

STAFF REPORT TO FINANCE AND AUDIT COMMITTEE

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DATE: August 26, 2019

TO: **STANDING COMMITTEE ON FINANCE AND AUDIT**

NAME AND TITLE: Adam Davey, Associate Director of Community Services

SUBJECT: 2020 – 2023 Proposed Fees and Charges for the Prince George Conference and Civic Centre and Canada Games Plaza

ATTACHMENT(S): Proposed Fees and Charges 2020-2023 (Schedule B-3)

RECOMMENDATION(S):

That the Committee:

1. RECOMMEND to Council approval of a 3% increase for each year inclusive of 2020-2023 of Schedule B-3 of Comprehensive Fees and Charges Bylaw No. 7557, 2004; and
2. RECOMMEND to Council the approval of all amendments to the “Comprehensive Fees and Charges Bylaw (Schedule B-3 Conference and Civic Centre) No. 7557, 2004”.

PURPOSE:

This report is presented to the Standing Committee on Finance and Audit to provide the Committee with information concerning proposed rental rate increases for the fiscal years 2020 - 2023 along with recommended changes to Schedule B-3 of the Comprehensive Fees and Charges Bylaw.

STRATEGIC PRIORITIES:

Providing rate structures that maintain Council’s priorities of Sustainable Finance, Sustainable Infrastructure and Organizational Excellence.

BACKGROUND:

As part of its annual activity Administration conducts a thorough review and evaluation of its fees and charges by measuring increases in operational costs along with benchmarking research of other similar type venues located in the Province and across the country. The market research shows that the proposed rate increases will continue to position the Prince George Conference and Civic Centre competitively within the local, regional, provincial and national markets.

FINANCIAL CONSIDERATIONS:

Administration proposes a 3% increase in facility rental rates in each of the next four years. The recommended increase is to keep pace with annual increasing overhead and operating costs:

- Labour – 2%

- District Energy – 2%
- Security costs have increased significantly due to an increase in vandalism along with other security related issues – over 20% *per year since 2016*. Although there is a cost-recovery mechanism for security costs for large events, daily activities outside of regular office hours are not directly cost-recoverable. These costs are in addition to the cost for contractual services for roving security personnel covered by Civic Facilities
- Average Annual Reinvestment (AAR) of capital costs – 5%

Additional housekeeping changes to the narrative of Schedule B-3 (attached) are also recommended to reflect changes in industry trends and our current operations. These new options are intended to ensure the Conference and Civic Centre remains competitive and generating adequate revenue to cover expenses, to include new costs (security) while remaining within fair market value.

Although Administration believes that the proposed fee increases are well within the competitive market, the ability to achieve revenue projections will be strongly connected to future market trends, space utilization, and on elasticity of demand, especially for non-profit community groups.

SUMMARY AND CONCLUSION:

This report proposes fee increases and new options (attached) for revenue generation within the Events and Civic Centre Division that align with the City's Financial Sustainability Policy while continuing to position the facility competitively within the marketplace. Based on previous year revenue targets the projected increase in revenues will assist with addressing increased overhead and operating costs.

RESPECTFULLY SUBMITTED:

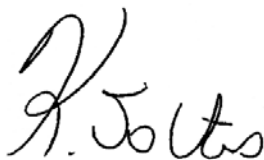


Adam Davey, Associate Director of Community Services

REPORT PREPARED BY:

Myles Tycholis, Manager, Events and Civic Centre

APPROVED:



Kathleen Soltis, City Manager

Meeting date: September 9, 2019

CITY OF PRINCE GEORGE
COMPREHENSIVE FEES AND CHARGES BYLAW NO. 7557, 2004

**PRINCE GEORGE CONFERENCE AND CIVIC CENTRE
EVENTS & CIVIC CENTRE DIVISION**

HOUSEKEEPING ITEMS & PROPOSED FEE INCREASES for January 2020:

Section B-3(a)

Prince George Conference and Civic Centre

- A 3% increase in rental rates is proposed in each of the next four years.

RATIONALE: to keep pace with increasing overhead and operating costs i.e. labour (2%); District Energy (2% per annum); security costs have increased significantly due to an increase in vandalism, graffiti and other security related issues (approximately 20% per year since 2016); asset maintenance costs have increased due to aging infrastructure (5% capital per year) i.e. grease line replacement (\$13,000). Rates have also been benchmarked against other similar venues in the Province for comparative purposes.

