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November 5, 2021

Budget Committee
Office of the City Clerk
City Hall
222 – 3 Avenue North
Saskatoon, SK S7K 0J5

Re: 2022 & 2023 Operating and Capital Budgets – SaskTel Centre (Saskatchewan Place Association Inc.)

Please find enclosed SaskTel Centre's 2022 & 2023 Operating and Capital Budgets. These plans were approved by SaskTel Centre's Board of Directors on November 4, 2021.

Recommendations are that the Budget Committee refer to City Council that:

1. The 2022 & 2023 Operating Budgets be approved; and
2. The 2022 Capital Budget be approved.

Please contact me with any questions or comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "KDobrowolski", is written over a horizontal line.

Kimberly Dobrowolski, CPA, CA
Director of Finance
SaskTel Centre
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(306) 975-3176

Cc: Kari Smith, Director of Finance, City of Saskatoon

SaskTel Centre 2022 & 2023 Operating Budget

	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
Operating Revenues			
Sales			
Event Sales/Admissions	3,621,557	3,797,054	4,180,336
Private Functions/Rentals/Non Theatre Sales	47,521	34,084	38,345
Box Office Revenue	5,465,128	6,296,164	6,931,711
Ticket Service Charge Revenue	2,242,400	2,348,548	2,585,615
Gift Shop Sales (if applicable)	-	-	-
Alcohol Sales	2,804,722	3,122,685	3,437,895
Other Sales Revenue	1,158,557	1,024,413	1,092,911
Total Sales	<u>15,339,886</u>	<u>16,622,948</u>	<u>18,266,814</u>
Other Income			
Sponsorship	1,229,100	966,696	1,087,533
Corporate Suite Rentals	2,266,799	2,000,000	2,000,000
Development/Fundraising Revenue	-	-	-
Interest Income	500,979	235,931	237,181
City of Saskatoon - Funding	-	-	-
Total Other Income	<u>3,996,878</u>	<u>3,202,627</u>	<u>3,324,714</u>
Total Operating Revenues	<u>19,336,764</u>	<u>19,825,575</u>	<u>21,591,528</u>
Expenditures			
Direct Expenses/Cost of Goods Sold	10,053,388	11,867,651	13,065,596
Plant Maintenance	359,777	339,601	351,931
Administration Expenses/Overhead	6,226,142	5,923,214	6,066,127
Box Office Expenses	526,213	445,882	461,900
Amortization Expense	1,065,193	1,107,801	1,141,035
Transfer to Reserve/Fund	-	-	-
Reimbursement to City of Saskatoon - Downtown Event District	-	700,000	1,000,000
Reimbursement to City of Saskatoon - CBCM	346,003	307,671	325,847
Total Expenditures	<u>18,576,715</u>	<u>20,691,819</u>	<u>22,412,435</u>
Net Budget	<u>760,049</u>	<u>(866,244)</u>	<u>(820,908)</u>

