



**The Corporation of the City of St. Catharines
CITY COUNCIL (BUDGET) AGENDA
Regular, Wednesday, November 3, 2021
Council Chambers and Electronic Participation, 6:00 PM**

This Meeting of Council will be held in person at Council Chambers and electronically for the Members of Council. Due to capacity limits due to the COVID-19 pandemic the public can only participate electronically.

This Meeting may be viewed online at www.stcatharines.ca/youtube

Public Comments: The public may submit comments regarding agenda matters to the Office of the City Clerk by contacting clerks@stcatharines.ca by Wednesday, November 3, 2021 before Noon. Comments submitted will be considered as public information and entered into public record.

Electronic Delegations: Those wishing to speak to an item on the agenda must complete the [City's Electronic Delegation Form](#) by Wednesday, November 3, 2021 before 9:00 a.m. and attend a test session with City staff on Wednesday, November 3, 2021 at 10:00 a.m.

Chair Mathew Siscoe takes the Chair and opens the meeting with a Land Acknowledgement

Page

- 1. Chair's Report**
- 2. Adoption of the Agenda**
- 3. Adoption of the Minutes**
- 4. Declarations of Interest**
- 5. Motion to Move Consent Reports**

Consent Reports are approved in one motion which approves all of the recommendations contained in each report. Prior to this motion, a councillor may request that one or more of the reports listed under Item 6 be moved to the list of Discussion Reports.

- 6. Consent Reports**

- 6.1 Chief Administrative Officer
Update on 2021 Grant Applications

3 - 7

- ## 7. Presentations

11 - 24	8.1	St. Catharines Public Library - 2022 Budget Presentation Presentation by Qingyi (Ken) Su, Chief Executive Officer, and Karen Smith Curtis, Business Administrator precedes discussion.
25 - 43	8.2	St. Catharines Transit Commission - 2022 Budget Presentation Presentation by Colin Briggs, Chair, Graham Morrison, General Manager, and Brad Griffin, Manager of Finance and Administration precedes discussion.
44 - 61	8.3	FirstOntario Performing Arts Centre - 2022 Budget Presentation Presentation by Colleen Smith, Executive Director, Mark Steinman, Chair, Finance and Audit Committee, and Carlos Robayo, Director of Finance and Administration precedes discussion.
62 - 92	8.4	Niagara District Airport - 2022 Budget Presentation Presentation by Daniel Pilon, CEO, and Greg Wight, Treasurer of the Niagara District Airport precedes discussion.
93 - 113	8.5	Meridian Centre - 2022 Budget Presentation Presentation by Jeff Dixon, General Manager of the Meridian Centre precedes discussion.
	8.6	Draft 2022 Capital Budget – Notice of amendments to be considered
	8.7	Draft 2022 Operating Budget – Notice of amendments to be considered

10. Call for Notices of Motion

12. Closed Session

13. Motion Arising from Closed Session

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Corporate Report City Council

Report from: Office of the Chief Administrative Officer

Report Date: October 28, 2021

Meeting Date: November 3, 2021

Report Number: CAO-172-2021

File: 10.4.99

Subject: Update on 2021 Grant Applications

Strategic Pillar:

This report aligns with the following St. Catharines Strategic Plan pillars: economic, social, environmental and cultural.



Recommendation

That Report CAO-172-2021, regarding an update of the 2021 Grant Applications be received for information purposes.

Summary

In 2019, a working group of City staff was formed to place additional focus on identifying and applying for grants with the goal of securing additional non-property tax revenue to assist in furthering workplans and projects. Starting this year, semi-annual updates are being provided to the Budget Standing Committee (BSC) to update Council on year-to-date funding secured, and key outstanding or upcoming grant opportunities.

Thus far in 2021, the City has been approved for 20 grant applications, securing \$7,356,460 in non-tax revenue. This figure includes \$3,667,748 in COVID relief funding.

Relationship to Strategic Plan

Grant funding and non-tax revenue increase the cities capacity to execute against departmental workplans and strategic objectives. Specifically, staff are continuously seeking out funding opportunities to further Council's Strategic Plan and key Council priorities.

Background

In 2019 City staff created a working group to develop a strategy to consistently identify and apply for funding opportunities made available by upper levels of government, not-for-profit organizations, and the private sector. The goal of this working group was to create and operationalize a strategy to streamline grant applications, and improve the City's approval rate.

The first semi-annual grant update was shared with Council in March 2021, with the intent of providing future updates twice a year.

Staff from various departments meet monthly to review funding opportunities, refine grant applications, and track application progress. Staff will continue to update Council with detailed information regarding applications, secured funding, and identified opportunities.

Report

This is the second of two semi-annual grant updates for 2021. This report will provide an overview of the grant activity completed by staff in 2021, year-to-date funding received, and highlight several key future opportunities that staff will focus on moving forward. This report will also introduce a more frequent reporting cycle staff are planning on providing starting in 2022.

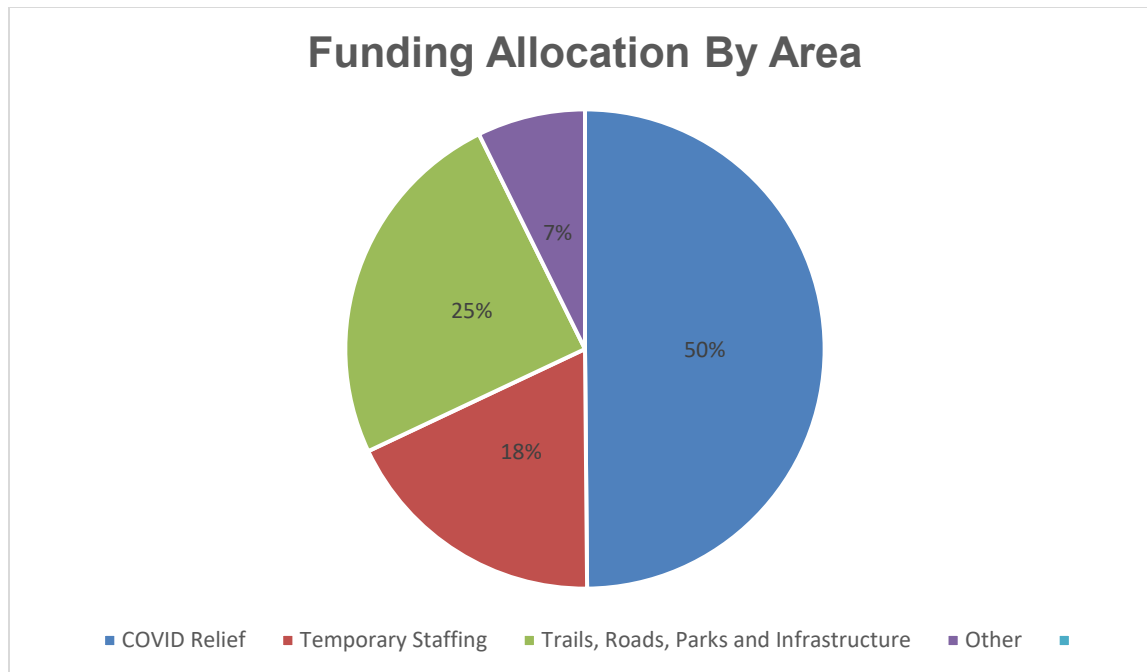
2021 Year-to-Date Overview

From January 1 to October 31, the City of St. Catharines received approvals for 20 grant applications totalling \$7,356,460. This total does not include the City's annual Gas Tax Program funding from the Federal and Provincial Governments as these amounts are pre-determined allocation. The total does include the Safe Restart Agreement: Phase 2 funding and the Provincial COVID-19 Funding for Municipalities as they required report back on usage to be completed.

The total amount of funding received contributed to several key areas of operation throughout the City, including:

- COVID-19 Relief
- Temporary Staffing
- Trails, Roads, Parks, and Infrastructure
- Other, which includes funding related to Climate Change, Economic Development, Community Enhancements, and other Corporate Projects

The breakdown of the amount of funding allocated to each of these categories is shown in Figure 1 below:



Funding in 2021 has contributed to key projects throughout the City, including:

- COVID-19 relief funding
- Trail network enhancements at several locations throughout the City
- Upgrades to Bogart Park, including replacing play assets and making accessibility improvements
- Temporary staffing across multiple departments through the Canada Summer Jobs Program, including Municipal Works, Community Recreation and Culture Services, and Financial Management Services
- Service delivery review and enhancements
- General Infrastructure repair/replacement/enhancement

Regarding the COVID-19 relief funding:

- In December 2020, \$726,000 was received to help the City with 2021 COVID-related operating pressures through the Safe Restart Agreement – Phase 2
- In March 2021, the Province announced that City would receive \$2,941,748 to address COVID-19 operating costs and pressures in 2021. The City has received the first instalment of the funding in the amount of \$1,470,874 on April 30, 2021. The second instalment of \$1,470,874 is expected to be received by November 1, 2021.

In March, 2021, the City also received its last of four installments through the Ontario Legalization Implementation Fund (OCLIF), which was established to support Ontario municipalities with costs associated with cannabis legalization for the first two years of implementation, from October 17, 2018, to October 16, 2020.

Since 2018, the City has received total funding assistance of \$226,614 from the Government of Ontario under this program for the implementation of recreational cannabis legalization. In March 2021, the City received the final payment under this funding stream in the amount of \$18,604.

These funds have been utilized in supporting the City's various related initiatives including by-law enforcement, litigation, public engagement, development of workplace safety policies, and cannabis production facilities study. The total amount of funds that have been used and/or committed is \$95,746. And the remaining uncommitted funds total \$130,868. These amounts have not been included in the grant application totals. Staff will continue to utilize these funds for future cannabis legalization related initiatives.

2021 Pending Applications and Opportunities

The City is still awaiting response on 10 additional grant applications for a number of large projects, including:

Audit and Accountability Fund – Intake 3: Staff applied for the third intake of the Audit and Accountability Fund to further the work completed in 2019 and 2021 by third party consultants to improve the organizational efficiency of the Corporation. Staff are expecting a response sometime in late 2021.

Community Building Fund: Staff submitted an application to the Capital Stream of the Community Building Fund to expedite play asset and accessibility upgrades at Valleyview Park. Upgrades would include new play equipment, repaired multi-use and basketball courts, and accessibility upgrades throughout the park.

Community Revitalization Fund: The scope of this application requests funding for several key updates at the St. Catharines Museum including updates to the interior exhibition galleries, which were highlighted in the St. Catharines Museum Interpretive Plan, and the exterior reconstruction/repair of the viewing platform and rear/front pedestrian space. Staff expect to hear a response by the end of 2021.

ZEVIP Round 3: The Zero Emission Vehicle Infrastructure Program opened a third intake in 2021. Staff, in partnership with Alectra Energy Inc. submitted an application to add an additional 22 Electric Vehicle Charging Stations (EVCS) to the City's rapidly expanding network which will already have 20 connectors by the end of 2021.

Staff will continue to identify opportunities for funding throughout the balance of the year. An update on total funding received in 2021 will be provided with the next semi-annual grant update, due to BSC in Q1 2022.

Strategic Updates and Reporting

In 2020, staff recognized that developing and implementing a strategy to bring a more cohesive and corporate approach to grant activity could have a positive impact with respect to success rate and reducing duplication of work. Going forward, staff will

continue to build on that approach by introducing recurring reporting and updated communications with respect to grant applications, approvals and resulting projects.

Recurring Reporting

In 2022, staff will begin circulating monthly reporting highlighting grant activity and progress throughout the year. The purpose of this reporting is to provide additional updates throughout the year through informal updates that compliment the more detailed information and analysis in the semi-annual updates to Council.

Communication Strategy

Also in 2022, staff will implement a communications strategy for when a grant application has been submitted, and resolved by a response from the grant administrators. This communications strategy will ensure that relevant staff and Council are appraised of applications the moment they are submitted, which will allow for better tracking, awareness of projects prior to formal kick-off, and opportunity to follow up with grant administrators.

Financial Implications

There are no financial implications associated with this report. Any grant applications that involve financial implications for the City (applications requiring matching funds) that are not budgeted for will continue to be brought forward to Council as required.

Environmental Sustainability Implications

There are no environmental implications associated with this report.

Conclusion

Staff have operationalized and continue to improve a corporate strategy related to grants. Staff will continue to identify and apply for funding opportunities that will provide non-tax revenue to contribute towards key Council priorities, organizational projects and annual workplans.

Prepared and Submitted by

Jacob Ledda, Project Manager – Corporate Initiatives

Approved by

David Oakes, Chief Administrative Officer



Corporate Report City Council

Report from: Legal and Clerks Services, Office of the City Clerk

Report Date: October 25, 2021

Meeting Date: November 3, 2021

Report Number: LCS-174-2021

File: 10.12.1

Subject: Council (Budget) Correspondence

Strategic Pillar:

Recommendation

That Council receive and file the item listed within the report; and

That Council receive and file additional correspondence distributed for the meeting held November 3, 2021, which is available upon request.

Report

The Office of the City Clerk is submitting, for the approval of Council, correspondence received for the November 3, 2021 meeting:

Memorandums

1. Memorandum from Director of Financial Management Services – re. Recent Inflation Increases.

Prepared by

Maureen Beatty
Council and Committee Coordinator

Submitted and Approved by

Kristen Sullivan
Deputy City Clerk

To: Mayor Sendzik
 Members of Council

Cc: David Oakes, CAO
 Kristine Douglas, Director of FMS / City Treasure

From: Lucia Chen, Manager of Budgets and Procurement, FMS
 Michael Patterson, Process Review Analyst, FMS

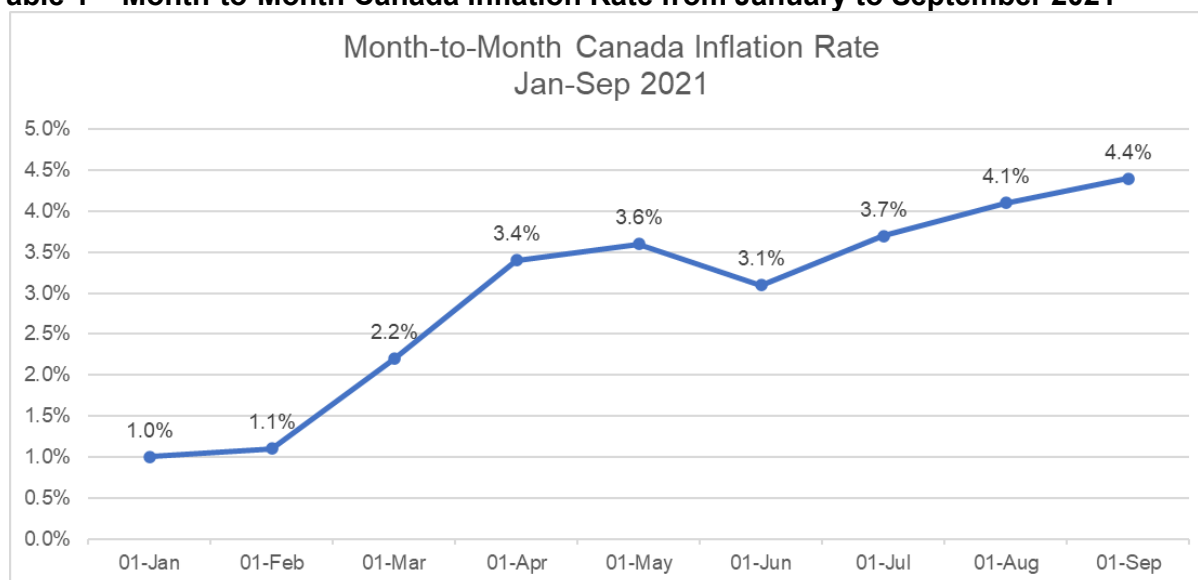
Date: October 27, 2021

Subject: Recent Inflation Increases

In April 2021, the Budget Standing Committee provided staff with an overall expenditure budget guidance increase of 1.3% and 2.3% for the 2022 Operating Budget.

Since then, Canadian inflation increases have been growing at the fastest rate since February 2003. The Total Consumer Price Index (CPI) has accelerated to 4.4% in September 2021 which was higher than the 4.1% in August and is expected to continue rising. Inflation has exceeded the Bank of Canada's control range for a sixth straight month.

Table 1 – Month-to-Month Canada Inflation Rate from January to September 2021*



* Source: Canada Inflation Rate calculated and issued by Statistics Canada¹

¹ [Canada Inflation Rate | Inflation Rate and Consumer Price Index \(rateinflation.com\)](https://www150.statcan.gc.ca/n1/pub/69-026-x/2021001/article/00001-eng.htm)

The CPI provides a broad measure of the cost of living in Canada. While there are other ways to measure price changes, the CPI is the most important indicator because of its widespread use. Through the CPI, Statistics Canada tracks monthly, the retail price of a representative shopping basket of about 600 goods and services from an average household's expenditure on food, housing, transportation, furniture, clothing, and recreation.

Inflation is determined in part by supply and demand. Given the recent supply chain issues, supply has been reduced for a variety of goods and services, such as microchips in automobile vehicles, fuel, play equipment at parks, etc. The consequence of demand remaining the same while supply falls is higher prices.

According to Derek Holt, Scotiabank's Senior Economist, the recent inflation increases will not be temporary². The inflation increases impose significant pressures on the City's finances and the 2022 budget. Should the inflation forecast be accurate, the inflation will continue to negatively impact the City's buying power.

² ['Not transitory at all': Scotia economist sees 8 BoC rate hikes - BNN Bloomberg](#)

St. Catharines Public Library 2022 Proposed Budget

A community enriched by lifelong opportunities for learning and connection.