These fee increases will not impact the PGCCC's competitive position within the marketplace.

Section B-3(b)

Canada Games Plaza

- A 3% increase in rental rates is proposed in each of the next four years.
- Remove hourly rates.
- Change Full Day Rate to 24 Hour Rate.

RATIONALE: to keep pace with increasing overhead and operating costs. These fee increases will not impact the PGCCC's competitive position within the marketplace.

Section B – 3(c)

- Recreation Facility Rental Rates – a 3% increase in rental rates is proposed in each of the next four years.

RATIONALE: to keep pace with increasing overhead and operating costs. These fee increases will not impact the PGCCC's competitive position within the marketplace.

Section B-3 (d)

A/V Equipment Rental/Services

Remove:

- Overhead/Slide Projector (per day)
- VCR/DVD (per day)
- Tape Player

RATIONALE: this equipment is obsolete and will be removed from our inventory.

AUDIO-VISUAL PACKAGES & SERVICES

- Replace existing packages with the following:

AUDITORIUM PACKAGE:

VGA projector with VGA extension, 15'x20' screen, AV cart, extension cord, RCA cord, data cable, podium with microphone, wireless internet, includes 15 minutes of technical support setup. **Price: \$500.00/day.**

AUDITORIUM (CLIENT'S OWN VGA) PACKAGE:

15'x20' screen, AV carts, extension cord, podium with microphone, wireless internet. **Price: \$200.00/day**

MEETING ROOM PACKAGE:

VGA projector with VGA extension, 6'x8' screen, RCA cord, extension cord, wireless internet, small round with linen, podium with microphone, whiteboard, brush, pens. **Price: \$270.00/day**

MEETING ROOM (CLIENT'S OWN VGA) PACKAGE:

6'x8' screen, extension cord, wireless internet, podium with microphone, small round with linen, whiteboard, brush, pens. **Price: \$85.00/day**

BANQUET PACKAGE(AUDITORIUM):

Satellite background music, podium with microphone, wireless internet. **Price: \$85.00/day**

Add: 15'x20' screen, AV cart, extension cord, RCA cable. **Price: \$225.00/day**

BANQUET PACKAGE (SECOND FLOOR MEETING ROOM):

CD player for background music, podium with microphone, wireless internet. **Price: \$85.00/day**

Add: 6'x8' screen, AV cart, extension cord, RCA cable. **Price: \$105.00/day**

**SOCAN and RESOUND (Entandem) tariffs apply to any event where recorded music is played. This is an actual cost.*

RATIONALE: packages have been restructured to meet the needs of the client. Proposed package pricing provides an attractive cost saving to the client with the intent of generating increased rentals and subsequently increased revenues to the facility.

BUSINESS CENTRE SERVICES

- No change recommended to fees and charges.

RATIONALE: existing pricing includes a sufficient mark up.

Communication Services

Remove:

- Telephone
- Portable Phone and / or Radio Handset
- Long distance telephone charges

RATIONALE: these services are no longer being utilized by the client.

- No change recommended to Internet fees /charges.

RATIONALE: IT will no longer be charging for bandwidth usage. Pricing is competitive within the industry.

ADDITIONAL SERVICES & FURNITURE

ELECTRICAL SERVICES

- Increase rate by 3% in 2020. Rate can be reviewed annually to address any additional increases from service provider.
- Electrical Connect/Disconnect \$425.00
- Electrical Distribution Panel with Power Connection (100 AMP – 3 PHASE) \$230.00

CANADA GAMES PLAZA – Electrical Power Connection

- Move these fees and charges to Section B-3(g) Canada Games Plaza Rentals

Services/Furniture/Equipment

Remove:

- Piano (Electric) setup/takedown
- Hydraulic Lift (full day)
- Forklift Rental
- Correct spelling on “Security Services”
- Ensure that labour rates for Event Maintenance Labour Charges (hourly) and Event Host Services (hourly) are consistent with Collective Agreement Rates

RATIONALE: all three pieces of equipment are no longer part of the inventory.

