



PEORIA CIVIC CENTER

OPERATING AND CAPITAL BUDGET

FISCAL YEAR ENDING AUGUST 31, 2016



PEORIA CIVIC CENTER®



PEORIA CIVIC CENTER
Operating and Capital Budget
Fiscal Year Ending 8/31/16

Table of Contents

	<u>PAGE</u>
Table of Contents	1
Public Filing Budget	2-3
Supporting Documents Cover Page	4
Budget Overview Narrative	5-6
Facility Utilization	7
Budget Highlights	8-9
Statement of Income	10
Statement of Cash Flows	11
Summary of Indirect Expenses	12

Peoria Civic Center
Budget
For Fiscal Year Ending 8/31/16

Event Days		596
Attendance		588,853
Direct Event Income		
	Gross Sales	\$ 12,227,748
	Cost of Sales	<u>\$ 11,092,420</u>
	Direct Event Income	\$ 1,135,328
Ancillary Income		
	Concessions	\$ 1,213,599
	Catering	\$ 926,244
	Novelties	\$ 80,912
	Parking	\$ 398,029
	Advertising Commissions	\$ 41,805
	Facility Improvement Fee	\$ 588,365
	Ticket Incentives	<u>\$ 481,953</u>
	Total Ancillary Income	<u>\$ 3,730,907</u>
	Total Event Income	\$ 4,866,235
Total Other Income		\$ 862,997
H.R.A. Tax Subsidy Net to PCCA		\$ 882,621
Adjusted Gross Income		\$ 6,611,853
Indirect Expenses		<u>\$ (6,474,858)</u>
Net Income (Loss) Before Depreciation		\$ 136,994
Depreciation		\$ (5,807,052)
Net Loss		<u>\$ (5,670,057)</u>
Total Capital Improvements		\$ (1,050,000)
Net Cash Provided by Operations		<u>\$ (213,078)</u>
Net Increase (Decrease) In Cash		\$ (1,263,078)
Cash Balance Beginning of Year		<u>\$ 2,486,458</u>
Cash Balance End of Year		<u>\$ 1,223,380</u>

PEORIA CIVIC CENTER AUTHORITY
CAPITAL EXPENDITURES BUDGET
YEAR ENDING 8/31/16

FY 16 CAPITAL PROJECTS

Project Number	Description				
601	Event Equipment			\$	75,000
	Linens	\$	10,000		
	Hockey Glass/Poly	\$	10,000		
	Tables	\$	21,000		
	* A/V	\$	11,500		
	Large Wheelchairs	\$	1,500		
	ProDeck	\$	10,000		
	* Dance Floor	\$	8,500		
	Carts	\$	2,500		
602	Cleaning Equipment			\$	9,500
	Hand Held Extractors	\$	1,000		
	Vacuums	\$	2,500		
	Walk Behind Tennant	\$	6,000		
605	Office Equipment, Computers & Storage			\$	10,000
	PCs & Laptops	\$	10,000		
608	Mechanical/Electrical Systems			\$	90,000
	HVAC - misc.	\$	25,000		
	Plumbing - misc.	\$	25,000		
	Lighting replacements arcades	\$	40,000		
615	Data/Communications Equipment			\$	70,000
	Phone System Upgrades	\$	40,000		
	Data Switches	\$	30,000		
616	Life Safety	\$	10,000	\$	10,000
620	Security Equipment	\$	10,000	\$	15,000
	Radios	\$	5,000		
621	Moveable Equipment			\$	18,500
	Grounds Cart	\$	18,500		
623	Remodeling			\$	322,000
	Ballroom Carpet	\$	300,000		
	Triangle Box Office Update	\$	10,000		
	Great Hall Chairs	\$	12,000		
625	Concrete Repairs			\$	10,000
640	Capital Project Contingency			\$	50,000
643	Re-core doors			\$	25,000
645	Doors			\$	20,000
650	Arcade Sealant			\$	35,000
655	Parking Lot Sealcoat/Stripe			\$	95,000
660	Theater Spot Light Replacement			\$	50,000
680	* Sponsorship updates (Axis replacement)			\$	20,000
Total FY 2016 Capital Budget				\$	925,000

