REPORT OF THE

COMMITTEE ON PROTECTION, PARKS AND CULTURE

DATED NOVEMBER 14, 1995

On motion of Councillor O'Shaughnessy, the Report of the Committee on Protection, Parks and Culture, dated November 14, 1995, was considered clause by clause.

Moved by Councillor O'Shaughnessy,
That the Consent Agenda, Clauses 1,2,3,4 and 5 be adopted.

73 - Councillor Golden asked to be recorded as having voted against Clause 2, in accordance with Rule 50.7 of the Procedure By-law

The motion to adopt the Consent Agenda, Clauses 1,2,3,4 and 5 was put and declared carried.

Her Worship The Mayor and Councillors:

Request to Transfer Funds from the Waterfront Park capital project to a project at Seigneurie (Smuggler's Cove) Park File PR-7 (Vol. 5)

74 - 1. The Committee on Protection, Parks and Culture has been advised that the program of requirements for construction of Waterfront Park has been completed and surplus funds in the amount of $3,840.00 remain in the account.

On July 4, 1994, the St. Boniface Ward Councillor appeared in delegation before the Committee on Protection, Parks and Culture and requested that the surplus funds remaining in the Waterfront Park project be transferred to Seigneurie (Smuggler's Cove) Park for play apparatus and sport fixtures.

The Committee on Protection, Parks and Culture was advised that funds in the amount of $3,840.00 remained in the 1991 project account, however, did not concur in the request from the Ward Councillor and stated that any surplus funds in the project be considered for disbursement in accordance with the overall priorities of the Parks and Recreation Department.

On July 6, 1995, the Commissioner of Protection, Parks and Culture received a communication dated June 19, 1995, from the Island Lakes Residents' Group Inc. requesting that the surplus capital funds from the Waterfront Park project be transferred to Seigneurie (Smuggler's Cove) Park. The Residents' Group has and is continuing to raise funds for enhancements to the park, such as playground equipment, pathways and trees.

The Parks and Recreation Department has no objections to the transfer of funds, as it will serve to provide further development of the parks and open space within the Island Lakes Residential Subdivision.

The Committee on Protection, Parks and Culture therefore recommends:

I. That the surplus funds in the amount of $3,840.00 remaining in the 1991 Capital Account No. 03-1181105492-450-501 for the Waterfront Park project be transferred to the Seigneurie (Smuggler's Cove) Park project for play apparatus and sport fixtures.

II. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Adopted by consent.

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Proposed Amendment to the Fees and Charges Policy - Indoor Arena Off-season Ice Rental Charges
File PR-2.10 (Vol. 9)

75 - 2. The Committee on Protection, Parks and Culture has been advised that the existing fee schedule is designed to allow for the recovery of most direct costs related to the operation of an indoor arena during the off-season. However, the fee is based upon this rate of recovery in a worst case scenario, in which a single user requests the opening of an indoor arena in mid-summer. This approach was adopted in 1987 and by 1992 had resulted in an hourly rental rate of $231.00 for off-season ice. As well, that schedule of fees included a requirement for a single major user to come forward with a guarantee of 50 hours of rental revenue per week. In other words, by 1992, a single user willing to rent $11,550.00 of ice time per week, required the opening of an arena in the off-season.

This approach had the effect of making the City of Winnipeg's indoor arenas uncompetitive when compared to the privately operated arenas. No off-season operations took place in City operated arenas during the 1988-1993 seasons.

In 1994, at the request of the Committee on Protection, Parks and Culture and in response to the concerns of a potential ice user, the Parks and Recreation Department reviewed its pricing policy for off-season ice. It was established that, in the case of the rental request in question, the costs were approximately $136.00 per hour; a rate which was subsequently granted for that specific user.

With the 1994 review of the Schedule of Fees and Charges, the rate of $136.00 per hour was adopted as the prime time rental rate for all off-season ice time.

While the current fee schedule for off-season ice rentals is generally more reflective of the costs of arena operations during this period, a fixed fee schedule of any kind will continue to neglect the true nature of marketing off-season ice. In truth, the fees required to ensure cost recovery for the off-season operation of an indoor arena are dependant upon a number of variables. These variables have an impact upon the cost of operation and the revenue generating potential of the facilities. Subsequently, they affect the fees required to ensure a great percentage of cost recovery.

