



MEMO

To: City of St. Catharines - Standing Budget Committee
From: Jeff Dixon, General Manager
Subject: Meridian Centre 2018 Budget – Supplementary Information
Date: November 8, 2017
c.c.: Phil Cristi, Amy Tomaino

As requested, the following is the supplementary information requested by the Standing Budget Committee at the November 1 meeting.

1. Breakdown of hours for each event and who is using the facility;

The Meridian Centre operates in an event industry that has a potential of hosting events 365 days a year. Though the events that the public attend at the Meridian Centre are typically a few hours in length, it is the conversion, setup, tear down and cleanup of the event that account for the majority of hours associated with the event. As requested, a breakdown of hours for event types are outlined in **Schedule A** attached.

2. What will be the impact of the increase in minimum wage be on the Meridian Centre?

In 2016 the Meridian Centre paid 56,464 hours of part-time wages. The majority of these wages are allocated to the cost of an event as a billable service (Service Expense) or as part of the cost of sales for food and beverage items. Therefore, it is the net revenues that are impacted by the increase in minimum wage.

Food and Beverage - SMG reviewed prices of items sold, comparing them against similar sized arenas, in similar markets. Staff identified items that could bear an increase in price, lessening the impact of the minimum wage increase. With the new pricing in place, SMG forecasts that food and beverage net revenues will be reduced by \$54,627. Therefore, decreasing the potential earnings.

Billable Services (Service Expense) – This labour is directly allocated to specific events and billed back to the client. Though we believe the promoter/client will absorb the majority of the increase, SMG is forecasting an impact of \$25,865 decrease in net revenues.

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In total, SMG has forecasted the minimum wage increase to negative impact the Meridian Centre net revenues by \$80,492.

3. What would the costs be of adding (increasing) security at the Meridian Centre.

SMG has presented the Meridian Centre Governance committee with a quote to purchase Metal Detectors. This is the first step in enhancing security while increasing attendee ease of access to the events.

In addition to the metal detectors, SMG is recommending additional security at major events as outlined in **Schedule B**. It is SMG's position that all spectator events at the Meridian Centre should have a strong security presence at all points of entries. As presented in **Schedule B**, the "Current" security numbers in the building are lacking at entrances for some event types. To enhance this presence, SMG would budget \$104,775.00 in the 2018 Budget. Though a portion of this variance may be transferable to the promoters/clients, SMG requests an additional line item be added to the 2018 budget for the total amount.

Schedule A



Meridian Centre Usage

Days 365
 Statutory Holidays not Occupied 9
 Total Hours 8,544

366
 9
 8,568

365
 9
 8,544

2015				
USAGE TYPE	# of Events	Hours per Event	Total Hours	% of Total hours
IceDogs - Practice Weekend	101	2	202	2.4%
IceDogs - Practice Weekday AM	255	2	510	6.0%
IceDogs - Practice Weekday PM	253	3	759	8.9%
IceDogs - Games	47	24	1,128	13.2%
River Lions - Games	1	36	36	0.4%
Concerts	2	36	72	0.8%
Entertainment	4	36	144	1.7%
Family Show	1	36	36	0.4%
Sporting Events	8	24	192	2.2%
Other Events	18	12	216	2.5%
Ice Rentals	720	1	720	8.4%
TOTAL USAGE	1,410	212	4,015	47.0%

TOTAL UNUSED TIME

4,529 53.0%

2016			
# of Events	Hours per Event	Total Hours	% of Total hours
95	2	190	2.2%
224	2	448	5.2%
223	3	669	7.8%
47	24	1,128	13.2%
33	36	1,188	13.9%
4	36	144	1.7%
2	36	72	0.8%
2	36	72	0.8%
20	24	480	5.6%
25	12	300	3.5%
810	1	810	9.5%
1,485	212	5,501	64.2%

3,067 35.8%

2017			
# of Events	Hours per Event	Total Hours	% of Total hours
103	2	206	2.4%
241	2	482	5.6%
241	3	723	8.5%
34	24	816	9.6%
23	36	828	9.7%
4	36	144	1.7%
1	36	36	0.4%
1	36	36	0.4%
15	24	360	4.2%
19	12	228	2.7%
765	1	765	9.0%
1,447	212	4,624	54.1%

3,920 45.9%

Notes:

NID Practices are twice a day on weekdays (9am-11am and 2pm-5pm) and once on weekends (10am-12pm). Adjusted for relocations.

Nine statutory holidays as two usually have NID events, or rentals or something on them.

NID games are assumed to take a full day (24 hours)

NRL, Concerts, Entertainment and Family Shows average 36 hours used per event due to ice conversion required.

Other events average of 12 hours per event used.

2017 is a projection based on what is booked as of October 31st 2017.

Schedule B



Security Increase - Proposed

Based on:

Security Rate / hourly	\$25
Estimated per event hours	4.5

Full House (Concert, Sports)						
> 3000 attendance						
	Current	Proposed	Variance #	Variance \$	# of Events per Year	Add. Costs per year
Rankin Bridge	4	7	3	\$337.50		
South Bridge	3	5	2	\$225.00		
Front Lobby (Lower Level)	4	7	3	\$337.50		
NRP - Paid Duty	0	4	4	\$1,500.00		
				\$2,400.00	7	\$16,800

IceDogs Games						
> 3000 attendance						
	Current	Proposed	Variance #	Variance \$	# of Events per Year	Add. Costs per year
Rankin Bridge	1	4	3	\$337.50		
South Bridge	1	3	2	\$225.00		
Front Lobby (Lower Level)	1	4	3	\$337.50		
				\$900.00	34	\$30,600.00

Half House / Small Theatre/Large Sport (ie: FIBA)						
< 3000 attendance						
	Current	Proposed	Variance #	Variance \$	# of Events per Year	Add. Costs per year
Rankin Bridge	4	7	3	\$337.50		
South Bridge	3	7	4	\$450.00		
Front Lobby (Lower Level)	0	0	0	\$0.00		
NRP - Paid Duty	0	2	2	\$750.00		
				\$1,537.50	30	\$46,125.00

River Lions Games						
< 2000 attendance						
	Current	Proposed	Variance #	Variance \$	# of Events per Year	Add. Costs per year
Rankin Bridge	1	3	2	\$225.00		
South Bridge	1	2	1	\$112.50		
Front Lobby (Lower Level)	1	3	2	\$225.00		
				\$562.50	20	\$11,250.00

TOTAL ADDITIONAL ANNUAL EXPENSE	\$104,775.00
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