

The Corporation of the City of Kawartha Lakes

Council Report

Report Number Mayor 2017-001

Date: July 11th, 2017

Time: 2:00 p.m.

Place: Council Chambers

Ward Community Identifier: All

Subject: Arenas Working Group - Update

Author/Title: Andy Letham, Mayor **Signature:**

Recommendation(s):

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.

Department Head:

Corporate Services Director / 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 10 to 8 be put on hold indefinitely.

That the Mayor establishes a working group including 2 Councillors appointed by the Mayor, to seek input from each community that currently has a community center to provide input on the issues from a community perspective relating to operations of community centers (arenas).

That the working group invite representatives from the Manvers Community to develop a business plan for the operation of the Manvers Community Center 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 end of Q3 2017.

This report addresses that direction.

Rationale:

As part of the core service review requested by Council, various reports have come forward from staff updating Council on the utilization of our arena facilities. For the most part, they have shown that The City of Kawartha Lakes, based on population and utilization, has an overcapacity of ice surfaces.

In December of 2015, Council received a report and made a decision to reduce municipal ice pads from a total of ten to eight through the consolidation of six single pad facilities into two twin pad facilities. Staff investigated and consulted on the implementation of such a plan that resulted in the December 13, 2016 report to Council.

Rather than reduce ice surfaces by 2 in the near future, Council has chosen, at this time, to put the closure plan on hold, work with the community to attempt to narrow the operating gap for the 10 existing ice surfaces that exist city wide. Mayor Letham, Councillors Martin, Veale, and Jilesen, along with the Director of Community Services, and Manager of Parks, Recreation and Culture have followed the direction of Council and had 3 meetings with various user groups early in 2017 across the city. Many different ideas were discussed including arena rates, availability, booking systems, how to increase usage etc. These discussion points were then summarized and became part of the conversation with the Manvers Working Group. This group was comprised of local representation from the South area of the City, each of whom had an interest in

working together with the city to make the Manvers arena more financially sustainable. Two meetings were held at the Janetville Community Hall with the arena working group and staff. A very positive discussion about moving forward and how the community can assist with decreasing the operating deficit resulted.

The Arena Working Group now offers the following recommendations for Council consideration:

- A Volunteer advisory group be formed and it should be comprised of local community members with a varied skill set.
- For the protection of members, the group should be incorporated as an independent non-profit organization and obtain their own liability insurance.
- One member of the group only will be appointed as liaison with the Manager of Parks, Recreation and Culture (or delegated staff).

The volunteer advisory group responsibilities would include:

- possible capital project initiatives, fundraising and sponsorship opportunities, advertising and board sales, future booking requests, and any additional user group requests, should be brought forward to the designated staff liaison, to coordinate and work together on.
- establish their own Facebook and website and this could be linked to the city's website for booking inquiries.
- all guides and policies the city has adopted regarding fundraising, sponsorship, ad sales, booking requests etc., should be forwarded to the advisory committee and followed by the group.
- Committee could set up their own bank account to help keep track of local fundraising, sponsorship, donations etc.

Each group would be responsible for following non-profit banking guidelines.

- Concession contracts awarded to vendors for the season will be put in touch with local VAC to help optimize revenue and opportunities.

Operational Issues Discussed and Raised

- Improved communications. Staff and volunteers acknowledge that a more open dialogue between volunteers, user groups and staff would benefit everyone. This sharing of information should be a two way street so everyone is on the same page.

- More responsive booking system. As of April 2017, staff has initiated changes to the phone in booking system. More available staff with a quicker call back response. Improved booking access is also being looked at through local staff on site at the facilities.
- Staggering ice times at beginning and end of season. Later ice being installed at some facilities in the fall, and earlier removing of ice at some facilities in the spring. By working with booking requests and various user groups, staff has identified 13 weeks less ice for the 2017/2018 season. This will continue on a rotating basis for facilities based on future booking requests and needs.
- Easier access to actual ice availability on the website. This is being implemented on the new website.

