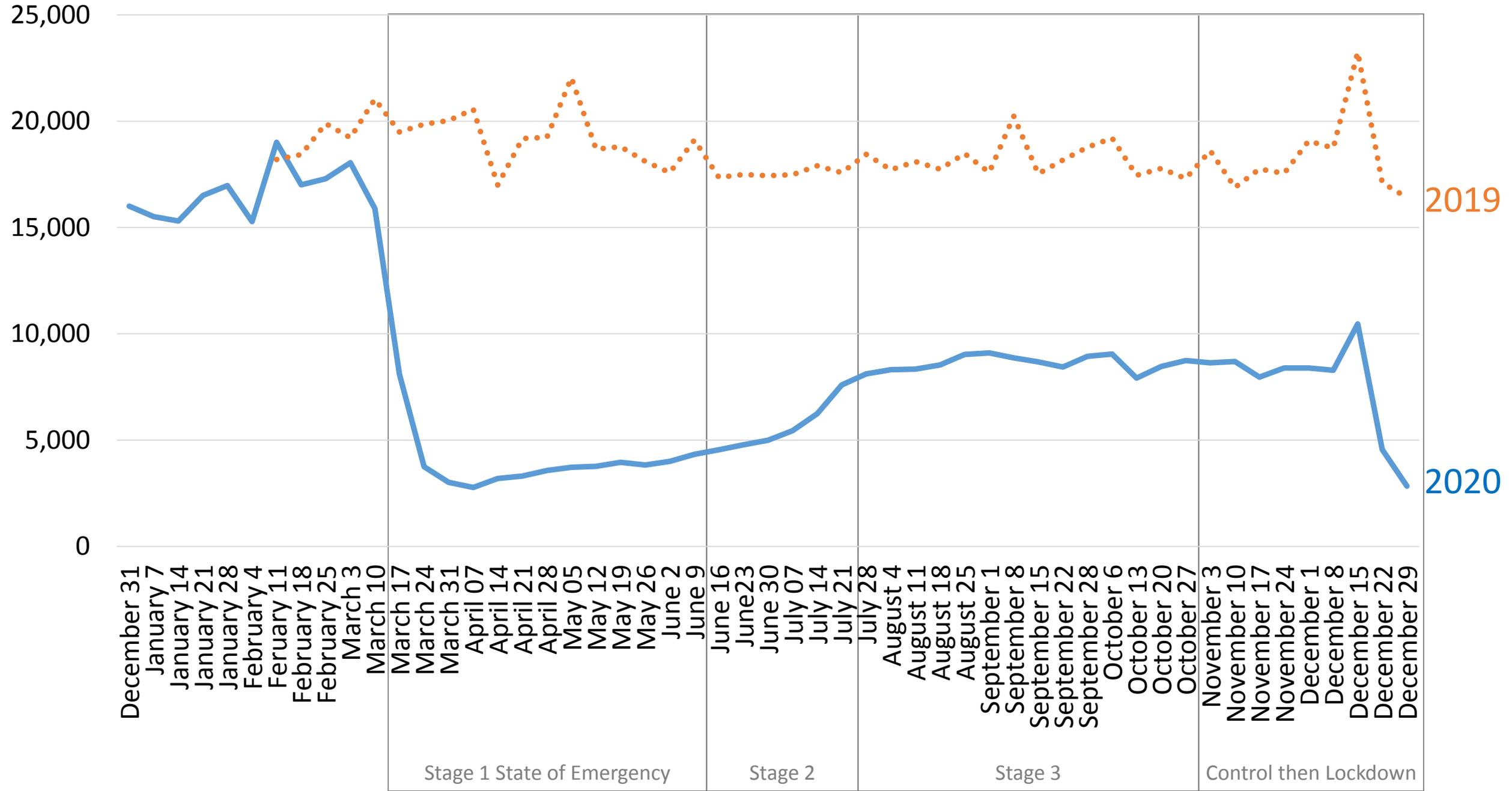


Overall Impact of COVID-19 on HFM in 2020

- Market remained open throughout 2020, despite operational and financial challenges as reported in our presentation to GIC on September 14, 2020. Our Market Manager, Market Staff, and vendors worked closely with local Public Health to ensure Provincial Covid guidelines were implemented and strictly adhered to as leaders in the community.
- Lockdowns have imposed hardships on Market businesses and customers. Customers remain challenged to access the Market and were told to reduce frequency and pool purchases. The Jackson Square door closed in combination with more people working from home rather than in the downtown core resulted in a significant decline of foot traffic in the Market. This theme continues on into 2021.