2022 & 2023 Operating Budget
Sasktel Centre

Account	Budget 2021	Budget 2022	Budget 2023
Revenue			
Operations	13,129,769	14,411,280	15,865,984
4000 Facility Rent	856,483	656,708	722,998
4100 Co-promoted Event Revenues	4,397,191	4,751,303	5,230,909
4200 Self-promoted Event Revenue	1,067,937	1,544,861	1,700,802
4250 Event Sponsorships	50,439	143,027	157,464
4260 Event Electrical	12,710	11,629	12,803
4270 Event Booth Rentals	52	22,381	24,640
4310 Luxury Suite Ticket Revenues	659,658	648,919	714,422
4325 Event Rides	5,663	6,915	7,613
4400 Ticket Service Charge Revenue	2,242,400	2,348,548	2,585,615
4500 Concession Commission - Western	644,653	606,760	668,007
4520 Concession Revenue Offsite	-	159,790	175,920
4550 Catering Commission	60,481	60,108	66,175
4560 Luxury Suite Concession Sales	28,512	29,891	32,908
4600 Alcohol Sales	2,537,094	2,707,651	2,980,967
4620 Luxury Suite Alcohol Sales	266,745	261,641	288,051
4630 Alcohol Sales Offsite	884	153,393	168,877
5030 50/50 Lottery Management Income	50,708	61,846	68,089
5110 Merchandise Commission	248,159	235,909	259,722
Ancillary charges	1,004,038	1,153,171	1,269,574
4320 Parking and Shuttle Revenues	67,963	63,733	70,166
4850 Ancillary Event Revenues	73,072	31,980	35,209
4990 Recovery Charges	863,003	1,057,458	1,164,200
Total revenue	14,133,807	15,564,451	17,135,558
Cost of sales			
Production costs	6,598,726	8,143,620	8,965,653
6100 Artist Fee (and Socan)	4,634,483	5,756,091	6,337,123
6180 Credit Card Fees	309,628	298,757	328,915
6270 Production Costs	1,055,951	1,291,179	1,421,514
6460 Merchandisers	71,382	75,664	83,302
6630 Shuttle Service	32,093	29,733	32,734
6640 Merchandise Cost of Goods Sold	-	11,724	12,908
8380 Marketing Levy	495,189	680,471	749,159
Concessions	1,531,165	1,823,110	2,007,139
6650 F & B Per Cap Rebate	259,113	372,747	410,373
6700 Alcohol Product Cost	770,459	908,789	1,000,524
6710 Alcohol Labour Cost	234,328	258,969	285,109
6730 Alcohol Management Cost	179,140	190,895	210,164
6750 Cost of Goods Sold - Luxury Suites	88,125	91,711	100,968
Contract staff and supplies - events	933,900	929,578	1,023,412
6400 Parking Attendants	184,197	190,862	210,128
6410 Door Staff	68,340	61,582	67,798
6420 Ushers	136,944	132,952	146,372
6425 Guest Services	13,156	12,298	13,539
6430 Security Services	301,756	329,842	363,137
6440 Pass Gate Attendant	50,298	41,442	45,626
6470 Suite Attendant	66,509	61,130	67,301
6475 Command Centre	10,220	9,185	10,112
6480 Refs and Scorekeepers	63,240	51,305	56,483
6490 Medical Services	39,239	38,980	42,914
Advertising	363,222	377,946	416,096
6000 Print Advertising	18,949	21,220	23,362
6010 Radio Advertising	113,206	136,334	150,096
6020 Television Advertising	46,677	45,939	50,577
6030 Other Advertising	27,940	39,587	43,583
6600 Sponsor Ticket Cost	136,367	115,007	126,616
6770 Luxury Suite Management Fee	20,084	19,859	21,863
Other	626,375	593,397	653,296
6190 Box Office/TM Fees	303,096	291,208	320,603
6610 Event Cleaning Cost	323,279	302,189	332,693

2022 & 2023 Operating Budget
Sasktel Centre

Account	Budget 2021	Budget 2022	Budget 2023
Total cost of sales	10,053,388	11,867,651	13,065,596
Gross margin - \$	4,080,420	3,696,800	4,069,963
<i>Gross margin - %</i>	<i>28.9%</i>	<i>23.8%</i>	<i>23.8%</i>
Other income			
8000 Sponsorship	1,229,100	966,696	1,087,533
8090 Corporate Suite Leases	2,266,799	2,000,000	2,000,000
8200 Ticket Options Revenue	365,324	289,347	325,515
8210 Ticketmaster Other Revenue	12,685	21,553	24,248
8250 Clubseat Revenue	7,982	6,984	7,856
8260 Service Charge Revenue	73,325	64,740	72,832
8400 Hourly Ice Rental	14,258	9,006	10,132
8410 Rental - Other	33,264	25,078	28,213
8420 ATM Revenue	121,641	95,059	106,941
8430 Interest Income	500,979	235,931	237,181
8440 Facility Fee	469,480	466,432	466,432
8450 Marketing Levy - W.C.	6,120	-	-
8970 Advertising Revenue	36,720	30,300	34,087
8980 Sundry Income	65,280	50,000	55,000
Total other income	5,202,957	4,261,124	4,455,970
Other expenses			
8300 Box Office Wages	430,123	378,416	386,001
8330 Box Office Communications	44,880	36,460	41,017
8340 Credit Card Costs	16,497	12,270	13,804
8350 TM Fees	29,103	18,461	20,769
8360 TM/Box Office Fees Non-Event Specific	4,080	274	309
Total other expenses	526,213	445,882	461,900
Overhead			
Wages and benefits	3,375,423	3,318,920	3,382,805
9100 Benefits	487,573	537,220	547,604
9120 Part-Time Wages - Set up/Take down	350,991	367,095	385,450
9140 Wages - Non-Operations	1,719,427	1,530,830	1,551,155
9150 Wages - Operations	729,447	789,354	802,494
9480 In House Cleaning	87,984	94,421	96,101
General administration	1,606,348	1,365,204	1,407,420
9010 Staff and Board Functions	33,048	32,400	33,372
9020 Bus Dev - Sponsor Signage	43,044	32,000	32,960
9021 Bus Dev - Printing	10,282	10,080	10,382
9022 Bus Dev - Media Campaign/Ad Agency	62,220	75,000	77,250
9023 Bus Dev - Sponsor Fulfillment, VIP, Gifts	81,804	65,000	66,950
9024 Bus Dev - Promotional Items	8,568	8,400	8,652
9025 Bus Dev - Community Support	33,456	32,800	33,784
9110 Parking and Traffic	156,264	160,000	164,800
9130 Staff Training and Uniforms	116,663	63,000	66,150
9200 Bank Charges	57,935	55,000	56,650
9210 Communications and Postage	138,322	88,600	91,258
9220 Courier	18,360	18,000	18,540
9230 Insurance and City Crosscharges	123,918	155,000	159,650
9250 Memberships and Licenses	55,046	50,000	51,500
9260 Supplies - Event Non-Specific	10,200	13,000	13,390
9270 Office Expenses	43,860	43,000	44,290
9280 Professional Fees	286,093	141,287	145,525
9290 Travel	110,262	104,100	107,223

