

May 4, 2020

To: Standing Policy Committee on Finance – May 11, 2020
From: Lynn Flury/Todd Brandt
Re: Virtual Presentation by Tourism Saskatoon

I am pleased to provide you with the following documents in preparation for the meeting:

- 2019 Measures Dashboard - Final
- 2019 Audited Financial Statements
- 2020 Measures Dashboard
- 2020 Operating and Capital Budget summary, including statement of leveraging ratio of City Funding
- Request for One-Time Marketing Investment

Our Board Chair and I will be in attendance to respond to any questions the Committee might have. In addition, we are asking for consideration by the City of Saskatoon to support a one-time investment in Destination Marketing as part of a Post-Covid Economic Recovery Plan. (Attached)

I look forward to our discussions.

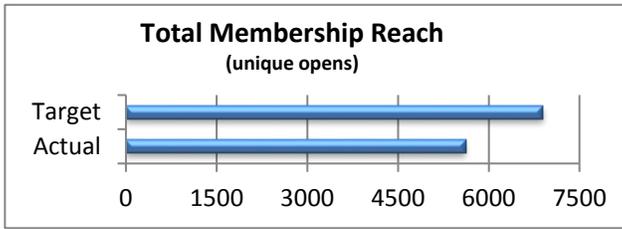
Sincerely,



Todd Brandt,
President & CEO

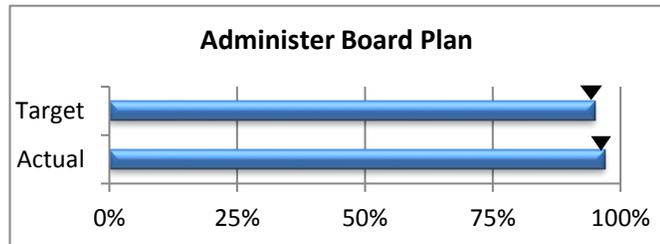
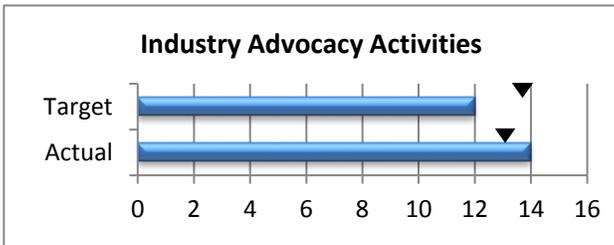
2019 Measures Dashboard - Final

Membership Engagement

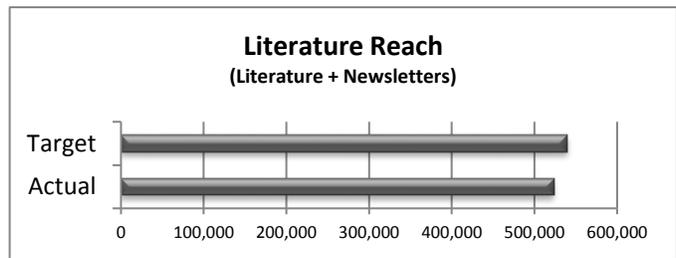
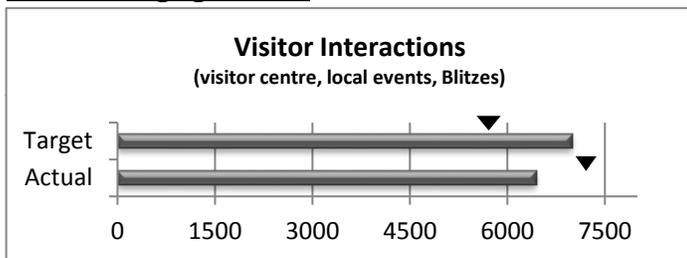


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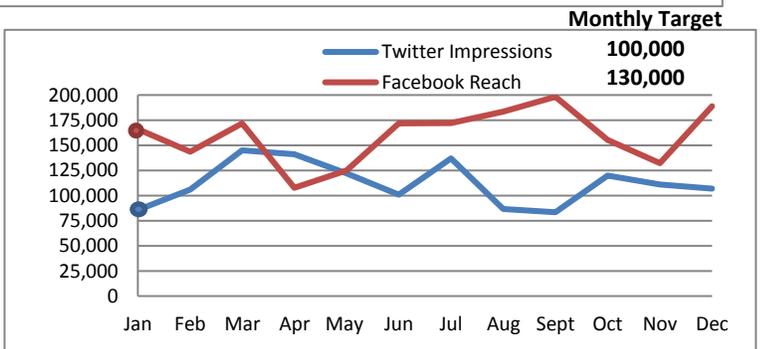
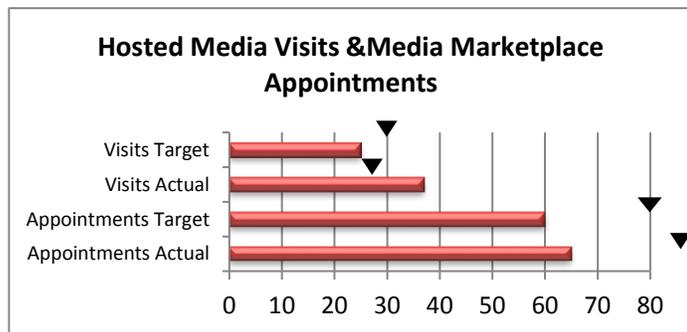
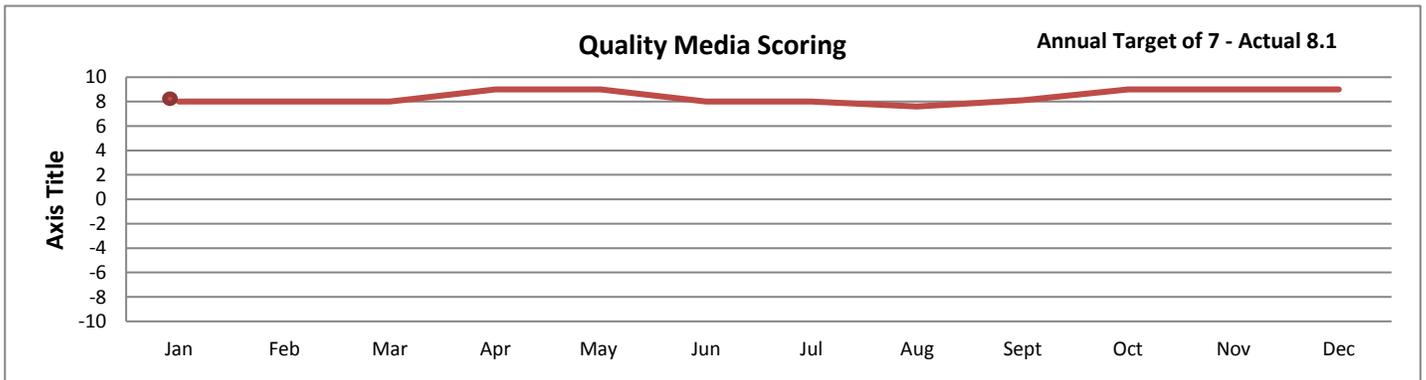
Administration/Destination Innovation



