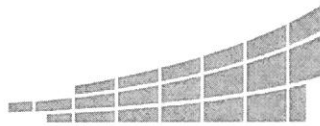




PEORIA CIVIC CENTER

OPERATING AND CAPITAL BUDGET

FISCAL YEAR ENDING AUGUST 31, 2017



PEORIA CIVIC CENTER®



PEORIA CIVIC CENTER
Operating and Capital Budget
Fiscal Year Ending 8/31/17

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 8/31/17**

Event Days		637
Attendance		651,827
Direct Event Income		
	Gross Sales	14,857,243
	Cost of Sales	13,711,459
	Direct Event Income	\$ 1,145,784
Ancillary Income		
	Concessions	\$ 1,251,741
	Catering	\$ 1,284,678
	Novelties	\$ 94,747
	Parking	\$ 380,659
	Advertising Commissions	\$ 38,819
	Facility Improvement Fee	\$ 632,977
	Ticket Incentives	\$ 586,198
	Total Ancillary Income	<u>\$ 4,269,820</u>
	Total Event Income	\$ 5,415,604
Total Other Income		\$ 833,193
H.R.A. Tax Subsidy Net to PCCA		\$ 1,025,301
Adjusted Gross Income		\$ 7,274,098
Indirect Expenses		<u>\$ (6,721,949)</u>
Net Income (Loss) Before Depreciation		\$ 552,150
Depreciation		\$ (5,539,490)
Net Loss		<u>\$ (4,987,340)</u>
Total Capital Improvements		\$ (875,000)
Net Cash Provided by Operations		<u>\$ 202,077</u>
Net Increase (Decrease) In Cash		\$ (672,923)
Cash Balance Beginning of Year		<u>\$ 1,906,692</u>
Cash Balance End of Year		<u>\$ 1,233,769</u>

**PEORIA CIVIC CENTER AUTHORITY
CAPITAL EXPENDITURES BUDGET
YEAR ENDING 8/31/17**

FY 17 CAPITAL PROJECTS

Project Number	Description		Priority		
756	Winterfest Site		1	\$	83,500
701	Event Equipment		2	\$	64,000
	Linens	\$ 5,000			
	Hockey Glass/Poly	\$ 5,000			
	Tables	\$ 15,000			
	* A/V	\$ 30,000			
	Carts	\$ 4,000			
	ProDeck	\$ 5,000			
708	Mechanical/Electrical Systems		3	\$	90,000
	HVAC - misc.	\$ 30,000			
	Plumbing - misc.	\$ 30,000			
	Electrical - misc.	\$ 30,000			
723	Remodeling		4	\$	250,000
	Ballroom Carpet	\$ 250,000			
741	Catering Small Wares		5	\$	50,000
742	Concessions Equipment		5	\$	40,000
755	Parking Lot Sealcoat/Stripe		6	\$	95,000
715	Data/Communications Equipment		7	\$	30,000
	Data Switches	\$ 30,000			
750	Arcade Sealant		8	\$	20,000
716	Life Safety	\$ 10,000	9	\$	10,000
720	Security Equipment	\$ 10,000	10	\$	15,000
	Radios	\$ 5,000			
780	* Sponsorship updates		11	\$	10,000
725	Concrete Repairs		12	\$	10,000
721	Maintenance Equipment		13	\$	5,000
	Table Saw & Drill press	\$ 5,000			
705	Office Equipment, Computers & Storage		14	\$	10,000
	PCs & Laptops	\$ 10,000			
702	Cleaning Equipment		15	\$	10,500
	Hand Held Extractors	\$ 2,000			
	Vacuums	\$ 2,500			
	Dr. Gum	\$ 6,000			
740	Capital Project Contingency			\$	62,000
745	Doors		16	\$	20,000
Total FY 2017 Capital Budget				\$	875,000

* Generate Income



PEORIA CIVIC CENTER

OPERATING AND CAPITAL BUDGET

FISCAL YEAR ENDING AUGUST 31, 2017



SUPPORTING DOCUMENTS

BUDGET OVERVIEW, FY17

By Anne Clayton, General Manager

The proposed FY17 budget projects a 12% growth for operating revenues and a 9% increase for expenditures. Operating loss before depreciation has been budgeted approximately \$130,000 lower than FY16.

