

# **The Corporation of the City of Kawartha Lakes**

## **Agenda**

### **Committee of the Whole Meeting**

**COW2019-06**

**Thursday, May 9, 2019**

**Open Session Commencing at 7:00 p.m.**

**Little Britain Arena**

**9 Arena Road, Little Britain**

**Members:**

**Mayor Andy Letham**

**Deputy Mayor Doug Elmslie**

**Councillor Ron Ashmore**

**Councillor Pat Dunn**

**Councillor Patrick O'Reilly**

**Councillor Tracy Richardson**

**Councillor Kathleen Seymour-Fagan**

**Councillor Andrew Veale**

**Councillor Emmett Yeo**

Accessible formats and communication supports are available upon request.

1.	<b>Call to Order</b>	
2.	<b>Adoption of Agenda</b>	
3.	<b>Disclosure of Pecuniary Interest</b>	
4.	<b>Deputations</b>	
5.	<b>Presentations</b>	
5.1	COW2019-06.5.1	4 - 20
	<b>Arena Capital Plan Presentation</b> Craig Shanks, Director of Community Services	
5.2	COW2019-06.5.2	
	<b>Manvers Arena User Group - Update</b> Tracy Richardson, Councillor	
6.	<b>Consent Matters</b>	
6.1	Reports	
6.1.1	PRC2019-005	21 - 28
	<b>Arena Capital Plan Update</b> Craig Shanks, Director of Community Services Jenn Johnson, Manager, Parks, Recreation and Culture	
	<b>That</b> Report PRC2019-005, <b>Arena Capital Plan Update</b> , be received;	
	<b>That</b> Council direct staff to plan and budget accordingly for the continued operations of the Oakwood, Little Britain and Emily-Omemee arena facilities for the current 10-Year Financial Plan;	
	<b>That</b> Council direct staff to plan for a new single pad arena build in the Village of Omemee and budget accordingly for inclusion in the next 10 year financial planning cycle (2028-2037);	
	<b>That</b> Council direct staff to plan for a new arena complex in the South West Area for inclusion in the next 10 year financial planning cycle (2028-2037); and	
	<b>That</b> this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.	

- 6.2 Correspondence
- 6.3 Items Extracted from Consent
- 7. Closed Session**
- 8. Matters from Closed Session**
- 9. Adjournment**

# Arena Capital Plan

Community Services  
Parks, Recreation & Culture

May 9, 2019



# What are we doing now?

## Arenas

### Single Pad

- |                 |                |
|-----------------|----------------|
| • Bobcaygeon    | Emily/Omemee   |
| • Fenelon Falls | Little Britain |
| • Manvers       | Oakwood        |
| • Ops           | Woodville      |

### Twin Pad

- Lindsay Recreation Complex

# Current Facility Status

## Current Scenario

The current facilities all have some infrastructure past Life Cycle. Staff have reviewed costing needs and based on needs and funding availability recommendation is to maintain and budget for current and status quo and incorporate replacements into the next 10 year Financial Asset Management Cycle.

## Financial Implications

Current gap between revenues and expenses for in scope arenas is approximately \$125,000 per facility, reduced from \$135,000 per facility in 2016.

# Recent Action

Council may recall that on January 27, 2015, staff report PRC 2015-004 was endorsed by Council which increased ice rates by 10%. This was successful in raising the recovery rate cost for our ice pad operations and somewhat minimizing the gap between revenues and expenses.

On December 13, 2016, Council adopted the following resolutions from Report PRC2016-011, **Costing Analysis - Arena Rationalization Strategy**:

- That the decision that municipal ice pads be reduced from a total of ten (10) ice pads to eight (8) be put on hold indefinitely;
- That the Mayor establish a working group including two Councillors appointed by the Mayor to seek input from each community that currently has a community centre to provide input on the issues from a community perspective relating to operations of Community Centres;
- That the working group invite representatives from the Manvers Community to develop a Business Plan for the operation of the Manvers Community Centre that can possibly be used as a template for use in other areas of the City with the report to be completed and presented to Council by the end of Q3 2017.

# Recent Action Continued

On July 11, 2017, Council received Report Mayor 2017-001, **Arenas Working Group – Update** while adopting the following resolutions:

- That the general guidelines attached as Appendix A, for various volunteer advisory groups to assist staff with various arena initiatives and provide input, be endorsed;
- That the general guidelines be made available to any other volunteer advisory group interested in assisting with their local arena operations;
- That Staff, the Arenas Working Group and the Arena User Groups continue to work together to reduce the city wide annual operating deficit for arena facilities, with a staff report back on operational savings and efficiencies following the 2018-19 arena season; and
- That Staff and the Arenas Working Group develop a long term Capital Plan for Arena facilities, and provide Council with recommendations and options in Q3, 2017.

Most recently at the Council Meeting of September 12, 2017 Council received Report Mayor 2017-002, Arena Capital Plan with the following resolutions:

- That the Manvers, Bobcaygeon, Fenelon Falls, Lindsay, and Woodville arena facilities be maintained as required for operations;
- That the Ops arena facility be scheduled for a complete refurbishment;
- That a new arena complex be explored in the Oakwood/Little Britain area, with the goal of combining the two existing facilities;
- That a new arena complex be explored in the Village of Omemee to replace the existing Emily/Omemee complex; and
- That staff report back by 2<sup>nd</sup> quarter of 2018 on the implementation and budget requirements for all actions above.