Ken Su, CEO
Karen Smith Curtis, Business Administrator

Agenda

- 2021 Accomplishments
- 2022 Actions and Activities
- 2022 Proposed Operating Budget
- Municipal Contribution

2021 Accomplishments

- Growth
 - Electronic circulation up 127%*
 - Program attendance up 236%*
 - Social media visits up 121%*
 - 43% more people participated in summer reading and read 338% more books
 - Open on Mondays increasing service hours 19%
- New, innovative collections circulating
 - Memory Care Kits
 - Telescopes
 - Sport equipment
 - Passes to Niagara Conservation & Ontario parks
- Fine free initiative for seniors, teens and children to reduce barriers
- Restructured operations to better utilize resources
- Significant infrastructure improvements
 - Dumbwaiter and elevator - complete
 - Roof – in progress (complete early Nov 2021)
 - HVAC - tender
- Planning is underway to complete renewal of the Central Library
- Grants received
 - Niagara Community Foundation for hotspots
 - Healthy Community grant for a mobile library

*2019 compared to 2020, summer reading 2020 vs. 2021

2022 Objectives

- Expansion of brand roll-out
 - Membership campaign
 - E-Newsletter
 - Customer service alignment
- Continue re-development of Central Library
- Replace the Central Library HVAC system
- Develop ideal location for future Merritt branch
- Continue to improve internal efficiency and operations
- Expand community engagement through increased outreach and partnerships
- Additional non-traditional collections

2022 Proposed Operating Budget

	% of Total Budget	2022 Budget	2021 Budget	2018 Estimate	% Difference Budget to Budget
<u>Revenue</u>					
City Contribution	94.8%	\$5,876,428	\$5,677,708	5,512,338	3.5%
Provincial Grant	3.7%	228,600	228,600	228,600	0.0%
Miscellaneous Revenue	1.5%	95,146	118,585	216,082	-19.8%
Transfers from Reserves	0.0%	0	303,736	127,707	---
TOTAL REVENUE	100.0%	\$6,200,174	\$6,328,629	6,191,452	-2.0%
<u>Expenditures</u>					
Salaries and Benefits	69.8%	\$4,330,079	\$4,356,040	3,956,281	-0.6%
Library Materials	13.6%	845,000	885,000	1,002,500	-4.5%
Occupancy Costs	8.8%	541,801	562,464	614,203	-3.7%
Supplies & Services	5.9%	363,158	359,389	300,151	1.0%
Operating Capital	1.9%	120,135	165,736	318,125	-27.5%
TOTAL EXPENDITURES	100.0%	\$6,200,174	\$6,328,629	6,191,260	-2.0%

2022 Budget Highlights

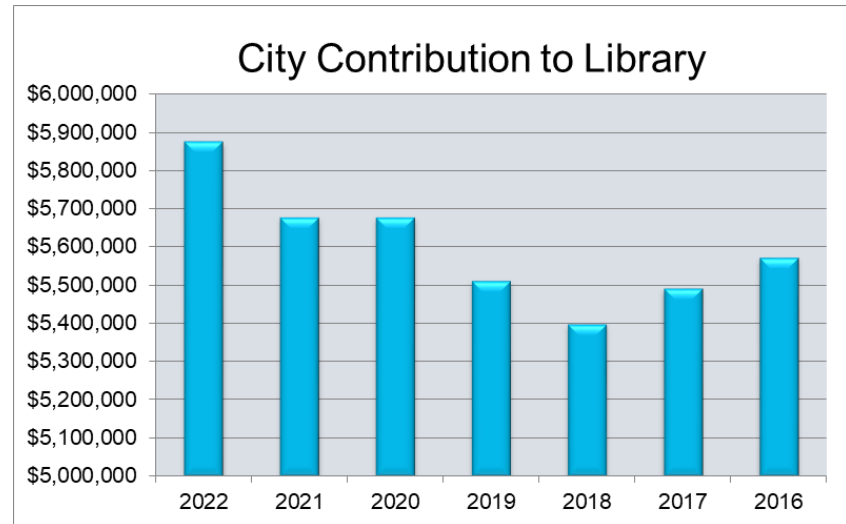
Pressures & Opportunities

- Expansion of the Fine Free initiative
- Lower interest revenues
- Obligations required by the Collective Agreement
- Resources to support the Strategic Plan 2019 – 2022
- Continue to execute efficiencies in Library Materials
- Lower rent negotiated for current Merritt branch
- Significant capital improvements will continue

Municipal Contribution

- Library requests Municipal Contribution of **\$5,876,428**

- ✓ 3.5% increase requested
- ✓ 94% of Library's operating budget
- ✓ Average increase of 0.4% last 5 years
- ✓ A 3.5% increase adjusts average to 1.4%

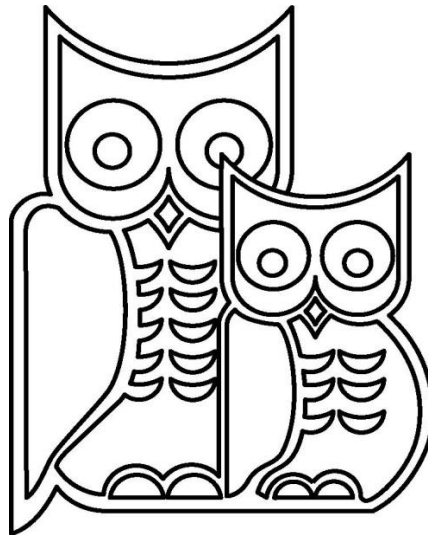


- City contributes \$42.65 per citizen (peer average \$47.67)
- \$5.02 less per citizen or \$668,000 less

ST. CATHARINES PUBLIC LIBRARY BOARD

2022 OPERATING BUDGET

EXPLANATORY NOTES



A community enriched by lifelong opportunities for learning and connection.

K. Smith Curtis
Business & Facilities Administrator

K. Su
Chief Executive Officer

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EXECUTIVE SUMMARY

While new and exciting opportunities are emerging at the Library, 2021 provided challenges and this is expected to continue into 2022. The pandemic continues to disrupt Library operations and energize staff to find new and innovative ways to serve customers. It is very important to recognize the many successes that the Library has had to establish the context for the 2022.

- Between 2019 and 2020
 - Electronic circulation increased 126%
 - Program attendance increased 236%
 - Social media visits increased 121%
- The Library is now open on Mondays increasing service hours by 19%
- New, innovative collections are in circulation including Memory Care Kits, telescopes, sport equipment and passes to Niagara Conservation Authority and Ontario parks
- Fine free initiative was introduced for seniors, teens and children to reduce barriers
- Library has restructured its operations and team to better utilize resources
- Significant infrastructure improvements are happening at Central Library including replacement of dumbwaiter and elevator, roof and HVAC
- Planning is underway to complete renewal of the Central Library

It has been a struggle to present a balanced 2022 Draft Operating Budget for approval. With Canada Revenue Agency's review of the CEWS claims, the Library can no longer rely on the Transitional Reserves put in place through the 2021 Operating Budget.

One component of the Strategic Agenda is to explore alternate revenue streams to ensure that SCPL has proper funding. Several grants have been received including a grant from the Niagara Community Foundation for hotspots and the Healthy Community grant for a mobile library. Viable funding is required to sustain these new initiatives. In analyzing the budget related to the City's Contribution the following data serves as a reference:

- In 2020, peer libraries received \$47.67 per citizen from their City. SCPL received \$42.65 which is \$5.02 less per citizen or \$668,000 less. Peer libraries with populations 100,000 - 250,000 include Guelph, Cambridge, Whitby and Barrie in the group of 18.
- If SCPL receives a 3.5% and peers receive 0%, it would take to 2025 for SCPL to catch up. If peers receive 2.0% each year, it will take SCPL until 2029 to receive the same funding.
- Niagara Falls provides \$52.99 per citizen, \$10.34 more or \$1,300,000 more funding.

With the objective of closing the gap, the 2022 Draft Operating Budget includes a 3.5% increase in the City's contribution for 2022 bringing the 5 year average increase for the Library to 1.4%. In 2022, Revenues are expected to decrease by 2.0% from the 2021 Operating Budget due to the risk related to CEWS and the Transitional Reserve introduced in 2021.

In alignment with the lower revenue, expenses are also declining by 2.0% and this is especially challenging due to obligations required by the Collective Agreement. Over the 5 year period, 2018 – 2022, expenses are up modest 3.0%.

Fiscal challenges will continue in the next few years as the Library continues to implement the Strategic Plan and embarks on a Pay Equity review. We will be challenged to retain our best resources while achieving the Strategic Agenda. Lastly, the Capital Reserve will be fully expended through significant projects for the Central Library.

2022 OPERATING BUDGET HIGHLIGHTS

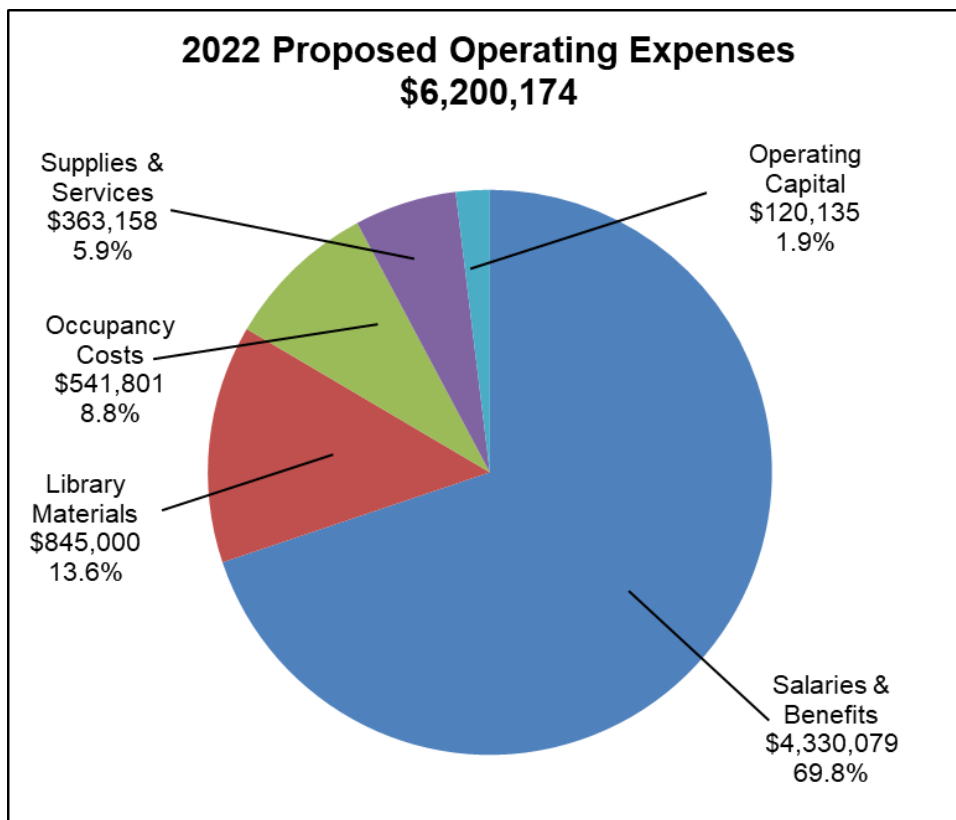
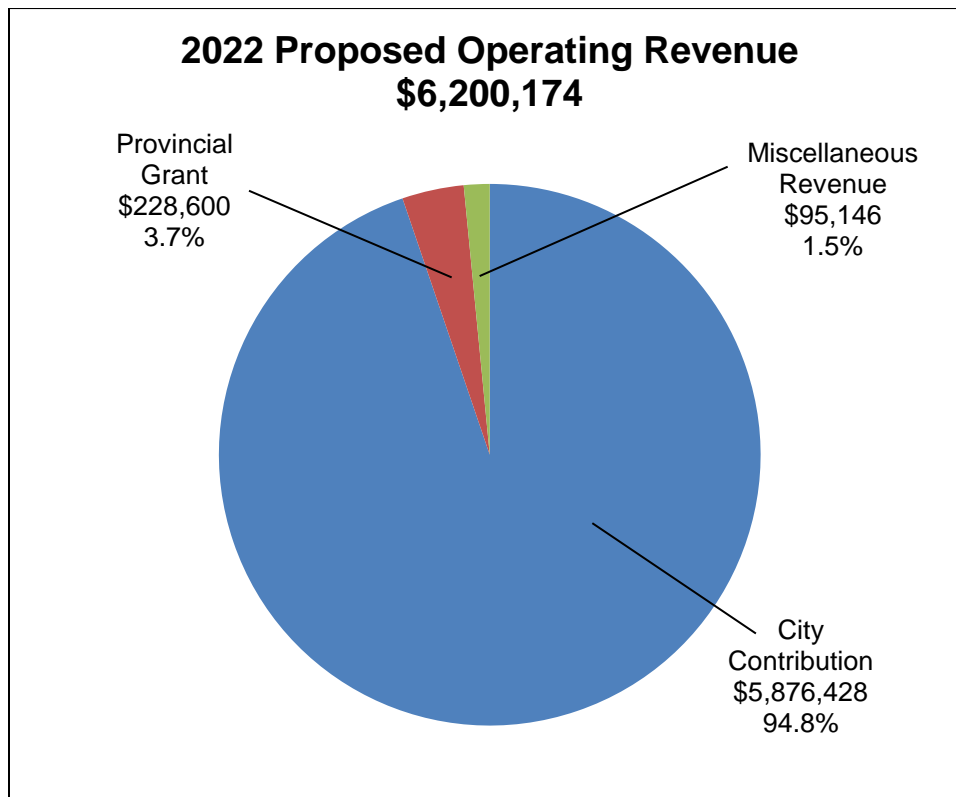
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TOTAL EXPENDITURES	100.0%	\$6,200,174	\$6,328,629	-2.0%

REVENUE \$6,200,174

- The St. Catharines Public Library Board requests a Municipal Contribution of **\$5,876,428** to fund the Library's 2022 Operating Budget. This is an increase of 3.5% for 2022 bringing the 5 year average increase for the Library to 1.4%.
- The 2021 Operating Budget was constructed on the assumption that CEWS funding would be available to offset cost of security, Merritt Branch rent increase and shortfalls in operating costs by strategically employing reserves for the period 2021 - 2025. Due to the risk related to CEWS, the Library is requesting a higher increase to the City's contribution and if not realized, the Library will need to utilize the Stabilization Reserve.
- Federal Canadian Emergency Wage Subsidy (CEWS) will not be available in 2022.
- The Ministry has not advised the library community of any changes in the Provincial Grant for 2022 and there has been no change in the Grant for over twenty eight years.
- The Library is expecting to raise \$95,146 from internal sources including fines and memberships, photocopying, audio visual equipment rentals, meeting room rentals, programming and sundry accounts. This is a decrease of \$23,439 or 19.8% in revenue over the previous year's revenue accounts primarily due to expansion of the fines free initiative.

EXPENDITURES \$6,200,174

- The Library will spend \$3,598,830 on Salaries in 2022, an increase of \$72,450 or 2.0% higher than the previous budget. The budget includes a 1.7% wage increase for professional, non-professional and maintenance staff as required by the Collective Agreement.
- The Library has historically underspent the Salaries budget. Given timing and the recent restructuring, a vacancy factor of 4.5% of Salaries is included in the 2022 budget. This will be actively managed during 2022.
- Offsetting the wage increase is a strategic decision to reduce the security complement to one guard for all open hours at the Central Library.
- Employee benefits are budgeted at \$853,438 for 2022. This includes all benefits as required by legislation as well as those mandated in the Collective Agreement.
- The Ontario Municipal Employees Retirement System (OMERS) announced no changes in pension contribution rates for 2022. The cost to provide pension benefits to library personnel in 2021 is \$284,745 annually.
- The cost to provide existing employee health & dental benefits is expected to be \$270,687 relatively unchanged over the previous year.
- An expense of \$10,451 is included in the 2022 Operating Budget to cover Salaries and Benefits for Sunday openings at the Dr. Huq Branch.
- Although the average list price for materials has increased 4.9% in 2021, the Materials budget will be decreased by 4.5% to \$845,000. This represents 13.6% of the total Operating Budget compared to peer libraries that spend an average of 11.0% on materials.
- The lease for the Merritt Branch was renewed to March 31, 2025 at very competitive rates. As such, the 2022 budget for rent is lower than 2021 by 11.6%.
- Repairs and maintenance costs are expected to decrease 6.6% due to the replacement of the HVAC which will lower maintenance costs during the warranty period.
- A provision of \$27,542 is being made to the Furniture and Equipment budget in order to replace old, obsolete or non-ergonomic furniture throughout the Library system and a budget of \$5,000 has been allowed to comply with the Accessibility for Ontarians with Disabilities Act 2005 (AODA).
- A budget of \$87,594 has been made to finance the Debenture principle payment for the Dr. Huq Branch at the Kiwanis Aquatic Centre. The debenture debt as at December 31, 2022 will be \$817,862 outstanding.
- Overall, the Library's 2022 Operating Expenditures are budgeted to decrease by 2.0% from the 2021 Operating Expenditure Budget reflecting the lower use of reserves.

2022 OPERATING BUDGET BREAKDOWN

2022 PROPOSED OPERATING BUDGET RESERVES - EXPLANATORY NOTES

In October 2021, the Board approved an amended policy on Reserves. The amendments included two items:

- 1) Creation of Transitional Reserve to effectively integrate CEWS monies and allow the Library to adapt its Operating budget to align with the Strategic Agenda
- 2) Amend the contribution rate in the Capital Reserve to more closely align with the City's methodology of funding reserves.

With Canada Revenue Agency's (CRA) denial of CEWS for period #8, at year end all CEWS monies already received were recorded as a liability in the audited financial statements. As such, the Transitional Reserve was not established as per approved policy as there were no funds available. Should CRA agree with the objection filed Library, this will be revisited.