VARIABLES AFFECTING OFF-SEASON ARENA OPERATING COSTS AND REVENUE POTENTIALS

Specifically, the main variables are:

1. The need to reopen or shut-down the arena in relation to its regular operating season.

While certain of the City's arenas have the mechanical and structural capabilities for year round operation, the operation of an ice plant during the summer months can be a costly proposition. Utility costs alone are estimated at $260.00 per day. When combined with the cost of equipment maintenance and repair, disposable materials, and staff costs, it is readily apparent why these operations require a consistent customer base to maintain their financial viability.

This is why arenas cannot economically maintain ice surfaces during the off-season without the pre-sale of ice contracts for that period. It is also the reason that arenas which do not have sales in the late spring but receive requests for a limited rental in mid-summer will find it more economical to shut-down and later reopen the facility. Unfortunately, when this type of shutdown is necessitated, the costs for the shutdown and reopening (approximately $5,800.00) must be prorated and recouped in the subsequent rental fees.

A more economical option for the users of off-season ice is to place their rental period either at the end of, or prior to, the start of the regular arena operating season. By doing this, the user generates a period of extended operation or advanced operation. Either of these options can be accommodated without the need for an additional shutdown and start-up procedure and the additional costs which accompany this procedure.

2. The hours per week of sales.

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Naturally, the more hours per week sold, the more rental hours there will be to share the prorated cost of the arena's operation. In the case of a mid-summer rental the number of hours per week of rental also become important in terms of the prorated shutdown and reopening costs.

3. The length of the off-season rental period.

The number of weeks of rental have no impact on the hourly cost of operation for periods of extended operation or advance opening. This is because the weekly operating costs of the arenas are fixed. As such, as the number of weeks of this type of operation are increased, the total cost of operation must be multiplied by the same increasing factor. The hourly cost is entirely dependant upon the number of hours of rental per week by which these costs can be divided.

In the case of mid season ice rentals, where the start-up and shut-down costs are added to the weekly overhead costs, the number of weeks of rental becomes critically important. Consider a user who wishes to rent 50 hours of ice time per week in mid-summer. If that user required only a single week of use, the cost to the City of operating the arena would be $188.74 per hour; a cost which would have to be recovered from the user. If, however, that user wished to rent 50 hours of ice time, but was willing to extend the length of this commitment to three weeks, the City's cost (a cost ultimately reflected in the user's fees) would be $111.41 per hour; a 41% reduction. This is entirely due to the fact that the ($5,800.00) start-up and shut-down costs can now be amortized over a longer period.

Of course, it is not always reasonable for a user to extend the number of weeks of operation which they request during mid-summer. An organizer of a week long summer tournament will have little use for an additional number of weeks of rental, regardless of the cost savings per hour which may result.

THE MATCHING PROCESS

The positive cost implications of an extended period (both in hours per week and in number of weeks) of operation are the motivating factors in the promotion of a matching process for summer ice rental requests. This process, when combined with the proposed sliding fee schedule, will allow the Parks and Recreation Department to provide potential customers with the most economical options for off-season ice rentals.

Simply stated, the matching process will begin with the solicitation of off-season ice rental requests. Once initial requests are received, a Department representative will meet with the applicants to explain the options, and cost savings, which are available to those clients.

For example, suppose that "User A" has applied for the use of the Civic Centre Arena for the period of July 16 to July 28 (a two week period) and wishes to rent 50 hours per week during that period. In isolation, that rental would result in a fee of $131.00 per hour X 100 hours for a total of $13,100.00.

Also suppose that "User B" has applied for the use of the Billy Mosienko Arena for the period of July 29 to August 4 (a one week period) but is willing to rent 80 hours per week during that period. This rental would result in a fee of $126.00 per hour being charged to recover costs, for a total charge to this user of $126.00 per hour X 80 = $10,080.00.

