



# PEORIA CIVIC CENTER

## OPERATING AND CAPITAL BUDGET

FISCAL YEAR ENDING AUGUST 31, 2015

Revised March 20, 2015



PEORIA CIVIC CENTER®



**PEORIA CIVIC CENTER**  
**Operating and Capital Budget**  
Fiscal Year Ending 8/31/15

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**Peoria Civic Center  
Budget  
For Fiscal Year Ending 8/31/15**

Event Days		595
Attendance		564,335
 Direct Event Income		
	Gross Sales	\$ 10,999,129
	Cost of Sales	<u>\$ 9,867,488</u>
	Direct Event Income	\$ 1,131,641
 Ancillary Income		
	Concessions	\$ 1,007,058
	Catering	\$ 930,139
	Novelties	\$ 77,169
	Parking	\$ 373,068
	Advertising Commissions	\$ 32,416
	Facility Improvement Fee	\$ 550,971
	Ticket Incentives	<u>\$ 373,194</u>
	Total Ancillary Income	<u>\$ 3,344,014</u>
	Total Event Income	\$ 4,475,655
 Total Other Income		\$ 862,830
H.R.A. Tax Subsidy Net to PCCA		\$ 991,426
Adjusted Gross Income		\$ 6,329,911
Indirect Expenses		<u>\$ (6,157,878)</u>
Net Income (Loss) Before Depreciation		\$ 172,034
Depreciation		\$ (5,776,740)
Net Loss		<u>\$ (5,604,706)</u>
 Total Capital Improvements		\$ (850,000)
Net Cash Provided by Operations		<u>\$ (201,373)</u>
Net Increase (Decrease) In Cash		\$ (1,051,373)
Cash Balance Beginning of Year		<u>\$ 2,338,018</u>
Cash Balance End of Year		<u>\$ 1,286,645</u>

**PEORIA CIVIC CENTER AUTHORITY  
CAPITAL EXPENDITURES BUDGET  
YEAR ENDING 8/31/15**

**FY 15 CAPITAL PROJECTS**

Project Number	Description				
501	Event Equipment			\$	91,100
	Linens	\$	10,000		
	Hockey Glass/poly	\$	5,000		
	Tables	\$	18,200		
	Step Units, Rails, Skirting	\$	9,100		
	Cable Protectors	\$	4,500		
	Carts	\$	2,500		
	Theater light board	\$	15,000		
	Screen parts, skins	\$	6,500		
	* Small projectors	\$	2,800		
	* Mic package	\$	10,000		
	Cabling	\$	7,500		
502	Cleaning Equipment			\$	23,400
	Vacuums	\$	2,500		
	Tilt Trucks	\$	7,500		
	Commercial Washer	\$	9,000		
	Extractor 30 gal	\$	4,400		
505	Office Equipment, Computers & Storage			\$	20,500
	Desk chairs, box office & acctg.	\$	5,000		
	Laptops, PCs, Sandy Printer	\$	10,000		
	Copier, box office	\$	5,500		
508	Mechanical/Electrical Systems			\$	105,000
	HVAC - misc.	\$	25,000		
	Plumbing - misc.	\$	25,000		
	Parking lot light repair	\$	10,000		
	Lighting replacements arcades	\$	40,000		
	LED work lights	\$	5,000		
515	Data/Communications Equipment			\$	60,000
	Network upgrades - switches	\$	60,000		
416	Life Safety			\$	20,000
	Elevator upgrades	\$	10,000		
	Life Safety - Misc.	\$	10,000		
520	Security Equipment			\$	13,000
521	Moveable Equipment			\$	12,000
	Riding shampooer	\$	12,000		
523	Remodeling			\$	200,000
	Pre-Function Carpet	\$	200,000		
525	Concrete Repairs			\$	20,000
540	Capital Project Contingency			\$	50,000
545	Doors			\$	20,000
550	Arcade Sealant			\$	35,000
550	Parking Lot Sealcoat/Repair			\$	70,000
560	Banquet Chairs			\$	100,000
580	* Sponsorship updates			\$	10,000
<b>Total FY 2015 Capital Budget</b>				<b>\$</b>	<b>850,000</b>

