Agenda – Executive Policy Committee – May 22, 2024

Report – Standing Policy Committee on Community Services – May 8, 2024

Item No. 4 Private Service Providers in City Operated Recreation Facilities

STANDING COMMITTEE RECOMMENDATION:

On May 8, 2024, the Standing Policy Committee on Community Services concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That this report be received as information.

Report – Standing Policy Committee on Community Services – May 8, 2024

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On May 8, 2024, the Standing Policy Committee on Community Services concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

The following persons submitted communications with respect to the matter:

- Desiree Bremner
- Brian Derkach

On November 12, 2020, the Standing Policy Committee on Protection, Community Services and Parks granted an extension of time for the Winnipeg Public Service to report back on the matter, after Recreation Facilities have re-opened to the public at full capacity.

On April 22, 2020, the Standing Policy Committee on Protection, Community Services and Parks granted an extension of time of 180 days for the Winnipeg Public Service to report back on the following:

1. The status of private service providers using City of Winnipeg recreation facilities to conduct for-profit business activities.

2. A policy recommendation with respect to private service providers using City of Winnipeg recreation facilities to conduct for-profit business activities including recommendations that:

    A. May or may not include a fee for access,

    B. Protect City of Winnipeg assets from risks and the impact if any to Winnipeg taxpayers.

On October 2, 2019, the Standing Policy Committee on Protection, Community Services and Parks concurred in the recommendation of the Assiniboia Community Committee, and directed the Winnipeg Public Service to report back in 180 days on the matter.

Report – Standing Policy Committee on Community Services – May 8, 2024

DECISION MAKING HISTORY (continued):

COMMUNITY COMMITTEE RECOMMENDATION:

On September 11, 2019, the Assiniboia Community Committee passed the following motion:

BE IT RESOLVED that the Standing Policy Committee on Protection, Community Services and Parks be requested to direct the Winnipeg Public Service to report back on the following:

1. The status of private service providers using City of Winnipeg recreation facilities to conduct for-profit business activities;

2. A policy recommendation with respect to private service providers using City of Winnipeg recreation facilities to conduct for-profit business activities including recommendations that:

    A. May or may not include a fee for access;

    B. Protect City of Winnipeg assets from risks and the impact if any to Winnipeg taxpayers.

ADMINISTRATIVE REPORT

Title: Private Service Providers in City Operated Recreation Facilities

Critical Path: Standing Policy Committee on Community Services – Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Sarna	C. Fernandes	N/A	M. Jack

EXECUTIVE SUMMARY

Before the pandemic, Private Service Providers (PSPs) had been using City of Winnipeg recreation facilities to conduct their business for many decades. As they expanded their services and increased their demand for public space, members of the public and staff became concerned about overcrowding, reduced access to equipment, and safety. Similar businesses in the private sector also complained about the unfair advantage of using City facilities for corporate gain.

A motion on September 11, 2019 requested the status of Private Service Providers using City of Winnipeg recreation facilities to conduct for-profit business activities. At that time, there was also a policy recommendation to: a) explore a possible fee for access, and b) protect City of Winnipeg assets from risks and the impact to Winnipeg taxpayers. The report and policy were deferred until services were fully restored post pandemic. The Community Services Department has now fully restored City-operated swimming lessons and offers fitness programs at the various City-operated recreation facilities.

Since the pandemic, there has been a major shift in PSPs using City of Winnipeg recreation facilities to conduct for-profit business activities. There are currently no aquatic PSPs operating in City pools. They have not been re-engaged to restore facility access and, in some cases, the PSPs have built or secured alternative space to manage their businesses. Non-aquatic fitness instructors are limited to a 1:1 ratio and are charged regular admission to use the facilities.

Given that Community Services is managing the situation within existing operational budgets, using Council-approved fees and existing risk management policies, a policy is no longer necessary.

RECOMMENDATIONS

1. That this report be received as information.

REASON FOR THE REPORT

On November 12, 2020, the Standing Policy Committee on Protection, Community Services and Parks granted an extension of time to report back, after Recreation Facilities have re-opened to the public at full capacity, on the following:

1. The status of private service providers using City of Winnipeg recreation facilities to conduct for-profit business activities.

2. A policy recommendation with respect to private service providers using City of Winnipeg recreation facilities to conduct for-profit business activities including recommendations that: a) May or may not include a fee for access, b) Protect City of Winnipeg assets from risks and the impact if any to Winnipeg taxpayers.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications arising from receiving this report as information.

