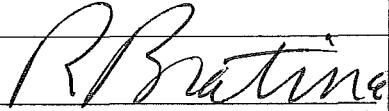




HECFI BOARD OF DIRECTORS REPORT

12-003

| | | |
|--------------|--|--|
| To: | Mayor and Members of the General Issues Committee | |
| From: | Bob Bratina, Interim Chair HECFI Board of Directors |  (to be signed by the Chair) |
| Date: | December 6, 2012 | |
| Re: | 2013 HECFI Operating Budget | |

Recommendation:

That the 2013 HECFI Operating Budget in the amount of \$3,247,140, hereto attached as Appendix "A", be approved and forwarded to the 2013 budget process (GIC).

Information:

The HECFI Board of Directors approved the recommendations of the staff report hereto attached as Appendix "A".

Appendix A to HECFI Board of Directors Report 12-003

HAMILTON ENTERTAINMENT AND

FOR ACTION

MEMO TO : **HECFI BOARD OF DIRECTORS**

FROM : Mr. J. Hertel
Interim Chief Executive Officer

: Mr. R. DiFilippo, CPA, CA
Corporate Controller

DATE : November 27, 2012

SUBJECT : **2013 HECFI OPERATING BUDGET**

RECOMMENDATION:

THAT THE 2013 OPERATING BUDGET BE APPROVED.

Mr. J. Hertel
Interim Chief Executive Officer

Mr. R. DiFilippo, CPA, CA
Corporate Controller

Appendix A to HECFI Board of Directors Report 12-003

BACKGROUND:

For the 2013 calendar year HECFI staff have prepared a budget showing revenues of \$9,732,160, total expenditures of \$12,979,300 and a Municipal Contribution of \$3,247,140 (no increase from the 2012 Municipal Contribution request). For the information of the Board of Directors, the Municipal Contribution request has remained constant since 2009 (adjusted for the imposition of an allocation of City of Hamilton administrative overheads).

As instructed by City Finance staff, the 2013 Operating budget was prepared to allow the City of Hamilton to calculate its budget for the year. Given the fact that HECFI will only be operating for a portion of the year, the budget has been split out for each month of the fiscal year and this will allow City staff to select the months that will be needed when the actual "handover dates" are determined.

The budget has been prepared on a "caretaker" basis rather than in accordance with the HECFI Strategic Plan as we have been unable to implement some of the programmes included in the Strategic Plan. For example, due to unexpected delays in assessing the RFP on HECFI operations, we were unable to create a programme relating to facility naming rights nor were we able to negotiate revised contracts with the Hamilton Bulldogs, TicketMaster, etc.

Appendix A to HECFI Board of Directors Report 12-003

THE HAMILTON ENTERTAINMENT AND CONVENTION FACILITIES INC.
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSES

| | 2013 Budget | 2012 Budget | 2013 Budget Increase/(Decrease) Over 2012 Budget | |
|---|---------------------|---------------------|--|--------------|
| | | | \$ | % |
| | | | (1)-(2) | |
| REVENUE | | | | |
| RENTAL, LICENCE FEES AND SHOW REVENUE (net of ticket sales) | \$1,890,490 | \$1,887,150 | \$3,340 | -0.2% |
| OTHER RENTALS | 273,950 | 266,180 | \$7,770 | -2.8% |
| FOOD, BEVERAGE AND CONCESSIONS | 3,049,080 | 2,953,680 | \$95,400 | -3.1% |
| RECOVERIES | 3,008,410 | 3,132,660 | (\$124,250) | 4.1% |
| BOX OFFICE | 853,160 | 848,570 | \$4,590 | -0.5% |
| OTHER | 657,070 | 561,540 | \$95,530 | -14.5% |
| SPORT BUSINESS OPERATIONS (net of ticket sales) | 0 | 0 | 0 | 0.0% |
| TOTAL REVENUE | \$9,732,160 | \$9,649,780 | \$82,380 | 0.8% |
| EXPENSES | | | | |
| FOOD AND BEVERAGE | 2,863,580 | 2,730,530 | (133,050) | -4.6% |
| EVENTS DELIVERY | 2,441,580 | 2,424,900 | (16,680) | -0.7% |
| BUILDING OPERATIONS | 3,186,900 | 3,146,310 | (40,590) | -1.3% |
| SALES AND PROMOTION | 1,516,270 | 1,434,290 | (81,980) | -5% |
| HOSPITALITY SALES | 334,900 | 500,480 | 165,580 | 49.4% |
| ENTERTAINMENT PROGRAMMING | 374,990 | 392,960 | 17,970 | 4.8% |
| ADMINISTRATION-CEO/BOARD | 944,690 | 975,350 | 30,660 | 3.2% |
| PROFESSIONAL FEES | 50,000 | 45,500 | (4,500) | -9.0% |
| BUSINESS SERVICES | 620,080 | 615,500 | (4,580) | -0.7% |
| BOX OFFICE | 333,320 | 340,510 | 7,190 | 2.2% |
| INSURANCE | 312,990 | 290,590 | (22,400) | -7.2% |
| SPORT BUSINESS OPERATIONS | 0 | 0 | 0 | 0.0% |
| TOTAL EXPENSES | \$12,878,300 | \$12,896,920 | (\$18,620) | -0.1% |
| MUNICIPAL CONTRIBUTION | \$3,247,140 | \$3,247,140 | | 0.0% |