\* Generate Income



# PEORIA CIVIC CENTER

## OPERATING AND CAPITAL BUDGET

FISCAL YEAR ENDING AUGUST 31, 2015

Revised March 20, 2015



SUPPORTING DOCUMENTS

## BUDGET OVERVIEW, FY15

By Anne Clayton, Director of Finance

The proposed FY15 budget projects a 26% growth for operating revenues and a 19% increase for expenditures. Operating loss before depreciation has been budgeted approximately \$140,000 higher than FY14. The increases are due to the change in F&B operations effective October 30, 2014 from commission-based revenue with Centerplate to gross sales less cost of goods sold less indirect expenses 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 FY15 forecast for event income is \$4.475 million, which is a 39% increase compared to the projected FY14 event income. Effective October 30, 2014 event income will include Savor gross sales less cost of goods sold instead of Centerplate commission. Performing Arts has been budgeted to decrease by 13% from last year. This category had three drop-in shows in FY14 and the likelihood of this happening in FY15 is not probable. Sporting will see a 10% drop from last year due to three FY14 sporting events not returning with one new event booked for FY15. The majority of the increase in event income is projected to occur in arena concerts and arena family shows. Of the eight arena concerts budgeted: three are booked, three are highly probable (returning shows), and two are unbooked (but holding three dates for possible shows). The arena family shows include six performances of the RBBB Circus (last here - Sept 2012) and three performances of Disney Live (comparable to Disney on Ice - Dec 2012). A strong emphasis is being placed on providing opportunities to bring patrons into Peoria and the downtown area.

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 FY15. The suites and party boxes are also budgeted at full capacity in FY15, but will be off-set by ticket reimbursements to RBBB Circus and Disney Live. Non-event parking saw steady income in FY14 with the Pere construction site workers using the Peoria Civic Center parking lots at discounted prices. This income ended in May 2014. Guaranteed ticket club memberships and miscellaneous income are also

included in this category. The St. Louis Blues cancellation fee was categorized in miscellaneous income in FY13. A major change in this category is 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 compared to FY14 is a decrease of \$231,000. The second change in this category is the addition of the amortization of the SMG capital investment of \$700,000 over 7 years or \$100,000 for FY15. In summary, the total net effect of these changes is a decrease of \$131,000 compared to FY14. Total other operating revenues are budgeted to be approximately \$862,000, an overall decrease of \$151,000.

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 25% versus FY14 and increase by 15% versus FY13. The Savor department expenses were added in October 2014 during the transition from Centerplate. The major categories that will see increases besides personnel costs with the addition of Savor are as follows: business insurance 14%, repairs/maintenance 18%, contracted services 29%, and supplies 36%. The Overhead department expenses will also increase by \$100,000 for FY15 for the Savor portion of the SMG management fee. In total, the budget for indirect expenses is just over \$6.1 million, which is an increase of \$973,000 versus FY14 and an increase of \$739,000 versus FY13.

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 \$991,000 in FY15. 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 \$1.29 million at the close of FY15. This balance consists of operating cash balances (to be used on operations and capital improvements).

**PEORIA CIVIC CENTER  
FACILITY UTILIZATION STATS  
FY15 GOALS COMPARED TO 3 PREVIOUS YEARS**

Ballroom / Meeting Rooms		FY15	FY15 Goal	FY14	FY13	FY12
	Square Feet	366				
400	11,230	95		26%	16%	14%
401	1,800	96		26%	22%	16%
402	1,800	90		25%	16%	13%
403	1,800	85		23%	17%	11%
404	1,800	86		23%	14%	11%
405	1,800	75		20%	18%	11%
406	1,800	74		20%	11%	8%
407	1,800	75		20%	10%	6%
408	1,800	71		19%	9%	6%
	25,630			24%	15%	12%
Other Meeting Rooms		FY15	FY15 Goal	FY14	FY13	FY12
	Square Feet	366				
134	1,200	45		12%	22%	23%
135	1,500	52		14%	31%	35%
136	1,160	50		14%	31%	31%
200	600	46		13%	19%	16%
201	490	44		12%	16%	16%
202	530	44		12%	16%	18%
203	525	45		12%	17%	17%
209	929	94		26%	15%	16%
210	608	45		12%	19%	18%
211	608	43		12%	19%	18%
212	608	46		13%	21%	20%
213	672	49		13%	22%	19%
218	644	95		26%	14%	16%
220	1,797	53		14%	23%	22%
221	2,181	53		14%	23%	21%
222	3,303	101		28%	21%	22%
	17,355			17%	22%	22%
Exhibit Halls		FY15	FY15 Goal	FY14	FY13	FY12
	Square Feet	356				
Hall A	18,681	66		18%	27%	27%
Hall B	13,953	79		22%	31%	36%
Hall C	31,034	125		34%	33%	33%
Hall D	45,000	120		33%	40%	26%
	108,668			29%	34%	29%
			<b>TOTAL CONVENTION CENTER</b>			
	151,653		32%	32%	26%	30%
THEATER		FY15	FY15 Goal	FY14	FY13	FY12
		356				
		91	25%	28%	37%	33%
ARENA		FY15	FY15 Goal	FY14	FY13	FY12
		366				
		87	24%	25%	27%	27%



