Minutes – Executive Policy Committee – November 9, 2005

REPORTS

Minute No. 3 **Partners in the Park Inc. - New Operating Agreement and increased Annual Operating Grant**
File PR-7.1

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the administrative recommendation, as amended, and recommends to Council:

1. That the requirement of Pavilion Gallery Museum Inc. to share restaurant revenues effective January 1, 2005 with the City of Winnipeg as stated in the September 1997 Agreement between the City of Winnipeg and Pavilion Gallery Museum Inc. be eliminated.

2. That the following annual financial and operating support for Partners In The Park Inc. be approved for a three-year period, 2006-2008, subject to finalizing Agreements as required in Recommendation 3, and subject to Partners In The Park Inc. making reasonable efforts to achieve its annual fundraising targets as outlined in its 2006-2013 Business Plan:

Activity	Amount
Annual Grant	$260,000
Forgiveness of restaurant revenue sharing	$70,000[1]
Municipal property tax forgiveness	$44,550[2]
Maintenance services for the Pavilion and Lyric Theatre	$15,500[3]
Maintenance services for the Leo Mol Sculpture Garden facilities	$29,100[3]
Planting and caring for floral displays around the Pavilion and throughout Leo Mol sculpture garden	$60,000[3]
Set-up and take-down event support	$3,400[3]
Grounds maintenance including grass cutting, snow clearing, tree and shrub care, and parking lot maintenance	Value not determined[3]
Water supply	Value not determined[3]
Janitorial services at Leo Mol buildings	Value not determined[3]
Total	**$482,550+**

[1] Based on Partners In The Park Inc. 2005-2013 Business Plan
[2] Previously provided; Approximate based on 2005 figure
[3] Services provided under general operations of Assiniboine Park; Approximate based on 2004 figures

3. That the Chief Administrative Officer be delegated authority to finalize an Agreement with Partners in the Park, Inc and amend existing Agreements as contemplated in the administrative report dated October 14, 2005.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

DECISION MAKING HISTORY:

Moved by Councillor Steeves,

That the administrative recommendation be concurred in, with the following amendment:

- Delete recommendation 2 in its entirety and replace it with the following, namely:

  "2. That City Council approve the following annual financial and operating support for Partners In The Park Inc. for a three-year period, 2006-2008, subject to finalizing Agreements as required in Recommendation 3, and subject to Partners In The Park Inc. making reasonable efforts to achieve its annual fundraising targets as outlined in its 2006-2013 Business Plan:

Activity	Amount
Annual Grant	$260,000
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[1] Based on Partners In The Park Inc. 2005-2013 Business Plan
[2] Previously provided; Approximate based on 2005 figure
[3] Services provided under general operations of Assiniboine Park; Approximate based on 2004 figures

and forwarded to Council.

Carried

DECISION MAKING HISTORY (continued):

COUNCIL DECISION:

On October 26, 2005, Council referred the item back to the Executive Policy Committee.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On October 19, 2005, the Executive Policy Committee concurred in the administrative recommendation, namely:

1. That the requirement of Pavilion Gallery Museum Inc. (PGMI) to share restaurant revenues effective January 1, 2005 with the City of Winnipeg as stated in the September 1997 Agreement between the City of Winnipeg and PGMI be eliminated.

2. That an annual grant of $200,000.00 be approved to Partners in the Park Inc., the governing body of Pavilion Gallery Museum Inc., the Leo Mol Garden Inc. and the Assiniboine Park Bandshell Inc. for a three-year period, 2006, 2007 and 2008, subject to finalizing Agreements as required in Recommendation 3.

3. That the Chief Administrative Officer be delegated authority to finalize an Agreement with Partners in the Park Inc. and amend existing Agreements as contemplated in the administrative report dated October 14, 2005.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing,

and submitted the matter to Council.

On October 19, 2005, the Executive Policy Committee also considered a PowerPoint Presentation from Hartley Richardson, Chair, and Irene Merie, Executive Director, Partners in the Park Inc., in support of the request for a new Operating Agreement and increased Annual Operating Grant, a copy of which has been placed on file in the City Clerk's Department.

ADMINISTRATIVE REPORT

RE: Partners In The Park Inc. Request For a New Operating Agreement and Increased Annual Operating Grant

FOR SUBMISSION TO: Executive Policy Committee

ORIGINAL REPORT SIGNED BY: Ursula Stelman, Director
Community Services Department

Patti Sullivan, Chief Operating Officer
Assiniboine Park Enterprise

REPORT DATE: October 14, 2005

RECOMMENDATION(S):

1. That City Council eliminate the requirement of Pavilion Gallery Museum Inc. (PGMI) to share restaurant revenues effective January 1, 2005 with the City of Winnipeg as stated in the September 1997 Agreement between the City of Winnipeg and PGMI.