In this situation the Parks and Recreation Department's representative may attempt to reach a compromise with the users in question so that their rentals would combine in a single arena to create a single three week opening. Should, this match be successful, both parties would experience considerable cost savings. "User A" would see a rental fee reduction of $34.00 per hour (from $131.00 to $97.00), for a total saving of $3,400.00. "User B" would see a rental fee reduction of $29.00 per hour (from $126.00 to $97.00), for a total saving of $2,320.00. (The hourly rental rates have been established by combining all hours of rental and dividing by the number of weeks of rental opening resulting. In some cases this averaging would be inappropriate and the scale would have to be applied on the basis of the lowest common denominator, or the lowest number of rental hours in a given week.)

This fee could be reduced even further if additional matching was possible. Fee reductions would also result if the Department could successfully market the unused hours of ice time available at the arena in each of the weeks in question, thereby raising the number of hours per week of rental in total.

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THE EFFECT OF A FIXED RENTAL RATE

Earlier, it was stated that the current Schedule of Fees and Charges does not provide a competitive rental rate for off-season arena ice sales. To understand why, one need only refer back to the previous example. In either case, the current rental rate of $136.00 per hour would place the City at the high end of the market for off-season ice time.

With the sliding fee scale, the City's price is competitive and users will be inclined to consider civic arenas when "shopping" for off-season rental ice.

There is another important consideration involving the current fixed rate. The current fee (and minimum rental of 50 hours) is intended to recover the City's cost for off-season arena operation, and eliminate the tax-based support of these operations. However, when Schedule A is examined it reveals that a single user wishing to rent 50 hours of ice time during one week of mid-summer ice will create a situation where the City's costs are $188.74 per hour. This means that the City would have to absorb an operating loss of $52.74 per hour, or alternatively, refuse the rental despite the fact that the rental criteria (minimum of 50 hours of rental) had been met.

It is the intention of the proposed Schedule of Fees and Charges that the City place itself into the off-season ice rental market with a competitive price which both meets the needs of our clients, and eliminates the need for tax-based support of our off-season arena operations.

LIMITS TO THE SLIDING SCALE

There is a point in the calculation of the sliding scale of fees where the apparent cost of operation, and reasonably, the fee which should be passed along to the users, drops below the $90.00 per hour which now represents the lowest regular season ice rental rate for youth and the $110.00 per hour for adults. The rental fees on the sliding scale do not, however, reflect these lower operating costs.

There is a reason for this "lowest price" setting. The costs reflected in the development of the sliding scales have been set to reflect a limited span of operation, one in which maintenance in the arenas is limited to general cleaning and ice maintenance.

As the number of hours per week and/or the number of weeks of operation increase the need for major cleaning and equipment maintenance and repair, and their associated costs, begin to escalate. When these costs are factored into the costs listed in "Schedule A" it becomes apparent that fees for mid-summer ice operations should not generally fall below $90.00 per hour for youth or $110.00 per hour for adults. These are the rates established for regular season ice rentals, a period during which the type of maintenance and repair is experienced.

FLEXIBILITY WITHIN A SLIDING SCALE

While the sliding scale presented in Schedule "A" represents the rental fee which would most commonly be assessed for the use of off-season arena ice, there is a need for a certain amount of flexibility within a fee structure in today's market. In certain circumstances, the costs of a given arena's operation can be reduced through efficiencies in staff assignments, utility costs, or through the realization of auxiliary revenues (e.g. concession sales).

These variables can, on occasion, enter into the rental request of a particular user. Given that fact, and the fact that arena rentals by the City occur within a competitive marketplace, it is important that some flexibility in negotiating final contract prices be allowed. To that end, it is the opinion of the Parks and Recreation Department that the Director be authorized to grant rental fee reductions for off-season ice rentals, providing that the fee reduction does not result in the need for tax-based subsidy of the use in question.

The Committee on Protection, Parks and Culture therefore recommends:

I. That the Schedule of Fees and Charges under the Parks and Recreation By-law No. 6546/94 be amended by deleting (Arenas) Section 2b., otherwise entitled "Arenas; Ice Rentals; Summer Rates", and substituting Schedule "A".

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II. That the Director of Parks and Recreation be authorized to grant rental fee reductions for off-season ice rentals, providing that the fee reduction does not result in the need for tax-based subsidy of the use in question.

III. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

Adopted by consent.