Visitor Engagement

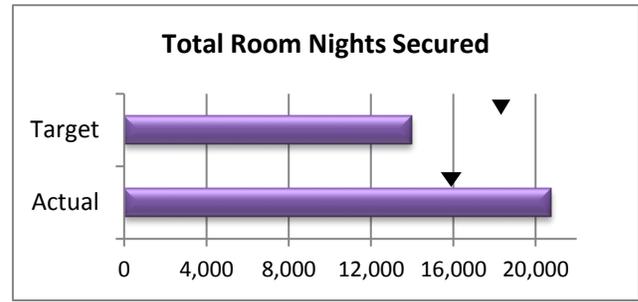
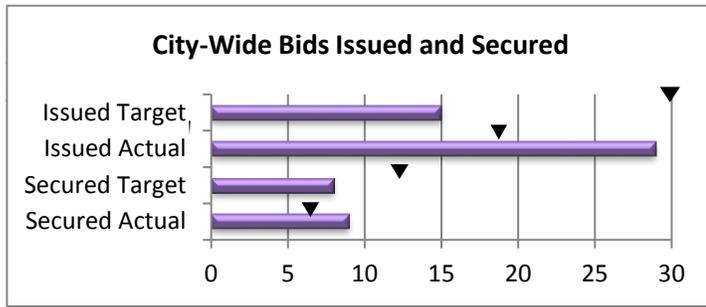


Earned Media

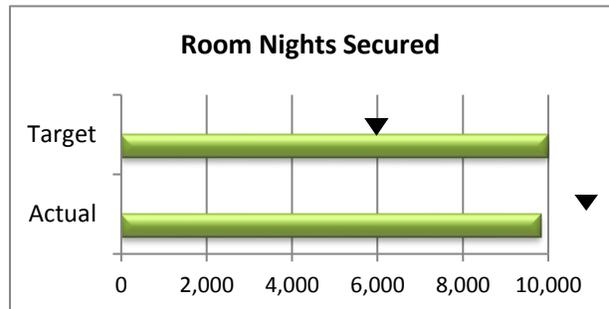


2019 Measures Dashboard - Final

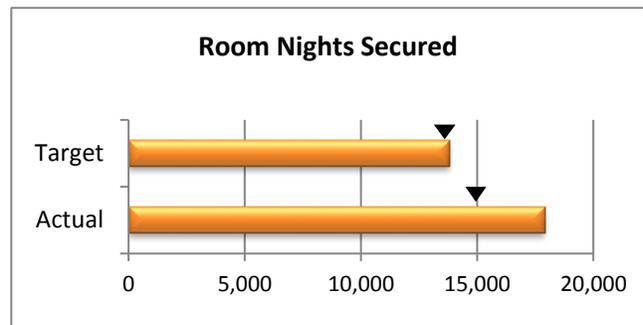
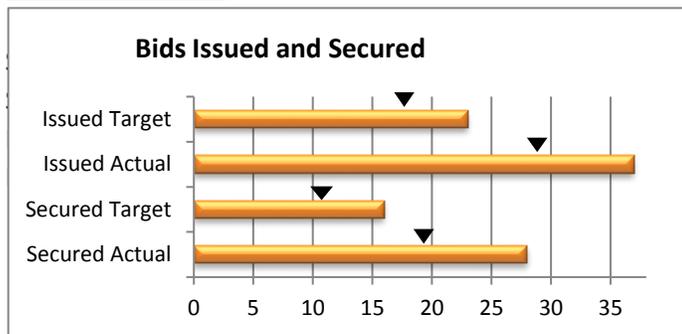
National Conventions and Events