2. That City Council approve an annual grant of $200,000 to Partners in the Park, Inc., the governing body of Pavilion Gallery Museum, Inc., the Leo Mol Garden Inc. and the Assiniboine Park Bandshell Inc. for a three-year period, 2006, 2007 and 2008, subject to finalizing Agreements as required in Recommendation 3.

3. That the Chief Administrative Officer be delegated authority to finalize an Agreement with Partners in the Park, Inc and amend existing Agreements as contemplated in this Report.

REPORT SUMMARY:

Key Issues:

- Partners in the Park Inc. is an incorporated not-for-profit organization, governed by a volunteer Board of Directors, created to provide direction and support to three Assiniboine Park attractions – the Pavilion Gallery Museum Inc. (pavilion building, art gallery, and lease for the Tavern-in-the-Park Restaurant), the Leo Mol Garden Inc. (sculpture garden) and Assiniboine Park Bandshell Inc. (Lyric Theatre). All three entities are engaged in arts & cultural programming in Assiniboine Park and operate under Agreement with the City of Winnipeg.

- Through their community leadership, including raising millions of dollars for capital projects and attracting millions more in artwork, Partners in the Park have significantly enhanced and improved Assiniboine Park. The attractions under the care of Partners in the Park and the

Pavilion's restaurant attract thousands of Winnipeg residents and visitors annually and have raised the profile of Assiniboine Park as a destination in all seasons.

- The City of Winnipeg has received substantive gains in the worth and public profile of its assets, the Assiniboine Park Pavilion, the Lyric Bandshell, the Leo Mol sculpture garden, and Assiniboine Park overall, through the efforts of Partners in the Park.

- Partners is proposing a renewed partnership reflected by a long-term funding commitment from the City of Winnipeg through an annual operating grant of $400,000 allowing their organization to concentrate efforts raising funds in support of programming provided free of charge to Assiniboine Park visitors. Partners is requesting the same commitment from the Province of Manitoba. Partners is also proposing the elimination of the restaurant revenue sharing agreement payable to the City of Winnipeg to a maximum of $70,000 annually, and currently projected at $40,000 in 2005.

- Partners indicate that their financial situation is critical. Unless Partners is able to achieve financial stability, there is a risk that some or all of their attractions could close.

- An amendment to the September 1997 Agreement between The City of Winnipeg and Pavilion Gallery Museum Inc. is required to conclude the June 2003 Council approved Plan of Action to resolve realty tax issues and pay PGMI, through Partners in the Park, outstanding grant monies of $140,000 for 2001 and 2002, and to receive from PGMI outstanding restaurant revenue sharing proceeds of $160,958.89 for the years 1999 through 2004.

- Under the September 1997 Agreement, the City of Winnipeg $70,000 annual operating grant to Pavilion Gallery Museum Inc. expired in 2002.

- Apart from provision of building maintenance for critical exterior, structural and roof integrity, snow clearing and surrounding grounds and parking lot maintenance, the City of Winnipeg currently does not pay for its Assiniboine Park Pavilion and Lyric Bandshell facilities. The City does maintain its facilities and pay all costs for its buildings in the Leo Mol sculpture garden (indoor Glass House gallery and artist's studio building). The City also covers all water consumption in Assiniboine Park, which is metered at one location only.

- This report recommends provision of a more modest grant than that requested by Partners in the Park. The three year term will allow continued operation of Partners attractions. Meanwhile, Assiniboine Park Enterprise will be preparing a comprehensive business plan, which will enable it to make informed recommendations regarding support for all park operations, including Partners in the Park, over the longer term.

- Before concluding Agreements and paying a grant, the City of Winnipeg will require that Partners:
  - Revise their Business Plan to reflect how operations will be sustained 2006 through 2008, with confirmed income amounts from the City of Winnipeg and Province of Manitoba;

- Pay restaurant revenue sharing amounts owed to the City of Winnipeg in accordance with the terms of the 1997 Management Agreement and conditions of the 2003 Council Plan of Action (offset largely by receivable from the City of Winnipeg for 2001 and 2002 grant);
- Conclude a new Agreement between Partners in the Park and the City of Winnipeg and amend existing Agreements as necessary to reflect required revisions and updates prior to receiving or paying contributions between the City and Partners.
- Agree to use City of Winnipeg contributions for fixed operating costs with the understanding that these funds will not be used for debt repayments and endowments.