In 2020 the Reserves were not touched due to the pandemic affecting our ability to move some projects forward and due to underspent operating funds which were used to pay for the elevator and dumbwaiter replacements.

The Stabilization Reserve balance is currently \$312,250 and it is not expected that there will be any contributions until after 2025. Based on a new funding model that will align with the Budget Standing Committee's expectation, the Capital Reserve⁽¹⁾ is budgeted as follows:

Capital Reserve - 10 Year Forecast

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Reserve balance	\$3,545,958	\$3,227,454	\$1,852,454	\$471,454	\$61,183	-\$32,054	\$21,744	\$100,577	\$105,444	\$105,444
Contribution from Operating	-	-	-	101,729	103,763	105,798	107,832	109,867	111,902	111,902
Flooring Replacement			487,000	96,000						
Centennial Roof	318,504	15,000								
Centennial Hot Water Tank Heater		11,000								
Centennial Atrium Repairs				225,000						
Centennial Electrical Upgrades					197,000		29,000			
Centennial HVAC/Boiler Replacement		1,300,000						105,000	105,000	
Centennial Sealants										
Centennial Ceiling Tiles			306,000							
Centennial Lighting Replacements			513,000							
Centennial Accessibility Improvements			75,000							
Centennial Life Safety Systems				69,000		52,000				
Centennial - Other				29,000						
Facility Feasibility Studies		49,000		93,000						
Total Spending	318,504	1,375,000	1,381,000	512,000	197,000	52,000	29,000	105,000	105,000	0
Anticipated Year End Balance	3,227,454	1,852,454	471,454	61,183	-32,054	21,744	100,577	105,444	112,345	217,345

- (1) Note that the Central Library renovations are not included above except where items were identified through the Condition Assessment performed by WSP in 2019.

St. Catharines Transit Commission

Draft Budget

2022

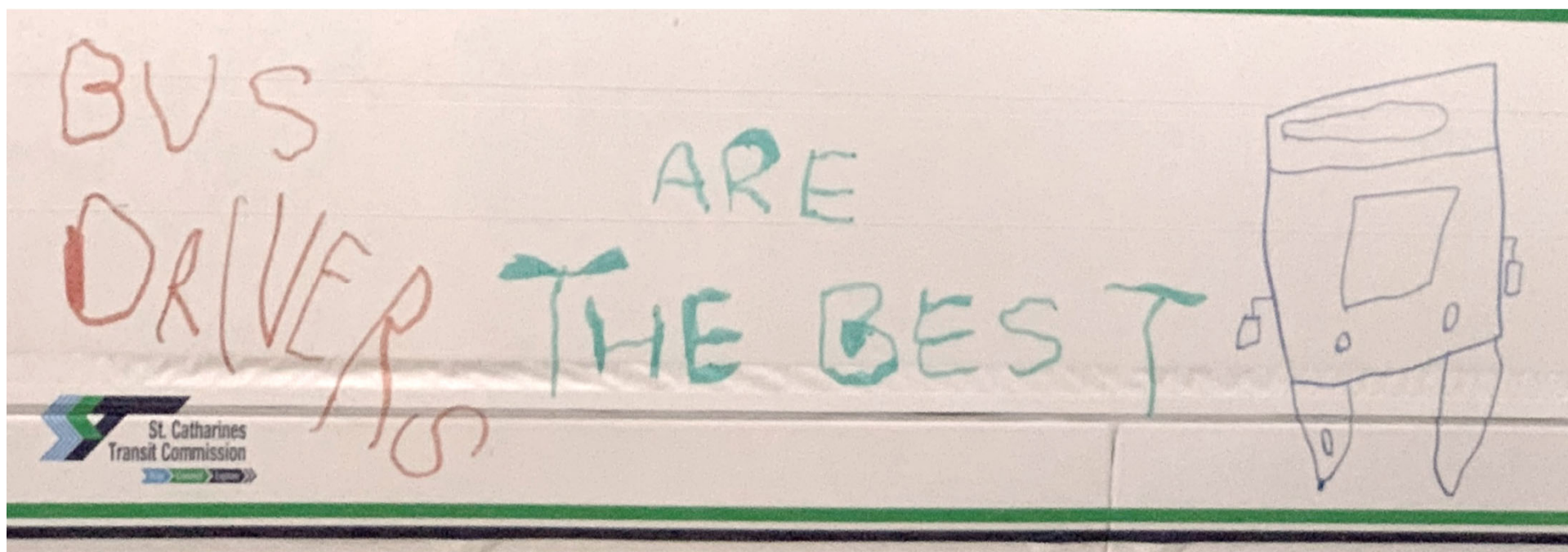
Connecting our Community

Agenda

- 2021 Year in Review
 - COVID-19 Response
 - Mobile Ticketing
 - Capital Updates
 - On-Demand Transit
- Service Levels
- 2022 Proposed Budget Overview
- Budget Highlights
- Future Challenges

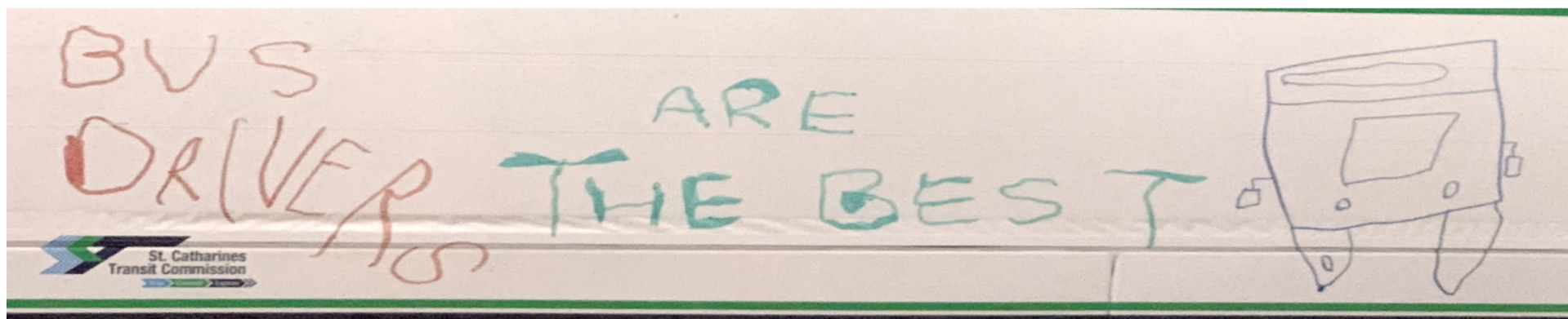
Connecting our Community

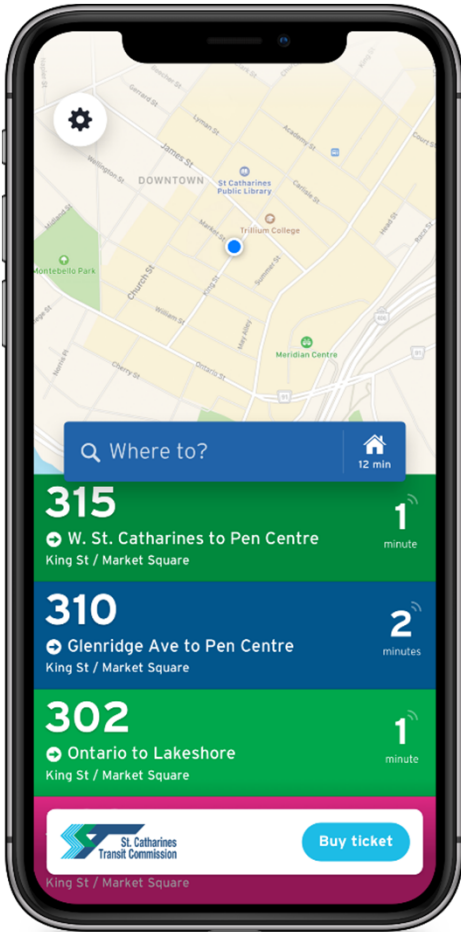
Thank You to all our employees who have kept our transit system running safely throughout the Pandemic.



Ongoing COVID-19 Response

- Transit is an essential service (*Provincially defined*) that continues to provide service to our customers throughout these most difficult times
- Transit employees have risen to the challenge and ensured that residents can get where they need to go
- Ridership dropped as much as 85% of pre-pandemic levels early in 2021. We have seen a steady increase and are currently down 55%
- Our team continues to work tirelessly to adjust to the new work environment
- Management reacted quickly with focused measures on the protection of staff and the public

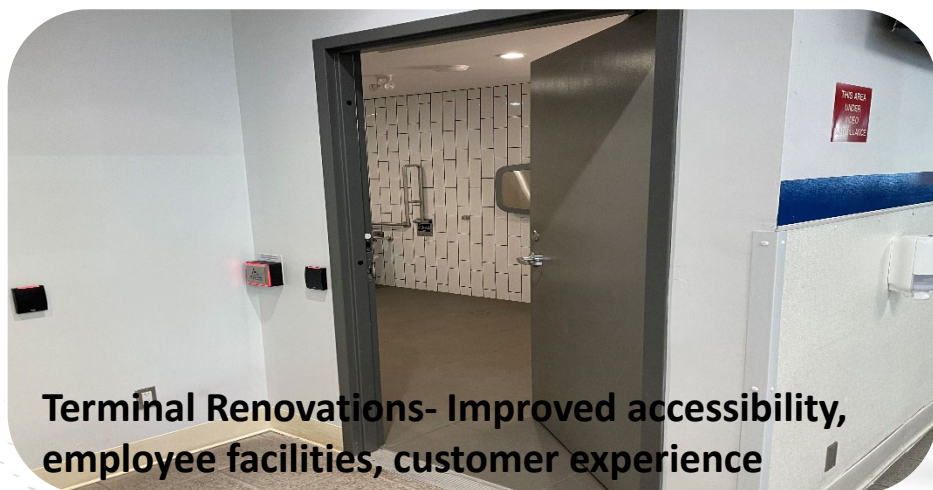




Mobile Ticketing

- Our mobile app allows St. Catharines Transit customers to:
 - Plan a trip, Track a Bus in real time
 - Pay for trip
 - Board the bus
- In August 2021, we added Validating Hardware to all buses to allow contactless payment
- As of September 2021, we had an adoption rate of 38%
- The Validators will allow for future payment options:
 - Bank/Credit Cards
 - Account Based Ticketing ensuring the “Best Fare” for all riders

Highlights of ICIP Funded Capital Projects in 2021



On-Demand Transit



SCTC launched an in-house On-Demand transit pilot project in July 2021

It was determined to be budget neutral to bring this service in house

Benefits to St. Catharines

Providing a public transit option for all St. Catharines residents

Leveraging existing Paratransit vehicles and transit staff for improved service utilization and cost effectiveness

Flexibility to modify virtual stops & service based on patterns

Connecting our Community

Service Levels

SCTC City routes operate 18 hours a day Mon- Sat and 12 hours a day on Sunday

SCTC also provides contracted service to the Region of Niagara, City of Thorold and Brock University Student Union.

Maintain a fleet of 77 accessible conventional buses, plus 13 Paratransit vehicles.



Connecting our Community

Service Improvements

- Service Improvements are planned for 2023 based on the recommendations in the City's Transportation Master Plan (TMP)
 - Improvements to Evening Service
 - Extending the 314/414 Scott Street Route to the Terminal

These improvements would provide significant improvements to the transit network in St. Catharines and provide better connectivity to the GO network

Connecting our Community

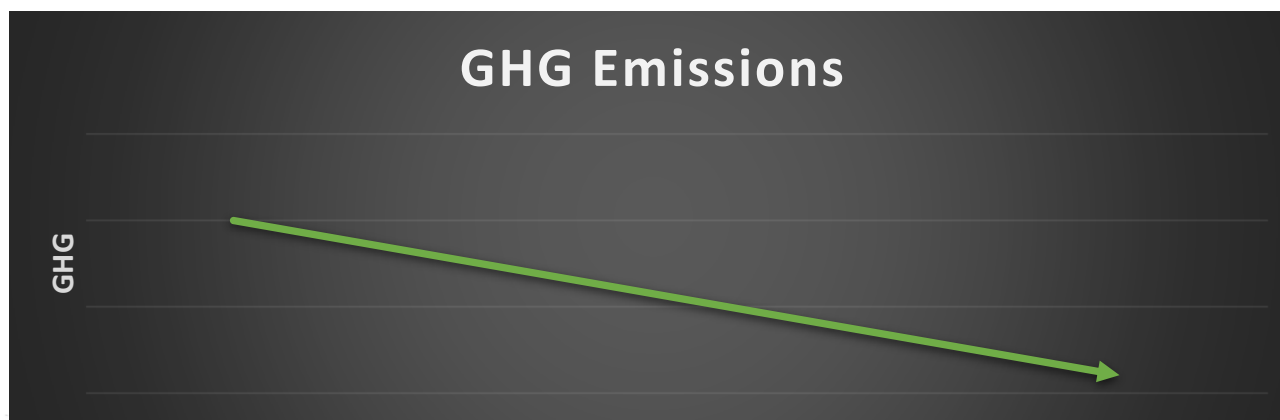
Electrification Study: Roadmap to Zero Emission Buses (ZEB)

SCT is engaged with Consultants and Alectra to produce a roadmap to Zero Emission Buses

The study will provide us with details from start to finish on how we can implement, operate and maintain ZEBs in the future

The study also evaluates and provides guidance on how to access sources of funding to support the transition

Preliminary work has projected up to 95% reduction in GHG emissions as well as operational cost savings upon full conversion to ZEB



Connecting our Community

Operating Budget Overview

	2022 Budget	\$ Change From 2021 Budget	% Change From 2021 Budget
REVENUE	\$ 11,122,000	\$ 881,000	8.6%
EXPENSES	\$ 26,941,000	\$ 1,167,000	4.5%
NET OPERATING COST	\$ 15,819,000	\$ 286,000	1.8%
DEBENTURE REPAYMENT	\$ 297,000	\$ 146,000	
COVID RELATED PPE, SUPPLIES and CLEANING	161,000	- 228,000	
ADDITIONAL WEEKDAY GO SERVICE	137,000	137,000	
NET BUDGET REQUEST	\$ 16,414,000	\$ 340,000	2%
TRANSIT SAFE RESTART FUNDING (Note 1)	- 310,000	1,243,000	
SURPLUS/RESERVE ALLOCATION	- 2,060,000	- 1,176,000	
2022 NET LEVY BUDGET	\$ 14,044,000	\$ 407,000	2.98%

Note 1- Transit Safe Restart is for Transit specific COVID-19 pressures. Funding only applies to COVID-19 related pressures. The funding for 2022 is estimated based on guidance from the Province.

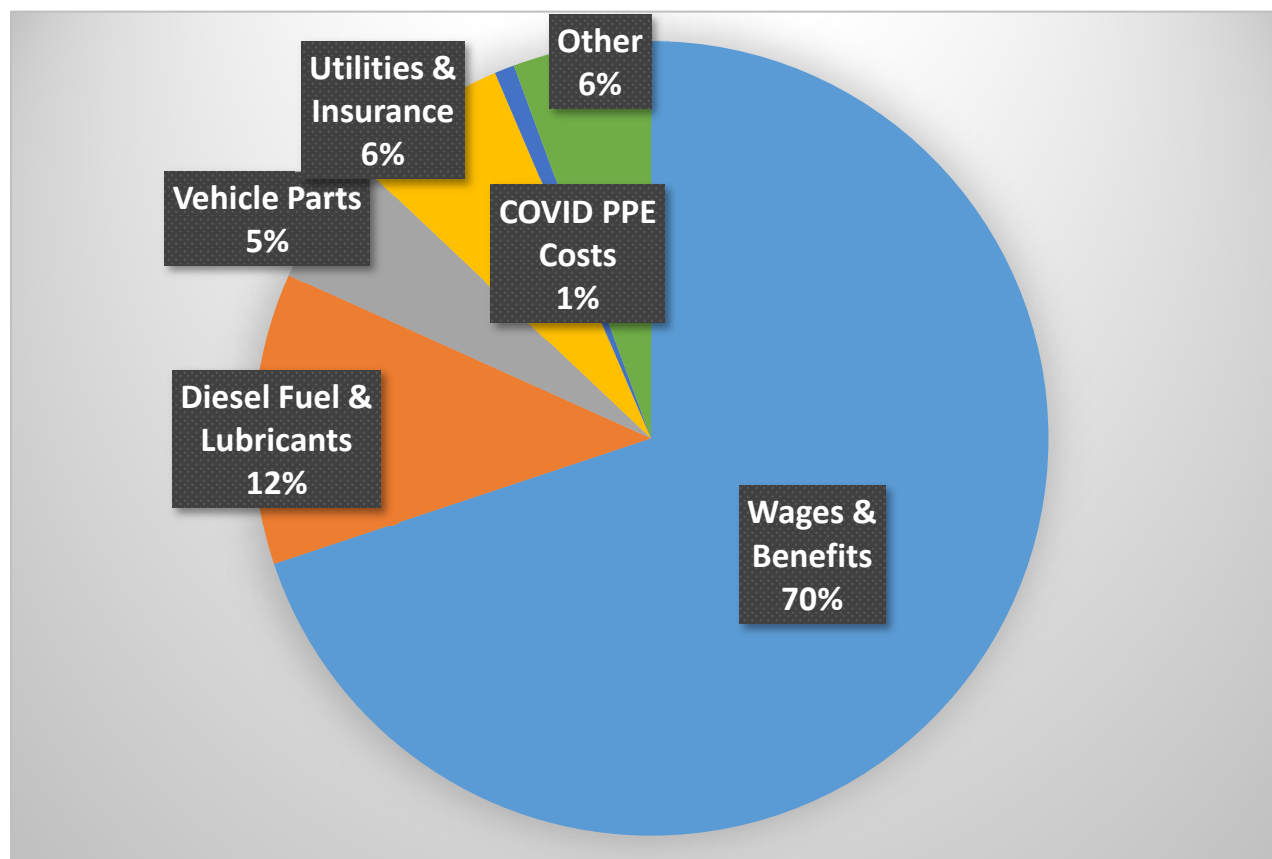
Connecting our Community

Operating Budget Highlights

- Revenue expected to increase by \$881,000 but still down by \$2,000,000 from pre-pandemic levels
- Additional Connection to Weekday GO Service (\$137,000)
- Fuel Price increase (\$263,000)
- COVID related supplies (\$161,000)
- Safe Restart Funding available for 2022 is \$310,000
- All available Surpluses/Reserves are being used

Connecting our Community

Budget Overview- Expenses



Connecting our Community

Capital Budget

Type of Capital Funding	%		Amount
2022 Capital Budget- Approved as part of a Multi-Year Plan submitted to Federal and Provincial Government (Note 1)	100%	-	\$ 12,303,000
Less:		\$ -	0
ICIP Funding- Federal Contribution	41%	-\$ 5,091,000	0
ICIP Funding- Provincial Contribution	33%	-\$ 4,101,000	-\$ 9,192,000
2022 Gross Municipal Contribution		0	\$ 3,111,000
Less:			
Estimated Provincial Gas Tax	17%		-\$ 2,061,000
2022 Estimated Net Capital Contribution	9%		\$ 1,050,000

Note 1- All Capital Funding in 2022 is for Investing in Canada Infrastructure Funding (ICIP) Projects.