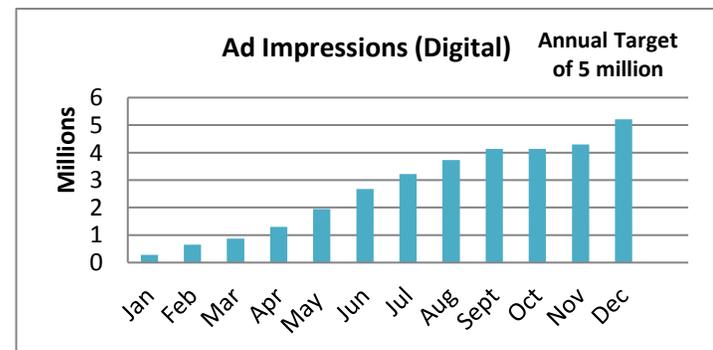
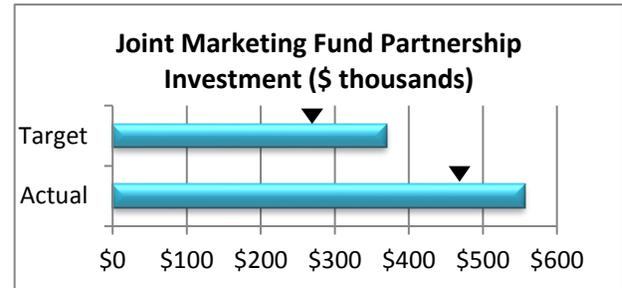
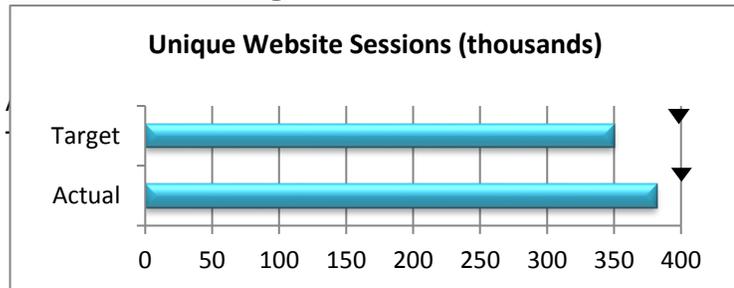
International Conventions and Events



Sport Tourism

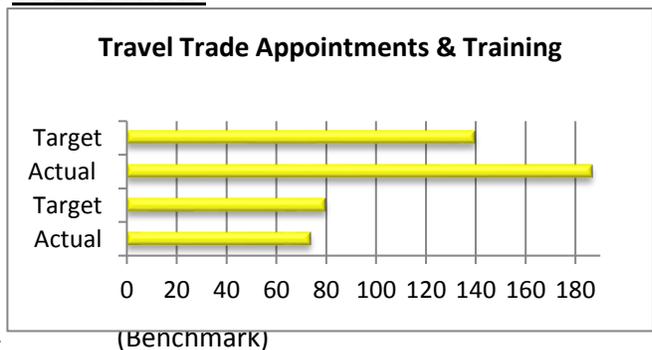


Leisure Marketing



Travel Trade

Trade Room Nights Generated Actual 184



Financial Statements of

**SASKATOON VISITOR &
CONVENTION BUREAU INC.**

And Independent Auditors' Report Communication
thereon

Year ended December 31, 2019



KPMG LLP
500-475 2nd Avenue South
Saskatoon Saskatchewan S7K 1P4
Canada
Tel (306) 934-6200
Fax (306) 934-6233

INDEPENDENT AUDITORS' REPORT

To the Members

Opinion

We have audited the financial statements of Saskatoon Visitor & Convention Bureau Inc. (the Bureau), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

We are independent of the Bureau in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bureau's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bureau or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bureau's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bureau's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bureau to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly curved line that extends to the right.

Chartered Professional Accountants

March 3, 2020
Saskatoon, Canada

SASKATOON VISITOR & CONVENTION BUREAU INC.

Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash	\$ 53,969	\$ 303,995
Restricted cash and investments (note 10)	278,459	172,382
Accounts receivable - Destination		
Marketing Program	390,965	564,275
Accounts receivable	38,237	21,516
Prepaid expenses and deposits	170,732	97,315
Short-term investments	632,617	452,362
Inventories	7,329	2,701
	<u>1,572,308</u>	<u>1,614,546</u>
Property and equipment (note 3)	62,920	65,120
	<u>\$ 1,635,228</u>	<u>\$ 1,679,666</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 258,300	\$ 258,942
Deferred contributions (note 5)	669,424	736,657
	<u>927,724</u>	<u>995,599</u>
Deferred contributions for property and equipment (note 6)	229,465	227,821
Net assets:		
Operating surplus	478,015	456,216
Equity in property and equipment	24	30
	<u>478,039</u>	<u>456,246</u>
Commitments (note 7)		
	<u>\$ 1,635,228</u>	<u>\$ 1,679,666</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

SASKATOON VISITOR & CONVENTION BUREAU INC.

Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Partnership projects and sales (note 8)	\$ 3,181,433	\$ 2,885,530
City of Saskatoon	513,800	510,100
Membership	104,849	104,660
Amortization of deferred contributions	21,156	23,657
In-kind revenue	5,550	11,285
	<u>3,826,788</u>	<u>3,535,232</u>
Expenses:		
Leisure, travel and convention marketing	3,480,999	3,228,281
Membership services	171,286	163,826
Visitor services	147,160	122,622
In-kind expenses	5,550	11,285
	<u>3,804,995</u>	<u>3,526,014</u>
Excess of revenue over expenses	\$ 21,793	\$ 9,218

See accompanying notes to financial statements.

SASKATOON VISITOR & CONVENTION BUREAU INC.

Statement of Changes in Net Assets

Year ended December 31, 2019, with comparative information for 2018

	Operating surplus	Equity in property and equipment	Total 2019	Total 2018
Balance, beginning of year	\$ 456,216	\$ 30	\$ 456,246	\$ 447,028
Excess of revenue over expenses	21,799	(6)	21,793	9,218
Purchase of property and equipment	(18,962)	18,962	-	-
Allocation of deferred contributions	18,962	(18,962)	-	-
Balance, end of year	\$ 478,015	\$ 24	\$ 478,039	\$ 456,246

See accompanying notes to financial statements.

SASKATOON VISITOR & CONVENTION BUREAU INC.