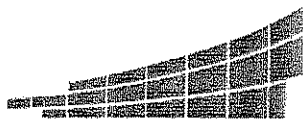
* Generate Income



PEORIA CIVIC CENTER

OPERATING AND CAPITAL BUDGET

FISCAL YEAR ENDING AUGUST 31, 2016



PEORIA CIVIC CENTER®

SUPPORTING DOCUMENTS

BUDGET OVERVIEW, FY16

By Anne Clayton, Director of Finance

The proposed FY16 budget projects a 6% growth for operating revenues and an 8.5% increase for expenditures. Operating loss before depreciation has been budgeted approximately \$175,000 less than the original FY15 budget and \$164,000 less than FY14. FY16 will reflect a full year with the change in F&B operations from commission-based revenue with Centerplate to gross sales less cost of goods sold less indirect expenses with Savor. In FY15 September and October were operated with Centerplate and November through August with Savor.

In an effort to understand how the budget is calculated, a breakdown by each of the major components may prove helpful. The main components of the budget are event income, other operating revenues, indirect expenses, depreciation, and non-operating revenues / expenses.

Event income is revenue generated by events, net of event related expenses. Rent, service income (billables less expenses), concessions & catering (gross sales less cost of goods sold), novelties (merchandise sales), parking, advertising commissions, facility improvement fees, and ticket incentives are the revenue accounts that make up event income. The FY16 forecast for event income is \$4.866 million, which is a 7.5% increase compared to the projected FY15 event income. Performing Arts has been budgeted to increase by over \$350,000 from last year. The FY16 Broadway Theater Series has much stronger titles than in FY15, including eight shows of Kinky Boots, two shows of The Illusionists, two shows of Bullets Over Broadway, two shows of Annie, and eight shows of The Book of Mormon. Banquets and conventions will produce higher catering profits due to the change to the Savor business model. Meeting business has a history of a 3-year cycle. Business was up in 2015, 2012, and 2009 and the indications from the local corporate clients has been for a downturn in 2016. Large arena concerts are also cyclical in nature. Business was up in 2015, 2013, and 2011 and indications from the large concert promoters is a downturn for the smaller arena markets.

Other operating revenues are additional Peoria Civic Center revenue sources, some of which are dependent on the event load and some which are not. The biggest piece of this segment is advertising revenues. Advertising revenues have been budgeted to grow slightly in FY16. Suite income was reduced by a ticket reimbursement to RBBB Circus in FY15, but will not be the case in FY16 as that event is not taking place. A major change in this category was the elimination of the concession investment (amortization of the Centerplate investment & utility reimbursement based on gross sales) effective October 30, 2014 due to the change to Savor. The net effect of the change from FY14 to FY15 was a decrease of \$233,000 and a decrease of \$44,000 from FY15 to

FY16. The second change in this category from FY14 to FY15 was the addition of the amortization of the SMG capital investment of \$700,000 over 7 years or \$100,000 for FY15. This will remain for FY16 through FY21. Total other operating revenues are budgeted to be approximately \$862,000, a slight decrease of \$19,000.

Indirect expenses are all of the expenses associated with running the facility that are not directly allocated to events. These expenses are departmentalized into Executive, Finance, Marketing, Convention Sales, Box Office, Operations, Authority, Overhead, and Savor. Total personnel costs (including taxes and benefits) have been budgeted to increase by 13% versus FY15. The Savor department expenses were added in October 2014 during the transition from Centerplate. FY16 will see a full year of these expenses. The major categories that will see increases besides personnel costs are business insurance, heating fuel, repairs/maintenance, professional fees, supplies, and water/sewer. In total, the budget for indirect expenses is just over \$6.4 million, which is an increase of \$502,000 versus FY15.

Non-operating revenues / expenses are made up of four categories: 1) Hotel, Restaurant, and Amusement (HRA) tax subsidy, 2) interest income, 3) interest expense, and 4) bad debt expense. The major revenue source is the HRA tax subsidy which is projected to be \$883,000 in FY16. No growth has been budgeted in the coming year. The HRA subsidy to the Peoria Civic Center has been budgeted to drop with higher debt payments on the bonds. Interest income, interest expense, and bad debt expense are expected to maintain current levels.

The unreserved cash balance of the Peoria Civic Center has been projected to be \$1.223 million at the close of FY16. This balance consists of operating cash balances (to be used on operations and capital improvements).

