

STAFF REPORT



To: Council
From: Adam Dedrick, Director of Recreation & Parks
Approved by: Trudy Payne, Chief Administrative Officer
Date: September 28, 2020
Subject: Shelburne County Arena Contribution Agreement

Origin

It was requested by Council to explore facility funding agreements that may exist in other areas and to review Shelburne County Arena user data.

Recommendation

THAT, Council of the Municipality of the District of Shelburne approve the Director of Recreation & Parks to gather Shelburne County Arena user data during the 2020-2021 season for the reason of utilizing the data to inform decision making in the development of an Arena contribution agreement.

Background

The Shelburne County Arena has received an annual total operating contribution of \$40,000 from both the Municipality and the Town of Shelburne, each at \$20,000. It has always been a 50/50 split between the two units, however, for the 2020-2021 fiscal year the Town of Shelburne contribution was reduced to \$8,000. This resulted in a shortfall of \$12,000 for the Arena's 2020-2021 operating budget.

To ensure financial sustainability moving forward, discussions began on an Arena contribution agreement between the Municipality and Town of Shelburne. An agreement based on population was proposed to Council, which consisted of a 70/30 contribution formula (MDS 70%, TOS 30%). This resulted in a request by Council to explore facility funding agreements that may exist in other areas and to review Arena user data. The rationale was that this information could be used to help inform decision making for the type of agreement and to justify the contribution amounts.

Discussion

Other Facility Agreements

Researching other existing facility funding agreements resulted in discovering that the types of agreements can vary. Some agreements are just for arenas, while others are for various recreation facilities that include an arena. Funding amounts are based on population, area rates or decided by a council during budget planning. Some have actual legal agreements in place, while for others it is just a line item in the municipality's budget. As well, for some the actual agreement was obtained and for others a brief description was provided by the contact. Below is a list of the agreements identified.

1. Kingston Arena: Owned by non-profit association. Has a funding agreement with the Municipality of the County of Kings and it is a \$10,000 annual operating grant. Canning and Berwick have the same agreement in place.
2. Church Memorial Park (includes an arena): Owned by non-profit association. Has a four-year funding agreement with the Municipality of Chester. Council decides at the beginning of their term what the annual financial contribution will be for the four-year period. The amount they currently give CMP is \$50,000 annually with no stipulations on how the funds get used – capital or operating.

3. **Bridgetown & District Memorial Arena/Bridgetown Centennial Pool:** There is a four-year agreement between the Municipality of the County of Annapolis and the Bridgetown Community Recreation Association. The Municipality owns the pool and arena and BCRA oversees and manages both. Funding portion of the agreement consists of funding for the pool, the arena, and wages of a Parks Maintenance / Arena Worker. Facilities operating amounts are based on the Bridgetown Area Community rate, but it is not clear what the staff wage contribution is based on. For example, 2019-2020 pool funding was \$8,659, arena funding was \$15,154 and staff funding was \$14,072.
4. **Digby arena, swimming pool and other community recreation facilities:** There is an agreement/MOU in place between the Town of Digby and the Municipality of Digby that outlines the establishment and responsibilities of the Digby Area Recreation Commission (DARC). DARC operates, maintains, and manages the community recreation facilities and services on behalf of the Municipality and the Town. I was informed that the financial contribution is 50/50 between the Municipality and the Town but was not provided an amount. The agreement does indicate that the two units will cover any deficits in equal shares.
5. **Pictou County Wellness Centre (includes two ice pads and a walking track):** Operated by the Pictou County Wellness Centre Building Authority under an agreement between the Municipality of the County of Pictou, Town of New Glasgow, Town of Pictou, Town of Stellarton, Town of Trenton and Town of Westville. The agreement outlines the contributions from each unit for construction and deficit costs, which is based on population and proximity to the facility.
6. **Lunenburg County Lifestyle Centre –** Operated by the Lunenburg County Lifestyle Centre Board consisting of three Councillors from the Town and three from the Municipality. The Town of Bridgewater and the Municipality of the District of Lunenburg own the facility. The facility consists of an arena, pool, library, two canteens, administration offices, and three meeting rooms. The Town and the Municipality pay 50/50 for any operating deficits and 50/50 for any capital costs. This ranges anywhere between \$350,000 - \$400,000 a year from each municipal unit. Area rates have been applied in both the Town and Municipality to pay for the construction of the facility.

User Data

When it comes to gathering data for Arena users, there is limited information currently available. The Arena does not collect user data but rather more general information such as the name and contact info of the renter. There are numerous activities that take place at the arena by various types of users that could provide data such as rentals for hockey (practices, games, tournaments), figure skating, public skating, recreation programs, men's drop-in hockey, old timer's hockey, birthday parties, private rentals and school skates. Several of these would have user information as they have registered members or participants (i.e. minor hockey, recreation department), however, there are many that would not as they are drop-in or casual use based (i.e. public skating, men's drop-in hockey). So, if an attempt were made to gather user information for the past season there would only be data from the organized groups and not the other activities, which would not provide a complete picture of users. As well, an organized group does not necessarily have certain user data.

For example, the two main renters at the Arena are the Shelburne County Minor Hockey Association (SCMHA) and the Shelburne Figure Skating Club (SFSC). The user data (from the 2019-2020 season) was requested from both but only information from SCMHA was received as SFSC does not hold any of their members personal information because they are registered through Skate Canada. The results showed that for SCMHA, which had 154 members last season, approximately 81% were from the Barrington area (72% from Municipality of Barrington, 9% from Town of Clark's Harbour) and 19% from the Shelburne area (11% from Municipality of Shelburne, 8% from the Town of Shelburne). The contact for the Skating Club said she was quite confident that most of their members were from the Barrington area.

Recommend

1. To ensure capturing data from all the user groups, it is recommended to start collecting data moving forward, specifically for the 2020-2021 Arena season, rather than looking at the past where it is limited. This has several advantages: 1) can gather user data from all of the activities regardless if it is a rental or a drop-in; this will provide a more complete picture of users 2) COVID-19 guidelines include contact tracing, so it will be required for renters to provide names; can request that they provide civic addresses as well, and 3) gives time to prepare the Arena board/staff and the users for the gathering of data so all are aware, supportive and have the processes in place to do so.

One possible downside to the above is that there may not be as many activities happening at the arena due to COVID-19. The Arena is in the process of putting together their re-opening plan and so an activity like public skating will have to be considered based on the ability to meet COVID-19 safety guidelines. This could mean that if there is not enough data to provide a complete picture of users, then it may need to be done again the following season. Something else to consider is does one season of user data provide enough information to make funding decisions for the long term.

If there is sufficient data, then it can be reviewed to determine where Arena users are from, as well as other things such as who is using it and when, which can be used for decision making in the development of a contribution agreement (multi-year or long term).

2. Keep the Municipality's operational contribution of 50% (\$20,000) for the Shelburne Arena as is for the 2020-2021 fiscal year, however, be open to considering any potential additional requests for support. Due to the reduced operational funding from the Town of Shelburne and the uncertainty of Arena activities, it is difficult to make a reasonable prediction for the Arena's financial situation at the end of the season.

Budget Implications

None at this time.

Alternatives

Not gather user information data and instead use another formula to develop an agreement, such as based on population; agree to a different percentage share than was previously used (50/50) and recommended (70/30).