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash flows from (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 21,793	\$ 9,218
Items not involving cash:		
Amortization of property and equipment	21,162	43,850
Amortization of deferred contributions	(21,156)	(23,657)
	21,799	29,411
Change in non-cash operating working capital:		
Accounts receivable	(16,721)	68,766
Accounts receivable - Destination Marketing Program	173,310	(96,176)
Inventories	(4,628)	1,068
Prepaid expenses and deposits	(73,417)	28,867
Accounts payable and accrued liabilities	(642)	2,731
Deferred contributions	(67,233)	46,062
	32,468	80,729
Investing activities:		
Purchase of property and equipment	(18,962)	(489)
Purchase of investments	(180,255)	(205,256)
Deferred contributions for property and equipment (note 6)	22,800	20,084
Restricted cash and investments	(106,077)	50,114
	(282,494)	(135,547)
Decrease in cash	(250,026)	(54,818)
Cash, beginning of year	303,995	358,813
Cash, end of year	\$ 53,969	\$ 303,995

See accompanying notes to financial statements.

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements

Year ended December 31, 2019

General:

Saskatoon Visitor and Convention Bureau Inc. (the "Bureau") is incorporated under the *Non-Profit Corporations Act of Saskatchewan* and operates as Tourism Saskatoon with a mission to realize economic benefits for Saskatoon through tourism. The Bureau is not liable for federal or provincial income taxes under the Income Tax Act (Canada).

1. Economic dependence:

Ongoing operation of the Bureau is dependent on continuing support of the City of Saskatoon and the membership of the Bureau.

2. Significant accounting policies:

(a) Use of estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Areas that require significant management estimates include the valuations of accounts receivable and the useful lives of property and equipment. Actual results could differ from these estimates.

(b) Cash:

Cash consists of cash and cash equivalents with an initial term to maturity of three months or less.

Restricted cash and investments consists of cash received from Destination Marketing Program contributions where the cash received is restricted for purposes of the related agreement for expenditure of the funds received. The Bureau may invest cash received from Destination Marketing Program contributions in short-term investments bearing interest.

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements (continued)

Year ended December 31, 2019

2. Significant accounting policies (continued):

(c) Financial instruments:

Financial assets and liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below:

- Cash, restricted cash and short-term investments are measured at fair value. Fair value fluctuations in these assets which may include interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in revenue.
- Accounts receivable, accounts receivable - Destination Marketing Program and accounts payable and accrued liabilities are recorded at amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Bureau determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Bureau expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) Property and equipment:

Property and equipment are stated at cost. Amortization is provided over the estimated useful lives of the assets using the following methods and annual rates:

Property and equipment	Method	Rate
Furnishings and equipment	Declining balance	20%-30%
E-Commerce	Declining balance	30%
Leasehold improvements	Straight-line	10%

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements (continued)

Year ended December 31, 2019

2. Significant accounting policies (continued):

(e) Net assets:

The Bureau segregates net assets between operating surplus and equity in property and equipment.

Operating surplus represents amounts available for on-going operation of the Bureau.

Equity in property and equipment represents property and equipment less unamortized capital contributions used to purchase property and equipment.

(f) Inventories:

Inventories of promotional items and various publications for resale are valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(g) Revenue recognition:

The Bureau recognizes revenue from grants as earned based on the terms of the agreements. Membership revenue is recognized when received. Revenue from fees, contracts and items for resale are recognized when the services are provided or the goods are sold.

The Bureau recognizes revenue and expenses for contributed products and services that would otherwise have been purchased by the Bureau, at the estimated value of such products and services. The current year's membership revenue includes \$3,278 of in-kind memberships (2018 — \$5,176).

Revenue received for externally restricted special projects where the related costs will be incurred in future periods is deferred on the statement of financial position. These revenues will be recorded on the statement of operations in the period when the related costs are incurred.

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements (continued)

Year ended December 31, 2019

2. Significant accounting policies (continued):

(h) Allocation of general administration expenses:

The Bureau classifies expenses on the statement of operations by function. The Bureau allocates certain costs by identifying the appropriate basis of allocation and applying that basis consistently each year. Administration expenses are allocated based on estimates of staff activities and resource usage.

Administration expenses of \$556,097 (2018 — \$478,225) have been allocated as follows:

	2019		2018	
Leisure, travel and convention marketing	\$	444,877	\$	382,579
Visitor services		55,610		47,823
Membership services		55,610		47,823
	\$	556,097	\$	478,225

3. Property and equipment:

	2019		2018	
	Cost	Accumulated amortization	Net book value	Net book value
Furnishings and equipment	\$ 409,686	\$ 377,186	\$ 32,500	\$ 29,904
E-Commerce	431,097	400,677	30,420	35,216
Leasehold improvements	230,275	230,275	-	-
	\$ 1,071,058	\$ 1,008,138	\$ 62,920	\$ 65,120

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$30,066 (2018 — \$19,723), which includes amounts payable for GST and PST.

5. Deferred contributions:

The Bureau receives operational and special project funding that has been deferred and will be recognized as revenue on the statement of operations in the year to which the funding relates. All deferred contributions are anticipated to be utilized in the next fiscal year. Deferred contributions are comprised of funding from the following sources:

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements (continued)

Year ended December 31, 2019

5. Deferred contributions (continued):

	2019	2018
Destination Marketing Program (note 10)	\$ 669,424	\$ 736,657
	\$ 669,424	\$ 736,657

Restricted cash and investments of \$279,459 (2018 - \$172,382) relates to deferred contributions from Destination Marketing Program (see note 10).

6. Deferred contributions for property and equipment:

Deferred contributions for property and equipment is comprised of the unamortized contributions used to purchase property and equipment and the contributions that have not yet been used to purchase property and equipment. The amortization of these deferred contributions is recorded as revenue in the statement of operations.