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- Current Management Agreements do not reflect the governing role that Partners in the Park Inc. has with its three Assiniboine Park attractions. Agreements need to be revised to reflect this role and the relationship of Partners in the Park Inc. with the City of Winnipeg.

- Partners in the Park is an important partner organization to the City of Winnipeg and Assiniboine Park. The City of Winnipeg could not readily assume Partners' operations, visitor services and arts and cultural programming in the event that Partners withdrew. Moreover, continued improvements and reinvestment in Assiniboine Park will require substantial community led campaigns. Loss of an organization dedicated to the improvement of Assiniboine Park could critically impair potential future initiatives to find champions of a Park renewal campaign

Implications of the Recommendation(s):

General implications:

- **None**

X **For the organization overall &/or for other departments**

X **For the community and/or organizations external to the City**

X **Involves a multi-year contract**

Comment(s):

Provision of an annual grant to Partners in the Park will provide continued programs and services to visitors to Assiniboine Park.

Under the conditions of the June 2003 Council plan, Partners would not demand payment of the operating grant to Pavilion Gallery Museum Inc. ($70,000 annually) payable by the City of Winnipeg for the years 2001 and 2002, and the City of Winnipeg would not demand payment of its share of restaurant revenues payable under the September 1997 Management Agreement. Payment of the outstanding funds is pending amendment of that Agreement.

Currently, the City of Winnipeg has a payable amount of $140,000 to PGMI for 2001 and 2002 operating grants. PGMI has a payable of $160,958.89 for restaurant revenue sharing to the City of Winnipeg for the years 1999 through 2004.

Policy implications:
X No
❑ **Yes Comment(s):**

Environmental implications:
X No
❑ **Yes Comment(s):**

Human Resources implications:
X No
❑ **Yes Comment(s):**

Financial implications:
❑ **Within approved current and/or capital budget**
X Current and/or capital budget adjustment required
Comment(s):

No additional funds are required in 2006. A budget adjustment of $50,000 in 2007 and $130,000 in 2008 will be required.

Assiniboine Park Enterprise will forego restaurant revenue sharing proceeds (projected at approximately $40,000 in 2005) payable to its Reserve Fund, and without implication for current budgets.

REASON FOR THE REPORT:

By letter dated May 20, 2005 and addressed to His Worship the Mayor, the Chairman of Partners in the Park, Inc. requested approval of a new operating agreement that would provide Partners in the Park with an annual operating grant of $400,000. City Council has authority to approve grants.

HISTORY:

Partners in the Park Inc. is an incorporated not-for-profit organization, governed by a volunteer Board of Directors, created to provide direction and support to three Assiniboine Park attractions – the Pavilion Gallery Museum Inc. (pavilion building, art gallery, gift shop and lease for the Tavern-in-the-Park Restaurant), the Leo Mol Garden Inc. (sculpture garden) and Assiniboine Park Bandshell Inc. (Lyric Theatre). All three entities are engaged in arts & cultural programming in Assiniboine Park and operate under Agreement with the City of Winnipeg.

In **July, 1992** an initial agreement was created to develop an outdoor sculpture garden to showcase the art of sculptor, Leo Mol, whose work was gifted to the City of Winnipeg. Two additional agreements were signed in **1994 and 2004** to complete subsequent and final phases of the Leo Mol Sculpture Garden.

During **1997 and 1998** three Management Agreements were entered into between The City of Winnipeg and Partners to facilitate the following:

- Renovation and operation of the Assiniboine Park Pavilion for a 50-year term with a $70,000 annual grant from the City for the first five years, and a formula for restaurant revenue sharing payable to the City of Winnipeg to a maximum of $70,000 annually.
- Construction and operation of the Tavern in the Park restaurant with a 50-year lease, with a $1.00 a year annual rent.
- Construction and operation of the Lyric Bandshell Theatre for a 50-year term.

In **May 2001**, Partners requested City assistance to resolve the issue of realty tax arrears of approximately $200,000 that accrued between 1999 and 2001, for the Pavilion Gallery and the Lyric Bandshell. Partners in the Park advised that it did not have sufficient revenue to cover operating costs for their operations. In **June 2003**, Council agreed to a Plan of Action to remedy the realty tax issues, which included the requirement of Partners to submit a long-term (5 to 10 year) business plan for financial stability. A draft business plan was submitted in **November 2003 and March 2005,** projecting ongoing losses. Administration responded with comments, suggestions and a request to strengthen the plan for operations on a break-even, or better, basis.