**Peoria Civic Center  
Budget Highlights  
For Fiscal Year Ending 8/31/15**

<b>Event Attendance</b>	2015 Budget	2014 Projected	2013 Actual	2012 Actual	2011 Actual
Conventions / Trade Shows	141,771	128,738	125,505	148,321	148,734
Banquets	29,985	27,132	23,896	23,239	24,233
Meetings	10,213	12,632	11,053	12,781	8,370
Family	23,043	5,374	32,387	24,518	23,243
Sports	200,111	203,570	279,566	274,071	310,278
Entertainment	30,499	25,683	35,110	31,639	32,830
Concerts	66,639	50,287	77,560	55,479	83,373
Performances	58,064	56,433	81,955	94,886	65,033
Other	4,010	8,662	2,848	3,598	3,290
<b>Total Event Attendance</b>	<b>564,335</b>	<b>518,511</b>	<b>669,880</b>	<b>668,532</b>	<b>699,384</b>

<b>Event Days</b>	2015 Budget	2014 Projected	2013 Actual	2012 Actual	2011 Actual
Conventions / Trade Shows	196	189	130	146	157
Banquets	88	98	92	77	77
Meetings	70	79	63	192	80
Family	10	3	17	9	15
Sports	91	96	108	103	107
Entertainment	15	19	14	16	16
Concerts	20	22	22	22	28
Performances	53	55	70	66	59
Other	52	95	57	7	8
<b>Total Event Days</b>	<b>595</b>	<b>656</b>	<b>573</b>	<b>638</b>	<b>547</b>

**Peoria Civic Center  
Budget Highlights  
For Fiscal Year Ending 8/31/15**

**MAJOR ASSUMPTIONS**

**Event Income**

Event expenses have been budgeted with 2% growth, while rent & billing rates (equipment & labor) have been projected with no increases. This will result in an approximate \$25,000 hit to profit margins.

Assemblies - up 46% - new church service business.

Banquets - up 9% - increased sales goals.

Consumer Shows - down 1% - business expected to stay flat.

Concerts - up 77% - hopeful busy arena and theater season.

Conventions - up 6% - Five new conventions for FY15. Seven not returning from FY14 - four due to rotating locations and three due to being moved from Four Points.

Entertainment - up 5% - hopeful busy arena and theater season.

Family shows - up 251% - RBBB Circus and Disney Live booked in the arena.

Meetings - down 1% - business expected to stay flat.

Sporting - down 10% - Three FY14 sporting events not returning. One new sporting event booked.

Trade Shows - up 22% - Two new shows booked and Business Showcase returning in FY15.

Performances - down 13% - had three drop-in theater shows in FY14.

Rivermen - down 2% - attendance budgeted flat with income decrease attributable to labor increases.

Bradley - up 1% - attendance budgeted with 2% increase.

Other - down 34% - In FY13 there were twenty-two Priscilla Broadway tech rehearsal days in this category.

In FY14 there were nine Elf Broadway tech rehearsal days and twenty-six American Red Cross days.

In FY15 there is ten White Christmas tech rehearsal days.

Effective October 30, 2014, concessions and catering income will change from commission revenue with Centerplate to gross sales less cost of goods sold with Savor.

**Other Income**

Non-event parking is budgeted to decrease by 63% due to Core Construction not using the lot in FY15.

