

**5 Year Strategic Plan**  
**For the**  
**Hamilton Entertainment and Convention**  
**Facilities Inc.**

For Review and Consideration  
By the HECFI Interim Board

# Table of Contents

<b>1) Executive Summary</b> .....	3
<b>2) Introduction</b>	
1) Vision, Mission, and Values.....	5
2) Founding Legislation and Shareholder Direction Highlights.....	6
<b>3) Economic Climate and Competitive Landscape</b>	
1) General.....	8
2) Collaboration = Expanding the Pie.....	9
3) How the Venues Stack Up – S.W.O.T.....	10
<b>4) Strategic Imperatives</b>	
1) Embedded community engagement.....	11
2) Revenue and Productivity capacity building.....	13
3) Enhancing the Experience.....	19
<b>5) Appendices</b> .....	21
1) Summary Rev., Exp., Municipal Contribution Scenarios 2012-16	
2) Rev., Exp., Municipal Contribution by Venue 2012-16	
3) Market Value Savings Potential on City Admin. Overheads	
4) Employee Satisfaction Results	
5) E-Marketing – Email Data Base Stats	
6) Facebook and Twitter Stats	
7) Web Site Trends	
8) Venue Comparison Rates with Hamilton Place	
9) Major Capital Requirements	
10) Strategic Plan Implementation Summary	
11) Confidential Financials	
12) Strategic Plan Highlights	

## **1) Executive Summary**

This document outlines a plan for optimizing the use of the existing HECFI venues under the ownership and oversight of the City of Hamilton. It serves as a realistic benchmark of comparison to proposals received from 3<sup>rd</sup> party proponents in the Phase 2 portion of the KPMG contract. While status quo is not sufficient, continuous improvement and innovation added to the current model offers an interesting perspective.

Following a year of restructuring, cost cutting, and process improvement, the HECFI leadership team has positioned the organization for growth, the fulfillment of its mandate, and a reduction in “municipal contribution” funding over a 5 year period. Fiscal 2012 is a baseline year, returning to operating levels at the 2009 Municipal Contribution. Fiscal 2013-16 will see an average decrease of \$275K annually based on conservative forecasts of revenues and expenses. There is a realistic opportunity to improve on that number depending on the final results of strategic initiatives proposed in this document. Preliminary views indicate an average decrease could grow to a total of \$350K annually from 2014-16. (See appendices 1&2)

During this transitional period, the HECFI team has clearly demonstrated their ongoing commitment to our clients and patrons, and their determination to be successful on all fronts. Convention Centre client satisfaction has continued to rise; 90% of clients rated their experience as Very Good or Excellent, and 100% said they would recommend us. Margins in the Convention Centre have improved by approximately 7 percentage points over 2010. In a recently introduced sampling of patron satisfaction at entertainment events 88% rated their overall experience as Very Good or Excellent. Absenteeism has held strong at 3 days per person annually. Employee Satisfaction for Full Time employees has increased in 2011 over the previous year. (see Appendix 4)

Recent announcements will have a positive impact on Convention and Sports & Entertainment businesses in the City. These include major new employers, new hotels, all day GO service, the new stadium, the Library and Farmers’ Market, and other downtown revitalization projects. This will provide strong revenue growth opportunities across the venues, and they will remain an important piece of the physical and cultural rebirth of downtown Hamilton.

Collaboration with City of Hamilton departments and community groups has increased over the past several months. It has clearly demonstrated that untapped and expanded opportunities through community engagement are abundant. A closer tie with Economic Development and a governance structure more closely linked to the community and the City is recommended. Along with this change, a renaming of the organization and a marketing / branding focus on the venues versus the organization is also appropriate.

Additional revenue generation and cost reduction opportunities exist that would further reduce, by significant amounts, the requirement for Municipal operating requirements. These include :

- a) Additional ‘naming rights’ contracts e.g. at the Great Hall inside Hamilton Place, complimentary naming of Copps Coliseum e.g. the XYZ Copps Coliseum, as well as key assets inside the Convention Centre.
- b) Private sector collaboration models to grow conference and convention business.
- c) An expanded performance based ‘win, win’ contract when renewed with the Bulldogs.
- d) A partnership with the Hamilton Municipal Parking System to create and share new revenue streams and incremental dollars through “event based charges” and advertising for HECFI events.
- e) The execution of currently planned capital projects that focus on enhancing the customer experience e.g. Video walls, ‘way finders’, and cosmetic refreshes.

The strategic review of existing and 3<sup>rd</sup> party options is a very healthy exercise for the City to conduct. It is anticipated that proponents will put forward a variety of proposals and combinations of venues to operate. Potentially, the most efficient starting point for analysis will be the impact on the Municipal Contribution levels. With that in mind it is important to recognize that the \$449K in Admin charge currently assigned to HECFI by the City is: a) not a saving that the City or taxpayers will realize if a 3<sup>rd</sup> party takes over and b) not a ‘market value’ rate for these services i.e. HECFI requirements for Legal, IT, HR etc. support is estimated at \$250K annually.

The success plan outlined in the following pages also addresses the pro’s and con’s of the operating organization managing all 3 venues versus individual venue operators. The conclusion tilts the business decision towards a single operator, but does not attempt to address the political implications of the decision. A single operator, with no ownership affiliation to any one entertainment promoter or hotel chain is by its nature a more objective operator in terms of representing the best interests of the City and community while having the broadest access to local and national entertainment, sports, and hotel partners.

Our future is driven by a strong annual operating plan and 3 strategic imperatives that will transform the organization:

- 1) Embedded community engagement
- 2) Revenue and productivity capacity building
- 3) Enhancing the customer experience

## 2) Introduction

- a) **Our Vision:** To provide the best entertainment and convention experiences in Canada.
- b) **Our Mission:** We deliver memorable event experiences by providing exceptional value and excellent service in all 4 venues. We work closely with our business and community partners to ensure that we meet the cultural, entertainment, and conference needs of our citizens in a fiscally responsible manner to our taxpayers.
- c) **Our Values:**
  - i) **Accountability** – We are guided by our responsibility to our patrons, clients, colleagues, partners and the citizens of Hamilton. We hold ourselves and each other accountable to do the right thing, to go the extra step and to play as a team.
  - ii) **Commitment to Excellence** – We provide exceptional value and excellent service to offer our patrons and guests the best entertainment and convention experiences in Canada.
  - iii) **Creativity** – We challenge ourselves to create unique offerings and solutions that set us apart from the competition.
  - iv) **Honesty** – We are committed to honesty, integrity and transparency in all that we do.
  - v) **Passion** – We have passion for providing extraordinary experiences. We share that passion with each other, our community and our partners.
  - vi) **Respect** – We listen and value the opinions of our customers, colleagues, partners and stakeholders, while fostering a culture of empowerment.

### 3) Founding Legislation and Shareholders Direction

#### Legislation

As with all historical documents, it is valuable to step back and put ourselves in the shoes of those who put pen to paper at that time. In most cases, when legislation is well written, it is principles based and intended to serve the long term interests. This appears to be the case in the excerpts below:

“Consolidated Version As amended by *City of Hamilton Act, 1988* and *City of Hamilton Act, 1991 (No. 2)* CHAPTER Pr23 **An Act respecting the City of Hamilton** Assented to December 18th, 1985

(2) The principal purposes of the corporation are, to maintain, operate, manage, market and promote the Theatre-Auditorium, the Convention Centre and the Trade Centre-Arena for the benefit of the City and the people of the City of Hamilton and in the public interest for the objects of the corporation.

3.-(1) The objects of the corporation are,

(a) to provide facilities and services for performing arts, including the carrying on of all or any of the operations of a theatre, music hall, concert hall, ballroom and cinema;

(b) to provide and present educational, social and cultural activities related to the arts or otherwise;

(c) to establish educational facilities and provide instruction in all areas of the arts;

(d) to present, produce, manage and conduct performances in the performing arts, including plays, dramas, comedies, operas, revues, promenades and other concerts, musicals and other pieces, ballet shows, exhibitions, variety and other entertainment;

(e) to provide facilities and services for amusement and entertainment activities; and

(f) to provide facilities and services for the holding of conventions, meetings, receptions, conferences, exhibitions, displays, sporting events, trade shows and events of every kind”

There is an opportunity to put increased focus on the fulfillment of some of the objects of the Corporation, particularly in the area of providing education and instruction in all areas of the arts.

## Shareholder Direction

Similar to the Legislation, it could be argued that over time some of the elements of the Shareholder Direction have varied in interpretation and therefore success, particularly in terms of the emphasis on achieving financial self-sustainability. While no organization could say that they have achieved the final measures of success, all other areas of the Shareholder Direction have been consistently demonstrated. The organization is presently well positioned to pursue financial self-sustainability.

### **“Principles**

HECFI is integral to the quality of life and the economic development of the City. The City directs that, in the best interest of HECFI and the community of stakeholders whom HECFI affects, all members of the Board shall cause HECFI to conduct its affairs:

- (a) On a commercially prudent basis;
- (b) In a manner consistent with the City’s public service mandate and its economic development and tourism strategies;
- (c) In accordance with the financial performance and strategic objectives as set out in its business plan.

### **Mandate**

The purpose of HECFI is to generate economic and tourism activity in the City while providing community benefits through the management of its facilities. Subject to the ongoing ability of HECFI to meet the objectives of the Shareholder set out in this Direction, and the ability of the Board to demonstrate the same, HECFI may engage in any of the following business activities:

- (a) Maintain, operate, manage and promote the City’s assets within its mandate, including Hamilton Convention Centre, Hamilton Place Theatre and the Copps Coliseum;
- (b) Engage in partnerships to leverage key market opportunities for the City; and,
- (c) Seek to reach financial self-sustainability.

### **Operational Decisions**

HECFI shall employ its own staff. However, HECFI may seek assistance from City staff resources (e.g., finance, legal, IT, HR) on an occasional basis. These service costs will be tracked under service agreements with the City, at no cost to HECFI.

Subject to the terms of this Direction, the board shall be responsible for the management of the assigned City assets, making all policy and operational decisions, save and except for divestment of the assets, and be held accountable for these decisions through submission to the City of its annual Business Plan and Annual Report.”

## 4) Economic Climate and Competitive Landscape

Discretionary spending drives most of the business at HECFI, whether it's related to conventions, meetings, and banquets at the Convention Centre or buying tickets for entertainment and sporting events at Copps and Hamilton Place.

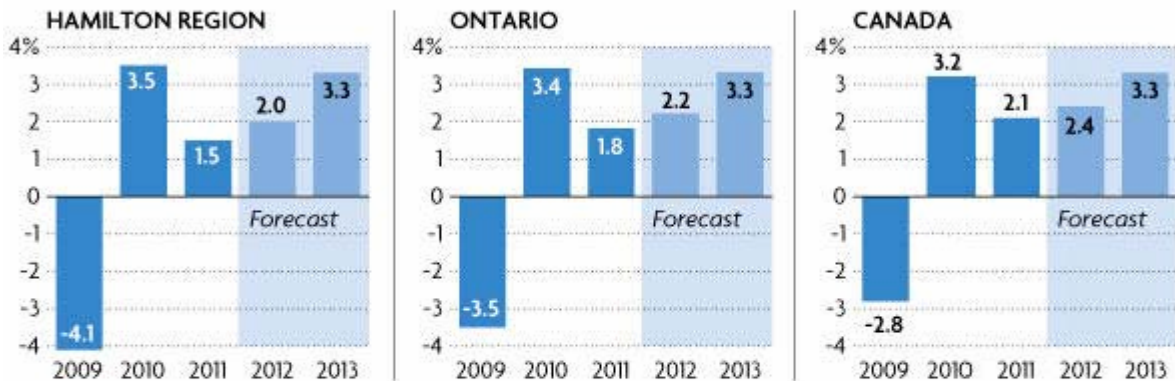
All analysts point to modest growth in 2012 with some cautious optimism going forward. U.S. and European economies remain unstable and unpredictable. Locally though, there is a sense of optimism as a result of a number of encouraging announcements over the past several months: a new stadium, the McMaster Health Centre, new hotels, 2 new large employers moving to Hamilton, all day GO service, and the completion of a number of downtown revitalization initiatives that have shown a net increase in jobs.

The following chart appeared in the January 12, 2012 Hamilton Spectator:

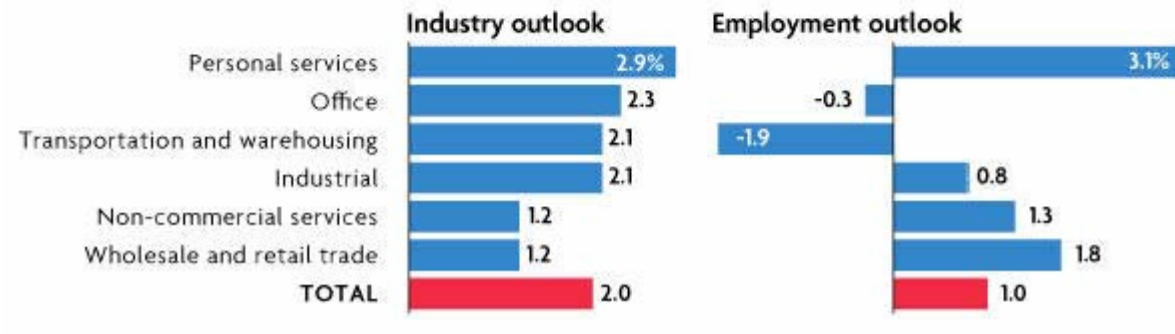
### Modest expectations

The latest issue of the Conference Board of Canada's Metropolitan Outlook study calls for moderate growth of 2 per cent in the Hamilton region's economy this year. The study area includes Burlington and Grimsby.

**GDP GROWTH:** Percentage annual real GDP growth, 2009-2013



**HOW HAMILTON REGION INDUSTRIES ARE EXPECTED TO PERFORM:** Forecast 2012 annual growth rate



## **Collaboration = Expanding the Pie**

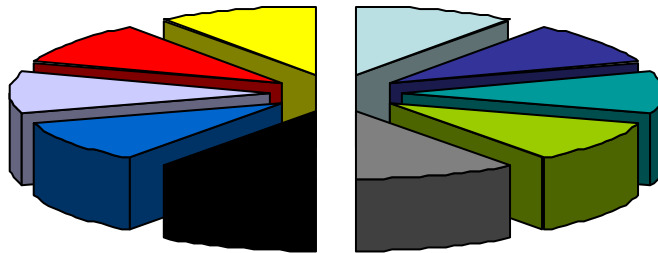
The successful addition of new competitors in our region, and the healthy growth of existing operators is a very positive sign. Competition makes us all better, and the outcome is that the total market and industry spend is growing in our region. Working together, Hamilton businesses/organizations will expand the size of the marketplace pie.

There is an increasing awareness that the Hamilton region is an important destination for all things tourism: Conventions & Conferences, Sports, and Leisure. We are becoming the Central Ontario hub and a viable alternative to Toronto for medium sized opportunities.

