**Agenda - Executive Policy Committee - October 20, 2004**

**Report - Standing Policy Committee on Protection and Community Services - October 14, 2004**

**Item No. 5 Waiver of Fees for Rental of Sherbrook Pool - Sherbrook Sharks Swim Club**
**File PR-2.10**

STANDING COMMITTEE RECOMMENDATION:

On October 14, 2004, the Standing Policy Committee on Protection and Community Services did not concur in the administrative recommendation and submits the following to Council:

1. That the fees and charges in the amount of $16,500.00, associated with the rental of the Sherbrook Pool by the Sherbrook Sharks Swim Club for 2004 - 2005, be waived.

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

**Agenda - Executive Policy Committee - October 20, 2004**

**Report - Standing Policy Committee on Protection and Community Services - October 14, 2004**

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On October 14, 2004, the Standing Policy Committee on Protection and Community Services did not concur in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

On March 9, 2004, the Standing Policy Committee on Protection and Community Services laid over consideration of the communication dated August 25, 2003, submitted by Randy Conway, Sherbrook Sharks Swim Club, requesting a waiver of fees for the rental of Sherbrook Pool, pending receipt of an administrative report on the development of a policy for inclusion of funding as a line item in the operating budget for rental of Sherbrook Pool by the Sherbrook Sharks Swim Club and other organizations looking to the City for the same level of financial assistance.

# ADMINISTRATIVE REPORT

**RE: Sherbrook Sharks Swim Club**

| | |
|---|---|
| **FOR SUBMISSION TO:** | **Standing Policy Committee on Protection and Community Services** |
| **ORIGINAL REPORT SIGNED BY:** | **Ursula Stelman, Director<br>Community Services Department** |
| **REPORT DATE:** | **September 21, 2004** |

**RECOMMENDATION(S):**

- That Council approve the inclusion of ongoing funding for the Sherbrook Sharks Swim Club as a budget line item within the City of Winnipeg's current estimates, with the funding amount being considered annually through the budget process.

**REPORT SUMMARY:**

**Key Issues:**

- Providing line item grant funding to Sherbrook Sharks, would possibly lead to similar requests from other Aquatic Clubs or other groups who utilize City of Winnipeg facilities such as pools, arenas, and recreation centers. Setting a precedent may increase the number of requests for similar waivers, which would in turn affect the Department's ability to meet revenue targets. For example, presently 114 groups rent space at the City of Winnipeg Pools for an approximate value of $446,790 per year.
- The Sherbrook Sharks have a history of receiving a fee waiver but have not utilized the total fee waiver requested since 1998. (see fee payment schedule in History section)
- Under current policy, the Sherbrook Sharks Swim Club does not meet the criteria for funding by way of a grant line item in the City's budget.
- The Fees and Charges Policy section 3.4 Special Rates-Credits for Reduced Rates states that requests for reduced rental rates be directed to the appropriate Community Committee or Standing Committee for consideration. In the event a fee waiver is given favorable consideration, the rental difference shall be taken from the appropriate grant fund and be credited back to the appropriate revenue account.
- To date there has been inconsistent application, if any at all, of section 3.4 Special Rates – Credits for Reduced Rates of the Fees and Charges Policy.

**Implications of the Recommendation(s):**

**General implications:**

**None**

X **For the organization overall &/or for other departments**

**For the community and/or organizations external to the City**

**Involves a multi-year contract**

**Comment(s):**

- Providing line item grant funding to Sherbrook Sharks, would possibly lead to similar requests from other Aquatic Clubs or other groups who utilize City of Winnipeg facilities such as pools, arenas, and recreation centers. Setting a precedent may increase the number of requests for similar waivers, which would in turn affect the Department's ability to meet revenue targets

**Policy implications:**

**No**

X **Yes Comment(s):**

- The Sherbrook Sharks Swim Club does not meet current criteria for funding by way of a grant line item in the City's budget.
- Providing line item grant funding to Sherbrook Sharks, would possibly lead to similar requests from other Aquatic Clubs or other groups who utilize City of Winnipeg facilities such as pools, arenas, and recreation centers.

**Environmental implications:**

X **No**

**Yes Comment(s):**

**Human Resources implications:**

X **No**

**Yes Comment(s):**

**Financial implications:**

**Within approved current and/or capital budget**

X **Current and/or capital budget adjustment required**

**Comment(s):**

- Any additional approved grants would require an adjustment to the current budget.
- Providing line item grant funding to Sherbrook Sharks, would possibly lead to similar requests from other Aquatic Clubs or other groups who utilize City of Winnipeg facilities such as pools, arenas, and recreation centers. Setting a precedent may increase the number of requests for similar waivers, which would in turn affect the Department's ability to meet revenue targets

**REASON FOR THE REPORT:**

On September 9, 2002, The Standing Policy Committee on Protection and Community Services directed the Administration develop a policy for inclusion of the necessary funding as a line item in the current estimates for the rental of the Sherbrook Pool by the Sherbrook Sharks Swim Club and advise if there are any other organizations looking to the City for the same level of financial assistance.

**HISTORY:**

On September 9, 2002, the Standing Policy Committee on Protection and Community Services directed the Administration develop a policy for inclusion of the necessary funding as a line item in the current estimates for the rental of the Sherbrook Pool by the Sherbrook Sharks Swim Club and to advise whether there are any other organizations looking to the City for the same level of financial assistance.