	2019	2018
Balance, beginning of year	\$ 227,821	\$ 231,394
Additional contributions received:		
City of Saskatoon	22,800	22,800
Less amounts amortized to revenue	(21,156)	(23,657)
Less amounts allocated to repairs and maintenance	-	(2,716)
	\$ 229,465	\$ 227,821

The balance of unamortized capital contributions and unspent contributions related to property and equipment consists of the following:

	2019	2018
Unamortized capital contributions used to purchase assets	\$ 62,896	\$ 65,090
Unspent contributions	166,569	162,731
	\$ 229,465	\$ 227,821

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements (continued)

Year ended December 31, 2019

7. Commitments:

The Bureau is committed to marketing support bids through the fiscal year 2021 and leases office equipment and office space under long-term operating leases which expire in the fiscal years through 2022 and 2023 respectively.

Future payments are estimated as follows:

	Marketing support bids	Office space	Equipment	Total
2020	\$ 221,100	\$ 98,062	\$ 3,593	\$ 322,755
2021	67,500	102,631	3,593	173,724
2022	13,000	105,401	270	118,671
2023	187,500	70,915	-	258,415
2024 and future years	216,200	-	-	216,200
	\$ 705,300	\$ 377,009	\$ 7,456	\$ 1,089,765

Each year the Bureau on behalf of the Saskatoon Hotel Association through the Destination Marketing Program provides funding for marketing support bids. Commitments with respect to these marketing support bids are described above. The Bureau also provides funding to Saskatoon Sports Tourism Inc. ("Sports Tourism") to assist in their operations. Sports Tourism is committed to provide funding for marketing support bids related to sporting events. Amounts estimated by Sports Tourism for marketing support bids related to sporting events and not included above are \$101,000 for 2020 and \$323,000 for subsequent years.

8. Partnership projects and sales:

	2019	2018
Saskatoon Hotel Association	\$ 2,997,660	\$ 2,777,260
Member events, sales missions, advertising and other	179,592	105,425
Sales of specialty items and maps	4,181	2,845
	\$ 3,181,433	\$ 2,885,530

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements (continued)

Year ended December 31, 2019

9. Financial risks and concentration of credit risk:

(a) Liquidity risk:

Liquidity risk is the risk that the Bureau will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Bureau manages its liquidity risk by monitoring its operating requirements. The Bureau prepares budgets to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss. The Bureau is exposed to credit risk with respect to accounts receivable, short-term investments and restricted cash and investments. The Bureau assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. Credit risk related to cash, restricted cash and investments and short-term investments is minimized by dealing with financial institutions that have strong credit ratings.

(c) Interest rate risk:

The Bureau is exposed to interest rate risk arising from fluctuation in interest rates on amounts invested in interest bearing accounts and short term investments.

10. Destination Marketing Program Contributions:

The Bureau has signed an agreement with the Saskatoon Hotel Association to provide funding to the Bureau for the Destination Marketing Program to increase total overnight visitation and expenditures in Saskatoon. The agreement is for the period January 1, 2017 to December 31, 2019. A new agreement has been signed with Saskatoon Destination Marketing Hotels Inc. for the period January 1, 2020 to December 31, 2022. Funding available and current expenditures for each of the years ended December 31, 2019 and 2018 are as follows:

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements (continued)

Year ended December 31, 2019

10. Destination Marketing Program Contributions (continued):

	2019	2018
Funding:		
Destination Marketing Program	\$ 3,702,622	\$ 3,604,870
Expenditures:		
Salaries and benefits	587,031	635,338
Meetings	338,529	359,496
Saskatoon Sports Tourism Inc.	337,381	309,549
Web marketing	226,591	289,276
International market	212,509	175,679
Joint marketing	189,500	189,000
Other market	166,135	143,478
Printing	138,741	106,190
Familiarization tours	130,298	104,030
Business plan development	129,452	142,240
Traditional advertising	127,863	62,300
Travel media promotions	125,954	81,355
Publications	75,939	80,234
Administrative	48,000	30,048
Initiatives	44,273	39,724
Memberships	35,538	31,866
Travel trade Rendez-vous Canada	35,185	14,396
Writing services	22,747	18,266
Images	15,890	11,812
Research	15,016	21,949
Marketing	14,402	6,972
Saskatchewan Association of Travel Writers	4,624	-
Travel media	4,590	8,838
Campaign design	4,219	1,537
Local planners	2,791	4,640
	3,033,198	2,868,213
Deferred contributions	\$ 669,424	\$ 736,657

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements (continued)

Year ended December 31, 2019

10. Destination Marketing Program Contributions (continued):

An analysis of deferred contributions is as follows:

Balance, beginning of year	\$	736,657	\$	690,595
Cash received		3,139,275		2,818,099
Accounts receivable, end of year		390,965		564,275
Accounts receivable, beginning of year		(564,275)		(468,099)
Expenditures		(3,033,198)		(2,868,213)
Balance, end of year	\$	669,424	\$	736,657
Restricted cash and investments	\$	278,459	\$	172,382

Restricted cash and investments are comprised of the following:

Cash	\$	279,459	\$	5,717
Short-term investments		-		166,665
	\$	279,459	\$	172,382

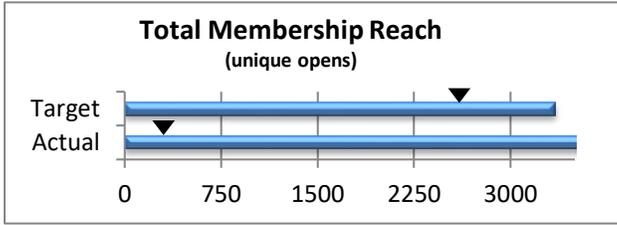
Each year the Destination Marketing Program provides funding to Saskatoon Sports Tourism Inc. for activities and marketing support bids related to sporting events.