# Arena Feasibility Study

In 2007/8 the City completed an Arena Feasibility Study. This document has been used to develop Policy, review rates/fees, and build capital budget requirements. It also built a business plan for the provision of Arena Services moving forward for the City of Kawartha Lakes. This study provided options on the number of ice pads to be operated.

The purpose of the arena assessment was:

To determine the need for ice surfaces now and in the future. This assessment considered population growth and change; the current supply and use of ice surfaces; any unmet demand for ice; and the possible demand for ice originating outside of the City.

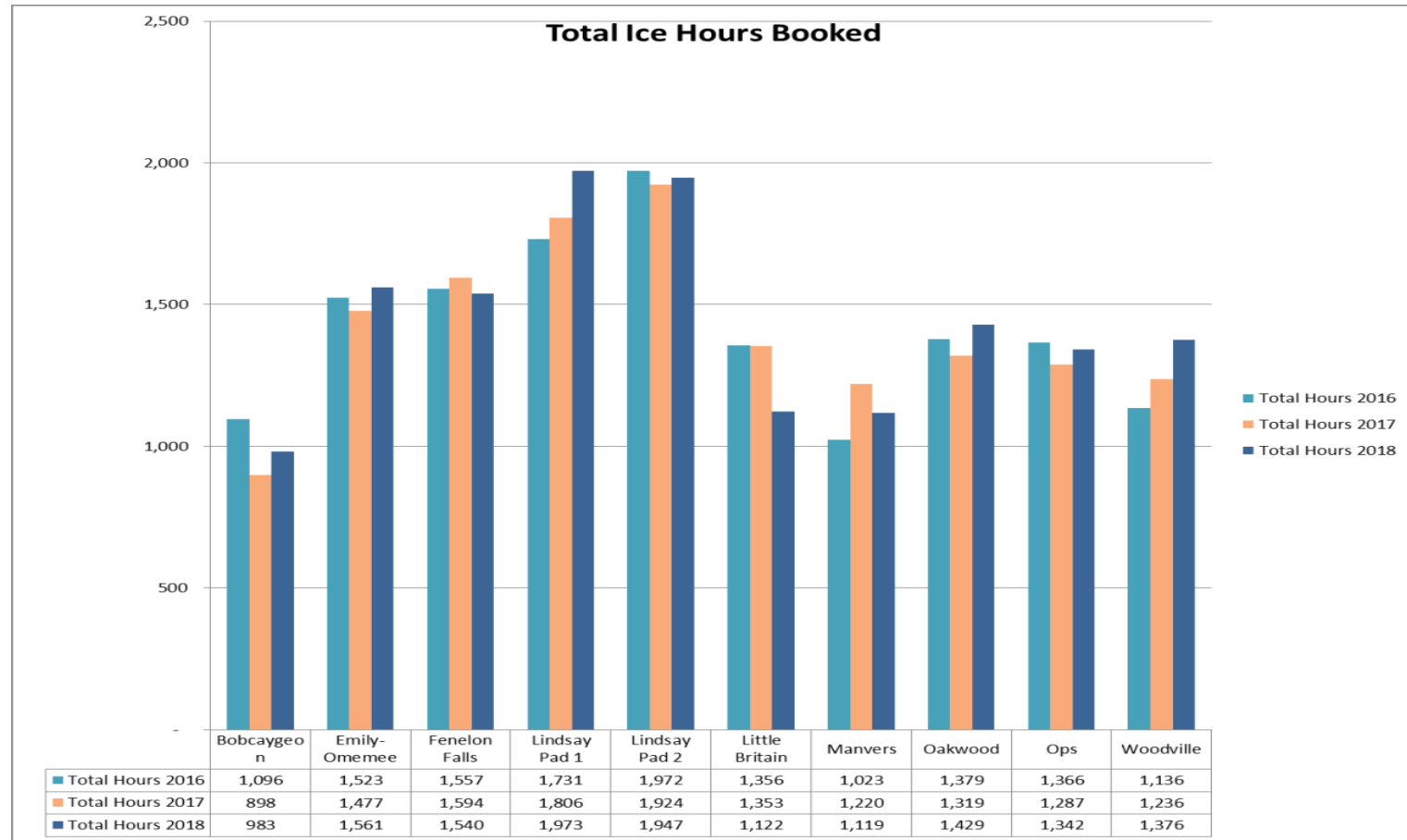
A review of Prime Time ice usage has been/was completed. In 2007/8 the usage represented a need for 7.4 ice pads based on total ice usage and available Prime Time Ice. Currently, a total of 7.6 ice surfaces is required to accommodate current needs.

Some users may be unwilling to use hours that they have requested at arenas at less desirable times or locations, therefore it is reasonable to assume that current demand may not translate (remain the same) with a reduction in arena locations.

# Arena Feasibility Study Continued

- It is recognized that arenas play a variety of recreational and social roles in the communities where they are located and even if ice is not used to capacity, facilities may be retained to meet other community needs or support other social community objectives.
- The Feasibility study reviewed the following questions;
  - Is it possible to increase the use of Kawartha Lakes arenas by attracting more residents or non-residents? Is there a potential for non-resident tournaments to be hosted in Kawartha Lakes? Is it possible to operate the existing arenas in a more cost-effective manner?
- And determined;
  - Analysis indicates existing ice surfaces are under-utilized and there is limited unmet demand in the local or regional market. Kawartha Lakes would be at a significant disadvantage relative to other municipalities if competing for major tournaments and any success in this regard would displace local prime time users with little impact therefore on achieving greater overall use of arenas. Current arenas are operated in a very efficient manner and there is no indication that they could be operated at less cost.