**PEORIA CIVIC CENTER
FACILITY UTILIZATION STATS
FY16 GOALS COMPARED TO 3 PREVIOUS YEARS**

Convention Center					
Ballroom / Meeting Rooms		FY16	FY15	FY14	FY13
	Square Feet	Goal			
400	11,230		32%	27%	23%
401	1,800		40%	35%	24%
402	1,800		33%	33%	26%
403	1,800		34%	30%	20%
404	1,800		32%	30%	18%
405	1,800		31%	22%	18%
406	1,800		29%	22%	16%
407	1,800		28%	21%	13%
408	1,800		25%	20%	13%
	25,630		32%	27%	21%
Other Meeting Rooms					
	Square Feet	FY16 Goal	FY15 Goal	FY14	FY13
134	1,200		20%	31%	15%
135	1,500		32%	26%	21%
136	1,160		26%	24%	20%
200	600		14%	16%	14%
201	490		16%	16%	14%
202	530		19%	16%	14%
203	525		15%	16%	15%
209	929		22%	27%	13%
210	608		17%	16%	15%
211	608		16%	15%	15%
212	608		20%	18%	16%
213	672		22%	20%	16%
218	644		20%	27%	14%
220	1,797		19%	29%	19%
221	2,181		20%	30%	18%
222	3,303		27%	37%	18%
	17,355		22%	27%	17%
Exhibit Halls					
	Square Feet	FY16 Goal	FY15 Goal	FY14	FY13
Hall A	18,681		24%	22%	20%
Hall B	13,953		28%	31%	21%
Hall C	31,034		29%	37%	28%
Hall D	45,000		28%	32%	35%
	108,668		27%	31%	29%
Total	151,653	28%	28%	36%	26%
		FY16 Goal	FY15	FY14	FY13
THEATER		30%	30%	28%	37%
		FY16 Goal	FY15	FY14	FY13
ARENA		27%	27%	25%	27%

Peoria Civic Center
Budget Highlights
For Fiscal Year Ending 8/31/16

Event Attendance	2016 Budget	2015 Projected	2014 Actual	2013 Actual	2012 Actual
Conventions / Trade Shows	163,141	143,390	128,738	125,505	148,321
Banquets	30,894	31,356	27,132	23,896	23,239
Meetings	7,049	10,795	12,632	11,053	12,781
Family	12,640	18,041	5,374	32,387	24,518
Sports	202,824	197,448	203,570	279,566	274,071
Entertainment	37,358	40,381	25,683	35,110	31,639
Concerts	65,610	71,022	50,267	77,560	55,479
Performances	61,857	56,208	56,433	81,955	94,888
Other	7,450	6,440	8,662	2,848	3,598
Total Event Attendance	588,853	575,081	518,511	669,880	668,532

Event Days	2016 Budget	2015 Projected	2014 Actual	2013 Actual	2012 Actual
Conventions / Trade Shows	198	191	189	130	146
Banquets	100	102	98	92	77
Meetings	80	138	79	63	192
Family	7	10	3	17	9
Sports	94	86	96	108	103
Entertainment	19	22	19	14	16
Concerts	21	21	22	22	22
Performances	63	72	55	70	66
Other	14	56	95	57	7
Total Event Days	596	698	656	573	638

Peoria Civic Center
Budget Highlights
For Fiscal Year Ending 8/31/16

MAJOR ASSUMPTIONS

Event Income

Assemblies - up 3%
Banquets - up 21% - Savor model will drive up catering revenues.
Consumer Shows - up 2%
Concerts - down 34% - FY16 will be a down cycle for large arena concerts. One large arena concert currently on sale is not performing well and thus being budgeted at a loss.
Conventions - up 26% - three new conventions and Savor model will drive up catering revenues.
Entertainment - down 7% - FY15 had four very successful shows that aren't able to be duplicated in FY16.
Family shows - up 2%
Meetings - down 49% - local corporate business is projected to be down substantially.
Sporting - up 15% - three new events.
Trade Shows - down 5%
Performances - up over \$350,000 - four of the seven Broadway shows were losses in FY15 (especially White Christmas). FY16 Broadway season has been shortened to five shows and all are strong titles.
Rivermen - budgeted to be flat in FY16.
Bradley - down 11% - a better deal is being negotiated for Bradley for FY16.
Other - down 36% - FY15 had eight Luke Bryan rehearsal days and a number of police and firefighter exams. In FY14 there were nine Elf Broadway tech rehearsal days and twenty-six American Red Cross days.