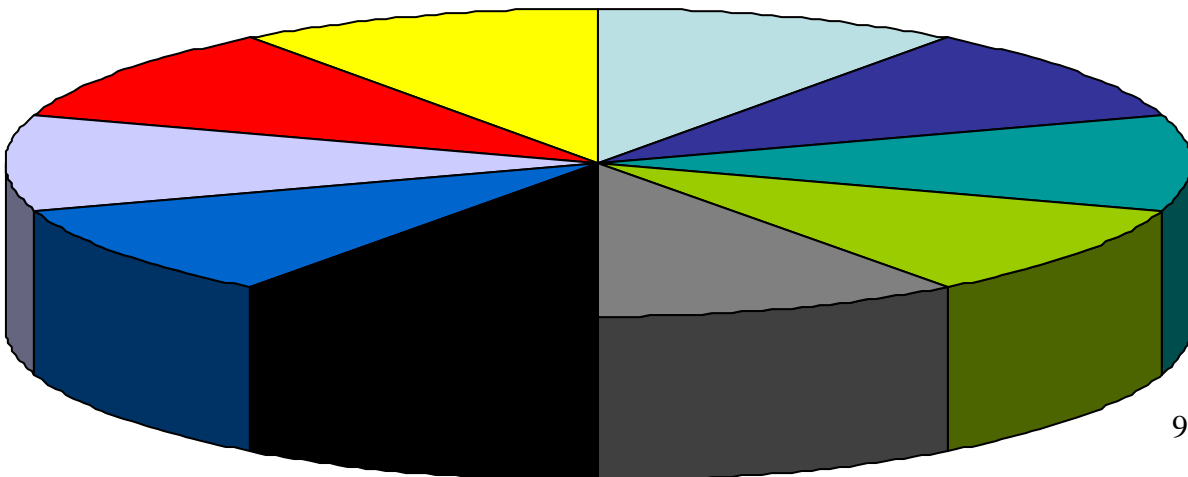
New entrants such as Careport make “expos” a realistic opportunity for Hamilton. Remodeled and new hotel properties add a much needed piece to the convention, sports and leisure tourism puzzle. The continuous expansion of the performing and visual arts communities has put the city on the map for a whole new demographic. The various members of our community including HECFI, have been successfully leveraged at conferences and trade shows through the BIA’s, the Chamber of Commerce, Culture and Tourism, and a wide variety of community organizations. We are all benefiting.

Not only our housing prices, but our restaurants, hotels, meeting facilities and tourist attractions are priced well below that of the Toronto area. We’re easily accessible, offer great value, and our ‘make it happen’ approach, combined with sincere and outstanding service has won the accolades of thousands of visitors. Country Music Week in 2011 was a great example of Hamilton’s ability to collaborate and deliver.

### **Hamilton Businesses/Organizations Working Independently**



### **Hamilton Businesses/Organizations Working Collaboratively**



## **How The Venues Stack Up - S.W.O.T.**

While there is much to do and to strive towards, the existing HECFI venues provide a solid platform for growth and contribution to the City of Hamilton.

### **Strengths**

- 53 F.T. staff is lean, knowledgeable, experienced, committed to success.
- 800 P.T. staff is experienced, loyal, and proud
- 3 multi purpose venues in 1 downtown location, with parking & nearby hotels
- Quality, clean, well maintained venues
- Easy access from air & major highways
- Less expensive alternative to Toronto
- Strong relationships with bus. partners
- Respected by promoters & artists
- Some recent positive momentum in the community
- Strong eMarketing & social media programs
- Labour union relationships healthy
- Well developed and tested operational procedures
- Rev. & Exp. oversight & dashboards in place and monitored daily/weekly

### **Weaknesses**

- Aging facilities in need of visual, technological and physical facelift
- HCC limited to medium sized events
- Copps too big for most events
- Promoters consider Ham. a “B” tour stop
- Hamilton’s & Downtown image
- Financials 2009 – 2011 created negative public press & action by Council
- Need for capital infusion to upgrade facilities
- Increasing maintenance costs due to age of buildings and equipment
- Some tenant performing arts organizations ticket sales declined and forced them to move
- Mixed public perception of City’s role i.e. should the City be in this business?
- In the shadow of Toronto – lose audiences and spending to TO market

### **Opportunities**

- To enhance the visual experience through each venue
- Re-brand and re-market the venues vs. the organization HECFI
- Expanded collaboration with Tourism, Chamber, and local partners
- Partnership with local businesses to operate and market the convention centre
- Target specific opportunities to expand our potential to realize operational cost savings by assuming responsibility for our energy costs
- To secure additional capital funding for significant revitalization of venues
- Closer collaboration with City departments

### **Threats**

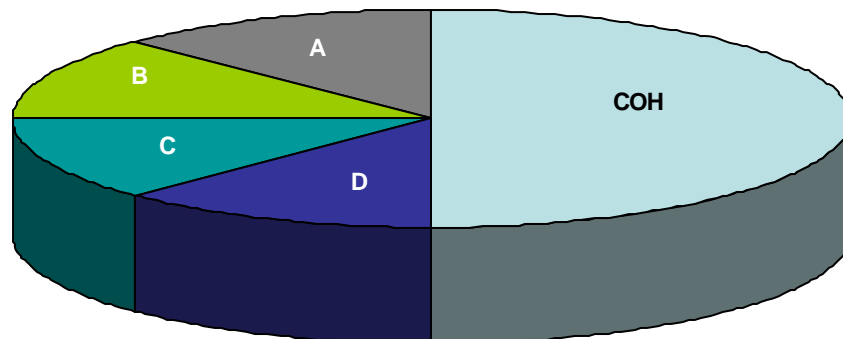
- Increased competition within the region – new & expanded convention centres, casino entertainment budgets
- Saturation points for entertainment \$
- Corporate spending timid pending economic stability
- Artists cancel tours if economy softens
- Video technology shifting meeting & conference patterns
- Pressure to reduce operating costs relating to building and equipment repairs / maintenance / replacement and janitorial services when requirements are increasing

## 5) Strategic Imperatives – What We Will Deliver

### a) Strategic Initiative 1 - Embedded Community Engagement

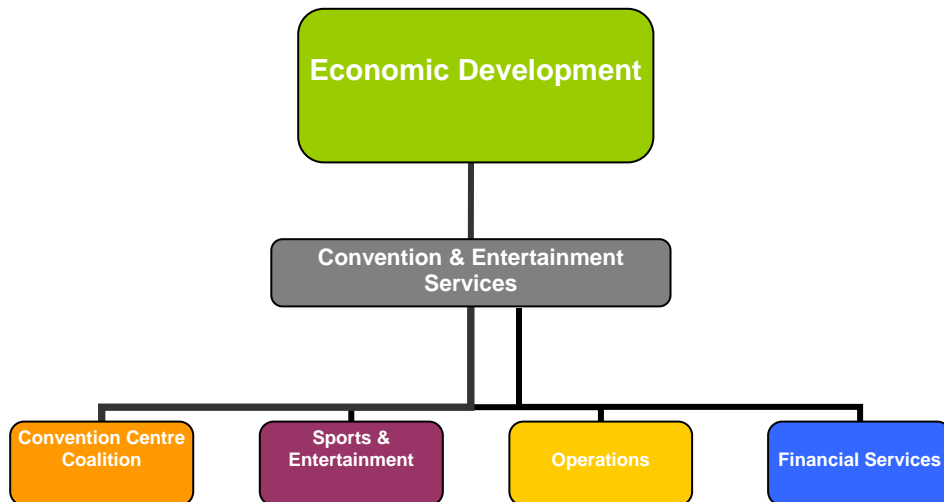
As City of Hamilton owned venues, it is important that its citizens, businesses, and cultural communities have a voice in guiding the content and operations of the facilities. Stakeholder engagement and participation always facilitates great new ideas, a sense of ownership and pride, and a commitment to achieving higher level outcomes.

- 1) The legal entity HECFI should be dissolved and a department formed within Economic Development, closely linked in organizational structure with Culture, and Tourism.
- 2) The branding and promotion of the individual venues should be the priority, not the organization.
- 3) A modified organization structure operating all 3 venues is recommended.
  - A single operator like HECFI, creates operational efficiencies e.g. our full time headcount has decreased from a peak 87 full time employees to the current level of 53 since it became one organization from the original structure of one team per venue in the late 80's.
  - A single operator can promote a venue 'value proposition' like no other in Canada. Many conferences, conventions and special events have been won because we can book and coordinate access to the 3 venues for a single event, CCMA being a great recent example.
  - Additionally an organization that is independent of any single private sector business, can serve the market place without bias. An analogy might be at retail, Best Buy or East Hamilton Radio vs. the Apple store; all carry excellent products but one is obviously biased as a sole source supplier. Best Buy and EHR offer a solution based approach versus Apple's product approach.
  - A 'Convention Centre Coalition' is recommended as an enhanced model within the organization for a 50:50 City and Private sector approach, where the City retains half of the control and any number of private sector players can invest and have a "share" of the remaining 50%. E.g. These partners could be Hotel operators, Event marketing firms i.e. Continuum (Careport) etc. This model of inclusion provides expanded opportunities to the private sector to co-market and operate the Convention Centre, share in the decision making and profits for their efforts.



- Note 1: If a 3<sup>rd</sup> party operator is solely running the Convention Centre and is connected to a single private sector business, there is an inherent risk of a) minimizing opportunities for cross venue packaging, and b) depending on their ownership could minimize opportunities for collaboration with other hotels and restaurants in the City.
- Note 2: A 3<sup>rd</sup> party operator at Copsps and or Hamilton Place with an direct affiliation with a single promoter could a) minimize the diversity of entertainment brought to the City b) have a negative impact on community organizations whose resources may not always fit a pure for profit operator model. In our current model we interface with the world's two largest promoters Live Nation and AEG, plus over 100 regional and local promoters and agencies.

4) The following Advisory Board structure will facilitate both the focus and strategic direction of each venue.



- i) Community Advisory Boards should be established at 2 levels of the organization:
- (1) Leadership Team – 7-9 members
    - (a) Reporting to the General Manager Economic Development
    - (b) Governance and strategic guidance of the organization
    - (c) Council representation
    - (d) Citizen, arts, and business representation
  - (2) Departmental – 5-7 members each
    - (a) Entertainment
    - (b) Hospitality
    - (c) Finance
    - (d) Operations

## **b) Strategic Initiative 2 - Revenue and Productivity Capacity Building**

The most significant opportunity for bottom line improvement lies in revenue generation, but there are also productivity gains to be made through closer working relationships with the City and business partners.

Cost cutting has been aggressive over the past 12-18 months and is at a point where further reductions without productivity improvements may be counterproductive. While our business growth is tied to an extent to the economy and consumer confidence, there are still many other avenues open to us to generate new revenues and bottom line improvements:

### **a) Expanded Revenue Streams**

#### **i) Naming Rights**

- The potential exists to add significant recurring revenues through naming rights being made available for our key properties.
- The process needs to be open and market driven, and fall within the brand of the City of Hamilton and its properties.
- The existing brands can be protected in the process e.g. in 2011 Molson acquired the naming rights for the Studio Theatre at Hamilton Place; it is now named the Molson Canadian Studio at Hamilton Place. Similarly we could re brand the other venues e.g. The XYZ Great Hall at Hamilton Place, or the ABC Copps Coliseum.
- Professional valuations need to be completed as an early part of the exercise but as one example, an AHL arena in the U.S. recently signed a deal for \$450,000 annually.
- Key rooms within the Hamilton Convention Centre could also be put on the market for naming rights, particularly the Chedoke ball room, Webster, Webster Lounge and the Wentworth trade show space.
- A market driven RFP process will be designed to ensure the branding parameters of acceptable bids. This market driven process will ultimately establish the values for each asset.

#### **ii) Sports and Entertainment**

##### **(1) Group Sales**

- The Group sales market for sports and entertainment events is growing rapidly. We enjoy a good relationship with many promoters and tour operators. Promoters of rental shows pay commissions to us for group sales. We currently generate \$15,000 in commissions annually with little time dedicated to this revenue stream. Additionally, there are a number of events that we co-pro where group sales are combined with dinner packages etc. There is further opportunity in this area to collaborate with Tourism. Preliminary estimates indicate an annual \$75-100K top line against a cost of \$25-\$40K.

- (2) Entertainment Sponsorships
  - Selected series of shows i.e. the Broadway Series, have been successfully sold as sponsorship packages.
  - An opportunity exists to create additional packages of shows for specific genres, decades etc.
- (3) Fewer Dark Nights
  - Each venue has an inventory of dark nights. Additional bookings even with modest profits contribute to our fixed costs.
  - A venue by venue programming focus is concentrating on increasing the number of events; an ancillary benefit results from increased food, beverage, and merchandise sales. Equally of value it will provide more income to event based staff, help reduce turnover, and reducing recruitment and training costs. Lastly it brings people downtown to spend money at restaurants, bars, and parking.
  - A focus will be put on expanding our network of promoters in sporting programs particularly for summers months in Copps e.g. ball hockey, 3 on 3 basketball tournaments etc. Our goal is to make Copps a 4 season facility. Summer ice hockey has been thoroughly investigated and is clearly cost prohibitive versus the potential revenues.
- (4) Concessions, Tapas Lounge, and Gibsons
  - Compass Group runs all food and beverage in Copps and Hamilton Place. We are in the growth stages of joint marketing efforts to increase traffic, service, and profits. Early successes demonstrate that there is a significant upside to be realized by creating value added experiences, VIP packages, new menus, up-sells and integration with broader offerings, through HECFI and Compass Group marketing tools as well as better leveraging our partnerships with Ticketmaster, Pepsi, Molson, and PMA.
- (5) New Stadium Opportunities
  - Summer is a time for outdoor concerts and festivals. With Supercrawl and BIA activities, there is a growing reputation of Hamilton as the home of great music and both visual and performing arts.
  - We have all the key relationships to book the acts, and the new Ivor Wynne Stadium will be a great concert venue for the City. Several concerts were jointly investigated in the past but could not be put together because of the limitations and related costs of readying the old stadium.
  - Collaboration with the Ticats and the City makes a great deal of sense to explore, bringing large concerts and associated revenues to all the parties.
  - The scale of these events will have positive benefits to the City with additional out of city visitors coming to the concerts, booking hotels, eating in local restaurants, and gaining a whole new perspective of the City.

### iii) Hamilton Convention Centre

#### (1) General

- The Convention Centre has seen its core business of conventions shift over the last decade to be a declining percentage of its total revenues. Several factors have contributed to this reality: newer larger convention centres regionally and nationally; lack of hotels in the downtown area, a declining downtown image; aging aesthetics of HCC; limited kitchen space, and a general shift in the expenditures by convention organizers and attendees.
- To maintain revenues, an increasing emphasis has been put on conferences, meetings, banquets and even weddings, all of which are largely perceived as competing directly with local private sector businesses.
- As a City owned facility there is a great opportunity to make the Hamilton Convention Centre truly a city asset at the hub of a growing opportunity to collaborate in a profit driven P3 (Private, Public, Partnership) model. This model will be a major catalyst to bring more convention business to the city plus will be marketed as an extension of its partners' facilities instead of as a competitor.