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 FY17 forecast for event income is \$5.415 million, which is a 14% increase compared to the projected FY16 event income. The Convention Center has set strong sales goals for short-term business in the banquets and consumer categories to adjust for the downturn of long-term convention business. The Arena is projecting a strong concert year with a \$324,000 increase over FY16 that includes twelve shows versus ten last year. In the Arena entertainment category, Monster Jam has shifted to October 2017 rather than April 2017. This means it will be recorded in FY18 and not FY17. Part of this shortfall will be made up with Disney on Ice in the Arena family category. The Theater has increased goals by \$54,000 from FY16 in the concert and entertainment categories. Performing Arts has been budgeted to increase by \$477,000 from last year. The FY16 Broadway Theater Series was hit hard by the underperformance of the fall shows Kinky Boots and The Illusionists. The FY17 Broadway Theater Series was deliberately packaged as a smaller series to make it more affordable to a wider audience. The season includes Wicked (16 shows) in October/November, Cinderella (2 shows) in January, and Once (2 shows) in March. Two shows of Mamma Mia in March are also offered as an extra buy.

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 FY17. Suite income is budgeted to remain flat from FY16. 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 FY15 to FY16 was a decrease of \$44,000. The second change in this category from FY15 to FY16 was the addition of the amortization of the SMG capital investment of \$700,000

over 7 years or \$100,000 for FY16. This will remain for FY17 through FY21. The amortization of this in FY15 was netted out against Savor conversion costs. Due to a change in the expected renewal of the Coke contract, vending commissions will decrease by \$15,000 in the miscellaneous category. Total other operating revenues are budgeted to remain flat at approximately \$833,000.

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 FY16. The prior fiscal year was operated with the Interim General Manager holding dual roles of General Manager and Director of Finance resulting in significant cost savings. FY16 was also operated without the Marketing Manager due to major illness. FY17 has been budgeted to fill these previous gaps while also adding sales staff to increase Convention Center sales. The Overtime Rule Wage increase anticipated for December 2016 accounts for 20% of the increase. Annual wage increases account for just 7% of the increase. The Savor department operated a full year in FY16 and a partial year in FY15. The major categories that will see increases besides personnel costs are business insurance, electricity, heating fuel, repairs/maintenance, outside services, and water/sewer. In total, the budget for indirect expenses is just over \$6.684 million, which is an increase of \$535,000 versus FY16.

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 \$1,025,301 in FY17. The HRA subsidy to the Peoria Civic Center has been budgeted for 2.41% growth in the coming year. Interest income and bad debt expense are expected to maintain current levels with interest expense budgeted for a decrease.

The unreserved cash balance of the Peoria Civic Center has been projected to be \$1.233 million at the close of FY17. This balance consists of operating cash balances (to be used on operations and capital improvements).