11. Comparative figures:

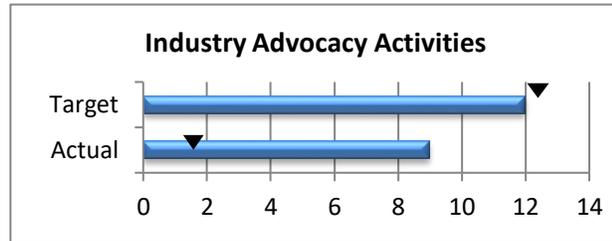
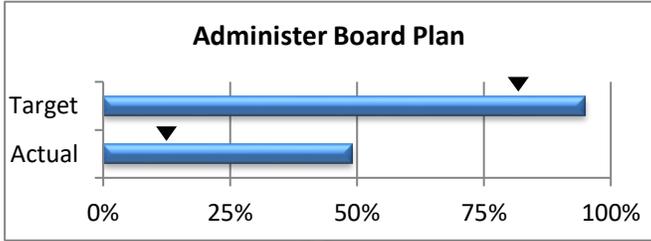
Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

2020 Measures Dashboard - March

Membership Engagement



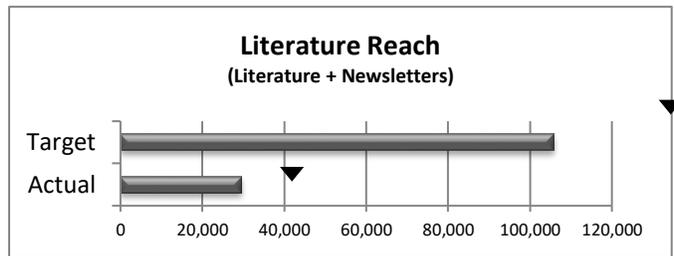
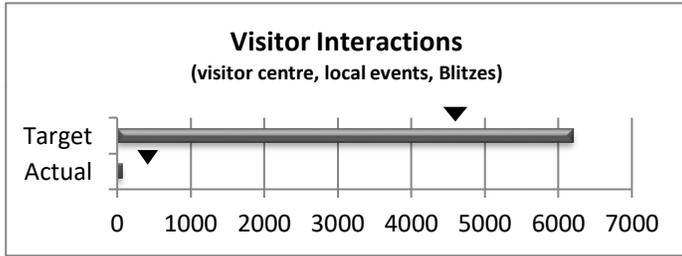
Administration/Destination Innovation



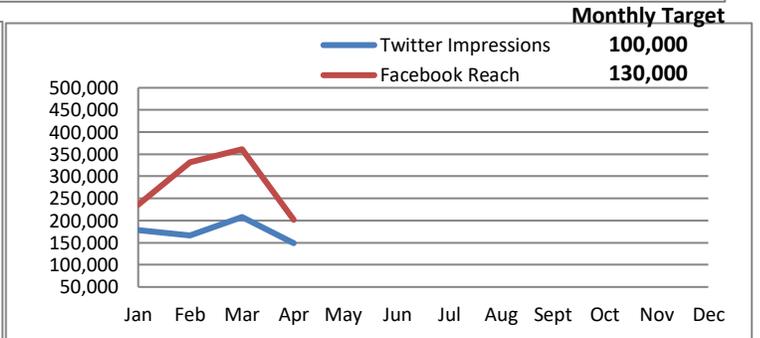
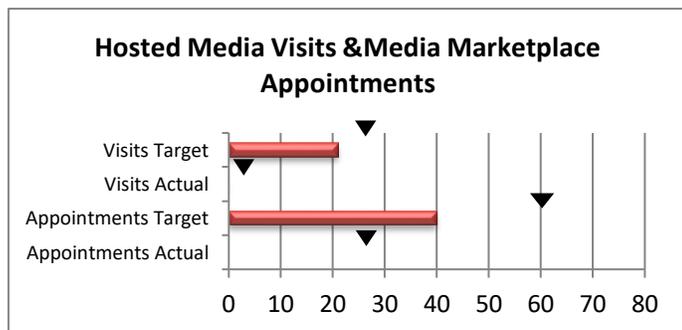
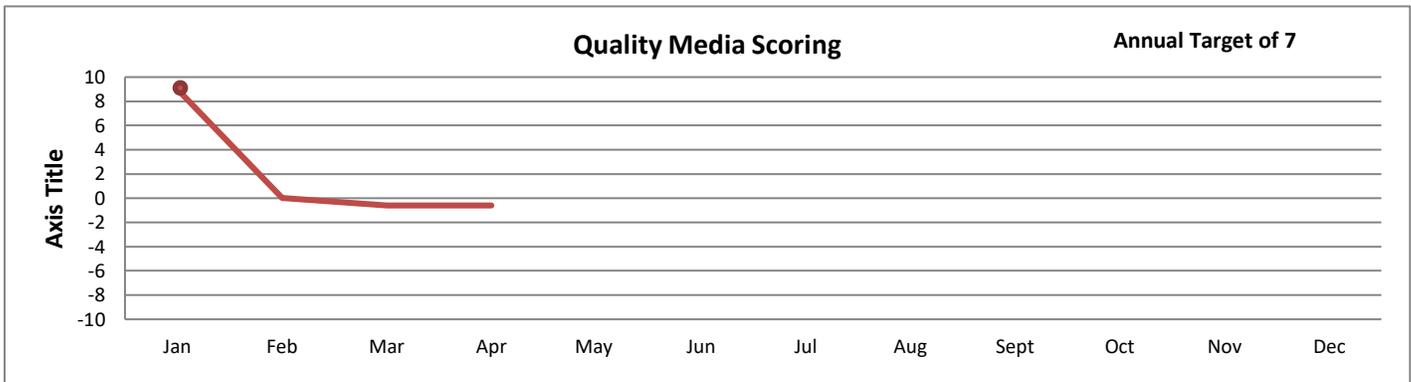
Clean Audit