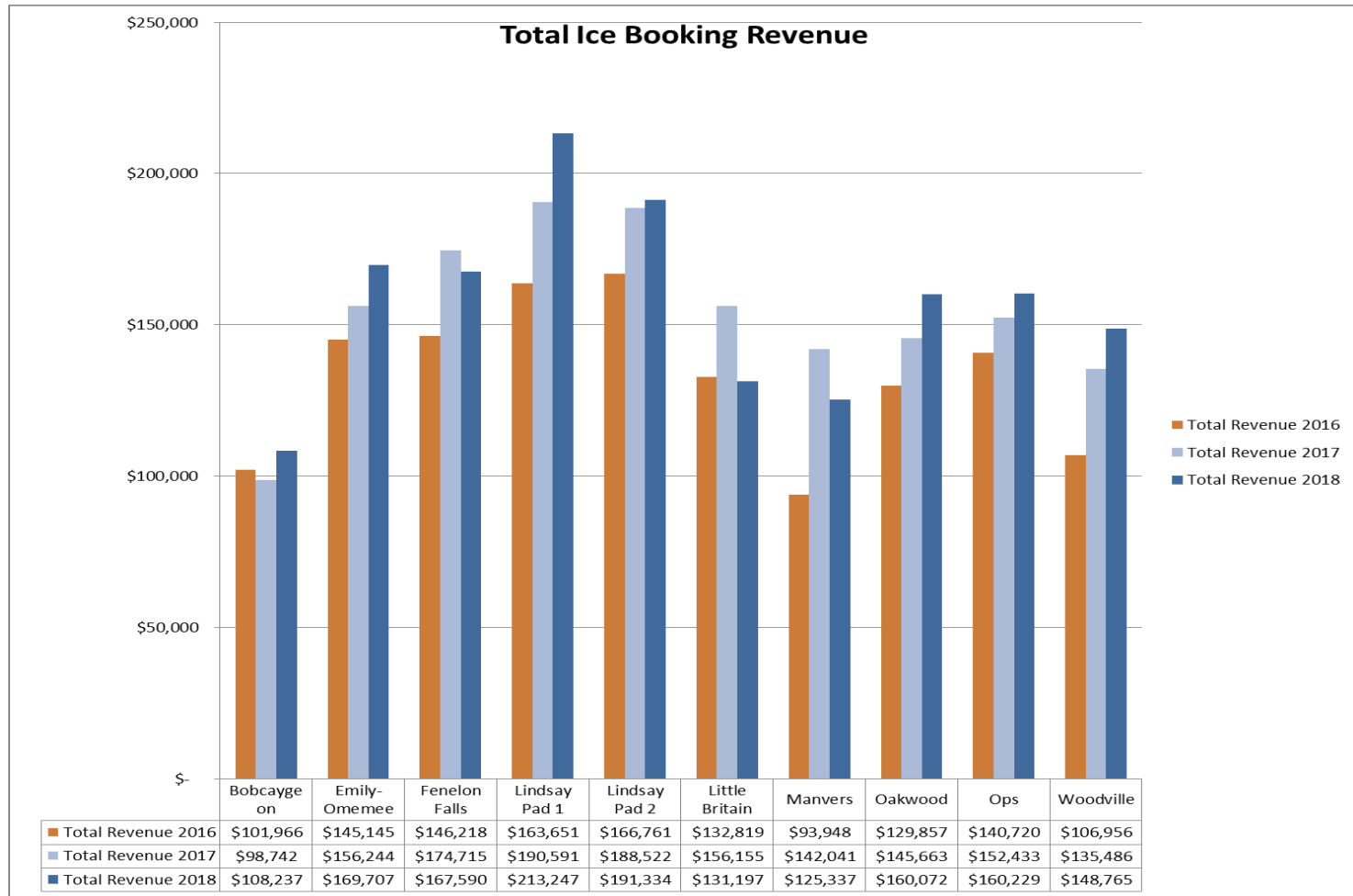
# Historic Demand



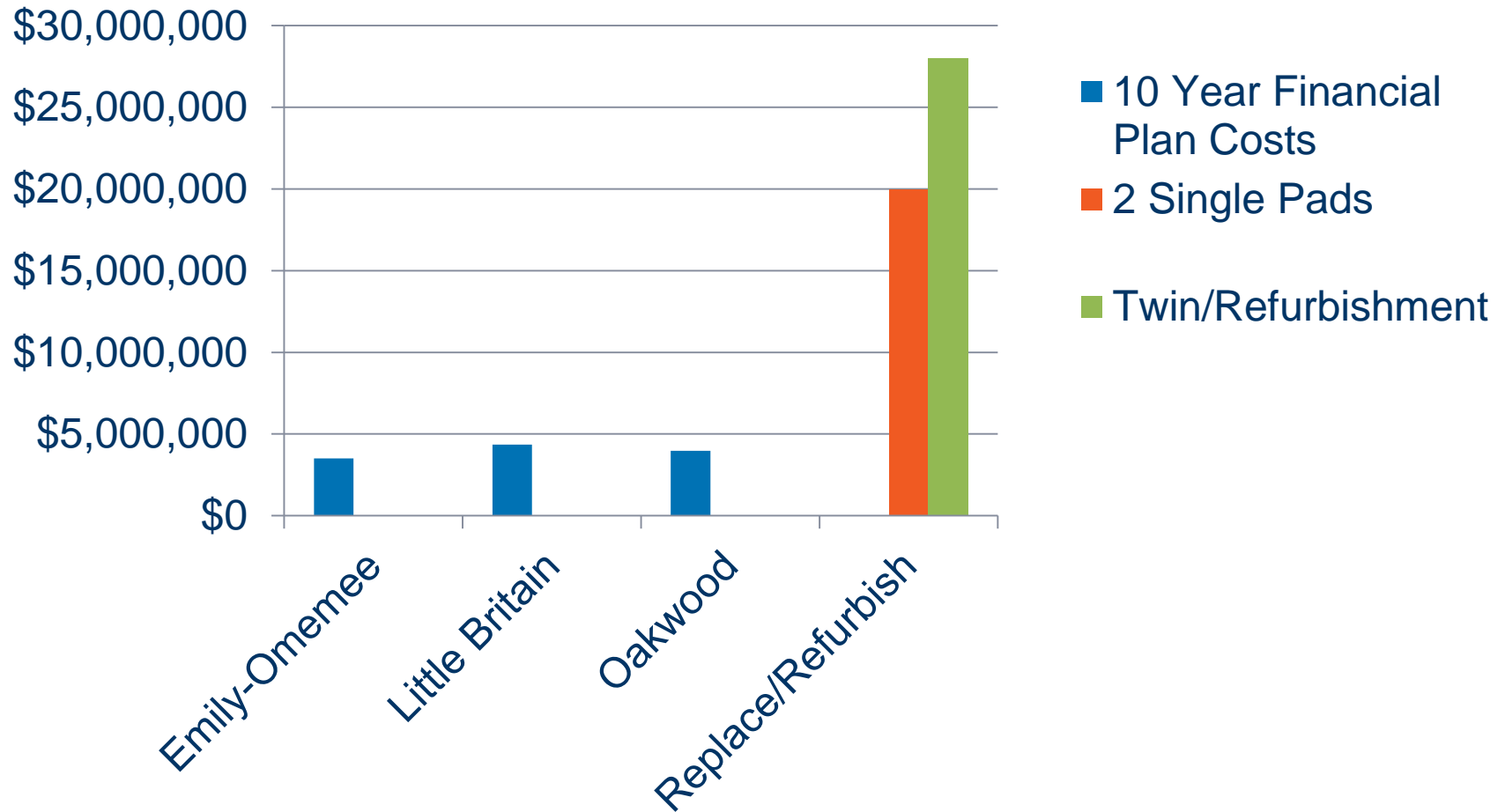
# Prime Time Ice Percentage of Use

	Bobcaygeon	Emily Omemee	Fenelon Falls	Little Britain	Manvers	Oakwood	Ops	Woodville
Ice Pad Use								
Total Hours Booked 2015	1228	1560	1576	1395	1305	1359	1482	1365
Percentage of Utilization of Available Prime Time in a Typical Week	68.0%	75.5%	71.0%	74.0%	69.3%	80.0%	83.0%	67.0%
Total Hours Booked 2016	906	1342	1271	1251	1049	1268	1262	893
Percentage of Utilization of Available Prime Time for the Season 2016	64.3%	78.5%	74.3%	73.1%	61.3%	74.2%	73.8%	63.3%
Total Hours Booked 2017	898	1477	1594	1353	1220	1319	1287	1236
Percentage of Utilization of Available Prime Time for the Season 2017	73.0%	89.5%	96.6%	79.1%	76.7%	86.2%	87.6%	77.7%
Total Hours Booked 2018	983	1561	1540	1122	1119	1429	1342	1376
Percentage of Utilization of Available Prime Time for the Season 2018	79.9%	91.3%	90.1%	83.1%	73.1%	86.6%	87.7%	86.5%

# Total Ice Booking Revenue



# Capital Costs as per 10 Year Asset Management Plan



# Capital Infrastructure Replacement Costs

## Replacement Facility Costs - FCI

Name	Size	Replacement Cost	2015	2016	2017	2018	2019	2020	2021	2022	2023