**PEORIA CIVIC CENTER
FACILITY UTILIZATION STATS
FY17 GOALS COMPARED TO 4 PREVIOUS YEARS**

Convention Center						
Ballroom / Meeting Rooms	Square Feet	FY17	FY16	FY15	FY14	FY13
		Goal	Projected			
400	11,230		34%	31%	27%	23%
401	1,800		36%	41%	35%	24%
402	1,800		37%	34%	33%	26%
403	1,800		34%	34%	30%	20%
404	1,800		34%	33%	30%	18%
405	1,800		33%	30%	22%	18%
406	1,800		30%	28%	22%	16%
407	1,800		28%	28%	21%	13%
408	1,800		28%	25%	20%	13%
	25,630		33%	31%	27%	21%
Other Meeting Rooms						
	Square Feet	FY17	FY16	FY15	FY14	FY13
		Goal	Projected			
134	1,200		24%	20%	31%	15%
135	1,500		31%	33%	26%	21%
136	1,160		30%	27%	24%	20%
200	600		21%	15%	16%	14%
201	490		22%	16%	16%	14%
202	530		22%	20%	16%	14%
203	525		22%	16%	16%	15%
209	929		37%	22%	27%	13%
210	608		26%	20%	16%	15%
211	608		25%	18%	15%	15%
212	608		29%	22%	18%	16%
213	672		31%	24%	20%	16%
218	644		34%	21%	27%	14%
220	1,797		32%	19%	29%	19%
221	2,181		31%	20%	30%	18%
222	3,303		44%	27%	37%	18%
	17,355		32%	23%	27%	17%
Exhibit Halls						
	Square Feet	FY17	FY16	FY15	FY14	FY13
		Goal	Projected			
Hall A	18,681		32%	25%	22%	20%
Hall B	13,953		33%	27%	31%	21%
Hall C	31,034		35%	30%	37%	28%
Hall D	45,000		28%	27%	32%	35%
	108,668		31%	27%	31%	29%
Total	151,653	34%	32%	28%	36%	26%
THEATER						
		FY17	FY16	FY15	FY14	FY13
		Goal	Projected			
		33%	31%	31%	28%	37%
ARENA						
		FY17	FY16	FY15	FY14	FY13
		Goal	Projected			
		30%	28%	28%	25%	27%

**Peoria Civic Center
Budget Highlights
For Fiscal Year Ending 8/31/17**

Event Attendance	2017 Budget	2016 Projected	2015 Actual	2014 Actual	2013 Actual
Conventions / Trade Shows	209,525	189,454	143,673	133,635	125,505
Banquets	35,630	31,811	31,336	26,615	23,896
Meetings	10,041	9,500	10,901	12,851	11,053
Family	20,914	9,835	18,041	5,374	32,387
Sports	189,738	198,571	197,498	203,645	279,566
Entertainment	16,903	26,560	40,587	25,683	35,110
Concerts	85,760	65,860	71,022	51,344	77,560
Performances	73,091	61,926	55,946	56,198	81,955
Other	10,225	10,476	6,846	8,962	2,848
Total Event Attendance	651,827	603,993	575,850	524,307	669,880

Event Days	2017 Budget	2016 Projected	2015 Actual	2014 Actual	2013 Actual
Conventions / Trade Shows	245	265	190	195	130
Banquets	119	112	102	99	92
Meetings	65	73	140	125	63
Family	11	5	10	3	17
Sports	84	98	86	96	108
Entertainment	10	14	22	19	14
Concerts	25	19	21	22	22
Performances	59	67	72	55	70
Other	19	36	61	96	57
Total Event Days	637	689	704	710	573

**Peoria Civic Center
Budget Highlights
For Fiscal Year Ending 8/31/17**

MAJOR ASSUMPTIONS

Event Income

Assemblies - down 17% - had several one-time events in FY16.
Banquets - up 14% - sales goals are set high for short-term business.
Consumer Shows - up 18% - one new consumer show is booked, working to book a second new one.
Concerts - up 77% - FY17 will be an up cycle for arena concerts.
Conventions - down 14% - nine less event days in FY17.
Entertainment - down 18% - Monster Jam's date pattern changed and will be hosted in fall of FY18 instead of spring of FY17.
Family shows - up 19% - the arena will host Disney on Ice in FY17.
Meetings - budgeted to remain flat.
Sporting - down 10% - two events are not returning due to decreasing attendance.
Trade Shows - down 4%
Performances - up \$477,000 - The FY16 Broadway Theater Season was \$333,000 under budget. The FY17 Broadway Theater Season is a smaller package (3 season shows and one extra) and includes 16 shows of Wicked as a rental.
Rivermen - budgeted to be flat except for slight increases in expenses in FY17.
Bradley - down 1% - 16 games in FY17 versus 17 games in FY16, attendance budgeted with 1.5% increase.
Other - down 30% - FY16 had a Peoria Gay Pride event and a number of police exams and Bradley baseball practices.

Other Income

Non-event parking is budgeted for a 9% increase in FY17.
Luxury box income is budgeted to be flat for FY17.
Advertising signage and sponsorships have been budgeted for a 2% increase.
Vending Commissions will be down \$15,000 due to an expected change in the Coke contract terms.