Other Considerations:

User Rates:

Rates have been raised 15% for the 2017/2018 season. Comparisons with surrounding municipalities showed that on average Kawartha Lakes arena ice rates were approximately 30% lower than the average hourly fees. An increase of 15% was immediately approved by Council and based on last year's usage; the extra revenue should generate an increase of just over \$ 200,000 toward the overall operating gap for all arena facilities.

Staff will continue to use their authority to be as flexible as possible to maximize utilization at all facilities. This will include bookings, events, and opportunities to fill gaps as they become available. If changes to existing policies are required to assist with this task, staff will bring those forward for Council's consideration.

Capital Needs:

Future capital needs will continue to be the biggest challenge with our aging facilities as we strive to do better and meet the needs and wants of our community. We highly recommend that a long term plan be put in place to give direction on our future overall model. We must have this long term plan in place to allow staff to budget properly and assure our residents that not only will we work to maintain their services, but improve them wherever possible.

It is therefore recommended that Staff and the Arenas Working Group develop a long term Arenas Capital Plan, and provide Council with recommendations and options in Q3, 2017.

Summary:

Although some of the recommendations might seem out of scope from the original direction, we are bringing them forward as part of this report as they

became part of the overall discussion on how to positively move forward with our city wide arena model. Our community has shown a willingness to step up and take a bigger role in improving the model for their local communities.

Whether or not this model is sustainable into the future will depend on many factors and trends, some we have no control over. This will be for future Councils and our community to decide together. What we know right now is that our communities put great value in their local facilities and are willing to work toward their sustainability at this point.

This working group feels very strongly that the community should be given the opportunity to succeed. It should also be recognized that staff have been very accommodating and open minded throughout this process. They have already initiated changes that will improve the bottom line and we recognize that our facilities are currently being run very efficiently. That being said, there is always room for improvements moving forward.

Other Alternatives Considered:

Council could implement the original recommendation and close 2 ice surfaces in the near future. This option is not recommended at this time as the community has shown a willingness to participate in the process and we should give that process a chance to work.

Financial/Operational Impacts:

Overall, the 10 ice surfaces operate at a combined deficit of roughly \$1,000,000 annually combined. The working group is very optimistic that the gap can be reduced. This deficit reduction will be a result from a combination of user rate increases, operational efficiencies, local fundraising initiatives, sponsorship and increased usage.

All additional grant opportunities will be pursued by staff, and although every bit helps, this will not offset the capital upgrades needed for our aging facilities nor contribute to long-term operating sustainability. Tax dollars will continue to subsidize these facilities, and so they should. Our goal needs to be the effective allocation of resources toward this service to maximize their potential moving forward so that future generations continue to have the same affordable recreational opportunities that we currently enjoy.

Relationship of Recommendation(s) To the 2016-2019 Strategic Plan:

Recreational facilities support Goal 1 and Goal 2 of the Strategic Plan by contributing to A Vibrant and Growing Economy and an Exceptional Quality of Life.

Consultations:

Mayor and 3 Councillors,
Director of Community Services,
Manager of Parks, Recreation and Culture.
Manvers Advisory Committee members and various user groups from across the city.

Attachments:

Appendix A – General Guidelines for Advisory Committee

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E-Mail: aletham@city.kawarthalakes.on.ca

Department Head:

Department File:

Appendix A

General Guidelines for Advisory Committee

- Volunteer advisory group be made up of local community members with a varied skill set.
- For the protection of members, groups should be incorporated as an independent non-profit organization and obtain their own liability insurance.
- One member of the group only will be appointed as liaison with the Manager of Parks, recreation and Culture (or delegated staff).
- Possible capital project initiatives, fundraising and sponsorship opportunities, ad and board sales, future booking requests, and any additional user group requests, should be brought forward to the designated staff liaison, to coordinate and work together on.
- Volunteer advisory committee could establish their own Facebook and website and this could be linked to the city's website for booking inquiries.
- All guides and policies the city has regarding fundraising, sponsorship, ad sales, booking requests etc., should be forwarded to the advisory committee.
- Committee could set up their own bank account to help keep track of local fundraising, sponsorship, donations etc.

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