



City of
Peterborough

To: **Members of the Finance Committee**

From: **Allan Seabrooke, Commissioner of Community Services**

Meeting Date: **May 6, 2019**

Subject: **Report CSAD19-005
Peterborough Memorial Centre Capital Refurbishment Fund
Process**

Purpose

A report to provide information on the current process followed in the collection of the Peterborough Memorial Centre Capital Refurbishment Fund (CRF).

Recommendation

That Council approve the recommendation outlined in Report CSAD19-005, dated May 6, 2019, of the Commissioner of Community Services, as follows:

That the Report CSAD19-005 which provides information on the current process followed in the collection of the Peterborough Memorial Centre Capital Refurbishment Fund be received for information.

Budget and Financial Implications

There is no budget or financial implication resulting from the approval of the recommendation of Report CSAD19-005.

Background

Through Report CSAD18-031 at the Dec 10, 2018 Council meeting, staff presented the findings of a second structural review and requested an increase to the pre-commitment of the 2019 Capital Budget for the ice pad replacement at the Peterborough Memorial Centre. Council approved proceeding with the repairs to the Memorial Center and a budget increase from \$2,000,000 to \$3,500,000 for the project.

In addition, at this Dec 10, 2018 meeting Council approved the following recommendation related to potential cost recovery methods regarding surcharge fees at the Memorial Centre;

That staff report back to Finance Committee on potential cost recovery methods regarding the surcharge fee applied to concert and sporting event tickets.

Report CSAD19-005 is being provided to Finance Committee to address this request.

Form 6 User Fees and Charges for the Peterborough Memorial Centre includes a Capital Refurbishment Fund (CRF) of \$1 to \$3 plus HST charged on all event tickets to partially recover capital costs for this facility. This fee is a revenue line in the Peterborough Memorial Centre operating budget, directly offsetting the annual debenture and operating expenses of the facility annually.

The current user fees for all municipal facilities are reviewed on an annual basis and are adjusted based on reasonable market rates. Staff believe the current user fees which include a CRF reflect an accurate market rate.

The CRF charge on Peterborough Petes OHL Hockey is \$1 including HST per ticket and this amount is frozen from increases under the current Facility License Agreement that expires at the end of the 2022/23 Hockey Season. The CRF charge on Peterborough Lakers Lacrosse tickets is \$1 plus HST per ticket and this amount is frozen from increases under the current Facility License Agreement that expires at the end of the 2022 Lacrosse Season. The CRF charge on concerts and special event tickets is currently \$2 plus HST, raised from \$1 plus HST in recent years.

The 2018 operating budget set for the CRF was \$144,000 and actual revenues received were in excess of \$207,000, approximately \$60,000 higher than anticipated as a result of increased hockey game attendance, additional lacrosse games (MANN Cup) and increased special events. This revenue directly offset the annual debenture and operating expenses of the Peterborough Memorial Centre. Hockey and lacrosse tickets amount to approximately 93% of the CRF budget and the City is restricted from raising the CRF fee on these tickets under the current Facility License Agreements.

It would take approximately 25 years to recover \$3.5M in capital expenditures by applying an additional \$1 surcharge fee on ticketed events, beyond the current annual

\$144,000 CRF revenue, and would require amendments to the current Facility License Agreements with the Peterborough Petes and Peterborough Lakers.

Summary

The Capital Refurbishment Fund (CRF) fee charged on ticketed events provided revenue of approximately \$207,000 in 2018 and the rates for Petes and Lakers games are frozen under the current Facility License Agreements. It would take approximately 25 years to recover an additional \$3.5M and would require amendments to the current Facility License Agreements.

Submitted by,

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Commissioner of Community Services

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