



memorandum

C 7
COMMUNICATION

FAA - NOVEMBER 14/2016
ITEM - 1

DATE: November 14, 2016

TO: MAYOR AND MEMBERS OF COUNCIL

FROM: MARY REALI, DEPUTY CITY MANAGER, COMMUNITY SERVICES
SUNNY BAINS, DIRECTOR, RECREATION SERVICES
DAVE MERRIMAN, MANAGER, FACILITY MAINTENANCE SERVICES

RE: COMMUNICATION – UPDATE TO RENTAL AND LEASE OF CITY SPACES
FINANCE, ADMINISTRATION AND AUDIT COMMITTEE - November 14, 2016
DRAFT 2017 BUDGET AND 2018 PLAN

Recommendation

The Deputy City Manager, Community Services, the Director of Recreation Services and the Manager of Facility Maintenance Services, in consultation with the Director of Financial Planning and Development Finance and Deputy City Treasurer, recommend:

1. That this communication be received and that it replace previously submitted communication C6.

Purpose

The purpose of the communication is to provide a report on the differential, if any, between the amounts the City currently charges for space rented or leased to Community Service Organizations (CSO's) and Older Adult Clubs (OAC's) against the full operating and maintenance costs of such space, as directed by Council.

The communication is being recirculated for updates made to the Attachment, to include information that was inadvertently missed in the original communication. The revisions have resulted in an update to the total expenditures and revenues reflected in the economic impact section below.

Economic Impact

There is no new economic impact being proposed in this report. Currently, as part of the City's commitment to support and promote arts, culture, heritage and sports in the community, it provides facility space to CSO's and OAC's. In 2014, the City rented, leased or provided approximately 54,000 square feet of facility space to these organizations and clubs. The estimated cost to operate this space was \$503,100 in direct and indirect facility maintenance costs, which was partially offset by revenues collected from CSO's (\$81,000).

Background – Analysis and Options

At the Council meeting of March 24, 2015, Item 1, Report No. 7, Council directed staff to report back to the Budget Task Force, outlining the differential, if any, between the amount the City charges for space rented, leased or provided to CSO's and OAC's against the full recovery value of such space.

The full recovery value of facility space rented/leased to CSO's and OAC's was determined based on the direct and indirect facility maintenance costs incurred. These costs consist mainly of labour, utilities, cleaning services and general maintenance. In order to determine the full recovery value of the individual spaces utilized by CSO's and OAC's within the facility, a cost allocation methodology was applied to

allocate the total facility costs to individual spaces based on square footage and type of use (e.g. pool, arena, activity room, office, etc.). Where groups are the only predominate users of the space, and not exclusive users, the full recovery value of the space was pro-rated based on the percentage of time the group utilized versus the total available time for the space.

As stated in the Older Adult Strategy, adopted by Council on June 7, 2016, the City continues to provide a number of benefits and services to the affiliated Clubs including the use of facility space on a free basis. As a result, the City currently does not recover any fees from existing OAC's for use of City space.

However, revenues are received from CSO's for the rental of office space in community centres. These rentals are administered by Recreation Services and groups are charged a flat rate fee in accordance with approved user fees. The review and update of the Recreation Services User Fee Policy, adopted by Council on October 19, 2016, will afford the department the ability to set fees with greater flexibility, including the establishment of rates based on multiple factors, including square footage.

Leases and any associated revenues are managed by Facility Maintenance Services. The department is currently working with Legal Services and Real Estate to complete a comprehensive review of leases and agreements with organizations and groups with the goal to standardize the process and establish guiding principles and consistent terms and conditions.

The attachment outlines the 2014 Rentals and Leases to Community Service Organizations* and Older Adult Clubs divided by:

- Part A: Short term facility rentals (1 year or less) with CSO's and OAC's at community centres, heritage homes and other City owned facilities.
- Part B: Leases with CSO's at City owned facilities.
- Part C: Facilities leased by the City for OAC's.

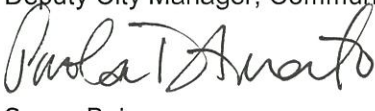
*Community Service Organizations provide recreational and leisure programs and services to Vaughan residents on a volunteer, not-for-profit basis. They are run by a Board of Directors and includes minor sports groups, social services agencies, older adult clubs, etc. CSO groups who have rented space through a Request for Proposals or other formal procurement process have been excluded.

Please note that agreements established after the timeframe identified in this report may not be reflected in the attachment.

Respectfully submitted,

 per Mary Reali

Mary Reali,
Deputy City Manager, Community Services

 per Sunny Bains.