Indirect Expenses

Total salaries and wages have been budgeted to increase by 13% over FY16 due filling open positions, adding sales staff, and accounting for the Overtime Rule Wage increase.
Business insurance has been budgeted with a 5% increase.
Electricity is budgeted with a 3% increase over FY16.
Heating Fuel is estimated to increase by 5% over FY16 but decrease by 15% from FY15.
Repairs and Maintenance are budgeted to increase by 10%.
Outside Services are increasing 18% due to required service contracts for the arena and an estimated increase for snow removal.
Water/sewer is projected to increase by 5% in FY16.

Non-Operating Revenues (Expenses)

The HRA tax receipts have been budgeted to grow 2.41%.
Interest income will remain low due to the lack of investments.

**Peoria Civic Center
Statement of Income
For Fiscal Year Ending 8/31/17**

	2017 Budget	2016 Projected	2015 Actual
Event Income			
Direct Event Income	1,145,784	833,342	762,744
Concessions Income	1,251,741	1,085,191	1,312,608
Catering Income	1,284,678	1,289,392	860,024
Merchandise Income	94,747	84,857	73,901
Parking Income	380,659	361,856	400,677
Advertising Commissions	38,819	59,915	46,798
Facility Improvement Fee	632,977	500,656	565,025
Ticket Incentives	586,198	533,290	539,304
Total Event Income	5,415,604	4,748,499	4,561,081
Other Operating Revenues			
Non Event Parking	6,105	6,131	7,457
Suite Income	180,178	178,705	177,746
Advertising - Signage & Sponsorships	531,216	514,440	526,007
Guaranteed Ticket Club Membership Fees	0	350	1,176
Miscellaneous Income	15,314	34,962	35,425
SMG Capital Contribution	100,000	100,000	0
Concession Investment	0	0	44,218
Total Other Operating Revenues	832,813	834,588	792,029
Total Operating Revenues	6,248,417	5,583,087	5,353,110
Indirect Expenses			
Executive	205,270	197,917	235,661
Finance	434,141	397,864	417,850
Marketing	344,476	362,070	348,019
Convention Sales	414,460	241,849	171,302
Operations	2,410,569	2,161,014	2,237,134
Box Office	214,021	213,179	183,218
Authority	7,000	3,392	11,482
Overhead	1,831,369	1,776,748	1,667,776
Savor	823,421	795,735	610,362
Total Indirect Expenses	6,684,726	6,149,768	5,882,804
Operating Income Before Depreciation	(436,308)	(566,681)	(529,694)
Depreciation	5,539,490	5,807,052	6,054,074
Operating Loss	(5,975,798)	(6,373,733)	(6,583,768)
Non-Operating Revenues (Expenses)			
Interest Income	380	501	(171)
Provision for Bad Debts	(5,000)	(4,990)	(1,855)
Interest Expense	(32,223)	(40,281)	(50,027)
HRA Tax Subsidy	1,025,301	1,001,147	1,117,123
Total Non-Operating Revenues (Expenses)	988,458	956,377	1,065,070
Net Loss	(4,987,340)	(5,417,356)	(5,518,698)
without depreciation	552,150	389,696	535,376

**Peoria Civic Center
Statement of Cash Flows
For Fiscal Year Ending 8/31/17**

	Total Budget	FY16
Cashflow from Operating Activities:		
Net Loss	(4,987,340)	(5,417,356)
Depreciation	5,539,490	5,807,052
Adjustments to Net Loss:		
Amortization of CenterPlate Investment	-	-
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	202,077	39,623
Cashflow from Capital & Related Financing Activities:		
FY17 Capital Expenditures	(875,000)	(594,034)
Funding from DCEO Grant	-	-
FY17SMG/Savor Capital Investment Expenditures	-	-
Funding from SMG/Savor Capital Investment	-	-
Net Cash used in Investing Activities	(875,000)	(594,034)
Net Increase (Decrease) in Cash	(672,923)	(554,411)
Beginning Balance (Unreserved Cash)	1,906,692	2,461,103
Ending Balance	1,233,769	1,906,692

