



PENTICTON TRADE AND  
CONVENTION CENTRE

# South Okanagan Events Centre Complex 2018 Operating Budget

## SOEC COMPLEX KEY HIGHLIGHTS

- Our food and beverage per caps have seen increases of 35% since 2014 as a result of efficiencies that have been developed in our delivery of these services
- With the regional retargeting requirement placed on one of our major clients in the premium seating program, we were required to come up with new ways to approach clients with our premium seating packages and have seen success
- Vees playoff run in 2017 was a strong contributor to our complex
- Success of OHA expansion has contributed to the complex and the City as a whole
  - CSSHL Playoff tournament scheduled to continue in Penticton until March 2020
  - The tournament has expanded from a 4 day, 33 team, 600 player event (2015 first year numbers) to a 10 day, 69 team, 1,300 player event (projected for 2018)
  - Economic impact to city has grown from \$1,623M in 2015 to projected of \$3.5M in 2018

## SOEC COMPLEX KEY HIGHLIGHTS (Continued)

- Net event revenue increase of \$200,000 was offset by similar increases in some expenses
  - 2017 utilities projected to come in at \$106,000 higher than 2016 expense as a result of 9.5% increase in our rates plus new water sewage charge imposed on our venues
  - Fleet maintenance costs currently looking to exceed \$30,000 in 2017
    - 2015 and prior these costs were approximately \$20,000
    - 2016 jumped up to \$30,000 – assumed was due to higher number of events in 2016 therefore budgeted close to 2015 figure for 2017
  - Seeing a creep in repairs and maintenance as a result of aging of equipment and changes in capital expense policies resulting in more costs that were considered capital in past (over \$5,000) now being realized by the venues

**2018 SOEC Complex Budget  
(\$1,180,228)**

SOEC – (\$990,106)

PTCC – (\$199,333)

MA – (\$83,670)

OHS - \$92,879

## SOEC COMPLEX

|  | 2017 Budget        | 2017 Projected     | 2018 Budget        |
|--|--------------------|--------------------|--------------------|
| <b>Event Operating Income</b>          | 1,638,845          | 1,863,599          | 1,913,613          |
| <b>Other Income</b>                    | 1,574,876          | 1,650,248          | 1,662,320          |
| <b>Indirect Expenses</b>               |                    |                    |                    |
| Executive                              | 199,433            | 184,872            | 190,304            |
| Marketing/Sales                        | 583,569            | 576,850            | 636,423            |
| Finance                                | 296,072            | 304,199            | 315,017            |
| Events                                 | 262,774            | 272,551            | 287,090            |
| Ops                                    | 1,525,549          | 1,759,284          | 1,708,865          |
| Food and Beverage                      | 426,558            | 423,219            | 454,085            |
| Veeps                                  | 479,132            | 499,306            | 535,616            |
| Box Office                             | 149,127            | 130,273            | 143,307            |
| Overhead                               | 424,694            | 408,040            | 431,441            |
| <b>Total Indirect Expenses</b>         | <b>4,346,908</b>   | <b>4,558,823</b>   | <b>4,702,148</b>   |
| <b>Net Operating Income</b>            | <b>(1,133,187)</b> | <b>(1,044,976)</b> | <b>(1,126,215)</b> |
| <b>Facility Surcharge Paid to City</b> | <b>57,363</b>      | <b>55,430</b>      | <b>54,012</b>      |
| <b>Net Income (Loss)</b>               | <b>(1,190,550)</b> | <b>(1,100,406)</b> | <b>(1,180,228)</b> |

## South Okanagan Event Centre

|  | 2017 Budget        | 2017 Projected   | 2018 Budget      |
|--|--------------------|------------------|------------------|
| <b>Event Operating Income</b>          | 709,670            | 903,943          | 944,087          |
| <b>Other Income</b>                    | 943,854            | 998,894          | 987,270          |
| <b>Indirect Expenses</b>               |                    |                  |                  |
| Executive                              | 109,865            | 108,594          | 108,233          |
| Marketing/Sales                        | 289,076            | 323,240          | 315,500          |
| Finance                                | 196,746            | 201,052          | 200,619          |
| Events                                 | 184,733            | 195,140          | 208,694          |
| Ops                                    | 754,125            | 881,241          | 868,045          |
| Food and Beverage                      | 208,029            | 213,667          | 225,837          |
| Vees                                   | 479,132            | 499,306          | 535,616          |
| Box Office                             | 149,127            | 130,273          | 143,307          |
| Overhead                               | 252,086            | 243,089          | 252,725          |
| <b>Total Indirect Expenses</b>         | <b>2,622,919</b>   | <b>2,795,612</b> | <b>2,867,450</b> |
| <b>Net Operating Income</b>            | <b>(969,395)</b>   | <b>(892,775)</b> | <b>(936,094)</b> |
| <b>Facility Surcharge Paid to City</b> | <b>57,363</b>      | <b>55,430</b>    | <b>54,012</b>    |
| <b>Net Income (Loss)</b>               | <b>(1,026,758)</b> | <b>(948,205)</b> | <b>(990,106)</b> |