Connecting our Community

Capital Budget Highlights

- Municipal contribution to access Investing in Canada Infrastructure Program (ICIP)-(\$1,050,000)
 - ICIP program allows access to \$117 Million in Capital Funding over 10 years (2022 is year 4)

Federal Contribution	40.0%
Provincial Contribution	33.3%
Municipal Share	26.7%

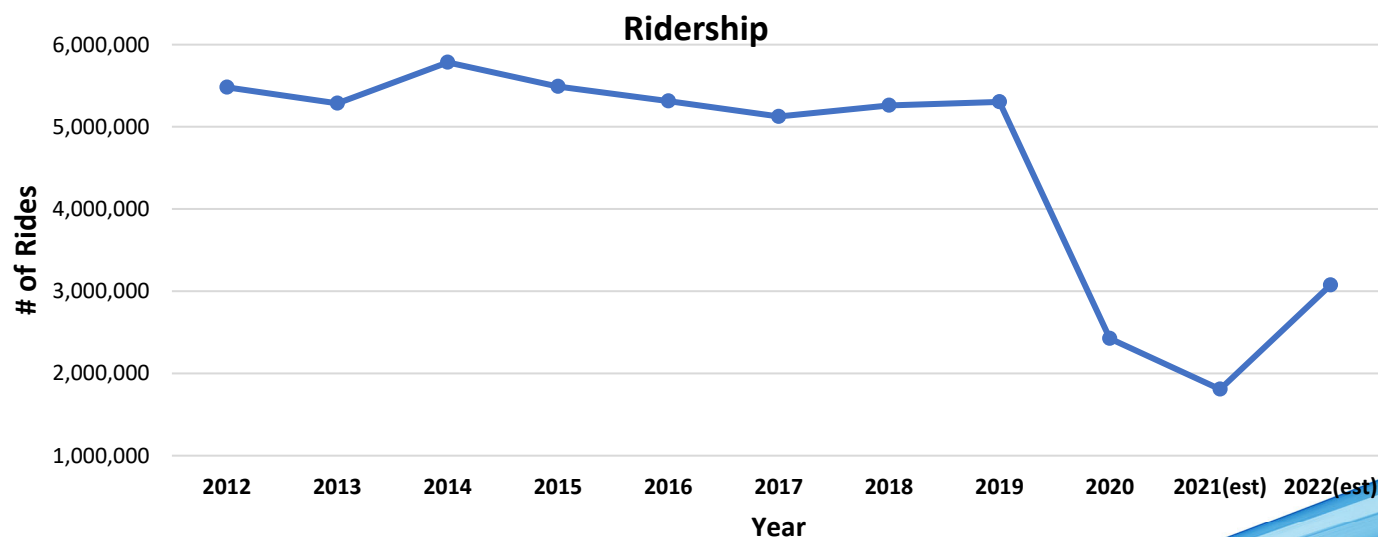
- Provincial Gas Tax counts towards Municipal Contribution (Estimated decrease of 25% from 2021)
- The estimated net Municipal contribution is 9% of total Capital Costs

Connecting our Community

Future Challenges

• Ridership Recovery

- Ridership decreased 85% in 2020. As of Sept 2021, it remains down by 55%
- Industry trends predict that ridership could remain low for several years



Connecting our Community

Future Challenges

- Operating Budget challenges
 - Availability of Transit Surpluses and Upper-Tier Government Operating Funding is in question beyond 2022, which could drive a budget increase upwards of 18%
- External Capital Funding reliance
 - SCT currently receives ~90% (~\$11.2 million for 2022) of our capital funding through Upper-Tier Governments
 - Future Upper-Tier Government funding is expected but not guaranteed
- Managing ongoing impacts of COVID on operations
- Volatile fuel prices and ongoing increase in price due to carbon tax



Connecting our Community

ST. CATHARINES TRANSIT COMMISSION

APPENDIX A

2022 BUDGET

	2022 Budget	\$ Change From 2021 Budget	% Change From 2021 Budget	2021 Budget	2021 Forecast	2021 Variance	2020 Budget	2020 Actuals	2019 Actuals
REVENUE	\$ 11,122,000	\$ 881,000	9%	\$ 10,241,000	\$ 8,709,000	-\$ 1,532,000	13,156,000	\$ 8,811,000	\$ 12,827,000
EXPENSES									
TRANSPORTATION	\$ 14,150,000	\$ 810,000	6%	\$ 13,340,000	\$ 13,273,000	-\$ 67,000	\$ 13,577,000	\$ 12,641,000	\$ 12,951,000
PROPELLANTS	3,176,000	263,000	9%	2,914,000	2,612,000	- 302,000	3,166,000	1,890,000	2,659,000
VEHICLE MAINTENANCE	4,194,000	53,000	1%	4,141,000	4,014,000	- 127,000	4,278,000	3,887,000	4,245,000
PLANT PREMISES	687,000	- 9,000	-1%	696,000	683,000	- 13,000	698,000	717,000	835,000
GENERAL ADMINISTRATION	2,635,000	104,000	4%	2,531,000	2,461,000	- 70,000	2,471,000	2,424,000	2,130,000
DOWNTOWN TERMINAL	577,000	8,000	1%	569,000	526,000	- 43,000	538,000	587,000	472,000
PARATRANSIT	1,522,000	- 62,000	-4%	1,584,000	1,594,000	10,000	1,529,000	1,483,000	1,454,000
TOTAL EXPENSES	\$ 26,941,000	\$ 1,167,000	5%	\$ 25,775,000	\$ 25,163,000	-\$ 612,000	\$ 26,257,000	\$ 23,629,000	\$ 24,746,000
NET OPERATING COST	\$ 15,819,000	\$ 286,000	2%	15,534,000	16,454,000	920,000	13,101,000	\$ 14,818,000	\$ 11,919,000
DEBENTURE REPAYMENT	\$ 297,000	\$ 146,000		\$ 151,000	\$ 151,000	\$ -	\$ 151,000	\$ 151,000	
2022 BASE BUDGET REQUEST	\$ 16,116,000	\$ 431,000	3%	\$ 15,685,000	\$ 16,605,000	\$ 920,000	\$ 13,252,000	\$ 14,969,000	
COVID RELATED PPE, SUPPLIES and CLEANING	161,000	- 228,000	-59%	389,000	501,000	112,000	0	\$ 300,000	
ADDITIONAL WEEKDAY GO SERVICE	137,000	137,000							
NET BUDGET REQUEST	\$ 16,414,000	\$ 340,000	2%	\$ 16,074,000	\$ 17,106,000	\$ 1,032,000	\$ 13,252,000	\$ 15,269,000	
TRANSIT SAFE RESTART FUNDING (Note 1)	- 310,000	1,243,000		- 1,553,000	- 4,258,000	- 2,705,000	-	3,149,000	
2019 REMAINING OPERATING BUDGET SURPLUS		166,000		- 166,000	- 166,000	-	-328,000	- 328,000	
2020 OPERATING BUDGET SURPLUS ALLOCATION		718,000		- 718,000	- 1,105,000	- 387,000			
2021 SURPLUS/RESERVE ALLOCATION	- 2,060,000	- 2,060,000							
2022 NET LEVY BUDGET	\$ 14,044,000	\$ 407,000	2.98%	\$ 13,637,000	\$ 11,577,000	-\$ 2,060,000	\$ 12,924,000	\$ 11,684,000	

Note 1 - Transit Safe Restart is for Transit specific COVID-19 pressures. Funding only applies to COVID-19 related pressures. The funding for 2022 is estimated based on guidance from the Province.

St Catharines Transit Commission
2022 Capital Budget

All Capital Funding in 2022 is to support Investing in Canada Infrastructure Program (ICIP) projects

Type of Capital Funding	%	Amount
2022 Capital Budget- Approved as part of a Multi-Year Plan submitted to Federal and Provincial Government (Note 1)	100%	0 \$ 12,303,000
Less:		\$ - 0
ICIP Funding- Federal Contribution	41%	-\$ 5,091,000 0
ICIP Funding- Provincial Contribution	33%	-\$ 4,101,000 -\$ 9,192,000
2022 Gross Municipal Contribution		0 \$ 3,111,000
Less:		
Estimated Provincial Gas Tax	17%	-\$ 2,061,000
2022 Estimated Net Capital Contribution	9%	\$ 1,050,000

Notes

Note 1

All Capital Funding in 2022 is for ICIP Funded projects. Below is a list of the Investing in Canada Infrastructure Program (ICIP) Projects that have been approved/applied for funding by the Federal & Provincial Governments and provided to Municipal Government. These projects are all necessary for the continued safety and reliability of transit in St. Catharines.

The timing of projects is based on Infrastructure Canada approved funding as well as Transit Staff's estimation on when each project can be completed.

ICIP Approved Projects	Total	Previously approved	2022	Subsequent years
1- Improvements to Bus Stops and Shelters	2,100,000	0	1,050,000	1,050,000
2. Replacement of our Conventional 12 metre Buses (11 buses)	8,820,000	8,820,000	-	-
3. Technology upgrade (Cameras and Radios)	2,573,000	1,801,000	772,000	-
4. Replacement of Vehicle Hoists	2,006,000	662,000	1,344,000	-
5. Downtown Terminal Renovations	575,000	575,000	-	-
6. Facility Expansion	9,833,000	1,650,000	2,000,000	6,182,000
7. Replacement of Conventional Bus Fleet (10 buses)	8,925,000	8,125,000	-	800,000
8. New Fare Payment Technology	3,990,000	325,000	200,000	3,465,000
9. Replacement of Paratransit Vehicles (5 vehicles)	1,229,000	1,228,000	-	-
10. Replacement of Service Vehicles	478,000	440,000	37,000	-
11- Rehabilitation of Hybrid Buses (4 buses)	690,000	690,000	-	-
	-	0	-	-
ICIP Projects to be Submitted	-	0	-	-
12- New ICIP- Replacement of Conventional 12 metre Buses (8 buses)	6,400,000	0	6,400,000	-
13- New ICIP- Replacement of Paratransit Vehicles (2)	500,000	0	500,000	-
	-	0	-	-
Total Costs	48,117,000	24,317,000	12,303,000	11,497,000

FirstOntario Performing Arts Centre

November 3, 2021– Budget Presentation to Council

Cris Derkson/Adam CK Vollick
Photo: Lauren Garbutt



FirstOntario
PERFORMING ARTS
CENTRE

Overview

- Request for support
- PAC update + Strategic Recovery Plan
- Pandemic impact and achievements
- First year audited statements
- Budget assumptions and overview
- Summary

The Niagara Symphony Orchestra with Ron Sexsmith
Photo: Mark Delledone



FirstOntario
PERFORMING ARTS
CENTRE

Request for Support \$1,644,837



LeE HARVey OsMOND/Celebration of Nations
Photo: Mark Zelinski



FirstOntario
PERFORMING ARTS
CENTRE

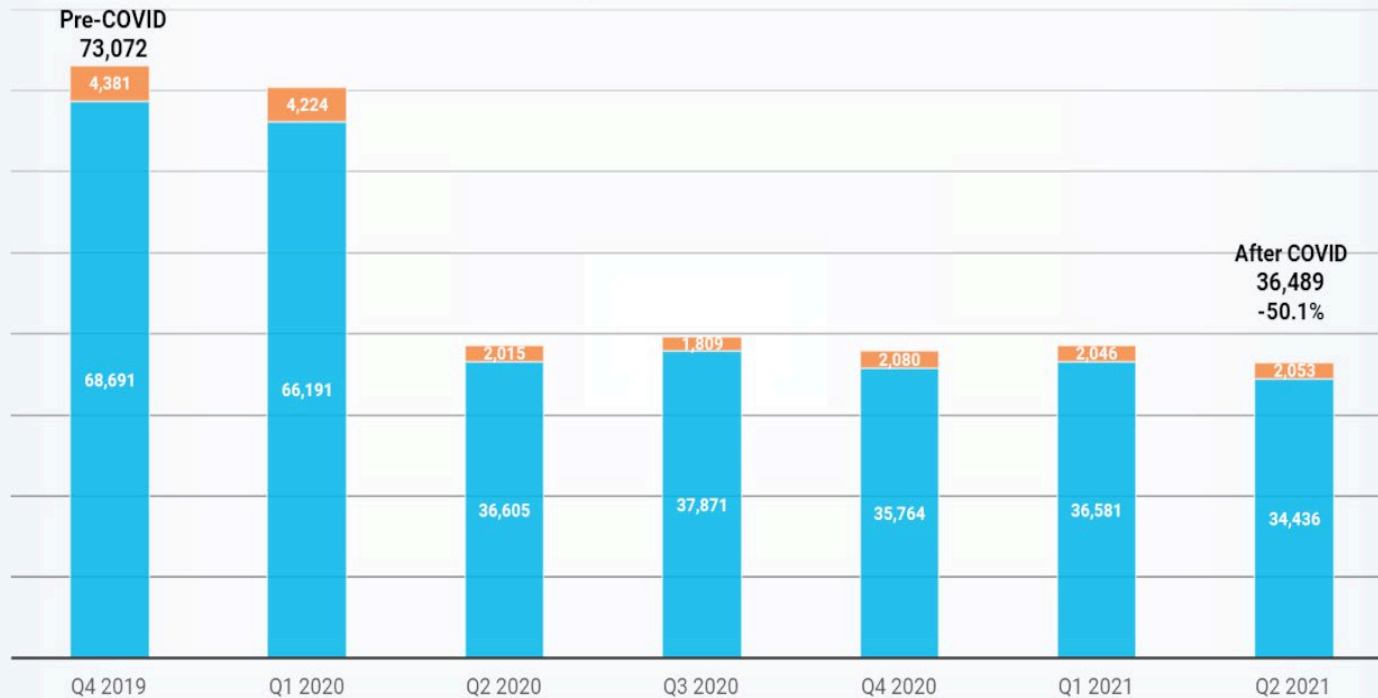
COVID Challenges



FirstOntario
PERFORMING ARTS
CENTRE

Jobs in the Live Performance Domain

■ Performing arts ■ Festivals and celebrations



Source: Statistics Canada, Table 36-10-0652-01 National culture and sport indicators by domain and sub-domain. Jobs, quarterly, seasonally adjusted. Calculations by CAPACOA.