By letter dated **May 20, 2005**, the Chairman of Partners advised His Worship The Mayor of their urgent financial situation and requested *"a commitment from The City of Winnipeg by June 15, 2005 that the City will in fact implement an operating agreement that provides Partners in the Park with the required operating funds so that we are not spending sponsorship and endowment dollars on operations. As well we will need to have some understanding as to how we can rebuild our endowment back to its original level in light of our having to fund the entire obligation to the City's building. Should we not receive the City's commitment in a timely manner, then I will have no choice but to recommend the Board resign and turn management of the Pavilion Building, the Leo Mol Sculpture Garden and the Assiniboine Park Bandshell entities back to the City of Winnipeg."*

On **May 31, 2005**, Partners in the Park requested that the City provide $400,000 annually for operating costs for the Pavilion Gallery, Leo Mol Sculpture Garden, and the Lyric Bandshell.

By letter dated **June 28, 2005**, Mayor Katz responded, requesting that Partners provide "an affordable and sustainable 5-year plan that does not rely upon significant funding increases from the City so that a decision can be made as to the City's future investment."

By letter dated **July 27, 2005**, Partners in the Park submitted a 2006 - 2013 Business Plan incorporating a $400,000 annual grant from the City of Winnipeg and deletion of the pavilion restaurant sharing requirement of the 1997 Agreement wherein the City receives a portion of revenues from restaurant operations.

DISCUSSION:

Partners in the Park occupy, maintain, improve and program City-owned facilities in Assiniboine Park in partnership with the City of Winnipeg as reflected in Management Agreements between the two parties. This partnership has resulted in substantive and substantial improvements to the

Assiniboine Park Pavilion, construction of the Lyric Bandshell Theatre and the addition of the Leo Mol sculpture garden.

Under the terms of the Management Agreements, Partners received limited financial support from the City of Winnipeg for capital construction and operating costs. For several years, Partners have been seeking improved financial considerations from the City. As part of a 2003 Plan of Action to resolve the realty tax issue, Partners agreed to prepare a comprehensive business plan to establish goals, objectives, and sustainable operating plans as a pre-requisite to consideration being given to future amendments to the existing Management Agreements and to the consideration of future operating grants from the City of Winnipeg.

Under the conditions of the June 2003 Council plan, Partners would not demand payment of the operating grant ($70,000 annually) payable by the City of Winnipeg for the years 2001 and 2002, and the City of Winnipeg would not demand payment of its share of restaurant revenues payable under the September 1997 Management Agreement. Payment of the outstanding funds is pending amendment of that Agreement.

Currently, the City of Winnipeg has a payable amount of $140,000 to Partners for 2001 & 2002 operating grants. Partners have a payable of $160,958.89 for restaurant revenue sharing to the City of Winnipeg for the years 1999 through 2004.

Partners in the Park Business Plan 2006 – 2013 (Appendix A – Executive Summary, pages 13 - 14 of this Report) relies upon significant funding increases from the City of Winnipeg. Partners is requesting $400,000 annually (reduced to $350,000 in Year 8) both from the City of Winnipeg and the Province of Manitoba, to cover operating expenses including debt repayment and creation and replenishment of endowments, which will allow Partners to direct funds from other sources (fundraising and restaurant operations) towards programming expenses.

Additionally, Partners' Business Plan reflects a deletion in 2005 of the obligation to share restaurant revenues under a formula that requires Partners to pay to the City, one-third of revenues above $77,000 generated from the leased restaurant operation. The 1997 Agreement formula capped payment at $70,000 annually (no more than offsetting the $70,000 annual grant from the City of Winnipeg) and dividing the other two-thirds between the Partners and an Endowment Fund that was to be established. The purpose of this Fund was to generate income for annual operations of the Pavilion and protect against unforeseen contingencies and revenue shortfalls. Partners did not establish the Endowment Fund and used these funds to support operating expenses.

Administration has reviewed Partners Business Plan and financial statements and has prepared alternative responses for consideration.

