

The Corporation of the City of Kawartha Lakes

Council Report

Report Number CS2018-009

Date: May 22, 2018
Time: 2:00 p.m.
Place: Council Chambers

Ward Community Identifier:

Subject: Olde Gaol Museum Lease – Victoria County Historical Society

Author Name and Title: Craig Shanks, Director of Community Services

Recommendations:

RESOLVED THAT Report CS2018-009, **Olde Gaol Museum Lease – Victoria County Historical Society**, be received;

THAT the City provide interim relief to the Victoria County Historical Society by providing the payment of utility invoices (Hydro One and Water costs) associated with the Olde Gaol Museum, to the end of Q1 2019: and,

THAT the Victoria County Historical Society report back to Council no later than the end of Q1 of 2019 with a Business Plan and Operating Model to guide the terms and conditions of a new lease agreement for the occupation of the Olde Gaol Museum.

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

Background:

The City of Kawartha Lakes owns the Olde Gaol Museum located at 50 Victoria Avenue North, Lindsay. The facility is currently occupied and managed through a lease agreement (see Appendix A) with the Victoria County Historical Society. This operation and management agreement has been in existence since 2000.

The current lease has all costs associated with operating the facility to be at the expense of the Victoria County Historical Society. As expressed in their deputation, the Society is currently experiencing some financial hardships and is requesting some interim City support and relief. They are also hoping to work with the City to be able to produce and agree upon a new Lease Agreement for the use of, and management of, the museum facility. Staff is recommending that the new lease be developed and executed no later than April 1, 2019.

Rationale:

As stated, the Olde Gaol Museum facility is currently occupied, operated and managed by the Victoria County Historical Society. The current lease was entered into in 2000 and is in need of update. Times have changed significantly since this agreement was entered into, and both the Society and City would benefit as a new agreement would specify and clarify the roles and responsibilities while also being realistic of expectations of both entities.

However, as a result of their current financial hardships, the Society is requesting some relief to assist them in the transition to entering into this new lease agreement. This relief being requested equates to approximately \$12,500 (2018) with staff recommending the provision of approximately \$10,000 in relief.

Activity	Relief Request (2018)
Hydro Utility Payments	\$7,000
Water Utility Payments	\$1,000
Lawn and Parking Lot Maintenance	\$2,000
Insurance Relief	\$2,500 (Recommendation to Deny)
Total Relief (2018)	\$10,000

Staff is not recommending funds for the relief of the Insurance payments as Council has been requested to provide similar coverage in the past and it has been denied. A precedent could be set that in all probability could lead to many other such requests for operating budget assistance.

As well, staff is hopeful that a new lease agreement and the attached Society Business Strategy (see Appendix B) will allow the Society to become more sustainable and prevent relief coverage from being required in future years.

As a City-owned facility it is important to realize that if the invoices were to be defaulted on, as owner of the facility the City would be accountable. Therefore,

as Council has done for previous “Cultural” organizations housed within City owned facilities, the provision of utility relief is being recommended. Also, as the City maintains the lawn and the parking lots at the neighbouring City Hall and Human Resources facilities the City will determine a way to provide for such services at this location at minimal cost.

Finally, the City has reviewed the Museum facility and has determined that at this time the current use, as a facility to provide a cultural experience and provide a space for that service provision is the best use of the building. An alternative City need for this facility is not feasible or in the City’s best interests at this time.

Other Alternatives Considered:

Council could choose not to provide interim relief to the Victoria County Historical Society for the purposes of paying utilities or to provide lawn and parking lot maintenance for the Museum facility. However, as this is a City facility, and as Council has in the past provided some form of financial relief for “Cultural” organizations renting and/or managing City-owned space for the purposes of providing their services, staff are recommending providing interim financial relief for utility payments and lawn and parking lot maintenance. Ultimately, if the Society were not able to pay their utility or maintenance bills, or were to disband, as the owner of the facility the costs would be incurred by the City.

The Society is also requesting for Council to provide funds (\$2,500) for the coverage of insurance costs. This is a request that has been made to Council previously by other groups and has been denied. It is not recommended by staff as the precedent of providing such coverage would have a potential significant impact on the City in regards to similar requests by other City organizations.

Finally, the Society is also requesting that this relief be extended to the end of the 2019 calendar year. Staff is not recommending this as it is hoped that the Society will report back to Council with a sound and sustainable Business Plan that will guide the terms and conditions of a new lease agreement. It is recommended that the new lease agreement be negotiated and executed no later than April 1, 2019.

Financial/Operation Impacts:

The recommendations in this report would have an impact of approximately \$10,000 on the City’s 2018 Operating Budget as there is currently no funds budgeted for this. An additional approximate \$2500 would be budgeted in 2019 to continue relief to the end of Q1 2019.

If Council were to choose to also provide funds for the purpose of covering the Society’s insurance costs, an additional \$2,500 would be incurred. If Council did choose to provide all of this relief for the 2019 calendar year as well, an

additional approximate \$12,500 would be required for the 2019 Operating Budget.

It is important to acknowledge that the Society has contributed significant capital improvement funds to Museum facility upgrades in the past (exceeding \$500,000). The future lease agreement should establish a funding model that considers appropriate capital vs. operating/rent expenses to the appropriate parties.

Relationship of Recommendations to the 2016-2019 Strategic Plan:

This report speaks to the City's Strategic Plan in two important aspects:

- It supports the Goal of An Exceptional Quality of Life by supporting a key priority of Access to Community and Human/Health Services.
- It supports a key enabler of the Strategic Plan to have Well Managed and Maintained Assets that will make possible Efficient Infrastructure and Asset Management.

Consultations:

CAO
Corporate Services
Victoria County Historical Society

Attachments:

Appendix A



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Appendix B



Olde Gaol Business
Plan.pdf

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Department Head: Craig Shanks, Director of Community Services