Emily/Omemee Community Centre	303,239	\$ 9,112,758	37.00%	37.00%	38.11%	38.83%	45.19%	46.58%	46.58%	50.81%	50.81%
Lindsay Recreation Complex	324,317	\$ 25,888,817	17.78%	17.78%	18.09%	18.38%	18.38%	18.38%	20.46%	25.47%	25.88%
Little Britain Community Centre	393,689	\$ 12,943,730	23.73%	23.73%	29.67%	29.67%	29.67%	29.67%	30.36%	38.50%	39.76%
Manvers Community Centre	149,550	\$ 9,747,798	27.13%	27.13%	27.13%	32.72%	32.72%	32.72%	32.72%	35.38%	42.43%
Oakwood Community Centre	142,765	\$ 9,800,324	20.33%	20.33%	22.83%	22.83%	22.83%	22.83%	24.93%	33.82%	34.25%
Ops Community Centre	298,970	\$ 9,552,755	35.86%	35.86%	35.86%	42.34%	50.43%	51.73%	51.73%	59.50%	59.50%
Woodville Community Centre	155,200	\$ 8,566,872	27.45%	27.45%	33.09%	33.09%	33.09%	33.09%	38.31%	45.27%	45.84%
<b>Totals:</b>	<b>1,767,730</b>	<b>\$ 85,613,054</b>									
<b>Average FCI Across All Studied Facilities</b>			27.04%	27.04%	29.25%	31.12%	33.19%	33.57%	35.01%	41.25%	42.64%

The total value of replacement costs for the City arena facilities within this study is \$85,613,054.

