

Q&A Backgrounder

January 28, 2020

City and Westerner Park work together to ensure financial stability

Financial challenges at Westerner Park have resulted in a request for support with The City of Red Deer assuming temporary financial oversight of Westerner Park in an effort to ensure the short, medium and long-term success of the organization.

As a hub for central Albertans to gather and celebrate community events, Westerner Park is a non-profit organization and agriculture society that serves the community in a number of ways. From concerts and trades shows, weddings and banquets, hockey games and agricultural, Westerner Park drives over \$150 million of economic activity. However, at this time, the organization can no longer continue on its current course, and is therefore seeking financial support from The City of Red Deer.

1. Who is Westerner Park?

Since 1891, Westerner Park has been a place for Central Albertans to gather and celebrate community events. Westerner Park is a community minded non-profit organization and agriculture society that plays host to an estimated 1.5 million visitors annually. From weddings, to banquets to hockey games and agriculture shows, Westerner Park is a community hub in Red Deer and central Alberta.

2. What led to the financial and operating instability at Westerner Park?

A number of factors ultimately led to the financial instability at Westerner Park, including the current economic reality as well as the ambitious decision to expand the facility and CFR contract negotiations, to name a few.

3. How long has Westerner Park known about this instability?

Westerner Park has only recently come to fully understand the complexity of the financial issues of the organization. However Westerner Park has been implementing cost adjusting measures since November.

4. What steps will you take to ensure continued operation of Westerner Park?

Westerner Park has already taken a number of steps that serve to reduce the financial instability of organization. Westerner Park has eliminated on-site catering services, and is working to renegotiate key contracts to ensure they support the overall viability of Westerner Park. Westerner Park has also reduced staff in some areas of the park. Next steps will include an in-depth joint audit with The City of Red Deer to assess the full financial situation.

5. What does the reduction in staff look like?

As of Monday, January 27, 2020, 14 full time equivalent and 24 part time and casual Westerner Park staff were laid off. A number of other staff have experienced reduction in hours and benefits as well. At this time, Westerner Park does not expect to see additional lay-offs.

6. Will currently scheduled events continue to occur?

Currently scheduled events will continue as planned; however, Westerner Park is reviewing contracts related to key major events to ensure they are financially viable for the organization.

7. What is The City of Red Deer's role in this situation?

The City of Red Deer is assuming temporary financial oversight for Westerner Park as we navigate the current challenges. In addition, The City owns the land at Westerner Park, which it rents to Westerner Park under a 50 year lease; The City is a funding partner in many of the expansions at the Centrium and for

Exhibition Hall; The City and the Westerner Park work together to ensure the long term strategic plans for Westerner Park align with both parties' plans for the future.

Our shared goal is financial and operating stability with Westerner Park continuing to serve as our community hub for events that are pivotal to our community life and economic development in our city.

8. How long will The City assume financial oversight?

At this time, temporary oversight is expected to last an estimated 4 until 6 months; however, The City will continue to maintain oversight until it is certain of financial stability.

9. Will this financial support have a tax impact?

At this time, we do not know whether any financial support will have tax impacts, or not. Currently, we are working together to understand the financial details including an in-depth audit. Until more information is known, the next steps are not yet clear; however, if needed, any approval for financial support to Westerner Park would come before City Council at a public council meeting.

Has there been any inappropriate conduct at the Westerner that has led to this situation?

At this time, The City of Red Deer and Westerner Park are not aware of any. However, in an effort to be fully diligent and transparent, The City of Red Deer will commission a third party in-depth audit to rule out concerns of this nature.

10. What is Westerner Park's annual budget?

11. Westerner Park is a non-profit organization with an average annual budget of approximately \$14 to 15 million.

12. Who runs Westerner Park?

Westerner Park is led by a Board of Directors who will continue to provide overall direction to Westerner Park with support and oversight from The City of Red Deer as it relates to financial decisions and approval of Westerner Park's annual budget.