest Control	520.00	1,085.00	\$ 1,106.70	\$ 1,128.83	\$ 1,151.41	\$ 1,174.44
770.100.302 Insurance-Liability	9,032.30	10,000.00	\$ 10,200.00	\$ 10,404.00	\$ 10,612.08	\$ 10,824.32
770.100.303 Courier Services	3,361.51	5,000.00	\$ 5,100.00	\$ 5,202.00	\$ 5,306.04	\$ 5,412.16
770.100.304 Postage Expense	26,670.07	25,000.00	\$ 25,500.00	\$ 26,010.00	\$ 26,530.20	\$ 27,060.80
770.100.305 Telephone	22,038.19	30,000.00	\$ 30,600.00	\$ 31,212.00	\$ 31,836.24	\$ 32,472.96
770.100.306 Cellular Phones	2,556.10	3,100.00	\$ 3,162.00	\$ 3,225.24	\$ 3,289.74	\$ 3,355.54
770.100.307 Printing	2,901.27	3,000.00	\$ 3,060.00	\$ 3,121.20	\$ 3,183.62	\$ 3,247.30
770.100.308 Copying and Prints	2,536.01	2,500.00	\$ 2,550.00	\$ 2,601.00	\$ 2,653.02	\$ 2,706.08
770.100.310 Office Supplies	13,637.42	12,000.00	\$ 12,240.00	\$ 12,484.80	\$ 12,734.50	\$ 12,989.19
770.100.314 Software	53,159.29	70,927.00	\$ 74,971.02	\$ 76,470.44	\$ 77,999.85	\$ 79,559.85
770.100.318 Cash Processing/Bank Fees	68,839.63	70,000.00	\$ 71,400.00	\$ 72,828.00	\$ 74,284.56	\$ 75,770.25
770.100.323 Internet Charges	39,617.60	40,000.00	\$ 40,800.00	\$ 41,616.00	\$ 42,448.32	\$ 43,297.29
770.100.330 Furniture/Equipment NTCA	15,643.04	10,000.00	\$ 10,200.00	\$ 10,404.00	\$ 10,612.08	\$ 10,824.32
770.100.351 Replacement micros	1,203.57	1,260.00	\$ 1,285.20	\$ 1,310.90	\$ 1,337.12	\$ 1,363.86
770.100.380 TCA Capitalized assets	(11,201.58)	-				
770.100.384 TCA Current year Depreciation	6,653.57	-				
770.100.389 TCA Offset	4,548.01	-				
770.100.401 Conferences/Conventions	12,826.14	15,000.00	\$ 15,300.00	\$ 15,606.00	\$ 15,918.12	\$ 16,236.48
770.100.405 Subscriptions/Memberships	3,835.51	4,000.00	\$ 4,080.00	\$ 4,161.60	\$ 4,244.83	\$ 4,329.73
770.100.417 Study/Consulting Fee	7,048.00	6,500.00	\$ 6,630.00	\$ 6,762.60	\$ 6,897.85	\$ 7,035.81
770.100.450 Miscellaneous	8,891.01	7,500.00	\$ 7,650.00	\$ 7,803.00	\$ 7,959.06	\$ 8,118.24
770.100.463 Marketing	285,459.86	300,000.00	\$ 300,900.00	\$ 306,918.00	\$ 313,056.36	\$ 319,317.49
770.100.468 Artist/Entert't Rider	45,684.97	60,000.00	\$ 63,750.00	\$ 67,575.00	\$ 68,926.50	\$ 70,305.03
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Total Expenses	4,830,627.77	5,331,245.85	\$ 5,437,405.11	\$ 5,549,284.43	\$ 5,663,176.93	\$ 5,778,573.48
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770.100.800 Miscellaneous Revenue	(11,462.11)	(15,751.50)	\$ (16,066.53)	\$ (16,387.86)	\$ (16,715.62)	\$ (17,049.93)
770.100.803 Brock/Corp Cont/Grants	(750,000.00)	(824,750.00)	\$ (832,997.50)	\$ (841,327.48)	\$ (849,740.75)	\$ (858,238.16)
770.100.805 Donations & Sponsorships	(34,807.18)	(178,500.00)	\$ (182,070.00)	\$ (185,711.40)	\$ (189,425.63)	\$ (193,214.14)
770.100.807 Fee for Service-Box	(60,164.30)	(73,160.00)	\$ (74,623.20)	\$ (76,115.66)	\$ (77,637.98)	\$ (79,190.74)
770.100.808 Fee for Service-Product'n	(142,864.33)	(157,150.76)	\$ (160,293.78)	\$ (163,499.65)	\$ (166,769.64)	\$ (170,105.04)
770.100.809 Fee for Service-Postage	(2,924.20)	(3,000.00)	\$ (3,060.00)	\$ (3,121.20)	\$ (3,183.62)	\$ (3,247.30)
770.100.810 Fee for Service- Handling	(66,633.80)	(82,500.00)	\$ (84,150.00)	\$ (85,833.00)	\$ (87,549.66)	\$ (89,300.65)
770.100.835 Ticket Sales	(1,624,919.84)	(1,624,919.84)	\$ (1,654,168.40)	\$ (1,683,943.43)	\$ (1,714,254.41)	\$ (1,745,110.99)
770.100.850 Advertising Revenue	(102,372.50)	(90,000.00)	\$ (91,800.00)	\$ (93,636.00)	\$ (95,508.72)	\$ (97,418.89)
770.100.857 Concession Sales	(295,590.20)	(320,000.00)	\$ (326,400.00)	\$ (332,928.00)	\$ (339,586.56)	\$ (346,378.29)
770.100.860 Vending Machines	(5,560.00)	(5,000.00)	\$ (5,100.00)	\$ (5,202.00)	\$ (5,306.04)	\$ (5,412.16)
770.100.930 Rental Revenue	(392,832.49)	(450,000.00)	\$ (500,000.00)	\$ (550,000.00)	\$ (600,000.00)	\$ (612,000.00)
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Total Revenue	\$ (3,490,130.95)	(3,824,732.10)	\$ (3,930,729.40)	\$ (4,037,705.68)	\$ (4,145,678.63)	\$ (4,216,666.29)
Net	\$ 1,340,496.82	1,506,513.75	\$ 1,506,675.71	\$ 1,511,578.75	\$ 1,517,498.30	\$ 1,561,907.19