## Other financial impacts – soft costs

- As per City budgeting practices Administrative costs at the Departmental level are not included in data.
- Arena operations provide an economic impact for their local communities and a source of employment.



# Recommendation

## Minimal Capital Repair and Replacement

This option would see minimal capital investment in the following facilities Oakwood, Little Britain, and Emily-Omemee. Investment in these facilities would be reserved for health and safety related initiatives/projects. This model would be applied until the end of the 10-Year Financial Plan (2027). The cost of the new arena complex in Oakwood/Little Britain would be included in the subsequent financial plan. If feasible the cost associated with the construction of a new single pad in the Village of Omemee would also be included within the 2028-2037 financial horizon, if not it would be pushed into the following plan. By pushing the new builds into the planning horizon it allows staff to develop the proper solution (twin vs. single pad facility) based on utilization of the day, current trends and public feedback, as well appropriately plan for the significant investment required.

# Recommendation Continued

## Bobcaygeon, Fenelon Falls, Manvers, Lindsay, Woodville

- Operations, maintenance and investment into these five facilities have continued in a “status quo” manner, and have/will extend the life cycle of these facilities. The capital program associated with these facilities has been incorporated into the 10-Year Financial Plan (2018-2027) and will continue to be included in subsequent plans. Significant investment, outside of the Asset Management Plan, is not anticipated within the current financial planning horizon.

## Ops

- This facility is scheduled for a complete refurbishment beginning in 2020. The design and construction documentation phase is expected to start in Q2 2019. Funding for this project is currently in the capital budget program. Staff will look to take advantage of any grant opportunities that may become available to support this project.

# Recommendation Continued

## Emily-Omemee

- Staff is currently exploring land options within the Village of Omemee to construct a new single pad arena to replace the existing Emily facility. Continued minimal operations and improvements are scheduled for this facility over the current financial planning horizon, with a 10-year plus facility life cycle remaining. It is therefore appropriate to plan for the construction of a new single pad arena to replace the current Emily facility within the next 10 year planning cycle (2028-2037).

## Oakwood and Little Britain

- Continued operations are scheduled for these facilities over the current financial planning horizon. The cost to construct a new arena complex to consolidate and replace the current facilities will be included in the next 10 year financial planning cycle (2028-2037).
- This plan would see minimal capital investment in the Oakwood and Little Britain, facilities throughout the current financial planning period (2018-2027). Investment in these facilities would be reserved for health and safety related initiatives/projects. By pushing the new build into the future planning horizon, the City can better plan and fund this new build considering utilization, location current trends and public feedback.

# Conclusion

In conclusion Council can adopt the following resolutions as recommended by staff in PRC2019-005:

- **That** Report PRC2019-005, **Arena Capital Plan Update**, be received;
- **That** Council direct staff to plan and budget accordingly for the continued operations of the Oakwood, Little Britain and Emily-Omemee arena facilities for the current 10-Year Financial Plan, and;
- **That** Council direct staff to plan for a new single pad arena build in the Village of Omemee and budget accordingly for inclusion in the next 10 year financial planning cycle (2028-2037), and;
- **That** Council direct staff to plan for a new arena complex in the South West Area for inclusion in the next 10 year financial planning cycle (2028-2037), and;
- **That** this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Or Council could choose to extend the life-cycle of the current facilities and not plan for any future replacements.

# **The Corporation of the City of Kawartha Lakes**

## **Committee of the Whole Report**

**Report Number PRC2019-005**

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**Date:** May 9, 2019

**Time:** 7:00 p.m.

**Place:** Little Britain Community Centre

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**Ward Community Identifier:** All

**Title:** Arena Capital Plan Update

**Author and Title:** Jenn Johnson, Manager, Parks, Recreation and Culture

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### **Recommendation(s):**

**That** Report PRC2019-005, **Arena Capital Plan Update**, be received;

**That** Council direct staff to plan and budget accordingly for the continued operations of the Oakwood, Little Britain and Emily-Omemee arena facilities for the current 10-Year Financial Plan, and;

**That** Council direct staff to plan for a new single pad arena build in the Village of Omemee and budget accordingly for inclusion in the next 10 year financial planning cycle (2028-2037), and;

**That** Council direct staff to plan for a new arena complex in the South West Area for inclusion in the next 10 year financial planning cycle (2028-2037), and;

**That** this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

**Department Head:**\_\_\_\_\_

**Financial/Legal/HR/Other:**\_\_\_\_\_

**Chief Administrative Officer:**\_\_\_\_\_

## **Background:**

At the Council Meeting of December 13, 2016, Council adopted the following resolution:

**Resolved That** Report PRC2016-011, **Costing Analysis - Arena Rationalization Strategy**, be received;

**That** the decision that municipal ice pads be reduced from a total of ten (10) ice pads to eight (8) be put on hold indefinitely;

**That** the Mayor establish a working group including two Councillors appointed by the Mayor to seek input from each community that currently has a community centre to provide input on the issues from a community perspective relating to operations of Community Centres;

**That** the working group invite representatives from the Manvers Community to develop a Business Plan for the operation of the Manvers Community Centre that can possibly be used as a template for use in other areas of the City with the report to be completed and presented to Council by the end of Q3 2017.