2022 & 2023 Operating Budget
Sasktel Centre

Account		Budget 2021	Budget 2022	Budget 2023
9370	Computer Services	194,563	196,537	202,433
9510	Signage - Non-Event/Wayfinding	22,440	22,000	22,660
9690	Extraordinary Expense	-	-	-
	Building and equipment maintenance	841,673	810,491	836,948
9350	Bldg Maint - Suite Related	45,900	25,000	25,750
9351	Bldg Maint - Hockey Related	11,714	12,000	12,360
9352	Bldg Maint - HVAC	61,200	61,200	64,260
9353	Bldg Maint - Plumbing	20,400	20,400	21,012
9354	Bldg Maint - House Electrical	122,401	122,401	126,073
9355	Bldg Maint - Ice Plant Maint	30,600	30,600	32,436
9356	Bldg Maint - Various	67,562	68,000	70,040
9360	Cleaning Supplies	40,800	40,800	42,024
9380	Equip Maint - Various Maint	25,458	25,458	26,222
9381	Equip Maint - Video/Sound Equip Maint	32,232	32,232	33,199
9382	Equip Maint - Radios Repair/Replacement Parts	10,200	10,200	10,506
9383	Equip Maint - Fuel	14,688	18,000	18,540
9384	Equip Maint - Motorized Equip Maint	28,810	40,000	41,200
9385	Equip Maint - Concession/Bar Equip	35,925	37,000	38,110
9390	Equip Purchase - Computer/Office	16,932	10,000	10,300
9391	Equip Purchase - Concession/Bar/Suites	29,172	28,000	28,840
9392	Equip Purchase - Event Equipment	14,280	25,000	25,750
9393	Equip Purchase - Operations	20,400	20,400	21,012
9430	Waste and Recycling Collection	51,102	45,000	46,350
9440	Grounds Maintenance	30,396	30,800	31,724
9460	Ice Making Supplies	12,240	6,000	6,180
9520	Snow Clearing	87,720	70,000	72,100
9530	Washroom Supplies	31,541	32,000	32,960
	Utilities	692,217	705,000	726,150
9600	Utilities - Electrical	459,080	460,000	473,800
9610	Utilities - Gas	70,251	85,000	87,550
9630	Utilities - Water	162,886	160,000	164,800
	Advertising and promotion	70,258	46,200	47,586
9000	Advertising	70,258	46,200	47,586
	Interest	-	17,000	17,150
9215	Foreign Exchange Gain/Loss	-	5,000	5,150
9680	Interest - Long Term Liability	-	12,000	12,000
Total overhead		6,585,919	6,262,815	6,418,058
Annual surplus (deficit) before amortization and City contributions		2,171,244	1,249,228	1,645,974
Less: Amortization and depreciation		1,065,193	1,107,801	1,141,035
	Depreciation expense COS thresholds	618,782	643,534	662,840
	Depreciation expense STC thresholds	446,410	464,267	478,195
Annual surplus (deficit) before City contributions		1,106,052	141,427	504,939
City contributions		346,003	1,007,671	1,325,847
	CBCM reserves contribution	346,003	307,671	325,847
	Downtown Event and Entertainment District funding	-	700,000	1,000,000
Net earnings (loss)		760,049	(866,244)	(820,908)

SaskTel Centre
2022 Capital Budget

2022 Capital Enhancement Budget

Facility enhancements	465,000
Concession enhancements	70,000
Total Capital Enhancement Budget	535,000

2022 Capital Equipment Budget

Event equipment	45,000
Concession equipment	55,000
Health and safety equipment	180,000
Information technology equipment	54,200
Total Capital Equipment Budget	334,200

2022 CBCM/Facility Infrastructure Projects

Sustaining infrastructure projects	300,000
Total CBCM/Facility Infrastructure Projects	300,000