



SASKATOON'S ARTS & CONVENTION CENTRE

Creating *Great* Experiences

June 15, 2021

Mayor Charlie Clark, and
Members of City Council
City of Saskatoon

Subject: Support for TCU Place Short Term Financial Support

To Honorable Mayor and members of City Council,

On behalf of the TCU Place Management and Board of Directors, we respectfully support the approval report submitted by Chief Financial Officer, Kerry Tarasoff, regarding TCU Place Short Term Financial Support.

When the event industry was effectively shut down in 2020, TCU Place took immediate action to reduce expenses, furlough part time / casual staff, and reduce hours of full-time staff. Those cost cutting measures remain in place today – 15 months later. We have hosted some smaller events, and led the way with one of the first major hybrid events in the short window of opening in October 2020, at the SABEX Awards. We have continued to ensure that the building is maintained and improved upon so that when we do reopen, we reopen strong. The lack of event revenue, however, has lasted longer than we anticipated when our budget was created in November of 2020.

TCU Place has a strong reserve fund, that is primarily earmarked for future development and improvement. We have relied on these reserves to cover reduced operations since March 2020. We have investments that mature 2022 – 2024, and a modest forecast for Fall 2021 Events. We are facing a cash flow shortfall beginning in August, 2021 due to lack of event revenue, and are looking for the most effective way to bridge this shortfall. We have investigated operating grants (CEWS) with various government levels, special project funding (Western Economic Diversification), and to date, these funding sources have either been denied or are in various stages of approval. So we are not counting on any outside funding for support at this time. We are able convert investments before their maturity date if needed, which would also come at a significant cost. A more viable alternative would be the provision of a short-term LOC, that would provide us the flexibility to tap into funding if needed, without incurring external debt, and without impacting taxpayers. We are confident that once we fully reopen, TCU Place revenues will rebound, and our cash flow situation will improve.

Our goal with this letter of support is to ensure TCU Place viability as we bounce back from COVID, and to position us strongly for rebuilding without negatively impacting the taxpayers or the city administration. We thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads 'Tammy Sweeney'. The signature is written in a cursive, flowing style.

Tammy Sweeney,
CEO TCU Place

Cc: Melissa Meier, TCU Place Director of Finance
TCU Place Board of Directors