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

**Peoria Civic Center
Budget - Year Ending 8/31/2017
Indirect Expenses**

	2017 Budget	2016 Projected	2015 Actual	2014 Actual
Wages Full Time*	\$ 2,553,781	\$ 2,248,813	\$ 2,088,962	\$ 1,728,919
Wages Part Time**	\$ 287,892	\$ 261,081	\$ 280,525	\$ 255,827
Total Salaries & Wages	<u>\$ 2,841,673</u>	<u>\$ 2,509,894</u>	<u>\$ 2,369,487</u>	<u>\$ 1,984,746</u>
Payroll Taxes	\$ 291,809	\$ 236,913	\$ 238,518	\$ 172,501
Employee Benefits 401k	\$ 408,932	\$ 392,293	\$ 347,539	\$ 315,637
Workers Compensation	\$ 88,128	\$ 75,028	\$ 61,914	\$ 60,634
Total Personnel Costs	<u>\$ 3,710,249</u>	<u>\$ 3,287,079</u>	<u>\$ 3,105,158</u>	<u>\$ 2,580,476</u>
Advertising	\$ 84,050	\$ 89,569	\$ 70,178	\$ 89,709
Bank Service Charges	\$ 5,500	\$ 5,460	\$ 7,112	\$ 1,599
Business Insurance	\$ 299,973	\$ 285,689	\$ 276,253	\$ 259,343
Client Gifts	\$ 4,000	\$ 4,011	\$ 3,650	\$ -
Community Relations	\$ 10,000	\$ 10,403	\$ 6,555	\$ 6,236
Computer	\$ 62,500	\$ 62,041	\$ 64,413	\$ 47,847
Corporate Travel	\$ 6,000	\$ 6,000	\$ 6,096	\$ 5,117
Dues & Subscriptions	\$ 6,060	\$ 5,339	\$ 7,488	\$ 8,908
Education & Training	\$ 10,000	\$ 8,573	\$ 17,154	\$ 3,248
Electricity	\$ 765,536	\$ 743,239	\$ 632,169	\$ 638,785
Employee Relations	\$ 14,346	\$ 12,959	\$ 16,507	\$ 13,080
Entertainment	\$ 3,250	\$ 1,299	\$ 2,769	\$ 3,568
Garbage Hauling	\$ 28,000	\$ 26,000	\$ 30,192	\$ 21,841
Heating Fuel	\$ 167,856	\$ 159,863	\$ 196,979	\$ 238,834
Job Advertisements	\$ 2,000	\$ 1,844	\$ 1,856	\$ 2,302
Maintenance	\$ 477,500	\$ 433,380	\$ 487,364	\$ 468,606
Meetings & Conferences	\$ 23,000	\$ 14,091	\$ 32,494	\$ 23,211
Office Supplies	\$ 29,500	\$ 28,105	\$ 31,594	\$ 19,606
Outside Services	\$ 182,400	\$ 153,911	\$ 171,908	\$ 119,228
Postage	\$ 10,450	\$ 9,300	\$ 4,229	\$ 9,107
Professional Fees	\$ 390,350	\$ 392,548	\$ 363,413	\$ 261,923
Supplies - (Non-office)	\$ 210,700	\$ 211,209	\$ 191,914	\$ 146,452
Telephone	\$ 66,000	\$ 66,000	\$ 71,664	\$ 61,555
Water & Sewer	\$ 115,505	\$ 110,005	\$ 83,695	\$ 126,419
	<u>\$ 2,974,477</u>	<u>\$ 2,840,838</u>	<u>\$ 2,777,646</u>	<u>\$ 2,576,524</u>
Total Indirect Expenses	<u>\$ 6,684,726</u>	<u>\$ 6,127,917</u>	<u>\$ 5,882,804</u>	<u>\$ 5,157,000</u>
Bad Debt	\$ 5,000	\$ 5,000	\$ 1,854	\$ 4,737
Interest Expense	\$ 32,223	\$ 40,279	\$ 50,028	\$ 64,428