

## Discover Saskatoon Contract

### ISSUE

Discover Saskatoon's contract expires at the end of 2023. This report provides an overview of the proposed contract to cover 2024 and 2025.

### RECOMMENDATION

That the Standing Policy Committee on Finance recommend to City Council:

1. That Discover Saskatoon's 2024/2025 contract be approved; and
2. That the City Solicitor be instructed to prepare the agreement and have it executed by His Worship the Mayor and the City Clerk under the Corporate Seal.

### BACKGROUND

At the September 26, 2022 regular meeting of City Council when considering the [Discover Saskatoon Contract Administration Report](#) Committee resolved, in part:

- “1. That option 2 be approved and the Administration be directed to renew the Discover Saskatoon contract with a one-year bridge contract with a 5% increase in annual funding;
3. That the Administration work with Discover Saskatoon regarding a revised contract format with a focus on Key Performance Indicators that could be tied to financial incentives and report back to the Standing Policy Committee on Finance in 2023.”

In addition, during the 2024/2025 Budget Deliberations when considering the [Operating Budget Options](#) City Council resolved to include a \$15,000 and \$14,900 inflationary increase in Discover Saskatoon's 2024 and 2025 operating grant.

### DISCUSSION/ANALYSIS

As approved in the 2024/2025 Budget Deliberations, the annual operating grant to Discover Saskatoon has been set at \$604,200 in 2024 and \$619,100 in 2025. This includes both the Discover Saskatoon operating grant as well as the previous Sports Tourism Grant amount.

As directed, the Administration has had several discussions with Discover Saskatoon over the past year regarding the renewal of their contract. Discussions have included the potential introduction of performance metrics as well as the potential of a bonus structure similar to Saskatoon Regional Economic Development Authority's (SREDA) current contract.

Despite these discussions there remains several uncertainties which need to be addressed to inform and finalize a longer-term contract. One of the more meaningful

uncertainties is that the City of Saskatoon (City) has changed significantly since the existing models for both SREDA and Discover Saskatoon were established. With the recent appointment of a new CEO for SREDA as well as Discover Saskatoon's desire to increase the scope of their mandate to include a bigger role in the Tourism Economy and Business Development spaces further discussions are required to ensure alignment between the City, SREDA and Discover Saskatoon prior to significant changes to the funding agreement. Details surrounding what changes to Discover Saskatoon's mandate and the associated cost/benefit to the City of Saskatoon need to be further clarified by Discover Saskatoon prior to any potential significant contractual changes.

SREDA's contract is currently in place until the end of 2025. A two-year contract with Discover Saskatoon would align with SREDA's contract and allow for further discussions to take place prior to any changes to the current agreement. The key components in the 2024/2025 contract with Discover Saskatoon would include the following:

- the funding, noted above and as approved in the 2024/25 budget, would be set out in the contract;
- the services Discover Saskatoon is required to provide would largely be similar to what they provided under the previous agreement including maintaining a year-round visitor information centre; developing and launching campaigns to attract visitors, both national and international, conducting familiarization tours with travel influencers, site selectors and event holders; and continuing to engage and seek to attract conventions and special events;
- the term would be for two years and there would be an option to renew for an additional two years, subject to the parties reaching an agreement of the terms and costs of any such renewal being approved by City Council;
- Discover Saskatoon would have to provide audited financial statements to City Council prior to May 15 each year;
- Discover Saskatoon would have to maintain the appointment of two members of City Council to their board; and
- Consistent with the previous agreement, the funding could not be used for items such as golf tournaments or services provided to directly to members.

### **FINANCIAL IMPLICATIONS**

The proposed operating grants of \$604,200 and \$619,100 have been approved as part of the 2024/2025 Multi-Year Business Plan and Budget.

### **NEXT STEPS**

City Administration will continue to work with SREDA and Discover Saskatoon in preparation of both organizations potential contract renewals in 2026.

### **REPORT APPROVAL**

Written and Approved by: Clae Hack, Chief Financial Officer

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