On September 24, 2003, Council concurred in the recommendation of the Standing Policy Committee on Protection and Community Services and waived the fees and charges in the amount of $16,000.00 associated with the rental of the Sherbrook Pool by the Sherbrook Sharks Swim Club for 2003-2004.

The Sherbrook Sharks have a history of receiving a fee waiver for the use of the Sherbrook Pool from 1998 – present. The amount of the waiver has increased throughout this time, however the organization did not access all funds allotted each year.

| Year | Amount of Fee Waiver approved | Actual costs |
|---|---|---|
| 1998 | $9000 | $8217 |
| 1999 | $7500 | $7559 |
| 2000 | $9200 | $8688 |
| 2001 | $9200 | $8837 |
| 2002 | $14,000 | $10,655 |
| 2003 | $16,000 | $9627 |

**DISCUSSION:**

There are two options available when considering the request regarding funding for the Sherbrook Sharks Swim Club.

**OPTION #1**

**That Council approve the inclusion of ongoing funding for the Sherbrook Sharks Swim Club as a budget line item within the City of Winnipeg's current estimates, with the funding amount being considered annually through the budget process.**

**Criteria for funding by way of a budgeted "line item" is as follows:**

- "Where it can be shown that a formally-organized, not-for-profit organization cannot provide a social service, social development program, health, education, recreation or other similar service without aid and the City, of necessity, would have to provide this service in whole or in part, the City may contribute to the continuance of the service under these circumstances.
- Funding shall not be provided for any service for which clear legislative responsibility exists at any other level of government, unless expressly authorized by City Council.
- Funding shall be provided by way of a formal agreement between the City of Winnipeg and the organization; such agreement to clearly stipulate the terms and conditions under which City support shall be rendered."

**Rationale/Procedure**

- If an application is approved based on meeting the above criteria, additional funding is provided as a budgeted "line item".

**Advantages**

- Organization applies only once.

**Disadvantages**

- Providing line item grant funding to Sherbrook Sharks, would possibly lead to similar requests from other Aquatic Clubs or other groups who utilize City of Winnipeg facilities such as pools, arenas, and recreation centers. Setting a precedent may increase the number of requests for similar waivers, which would in turn affect the Department's ability to meet revenue targets. For example, presently 114 groups rent space at the City of Winnipeg Pools for an approximate value of $446,790 per year.
- Once the grant is approved as a budgeted "line item", it becomes difficult to eliminate without an intensive evaluation process.
- There is no process in place to recover any portion of the grant not utilized to purchase service (pool rental). For example in 2003, the Sherbrook Sharks Swim Club had received a $16,000 fee waiver for rental fees. The actual rental costs were $9627.

**OPTION 2:**

**The current Fees and Charges Policy 3.4 – Special Rates – Credits for Reduced Rates be consistently applied.**
The Fees and Charges Policy section 3.4 Special Rates-Credits for Reduced Rates provides the following Policy/Rationale/Procedure:

**Policy**
That requests for reduced rental rates be directed to the appropriate Community Committee or Standing Committee for consideration. If such a request is given favorable consideration, the rental difference shall be taken from the appropriate grant fund and be credited back to the appropriate revenue account.

**Rationale/Procedure**
The appropriate Community Committee shall identify the funds from the appropriate grant fund (i.e. Per Capita Grant), or shall access the General Revenue Fund.

**Advantages**
- Funds are approved on an annual basis
- Groups must present a proposal each year
- Community Committee or Standing Policy Committee provide the approval and the authorization for the requested funds to be credited back to the Department
- Only actual costs incurred are waived

**Disadvantages**
- Waivers require additional funding outside of the Adopted Operating Budget.

**Issues**
- This policy has not been followed and the Department has not been reimbursed for the waiver of fees for facility rentals. This has contributed to the Department not achieving revenue targets.
- There are a large number of groups/organizations currently renting City of Winnipeg facilities, such as pools, arenas, and leisure facilities for regular use and special events. Many of these groups may request a waiver or reduction in rental rates for regular use and special events.

The Standing Policy Committee on Protection and Community Services requested that the Administration develop a policy for inclusion of the necessary funding as a line item for the current estimates for the rental of the Sherbrook Pool by the Sherbrook Sharks Swim Club and advise if there are any other organizations looking to the City for the same level of assistance. Option 1 outlines the advantages, disadvantages, and issues for developing a policy for the inclusion of the Sherbrook Sharks Swim Club. If this policy is approved, an additional 114 requests in the amount of $446,790 may follow as this would set precedent.

**FINANCIAL IMPACT STATEMENT:**
See attached.

# Financial Impact Statement

**Date: September 21, 2004**

**Project Name: Sherbrook Sharks Swim Club** **First Year of Program 2004**

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|
| **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 | $ 16,000 | $ - | $ - | $ - | $ - |
| Less: Incremental Revenue/Recovery | - | - | - | - | - |
| Net Cost/(Benefit) | $ 16,000 | $ - | $ - | $ - | $ - |
| Less: Existing Budget Amounts | | - | - | - | - |
| Net Budget Adjustment Required | $ 16,000 | $ - | $ - | $ - | $ - |

Based on 2003 request.

C. Wightman, Manager
Finance & Administrative Services

**IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH, AND CONCURRENCY BY:**

- N/A

**THIS REPORT SUBMITTED BY:**

**Community Services Department**
Prepared by: Karen Beck
File No.