- 2020: 67% of revenue lost from HOT TICKET and film programming
- 2020: 92% of rental income (\$354K) lost
- 2021 (to Aug): 98% of earned ticket revenue lost
- 2021 (to Aug) 63% of rental income lost
- In February 2021, 86% of staff were out of work or laid off
- No CEWS for the PAC - ineligible

Achievements

- Completion of Equity, Diversity and Inclusion Audit
- Hosted online Community Digital Summit for the Arts
- Completion of major capital projects
- Implementation of new HR initiatives
- Providing \$76K worth of space, resources and services to our local arts community
- Celebration of Nations
- Hybrid events: online and outdoor community partnerships
- Establishing a sustainability reserve of \$72K
- Completion of PAC's first 3-year Strategic Recovery Plan

The Next Generation Leahy
Photo: Dan Brown

2020 Financial Results and Sustainability reserve

2020 year end revenue
2020 year end expense

\$3,528,310
\$3,335,010

Encumbrance reserve
Sustainability reserve

\$121,054
\$72,246



FirstOntario
PERFORMING ARTS
CENTRE

2022 Budget Assumptions

- Full capacity in all venues, simultaneously
- Brock University activity at full capacity
- Artist touring circuits return
- PAC audience loyalty returns over time
- Local arts groups well resourced

PAC 5th Anniversary Celebration
Photo: Mark Delledonne



FirstOntario
PERFORMING ARTS
CENTRE

Budget Overview

PAC 2022 Proposed Budget - Summary

	2020 Year End Actuals	June 2021 Reforecast	2022 Proposed Budget
Revenue			
Earned Revenue	\$ 748,942.27	\$ 251,676.84	\$ 2,522,069.87
<i>Government Investment</i>	\$ 272,860.00	\$ 202,675.00	\$ 106,000.00
Municipal Investment*	\$ 1,592,857.00	\$ 1,607,857.00	\$ 1,644,837.71
Fund development	\$ 80,942.06	\$ 52,176.70	\$ 360,000.00
Contributions & Other	\$ 832,709.07	\$ 828,701.02	\$ 824,750.68
Cultural Capital Improvement Fund	\$ -	\$ 15,000.00	\$ 155,000.00
Total Revenue	\$ 3,528,310.40	\$ 2,958,086.56	\$ 5,612,658.26
Expenses			
Programming, Production and Rentals	\$ 1,558,871.59	\$ 1,123,573.64	\$ 3,083,430.55
Marketing & Box Office	\$ 230,752.28	\$ 235,397.85	\$ 582,985.00
Building Operations	\$ 401,542.19	\$ 359,614.70	\$ 441,004.09
Fund development	\$ 21,884.22	\$ 35,000.00	\$ 65,000.00
Administration	\$ 917,055.91	\$ 928,445.51	\$ 1,093,557.47
Office	\$ 89,842.95	\$ 95,418.99	\$ 94,080.00
Finance & Other	\$ 115,060.93	\$ 121,814.48	\$ 141,796.02
Cultural Capital Improvement Fund	\$ -	\$ 15,000.00	\$ 155,000.00
Total Expenses	\$ 3,335,010.07	\$ 2,914,265.17	\$ 5,656,853.12
Net Surplus (Deficit)	\$ 193,300.33	\$ 43,821.39	\$ (44,194.86)
Less Reserve Expenses:			
Encumbrances	\$ 121,054.00	\$ 106,054.00	\$ -
Sustainability**	\$ -	\$ -	\$ (44,194.86)
Net Surplus (Deficit) after reserves	\$ 72,246.33	\$ (62,232.61)	\$ 0.00

Responsible budgeting connected to strategy



Phil Davis, Celebration of Nations
Photo: Mark Zelinski

In summary

- Road to recovery is long
- As an anchor organization, PAC is committed to robust activity and programming with local spin-off effect in support of downtown recovery

Our \$5.6M budget is ambitious but serves to support:

- our local arts community
- our downtown businesses
- our workforce, and
- our local artists

We all need to get back to business and we are ready to go, with your help and with your investment.



FirstOntario
PERFORMING ARTS
CENTRE

Thank you!



FirstOntario
PERFORMING ARTS
CENTRE

Curtain Call by artist Lilly Otasevic
Photo: Ashcroft Media Co.

Report Date: October 13, 2021

Subject: FirstOntario Performing Arts Centre 2022 Budget

Background

Pursuant to By-law 2018-177 it is the responsibility of the FirstOntario Performing Arts Centre Board (the Board) to submit to Council its annual budget for approval. In 2020 the PAC Board established the Finance and Audit Committee to ensure the financial stewardship and accountability of the PAC and to oversee a rigorous annual budgetary process. PAC staff met with the Finance and Audit Committee on September 1st and September 17th to review and approve the PAC's 2022 budget submission and Business Plan. On September 30th 2021 the FirstOntario Performing Arts Centre Board met virtually and approved the 2022 Budget and Business Plan, including this submission of the PAC's 2022 Budget to Council and herein attached.

Report

General Overview

This year's budget submission follows a lengthy strategic planning process conducted by leadership and the Board of Directors of the PAC whereby a three-year recovery plan and budget was approved unanimously by the Board on September 30th, 2021. In this plan, the Board and leadership embraced their role as a convenor of arts, culture, and creativity, and stewards of the beautiful multi-venued facility that is the FirstOntario Performing Arts centre. In this plan there is a commitment to uphold the following three pillars:

1. To advance the development of, and access to, arts and culture as a proud and sustainable developer, presenter, supporter and incubator of talent, creativity, and knowledge building for our diverse community.

The PAC does this through:

- programming of arts and culture in live performance settings, film and digital expressions.
- providing supportive opportunities and platforms for showcasing the stories and talents of Indigenous Peoples and equity seeking groups;
- fostering the creation of memorable, intergenerational experiences;
- being a place for creative inspiration, presentation, and exploration;
- providing a home for learning, experimenting and growth;
- Being an incubator of local, regional, and national talent.

2. To provide infrastructure, support, growth and innovation opportunities for local and regional artists, arts workers, and community organizations.

The PAC does this by:

- being a physical home for live, creative work;
- being a place for community convening;
- taking a leadership role in arts advocacy;
- providing organizational support services and professional, highly trained staff in support of marketing, promotion, and technical needs;
- generating funds to support local arts groups (SCCIP – St. Catharines Cultural Investment Program);
- encouraging knowledge transfer and exploring opportunities for learning, experimentation, and growth.

3. To contribute to the enhancement of a vibrant, healthy, and creative downtown St Catharines.

This is possible because of:

- our professional, purpose-built facility that houses arts, culture, and learning experiences;
- our ability to host a multitude of events and performances in our five venues on an annual basis;
- our responsibility to create a safe and inclusive space for community gatherings;
- embracing our role as a hub for cultural expression and celebration of all ages;
- our partnerships with the City of St Catharines and Brock University;
- our commitment as a team to a world free from oppression, racism, discrimination, and intolerance.

The budget and business plan for 2022 reflects the strategies commensurate with the three-year plan, focusing specifically on pandemic recovery efforts. Lacking eligibility for such programs as the Canada Emergency Wage Subsidy and other programs available to non-profit entities in 2020 and 2021, we were not able to sustain employment and activity levels as desired but were able to maintain fiscal integrity spanning to the current fiscal year. With support from our sustainability reserve created at fiscal year-end 2020, we are able to commit to our organizational strategies while making our employees whole and providing support to our arts community in 2022. This budget also moves us closer to official approval of charitable status, setting our business up for a new stream of philanthropic revenue in 2023 and beyond. This business plan has been carefully designed by the professional senior leadership of the PAC, deeply rooted in departmental objectives and goals. While the global pandemic remains a concern for the company and our industry, we feel that should appropriate conditions prevail for a return to business, our 2022 plan is strong.

For 2022, the PAC is requesting \$1,644,838 from the City, which represents a 2.3% increase over 2021 municipal investment levels. This amount is in line with the

guidelines provided by the City's Budget Standing Committee for 2022.

Budget Highlights

The 2022 proposed budget features the following considerations:

- The adoption of a 3-year strategic recovery plan and benchmarking to assess the future success of the PAC.
- The 2022 budget assumes full occupancy capacities, with no physical distancing in all PAC venues.
- A focus on recovery from the impact of the Covid-19 pandemic. The PAC will be stepping up its efforts to strengthen its partnerships, attract activity and improve access to the arts.
- Within the recovery phase of the strategic plan, the PAC projected revenue is \$5.6m including the municipal investment of \$1.644m. With a one-time draw from the Sustainability Reserve of \$44,195, our recovery year 2022 budget is at breakeven.
- The strengthening of fundraising efforts from the pursuit and attainment of charitable status. These efforts will result in the implementation of a renewed fundraising strategy through increased philanthropic donations to better support our mandate for increased local arts support and development.
- A commitment to upholding equity, diversity and inclusion (EDI) through the execution of the PAC's 2021 EDI Audit recommendations and diverse programming.
- The PAC commits to efforts towards achieving the goals for Year 1 set forth in the PAC's Strategic Recovery Plan, including, but not limited to, such initiatives as the activation of the PAC's spaces in the summer months and EDI objectives.
- The impact of the Covid-19 pandemic continues to be of concern with regards to its effect on the PAC's earned revenue and gathering restrictions. Management has adopted monthly financial processes to assess the impact of any changes on the 2022 budget assumptions and reforecast accordingly.

Activities, Programs and Services

2022 will see a return of PAC programming including the Hot Ticket Season and The Film House programming. Special summer programming is also being developed for our outdoors spaces, aimed to bring community together in the summer months and to leverage new partnerships and revenue opportunities.

We anticipate a continued need for affordable access and support for our local arts community while acknowledging the need for the PAC to return to a business model that allows for a variety of revenue generating avenues. As part of our strategic plan, 2022 will be used as a baseline for measuring rental and program activity and determining the appropriate mix of venue usage to fulfill our mandate and ensure the long-term sustainability of the Centre. There are 700 projected performances for the 2022 proposed budget with earned revenues of \$2,522,069 compared to earned

revenues of \$2,724,000 from 783 performances in 2019 when the PAC was under the Department of Parks, Recreation and Culture at the City.

The 2022 budget assumes full occupancy capacities, with no physical distancing and masks required. This scenario allows us to be active again with PAC programming, rentals, and a full return of Brock University students and activities. With the lifting of restrictions comes the ability to reanimate all the venues and spaces and capitalize on ancillary revenue such as concessions and bar sales. Since the beginning of the pandemic, most promoters, arts organizations, dance companies and theatres have been extremely limited in their ability to generate revenue. This Covid-19 reality has increased the demand for venue spaces with projected activity in 2022 close to pre-pandemic levels.

Assumptions for the PAC's partnership with Brock University with a full return to classes and events throughout 2022. The PAC also has a commitment to the Canada Summer Games (CSG) that will see CSG use our venues for special events and rehearsals on a cost recovery basis.

Revenue Assumptions

Earned Revenues

We have made a concerted effort to project higher ticket revenues related to our Hot Ticket programming. We have done this through a slight reduction of the number of events from 2019 levels, with a focus on more popular, less risk programming, that also includes a small increase in ticket prices. We are still able to achieve our commitment to our mandate and to programming a diverse, multi-disciplinary, accessible program within our projections and plans.

With the relaunch of our Hot Ticket and Film programs we will also reintroduce our membership programs. These programs offer advance ordering benefits and small ticket discounts. The intent of the programs is to build patron loyalty and commitment to our programming, encourage patrons to purchase tickets for a season of events and have a direct positive impact on our bottom line.

Fund Development

Key to a successful fund development program or department is clarity of a case for support for charitable activity, capacity of the region to support that activity, and an organization's ability to manage donor relations. The PAC will be submitting an application to the CRA in request of charitable status in fall 2021 and support of Council for our refined mandate. It is anticipated that results of an application to the CRA could be received by fall 2022.

Government Support

Our budget includes grant revenues that have already been confirmed (e.g. Department

of Canadian Heritage – Canada Arts Presenters) as well as projected for grant revenues for some programs and initiatives to support Discovery programming and special projects. Staff continue to research and explore funding opportunities at the regional, provincial, and federal levels and will apply for all eligible programs. Programming and operation expenses will be decreased if funding is not secured.

Reserves

In 2021 the Board established the Encumbrance and Sustainability Reserves as part of a financial strategy that manages the current needs of the business and long-term sustainability of the Centre. With 2022 being earmarked as a recovery year, the PAC's 2022 Budget proposes a draw on funds from the Sustainability Reserve to offset the expenses associated with an increased level of activity and execution of the strategic goals while in the recovery phase.

Expenditure Considerations

Administration

The PAC carries a general liability, directors and officers and crime insurance policies in accordance with the relationship agreement. The Covid-19 Pandemic has hardened the insurance market, meaning an increase in premium prices and reduction in limits and coverage. The PAC is expecting a significant increase in insurance costs for 2022. The most significant expected increase is in the directors and officer's policy where costs are expected to increase 25% over 2021. General liability and crime insurance policies are expected to increase by 10%. This is an overall increase over costs in 2021. Similar to the insurance industry, the health benefits industry has also faced increased claims and costs. With increased usage and rates and continuing with the same level of coverage, an overall increase of 15% over 2021 rates or approximately \$13,000 is expected for the PAC's employee health benefit package in 2022.

The level and quality of service that the PAC provides to its partners, clients and patron's is key to the success of the organization. As a result, from a cultural and logistical perspective, the care for audiences, clients and relationships is central to this plan. Key to the PAC's concept of recovery is the notion of making the arts accessible to all in the community. During the 2022 fiscal year, the PAC will be developing a new, comprehensive Ticket Access Program, which will be designed with the purposes of providing affordable ticketing options to community members and groups and attracting new audiences to experience cultural activities.

Cultural Capital Improvement Fee

The increase in activity in 2022 will also positively impact the funding to the PAC's Capital/Equipment Reserve, as well as the St. Catharines Cultural Investment Program (SCCIP) through the CCIF (Cultural Capital Improvement Fee). The expected revenue to be allocated to the Capital/Equipment Reserve and SCCIP is \$103,000 and \$52,000

respectively. The increased funding to the PAC's Capital/Equipment Reserve is vital to the operations and long-term sustainability of the physical plant and specialized equipment. As well, contributing to the vitality of the local arts industry through the funding of SCCIP is of significant value towards the PAC's commitment to promote and support the local creative industry and economy.

Rates and Fees

In 2021 we made the decision to decrease rental rates by 10% and created a sliding scale allowing us to be both more affordable and adaptable as regulations and Covid-19 realities changed. For 2022, the PAC will maintain a sliding scale to allow for continued flexibility, but with a proposed increase of 3% to rental rates. Additionally, we have increased slightly retail prices at which we will sell beer and wine to maximize revenue while keeping prices in line with local offerings.

Equity, Diversity, Inclusion and Accessibility

The FirstOntario Performing Arts Centre aims to provide meaningful opportunities to bring our community together in a place of mutual understanding, empathy and respect through the arts. This will continue to be shown in our programming and budget through our annual commitment to working with Indigenous leaders and producing Celebration of Nations, diverse program offerings within our Hot Ticket and Film House programming and learning opportunities for our staff, volunteers and community with a focus on engaging Indigenous, Black and equity seeking groups.

Following the Equity, Diversity and Inclusion audit that took place in 2021, staff will be developing a roadmap based on the recommendations of this study, led successfully by Jason Murray, Founder and President of BIPOC Executive Search. This work will cover areas such as HR practices, administration, finance, and governance in line with the PAC's values and strategic goals. As a key institution within the community, the PAC is deeply concerned with and dedicated to BIPOC voices and is committed to embracing and reflecting anti-oppression values through its planning, programming, and operations

2022 PAC Budget

See Appendix 1 below.

Prepared by:

Colleen Smith, Executive Director, FirstOntario Performing Arts Centre.

Submitted by:

Carlos Robayo, Director of Finance and Administration, FirstOntario Performing Arts Centre.

Approved by:

Colleen Smith, Executive Director, FirstOntario Performing Arts Centre.

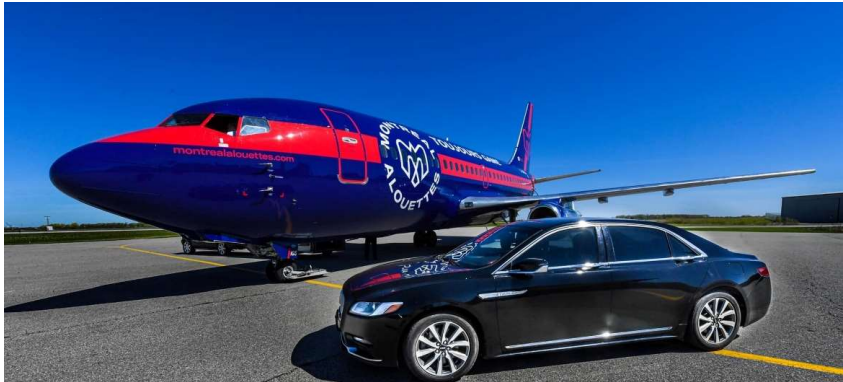
Appendix 1 - 2022 PAC Budget

2022 PAC Budget - Summary

	2020 Year End Actuals	June 2021 Reforecast	2022 Proposed Budget
Revenue			
Earned Revenue	\$ 748,942.27	\$ 251,676.84	\$ 2,522,069.87
Government Investment	\$ 272,860.00	\$ 202,675.00	\$ 106,000.00
Municipal Investment*	\$ 1,592,857.00	\$ 1,607,857.00	\$ 1,644,837.71
Fund development	\$ 80,942.06	\$ 52,176.70	\$ 360,000.00
Contributions & Other	\$ 832,709.07	\$ 828,701.02	\$ 824,750.68
Cultural Capital Improvement Fund	\$ -	\$ 15,000.00	\$ 155,000.00
Total Revenue	\$ 3,528,310.40	\$ 2,958,086.56	\$ 5,612,658.26
Expenses			
Programming, Production and Rentals	\$ 1,558,871.59	\$ 1,123,573.64	\$ 3,083,430.55
Marketing & Box Office	\$ 230,752.28	\$ 235,397.85	\$ 582,985.00
Building Operations	\$ 401,542.19	\$ 359,614.70	\$ 441,004.09
Fund development	\$ 21,884.22	\$ 35,000.00	\$ 65,000.00
Administration	\$ 917,055.91	\$ 928,445.51	\$ 1,093,557.47
Office	\$ 89,842.95	\$ 95,418.99	\$ 94,080.00
Finance & Other	\$ 115,060.93	\$ 121,814.48	\$ 141,796.02
Cultural Capital Improvement Fund	\$ -	\$ 15,000.00	\$ 155,000.00
Total Expenses	\$ 3,335,010.07	\$ 2,914,265.17	\$ 5,656,853.12
Net Surplus (Deficit)	\$ 193,300.33	\$ 43,821.39	\$ (44,194.86)
Less Reserve Expenses:			
Encumbrances	\$ 121,054.00	\$ 106,054.00	\$ -
Sustainability**	\$ -	\$ -	\$ (44,194.86) **
Net Surplus (Deficit) after reserves	\$ 72,246.33	\$ (62,232.61)	\$ 0.00

* Proposed 2022 PAC Budget represents a 2.3% increase of City Investment over 2021 Budget

** A draw on the Sustainability Reserve (SR) for 2022 of \$44,195 would leave a balance of \$43,051 (2020 SR of \$87,246 - 2022 Net Deficit of \$44,195). Not included in this amount is any surplus in 2021 year end projections.