Luxury box income is budgeted to have full occupancy for FY15. 7% decrease - suite ticket reimbursements to RBBB Circus and Disney Live.

Advertising signage and sponsorships have been budgeted for a slight increase.

Other income included the St. Louis Blues cancellation fee in FY13.

The Centerplate investment will not be received after October 2014.

The SMG Capital Contribution of \$100,000 per year will be recognized beginning in September 2014.

**Indirect Expenses**

Total salaries and wages excluding Savor have been budgeted to increase by 7% over FY14 but have decreased by 3% compared to FY13.

Business insurance has been budgeted with a 5% increase.

Heating Fuel estimated to decrease 8.5% below FY14 but increase 3% since FY13.

Repairs and Maintenance are budgeted to increase by 16%.

Most other expenses budgeted to stay at or near FY14 levels.

The SMG management fee increased by \$100,000 per year for the addition of Savor.

A new Savor department will be added to this category in October 2014 with a FY15 budget of \$610,000.

**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 8/31/15**

	2015 Budget	2014 Projected	2013 Actual
<b>Event Income</b>			
Direct Event Income	1,131,641	1,190,393	1,173,383
Concessions Income	1,007,058	584,486	857,157
Catering Income	930,139	265,202	287,324
Merchandise Income	77,169	62,151	87,929
Parking Income	373,068	361,019	465,860
Advertising Commissions	32,416	46,437	75,795
Facility Improvement Fee	550,971	385,937	582,837
Ticket Incentives	373,194	316,597	548,019
<b>Total Event Income</b>	<b>4,475,655</b>	<b>3,212,222</b>	<b>4,078,304</b>
<b>Other Operating Revenues</b>			
Non Event Parking	8,354	22,612	42,129
Suite Income	177,175	190,875	131,428
Advertising - Signage & Sponsorships	497,250	487,910	494,562
Guaranteed Ticket Club Membership Fees	1,416	2,201	2,860
Miscellaneous Income	28,660	29,249	113,525
SMG Capital Contribution	100,000	0	0
Concession Investment	48,975	279,824	311,523
<b>Total Other Operating Revenues</b>	<b>861,830</b>	<b>1,012,671</b>	<b>1,096,027</b>
<b>Total Operating Revenues</b>	<b>5,337,485</b>	<b>4,224,893</b>	<b>5,174,331</b>
<b>Indirect Expenses</b>			
Executive	265,481	240,435	291,010
Finance	417,216	374,332	380,534
Marketing	363,841	334,379	398,196
Convention Sales	172,911	145,750	164,530
Operations	2,324,848	2,186,635	2,195,482
Box Office	192,509	179,918	208,823
Authority	5,300	2,754	8,666
Overhead	1,753,998	1,668,529	1,719,455
Savor	609,662	0	0
<b>Total Indirect Expenses</b>	<b>6,105,765</b>	<b>5,132,730</b>	<b>5,366,696</b>
<b>Operating Income Before Depreciation</b>	<b>(768,280)</b>	<b>(907,837)</b>	<b>(192,365)</b>
<b>Depreciation</b>	<b>5,776,740</b>	<b>5,964,419</b>	<b>5,900,004</b>
<b>Operating Loss</b>	<b>(6,545,020)</b>	<b>(6,872,256)</b>	<b>(6,092,369)</b>
<b>Non-Operating Revenues (Expenses)</b>			
Interest Income	1,000	2,922	6,076
Provision for Bad Debts	(5,000)	(5,570)	(4,718)
Interest Expense	(47,113)	(61,888)	(90,375)
HRA Tax Subsidy	991,426	1,190,937	1,799,430
<b>Total Non-Operating Revenues (Expenses)</b>	<b>940,313</b>	<b>1,126,401</b>	<b>1,710,413</b>
<b>Net Loss</b>	<b>(5,604,706)</b>	<b>(5,745,855)</b>	<b>(4,381,956)</b>
without depreciation	172,034	218,564	1,518,048