YES NO

Visitor Engagement

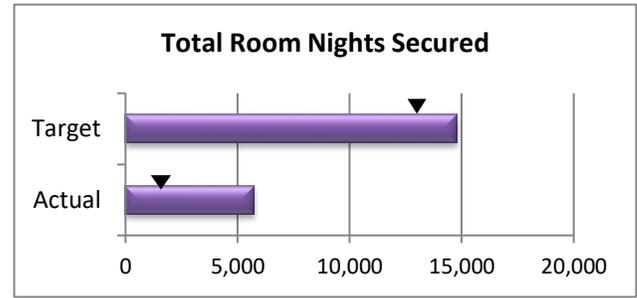
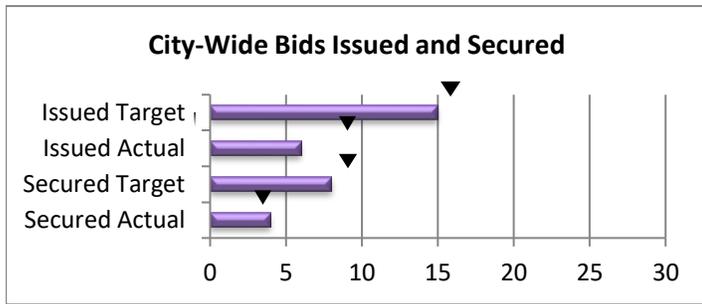


Earned Media

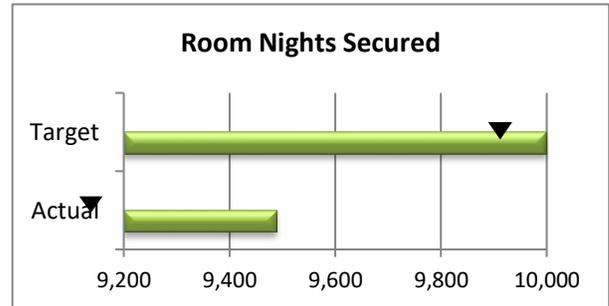


2020 Measures Dashboard - March

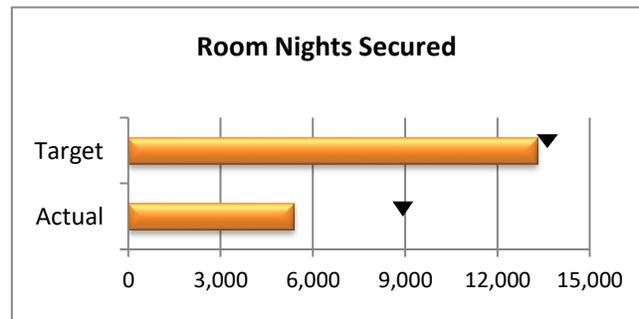
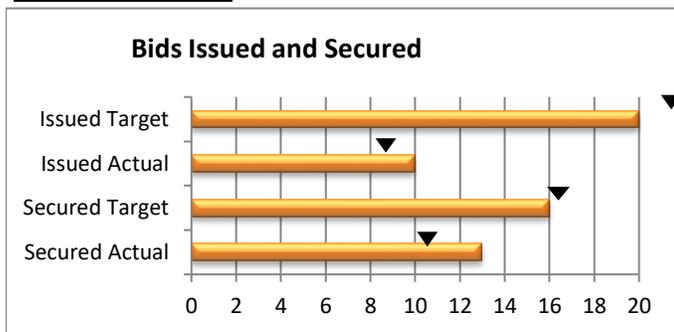
National Conventions and Events



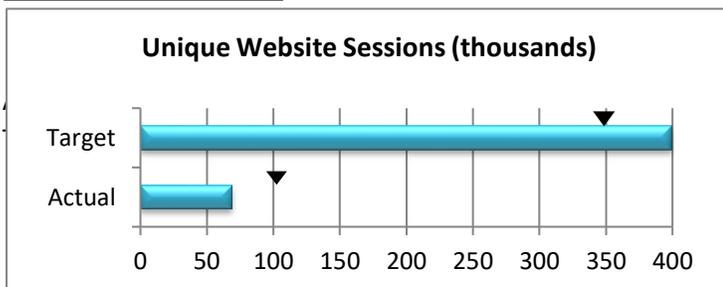
International Conventions and Events



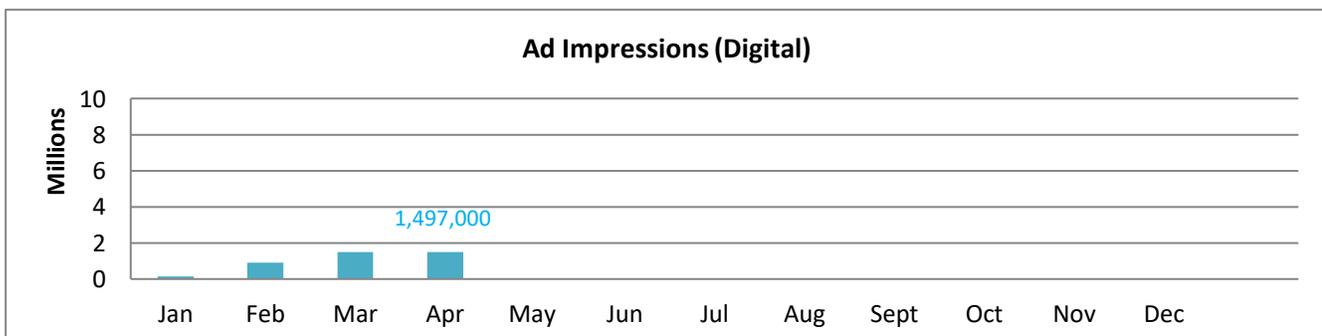
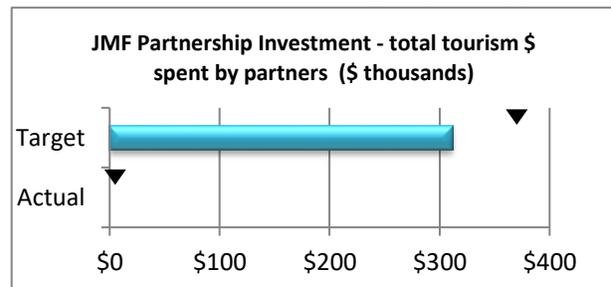
Sport Tourism