Other Income

Non-event parking is budgeted to be flat in FY16.
Luxury box income is budgeted 3% higher due to less suite reimbursements to arena events.
Advertising signage and sponsorships have been budgeted for a 4% increase.
The Centerplate investment is no longer applicable.

Indirect Expenses

Total salaries and wages have been budgeted to increase by 13% over FY15 due to an additional two months of Savor wages. In FY15 there were only ten months of wages after Savor took over from Centerplate in late October.
Business insurance has been budgeted with a 6% increase.
Heating Fuel is estimated to increase by 5% over FY15 but decrease by 11% from FY14.
Repairs and Maintenance are budgeted to increase by 4%.
Professional fees are increasing by 7% due to a new Ticketmaster program.
Supplies have been budgeted with a 9% increase for the addition of Savor expenses.
Water/sewer is projected to increase as a precautionary measure in FY16.
Most other expenses budgeted to stay at or near FY15 levels.

Non-Operating Revenues (Expenses)

The HRA tax has been budgeted to drop due to increased debt on the bonds.
Interest income will remain low due to the lack of investments.

Peoria Civic Center
Statement of Income
For Fiscal Year Ending 8/31/16

	2016 Budget	2015 Projected	2014 Actual
Event Income			
Direct Event Income	1,135,328	752,708	1,182,706
Concessions Income	1,213,599	1,308,677	590,618
Catering Income	926,244	846,400	280,932
Merchandise Income	80,912	71,684	63,202
Parking Income	398,029	404,820	368,895
Advertising Commissions	41,805	46,018	47,196
Facility Improvement Fee	588,365	558,540	389,602
Ticket Incentives	481,953	534,223	335,586
Total Event Income	4,866,235	4,523,070	3,256,737
Other Operating Revenues			
Non Event Parking	7,438	7,496	22,555
Suite Income	183,659	177,622	190,877
Advertising - Signage & Sponsorships	540,024	517,482	494,665
Guaranteed Ticket Club Membership Fees	840	1,272	2,201
Miscellaneous Income	30,036	32,755	49,608
SMG Capital Contribution	100,000	99,997	0
Concession Investment	0	44,218	276,950
Total Other Operating Revenues	861,997	880,842	1,036,856
Total Operating Revenues	5,728,232	5,403,912	4,295,593
Indirect Expenses			
Executive	264,954	260,654	249,242
Finance	465,834	426,059	375,030
Marketing	378,233	215,232	172,308
Convention Sales	237,614	321,882	357,215
Operations	2,361,105	1,754,819	2,200,906
Box Office	208,591	174,958	149,671
Authority	7,500	10,818	5,059
Overhead	1,694,548	2,143,006	1,647,788
Savor	807,618	617,001	
Total Indirect Expenses	6,425,995	5,924,430	5,157,219
Operating Income Before Depreciation	(697,763)	(520,518)	(861,626)
Depreciation	5,807,052	5,776,740	5,587,319
Operating Loss	(6,504,815)	(6,297,258)	(6,448,945)
Non-Operating Revenues (Expenses)			
Interest Income	1,000	618	2,085
Provision for Bad Debts	(5,000)	(1,512)	(43,288)
Interest Expense	(43,863)	(49,276)	(106,969)
HRA Tax Subsidy	882,621	1,197,127	1,104,446
Total Non-Operating Revenues (Expenses)	834,758	1,146,957	956,274
Net Loss	(5,670,057)	(5,150,301)	(5,492,670)
without depreciation	136,994	626,439	94,648