#### (2) P3 Model

- A variety of local businesses could potentially become part of the Convention Centre Coalition; Event promoters, hotels, venue owners.
  - (i) The large block of space at Careport, operated by Continuum is an ideal location for Expo's; and large square footage events that cannot be housed anywhere else in the City e.g. RV, Boat, large Home and Garden shows etc.
  - (ii) Discussions have been underway to develop a working model that links Careport and HCC as partners to attract new business; the expo at Careport and the associated banquets, meetings etc. at HCC with other local partners tied in such as the downtown hotels and a transportation group to shuttle guests between the facilities.
  - (iii) Continuum is fundamentally an Event Promotion company who secured and rehabbed space that was otherwise not available in the City of Hamilton. There are different possibilities to work together
    - a) partner on Expo sales and execute as we do today
    - b) have Continuum act as the sales agent for both facilities with our team executing the event delivery in both
    - c) similar to b above but with the City taking over the lease at Careport.
- Collaboration with downtown Hotels is already underway to a degree; agreements for joint Marketing, Sales, and profit sharing would make a significant difference in moving forward.
  - (i) "Skin in the game" would drive individual businesses to sell their property *with* a Convention Centre.
  - (ii) It would create substantially more inventory for them.
  - (iii) It can all be booked and managed through our existing EBMS reservation system with some additional investment.

- (3) Existing HECFI Sales/Service Team
- In 2011 we made substantial staff changes and reductions to the organization to position the Convention Centre for growth and improved bottom line results. Those changes will be leveraged to grow Convention Centre revenues and margins, and continue to improve our already excellent client satisfaction results.
    - (i) Summer programs – The facility is largely unused in the summer as meeting and convention business slows down, and those that are booked are most often looking for resort locations. Planning has begun in a joint initiative with Culture to create summer performing arts programs for not-for-profit organizations. Summer rates will be applied that are affordable, contributing to fixed costs and any variable costs. This initiative is a step in the direction of leveraging the venues to better accomplish the ‘educational’ part of our mandate.
    - (ii) Vertical Market focus – The primary emphasis is on developing new business. Two Sales Executives have dedicated vertical markets to target for new business development. A third Sales Executive is focused primarily on retaining and growing our existing client base plus expanding the Municipal Government vertical. The Director is a selling coach, participating directly in all major initiatives.
    - (iii) Creating value for clients – Clients have less in-house event staff, smaller budgets, and higher expectations from their venue partners. We have launched and will grow our value added capabilities and offerings e.g. leadership training workshops for clients, increased our technology capabilities through the City and AV Telav, and expanded our event planning and marketing support.
    - (iv) A single sales process - has been introduced across the team, with measurable goals for each process step. This process will be embedded in any sales efforts including Corporate Sponsorships, and Group Sales, as they develop.
    - (v) Add-on sales and referrals are a key part of each client relationship in order to maximize business opportunities with each organization
    - (vi) Client and Event Services personnel will be increasingly integrated into the up-sell and referral process. Tools and collateral are being refined.
- (4) JV with the Municipal Parking System – An opportunity exists to create a partnership with the Municipal Parking System to create a business plan that will return incremental revenues that can be shared with our organization.
- (i) Revenue share would only apply to incremental parking revenues beyond existing levels.

- (ii) The business plan and associated marketing plan would focus on strategies related to event specific rates, value added services, and advertising opportunities.
- (5) New performance oriented deal with Bulldogs – running an AHL franchise in this market is an expensive venture. Running it with goals and objectives that are not fully aligned with the financial and programming interests of the venue only aggravates the bottom line of both partners.
  - (i) The current agreement contains a number of items that both parties would like to see changed; the current agreement for example does not align the financial goals of the parties.
  - (ii) The current agreement is due for renewal after the 2012-13 season; the owner of the Bulldogs Michael Andlauer has indicated an interest in extending an agreement.
  - (iii) There is an opportunity and a willingness by both parties to work closer together for mutual financial benefit through increased attendance, sponsorship and ancillary revenues.
- b) **Productivity gains** – Our recurring mantra is continuous improvement. We have made significant strides internally and with City departments. Each area of our operation is under review.
  - (1) Discussions with City departments clearly indicate that they do not have the capacity to absorb any of our work but there are many opportunities for productivity gains by working closely and proactively together.
    - (i) Capital improvement planning – to be a joint effort rather than 2 stand alone exercises regarding the HECFI venues.
    - (ii) Environmental programs – our Operations team will be more involved at the idea generation and planning stages.
    - (iii) HR support – our small team will be more closely connected; to contribute in areas where we have expertise in niche topics; to receive ongoing updates on legislation and City policies, assistance with contract negotiations etc.
    - (iv) Legal support – working more closely to ensure HECFI is aligned with City policies and procedures.
    - (v) Communications – the City Managers Office will assist with our communications messaging; we can assist in media buys and Marketing spends e.g. HECFI has negotiated very good media rates which the City could leverage.
    - (vi) Finance – Our small team fits well into the City’s distributed model. There is an opportunity to explore system and process synergies that might simplify the reporting of our event driven business.
    - (vii) IT support – The City and HECFI currently have some systems that are not shared, including our reservation system EBMS. As one example it is possible that this same system could be used

across the City in other event driven departments e.g. Parks, and Rec.

- (viii) Economic Development initiatives – more closely aligned joint Marketing, including with Tourism and Culture, shared creative resources, lead generation programs etc.

### **c) Enhancing the customer experience**

Ultimately, the success of this business whether privately or municipally owned, is all about the customer experience. The experience begins when they are made aware of the events at the venues and ends when they have attended the event, and returned safely to their home. Their view of the experience is based on everything that transpired in between, from the ease of purchasing a ticket to the ease of leaving the parking lot. Our goal is to create the best experience from end to end.

- i) Uplifting our customer service program – While our client and patron satisfaction levels continue to be “very good and excellent”, we will continue to uplift our talent and training across the organization, so that we are 100% consistent. A client service program across all venues has been developed and launched February 6<sup>th</sup>. The program is specific to the values of culture of our organization and is part of an ongoing service delivery strategy. It will gradually evolve into a mixed media program containing on-line elements and hands on components by area of expertise. E.g. wait staff, porter, usher, ticket taker etc.
- ii) Individual Development Plans – in 2011 an individual employee development program was launched to customize training and development to individual needs relative to transferable skills and job specific skills and competencies. This program will evolve across the entire full time and part time employee base in 2012. Highly skilled and motivated team members will have a direct and positive impact on the customer experience.
- iii) Process improvement – each element of the customer experience is being reviewed to elevate the experience. Many elements are directly in our control through contact with clients and patrons, and those that are out of our direct control i.e. parking, are opportunities for closer collaboration and alignment of goals.
- iv) Venue revitalization – There are 3 levels of revitalization that must be undertaken in the short, medium, and longer terms (see Appendix 9):
  - (1) We must begin to execute our capital plans in 2012 that have been on hold pending the RFP process outcomes e.g. video walls and flat screens at Copps, interior refresh of hallways, selected rooms and ‘wayfinders’ in the Convention Centre, and the concrete rehab of the exterior of our buildings.
  - (2) In the medium term we need to complete some long standing major projects that have been annually deferred e.g. new roof on Copps, new ice plant at Copps, new sound system and flooring in Hamilton Place
  - (3) For the longer term we need to begin now to develop an architectural roadmap with the City that will re-launch the venues as contemporary exciting destinations for the next 2 decades.
- v) Re-branding – the pending change to include a City departmental structure lends itself for a re-launch of the venues, eliminating the reference to HECFI over time, and immediately elevating the venues themselves to be the dominant reference.

- (1) A comprehensive media strategy will be developed to accommodate all components: Public Relations, creative design, web site update, url's. etc.
- (2) There may be several additional components depending on outcomes with our P3 Convention Centre proposal, and the ties with Tourism and Culture.

# Appendices

- (1) Summary Revenue, Expense, Municipal Contribution Scenarios 2012 - 16
- (2) Building Revenue, Expense, Municipal Contribution by Venue 2012 - 16
- (3) Market Value Savings re: City Admin. Overheads
- (4) Employee Satisfaction Results
- (5) E-Marketing – Email Data Base Growth
- (6) Facebook and Twitter Growth Stats
- (7) Web Site Visit Trends
- (8) Venue Rate Comparisons for Hamilton Place
- (9) Major Capital Requirements
- (10) Strategic Plan Implementation Summary
- (11) Confidential Financials
- (12) Strategic Plan Highlights

Appendix 1

Scenario 1: Most conservative view of Revenues & Expenses

2012 to 2016 HECFI FINANCIAL FORECAST

	2012	2013	2014	2015	2016	CUM
Revenues	\$ 9,649,780	\$ 10,036,000	\$ 10,638,000	\$11,170,000	\$11,617,000	
% Increase		4.0%	6.0%	5.0%	4.0%	20.4%
Expenses	12,896,920	13,156,000	13,452,000	13,788,000	14,133,000	
% Increase		2.0%	2.3%	2.5%	2.5%	9.6%
<b>Municipal Contribution</b>	<b>3,247,140</b>	<b>3,120,000</b>	<b>2,814,000</b>	<b>2,618,000</b>	<b>2,516,000</b>	
<b>% Decrease</b>		<b>-3.9%</b>	<b>-9.8%</b>	<b>-7.0%</b>	<b>-3.9%</b>	<b>22.5%</b>
Municipal Contribution as a % of Expenses	25.2%	23.7%	20.9%	19.0%	17.8%	

Scenario 2: Subtracting the City Admin. for proponent benchmarking

2012 to 2016 HECFI FINANCIAL FORECAST

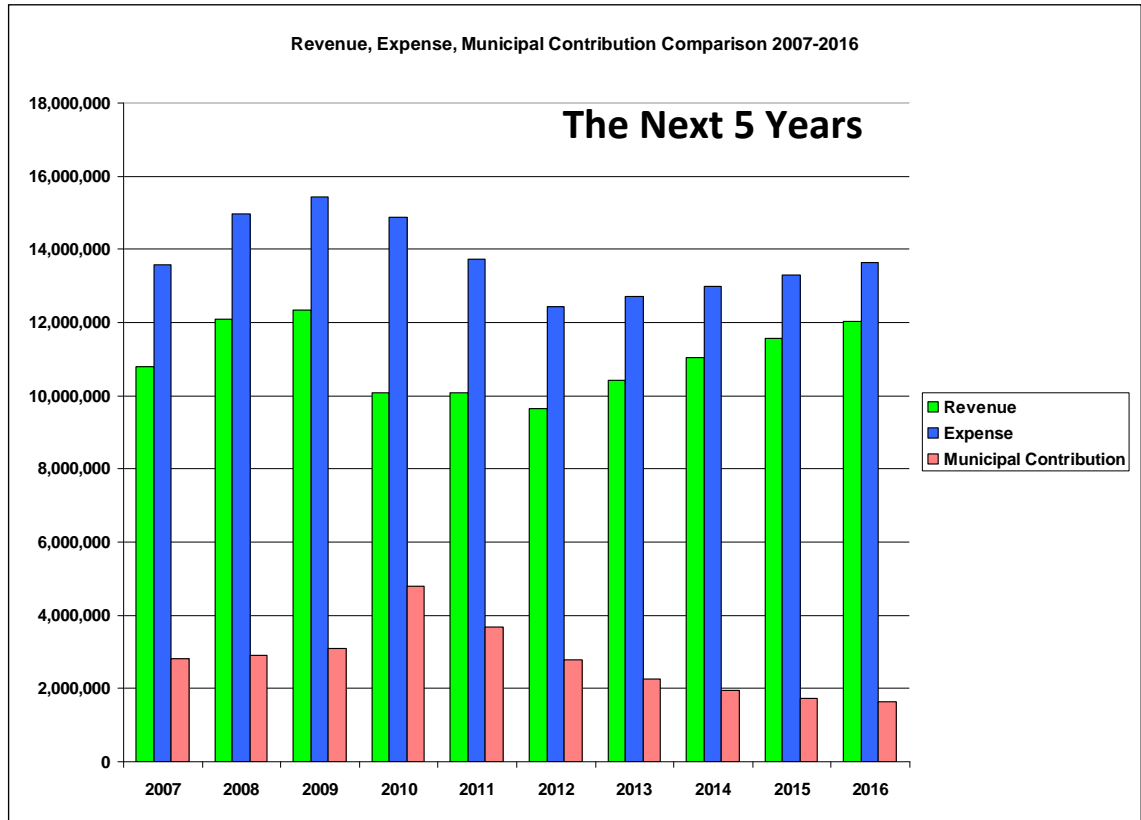
	2012	2013	2014	2015	2016	CUM
Revenues	\$ 9,649,780	\$10,036,000	\$10,638,000	\$11,170,000	\$11,617,000	
% Increase		4.0%	6.0%	5.0%	4.0%	20.4%
Expenses	12,896,920	13,156,000	13,452,000	13,788,000	14,133,000	
% Increase		2.0%	2.3%	2.5%	2.5%	9.6%
<b>Remove City Admin</b>	<b>(449,000)</b>	<b>(458,000)</b>	<b>(468,000)</b>	<b>(480,000)</b>	<b>(492,000)</b>	
Net Expenses change.	12,447,920	12,698,000	12,984,000	13,308,000	13,641,000	9.6%
<b>Adj Municipal Contribution</b>	<b>2,798,140</b>	<b>2,662,000</b>	<b>2,346,000</b>	<b>2,138,000</b>	<b>2,024,000</b>	
<b>% Decrease</b>		<b>-4.9%</b>	<b>-11.9%</b>	<b>-8.9%</b>	<b>-5.3%</b>	<b>-27.7%</b>
Municipal Contribution as a % of Expenses	22.5%	21.0%	18.1%	16.1%	14.8%	

**Scenario 3 Recommended and Realistic View: includes conservative Revenues from Naming Rights**

**2012 to 2016 HECFI FINANCIAL FORECAST**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>CUM</b>
Revenues	\$9,649,780	\$10,036,000	\$10,638,000	\$11,170,000	\$11,617,000	
% Increase		4.0%	6.0%	5.0%	4.0%	<b>20.4%</b>
Add Est. Naming Rights	-	400,000	400,000	400,000	400,000	
Total Revenues	9,649,780	10,436,000	11,038,000	11,570,000	12,017,000	
Expenses	12,896,920	13,156,000	13,452,000	13,788,000	14,133,000	
% Increase		2.0%	2.3%	2.5%	2.5%	<b>9.6%</b>
Remove City Admin	(449,000)	(458,000)	(468,000)	(480,000)	(492,000)	
Net Expenses	12,447,920	12,698,000	12,984,000	13,308,000	13,641,000	
<b>Adj Mun Contribn</b>	<b>2,798,140</b>	<b>2,262,000</b>	<b>1,946,000</b>	<b>1,738,000</b>	<b>1,624,000</b>	<b>-</b>
<b>% Decrease</b>		<b>-19.2%</b>	<b>-14.0%</b>	<b>-10.7%</b>	<b>-6.6%</b>	<b>42.0%</b>
Muni Contribution as a % of Expenses	22.5%	17.8%	15.0%	13.1%	11.9%	

Scenario includes City Admin charges extracted, Naming rights included



## Appendix 2

### 2012-2016 BUDGETED MUNICIPAL CONTRIBUTIONS BY BUILDING

	2012	2013	2014	2015	2016
Direct Attribution:					
Convention Centre	\$ 456,520	\$ 417,290	\$ 300,390	\$ 218,220	\$ 168,040
Hamilton Place	80,130	46,725	(25,060)	(75,545)	(107,020)
Copps Coliseum	46,690	(24,845)	(179,690)	(297,535)	(378,110)
					\$
	\$ 583,340	\$ 439,170	\$ 95,640	\$ (154,860)	(317,090)
*Unallocated Corporate	2,214,610	1,822,830	1,850,360	1,892,860	1,941,090
<b>TOTAL MUNICIPAL CONTRIBUTION</b>	<b>\$ 2,797,950</b>	<b>\$ 2,262,000</b>	<b>\$ 1,946,000</b>	<b>\$ 1,738,000</b>	<b>\$ 1,624,000</b>

\* Includes teams and expenses that contribute across all venues e.g. Corporate, Operations, Marketing, Business Services, Insurance exp. etc.