Alternatives:

1) *Status Quo* – Renew the annual grant to Partners in the Park at the same level as the 1997 Management Agreement clause that expired in 2002

Implications

- Grant Costs: **$70,000 annually**
- No Budget Adjustment required – all within current budgets (2006 – 2008);
- Will not cover building costs of Pavilion and Lyric Theatre;
- Partners would be required to substantively revise their Business Plan to show how operations will be sustained with confirmed grant amounts from the City of Winnipeg and Province of Manitoba;
- Restaurant revenue sharing would provide the Assiniboine Park Enterprise Reserve Fund with projected amounts of approximately $40,000 in 2005 and 2006;
- Potential risk to Partners operations and closure of facilities if they cannot meet operating expenses;
- Potential loss of a valuable park partner organization;
- Amendment to the September 3, 1997 Management Agreement between the City of Winnipeg and the Pavilion Gallery Museum, Inc. required prior to receiving or paying contributions between the City and Partners.

2) ***Meet the Request*** **– Provide requested operating grant of $400,000 annually and eliminate the restaurant revenue sharing requirement as indicated in Partners' Business Plan**

Implications

- Grant Costs: **$400,000 annually and loss of restaurant revenue sharing proceeds to Assiniboine Park Enterprise Reserve**
- General Revenue Budget Fund Adjustment required of $120,000 in 2006 and $330,000 in 2007 and 2008;
- Loss of annual revenues to Assiniboine Park Enterprise Reserve Fund (projected at $40,000 in 2005) used to make Park improvements, and to augment Divisional operating costs;
- Provision of this grant will allow Partners to replenish funds dedicated for endowments but spent on unforeseen building repair costs, create new endowments to provide interest income for their attractions, to repay debt for art purchases and building loans, to provide for contingency funds and to be in an improved position to request matching funds from the Province of Manitoba;
- Potential inequity in civic support of other worthy volunteer-run organizations;
- Amendment to the September 3, 1997 Management Agreement between the City of Winnipeg and the Pavilion Gallery Museum, Inc. required prior to receiving or paying contributions between the City and Partners.

3) ***Recommended*** **– Operating Grant for 3 Years, 2006 through 2008, to offset fixed building costs of the Assiniboine Park Pavilion and Assiniboine Park (Lyric) Bandshell and elimination of restaurant revenue sharing.**

Implications

Grant Costs: **2006 - 2008 – $200,000**

No Budget Adjustment required to 2006 General Revenue Fund Budget.
$70,000 has been budgeted for 3 years (2003 '04 '05) in anticipation of an extension of the annual grant to Partners that expired in 2002; Combined with 2006 proposed budget of $70,000 = $280,000
Net difference of $80,000 to be used to help offset 2007 Operating Grant

2007 General Revenue Fund Budget Adjustment Required - $50,000
Committed funds from 2006 - $80,000
2007 Proposed budget of $70,000 (2006 – 2008 Business Plan)

2008 General Revenue Budget Adjustment Required - $130,000
2008 proposed budget of $70,000 (2006 – 2008 Business Plan)

Restaurant Revenue Sharing – Partners Business Plan projects $40,000 would be payable under the revenue sharing formula in 2005. Partners can gain up to $70,000 annually through elimination of the revenue sharing requirement, providing Partners with additional funds for the fixed operating costs encountered in City-owned facilities.
Revenue sharing proceeds are deposited into the Assiniboine Park Enterprise Reserve Fund. A.P.E. will explore alternative revenue sources in its Assiniboine Park business plan.

Rationale:

- Support of an organization that improves and maintains the Assiniboine Park Pavilion, Leo Mol sculpture garden and the Lyric Theatre provides protection of the investment in city-owned facilities;
- Elimination of restaurant revenue sharing and provision of a $200,000 grant will provide substantial funds for Partners to put towards the fixed operating costs that they incur at the Pavilion and Lyric Bandshell.
- All fixed costs would have to be paid by the City if the current lessee withdrew from the premises;
- Partners in the Park have made substantial improvements to Assiniboine Park, contributing immensely to the City's net worth of these assets and the Park overall;
- The City already pays (under the terms of the Management Agreement with Leo Mol Garden Inc.) fixed building costs of Partners' other occupied and programmed facility – the Leo Mol Sculpture Garden buildings, including the indoor Glass House gallery and artist's studio building;
- Provision of this grant will allow Partners to continue to operate and provide high quality programs and services in Assiniboine Park;
- A three-year term will allow Assiniboine Park Enterprise to complete its review of all park operations, and conclude a comprehensive business plan to determine long-term direction for Assiniboine Park operations including the extent of support to all Park

operations and programming, including Partners in the Park, for City Council consideration.