**NIAGARA DISTRICT AIRPORT
OPERATING & CAPITAL
BUDGET | 2022**
Presented by Dan Pilon, CEO

November 3, 2021
City of St. Catharines



IN THIS PRESENTATION

- 1) Background – Niagara District Airport
- 2) Aviation Industry in 2021
- 3) 2021 Review – 2022 Challenges
- 4) 2022 Operating Budget
- 5) 2022 Capital Budget
- 6) Airports Capital Assistance Program
- 7) Operations RFP – Capital



NIAGARA DISTRICT AIRPORT BY THE NUMBERS



- **2020 - 27,243 aircraft movements** (39% decrease from year prior)
- **2021 - 29,200 aircraft movements** (estimated - 7% increase from year prior)
 - **2021 #'s - 34% decrease from 2019 movements**
- 1 of 55 airports across Canada with a Nav Canada - Flight Service Station
- 7 km's of fencing to maintain for wildlife control
- 14 businesses, employing approximately 100 individuals
- 75-100 aircraft – consider CYSN home base
- 92 years young flight school – St. Catharines Flying Club
- 362 acres of land (50+ available for development)
- 5,000 ft main runway
- 170,000 square metres of asphalt
- 180,000 lbs of snow blown, plowed or swept (2020)

OUR MISSION

VISION

Niagara Region's hassle-free aviation hub offering VIP service to leisure and business travelers, and recreational flyers

MISSION

Contribute to the economic prosperity of the Niagara Region by providing air connectivity for business and leisure travelers

GOAL

15% growth in revenue within the next three years by introducing scheduled passenger service and increasing the number of tenants in the airport

COVID-19 - PANDEMIC

PIVOT

Manage the challenges placed in front of us, identify areas that afford new opportunities

INNOVATE

Look for scenarios that may have otherwise been unsustainable or unlikely.
Make bold decisions

PRIORITIZE

Focus on employees, on municipal relationships, on managing a budget in accordance with the current environment.



AVIATION INDUSTRY & COVID-19 | NATIONAL

"...international air traffic virtually non-existent in the second-half of 2020..."

"...single greatest drop in air passengers in the history of aviation..."

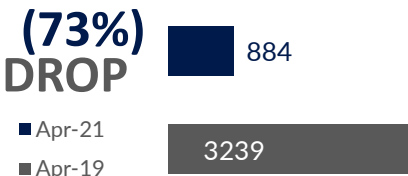
"Canada's airports expect to lose \$5.5 billion in revenues and add \$2.8 billion in pandemic-related debt by the end of 2021"

"...air service dropped by over 95% in the vast majority of communities across Canada..."

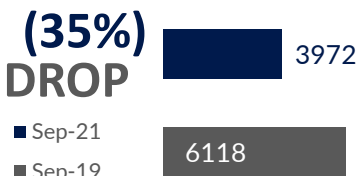
AVIATION INDUSTRY | PROVINCIAL / LOCAL

“Recovery is expected to be led by domestic traffic”
-Airports Council International

- Numerous temporary suspensions of service have been lifted (e.g. Billy Bishop, John C Munro)
- Pearson International – 79% of 2019 levels; Hamilton John C Munro – 63% of 2019 levels (passengers)
- Federal aid program (Regional Air Transportation Initiative) has provided funding to specific airports and projects
- \$1.8M funding provided to FlyGTA to return to business at Niagara District Airport (November 22 start date), in addition to Kingston & Muskoka
- Three main sources of revenue – land leases, office leases, municipal grant – limited risk in 2022



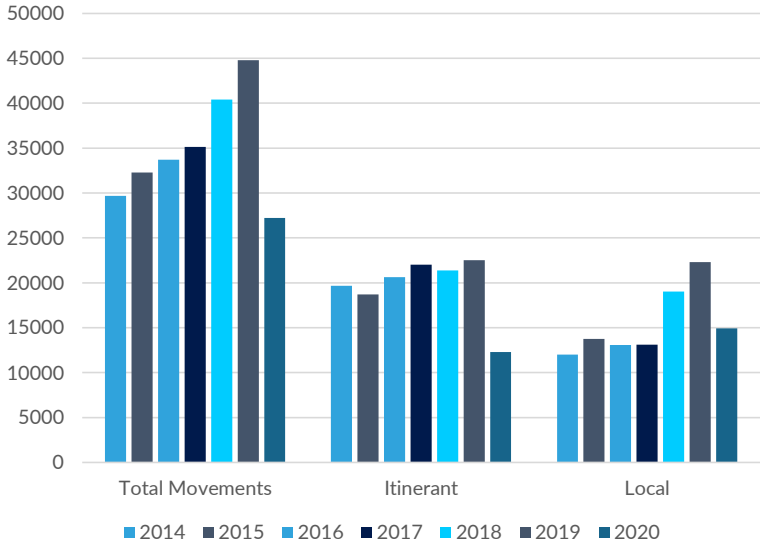
Niagara District Airport | Aircraft Movements



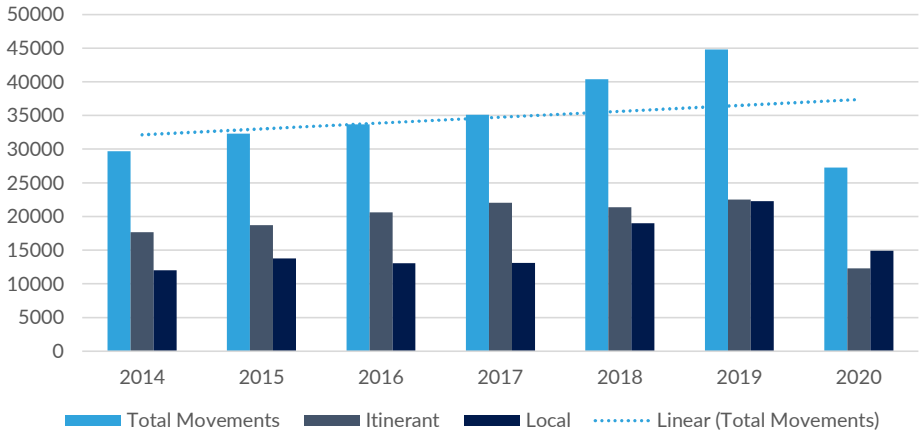
Niagara District Airport | Aircraft Movements

CYSN Movements - 2021	
Month	Change (%)
Jan	(-64%)
Feb	(-68%)
Mar	(-20%)
Apr	187%
May	88%
June	287%
July	32%
Aug	12%
Sept	(-5%)

AIRCRAFT MOVEMENTS (2014 – 2020) NIAGARA DISTRICT AIRPORT



Aircraft Movements (2014 - 2020)



Aircraft Movements (2014 - 2020)

NDA ACCOMPLISHMENTS | 2021

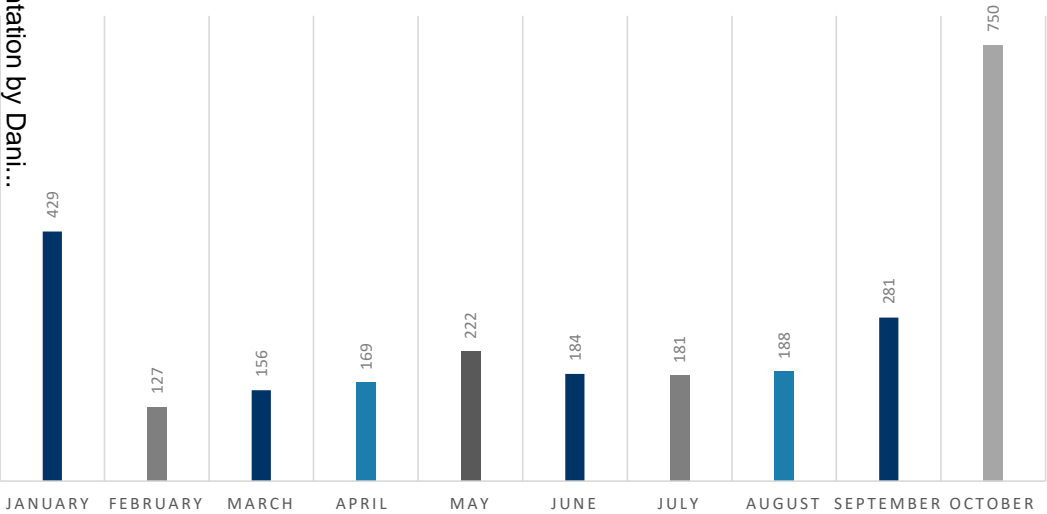
Feasibility Study/ Business Case from 2020 identified an action plan for Year One (2021):

1. Master plan
 2. Governance review
 3. Economic impact study
 4. Prepare business case for land development funding
- Master Plan & Economic Impact Study
 - Introduction of new rates & fees structure – first update since 2016
 - First-ever Airports Capital Assistance Program (ACAP) application – Successful (\$500k)
 - Request for Proposals (RFP) for third party operator currently in play
 - Governance review currently underway
 - Introducing de-icing services at NDA
 - Identify new revenue opportunities (Great Lakes Helicopters)



GREAT LAKES HELICOPTERS

- Company based out of Waterloo International Airport
- Timely partnership/partnership that will time out
- Taking advantage of available terminal building; reduced movements; minimal mix of heli and fixed wing operations
- Close to 3,000 passengers to date; likely completion Nov '21



Charter Service | GLH
Passengers (Jan - Oct)



MASTER PLAN

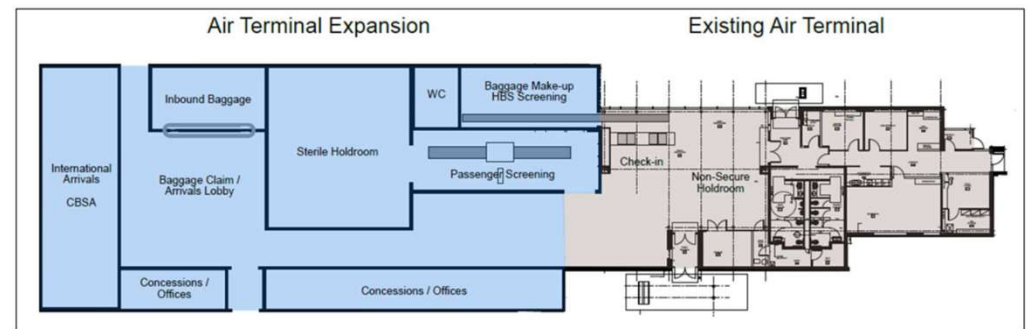
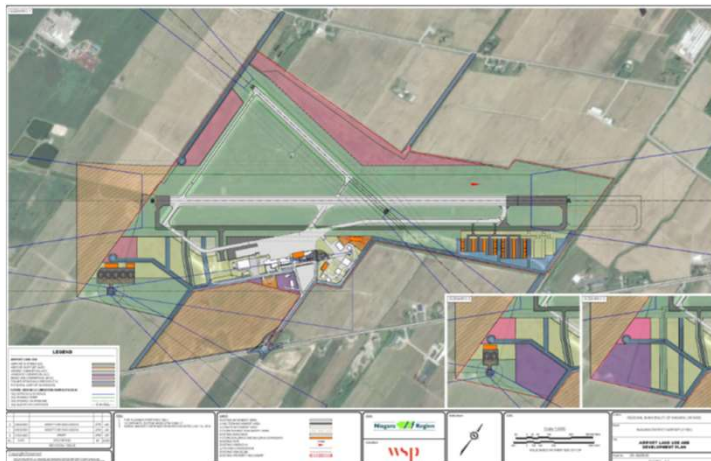
Scope of work – September 2020 to August 2021

Includes master plan, wind rose study, economic impact study, in addition to;

- Current state;
- Business opportunities based on airport size, market, and economic development needs;
- What is needed to make that happen – on the airfield, the terminal, community supports;
- Development options;
- A phased in business plan to achieving those goals (realistic path)

Expansion to 6,000 feet for main runway

Competitive market – what are other communities doing?



NIAGARA DISTRICT AIRPORT | RFP - OPERATIONS

- In 2017, an Expression of Interest document was released to the general public
- Municipalities have been clear in their interest and willingness to grow the facility, looking for partners to support the delivery of that vision
- Through development conversations, interest in airport identified; request for municipal approval to enter into RFP process for private operations (May 2021)
- Given the public nature of the asset, governed by a Municipal Services Board, an RFP necessary to seek partners to operate the airport on a long-term lease
- Released on September 1, 2021; Submission deadline of November 15, 2021
- Mandatory site visits have been completed; timeline of Q2 2022 for negotiated agreement



KEY THEMES | 2022 BUDGET

➤ Unpredictable

- External environment, coupled with volatility of industry sector; RFP outcome & new Commission

➤ Treading Water

- Investment in capital needed to advance Master Plan & future Strategic Plan; resolution on operations/governance to move forward for 2023 and beyond

➤ Optimistic

- Opportunities that lie ahead for the airport; potential transition leading to needed investment; return to pre-COVID performance; growth rather than sustenance



NDA PRESSURES | 2021 & 2022

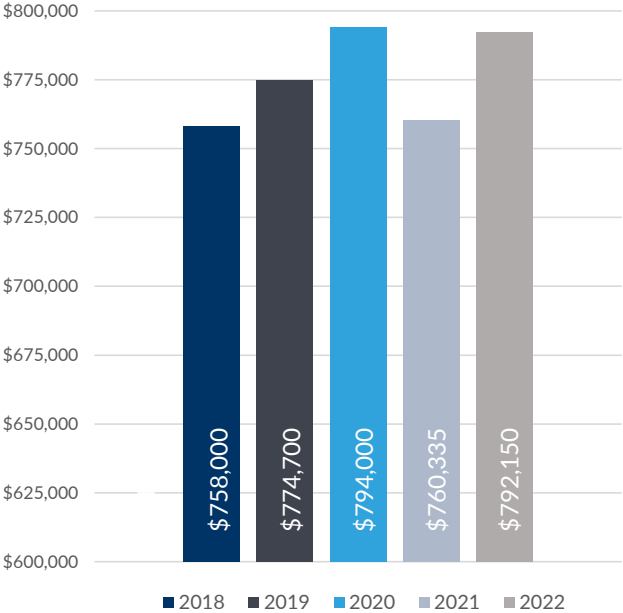
- 2021 variance (actual to budget) – mainly legal costs incurred by airport to support the municipalities Operations RFP – unbudgeted expense of approximately \$40k
- Personnel costs increase for 2022 related to on-boarding of permanent staff (no further subsidization of costs from Niagara Region; EA position moved from contract to permanent F/T)
- Ongoing increase in expenditures with respect to cleaning supplies, mandatory cleaning of terminal, signage, remote meetings and IT software, etc.
- IT issues/concerns (failure of airside lighting, admin telephone system, etc.) - \$15k



ACHIEVING BUDGET (\$) | 2022

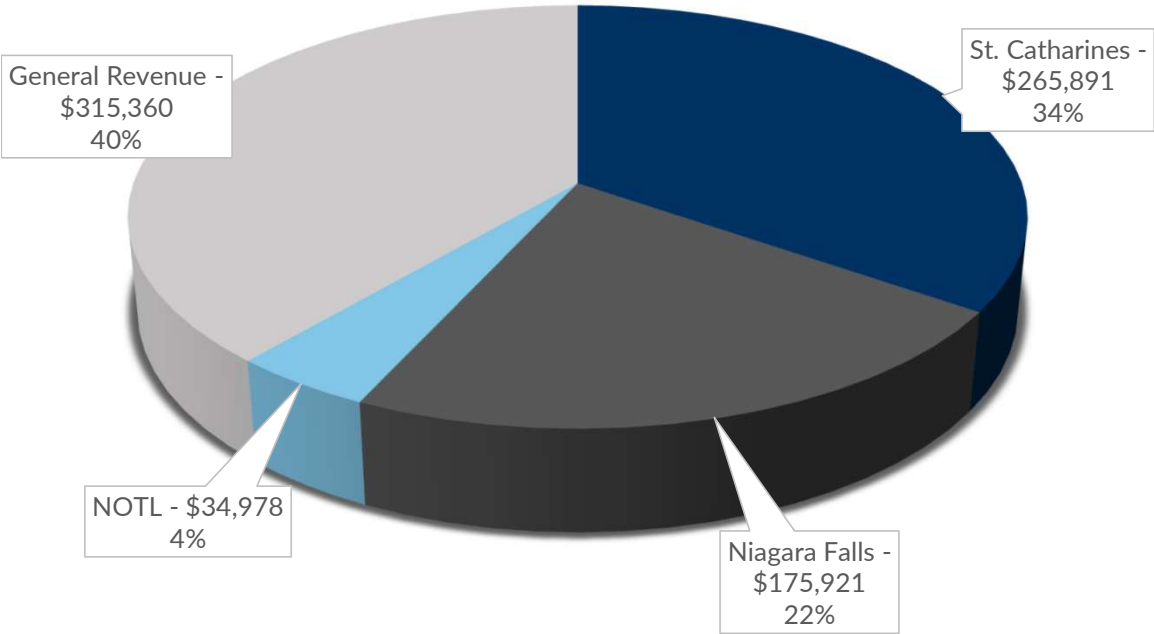
2021 Actual (Projected)		2021 Budget	2022 Budget	Net \$ Change (2021 to 2022)	Net % Increase / (Decrease)
332,873	General Revenue	297,000	315,360	18,360	6.2%
463,335	Operating Grant	463,335	476,790	13,455	2.9%
837,141	Expenditures	760,335	792,150	(31,815)	4.2%

OPERATING BUDGET 5-YEAR HISTORY



5-Year | Operating Budget History (\$)

2022 TOTAL REVENUES BY SOURCE



OPERATING GRANT | BY MUNICIPALITY (\$)