**ESTIMATED MARKET VALUE SAVINGS  
CITY OF HAMILTON ADMINISTRATIVE OVERHEAD ALLOCATIONS**

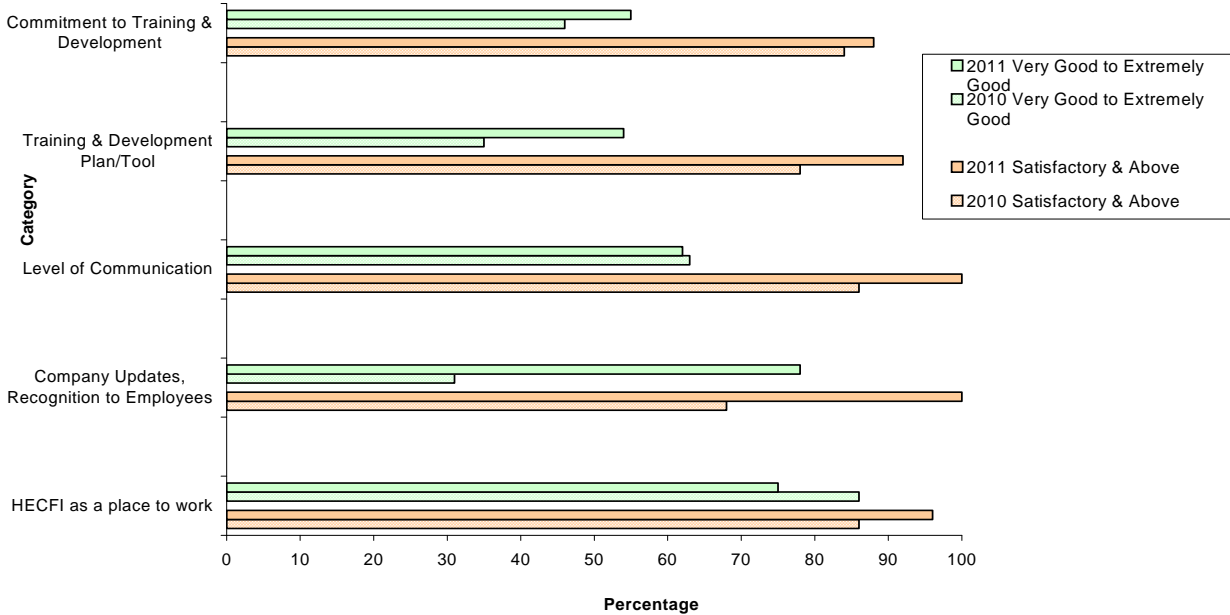
Information Technology Support	\$ 135,000
Accounts Receivable/Payable	45,000
Payroll	20,000
	<hr/>
Total	<u><u>\$ 200,000</u></u>

The above noted savings result primarily from the fact that HECFI, on its own, does not require the City's high level of computerized systems sophistication.

Full Time Employee Satisfaction Results 2011/2010

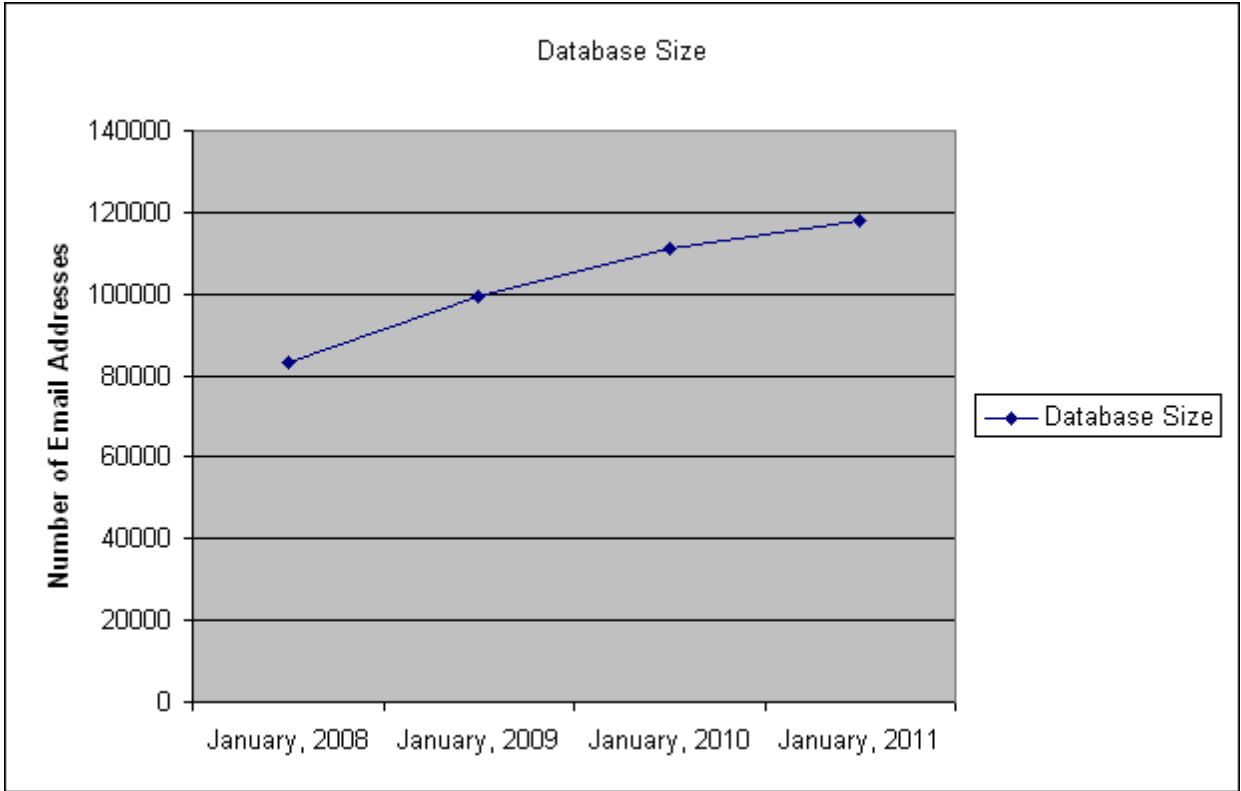
# Operational Highlight cont'd

HECFI Employee Survey Results: FT 2011 vs 2010



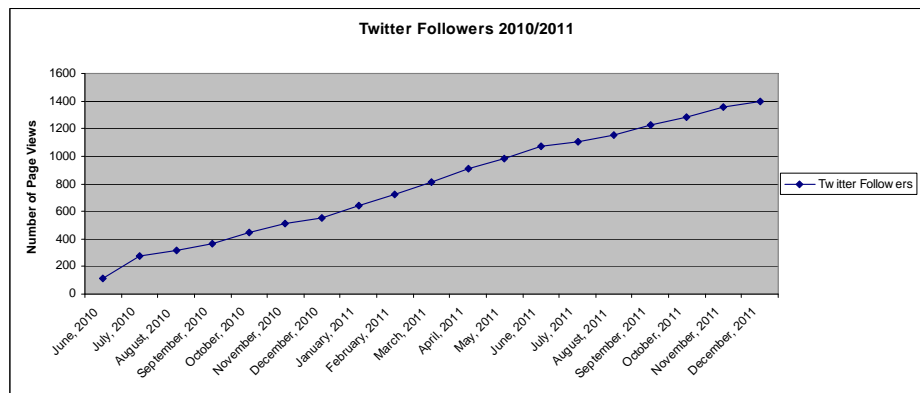
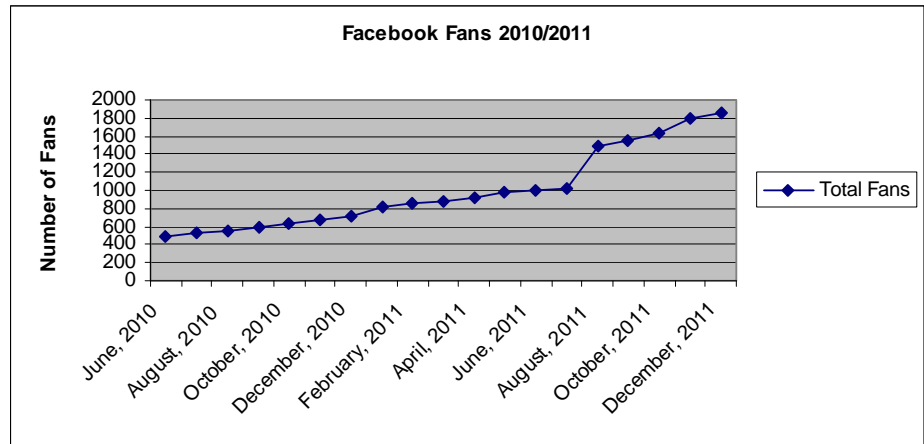
e-Marketing Stats – Email Distribution Data Base Growth

<u>Date</u>	<u>Database Size</u>
January, 2008	83378
January, 2009	99571
January, 2010	111177
January, 2011	117981
<b>January, 2012</b>	<b>124384</b>

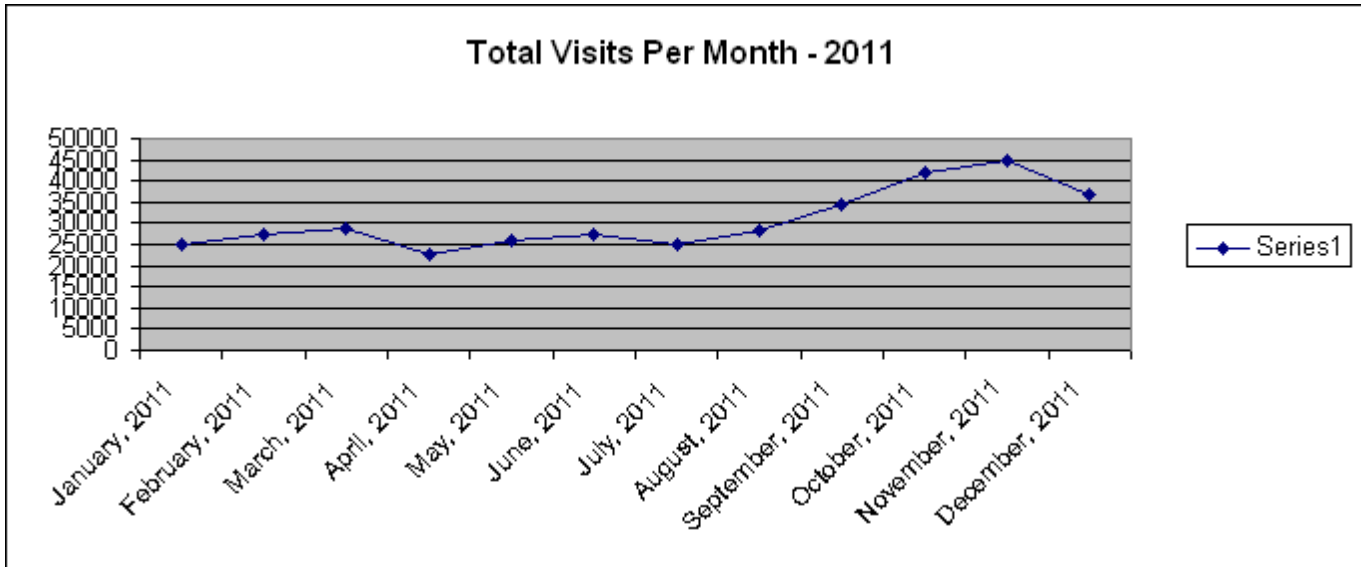
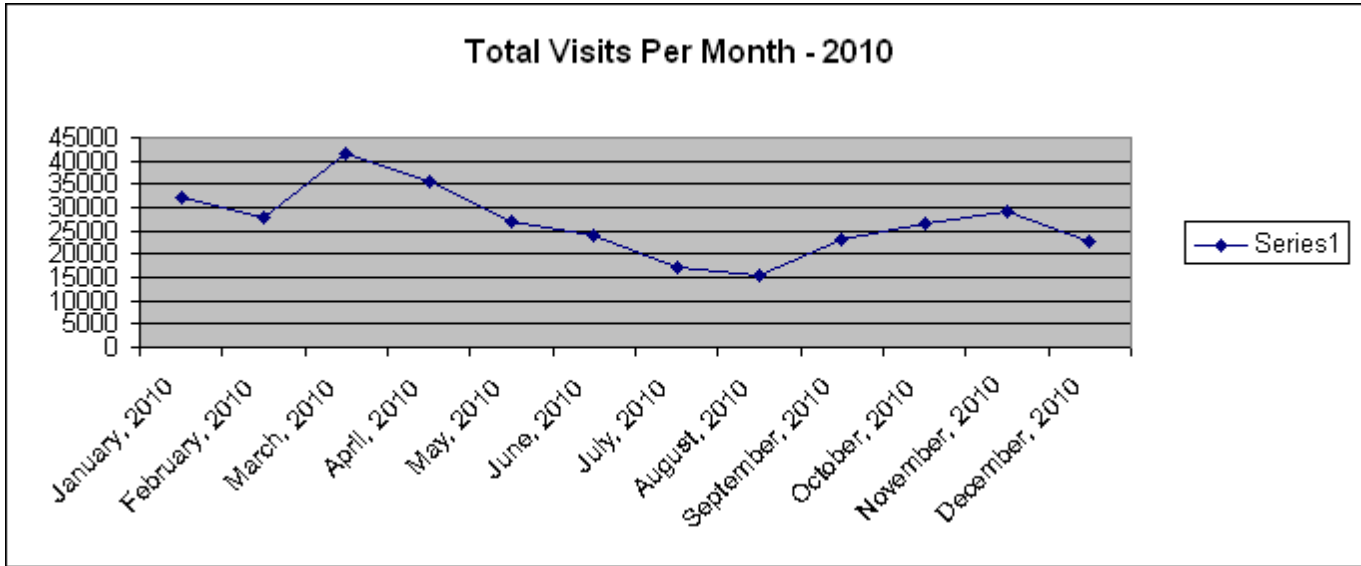


