

December 6, 2021

Westerner Exposition Association Operating Grant Update

Prepared by: Tara Lodewyk, Interim City Manager

Report Summary & Recommendation

On May 11, 2021, City Council approved an operating grant up to \$3 million to Westerner Exposition Association. Council's intent at the time of approval was to support WEA operations through COVID as their ability to host events has significantly impacted WEA's earnings. This negative impact continues and they would like to continue to have access to this operating grant into 2022. This is not a request for more dollars but an extension to the timeframe.

Administration is able to carry forward the funds from a financial management perspective. Administration is recommending Council extend the operating grant into 2022 for the purpose of cash flow support if needed as the Westerner continues to return to financial sustainability and the impacts of COVID continue.

Proposed Resolution

Resolved that Council of The City of Red Deer having considered the report dated December 6, 2021 Re: Westerner Exposition Association Operating Grant Update hereby approves extending the operating grant approved by Council on May 11, 2021 into 2022 by bringing \$2,450,000 as a 2022 carry forward to support the Westerner Exposition Association's operations through the continued Covid-19 pandemic.

Background

At the May 11, 2021 Special Meeting, City Council approved the following resolution:

Resolved that Council of The City of Red Deer, having considered the report dated April 22, 2021 Re: Westerner Exposition Association hereby approves an additional grant of up to \$3 million for 2021 to support the Westerner Exposition Association's operations through the Covid-19 pandemic.

Analysis

Council's intent at the time of approval was to support WEA operations through COVID as their ability to host events has significantly impacted WEA's earnings. This negative impact continues.

WEA has drawn \$550,000 of the \$3 million provided, leaving \$2,450,000 remaining to be drawn if needed. If Council approves, CFO MacIntosh will bring the remaining balance of \$2,450,000 as a 2022 carry forward as part of the City's annual carry forward process.



Administration is able to carry forward the funds from a financial management perspective. We recommend Council approve an extension into 2022 to be able to use this grant if needed for the purpose of cash flow support as the Westerner continues to return to financial sustainability and the impacts of COVID continue.

This is not a new request for more money, but merely carrying forward what Council has already approved in 2022.

In operationalizing the Relationship Framework Agreement, Interim City Manager Lodewyk and CFO MacIntosh remain in close contact with WEA through the CEO, CFO and Board of Directors. WEA provides CFO MacIntosh with regular updates on cash flow and projections, and opportunities to reduce expenditures are discussed. WEA draws on the grant as a last resort; therefore, administration is comfortable carrying forward the remaining funds to ensure WEA has operating support during the remainder of COVID.