**Peoria Civic Center  
Statement of Cash Flows  
For Fiscal Year Ending 8/31/15**

	Total Budget
Cashflow from Operating Activities:	
Net Loss	(5,604,706)
Depreciation	5,776,740
<b>Adjustments to Net Loss:</b>	
Amortization of CenterPlate Investment	(23,333)
<b>Changes in Assets &amp; Liabilities:</b>	
Accounts Receivable	-
Prepaid Expenses	-
Other Assets	-
Accounts Payable & Accrued Expenses	-
PCCA Expenses	-
Advance Deposits & Ticket Sales	-
Long Term Liabilities	(350,073) <sup>1</sup>
<b>Net Cash Provided by Operating Activities</b>	<b>(201,373)</b>
 <b>Cashflow from Capital &amp; Related Financing Activities:</b>	
FY15 Capital Expenditures	(850,000)
Funding from DCEO Grant	-
<b>Net Cash used in Investing Activities</b>	<b>(850,000)</b>
<b>Net Increase (Decrease) in Cash</b>	<b>(1,051,373)</b>
Beginning Balance (Unreserved Cash)	2,338,018
Ending Balance	1,286,645

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

**Peoria Civic Center**  
**Budget - Year Ending 8/31/2015**  
**Indirect Expenses**

	2015 Budget	2014 Projected	2013 Actual
Wages Full Time	\$ 2,163,941	\$ 1,691,253	\$ 1,796,858
Wages Part Time	\$ 278,758	\$ 252,124	\$ 298,452
Bonuses	\$ 31,635	\$ 7,981	\$ 39,934
Automobile	\$ 21,852	\$ 13,450	\$ 17,050
Total Salaries & Wages	<u>\$ 2,496,186</u>	<u>\$ 1,964,808</u>	<u>\$ 2,152,293</u>
Payroll Taxes	\$ 239,245	\$ 190,610	\$ 211,194
Employee Benefits	\$ 344,763	\$ 317,692	\$ 325,789
401k	\$ 72,188	\$ 47,473	\$ 66,768
Workers Compensation	\$ 77,062	\$ 59,391	\$ 65,365
Total Personnel Costs	<u>\$ 3,229,443</u>	<u>\$ 2,579,974</u>	<u>\$ 2,821,410</u>
Advertising	\$ 72,112	\$ 78,421	\$ 103,756
Bank Service Charges	\$ 4,640	\$ 2,012	\$ 309
Business Insurance	\$ 296,289	\$ 259,342	\$ 246,924
Client Gifts	\$ 3,000	\$ -	\$ -
Community Relations	\$ 7,500	\$ 7,405	\$ 9,379
Computer	\$ 45,450	\$ 49,959	\$ 51,618
Corporate Travel	\$ 6,000	\$ 6,600	\$ 4,976
Dues & Subscriptions	\$ 6,467	\$ 7,537	\$ 12,804
Education & Training	\$ 6,250	\$ 3,103	\$ 9,393
Electricity	\$ 665,200	\$ 665,258	\$ 757,609
Employee Relations	\$ 13,950	\$ 12,000	\$ 13,569
Entertainment	\$ 4,100	\$ 3,002	\$ 7,873
Garbage Hauling	\$ 25,000	\$ 23,178	\$ 23,338
Heating Fuel	\$ 212,300	\$ 232,275	\$ 206,280
Job Advertisements	\$ 3,000	\$ 2,302	\$ 3,588
Maintenance	\$ 527,988	\$ 446,856	\$ 370,015
Meetings & Conferences	\$ 36,580	\$ 18,853	\$ 22,741
Office Supplies	\$ 28,830	\$ 19,000	\$ 22,880
Off Site Storage	\$ -	\$ -	\$ -
Outside Services	\$ 151,397	\$ 117,654	\$ 27,555
Postage	\$ 9,375	\$ 9,300	\$ 11,054
Professional Fees	\$ 376,800	\$ 258,655	\$ 298,433
Supplies - (Non-office)	\$ 195,950	\$ 146,036	\$ 184,065
Telephone	\$ 60,000	\$ 59,572	\$ 67,417
Water & Sewer	\$ 118,140	\$ 124,436	\$ 89,710
	<u>\$ 2,876,318</u>	<u>\$ 2,552,756</u>	<u>\$ 2,545,286</u>
Total Indirect Expenses	<u>\$ 6,105,762</u>	<u>\$ 5,132,730</u>	<u>\$ 5,366,696</u>
Bad Debt	\$ 5,000	\$ 4,737	\$ 4,718
Interest Expense	\$ 47,113	\$ 64,428	\$ 90,375