Facebook and Twitter Growth 2010/2011

Continued growth in Facebook Fans and Twitter Followers



Web Site Visits 2010 & 2011



Venue Rates Comparisons with Hamilton Place

Venue	City	Capacity	Rental Rates/Notes
Hamilton Place	Hamilton	2193	<ul style="list-style-type: none"> <li>• 1 performance = \$2500 or 11% of net ticket revenue</li> <li>• 2 performance = \$3750 or 11% of net ticket revenue</li> <li>• Setup/Rehearsal Only = \$1250 flat fee</li> <li>• Capital Fund \$2.00</li> </ul>
Centre in the Square	Kitchener	2047	<ul style="list-style-type: none"> <li>• Commercial Rate = \$2500 or 11% of gross receipts</li> <li>• Reg Charitable Rate (Sun-Wed) = \$1650 or 11% of gross receipts</li> <li>• Reg Charitable Rate (Thurs-Sat) = \$2500 or 11% gross receipts</li> <li>• Capital Fund \$2.25</li> </ul>
Conexus Arts Centre	Regina	2031	<ul style="list-style-type: none"> <li>• 1 performance = \$2150 or 10% of gross sales less GST &amp; ticket surcharge</li> <li>• 1 performance = 6 hours is allowed/performance for rehearsal or load in</li> <li>• 1 performance = 11 hours total; additional charge of \$100 for each hour or part beyond</li> <li>• A parking charge of \$1.00 /ticket charged to all patrons</li> </ul>
TCU Place	Saskatoon	2003	<ul style="list-style-type: none"> <li>• 1 performance = \$2500 or 8% of gross dollars less gst</li> <li>• Capital Fund \$2 if tix over \$15 or \$1 if under \$15</li> </ul>
Centennial Concert Hall	Winnipeg	2305	<ul style="list-style-type: none"> <li>• No information published on website</li> </ul>
National Arts Centre	Ottawa	2323	<ul style="list-style-type: none"> <li>• No information published on website</li> </ul>
Jubilee Auditorium	Edmonton	2500	<ul style="list-style-type: none"> <li>• 1 performance = \$6500 or 10% of gross receipts</li> <li>• 2 performance = \$8000 or 10% of gross receipts</li> <li>• Setup/Rehearsal = \$3250</li> </ul>
EPCOR Centre for Performing Arts	Calgary	1797	<ul style="list-style-type: none"> <li>• 1 performance – “Orchestra Type” – Weekday = \$3500 or 10% of Box Office</li> <li>• 1 performance – “Concert/Play Type” – Weekend - \$4000 or 10% of Box Office</li> </ul>
Francis Winspear Centre for Music	Edmonton	1932	<ul style="list-style-type: none"> <li>• 1 performance-nonprofit-weekday = \$2700 or 10% of gross ticket sales</li> <li>• 2 performance-nonprofit-weekday = \$4000 or 10% of gross ticket sales</li> <li>• 1 performance–nonprofit-weekend = \$3000 or 10% of gross ticket sales</li> </ul>

			<ul style="list-style-type: none"><li>• 2 performance-nonprofit-weekend = \$4500 or 10% of gross ticket sales</li><li>• Setup/Rehearsal-nonprofit = 50% of base rental fee</li><li>• 1 performance-commercial = \$3675 or 10% of gross ticket sales</li><li>• 2 performance-commercial = \$5500 or 10% of gross ticket sales</li><li>• Setup/Rehearsal = \$2600</li><li>• Capital Fund \$2 per ticket</li></ul>
--	--	--	---

**RENOVATIONS, REPLACEMENTS AND ENHANCEMENTS TO FACILITIES AND EQUIPMENT**

**Copps Coliseum**

1. Replacement of roofing system - \$1,500,000 (2013 and 2014)
2. Installation of interior LED "power ring" - \$1,000,000 (2015)
3. Replacement of exterior LED pylon sign - \$750,000 (2016)
4. Refurbish upper bowl permanent seating - \$1,000,000 (2016 and 2017)
5. Expansion of rink level washroom facilities - \$300,000 (2017)
6. Replacement of plumbing fixtures to "low flow" devices in all public washrooms - \$400,000 (2017)

Sub total: \$4,950,000

**Hamilton Convention Centre**

1. Renovations to building interior including;
  - a) improvements to Meeting Rooms 206 and 207, former sales office suite and Chedoke Ballroom - \$220,000 (2013)
  - b) improvements to main entrance both exterior and interior; installation of digital (LED) signage - \$220,000 (2014)
  - c) replacement of metal leaf ceilings and solid cedar soffit; installation of feature lighting - \$220,000 (2015)
2. Replacement of lighting control and dimming system in Wentworth Exhibition Hall and Chedoke Ballroom - \$150,000 (2013)
3. Replacement of kitchen equipment including wall ovens and gas range - \$120,000 (2014)

Sub total: \$1,200,000

**Hamilton Place Theatre**

1. Replacement of floor carpeting throughout public areas - \$250,000 (2013)
2. Replacement of floor tile throughout public areas - \$500,000 (2014)
3. Installation of digital (LED) signage - \$50,000 (2014)
4. Replacement of Great Hall sound system - \$500,000 (2015)
5. Construction of main level restaurant facility - \$750,000 (2016)

Sub total: \$2,050,00

# Strategic Plan Implementation Summary

# Appendix 10

Strategies	Key Initiatives	Prime (within our org)	Timeframe	Comments
<b>1. Embedded Community Engagement</b>	1. Dissolve HECFI legislation	Hertel	Q2 / 12	Complete the plan
	2. Establish reporting to Ec. Dev. And Tourism, Culture alignments	Hertel	Q2 / 12	Complete the plan
	3. Design and recruit Leadership Team Advisory Board	Hertel	Q3 / 12	First meeting in the fall
	4. Design and implement a Convention Centre Coalition & Governance model	Hertel	Q4 / 12	Partners and governance complete for Jan. /13 launch
	5. Design and recruit Sports & Entertainment Advisory Board	Elder	Q3 / 12	First meeting in the fall
	6. Design and recruit Operations Dept. Advisory Board	Calder	Q3 / 12	First meeting in the fall
	7. Design and recruit Financial Services Advisory Board	DiFilippo	Q3 / 12	First meeting in the fall

Strategies	Key Initiatives	Prime (within our org)	Time-frame	Comments
<b>2. Revenue and Productivity Capacity Building</b>	<b>Revenue Generating</b>			
	1. Naming rights – RFP & award	Hertel	Q4 / 12	Proposals received and winners announced ready for launch Jan. / 13
	2. Group Sales	Weston	Q1 / 12	Part Time employee Pilot to run 4 months March - June , assess, refine if appropriate and launch full time
	3. Entertainment Sponsorships	Weston	Q2	Create packaging template by genre, decade etc. in Q1 / 12 – establish rev. goals and sponsor targets in Q2 – selling ongoing
	4. Reduced Dark Nights	Elder	Ongoing	New promoters and new opportunities being research in Q1; aggressive booking underway
	5. F&B Revenue Growth with Compass	Hertel	Qrtly Mtgs with Compass Exec & Marketing	Meetings began in 2011. Early successes. More plans underway
	6. New Ivor Wynne programming opportunities	Hertel	Q4 / 12	Coordinate discussions with City, Ticats
	7. HCC Summer Programs with Arts community	Weston	Q2 / 12	Mar. 5 <sup>th</sup> workshop with Culture and community groups to determine needs and opportunities
	8. HCC Vertical Market Focus	Weston	Q1 / 12	Design complete; implementation pending hiring of backfill Sales Rep
	9. HCC Value Added Programs	Weston	Q2 / 12	Introduced in 2011. Evolving. Specifics to be refined and support collateral produced
	10. Single Sales Process	Weston	Q2 / 12	Process currently being implemented in HCC. Will be expanded to new Hospitality Sales Rep and Group Sales Associate
	11. HCC & Add on Sales	Weston		Ibid
12. HCC Client Svc	Weston		Ibid	

Strategies	Key Initiatives		Time-frame	
<b>2. Revenue and Productivity Capacity Building</b>	13. JV with Parking Authority	Hertel	Q3 / 12	Create a JV business plan for incremental revenue streams and approaches
	14. Bulldogs Contract Extension	Hertel	Q3 / 12	Create a performance driven win win extended contract
	<b>Productivity</b>			
	1. City productivity collaboration - Operations	Calder	Q3 / 12	Create a “scope of work” document for joint planning and monitoring processes to build upon existing relationship
	2. City productivity collaboration - HR	Mills	Q3 / 12	Create a “scope of work” document to formalize relationships with City HR re services to be delivered in support of the organization
	3. City productivity collaboration - Legal	Hertel	Q3 / 12	Create a “scope of work” document with Legal to detail the service arrangements in support of the organization
	4. City productivity collaboration - Communications	Patel	Q3 / 12	Create a “scope of work” document that outlines collaborative efforts in Marketing and Communication including Creative design, media buying, media relations
	5. City productivity collaboration - Finance	DiFilippo	Q3 / 12	Create a “scope of work” document that outlines the processes, timelines, and support for the organizations financial services
	6. City productivity collaboration – IT.	Calder	Q3 / 12	Continue to pursue current discussions and create a “scope of work” document that outlines each groups roles & resp., Service level agreements etc.
	7. City productivity collaboration – Ec. Dev. & Culture & Tourism	Hertel	Q3 / 12	Create a “scope of work” document that optimizes the working relationship and economic stimulation through collaboration

Strategies	Key Initiatives	Prime (within our org)	Timeframe	Comments
<b>3. Enhancing the Customer Experience</b>	1. Customer Service Program	Weston	Q1 / 2012	Kick off workshop to finalize our 'service values' scheduled in February. Ongoing phases of rollout to be completed in Q2. Long term will be incorporated into on-line tools
	2. Individual Dev. Plans	Mills	Q1 / 2012	Compilation of all IDP's and rollup of training requirements to be completed for SMT to determine rollout schedule and methodologies
	3. Process Improvement Program	Calder	Q4 / 2012	A process improvement exercise by department by function to be completed by year end. Actions implemented ongoing as resources permit.
	4. Venue Revitalization	Calder	Q2 / 2012	Pending the outcome of the RFP process, an aggressive implementation of short term requirements must be executed. By year end, a comprehensive plan for the future state of the venues will be prepared for Council's review
	5. Org. and Venue Re-branding	Hertel	Q2 / 2012	Timing to be coincident with the announcement of the outcome of the RFP process. Details to be determined

## HECFI OPERATING RESULTS/BUDGETS FOR 2007 TO 2012

ACCOUNT NAME	ACCOUNT NUMBER	2007 ACTUALS	2008 ACTUALS	2009 Actuals	2010 Actuals	2011 BUDGET	2012 BUDGET	2013 Budget	2014 Budget	2015 Budget	2016 Budget
<b>REVENUES:</b>											
HCC Rent	372001	\$ 774,927	\$ 727,546	\$ 855,831	\$ 638,430	\$ 660,000	\$ 725,000	754,000	810,000	858,600	893,000
HP Rent	372002	378,397	574,965	572,524	564,638	490,830	460,400	483,820	532,690	567,320	595,600
Copps Rent	372003	1,089,950	1,308,531	1,075,340	622,357	1,018,240	701,750	757,690	861,450	930,200	986,000
Other Rent	372011	35,695	30,771	29,836	30,249	19,000	19,000	19,190	19,570	20,600	20,600
Other Rent	372012	26,650	16,511	15,565	15,330	12,960	7,350	7,420	7,570	7,760	8,000
Other Rent	372013	195,787	203,376	172,817	193,941	198,000	239,830	249,420	268,130	285,560	301,200
F & B	372021	2,287,312	2,304,664	2,279,329	2,348,399	2,483,760	2,415,700	2,488,170	2,637,460	2,769,330	2,880,100
F & B	372022	284,584	338,677	344,481	90,629	79,330	95,410	99,230	106,170	113,070	118,720
F & B	372023	639,935	413,823	511,824	314,836	376,800	442,570	460,270	497,090	534,370	566,430
Recoveries F & B	372031	248,149	259,800	182,286	162,059	209,000	212,000	215,000	216,560	212,660	216,660
Coat Check	372032	6,572	8,210	5,137	4,954	5,300	4,780	4,970	5,320	5,670	6,000
Recoveries - Events Delivery	372041	123,533	138,242	111,349	119,452	106,200	104,250	106,130	108,300	110,770	113,460
Recoveries - Events Delivery	372042	980,834	1,130,458	1,082,919	1,132,709	1,071,340	823,450	844,260	867,800	894,540	922,150
Recoveries - Events Delivery	372043	1,337,829	1,250,557	1,810,494	1,428,018	1,299,850	1,153,130	1,176,410	1,202,680	1,232,520	1,263,180
Recoveries - Marketing	372061	19,092	49,786	28,890	9,914	20,000	18,000	18,360	18,770	19,240	19,720
Recoveries - Marketing	372062	397,340	555,175	465,707	355,096	322,000	311,050	317,250	324,370	332,500	341,100
Recoveries - Marketing	372063	264,885	239,985	413,630	485,831	355,000	506,000	507,000	507,000	520,000	533,200
Other Revenue - Marketing	372064	-	-	-	4,095	163,500	229,000	287,230	311,200	328,320	343,100
Other Revenue - Gold Circle	372064	-	-	2,200	167,125	-	-	-	-	-	-
Other Revenue - HCC	372071	124,695	148,208	170,738	115,448	135,750	135,750	142,540	151,090	159,400	165,700
Other Revenue - Finance	372074	157,283	164,595	140,887	76,715	95,700	81,290	85,360	91,760	98,180	103,080
Other Revenue - Events Delivery	372082	27,603	55,061	41,393	40,406	26,080	23,500	24,680	26,410	28,130	29,540
Other Revenue - Events Delivery	372083	177,594	132,138	203,206	109,301	88,500	92,000	96,600	104,330	112,160	118,890
Box Office	372084	694,987	1,121,722	1,125,374	808,476	835,020	848,570	891,000	962,280	1,029,640	1,071,500
Sports Operations	372093	508,834	906,809	693,288	252,421	883,000	-	-	-	-	-
Naming Rights								400,000	400,000	400,000	400,000
Total Revenues		10,782,467	12,079,610	12,335,045	10,090,829	10,955,160	9,649,780	10,436,000	11,038,000	11,570,000	12,017,000
<b>EXPENSES:</b>											
Event Services	372151	297,444	304,013	299,683	553,713	606,860	408,470	416,640	426,000	436,650	447,500
HCC F & B	372201	2,371,856	2,466,102	2,680,535	2,383,003	2,177,920	2,172,060	2,208,620	2,270,000	2,326,750	2,384,900
HCC Other Event Costs	372211	146,431	124,591	107,125	130,948	150,000	150,000	153,000	154,560	158,460	162,460
Events Delivery - Admin	372304	147,909	187,344	145,685	145,043	178,520	161,460	164,690	168,000	172,200	176,500
HP - Bars	372312	141,020	196,185	200,072	5,602	-	-	-	-	-	-
Stagehands	372321	41,220	52,664	36,194	44,698	40,260	40,330	41,130	42,060	43,110	44,300
Stagehands	372322	792,744	968,465	879,317	990,274	968,940	774,490	790,090	807,870	828,070	849,000
Stagehands	372323	359,530	442,901	781,935	499,932	492,610	420,740	429,150	438,810	449,780	461,000
Event Staff Costs	372331	2,020	7,828	1,862	2,627	3,210	3,240	3,300	3,370	3,450	3,600
Event Staff Costs	372332	139,862	208,228	217,800	205,856	185,340	156,050	159,370	162,960	167,030	171,200
Event Staff Costs	372333	627,193	639,203	704,668	682,155	592,270	529,330	540,320	552,480	566,290	580,500
Other Event Costs	372341	24,963	30,570	29,712	32,683	24,000	24,000	24,480	25,030	25,660	26,300
Other Event Costs	372342	99,125	79,123	80,839	62,984	60,000	70,000	71,400	73,010	74,840	76,700
Other Event Costs	372343	119,372	66,736	162,894	86,935	43,900	28,900	29,480	30,340	30,900	31,700
Event Security	372351	26,434	24,037	34,435	22,533	27,020	27,020	27,560	28,180	28,890	29,600
Event Security	372352	23,973	29,833	32,397	30,584	24,310	24,360	24,850	25,410	26,050	26,700
Event Security	372353	187,635	156,384	164,570	138,770	190,230	164,980	168,280	172,070	176,370	180,800
Box Office	372384	354,542	342,150	364,507	362,883	368,250	340,510	343,920	348,220	356,920	365,840
Building Ops - Admin	372404	298,095	266,787	263,372	428,578	433,760	440,860	449,680	459,000	470,470	482,200
Ops Admin	372104	349,473	371,469	290,379	-	-	-	-	-	-	-
Property Taxes	372412	942	952	1,000	-	1,020	-	1,000	1,000	1,000	1,000
Property Taxes	372413	-	-	6,987	2,001	5,100	5,000	5,000	5,000	5,000	5,000
Cleaning	372421	145,006	160,870	147,858	147,671	147,000	148,000	150,960	154,000	157,850	161,800
Cleaning	372422	112,081	127,726	104,600	108,460	115,870	117,500	119,850	122,000	125,050	128,180
Cleaning	372423	309,219	296,564	289,217	310,963	297,500	288,000	293,760	300,000	307,500	315,200
Building Security	372431	135,047	132,120	134,311	140,147	137,670	137,670	140,420	143,000	146,570	150,230
Building Security	372433	135,132	153,434	162,400	158,616	151,310	156,190	159,310	162,000	166,050	170,200
Maintenance	372441	467,211	468,615	530,169	416,122	485,060	461,950	471,190	481,330	493,350	505,600
Maintenance	372442	349,217	339,872	315,331	293,609	299,620	283,660	289,330	295,000	302,370	309,900
Maintenance	372443	1,042,338	1,172,444	1,106,390	1,174,626	1,045,070	1,106,480	1,128,610	1,153,000	1,181,620	1,211,000
Marketing and Promotions	372504	1,653,766	1,690,264	1,689,307	1,273,802	628,000	575,090	586,590	599,790	614,790	630,100
Hospitality Sales	372804	-	-	-	-	446,577	500,480	510,490	521,980	535,030	548,400
Entertainment Programming	372704	-	-	-	399,294	375,510	392,960	400,820	409,840	420,090	430,600
Display Advertising	372513	76,927	217,229	122,421	71,499	101,954	31,200	51,670	52,830	54,150	55,500
Show Ads	372521	19,093	49,786	28,890	9,914	20,000	18,000	18,360	18,770	19,240	19,720
Show Ads	372522	393,007	553,785	462,207	351,198	320,000	310,000	316,200	323,320	331,400	340,000
Show Ads	372523	262,485	238,485	412,630	483,331	350,000	500,000	501,000	512,270	525,100	538,300
CEO/Board	372604	668,036	708,307	677,182	804,407	1,173,270	975,350	994,860	1,017,240	1,042,670	1,068,700
Professional Fees	372614	44,343	36,963	83,269	26,102	59,120	45,500	46,410	47,450	48,630	49,900
Business Services	372904	536,022	566,539	647,663	622,236	650,120	615,500	627,810	641,940	658,000	674,450
Sports Operations	372933	490,247	881,256	800,453	1,035,341	891,619	-	-	-	-	-
Insurance	372934	194,980	221,800	217,320	249,290	299,800	290,590	296,400	303,070	310,650	318,420
		13,585,940	14,981,624	15,417,594	14,888,430	14,568,540	12,896,920	13,156,000	13,452,000	13,788,000	14,133,000
City Administrative Overhead Allocations		-	-	-	-	(444,740)	(449,190)	(458,000)	(468,000)	(480,000)	(492,000)
Total Expenses		13,585,940	14,981,624	15,417,594	14,888,430	14,123,800	12,447,730	12,698,000	12,984,000	13,308,000	13,641,000
Less Requested Municipal Loan		-	-	-	-	(366,240)	-	-	-	-	-
Net Expenses		13,585,940	14,981,624	15,417,594	14,888,430	13,757,560	12,447,730	12,698,000	12,984,000	13,308,000	13,641,000
<b>MUNICIPAL CONTRIBUTION</b>		<b>2,803,473</b>	<b>2,902,014</b>	<b>3,082,549</b>	<b>4,797,601</b>	<b>2,802,400</b>	<b>2,797,950</b>	<b>2,262,000</b>	<b>1,946,000</b>	<b>1,738,000</b>	<b>1,624,000</b>