Peoria Civic Center
Statement of Cash Flows
For Fiscal Year Ending 8/31/16

	<u>Total Budget</u>	<u>FY15</u>
Cashflow from Operating Activities:		
Net Loss	(5,670,057)	(5,150,301)
Depreciation	5,807,052	5,776,740
Adjustments to Net Loss:		
Amortization of CenterPlate Investment	-	(23,333)
Changes in Assets & Liabilities:		
Accounts Receivable		
Prepaid Expenses		
Other Assets		
Accounts Payable & Accrued Expenses		
PCCA Expenses		
Advance Deposits & Ticket Sales		
Long Term Liabilities	(350,073) ¹	(350,073)
Net Cash Provided by Operating Activities	<u>(213,078)</u>	<u>253,033</u>
Cashflow from Capital & Related Financing Activities:		
FY16 Capital Expenditures	(925,000)	(3,169,104)
Funding from DCEO Grant	-	2,382,333
FY16 SMG/Savor Capital Investment Expenditures	(125,000)	(417,812)
Funding from SMG/Savor Capital Investment	-	700,000
Net Cash used in Investing Activities	<u>(1,050,000)</u>	<u>(504,583)</u>
Net Increase (Decrease) in Cash	<u>(1,263,078)</u>	<u>(251,549)</u>
Beginning Balance (Unreserved Cash)	<u>2,486,458</u>	<u>2,738,007</u>
Ending Balance	<u><u>1,223,380</u></u>	<u><u>2,486,458</u></u>

1) Principal amount of land acquisition debt, club room / suites debt, and scoreboard debt.

Peoria Civic Center
Budget - Year Ending 8/31/2016
Indirect Expenses

	2016 Budget	2015 Projected	2014 Actual
Wages Full Time	\$ 2,488,506	\$ 2,169,264	\$ 1,728,919
Wages Part Time	\$ 276,374	\$ 276,193	\$ 255,827
Total Salaries & Wages	<u>\$ 2,764,879</u>	<u>\$ 2,445,457</u>	<u>\$ 1,984,746</u>
Payroll Taxes	\$ 286,551	\$ 240,899	\$ 172,501
Employee Benefits	\$ 395,452	\$ 350,469	\$ 315,637
401k	\$ 77,936	\$ 77,811	\$ 46,958
Workers Compensation	\$ 86,264	\$ 76,298	\$ 60,634
 Total Personnel Costs	 \$ 3,611,083	 \$ 3,190,935	 \$ 2,580,476
 Advertising	 \$ 78,200	 \$ 77,050	 \$ 89,709
Bank Service Charges	\$ 5,550	\$ 4,315	\$ 1,599
Business Insurance	\$ 293,637	\$ 276,229	\$ 259,343
Client Gifts	\$ -	\$ 4,000	\$ -
Community Relations	\$ 5,000	\$ 5,100	\$ 6,236
Computer	\$ 68,700	\$ 65,725	\$ 47,847
Corporate Travel	\$ 6,000	\$ 6,000	\$ 5,117
Dues & Subscriptions	\$ 6,250	\$ 6,728	\$ 8,908
Education & Training	\$ 10,000	\$ 16,000	\$ 3,248
Electricity	\$ 603,122	\$ 603,120	\$ 638,785
Employee Relations	\$ 14,346	\$ 15,000	\$ 13,080
Entertainment	\$ 3,750	\$ 2,691	\$ 3,568
Garbage Hauling	\$ 26,000	\$ 26,000	\$ 21,841
Heating Fuel	\$ 213,818	\$ 203,638	\$ 238,834
Job Advertisements	\$ 2,000	\$ 1,026	\$ 2,302
Maintenance	\$ 486,200	\$ 466,950	\$ 468,606
Meetings & Conferences	\$ 17,700	\$ 21,080	\$ 23,211
Office Supplies	\$ 29,920	\$ 29,185	\$ 19,606
Off Site Storage	\$ -	\$ -	\$ -
Outside Services	\$ 161,689	\$ 156,125	\$ 119,228
Postage	\$ 9,300	\$ 9,375	\$ 9,107
Professional Fees	\$ 387,373	\$ 361,621	\$ 261,923
Supplies - (Non-office)	\$ 206,550	\$ 189,675	\$ 146,452
Telephone	\$ 66,000	\$ 72,000	\$ 61,555
Water & Sewer	\$ 113,806	\$ 83,202	\$ 126,419
	<u>\$ 2,814,912</u>	<u>\$ 2,701,835</u>	<u>\$ 2,576,524</u>
 Total Indirect Expenses	 <u>\$ 6,425,995</u>	 <u>\$ 5,892,770</u>	 <u>\$ 5,157,000</u>
 Bad Debt	 \$ 5,000	 \$ 679	 \$ 4,737
Interest Expense	\$ 43,863	\$ 47,113	\$ 64,428