Leisure Marketing

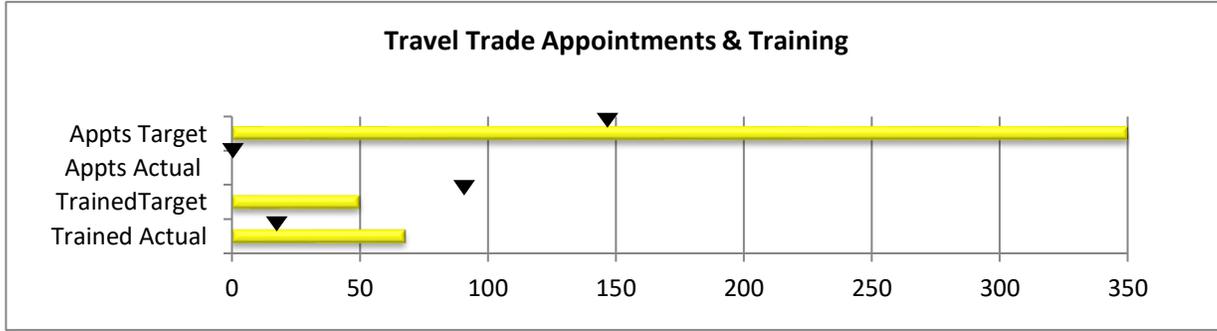


Total Tourism Marketing \$ Spent by partners



2020 Measures Dashboard - March

Travel Trade



Trade Room Nights Generated

Actual

(Benchmark)

Leveraging Comparison - Year to year

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Budgeted Revenue	873,375	923,574	1,106,385	1,299,977	966,901	1,909,613	2,174,909	3,062,725	2,989,653	2,645,495
City Fee for Service	271,200	321,200	321,200	325,857	328,898	333,832	341,700	353,400	368,100	368,100
Leveraging Ratio	2.22:1	1.88:1	2.44:1	2.99:1	1.94:1	4.72:1	5.36:1	7.67:1	7.1:1	6.2:1

	2013	2014	2015	2016	2017	2018	2019	2020 Projected
Budgeted Revenue	3,050,698	3,071,326	3,509,121	3,480,477	3,488,740	3,465,065	3,712,459	4,115,971
City Fee for Service	392,000	405,000	414,600	480,200	502,200	510,100	513,800	519,600
Leveraging Ratio	6.8:1	6.6:1	7.5:1	6.3:1	6.0:1	6.8:1	7.2:1	7.9:1

Tourism Saskatoon Investments into events and event marketing 2019:

Joint Marketing Fund	\$189,500
Destination Innovation	\$146,909
Bid Incentives (2019)	\$278,572
Bid Incentives (committed future years)	\$863,100
National	\$475,030
International	\$216,566
Sports	\$148,774
TOTAL	\$2,318,451

2012
2,539,378
372,009
5.8:1

May 5, 2020

To: SPC- Finance

From: Todd Brandt

Re: Request for One-Time Marketing Investment

Tourism is the most impacted sector of our local economy, with a close to full shutdown of most of the main amenities that drive the Visitor Economy. This includes air travel, restaurants, retail, attractions, events, festivals, convention and meeting facilities and hotels. Staff levels have dropped, in many cases, by 85% to 90% of Pre-Covid levels.

The major funding source that supports our Integrated Marketing Plan is the Destination Marketing Fees derived from visitors. We are anticipating total investment from the DMP this year to be 75% less than budgeted. We have made significant staff and program cuts to address this shortfall. The reality is, however, that to drive tourism-related expenditures, Tourism Saskatoon needs to secure new investments for Marketing, to deploy as soon as the health authorities deem appropriate.

Our Board has approved an initial 3-phase Survival and Restoration Plan. Phase II does feature a set of marketing activities focussed on generating local spending in tourism amenities, and travel and expenditures from residents of the province. We also intend to continue marketing for major Sport, National and International events which would normally materialize in 2 to 6 years. If we do not, we will suffer a COVID-19 “after-drop” in revenues. Many City-owned facilities that host these events, including SaskTel Center, TCU Place, and your wide array of sport facilities would similarly suffer.

Tourism Saskatoon is reaching out to all levels of Government to secure this investment. We are asking the City of Saskatoon to authorize a one-time investment of \$150,000 to help us “prime the pump” so that we can adapt to a new reality of Post-COVID travel, and initiate the flow of visitor dollars that supports 16,400 people employed in the local tourism sector.

Our 2020 Integrated Marketing Plan remains the core basis of our activities, with full analysis and measures imbedded within the tactical plans. This will, of course, be modified extensively to meet fiscal and global travel realities, but the strategy behind it remains relevant.

We appreciate your consideration and would work with Administration to further define this investment, accountabilities and reporting back to you.

Sincerely,



President & CEO - Tourism Saskatoon