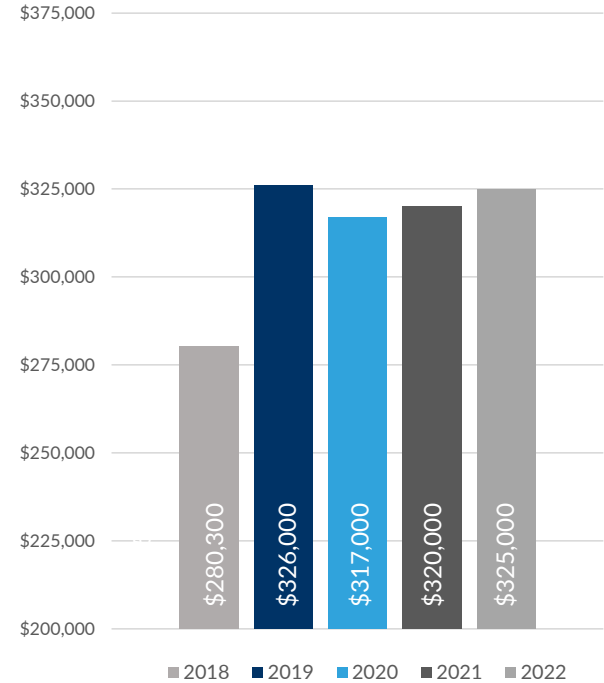
Municipality	2021 Grant	2022 Grant Request	Change*
St. Catharines	258,388	265,891	7,503
Niagara Falls	170,956	175,921	4,965
Niagara-on-the-Lake	33,991	34,978	987
TOTALS	463,335	476,790	13,455

*Represents a 2.9% increase over 2021 funding request

INCREASES / SAVINGS – 2022 (\$)

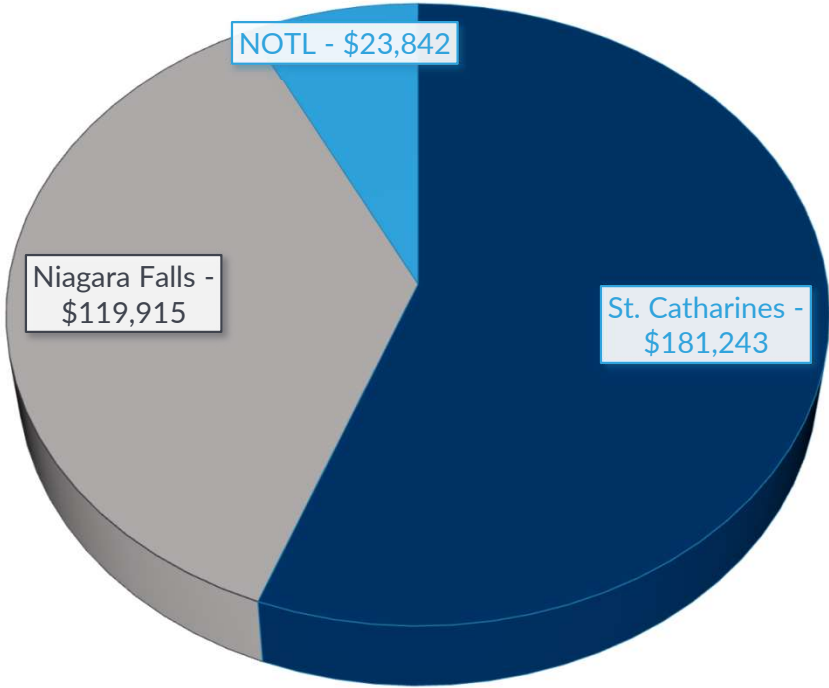
Operating Revenue Change (+ / -)	18,360	
<ul style="list-style-type: none"> • Increase in Landing and Airport Fees • Decrease in Land Leases 	27,000	(10,000)
Operating Expense Change (+/-)	31,815	
<ul style="list-style-type: none"> • Increase in Personnel Costs* • Decrease in Shared Service Costs** • Increase in IT/Tech Expense 	44,000	(9,500)
	3,000	
<p>*Full cost of CEO salary; Exec. Asst. position moved to FT/Permanent with benefits</p> <p>**Finance and accounting transitioned to in-house capacity</p>		
Year Over Year Change	<u>\$13,455 (2.9%)</u>	

CAPITAL BUDGET HISTORY | (5-YEAR)



5-Year | Capital Budget History (\$)

2022 CAPITAL BY MUNICIPALITY



CAPITAL GRANT | BY MUNICIPALITY (\$)

Municipality	2021 Capital	2022 Capital	Change*
St. Catharines	178,454	181,243	2,789
Niagara Falls	118,070	119,915	1,845
Niagara-on-the-Lake	23,476	23,842	366
TOTALS	320,000	325,000	5,000

*Represents a 1.5% increase over 2021 funding request

2022 CAPITAL BUDGET | TOTAL (\$)

Purpose	Budget
Compliance/Safety	175,000
Sustainability	150,000
<i>Total</i>	<i>325,000</i>

COMPLIANCE | SAFETY

Project	Budget
Field Electrical Centre <ul style="list-style-type: none"> Purchase of upgraded power units in FEC 	\$25,000
ACAP - Snowblower <ul style="list-style-type: none"> To fully fund capital purchase of airfield snowblower (leverage \$470,000 in Federal grant) 	\$75,000
Runway 01-19 <ul style="list-style-type: none"> Immediate reconstruction of areas to maintain operational capacity for an addition 2+ years 	\$75,000
Total	\$175,000

Airports Capital Assistance Program (ACAP)

- Application to Transport Canada (2020 budget) - total of \$1.5M; in 2021 an additional application of \$220K
 - Plow Truck (\$340k)
 - Loader (\$330k)
 - Blower (\$495k)
 - Sweeper (\$390k)
 - Electrical Backup Generator (\$220k)
- To date, federal investment of more than \$785.9 million for 904 projects at 182 airports.

**First-ever successful ACAP grant application in 2021 (\$470,000) for airport
Not 100% funded (approximately 70 – 85%), remainder airport funded**

SUSTAINABILITY

Project	Budget
Information Technology <ul style="list-style-type: none"> Airside radios; new server; A/V enhancements to boardroom and airport terminal building (ATB) monitors; replacement IT equipment for Flight Service Station 	\$50,000
Cracksealing <ul style="list-style-type: none"> Main apron and taxiways, along with groundside 	\$40,000
Maintenance Facility <ul style="list-style-type: none"> Replacement to roof structure; enhancements to storage capacity 	\$10,000
Furniture <ul style="list-style-type: none"> Replacement of ATB furniture to increase capacity, replace end of life furniture in administration 	\$50,000
Sub-Total	\$150,000

RFP | OPERATOR

Project	Budget
Legal Support <ul style="list-style-type: none">Process assistance to contract award; shortlisting, evaluations; negotiations with selected proponent; drafting of agreement; administer debriefings	\$38,000
Governance <ul style="list-style-type: none">Terms of Reference for newly formed Airport Commission; governance supports and operational agreements; performance management measures	\$12,000
Total	\$50,000

- NDAC has, in 2021, expended \$32,000 in support of the procurement; future support for the divestiture of the asset attached to the owners rather than the existing operator (NDAC)

2022 CAPITAL BUDGET | TOTAL (\$)

Purpose	Budget
Compliance/Safety	175,000
Sustainability	150,000
RFP - Operator	50,000
Total	375,000

Capital budget request for 2022 - \$375,000

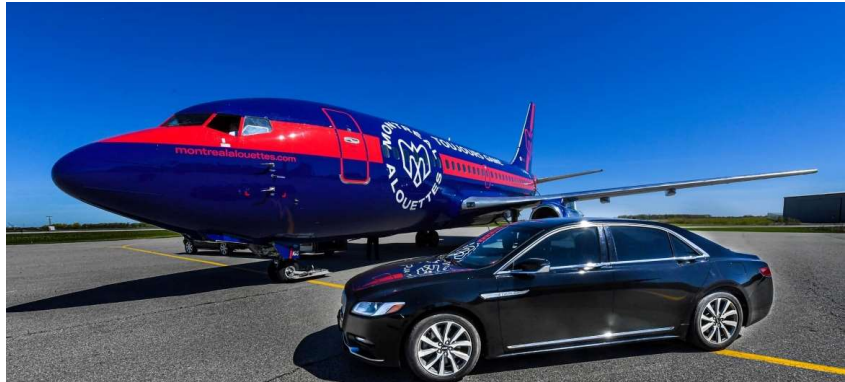
TOTAL CONTRIBUTION | BY MUNICIPALITY (\$)

Municipality	Operating	Capital	Total (Operating & Capital)	Total Increase 2021 – 2022 (%)
St. Catharines	265,891	181,243	447,134	2.4%
Niagara Falls	175,921	119,915	295,836	
Niagara-on-the-Lake	34,978	23,842	58,820	
TOTALS	476,790	325,000	801,790	\$18,455

TOTAL CONTRIBUTION | BY MUNICIPALITY (\$)

(Inclusive of RFP Funding)

Municipality	Operating	Capital	Total (Operating & Capital)	Total Increase 2021 – 2022 (%)
St. Catharines	265,891	209,126	475,017	8.7%
Niagara Falls	175,921	138,363	314,284	
Niagara-on-the-Lake	34,978	27,511	62,489	
TOTALS	476,790	375,000	851,790	\$68,455



QUESTIONS

Dan Pilon, CEO

dpilon@niagaradistrictairport.ca

905-684-7447 x103





October 26, 2021

David Oakes, CAO
City of St. Catharines
P.O. Box 3012
St. Catharines, ON
L2R 7C2

Subject: Niagara District Airport 2022 Budget – Operating and Capital Request

Dear Mr. Oakes,

Please find attached the Niagara District Airport's operating and capital budget requests for 2022. These documents are provided in accordance with the Municipal Agreement signed on January 8th, 2013 between the Corporations of St. Catharines, Niagara Falls and Niagara-on-the-Lake. The requests included herein were approved by the Niagara District Airport Commission on October 21, 2021.

The 2022 grant figures shown below are based on a per resident assessment, using the most recent Census data (2016) as per the Municipal Operating Agreement. Specifically, the requested levy from each community is:

Municipality	OPERATING (\$)	CAPITAL (\$)	TOTAL (\$)
St. Catharines	265,891	209,126	475,017
Niagara Falls	175,921	138,363	314,284
Niagara-on-the-Lake	34,978	27,511	62,489
TOTAL (\$)	476,790	375,000	851,790

In appreciation of your consideration,

Daniel Pilon
CEO, Niagara District Airport

**Niagara District Airport
2022 Operating Budget**

	2021 Forecast (9+3)	2021 Budget	Variance To Budget B(W)	2022 Budget	Variance To 2021 FCT B(W)
Revenue					
Total 600 • Events	13,443	6,000	7,443	8,000	(5,443)
Total 610 • Fuel Operations	12,951	19,000	(6,049)	22,000	9,049
Total 620 • Landing and Parking Fees	65,093	36,600	28,493	63,900	(1,193)
Total 630 • Miscellaneous	12,396	21,600	(9,204)	15,740	3,344
Total 660 • Rentals	178,613	198,800	(20,187)	188,320	9,707
Total 670 • Municipal Grants	463,334	463,335	(1)	476,790	13,456
670-675 • Capital Cont. Transferred	40,000		40,000		(40,000)
680-680 • Interest Income	10,376	15,000	(4,624)	17,400	7,024
Total Revenue	796,207	760,335	35,872	792,150	(4,057)
Expenses					
Total 700 • Maintenance - B & P	74,093	49,600	(24,493)	42,000	32,093
Total 710 • Maintenance - V & E	47,715	55,055	7,340	54,180	(6,465)
Total 740 • Operations	227,888	166,350	(61,538)	162,200	65,688
Total 770 • Personnel	487,444	489,330	1,886	533,770	(46,326)
Total Expenses	837,141	760,335	(76,806)	792,150	44,991
Operating Income	(40,934)	-	(40,934)	-	40,934
Other Income/Expense					
800-810 • DCC Amortization	505,332	499,291	6,041	-	(505,332)
800-820 • Capital Asset Amortization	(556,150)	(550,108)	(6,042)	-	556,150
920-920 • Gain on Disposal of Cap Assets	2,200		2,200	-	(2,200)
Total Other Income/Expense	(48,618)	(50,817)	2,199	-	48,618
Excess (Deficiency) of Revenue over Expenses	(89,552)	(50,817)	(38,735)	-	89,552



Meridian Centre
St. Catharines, Ontario Canada
2022 Operating Budget



Agenda

- Meridian Centre 2021 Recap
- Current Industry Trends
- 2022 Operating Budget
 - Assumptions
 - Operating Budget
- Opportunities and Challenges



2021 Recap

- COVID-19 continued to impact Live events locally and around the Global
- Ontario Regulation closed the venue to events from Dec 2020 until July 2021, impacting not only these months but the future scheduling of events
- The balance between cost mitigation and business continuity has been ASM Global's objective -
 - Reduction of expenses; communication with clients; retention of key employees



2021 Recap

- Direct Impact at Meridian Centre
 - Loss of 44 live events – 27 IceDogs, 3 River Lions, 14 Live Concerts/Events
 - Ability to generate revenue impacted - forecasted net revenue deficit of \$1.1 million
 - Both Full and Part time workforce drastically impacted
 - Ancillary revenues impacted – Ice Rentals, Premium Seat Licensing Revenues, Advertising Revenues
 - Additional expenses incurred to meet new government requirements, (proof of vaccination, contact tracing, enhanced hygiene)
 - Spectator hesitancy return to in door live events



2021 Recap

- 2021 Positives -

- Expense mitigation – at Sept 30/21 expense reduction of \$477K plus receiving over \$200K through CEWS
- Retained 75% of full-time staff, and 50% of part-time staff
- Strengthen relationship with promoters to ensure a strong 2022 – 5 events on sale for 2022; additional announcements scheduled
- Hosted non-traditional events allowed under regulations – film and commercial shoots, retail events
- Safety hosted 6 Niagara River Lions home games at a 1,000 per capacity
- Return of the Niagara IceDogs at full capacity for the 2021/22 season
- Addition of a Mixed Martial Arts event in Nov 2021
- Ice Rentals hourly usage increased by 65%
- New ASM Global Ticketmaster deal now in place



Current Industry Trends

- Re-opening momentum is growing, increase demand for touring in 2022
- Spectator hesitancy to return to indoor events is impacting initial ticket sales.
- Higher spectator no-show rates are impacting ancillary revenues.
- Ticketless entry and cashless purchases has become the industry norm
- Hiring and retaining staff at all levels (full and part time) is an industry wide challenge.



2022 Operating Budget

- Guiding assumptions while building the 2022 Operating Budget-
 - 2019 Actual Budget as a comparison
 - No additional government / public health restrictions on the venue/industry
 - IceDogs games will return to their historical attendance
 - An aggressive calendar of concerts and events as the demand for touring increases
 - The Niagara River Lions will continue to grow their fan base in 2022
 - The venue will host the 2022 Canada Summer Games Opening Ceremonies and part of the men's and women's basketball tournament
 - Attracting and retaining management, supervisory and part-time staff will be a primary challenge
 - Additional labour expense will be necessary to ensure required public health and safety measures are administered and complied with.



2022 Operating Budget

	Budget 2022	Budget 2021	Budget 2020	Actual 2019	Actual 2018
Number of Events	81	67	75	84	102
Event Income					
Total Direct Event Income	\$ 346,675	\$ 236,216	\$ 289,372	\$ 297,680	\$ 383,065
Total Ancillary Income	\$ 804,617	\$ 664,524	\$ 838,969	\$ 886,034	\$ 914,685
Total Other Event Income	\$ 520,606	\$ 354,397	\$ 446,024	\$ 575,088	\$ 483,134
Total Event Income	\$ 1,671,898	\$ 1,255,137	\$1,574,365	\$1,758,802	\$1,780,884
Total Other Operating Income	\$ 374,556	\$ 242,023	\$ 415,917	\$ 463,698	\$ 432,408
Adjusted Gross Income	\$ 2,046,453	\$ 1,497,160	\$1,990,282	\$2,222,500	\$2,213,292
Operating Expenses					
Other Operating Expenses incl Wages	\$ 1,965,159	\$ 1,919,807	\$1,899,628	\$1,882,155	\$1,745,352
Utilities	\$ 523,332	\$ 411,332	\$ 565,200	\$ 499,714	\$ 552,364
SMG Management Fees	\$ 192,855	\$ 192,855	\$ 190,984	\$ 183,526	\$ 183,205
Total Operating Expenses	\$ 2,681,346	\$ 2,516,175	\$2,655,812	\$2,565,395	\$2,480,921
Net Income (Loss) From Operations	(\$ 634,893)	(\$1,019,015)	(\$ 665,530)	(\$ 342,895)	(\$ 267,629)
Other Income (Expenses)*	(\$ 236,879)	\$ -	\$ -	(\$ 91,599)	(\$ 171,605)
Net Income After Other Income (Expenses)	(\$ 871,772)	(\$1,019,015)	(\$ 665,530)	(\$ 434,494)	(\$ 439,234)

*For 2022 - Council approved fees waiver - Canada Summer Games



2022 Operating Budget

- Income & Expense Highlights and Trends
 - Increased total number of event, specifically concerts
 - Average event attendance will be lower due to spectator hesitancy (15% to 2019)
 - Net revenue per event is down (10% to 2019) due to projected increased event expense – primarily labour
 - Spectator per person food and beverage spending will increase (5-7%)
 - Ticketing Service Fee revenue share will increase due to new ASM Global Ticketmaster agreement and increased venue share percentage
 - Modest increases in operating expenses with hydro being the largest increase



Opportunities and Challenges

- Challenges

- Labour – attracting and retaining management, supervisory and part time casual staff
- Spectator hesitancy to return to indoor events
- Ticket Sales trends – last minutes, high no show percentages

- Opportunities

- Demand of Touring - Leveraging existing and new promoter relationships
- Implementing industry trends such as ticketless entry at concerts, additional food and beverage points of sale
- Cultivate alternate revenue streams - build on non-traditional event success – commercials, tradeshow, ice rentals





MEMO

To: City of St Catharines - Budget Committee
From: Jeff Dixon, General Manager – Meridian Centre
Subject: 2022 Operating Budget
Date: Oct 20, 2021
c.c.: Meridian Centre Governance Committee

Live events are returning to the Meridian Centre! After approximately 18 months of government restrictions limiting events and capacities inside the Meridian Centre, the venue is now allowed 100% capacity.