**CARRIED CR2016-1270**

At the Council Meeting of July 11, 2017, Council adopted the following resolution:

**Resolved That** Report Mayor 2017-001, **Arenas Working Group - Update**, be received;

**That** the general guidelines attached as Appendix A, for various volunteer advisory groups to assist staff with various arena initiatives and provide input, be endorsed;

**That** the general guidelines be made available to any other volunteer advisory group interested in assisting with their local arena operations;

**That** Staff, the Arenas Working Group and the Arena User Groups continue to work together to reduce the city – wide annual operating deficit for arena facilities, with a staff report back on operational savings and efficiencies following the 2018-19 arena season; and

**That** staff and the Arenas Working Group develop a long term Capital Plan for Arena facilities, and provide Council with recommendations and options in Q3, 2017.

**CARRIED CR2017-634**

At the Council Meeting of September 12, 2017, Council adopted the following resolution:

**Resolved That** Report Mayor 2017-002, **Arena Capital Plan**, be received;

**That** the Manvers, Bobcaygeon, Fenelon Falls, Lindsay, and Woodville arena facilities be maintained as required for operations;

**That** the Ops arena facility be scheduled for a complete refurbishment;

**That** a new arena complex be explored in the Oakwood/Little Britain area, with the goal of combining the two existing facilities;

**That** a new arena complex be explored in the Village of Omemee to replace the existing Emily/Omemee complex; and

**That** staff report back by 2<sup>nd</sup> quarter of 2018 on the implementation and budget requirements for all actions above.

**CARRIED CR2017-749**

Previously Council has received other staff presentations and a municipal Arena Feasibility Study was conducted in 2008 highlighting the fact that the City does not have maximum utilization in arena facilities and is over-supplied with ice pads. This information was further expanded upon and included in staff report CS2015-017.

Since the July 2017 report, staff has completed the following tasks, based on Council direction:

- The general guidelines associated with volunteer advisory groups was shared with all arena user groups.
- All arena facilities have been operating in a “status quo” manner.
- A capital budget request for a complete refurbishment of the Ops Community Centre was included and approved in 2019. (The construction funding, if approved, will be incorporated into the 2020 and 2021 budgets.)
- No major investments have been made to the Oakwood, Little Britain and Emily-Omemee arena facilities.

Items that require follow up from the previous reports include:

- A report on operational savings and efficiencies following the 2018-2019 arena season.
- A report on the implementation plan and budget requirements for the development of new facilities in the Oakwood, Little Britain and Omemee areas.

This report addresses that direction.

