Minutes – Executive Policy Committee – May 11, 2016

REPORTS

Item No. 4 Sponsorship Agreement with Casera Credit Union Limited – Naming Right of the Main Floor Canteen in the Transcona East End Community Club Inc.
(Transcona 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 15-year sponsorship term with Casera Credit Union Limited be approved whereby Casera Credit Union Limited agrees to pay the City $150,000, including GST, for the naming right of the Main Floor Canteen in the Transcona East End Community Club Inc. (TEECC), located at 517 Pandora Avenue East in Winnipeg.

2. That the City enter into, execute and deliver an agreement with the Casera Credit Union Limited setting out the terms and conditions of the sponsorship.

3. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the sponsorship agreement with Casera Credit Union Limited in accordance with the terms and conditions set forth herein and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

4. 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 Lukes,

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

Carried

ADMINISTRATIVE REPORT

Title: Sponsorship Agreement with Casera Credit Union Limited for the Naming Right of the Main Floor Canteen in the Transcona East End Community Club Inc.

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
M. Purdy J. Thomas	M. Jack Chief Operating Officer	B. Holsten-Boyer A/CFO	M. Jack COO

RECOMMENDATIONS

1. That Council approve a 15-year sponsorship term with Casera Credit Union Limited, whereby Casera Credit Union Limited agrees to pay the City $150,000, including GST, for the naming right of the Main Floor Canteen in the Transcona East End Community Club Inc. (TEECC), located at 517 Pandora Avenue East in Winnipeg.

2. That the City enter into, execute and deliver an agreement with the Casera Credit Union Limited setting out the terms and conditions of the sponsorship.

3. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the sponsorship agreement with Casera Credit Union Limited in accordance with the terms and conditions set forth herein and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

4. 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. Council approval is also required for the city to enter into an agreement.

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:

Casera Credit Union Limited will pay the City $150,000.00 including GST on May 27, 2016 for the naming rights to Transcona East End Community Club main floor canteen.

Proceeds from the canteen naming right will be revenue income to TEECC and will be applied per the Funding Agreement, Section 9.03.

EXECUTIVE SUMMARY

Council approval is requested for a 15-year sponsorship term with Casera Credit Union Limited, whereby Casera Credit Union Limited agrees to pay the City $150,000 including GST, for the naming right of the Main Floor Canteen in the Transcona East End Community Club, located at 517 Pandora Avenue East in Winnipeg.

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 the Sponsor Winnipeg Program which represents a new policy direction to generate additional revenue to support the delivery of public services.

On February 22, 2013 Council approved a tripartite funding partnership between The City of Winnipeg, the Province of Manitoba, and the Transcona East End Community Centre (TEECC). The 'Transcona East End Arena Expansion Project' would comprise a 52,600 sq. ft. addition, including a new rink, 500 seat bleacher area, additional and renovated locker room and shower facilities, a mezzanine level (including a community meeting room / programming space), modernized canteen as well as a new foyer, Pro Shop and additional parking.

The TEECC Board secured Construction Management services in order to ensure due diligence and to confirm preliminary project cost estimates.

The original budget per the Business Plan submission of October 2012 was $9.0 million. However, items such as the necessary relocation of sewer and water services, sprinklering of the existing building and an increased construction contingency resulted in a revised Budget of $11.5 million.

On January 31, 2014, the TEECC Board approved a motion to increase its funding contribution to the project from $3.0 million to up to a maximum of $4.0 million.

On July 17, 2014, the funding agreement between The City of Winnipeg and TEECC was executed for the expansion of the TEECC to include a new approximately 48,000 square feet addition of one additional sheet of ice and related amenities.

In the fall of 2015, the Sponsor Winnipeg Program entered into discussions with Casera Credit Union Limited about sponsoring the naming right for the TEECC main floor canteen.

Casera Credit Union Limited agreed to pay the City $150,000 including GST for the naming right of TEECC's main floor canteen. The term of the sponsorship is for 15 years.

Proceeds from the canteen naming right will be revenue income to TEECC and will be applied per Section 9.03 of the Funding Agreement, which states that TEECC shall on or prior to March 31 of each calendar year deposit 50% of the Annual Surplus Cash flow for the preceding calendar year in a Restricted Capital Reserve.

Section 9.03 would allow TEECC to allocate these sponsorship funds to a Restricted Capital Reserve Account that would assist TEECC to recover the additional $1 million in operating costs that was applied to the Mulit-pad expansion project at TEECC.

Signage will be installed at the canteen for the purposes of recognizing the sponsorship and will read as the "Casera Credit Union Canteen" or an alternate name as mutually agreed upon by Casera Credit Union Limited and the City.

Casera Credit Union Limited will also be allowed to install one 4'x 8' advertising wallboard in each of TEECC's three arenas for a total of three wall boards for the purposes of promoting the Casera Credit Union, for the duration of the sponsorship term. Casera Credit Union Limited will be responsible for all costs associated with the signage and wall boards that includes, but may not be limited to production, installation, and maintenance.

If requested, and with prior written approval by the CAO, Casera Credit Union Limited may install an ATM machine in the main lobby of TEECC but may not bolt, attach or adhere it to the floor due to the in-floor heating. Casera Credit Union Limited will be responsible for all costs associated with the installation and removal of the ATM including repairs and regular maintenance.

The naming right agreement with Casera Credit Union Limited will be the 10th naming right agreement to come before Council since the launch of the Sponsor Winnipeg Program.

Since the launch of the Program, the City has generated just over $3.3 million to enhance civic programs and services.

Sponsor Winnipeg supports this sponsorship with Casera Credit Union Limited and recommends that this naming right opportunity proceed to Council for approval.

FINANCIAL IMPACT

Financial Impact Statement **Date:** March 11, 2016

Project Name: **First Year of Program** **2016**

Sponsorship Agreement with Casera Credit Union for the Naming Right of Transcona East End Community Centre's (TEECC) Main Floor Canteen

	2016	2017	2018	2019	2020
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs: Funds transfer to TEECC	$ 142,857				
Incremental Revenue	142,857				
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-				
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. On May 27, 2016, Corporate Finance Department will receive $150,000.00 including GST in sponsorship revenue from Casera Credit Union in exchange for naming rights to TEECC's Main Floor Canteen. These funds will be transferred to TEECC.

2. The GST portion of the sponsorship amount is not included in the above-stated costs and revenues. This tax is remitted to the federal government.

(Original signed by G. Resnik for R. Hodges)
Ramona Hodges
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:
Legal Services (as to legal issues)
Community Services Department
Corporate Finance (Campus Division)
Planning, Property & Development

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department: Office of the CAO
Prepared by: Maureen Purdy & Janet Thomas, for the Office of the CAO
Date: April 27, 2016