(See Minute No. 125 for attachment)

(See Minute No. 73 for opposition recorded by Councillor Golden)

Community Incentive Grant Program - Crestview School Play Structure Committee File PR-2.6(31) (Vol. 3)

76 - 3. The Committee on Protection, Parks and Culture has considered an application from the Crestview School Play Structure Committee for a Community Incentive Grant in the amount of $12,500.00 for the replacement of the play structure at Crestview School, 333 Morgan Crescent.

Under the definition of Eligible Applicants within the Community Incentive Grant Program, the application does not meet the program eligibility and selection criteria inasmuch as the Crestview School Play Structure Committee is not a non-profit recreation and sport organization, as well as confirmation of the total project funding has not been provided.

On September 19, 1995, the Assiniboia Community Committee recommended that a Community Incentive Grant in the amount of $12,500.00 be approved for this project.

The Committee on Protection, Parks and Culture concurred in the recommendation of the Assiniboia Community Committee, and therefore recommends:

I. That the criteria for the Community Incentive Grant Program be waived in this instance.

II. That the amount of $12,500.00 be approved to the Crestview School Play Structure Committee for the purpose requested, subject to the following conditions:

(a) Confirmation of all funding sources;
(b) Approval of final plans and specifications for the project by the Director of Parks and Recreation; and
(c) The applicant entering into a formal agreement with the City of Winnipeg.

III. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

Adopted by consent.

Community Incentive Grant Program - John de Graff Parent Advisory Council File PR-2.6(33) (Vol. 2)

77 - 4. The Committee on Protection, Parks and Culture has considered an application from John de Graff Parent Advisory Council for a Community Incentive Grant in the amount of $4,000.00 towards the cost to relocate and asphalt a basketball court at the rear of John de Graff School, 1025 Louelda Street.

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Under the definition of Eligible Applicants within the Community Incentive Grant Program, the application does not meet the program eligibility and selection criteria inasmuch as the total project funding includes City sources towards the applicant's 50% share of the project cost.

On September 19, 1995, the East Kildonan-Transcona Community Committee recommended that a Community Incentive Grant in the amount of $4,000.00 be approved for this project.

The Committee on Protection, Parks and Culture concurred in the recommendation of the East Kildonan-Transcona Community Committee, and therefore recommends:

I. That the criteria for the Community Incentive Grant Program be waived in this instance.

II. That the amount of $4,000.00 be approved to John de Graff Parent Advisory Council for the purpose requested, subject to the following conditions:

(a) Confirmation of all funding sources;
(b) Approval of final plans and specifications for the project by the Director of Parks and Recreation; and
(c) The applicant entering into a formal agreement with the City of Winnipeg.

III. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

Adopted by consent.

Appointment of Council Representatives and Alternates to the Winnipeg Arts Advisory Council
Files FG-3 (Vol. 3) and GC-7 (Vol. 25)

78 - 5. Council, at its Organizational Meeting on November 8, 1995, referred to the Standing Committees of Protection, Parks and Culture and Finance and Administration, the mater of the appointment of representatives and alternates from each Standing Committee to the Winnipeg Arts Advisory Council.

Two Members of Council are appointed annually, one member from the Committee on Protection, Parks and Culture, and one member from the Committee on Finance and Administration. Each of the respective Standing Committees also designates an alternate member.

The Committee on Protection, Parks and Culture and Finance and Administration nominated the following Councillors for appointment as their representatives on the Winnipeg Arts Advisory Council, namely:

Committee	Representative
Committee on Protection, Parks and Culture	Councillor Thomas Councillor Vandal (Alternate)
Committee on Finance and Administration	Councillor Golden

For the information of Council, the Committee on Finance and Administration laid over the nomination of the alternate member to its next meeting on December 4, 1995.

Adopted by consent.

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QUESTION PERIOD

79 - Councillor Timm-Rudolph brought to the attention of Members of Council, an incident whereby a number of brand new Winnipeg Police jackets had been found by an individual in the Brady Landfill site and that there seems to be no apparent reason as to why they were discarded. Councillor Timm-Rudolph requested the Committee Chairperson to look into the incident and provide an explanation.

Councillor O'Shaughnessy advised he would look into the matter immediately and respond to Council.