## Rationale:

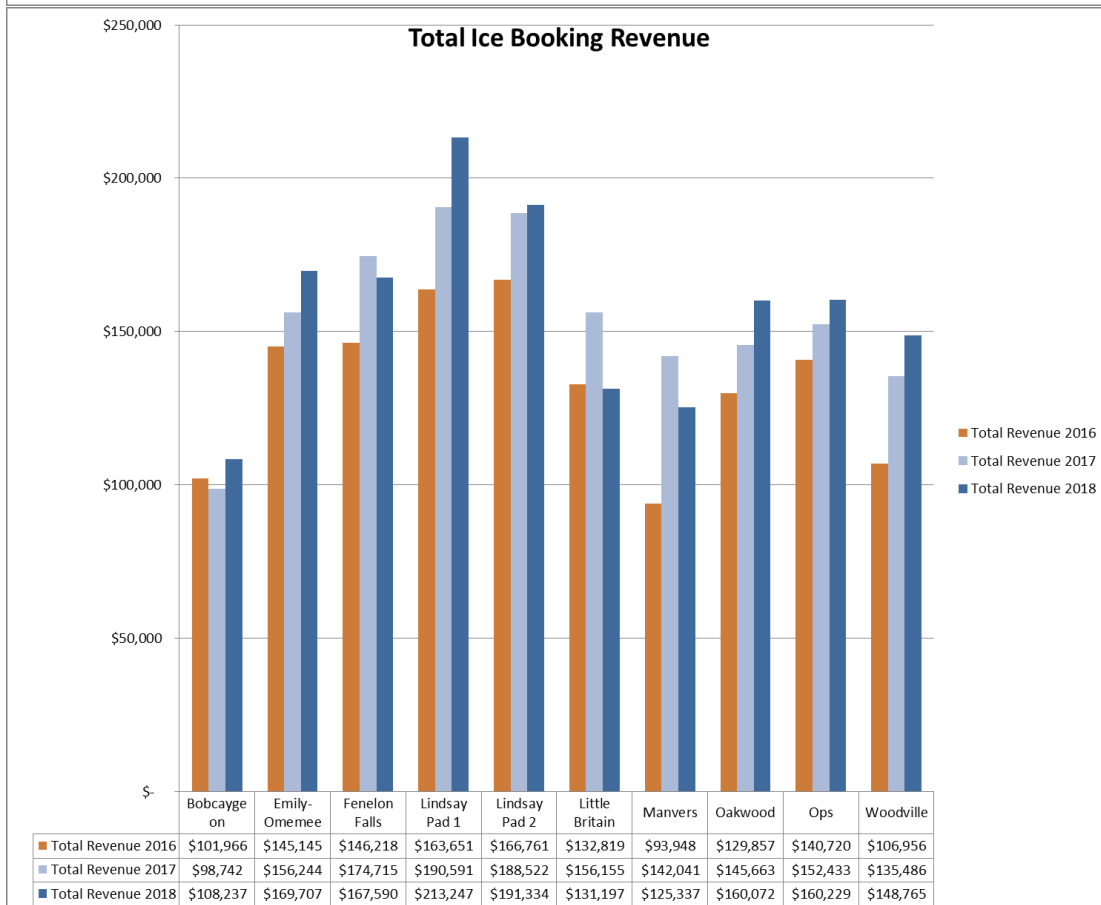
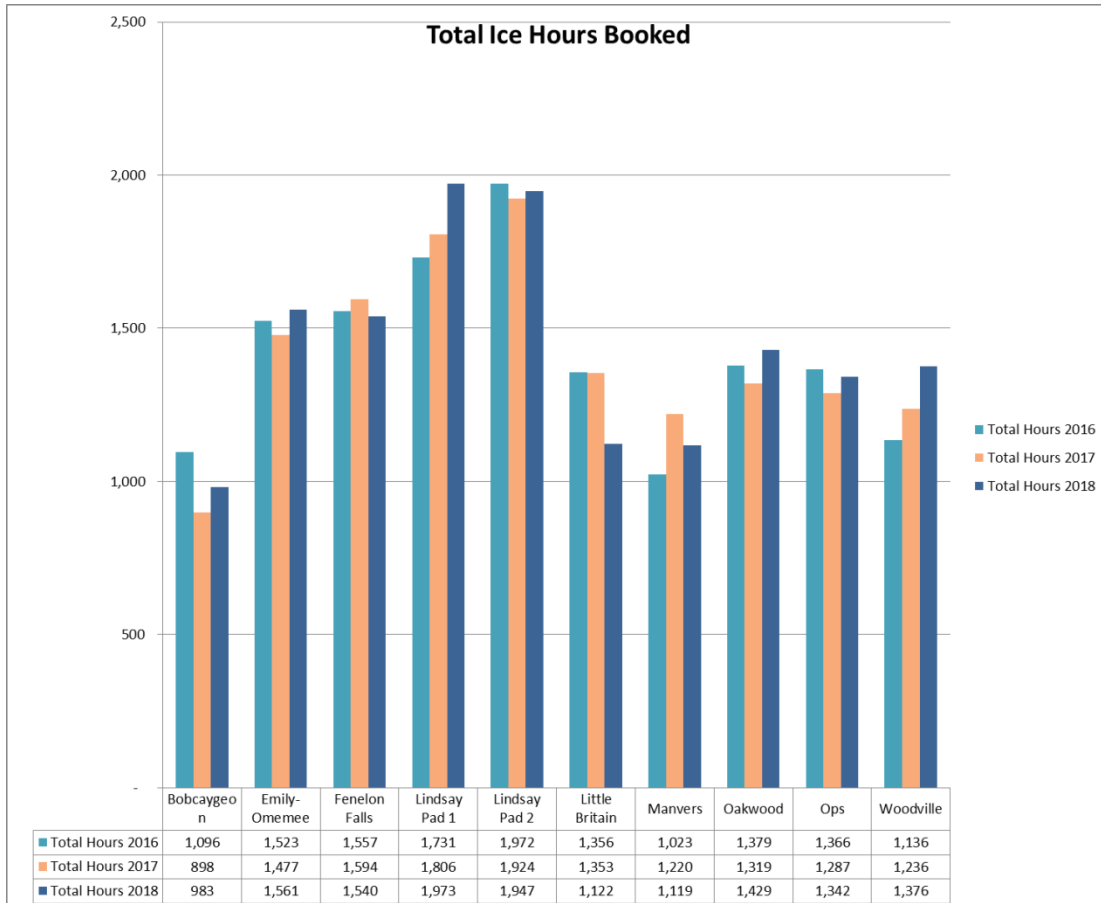
### Arena Operational Savings and Efficiencies

In December 2015, Council directed staff to prepare an arena rationalization strategy that would result in a more efficient and effective service delivery model. Multiple reports, including the Arena Rationalization Strategy, have identified that Kawartha Lakes is over supplied with ice pads. It has been suggested that eight ice pads (a reduction of two from the current inventory) could serve the demand now and into the future. Councils of the day determined that the benefit of arena facilities to the community fabric was greater than the financial support required to keep the facilities operational. Therefore, a “status quo model” has been implemented to date.

During the development of the Arena Rationalization Strategy, facility utilization, revenue generation and future capital investment data was examined. Charts below indicate the ice pad utilization and the associated revenue from 2016 to 2018. Total ice utilization has increased by approximately 249 hours since 2016. This growth and changes to the hourly ice rental fees has generated an increase in total revenue of approximately \$247,000 since 2016.

<b>Total Hours 2016</b>	<b>14,140</b>
<b>Total Ice Revenue 2016</b>	<b>\$ 1,328,041</b>
<b>Total Hours 2017</b>	<b>14,114</b>
<b>Total Ice Revenue 2017</b>	<b>\$ 1,540,592</b>
<b>Total Hours 2018</b>	<b>14,389</b>
<b>Total Ice Revenue 2018</b>	<b>\$ 1,575,715</b>





It should be noted that the decrease in utilization in Little Britain in 2018 is due to the ice being available approximately four weeks later than usual. The later start was due to a delay in repairing/replacing refrigeration equipment. Oakwood received additional utilization because of the later start in Little Britain.