**2012-2016 BUDGETED MUNICIPAL CONTRIBUTIONS BY BUILDING**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Direct Attribution:					
Convention Centre	\$ 456,520	\$ 417,290	\$ 300,390	\$ 218,220	\$ 168,040
Hamilton Place	80,130	46,725	(25,060)	(75,545)	(107,020)
Copps Coliseum	46,690	(24,845)	(179,690)	(297,535)	(378,110)
	<u>\$ 583,340</u>	<u>\$ 439,170</u>	<u>\$ 95,640</u>	<u>\$ (154,860)</u>	<u>\$ (317,090)</u>
Unallocated Corporate	2,214,610	1,822,830	1,850,360	1,892,860	1,941,090
<b>TOTAL MUNICIPAL CONTRIBUTION</b>	<b><u>\$ 2,797,950</u></b>	<b><u>\$ 2,262,000</u></b>	<b><u>\$ 1,946,000</u></b>	<b><u>\$ 1,738,000</u></b>	<b><u>\$ 1,624,000</u></b>

## 2012 OPERATING BUDGET BY BUILDING

ACCOUNT NAME	ACCOUNT NUMBER	TOTAL 2012 BUDGET	HAMILTON CONVENTION CENTRE	HAMILTON PLACE	COPPS COLISEUM	CORPORATE UNALLOCATED	TOTAL
<b>REVENUES:</b>							
HCC Rent	372001	\$ 725,000	\$ 725,000				
HP Rent	372002	460,400		460,400			
Copps Rent	372003	701,750			701,750		
Other Rent	372011	19,000	19,000				
Other Rent	372012	7,350		7,350			
Other Rent	372013	239,830			239,830		
F & B	372021	2,415,700	2,415,700				
F & B	372022	95,410		95,410			
F & B	372023	442,570			442,570		
Recoveries F & B	372031	212,000	212,000				
Coat Check	372032	4,780		4,780			
Recoveries - Events Delivery	372041	104,250	104,250				
Recoveries - Events Delivery	372042	823,450		823,450			
Recoveries - Events Delivery	372043	1,153,130			1,153,130		
Recoveries - Marketing	372061	18,000	18,000				
Recoveries - Marketing	372062	311,050		311,050			
Recoveries - Marketing	372063	506,000			506,000		
Other Revenue - Marketing	372064	229,000				229,000	
Other Revenue - Gold Circle	372064	-				-	
Other Revenue - HCC	372071	135,750	135,750				
Other Revenue - Finance	372074	81,290				81,290	
Other Revenue - Events Delivery	372082	23,500		23,500			
Other Revenue - Events Delivery	372083	92,000			92,000		
Box Office	372084	848,570	8,400	349,200	490,970		
Sports Operations	372093	-			-		
Naming Rights							
Total Revenues		9,649,780	3,638,100	2,075,140	3,626,250	310,290	9,649,780
<b>EXPENSES:</b>							
Event Services	372151	408,470	408,470				
HCC F & B	372201	2,172,060	2,172,060				
HCC Other Event Costs	372211	150,000	150,000				
Events Delivery - Admin	372304	161,460		80,730	80,730		
HP - Bars	372312	-		-			
Stagehands	372321	40,330	40,330				
Stagehands	372322	774,490		774,490			
Stagehands	372323	420,740			420,740		
Event Staff Costs	372331	3,240	3,240				
Event Staff Costs	372332	156,050		156,050			
Event Staff Costs	372333	529,330			529,330		
Other Event Costs	372341	24,000	24,000				
Other Event Costs	372342	70,000		70,000			
Other Event Costs	372343	28,900			28,900		
Event Security	372351	27,020	27,020				
Event Security	372352	24,360		24,360			
Event Security	372353	164,980			164,980		
Box Office	372384	340,510	3,400	141,000	196,110		
Building Ops - Admin	372404	440,860				440,860	
Ops Admin	372104	-				-	
Property Taxes	372412	1,000		1,000			
Property Taxes	372413	5,000			5,000		
Cleaning	372421	148,000	148,000				
Cleaning	372422	117,500		117,500			
Cleaning	372423	288,000			288,000		
Building Security	372431	137,670	137,670				
Building Security	372433	156,190			156,190		
Maintenance	372441	461,950	461,950				
Maintenance	372442	283,660		283,660			
Maintenance	372443	1,106,480			1,106,480		
Marketing and Promotions	372504	575,090				575,090	
Hospitality Sales	372804	500,480	500,480				
Entertainment Programming	372704	392,960		196,480	196,480		
Display Advertising	372513	31,200				31,200	
Show Ads	372521	18,000	18,000				
Show Ads	372522	310,000		310,000			
Show Ads	372523	500,000			500,000		
CEO/Board	372604	975,350				975,350	
Professional Fees	372614	45,500				45,500	
Business Services	372904	615,500				615,500	
Sports Operations	372933	-			-		
Insurance	372934	290,590				290,590	
City Administrative Overhead Allocations		12,896,920 (449,190)	4,094,620	2,155,270	3,672,940	2,974,090 (449,190)	12,896,920
Total Expenses		12,447,730	4,094,620	2,155,270	3,672,940	2,524,900	
Less Requested Municipal Loan		-				-	
Net Expenses		12,447,730	4,094,620	2,155,270	3,672,940	2,524,900	12,447,730
<b>MUNICIPAL CONTRIBUTION</b>		<b>\$ 2,797,950</b>	<b>\$ 456,520</b>	<b>\$ 80,130</b>	<b>\$ 46,690</b>	<b>\$ 2,214,610</b>	<b>\$ 2,797,950</b>

## 2013 OPERATING BUDGET BY BUILDING

ACCOUNT NAME	ACCOUNT NUMBER	TOTAL 2013 BUDGET	HAMILTON CONVENTION CENTRE	HAMILTON PLACE	COPPS COLISEUM	CORPORATE UNALLOCATED	TOTAL
<b>REVENUES:</b>							
HCC Rent	372001	754,000	\$ 754,000				
HP Rent	372002	483,820		483,820			
Copps Rent	372003	757,690			757,690		
Other Rent	372011	19,190	19,190				
Other Rent	372012	7,420		7,420			
Other Rent	372013	249,420			249,420		
F & B	372021	2,488,170	2,488,170				
F & B	372022	99,230		99,230			
F & B	372023	460,270			460,270		
Recoveries F & B	372031	215,000	215,000				
Coat Check	372032	4,970		4,970			
Recoveries - Events Delivery	372041	106,130	106,130				
Recoveries - Events Delivery	372042	844,260		844,260			
Recoveries - Events Delivery	372043	1,176,410			1,176,410		
Recoveries - Marketing	372061	18,360	18,360				
Recoveries - Marketing	372062	317,250		317,250			
Recoveries - Marketing	372063	507,000			507,000		
Other Revenue - Marketing	372064	287,230				287,230	
Other Revenue - Gold Circle	372064	-				-	
Other Revenue - HCC	372071	142,540	142,540				
Other Revenue - Finance	372074	85,360				85,360	
Other Revenue - Events Delivery	372082	24,680		24,680			
Other Revenue - Events Delivery	372083	96,600			96,600		
Box Office	372084	891,000	8,910	368,870	513,220		
Sports Operations	372093	-			-		
Naming Rights		400,000				400,000	
Total Revenues		10,436,000	3,752,300	2,150,500	3,760,610	772,590	10,436,000
<b>EXPENSES:</b>							
Event Services	372151	416,640	416,640				
HCC F & B	372201	2,208,620	2,208,620				
HCC Other Event Costs	372211	153,000	153,000				
Events Delivery - Admin	372304	164,690		82,345	82,345		
HP - Bars	372312	-		-			
Stagehands	372321	41,130	41,130				
Stagehands	372322	790,090		790,090			
Stagehands	372323	429,150			429,150		
Event Staff Costs	372331	3,300	3,300				
Event Staff Costs	372332	159,370		159,370			
Event Staff Costs	372333	540,320			540,320		
Other Event Costs	372341	24,480	24,480				
Other Event Costs	372342	71,400		71,400			
Other Event Costs	372343	29,480			29,480		
Event Security	372351	27,560	27,560				
Event Security	372352	24,850		24,850			
Event Security	372353	168,280			168,280		
Box Office	372384	343,920	3,440	142,380	198,100		
Building Ops - Admin	372404	449,680				449,680	
Ops Admin	372104	-				-	
Property Taxes	372412	1,000		1,000			
Property Taxes	372413	5,000			5,000		
Cleaning	372421	150,960	150,960				
Cleaning	372422	119,850		119,850			
Cleaning	372423	293,760			293,760		
Building Security	372431	140,420	140,420				
Building Security	372433	159,310			159,310		
Maintenance	372441	471,190	471,190				
Maintenance	372442	289,330		289,330			
Maintenance	372443	1,128,610			1,128,610		
Marketing and Promotions	372504	586,590				586,590	
Hospitality Sales	372804	510,490	510,490				
Entertainment Programming	372704	400,820		200,410	200,410		
Display Advertising	372513	51,670				51,670	
Show Ads	372521	18,360	18,360				
Show Ads	372522	316,200		316,200			
Show Ads	372523	501,000			501,000		
CEO/Board	372604	994,860				994,860	
Professional Fees	372614	46,410				46,410	
Business Services	372904	627,810				627,810	
Sports Operations	372933	-			-		
Insurance	372934	296,400				296,400	
		13,156,000	4,169,590	2,197,225	3,735,765	3,053,420	13,156,000
City Administrative Overhead Allocations		(458,000)				(458,000)	
Total Expenses		12,698,000	4,169,590	2,197,225	3,735,765	2,595,420	
Less Requested Municipal Loan		-				-	
Net Expenses		12,698,000	4,169,590	2,197,225	3,735,765	2,595,420	12,698,000
<b>MUNICIPAL CONTRIBUTION</b>		<b>\$ 2,262,000</b>	<b>\$ 417,290</b>	<b>\$ 46,725</b>	<b>\$ (24,845)</b>	<b>\$ 1,822,830</b>	<b>\$ 2,262,000</b>