Capacity restrictions were lifted 1 day before the start of the 2021/22 Niagara IceDogs regular season. Though these restrictions have been lifted, both season tickets and single game ticket sales have been lower than past season trends. The games are also experiencing a high no show rate of attendees who have purchased tickets and choose not to attend the game. The lower ticket sales plus increase in no show rate have impacted ancillary revenues such as food and beverage sales. That being said, fans that are attending are purchasing and per person food and beverage spending is up 15%.

These trends are industry wide. As live event venues return to business, the proof of vaccination requirements and spectator hesitancy to gather at large indoor events has slowed the return the industry anticipated.

ASM Global at the Meridian Centre is optimistic for 2022 and did not remain idle while public health restrictions were in place; rather staff worked hard to continue to foster important promoter and client relations while lining up events for the 2022 season.

Proudly managed by



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 905-684-8400 www.meridiancentre.com

Developing the budget for 2022, below are some of the guiding assumptions

- No additional government / public health restrictions on the venue/industry
- IceDogs games will return to their historical attendance
- An aggressive calendar of concerts and events as the demand for touring is high
- The Niagara River Lions will continue to grow their fan base in 2022
- The venue will play host to the 2022 Canada Summer Games Opening Ceremonies and part of the men's and women's basketball tournament
- Attracting and retaining staff will be a primary challenge
- Additional labour expenses will be necessary to ensure required public health and safety measures are met.

The Meridian Centre's Operating budget can be simplified in three categories:

Income – consisting of revenues generated directly from events such as rent, food and beverage sales and ticket fees as well as revenues that are generated because of event hosting, such as annual Suite license fees, sponsorship revenues and advertising.

Service Expenses (Direct Event Expenses) – are the expenses related directly to the execution of the events, primarily part-time labour, contract labour, and specialty equipment rentals. The majority of these expenses are paid for by the client and the remainder are covered within the rental income.

Operating Expenses – are incurred through the normal day to day operations of the venue. Primarily many of these expenses are consistent year over year such as salaries, preventative maintenance, snow removal and telecommunications. There are expenses though such as supplies, credit card processing fees, utilities and even general repairs that are influenced by the number, type and size of events and will increase with increased usage and activity in the venue.

The Meridian Centre categorizes these Operating expenses as follows (with examples):

- Net Employee Wages and Benefits – full time salaries and benefits and indirect part-time labour
- General and Administrative – office supplies, marketing and sales expense, banking fees
- Operations – snow removal, landscaping, trash removal, vehicle repair
- Repair & Maintenance – preventative maintenance and general repairs
- Operating Supplies – janitorial supplies, telecommunications
- Insurance
- Utilities
- ASM Global Management Fees

Built as an economic driver for the downtown core and City, the Meridian Centre operates at an annual net loss. The revenue generation model of the Meridian Centre requires 3rd party organizations such as tenants (Niagara IceDogs, Niagara River Lions), promoters (ie. Live Nation, Cirque Du Soleil) and other clients (ie. tradeshow, banquets, meetings) to rent the venue for their events. With each additional revenue producing event booked at the Meridian Centre, the venue's annual operating deficit is reduced.

Due to the global pandemic and restrictions imposed by Ontario Regulation 364/20, the Meridian Centre had been unable to host events for most of 2020 and part of 2021. As the Centre was recently able to open up further, there were capacity restrictions which limited the Centre's ability to generate revenue. Capacity limits have increased to 100% capacity in early October 2021 but there may still be a hesitancy in people to attend indoor events with larger crowds.

The Niagara Ice Dogs of the OHL - the primary tenant of the venue – have begun their 2021-2022 season in October. Meridian Centre is anticipating that attendance at games will grow as more people are vaccinated and become more comfortable in larger indoor crowds.

As the target date for a return of Live Events at the Meridian Centre has been shifting, ASM Global strives to balance cost mitigation with business continuity. Management focuses on the need to reduce expenses while maintaining the venue, communicating with clients and retaining key employees who will play an imperative role when Live Events return to the venue.

Assumptions	Proposed 2022 Budget	Approved 2021 Budget	2019 Actual
Hockey (IceDogs)	38 Games	43 Games	39 Games
Basketball (River Lions)	10 Games	10 Games	10 Games
Concerts and Live Events	33 Concerts/ Events	14 Concerts/ Events	35 Concerts/Events
Capacity Restrictions	100%	Q1-0%, Q2-25%, Q3-100%, Q4-100%	No capacity restrictions
Ice Rentals	Jan-Mar & Oct-Dec	Oct-Dec	Jan-Mar & Oct-Dec
Total # of Events	81	67	84
EVENT INCOME			
Direct Event Income			
Rental Income	479,940	325,553	426,812
Billed Service Revenue	544,354	277,761	557,245
Direct Expenses - Labour; Materials and Services	(677,619)	(367,098)	(686,377)
Total Net Direct Event Income	346,675	236,216	297,680
Ancillary Income			
Gross Food & Beverage Revenue	2,415,810	1,917,642	2,483,946
F & B Direct Labour	(685,869)	(517,682)	(824,795)
F & B Direct Cost of Goods	(849,892)	(654,031)	(628,423)
Revenue Share (Tenants)	(105,657)	(101,327)	(164,706)
Net Food & Beverage Revenue	774,392	644,602	866,022
Novelty Sales (Merchandise)	30,225	19,922	20,012
Total Ancillary Income	804,617	664,524	886,034
Other Event Income			
Premium Tickets, Ticket Rebates, Facility Fees	520,606	354,397	575,088
TOTAL EVENT INCOME	1,671,898	1,255,137	1,758,802
OTHER OPERATING INCOME			
Suites, Sponsorship, Advertising, Ice Rentals	374,556	242,023	463,698
ADJUSTED GROSS INCOME	2,046,453	1,497,160	2,222,500

	Proposed 2022 Budget	Approved 2021 Budget	2019 Actual
INDIRECT OPERATING EXPENSES			
Salaries and Benefits	1,259,507	1,223,519	1,184,889
Contracted Services	1,800	1,800	4,038
General and Administrative	211,849	193,632	218,637
Operations	170,176	163,846	159,712
Repairs & Maintenance	159,000	150,000	171,944
Operating Supplies	116,366	136,030	85,335
Insurance	46,461	43,161	57,600
Utilities	523,332	411,332	499,714
ASM Global Management Fees	192,855	192,855	183,526
Total Indirect Expenses	2,681,346	2,516,175	2,565,395
NET INCOME / (LOSS)	(\$ 634,893)	(\$ 1,019,015)	(342,895)
Other Items – Canada Summer Games 2022- City portion	(236,879)		91,599
Other items-ASM Global Incentive fee 2019			
ADJUSTED NET INCOME / (LOSS)	(\$ 871,772)	(\$ 1,019,015)	(434,494)

The main increases in indirect expenses in 2022 Budget compared to the 2021 Budget are as follows:

- Salaries and Benefits – increase of \$35,988 – increase resulting from cost of living increase to wages and benefits cost increase.
- General and Administrative – increase of \$18,217. The main components of increase are:
 - Total increase of \$11,489 because of Increases in Travel; Meetings and Conventions; Marketing Exp; Credit Card Charges and additional software costs. These increases result from re-opening the Centre and returning to an increased level of business. Included in that total is a reduction of \$8,650 in payroll processing charges resulting from upgrading the version of third-party software being used.
- Operating Expense – increase of \$6,330 – the main increase is a point-of-sale software upgrade
- Repairs & Maintenance – increase of \$9,000 – mainly resulting from increases to General Maintenance; Mechanical Systems and Kitchen Equipment maintenance made necessary as the building ages.
- Operational Supplies – reduction in cost of \$19,664 – this reduction results from reducing Janitorial Supplies and Chemicals after determining that these expenses were expected to be higher in 2021 than turned out to be the case.
- Insurance – minor increase of \$2,700 resulting from price increase.
- Utilities – increase of \$112,000 – mainly because of usage increase with the building re-opening for events – hockey and live events - plus a rate increase in price of electricity.
- ASM Global Management Fees – no increase expected

Staff recruitment and retention are at a critical point and a primary focus for ASM Global at the Meridian Centre. The majority of the full-time staff have now returned from a 2021 reduced work week or layoff. Finding sufficient part time staff to operate Food & Beverage; Guest Services and Building Operations has been extremely challenging.

Meridian Centre - St. Catharines
2022 Draft Budget
Commentary

	2022 Draft Budget	2020 Budget	Notes to 2022 Budget
Number of Events	81	75	Number of events anticipated events similar to original 2020 Budget plus
Attendance	251,545	242,782	Canada Summer Games events Increased number of events
Direct Event Income			
Rental Income	479,940	411,800	Rental Income is expected to be increased because of additional events with rent
Service Income	544,354	525,787	Service Income expected to be similar to original 2020 Budget
Service Expenses	(677,619)	(648,215)	Service Expenses expected to be similar to original 2020 Budget
Total Direct Event Income	346,675	289,372	
Ancillary Income			
F & B Concessions	598,446	633,354	Concessions revenue expected to be similar to 2020 original budget
F & B Catering	175,945	177,974	Concessions revenue expected to be similar to 2020 original budget
Novelty Sales	30,225	27,642	Slight increase because of types of events
Total Ancillary Income	804,617	838,969	
Other Event Income			
Luxury Box Ticket Sales	11,500	8,800	Slight increase because of specific events
Club Seat Ticket Sales	5,350	1,350	Slight increase because of specific events
Ticket Rebates (Per Event)	148,550	124,440	Increase in venue fee on tickets
Facility Fees	355,206	311,434	Increased share of ticket revenue from TicketMaster
Total Other Event Income	520,606	446,024	
Total Event Income	1,671,898	1,574,365	
Other Operating Income			
Suite Income	166,018	184,464	Suite revenue reduced by 15% for Jan - August 2022 because of 2019-20 season shortened by Covid (mid-March 2020)
Club Seat Income	25,988	34,650	Reduced events and COVID-19 distancing restrictions will cause a reduction in revenue
Advertising Income	35,500	43,603	Expected reduced revenues for 2022
Ice Rental Net Income	130,900	130,900	Ice Rentals are anticipated to be similar to 2019-2020
Other (Interest, Vending, etc)	16,150	22,300	Reduced other revenue - mainly interest - because of delay in ticketed events returning to the Centre
Total Other Operating Income	374,556	415,917	
Adjusted Gross Income	2,046,453	1,990,282	

Meridian Centre - St. Catharines
2022 Draft Budget
Commentary

	2022 Draft Budget	2020 Budget	Notes to 2022 Budget
Operating Expenses			
Employee Salaries and Wages	1,083,507	1,020,626	A projected 2% wage increase for cost of living is included as it did not happen in 2020 or 2021 because of COVID-19 issues
Benefits	176,000	170,541	Benefits costs are increased slightly over 2020-21
Net Employee Wages and Benefits	1,259,507	1,191,167	
Contracted Services	1,800	3,200	Reduced need for contracted services for 2022
General and Administrative	211,849	236,654	advertising; marketing and photography)
Operations	170,176	168,216	Operating costs expected to be similar to 2020
Repair & Maintenance	159,000	151,180	Increases in repair & maintenance costs expected for 2022
Supplies	116,366	91,608	Increase in Supplies is expected because of additional cleaning and sanitizing required by COVID-19 protocols
Insurance	46,461	57,603	Insurance costs are reduced for 2022
Utilities	523,332	565,200	Reduced costs because of replacing sports lighting systems with LED bulbs and fixtures and improved efficiencies
SMG Management Fees (excl Incentives)	192,855	190,984	Contracted cost for management fees
Total Operating Expenses	2,681,346	2,655,812	
Net Income (Loss) From Operations	(634,893)	(665,530)	
Other Income (Expenses)	(236,879)	-	City Costs for Canada Summer Games concert, opening ceremonies and basketball tournament
Net	(871,772)	(665,530)	

Meridian Centre
2022 Draft Budget

Meridian Centre	2022 Draft Budget	2020 Budget	2019 Actual	Actual 2018	Actual 2017
Number of Events	81	75	84	102	113
Attendance	251,545	242,782			
Direct Event Income					
Rental Income	479,940	411,800	426,812	621,848	424,123
Service Income	544,354	525,787	557,245	605,004	381,019
Service Expenses	(677,619)	(648,215)	(686,377)	(843,787)	(561,510)
Total Direct Event Income	346,675	289,372	297,680	383,065	243,632
Ancillary Income					
F & B Concessions	598,446	633,354	692,931	725,547	634,022
F & B Catering	175,945	177,974	173,091	160,830	212,844
Novelty Sales	30,225	27,642	20,012	28,308	41,484
Total Ancillary Income	804,617	838,969	886,034	914,685	888,350
Other Event Income					
Luxury Box Ticket Sales	11,500	8,800	62,554	-	-
Club Seat Ticket Sales	5,350	1,350	-	14,381	8,161
Ticket Rebates (Per Event)	148,550	124,440	185,911	113,207	87,825
Facility Fees	355,206	311,434	326,623	355,546	278,234
Total Other Event Income	520,606	446,024	575,088	483,134	374,220
Total Event Income	1,671,898	1,574,365	1,758,802	1,780,884	1,506,202
Other Operating Income					
Suite Income	166,018	184,464	170,477	178,829	160,375
Club Seat Income	25,988	34,650	31,800	36,771	37,310
Advertising Income	35,500	43,603	44,589	47,987	49,198
Ice Rental Net Income	130,900	130,900	185,660	126,030	115,076
PAC Catering Revenue	-	-	-	7,490	3,137
Other (Interest, Vending, etc)	16,150	22,300	31,172	35,301	19,302
Total Other Operating Income	374,556	415,917	463,698	432,408	384,398
Adjusted Gross Income	2,046,453	1,990,282	2,222,500	2,213,292	1,890,600
Operating Expenses					
Employee Salaries and Wages	1,083,507	1,020,626	1,024,113	966,035	1,001,003
Benefits	176,000	170,541	160,776	185,108	191,880
Net Employee Wages and Benefits	1,259,507	1,191,167	1,184,889	1,151,143	1,192,883
Contracted Services	1,800	3,200	4,038	2,055	2,177
General and Administrative	211,849	236,654	218,637	221,946	182,370
Operations	170,176	168,216	159,712	114,576	103,483
Repair & Maintenance	159,000	151,180	171,944	120,561	146,786
Supplies	116,366	91,608	85,335	73,865	81,137
Insurance	46,461	57,603	57,600	61,206	58,101
Other Operating Expenses incl Wages	1,965,159	1,899,628	1,882,155	1,745,352	1,766,937
Utilities	523,332	565,200	499,714	552,364	542,662
SMG Management Fees	192,855	190,984	183,526	183,205	180,497
Total Operating Expenses	2,681,346	2,655,812	2,565,395	2,480,921	2,490,096
Net Income (Loss) From Operations	(634,893)	(665,530)	(342,895)	(267,629)	(599,496)
Other Income (Expenses)	(236,879)		(91,599)	(171,605)	(148,479)
Net Income After Other Income (Expenses)	(871,772)	(665,530)	(434,494)	(439,234)	(747,975)

(before any applicable SMG incentive payments, property taxes & property insurance)

COMMENTS

**Meridian Centre
 2022 Draft Budget
 Event Income Summary**

704	0	706	707	709	712	721	722	
Concerts	Convention s	Entertainment	Family Shows	Sporting Events	Other	IceDogs Hockey	RiverLions Basketball	Grand Total 2022 Budget
16	-	1	2	11	2	38	10	81
53,000	-	4,675	5,800	22,900	1,170	154,000	10,000	251,545
3313	-	4675	2900	2082	585	4053	1000	3105

Direct Event Income

Rental Income	97,000	-	12,000	22,000	114,250	5,500	189,190	30,000	479,940
Service Income	203,375	-	16,500	32,000	184,879	5,600	72,000	25,000	544,354
Service Expenses	(244,050)	-	(19,800)	(38,400)	(220,569)	(6,800)	(108,000)	(35,000)	(677,619)
	56,325	-	8,700	15,600	78,560	4,300	153,190	20,000	346,675

Ancillary Income

F & B Concessions	207,232	-	10,531	7,625	43,937	15,059	286,357	27,705	598,446
F & B Catering	65,448	-	2,496	381	13,962	-	75,380	18,280	175,945
Novelty Sales	25,065	-	1,680	3,480	-	-	-	-	30,225
	297,745	-	14,706	11,486	57,899	15,059	361,737	45,985	804,617

Other Event Income

Luxury Box Ticket Sales	8,000	-	2,000	1,500	-	-	-	-	11,500
Club Seat Ticket Sales	4,000	-	-	1,350	-	-	-	-	5,350
Ticket Rebates (Per Event)	116,000	-	15,000	13,200	4,100	-	-	250	148,550
Facility Fees	149,000	-	13,005	15,700	10,400	-	166,351	750	355,206
Total Other Event Income	277,000	-	30,005	31,750	14,500	-	166,351	1,000	520,606

Total Event Income

	631,070	-	53,411	58,836	150,959	19,359	681,278	66,985	1,671,898
Avg Event Income per Event	39,442	-	53,411	29,418	13,724	9,680	17,928	6,699	20,641