Minutes – Executive Policy Committee – September 10, 2014

REPORTS

Minute No. 525 Sponsorship Agreement with The Kinsmen Club of Winnipeg - Naming of the Sherbrook Pool (Daniel McIntyre Ward)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That a sponsorship with The Kinsmen Club of Winnipeg be approved for the naming right of the city-owned Sherbrook Pool to The Kinsmen Sherbrook Pool.

2. That further to the above recommendation, that the following be approved:

    A. The Kinsmen Club, if required, be provided with the option to extend the time period for the payment of their sponsorship contribution to a 9-year period with the final payment to be received by the City in 2022;

    B. The Kinsmen Club be permitted to install a donor wall inside the entrance to Sherbrook Pool for the purpose of acknowledging donations collected from The Kinsman Club membership to support this sponsorship;

    C. The City be responsible for the construction and installation of location signage indicating the location of the newly named pool;

    D. The City agrees to make building repairs that are necessary to reopen Sherbrook Pool and for improvements to patron facilities within the building, as mutually agreed upon by the City and The Kinsmen Club;

    E. In the event the Sherbrook Pool facility is demolished and reconstructed on its current site or another site within the area, the naming right will remain in place for the term of the sponsorship.

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

DECISION MAKING HISTORY:

Moved by Councillor Pagtakhan,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

ADMINISTRATIVE REPORT

Title: Sponsorship Agreement with The Kinsmen Club of Winnipeg for the Naming of the Sherbrook Pool.

Critical Path: EPC/Council

AUTHORIZATION

Author	Department Head	CFO	CAO
Maureen Purdy	Michael Jack A/COO	M. Ruta	M. Jack A/CAO

RECOMMENDATIONS

1. That Council approve a sponsorship with The Kinsmen Club of Winnipeg for the naming right of the city-owned Sherbrook Pool to The Kinsmen Sherbrook Pool.

2. Further to the above recommendation, that Council approve the following:
    a. That The Kinsmen Club if required, be provided with the option to extend the time period for the payment of their sponsorship contribution to a 9-year period with the final payment to be received by the City in 2022;
    b. That The Kinsmen Club be permitted to install a donor wall inside the entrance to Sherbrook Pool for the purpose of acknowledging donations collected from The Kinsman Club membership to support this sponsorship;
    c. That the City be responsible for the construction and installation of location signage indicating the location of the newly named pool;
    d. That the City agrees to make building repairs that are necessary to reopen Sherbrook Pool and for improvements to patron facilities within the building, as mutually agreed upon by the City and The Kinsmen Club.
    e. That in the event the Sherbrook Pool facility is demolished and reconstructed on its current site or another site within the area, the naming right will remain in place for the term of the sponsorship.

3. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

The City of Winnipeg Sponsorship Policy requires that Council approve the naming rights to any civic facility or asset.

IMPLICATIONS OF THE RECOMMENDATIONS

General Implications

There are no general, regulatory, environmental or human resource implications associated with this recommendation.

Financial Implications

The financial terms of the agreement with the sponsor are as follows:

The Kinsmen Club of Winnipeg will pay the City a total of $1 million including GST for the naming right to the city-owned and operated Sherbrook Pool. The first payment of $500,000 including GST will be paid at the beginning of the third quarter of 2014; and $100,000 including GST on each anniversary over the following 5-years with the final payment to be received by the City in 2019. Proceeds from this naming right sponsorship will be used to fund building repairs that are necessary to reopen Sherbrook Pool and for improvements to patron facilities within the building, as mutually agreed upon by the City and The Kinsmen Club.

HISTORY

- On November 21, 2007, Council approved the City of Winnipeg Sponsorship Policy. The policy requires that Council approve the naming rights to any civic facility or asset. Sponsorships to support civic programs and services require only the approval of the Chief Administrative Officer.
- In December 2009, the City launched Sponsor Winnipeg to ensure that the program was transparent and accessible to all businesses, foundations and residents of, or doing business in, Winnipeg.
- In the fall of 2013, Sponsor Winnipeg entered into discussions with The Kinsman Club of Winnipeg (“Kinsmen Club”) about the naming right sponsorship for the city-owned Sherbrook Pool.
- The Kinsmen Club agrees to provide the City of Winnipeg with $1 million including GST for the naming right to the city-owned and operated Sherbrook Pool, located at 381 Sherbrook Street in Winnipeg.
- The Sherbrook Pool will be known as “The Kinsmen Sherbrook Pool” or a similar name as mutually agreed to by both parties.
- The term of the sponsorship is for 25 years.
- Proceeds from this naming right sponsorship will be used to fund building repairs that are necessary to reopen Sherbrook Pool and for improvements to patron facilities within the building, as mutually agreed upon by the City and The Kinsmen Club.

- The naming rights agreement with The Kinsmen Club is the sixth naming rights agreement to come before Council since the launch of Sponsor Winnipeg.
- Since the launch of Sponsor Winnipeg, the City has generated just over $2.2 million to enhance civic programs and services.
- Sponsor Winnipeg supports this sponsorship with The Kinsmen Club and recommends that this naming opportunity proceed to Council for approval.
- An Administrative Report titled '**Sherbrook Pool Repair Project Status Report**' prepared by the Planning, Property & Development Department is pending Council approval.

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 12, 2014

Project Name: **First Year of Program** **2014**

Sponsorship Agreement with The Kinsmen Club of Winnipeg for the Naming of the Sherbrook Pool.

	2014	2015	2016	2017	2018
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs (Note 1)	$ 500,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
Less: Incremental Revenue	500,000	100,000	100,000	100,000	100,000
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-				
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

In 2014-2019, the Corporate Finance Department will receive $1,000,000.00 including GST in sponsorship revenue from The Kinsmen Club of Winnipeg in exchange for naming rights. The first payment of $500,000 including GST will be paid at the beginning of the third quarter of 2014; and $100,000 including GST on each anniversary over the following 5-years with the final payment to be received by the City in 2019. These funds will be transferred to the Property Planning & Development Department to fund building repairs that are necessary to reopen Sherbrook Pool and for improvements to patron facilities within the building, as mutually agreed upon by the City and Kinsmen Club.

(Original signed by F. Dela Cruz)
F. Dela Cruz
Acting Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:
Legal Services (as to Legal Advice)
Community Services
Property Planning & Development
Finance (Campus Division)
Materials Management

SUBMITTED BY

Department: Office of the CAO
Division
Prepared by: Maureen Purdy, for the Office of the CAO
Date: June 5, 2014
File No.