The average level of operational subsidy provided to these facilities, as a whole, has decreased by approximately \$9,000 since 2016. Staff anticipates that the demand for ice use will moderately decline over the next five to ten years. The decline in utilization may be balanced with the fee increases (annual Consumer Price Index) over that time. Therefore the level of operational subsidy (capital investment not included) may remain constant over that time period.

Parks, Recreation and Culture staff continues to work with the volunteer members of the Manvers Arena User Group. Improvements to ice utilization, facility booking processes and exterior landscaping have been achieved with this collaboration. The volunteer group continues to organize and host fundraising events in an effort to contribute to the capital investment required at the facility. The cooperation and effort of the volunteer community members is greatly appreciated by staff and recognized by City Council.

To date, no other volunteer groups have contacted staff in an interest to set up a similar group for other arena facilities.

#### Arena Capital and Implementation Plan

With consideration of the current financial climate and development of the 10-Year Financial Plan, staff recognizes that the initial 10 year forecast for changes to the arena provision model may be unrealistic. For that reason, staff is suggesting the following implementation plan for arena facilities:

#### **Bobcaygeon, Fenelon Falls, Manvers, Lindsay, Woodville**

Operations, maintenance and investment into these five facilities have continued in a “status quo” manner, and have/will extend the life cycle of these facilities. The capital program associated with these facilities has been incorporated into the 10-Year Financial Plan (2018-2027) and will continue to be included in subsequent plans. Significant investment, outside of the Asset Management Plan, is not anticipated within the current financial planning horizon.

#### **Ops**

This facility is scheduled for a complete refurbishment beginning in 2020. The design and construction documentation phase is expected to start in Q2 2019. Funding for this project is currently in the capital budget program. Staff will look to take advantage of any grant opportunities that may become available to support this project.

#### **Emily-Omemee**

Staff is currently exploring land options within the Village of Omemee to construct a new single pad arena to replace the existing Emily facility. Continued minimal

operations and improvements are scheduled for this facility over the current financial planning horizon, with a 10-year plus facility life cycle remaining. It is therefore appropriate to plan for the construction of a new single pad arena to replace the current Emily facility within the next 10 year planning cycle (2028-2037).

### **Oakwood and Little Britain**

Continued operations are scheduled for these facilities over the current financial planning horizon. The cost to construct a new arena complex to consolidate and replace the current facilities will be included in the next 10 year financial planning cycle (2028-2037).

This plan would see minimal capital investment in the Oakwood and Little Britain, facilities throughout the current financial planning period (2018-2027). Investment in these facilities would be reserved for health and safety related initiatives/projects. By pushing the new build into the future planning horizon, the City can better plan and fund this new build considering utilization, location current trends and public feedback.

Also, this plan allows for minimal capital contribution over the remaining years of the current financial plan, with facilities still being utilized within their extended lifecycles. The aging facilities would be replaced with new, modern infrastructure during the next financial planning cycle. These future new facilities would have a considerably longer life span than the original buildings.

### **Other Alternatives Considered:**

Another option that could be considered is the continued operations and investment in all arena facilities. This option would see the equipment and building components at all arenas replaced at the end of life cycle or at failure. The costs associated with this option are generally in the AMP and currently accounted for in the 10-Year Financial Plan. Some costs including accessibility modifications are not included in the current AMP. This plan is high risk (high potential for equipment and/or building component failure and significant service disruption) and has a low return on investment. The arena stock will remain out dated and inefficient. This option does have a consistent financial impact over the upcoming decades, assuming no major unexpected failures occur. This is not being recommended due to the poorer return on investment of continuing to spend capital funds on the 1970s vintage buildings and risk of failure occurring.

### **Financial/Operation Impacts:**

Approximately \$11.8M of capital improvements to Emily-Omemee, Little Britain, and Oakwood is currently allocated in the 10-Year Financial Plan (2018-2027).

Oakwood	Emily-Omemee	Little Britain
\$ 3,969,624	\$ 3,513,200	\$ 4,345,400

The recommended implementation plan would see a minimum amount of these currently allocated funds spent, with the expectation that two new facilities would be constructed after 2027. The funds originally allocated for capital investment in these aging arenas would be shifted to the subsequent financial planning cycle and utilized as a foundation for resources needed to construct the new facilities.

The cost, in today's dollar value, to construct a single and twin pad arena facility is approximately \$10M and \$18M respectively. Therefore, a total of approximately \$20M - \$28M is required to build the new facilities in Omemee and the South West Area. The savings from effectively planning and wisely investing capital funds in the current facilities will be contributed to the financial resources required for the new builds.

### **Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:**

This report addresses two goals of the City's Strategic Plan.

- Goal 1 – A Vibrant and Growing Economy
- Goal 2 – An Exceptional Quality of Life

### **Review of Accessibility Implications of Any Development or Policy:**

The current 10-Year Financial Plan incorporates funding for accessibility projects and addresses accessibility issues in the arena inventory.

### **Servicing Implications:**

N/A

### **Consultations:**

Manvers Arena User Group

Corporate Services

Asset Management

### **Attachments:**

**Department Head E-Mail:** [cshanks@kawarthalakes.ca](mailto:cshanks@kawarthalakes.ca)

**Department Head:** Craig Shanks