Weekly customer visits to the Hamilton Farmers' Market



Reduced Occupancy Equals Reduced Revenue

- **\$ 14.5K foregone** due to 5 contracts abandoned during the pandemic.
- **\$ 9.0K foregone** due to delayed start of 2 new businesses due to the pandemic.
- **\$ 23.1K foregone** from available space that was unoccupied during the pandemic. Planned for 95% occupancy (historical) in our 2020 Budget assumptions.
- **Increased Vacancy rate to 13.3%**. In total, 8 Stalls (2757 sq ft) out of 55 (20,738 sq ft) stalls are unoccupied.

Market Expense Control

- In 2020, given the unique challenges faced, the Market has done a very good job in controlling variable expenses with respect to the Budget. However, it will be very difficult to continue operating with such a lean budget in 2021 given the anticipation of ongoing reduced revenues, a 2% Levy increase of \$2,256, escalating Facilities charges and increased Security costs due to COVID-19.
- The resulting revenue reductions have placed undue pressure on the Market. Advertising and promotions have been negatively impacted as one key example. Limited human resources hurts our growth and efficiency as well.
- It is important that the City continues to support the Market with any current or future facility repairs and upgrades. The Market does not have the resources within its operating budget to cover such on going costs.

Market Revenue

- With the benefit of hindsight, the Market's 2021 Revenue forecast is now very aggressive given its current vacancy rate and the ongoing challenges with the pandemic. We don't know if vacancies will continue to rise in Q1.
- The Market's assumption is that customer traffic will slowly begin to increase in Q2. We anticipate that this will mitigate future stall vacancies and increase demand for currently vacated stalls.
- Total Forecasted Stall Revenue for 2021 is \$438,800 (Updated) vs \$480,000 (2020 Est). This amounts to a "reduction" of \$41,200 or 8.6% year over year. In 2019, Actual Stall Revenue was \$509K.

2021 Market Budget Summary

- Frugal Budget is within Council's 2% Levy guideline \$2,256 (\$ 115K)
- Staffing Expense of \$ 325K mirrors the 2020 Budget
- Planned Marketing Spend (\$ 38K) is less than the two prior years (\$ 55K)
- Significant Operating Overhead Increases directed in 2021;
 - CUP Operations Expense is \$ 12,800 higher (24.5%) over 2020 Budget
 - Heating Fuel & Hydro is \$ 11,115 higher (12.6%) over 2020 Budget
 - Facilities Recovery Increase of \$ 5,362 (5%) over 2020 Budget

2021 Market Budget Summary

- Own-source Revenue of \$ 666K is \$ 26.5K less than 2020 Budget
- UPDATED: 2021 Revenue \$ 616K now expected due to COVID-19
 - Stall rentals expected to generate \$ 489K in fees (Updated \$438K) which reflects closure during January renovations
 - \$ 125K from Meridian Credit Union Sponsorship Agreement (2021)
- Contingency of \$ 5K plus a \$ 3K contribution to the Market Reserve Fund

Council's Support in Context

- 63% of Market Corporation's revenue comes from rental fees
- 16% from sponsorship from Meridian Credit Union
- 15% from City of Hamilton levy

- Market Corporation pays fees to Hamilton Parking Authority for validated customer parking.
- Market Corporation pays fees on a cost-recovery basis to Facilities Department and to Central Utilities Plant operations, Horticulture, and Information Technology Services.
- Market Corporation pays for its staffing of City of Hamilton employees.
- The above fees paid by the Market Corporation total in excess of the annual levy, such that there is a net flow of funds to the City of Hamilton from vendor fees and the Meridian sponsorship.
- Vendors pay for electricity used within their stalls. Vendor fees pay for electricity used in common areas and other utilities used throughout the market including water and natural gas.

We're All in this together!



Agro Seafood . Angela's Fine Deli . Anissa's Chicken Centre . Anna's Café . Artisan Market . Blackberry Hill Farm . British Baked Goods . Buttrum Family Farm . Charlie's Corner Market . Close 2 Natural . Country Green Garden De La Terre Bakery . Dilly's Farmacy . Folk Art Prints . Gourmet Veggie Foods . Hieng's Produce . Huong Trang Fish Market . Jantzi Cheese . Jean's Originals . Jepson's Fresh Meats . Josie Syer's Plants & Flowers . JT Pets . Julia's Poultry & Eggs . Karlik Pastry . Ken's Chicken . Latin Food & Products . Lee's Fresh Produce . Lesley's Flowers . Leslie's European Deli . Lina's European Pastries . Local Egg Limited . Multi-Traditional Bakery & Deli . Mystic Ramen . Nam Nom Banh Mi . Pokeh . Puddicombe Farms . Relay Coffee Roasters . Ridge Road Estate Winery . Romano Cheese . Rosa's Gourmet Foods . Saltlick . Sam & Son International Cheese . Sam's Cheese and Meats . Thango Meats . Flyin' G'Nosh . Mexican Kitchen . Truong's Produce . Vinnie's Fresh Pasta Factory . Williams Brothers