Requirements of Partners in the Park

Should Council approve this report's recommendations, the Administration would seek to ensure that the following requirements are fulfilled:

- Revise the Business Plan to reflect how operations will be sustained 2006 through 2008, with confirmed income amounts from the City of Winnipeg and Province of Manitoba;
- Pay restaurant revenue sharing amounts owed to the City of Winnipeg in accordance with the terms of the 1997 Management Agreement and conditions of the 2003 Council plan of action (offset in part by receivable from the City of Winnipeg for 2001 and 2002 grant);
- Conclude a new Agreement between Partners in the Park and the City of Winnipeg and amend existing Agreements as necessary to reflect required revisions and updates prior to receiving or paying contributions between the City and Partners.
- Agree to use City of Winnipeg contributions made through a grant and elimination of restaurant revenue sharing arrangements for fixed operating costs with the understanding that these funds will not be used for debt repayments and endowments.

Administrative Comments

By way of Partners in the Park correspondence of May 20, 2005 and May 31, 2005 Partners requires a new relationship with the City of Winnipeg, including increased financial support to cover operating costs of city-owned facilities. Failing a response satisfactory to Partners in the Park, the Board Chair has recommended that the Board resign and turn management of facilities under their jurisdiction over to the City of Winnipeg.

Surrender of facilities under Partners jurisdiction to the City of Winnipeg is not a preferred option. The City of Winnipeg does not presently have the expertise or staff and volunteer resources to assume Partners' operations including theatre programming, promotions, gallery operations, etc. Whether the restaurant lease (or other agreements) could be assumed and transferred to an agreement between the lessee and the City of Winnipeg is unknown. Artwork housed in the Pavilion Galleries is the property of Pavilion Gallery Museum Inc. Costs to the City of Winnipeg to wind down Partners operations, including any legal requirements, and to staff facilities and provide programs and services are largely unknown; however these costs would not likely be substantively less than costs borne by Partners for their operations. Grants, fundraising activities, donations and contributions made to Partners as a not-for-profit volunteer sector organization, would be largely unavailable to the City of Winnipeg.

More critical than the loss of donations, event and program sponsorships, artwork and expertise, is the potential loss of a partner organization that has dedicated itself to improving Assiniboine Park, successfully raising millions of dollars for capital projects, building renovations and construction of new attractions. Reinvestment in Assiniboine Park will require a joint effort

between all levels of government and the private sector. Capital campaigns to attract donations are better led by volunteer organizations than civic government. Providing reasonable support to cover fixed building costs of city-owned facilities operated by Partners in the Park will allow Partners to maintain operations and to continue to work with the City in improving and reinvesting in Assiniboine Park. Facilities under the jurisdiction of Partners in the Park represent one area of the Park that is in excellent condition. Providing support to ensure that they are maintained is a good investment.

Changes and improvements to Partners' Business Plans including the eight-year financial projections are required. Timeliness in submission of audited financial statements for all four entities including consolidated statements, consistent application of accounting principles between Partner entities, and disclosure of business agreements will be a requirement within a new Agreement with Partners in the Park Inc.

Partners Business Plan can be strengthened through market research that confirms public demand for its programming, exploration of revenue and alternate funding sources and strategies to keep programs of continuing interest to visitors. This level of detail is required in order to analyze the efficacy of ongoing government support. Assiniboine Park Enterprise will work with Partners to jointly examine and consider options for continued programming success and financial stability.

FINANCIAL IMPACT STATEMENT

Financial Impact Statement

Date: September 16, 2005

Project Name:

Partners In The Park Inc. Request For a New Operating Agreement and Increased Annual Operating Grant

First Year of Program 2006

	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 200,000	$ 200,000	$ 200,000	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 200,000	$ 200,000	$ 200,000	$ -	$ -
Less: Existing Budget Amounts	200,000	150,000	70,000	-	-
Net Budget Adjustment Required	$ -	$ 50,000	$ 130,000	$ -	$ -

Additional Comments:

No additional funds are required in 2006. A budget adjustment of $50,000 in 2007 and $130,000 in 2008 will be required.
Assiniboine Park Enterprise will forego restaurant revenue sharing proceeds (projected at approximately $40,000 in 2005) payable to its Reserve Fund, and without implication for current budgets.

"Original signed by"
C. Wightman, Manager
Finance & Administrative

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH, AND CONCURRENCY BY:

Legal Services Division

THIS REPORT SUBMITTED BY:

Community Services Department
Assiniboine Park Enterprise, Chief Operating Officer
Prepared by: Frank Caldwell, Manager, Assiniboine Park Enterprise
FileNo.



Partners in the Park
Business Plan 2006-2