CITY OF ST. CATHARINES

Memorandum

To: Budget Standing Committee

Cc: Jeff Dixon
Kristine Douglas
Shelley Chemnitz
Daivid Oakes

From: Cristi, Phil

Date: November 27, 2018

Subject: SMG/Meridian Centre Quantitative Results 2015 - 2018

At the Budget Standing Committee held on Monday November 19th 2018, staff were directed to provide a memo to the Committee as to how SMG satisfied quantitative factors. This memorandum provides the Committee with the information as requested.

Section 4.3.1 of the Management Agreement between The City and SMG states the following:

"Financial Incentive Fee: SMG will receive payment equal to 30% of the Net Operating Profit over and above the applicable Benchmark amount for the Fiscal Year."

The Benchmark has been defined as the operating net as approved by Council. Table 1 below shows that when a positive variance is reported at year end (between the budgeted and actual net), SMG has received a financial incentive equal to 30% of said variance.

Table 1

Meridian Centre												
Quantitative Results												
2015 to 2018												
	2015	2015		2016	2016		2017	2017		2018	2018	
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Projected[1]	Variance
Net Income / (Loss)	-$624,227.00	-$684,083.00	-$59,856.00	-$627,307.00	-$414,496.00	$212,811.00	-$627,741.00	-$599,496.00	$28,245.00	-$624,479.00	-$461,850.00	$162,629.00
SMG Incentive		$0.00			$63,843.00			$8,474.00			$48,788.00	

1 - Projection as of October 31, 2018