## Penticton Trade and Convention Centre

|  | 2017 Budget | 2017 Projected | 2018 Budget |
|--|-------------|----------------|-------------|
| <b>Event Operating Income</b>          | 929,175     | 959,656        | 969,525     |
| <b>Other Income</b>                    | 20,500      | 20,754         | 22,500      |
| <b>Indirect Expenses</b>               |             |                |             |
| Executive                              | 72,066      | 59,860         | 64,165      |
| Marketing/Sales                        | 294,493     | 253,610        | 320,923     |
| Finance                                | 74,925      | 79,047         | 80,314      |
| Events                                 | 78,041      | 77,411         | 78,396      |
| Ops                                    | 238,533     | 296,847        | 270,595     |
| Food and Beverage                      | 218,528     | 209,542        | 228,248     |
| Vees                                   | -           | -              | -           |
| Box Office                             | -           | -              | -           |
| Overhead                               | 145,308     | 140,707        | 148,717     |
| <b>Total Indirect Expenses</b>         | 1,121,894   | 1,117,024      | 1,191,357   |
| <b>Net Operating Income</b>            | (172,219)   | (136,614)      | (199,332)   |
| <b>Facility Surcharge Paid to City</b> | -           | -              | -           |
| <b>Net Income (Loss)</b>               | (172,219)   | (136,614)      | (199,332)   |

## OHS Training Centre

|  | 2017 Budget    | 2017 Projected | 2018 Budget    |
|--|----------------|----------------|----------------|
| <b>Event Operating Income</b>          | -              | -              | -              |
| <b>Other Income</b>                    | 323,181        | 350,032        | 360,816        |
| <b>Indirect Expenses</b>               |                |                |                |
| Executive                              | 8,751          | 8,209          | 8,953          |
| Marketing/Sales                        | -              | -              | -              |
| Finance                                | 12,201         | 12,050         | 12,605         |
| Events                                 | -              | -              | -              |
| Ops                                    | 200,495        | 226,016        | 229,379        |
| Food and Beverage                      | -              | -              | -              |
| Vees                                   | -              | -              | -              |
| Box Office                             | -              | -              | -              |
| Overhead                               | 16,000         | 14,593         | 17,000         |
| <b>Total Indirect Expenses</b>         | <b>237,447</b> | <b>260,868</b> | <b>267,936</b> |
| <b>Net Operating Income</b>            | <b>85,734</b>  | <b>89,164</b>  | <b>92,879</b>  |
| <b>Facility Surcharge Paid to City</b> | -              | -              | -              |
| <b>Net Income (Loss)</b>               | <b>85,734</b>  | <b>89,164</b>  | <b>92,879</b>  |



## Memorial Arena

|  | 2017 Budget     | 2017 Projected   | 2018 Budget     |
|--|-----------------|------------------|-----------------|
| <b>Event Operating Income</b>          | -               | -                | -               |
| <b>Other Income</b>                    | 287,342         | 280,568          | 291,734         |
| <b>Indirect Expenses</b>               |                 |                  |                 |
| Executive                              | 8,751           | 8,209            | 8,953           |
| Marketing/Sales                        | -               | -                | -               |
| Finance                                | 12,201          | 12,050           | 12,605          |
| Events                                 | -               | -                | -               |
| Ops                                    | 332,395         | 355,409          | 340,847         |
| Food and Beverage                      | -               | -                | -               |
| Vees                                   | -               | -                | -               |
| Box Office                             | -               | -                | -               |
| Overhead                               | 11,300          | 9,651            | 13,000          |
| <b>Total Indirect Expenses</b>         | <b>364,647</b>  | <b>385,319</b>   | <b>375,404</b>  |
| <b>Net Operating Income</b>            | <b>(77,305)</b> | <b>(104,751)</b> | <b>(83,670)</b> |
| <b>Facility Surcharge Paid to City</b> | -               | -                | -               |
| <b>Net Income (Loss)</b>               | <b>(77,305)</b> | <b>(104,751)</b> | <b>(83,670)</b> |

## SOEC Operating Budget Forecast

|  | 2017 Budget | 2017 Forecast | 2018 Budget | 2019 Budget | 2020 Budget | 2021 Budget | 2022 Budget |
|--|-------------|---------------|-------------|-------------|-------------|-------------|-------------|
| <b>Contract</b>                          | 1,133,187   | 1,044,976     | 1,126,215   | 1,131,846   | 1,137,505   | 1,143,193   | 1,148,909   |
| <b>Procurement Services</b>              | -           | -             | -           | -           | -           | -           | -           |
| <b>Equipment Repairs and Maintenance</b> | -           | -             | -           | -           | -           | -           | -           |
| <b>Total Operating Expense</b>           | 1,133,187   | 1,044,976     | 1,126,215   | 1,131,846   | 1,137,505   | 1,143,193   | 1,148,909   |

\*\* Given nature of industry difficult to project future operations, however have applied marginal increase of 0.5%