Section B-3(e)**Commercial Merchandising****No Change****Section B-3(f)****Contractor Fees****No Change****Section B-3(g)****Change:**

“Canada Games Plaza Equipment” to “Canada Games Plaza Rentals”

Remove:

- All existing rates to be replaced with the following:

Add:**Equipment Requirements:****Tent Rentals:**

15'x30' Marquee Tent	\$450.00
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15'x30' Marquee Tent without 4' extensions	\$350.00
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10'x10' Canopy Tent	\$40.00
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Table Requirements:

8'x2.5' rectangle tables (no linen)	\$22.00
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4' round bistro table plus 4 chairs	\$15.00
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4' round bistro table plus 4 chairs/umbrella	\$20.00
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6' round table (no linen)	\$22.00
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Riser/Stage Requirements (4'x8' panels) 16"/24"	\$15.00
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Outdoor Washrooms

To be opened for all outdoor public events. Security is required onsite and must be arranged either through the venue or an independent security service provider at the event organizer's own cost.

Electric Power Connection

15 AMP – 1 PHASE/110V (per connection per DAY)	\$30.00
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50 AMP – 1 PHASE/220V (per connection per DAY)	\$55.00
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100 AMP – 3 PHASE/220V (per connection per EVENT)	\$750.00
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200 AMP – 3 PHASE/220V (per connection per EVENT)	\$1300.00
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400 AMP – 3 PHASE/220V (per connection per EVENT)	\$2000.00
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**Rates will need to be reviewed annually to address any rate increases from service provider.*

CGP ONE DAY ELECTRICAL PACKAGE: includes multiple 15AMP/50AMP connections. **Price: \$350.00/day**

RATIONALE: to recover labour costs associated with event setup; introduction of new rental equipment and furnishings.

Section B-3(h)

LIGHTING OF THE CAULDRON – No Change

RATIONALE: existing rate covers all operational costs while providing a marginal profit.

Section B-3(i)

WEBSITE ADVERTISING RATES – Remove

Event Definitions:

Trade Shows

Remove sentence “Not open to the general public”.

Consumer Shows

Remove sentence “Exhibitions that is open to the public”.

Rate Definitions:

Standard Rate

Remove Mennonite Fall Fair as an exempt event.

Included in the Room Setup

Add – Projection screens (upstairs meeting rooms only)

Meeting Room Rates – Upper Meeting Rooms

Change 24 Hour Rate to Full Day Rate

Change definition for 24 Hour Rate to read: these rates refer to bookings of the upper meeting rooms booked from 7 am through till 10 pm. The rate is based on a combined price of the day rate and the evening rate.

Event Promoter Rates

Change: General Manager of Community Services to Director of Community Services

Canada Games Plaza Rates

Change definition to read as follows:

This rate applies to all bookings in Canada Games Plaza, and includes road closure of the Plaza. Outdoor washrooms are to be opened for all outdoor public events. Security is required onsite and must be arranged either through the venue or an independent security provider at the event organizer's own cost. When the Plaza is rented exclusively, it does not include access to the Prince George Conference and Civic Centre. Labour and equipment charges will apply in addition to the rental rate. Damage deposit may be required and is subject to approval of the Director of Community Services or designate.

Special Event – Recreation Rate

Change: General Manager of Community Services to Director of Community Services

Terms & Conditions

Damage Deposits

Change: General Manager of Community Services to Director of Community Services

Shipping and Receiving Procedures

Change: "Early shipments will not be accepted by the facility, which may result in"

To "Early shipments will not be accepted by the facility, and may result in...."

Change header for "Upper Meeting Rooms Lower Auditoriums – Recreation Use" to "Upper Meeting Rooms and Auditoriums – Recreation Use"

Change header for "Lower Auditoriums Exclusive Use of Entire Upper Meeting Rooms" to Auditoriums and Exclusive Use of Entire Upper Meeting Rooms"

Ticket Sales

Change Definition to the following:

Events with advanced sales of tickets will be required to use the box office services provided by the venue's exclusive ticket provider. Exemptions may occur where there are mutually agreed upon conditions between the City of Prince George and the exclusive ticket provider.

Remove "Website Advertising" header and definition

Rationale: the City will be developing a formal advertising policy/guidelines for all Divisions.