HISTORY/DISCUSSION

Background:

Several decades ago, private fitness trainers and swimming instructors (PSPs) originally served the purpose to occupy day time space in City operated recreation facilities that at times was underutilized. Over time the PSPs' requests for space during public swim and regular public fitness centre hours expanded. The increased demand for public space and the growth of the private businesses generated public complaints such as overcrowding and reduced access to equipment. Complaints were also heard from similar businesses in the private sector where they had issue of the unfair access and business advantage of using tax funded civic assets for private gain. Further risks to the City included safety concerns, disrespectful behavior, concern for bodily harm, injury under private instruction, lack of business licenses or proper certifications.

Prior to the pandemic, in 2019, there were an estimated 110 PSPs providing swimming lessons in 10 of the City's Indoor Pools from September through June annually. An estimated 30 PSPs were providing fitness training and/or instruction.

PSPs would charge participants an instruction fee for their courses offered within City owned and operated facilities, while the City received regular admission sales and a nominal private swimming instruction registration fee per instructor.

While conducting business within City of Winnipeg owned and/or operated recreation facilities, it was noted that PSPs may not incur various expenses (i.e., utilities, rent, lease, equipment, maintenance, facility overhead, business taxes, insurance, etc.) that other similar for-profit firms incur who have their own storefronts. As a result, the City was possibly fostering an unfair competitive advantage to PSPs providing services for a fee in City of Winnipeg owned and/or operated recreation facilities.

The original motion on September 11, 2019, from the Assiniboia Community Committee recommended to the Standing Policy Committee on Protection, Community Services and Parks (now named Standing Policy Committee on Community Services) that the Public Service report back on the status of private service providers using City of Winnipeg recreation facilities to conduct for-profit business activities and a policy recommendation for private service providers using City of Winnipeg recreation facilities to conduct for-profit business activities. The policy was to consider a possible fee for access and secondly, to protect City of Winnipeg assets from risks and the impact to Winnipeg taxpayers.

Community Services has since re-opened facilities to the public at full capacity, however the circumstances involving PSPs has changed considerably as a result of the pandemic.

Public Engagement:

The City met with Private Service Providers (PSPs) on February 19, 2020 to gather feedback with the intention to develop a policy. PSPs included personal trainers and swimming instructors that conduct for-profit business activities at City-owned or City operated facilities.

A stakeholder engagement summary assisted in understanding the needs of the PSPs and to address the challenges experienced at that point in time when the PSPs were operating and the increased concerns surrounding access to public space. (Attachment A).

Current Status:

Today, there are no aquatic PSPs in operation at city facilities and limited non-aquatic fitness instructors.

The Community Services Department has restored city operated swimming lessons and offers fitness programs in the various recreation facilities. Private Service Providers have not been re-engaged to restore PSP access. In some cases, PSPs have independently built or secured alternative space to manage their private fitness or swimming instruction businesses.

The current status of PSPs using City of Winnipeg recreation facilities to conduct for-profit business activities is restricted to a 1-1 ratio for non-aquatic fitness instructors at fitness facilities and no aquatic PSPs during public swim.

Private non-aquatic fitness instructors are considered general public, while admission restricts any group activity that could congest or monopolize fitness equipment during public hours. A 1:1 ratio requires each patron to pay regular admission and is consistent with any individual (or fitness instructor) attending and required to pay admission or alternatively, purchase a fitness membership.

The activities of non-aquatic PSPs in fitness facilities are supported within existing operational budgets and managed by regular admission fees and risk management practices. Future considerations for aquatic PSPs in City-owned aquatic facilities could be explored through the appropriate arrangements. Additional measures or a policy are not deemed necessary.

FINANCIAL IMPACT

Financial Impact Statement Date: March 28, 2024

Project Name:
Private Service Providers in City Operated Recreation Facilities

COMMENTS:

There are no financial implications resulting from the recommendations of this report, the report is to be received as information.

Ozzy Garrett CPA, CGA - March 28/24
Ozzy Garrett CPA, CGA
Manager of Finance & Administration
Community Services Department

CONSULTATION

This Report has been prepared in consultation with:

Office of Public Engagement

OURWINNIPEG POLICY ALIGNMENT

Goal: Economic Prosperity
Policy 3.16 - Optimize Facility Access: Maximize the use of existing municipal assets to promote recreation, community development, and social interaction, while optimizing equitable access, infrastructure reinvestments, service delivery methods and resource management.

Goal: Good Health and Well-Being
Policy 4.11 Equitable Service Access: Prioritize equitable access to recreation and parks systems, services, and infrastructure, in order to: enable active living; connect people and nature; create supportive environments; build community capacity; and achieve desired health outcomes, with a focus on children and youth.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CAP), and it was determined that the CAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

GOAL 6: All City Services are Equitable, Inclusive and Accessible

SUBMITTED BY

Department: Community Services
Division: Recreation Services
Prepared by: J. Sarna
Date: April 2, 2024
File No: CMS-2024-6

Attachments:

Schedule A