## 2014 OPERATING BUDGET BY BUILDING

ACCOUNT NAME	ACCOUNT NUMBER	TOTAL 2014 BUDGET	HAMILTON CONVENTION CENTRE	HAMILTON PLACE	COPPS COLISEUM	CORPORATE UNALLOCATED	TOTAL
<b>REVENUES:</b>							
HCC Rent	372001	810,000	\$ 810,000				
HP Rent	372002	532,690		532,690			
Copps Rent	372003	861,450			861,450		
Other Rent	372011	19,570	19,570				
Other Rent	372012	7,570		7,570			
Other Rent	372013	268,130			268,130		
F & B	372021	2,637,460	2,637,460				
F & B	372022	106,170		106,170			
F & B	372023	497,090			497,090		
Recoveries F & B	372031	216,560	216,560				
Coat Check	372032	5,320		5,320			
Recoveries - Events Delivery	372041	108,300	108,300				
Recoveries - Events Delivery	372042	867,800		867,800			
Recoveries - Events Delivery	372043	1,202,680			1,202,680		
Recoveries - Marketing	372061	18,770	18,770				
Recoveries - Marketing	372062	324,370		324,370			
Recoveries - Marketing	372063	507,000			507,000		
Other Revenue - Marketing	372064	311,200				311,200	
Other Revenue - Gold Circle	372064	-				-	
Other Revenue - HCC	372071	151,090	151,090				
Other Revenue - Finance	372074	91,760				91,760	
Other Revenue - Events Delivery	372082	26,410		26,410			
Other Revenue - Events Delivery	372083	104,330			104,330		
Box Office	372084	962,280	9,620	398,380	554,280		
Sports Operations	372093	-				-	
Naming Rights		400,000				400,000	
Total Revenues		11,038,000	3,971,370	2,268,710	3,994,960	802,960	11,038,000
<b>EXPENSES:</b>							
Event Services	372151	426,000	426,000				
HCC F & B	372201	2,270,000	2,270,000				
HCC Other Event Costs	372211	154,560	154,560				
Events Delivery - Admin	372304	168,000		84,000	84,000		
HP - Bars	372312	-		-			
Stagehands	372321	42,060	42,060				
Stagehands	372322	807,870		807,870			
Stagehands	372323	438,810			438,810		
Event Staff Costs	372331	3,370	3,370				
Event Staff Costs	372332	162,960		162,960			
Event Staff Costs	372333	552,480			552,480		
Other Event Costs	372341	25,030	25,030				
Other Event Costs	372342	73,010		73,010			
Other Event Costs	372343	30,140			30,140		
Event Security	372351	28,180	28,180				
Event Security	372352	25,410		25,410			
Event Security	372353	172,070			172,070		
Box Office	372384	348,220	3,480	144,160	200,580		
Building Ops - Admin	372404	459,000				459,000	
Ops Admin	372104	-				-	
Property Taxes	372412	1,000		1,000			
Property Taxes	372413	5,000			5,000		
Cleaning	372421	154,000	154,000				
Cleaning	372422	122,000		122,000			
Cleaning	372423	300,000			300,000		
Building Security	372431	143,000	143,000				
Building Security	372433	162,000			162,000		
Maintenance	372441	481,330	481,330				
Maintenance	372442	295,000		295,000			
Maintenance	372443	1,153,000			1,153,000		
Marketing and Promotions	372504	599,790				599,790	
Hospitality Sales	372804	521,980	521,980				
Entertainment Programming	372704	409,840		204,920	204,920		
Display Advertising	372513	52,830				52,830	
Show Ads	372521	18,770	18,770				
Show Ads	372522	323,320		323,320			
Show Ads	372523	512,270			512,270		
CEO/Board	372604	1,017,240				1,017,240	
Professional Fees	372614	47,450				47,450	
Business Services	372904	641,940				641,940	
Sports Operations	372933	-				-	
Insurance	372934	303,070				303,070	
		13,452,000	4,271,760	2,243,650	3,815,270	3,121,320	13,452,000
City Administrative Overhead Allocations		(468,000)				(468,000)	
Total Expenses		12,984,000	4,271,760	2,243,650	3,815,270	2,653,320	
Less Requested Municipal Loan						-	
Net Expenses		12,984,000	4,271,760	2,243,650	3,815,270	2,653,320	12,984,000
<b>MUNICIPAL CONTRIBUTION</b>		<b>\$ 1,946,000</b>	<b>\$ 300,390</b>	<b>\$ (25,060)</b>	<b>\$ (179,690)</b>	<b>\$ 1,850,360</b>	<b>\$ 1,946,000</b>

## 2015 OPERATING BUDGET BY BUILDING

ACCOUNT NAME	ACCOUNT NUMBER	TOTAL 2015 BUDGET	HAMILTON CONVENTION CENTRE	HAMILTON PLACE	COPPS COLISEUM	CORPORATE UNALLOCATED	TOTAL
<b>REVENUES:</b>							
HCC Rent	372001	858,600	\$ 858,600				
HP Rent	372002	567,320		567,320			
Copps Rent	372003	930,200			930,200		
Other Rent	372011	20,060	20,060				
Other Rent	372012	7,760		7,760			
Other Rent	372013	285,560			285,560		
F & B	372021	2,769,330	2,769,330				
F & B	372022	113,070		113,070			
F & B	372023	534,370			534,370		
Recoveries F & B	372031	212,660	212,660				
Coat Check	372032	5,670		5,670			
Recoveries - Events Delivery	372041	110,770	110,770				
Recoveries - Events Delivery	372042	894,540		894,540			
Recoveries - Events Delivery	372043	1,232,520			1,232,520		
Recoveries - Marketing	372061	19,240	19,240				
Recoveries - Marketing	372062	332,500		332,500			
Recoveries - Marketing	372063	520,000			520,000		
Other Revenue - Marketing	372064	328,320				328,320	
Other Revenue - Gold Circle	372064	-				-	
Other Revenue - HCC	372071	159,400	159,400				
Other Revenue - Finance	372074	98,180				98,180	
Other Revenue - Events Delivery	372082	28,130		28,130			
Other Revenue - Events Delivery	372083	112,160			112,160		
Box Office	372084	1,029,640	10,300	426,270	593,070		
Sports Operations	372093	-			-		
Naming Rights		400,000				400,000	
Total Revenues		11,570,000	4,160,360	2,375,260	4,207,880	826,500	11,570,000
<b>EXPENSES:</b>							
Event Services	372151	436,650	436,650				
HCC F & B	372201	2,326,750	2,326,750				
HCC Other Event Costs	372211	158,460	158,460				
Events Delivery - Admin	372304	172,200		86,100	86,100		
HP - Bars	372312	-		-			
Stagehands	372321	43,110	43,110				
Stagehands	372322	828,070		828,070			
Stagehands	372323	449,780			449,780		
Event Staff Costs	372331	3,450	3,450				
Event Staff Costs	372332	167,030		167,030			
Event Staff Costs	372333	566,290			566,290		
Other Event Costs	372341	25,660	25,660				
Other Event Costs	372342	74,840		74,840			
Other Event Costs	372343	30,900			30,900		
Event Security	372351	28,890	28,890				
Event Security	372352	26,050		26,050			
Event Security	372353	176,370			176,370		
Box Office	372384	356,920	3,570	147,760	205,590		
Building Ops - Admin	372404	470,470				470,470	
Ops Admin	372104	-				-	
Property Taxes	372412	1,000		1,000			
Property Taxes	372413	5,000			5,000		
Cleaning	372421	157,850	157,850				
Cleaning	372422	125,050		125,050			
Cleaning	372423	307,500			307,500		
Building Security	372431	146,570	146,570				
Building Security	372433	166,050			166,050		
Maintenance	372441	493,350	493,350				
Maintenance	372442	302,370		302,370			
Maintenance	372443	1,181,620			1,181,620		
Marketing and Promotions	372504	614,790				614,790	
Hospitality Sales	372804	535,030	535,030				
Entertainment Programming	372704	420,090		210,045	210,045		
Display Advertising	372513	54,150				54,150	
Show Ads	372521	19,240	19,240				
Show Ads	372522	331,400		331,400			
Show Ads	372523	525,100			525,100		
CEO/Board	372604	1,042,670				1,042,670	
Professional Fees	372614	48,630				48,630	
Business Services	372904	658,000				658,000	
Sports Operations	372933	-			-		
Insurance	372934	310,650				310,650	
		13,788,000	4,378,580	2,299,715	3,910,345	3,199,360	13,788,000
City Administrative Overhead Allocations		(480,000)				(480,000)	
Total Expenses		13,308,000	4,378,580	2,299,715	3,910,345	2,719,360	
Less Requested Municipal Loan						-	
Net Expenses		13,308,000	4,378,580	2,299,715	3,910,345	2,719,360	13,308,000
<b>MUNICIPAL CONTRIBUTION</b>		<b>\$ 1,738,000</b>	<b>\$ 218,220</b>	<b>\$ (75,545)</b>	<b>\$ (297,535)</b>	<b>\$ 1,892,860</b>	<b>\$ 1,738,000</b>

## 2016 OPERATING BUDGET BY BUILDING

ACCOUNT NAME	ACCOUNT NUMBER	TOTAL 2016 BUDGET	HAMILTON CONVENTION CENTRE	HAMILTON PLACE	COPPS COLISEUM	CORPORATE UNALLOCATED	TOTAL
<b>REVENUES:</b>							
HCC Rent	372001	893,000	\$ 893,000				
HP Rent	372002	595,600		595,600			
Copps Rent	372003	986,000			986,000		
Other Rent	372011	20,600	20,600				
Other Rent	372012	8,000		8,000			
Other Rent	372013	301,200			301,200		
F & B	372021	2,880,100	2,880,100				
F & B	372022	118,720		118,720			
F & B	372023	566,430			566,430		
Recoveries F & B	372031	216,660	216,660				
Coat Check	372032	6,000		6,000			
Recoveries - Events Delivery	372041	113,460	113,460				
Recoveries - Events Delivery	372042	922,150		922,150			
Recoveries - Events Delivery	372043	1,263,180			1,263,180		
Recoveries - Marketing	372061	19,720	19,720				
Recoveries - Marketing	372062	341,100		341,100			
Recoveries - Marketing	372063	533,200			533,200		
Other Revenue - Marketing	372064	343,100				343,100	
Other Revenue - Gold Circle	372064	-				-	
Other Revenue - HCC	372071	165,770	165,770				
Other Revenue - Finance	372074	103,080				103,080	
Other Revenue - Events Delivery	372082	29,540		29,540			
Other Revenue - Events Delivery	372083	118,890			118,890		
Box Office	372084	1,071,500	10,720	443,600	617,180		
Sports Operations	372093	-				-	
Naming Rights		400,000				400,000	
Total Revenues		12,017,000	4,320,030	2,464,710	4,386,080	846,180	12,017,000
<b>EXPENSES:</b>							
Event Services	372151	447,500	447,500				
HCC F & B	372201	2,384,900	2,384,900				
HCC Other Event Costs	372211	162,460	162,460				
Events Delivery - Admin	372304	176,500		88,250	88,250		
HP - Bars	372312	-		-			
Stagehands	372321	44,300	44,300				
Stagehands	372322	849,000		849,000			
Stagehands	372323	461,000			461,000		
Event Staff Costs	372331	3,600	3,600				
Event Staff Costs	372332	171,200		171,200			
Event Staff Costs	372333	580,500			580,500		
Other Event Costs	372341	26,300	26,300				
Other Event Costs	372342	76,700		76,700			
Other Event Costs	372343	31,700			31,700		
Event Security	372351	29,600	29,600				
Event Security	372352	26,700		26,700			
Event Security	372353	180,800			180,800		
Box Office	372384	365,840	3,660	151,460	210,720		
Building Ops - Admin	372404	482,200				482,200	
Ops Admin	372104	-				-	
Property Taxes	372412	1,000		1,000			
Property Taxes	372413	5,000			5,000		
Cleaning	372421	161,800	161,800				
Cleaning	372422	128,180		128,180			
Cleaning	372423	315,200			315,200		
Building Security	372431	150,230	150,230				
Building Security	372433	170,200			170,200		
Maintenance	372441	505,600	505,600				
Maintenance	372442	309,900		309,900			
Maintenance	372443	1,211,000			1,211,000		
Marketing and Promotions	372504	630,100				630,100	
Hospitality Sales	372804	548,400	548,400				
Entertainment Programming	372704	430,600		215,300	215,300		
Display Advertising	372513	55,500				55,500	
Show Ads	372521	19,720	19,720				
Show Ads	372522	340,000		340,000			
Show Ads	372523	538,300			538,300		
CEO/Board	372604	1,068,700				1,068,700	
Professional Fees	372614	49,900				49,900	
Business Services	372904	674,450				674,450	
Sports Operations	372933	-				-	
Insurance	372934	318,420				318,420	
		14,133,000	4,488,070	2,357,690	4,007,970	3,279,270	14,133,000
City Administrative Overhead Allocations		(492,000)				(492,000)	
Total Expenses		13,641,000	4,488,070	2,357,690	4,007,970	2,787,270	
Less Requested Municipal Loan						-	
Net Expenses		13,641,000	4,488,070	2,357,690	4,007,970	2,787,270	13,641,000
<b>MUNICIPAL CONTRIBUTION</b>		<b>\$ 1,624,000</b>	<b>\$ 168,040</b>	<b>\$ (107,020)</b>	<b>\$ (378,110)</b>	<b>\$ 1,941,090</b>	<b>\$ 1,624,000</b>

# Strategic Plan Highlights

## The Next Chapter

### 1. Uplifting the organization to the new levels:

- Organization structure & partnerships
- Higher level goals
- Expanding our market reach as the hub for Central Ont.



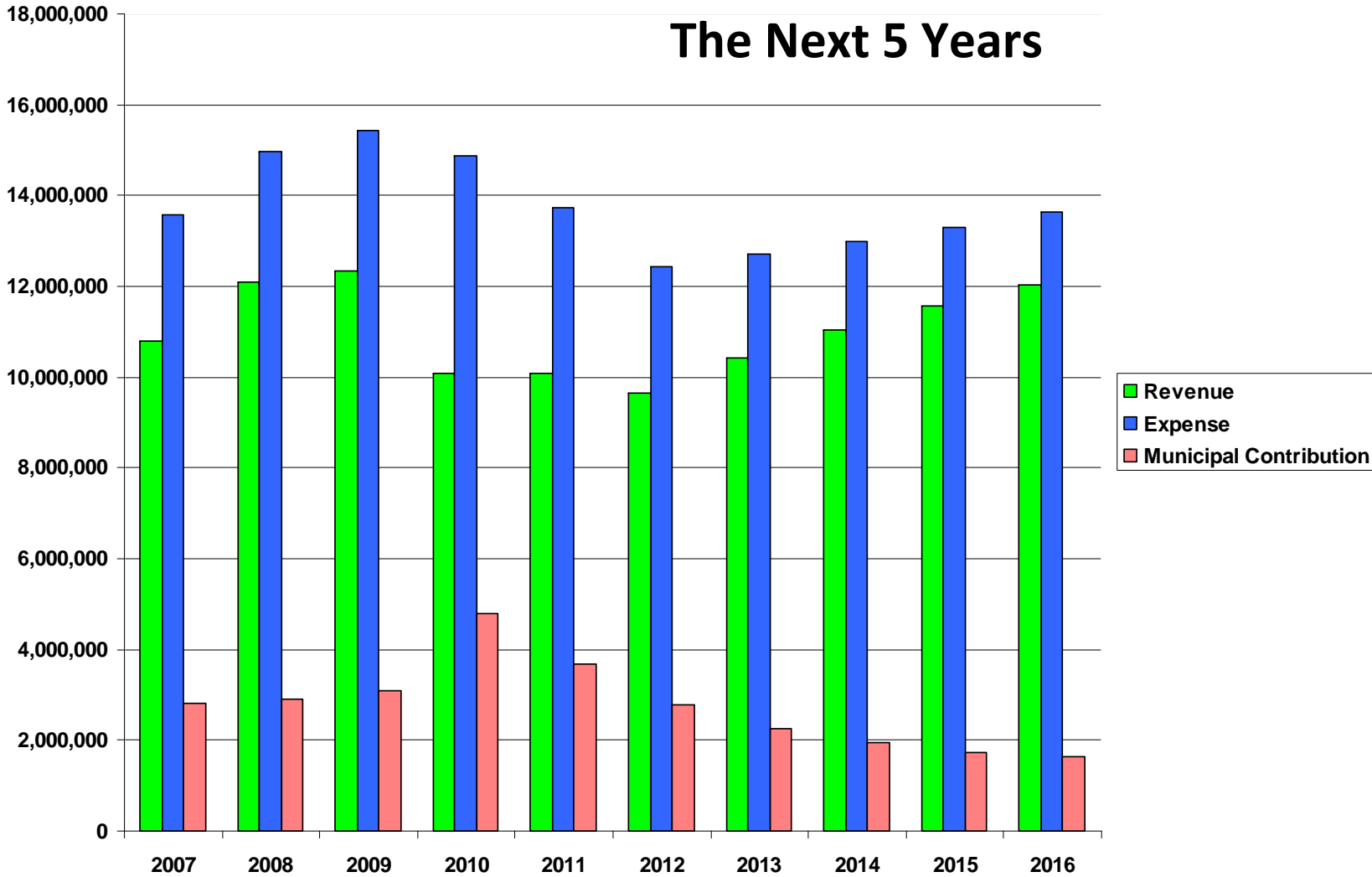
### 2. Delivering our mandate AND reducing the cost to taxpayers:

- Creative Revenue and productivity improvements
- Cost containment

Resulting in the Municipal Contribution requirement being reduced each year by \$250-350K from 2013-2016

Revenue, Expense, Municipal Contribution Comparison 2007-2016

# The Next 5 Years



# How We Will Deliver

**Above the line plans = Strategic Imperatives** i.e. what **MUST** we do to go to the next level

1. Embedded Community Engagement
2. Revenue and Productivity Capacity Building
3. Enhancing the Customer Experience

---

**Below the line actions = Business/Operating Plans**

1. Client Satisfaction
2. Team Motivation
3. Hitting Revenue and Expense Budgets

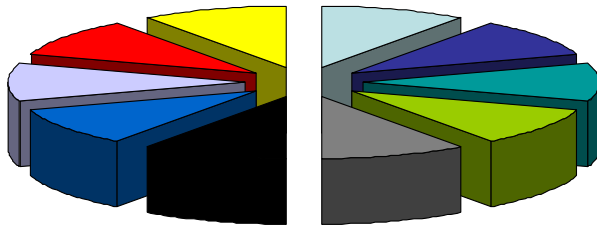
# Strategic Imperative #1

## Embedded Community Engagement

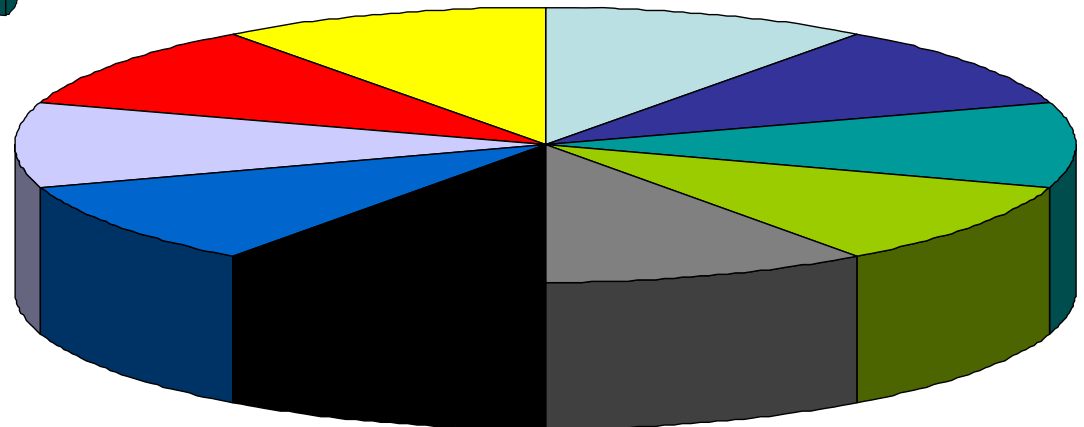
### Expanding the Size of the Pie

We can play an important role, as part of the City, in bringing businesses and community groups together to create a larger market opportunity for Hamilton as a destination.

**Working Independently**



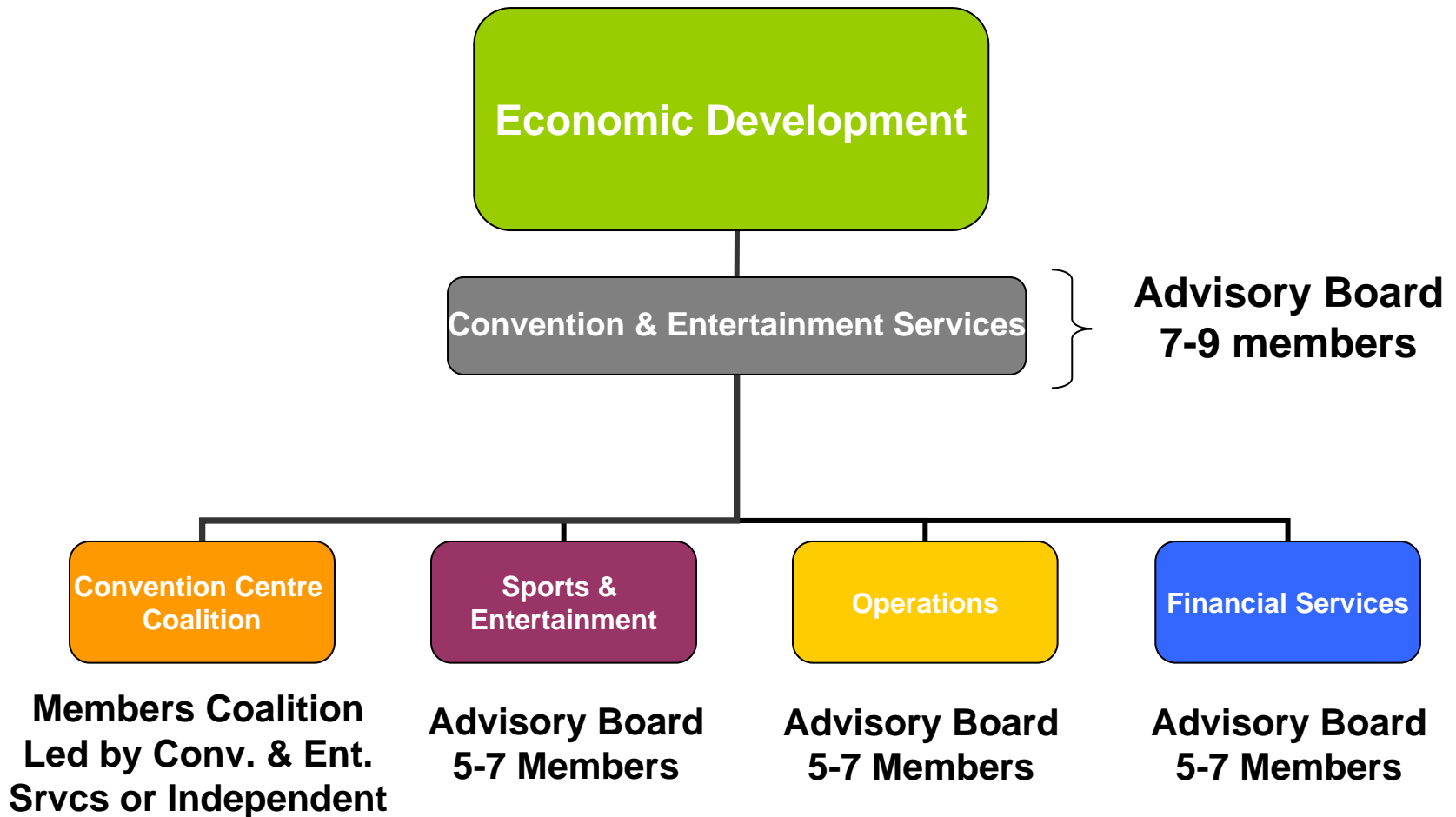
**Working Collaboratively**



# Strategic Imperative #1

## Embedded Community Engagement

### Optimizing the “Single Operator” Model

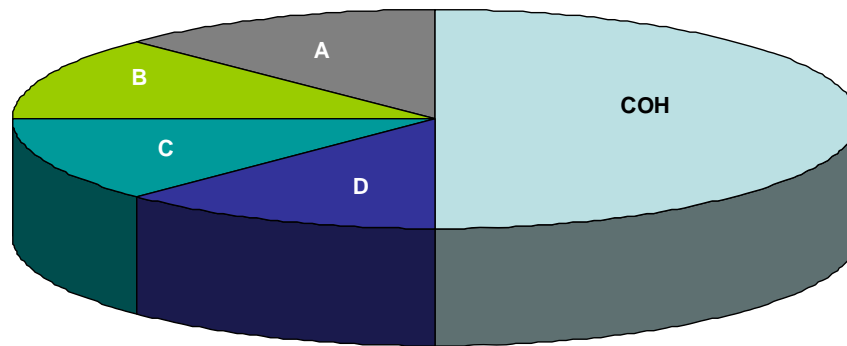


# Strategic Imperative #1

## Embedded Community Engagement

Make the Convention Centre a true City of Hamilton asset:

- an extension of each members' assets, inventory, and value proposition i.e. promoting their Hotel with Convention Centre facilities
- centralized booking and reservation process (EBMS in place)
- revenue /expense model = partners not competitors
- it's equivalent to multiplying our Sales team
- great new ideas and broader commitment to making HCC succeed



**"P3" Models  
can work with  
transparency  
and  
accountability**

# Strategic Imperative #2

## Revenue & Productivity Capacity Building

To grow our capacity AND keep costs contained, we need to better leverage available resources and identify new opportunities:

1. The P3 model for the Convention Centre
2. Naming Rights can generate an estimated \$400-600K annually
3. Potential JV with the City and Ticats leveraging the new stadium and our promoters as another sports & entertainment venue
4. New 'packaged' entertainment sponsorships (like Broadway series)
5. Fewer 'dark nights' / plus summer programs - community & private
6. JV with the Municipal Parking System to generate incremental revs.
7. Create a 'scope of work' and basic service level agreements with all relevant City depts. to create efficiencies and productivity gains
8. Internal process improvement – all facets of all departments

# Strategic Imperative #3

## Enhancing the Customer Experience

### 1. Leverage our strengths

- Uplifting our customer service program – higher standard, consistently
- Committing to training and developing our part time employees
- Stepping back to look at long standing processes – what’s the new customer impacting “best practice” for us to establish

### 2. Revitalizing the Venues

- Short and near term – complete the visual experience upgrades and key maintenance items
- Longer term – need a new architectural vision

### 3. Re-launch and re-brand

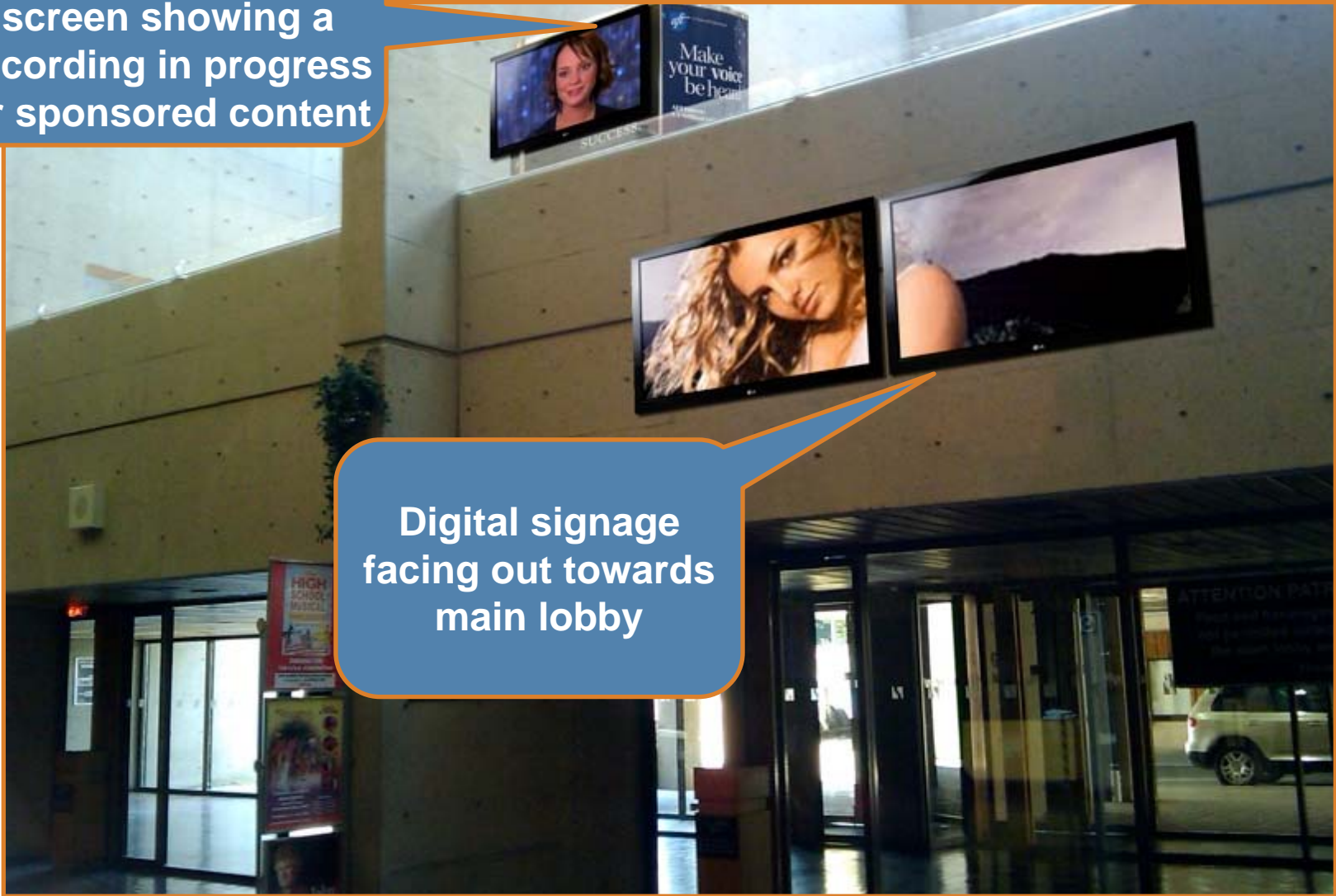
- Let the RFP process be a positive
- Great opportunity to re-introduce the venues and new organization
- Create a new brand package: logo, colours, value proposition, brand promise

# A Few Examples of a Visual Refresh

# Video walls, exterior and interior sound systems



Interactive video booth with outside screen showing a recording in progress or sponsored content



Digital signage facing out towards main lobby

## Leverage existing telephony system and enhance with interactive software

Interactive IP Telephony in VIP boxes. Calls a hostess, interactive entertainment, and sponsored content