Sunny Bains
Director, Recreation Services



Dave Merriman
Manager, Facility Maintenance Services

2014 RENTALS AND LEASES TO COMMUNITY SERVICE ORGANIZATIONS AND OLDER ADULT CLUBS

Legend:

Part A: Includes short term (<1 year) facility rental agreements with Community Service Organizations (CSO) for City owned facilities. CSO is defined as a City approved Vaughan based, not for profit community organization run by an elected and volunteer board of directors whose prime purpose is to provide recreation, cultural, leisure or community services to the residents of Vaughan. These groups include minor sports, social services agencies, older adult clubs, etc.

Part B: Includes leases with organizations (>1 year) for City owned facilities.

Part C: Includes facilities leased by the City.

PART A: 2014 SHORT TERM FACILITY RENTALS FOR COMMUNITY SERVICE ORGANIZATIONS AND OLDER ADULT CLUBS

COMMUNITY CENTRES

Community Centre	Community Service Organizations with Exclusive Use of Space	Area - Sq. ft. Occupied	Average Cost per sq. ft.	2014 Expenditures	2014 Revenues	Difference	Cost Recovery %
Al Palladini CC - Office #2	Woodbridge Figure Skating	280	\$ 10.2	\$ 2,900	\$ (2,300)	\$ 600	79%
Al Palladini CC - Office #3	City of Vaughan Hockey Assoc.	280	\$ 10.2	\$ 2,900	\$ (2,300)	\$ 600	79%
Dufferin Clark CC - Preschool Room #3	Stepping Out Towards a Better Tomorrow	490	\$ 10.2	\$ 5,000	\$ (2,300)	\$ 2,700	46%
Garnet A. Williams CC - Arena Office	City of Vaughan Hockey Assoc.	350	\$ 10.2	\$ 3,600	\$ (2,300)	\$ 1,300	64%
Maple CC - Arena Office	Vaughan in Motion	346	\$ 10.2	\$ 3,500	\$ (2,300)	\$ 1,200	66%
Maple CC - Office #1	Fuerza Latina Group	331	\$ 10.2	\$ 3,400	\$ (2,300)	\$ 1,100	68%
Maple CC - Offices #2 and 5	Vaughan Basketball Assoc.	1,006	\$ 10.2	\$ 10,300	\$ (4,600)	\$ 5,700	45%
Maple CC - Office #3 and 4	City of Vaughan Baseball Assoc.	1,765	\$ 10.2	\$ 18,000	\$ (4,600)	\$ 13,400	26%
Maple CC - Office #6	Youth Assisting Youth	1,484	\$ 10.2	\$ 15,100	\$ (2,300)	\$ 12,800	15%
Total Community Centres - CSO - City Expenditures/(Revenues)		6,332		\$ 64,700	\$ (25,300)	\$ 39,400	39%

Community Centre	Older Adult Clubs with Exclusive or Predominant Use of Space	Area - Sq. ft. Occupied	Average Cost per sq. ft.	2014 Expenditures	2014 Revenues	Difference	Cost Recovery %
Chancellor CC - Office, Activity Room 5&6	East Woodbridge Seniors Club	1,413	\$ 10.2	\$ 9,000	\$ -	\$ 9,000	0%
Dufferin Clark CC - Activity Room #3	The Giuseppe Garibaldi Seniors Club	1,140	\$ 10.2	\$ 3,000	\$ -	\$ 3,000	0%
Dufferin Clark CC - Office (Previous Admin area)	Thornhill Seniors Club	350	\$ 10.2	\$ 1,000	\$ -	\$ 1,000	0%
Dufferin Clark CC - Preschool Room #1	Thornhill African Caribbean Canadian Seniors Club	350	\$ 10.2	\$ 200	\$ -	\$ 200	0%
Dufferin Clark CC - Mezzanine	First Chinese Senior Association of Vaughan	370	\$ 10.2	\$ 400	\$ -	\$ 400	0%
Dufferin Clark CC - Senior's Room	Filipino Seniors Club	1,152	\$ 10.2	\$ 2,300	\$ -	\$ 2,300	0%
Father Ermanno Bulfon CC - Activity Room #3	West Woodbridge Seniors Club	2,865	\$ 10.2	\$ 19,000	\$ -	\$ 19,000	0%
Father Ermanno Bulfon CC - Office	West Woodbridge Seniors Club	230	\$ 10.2	\$ 2,300	\$ -	\$ 2,300	0%
Garnet A. Williams CC - Activity Room #4	Garnet A. Williams Seniors Club	754	\$ 10.2	\$ 100	\$ -	\$ 100	0%
Garnet A. Williams CC - Activity Room #4	Sephardi Seniors Club	754	\$ 10.2	\$ 500	\$ -	\$ 500	0%
Maple CC - Bocce Lounge	Maple Italo Canadian Club	1,281	\$ 10.2	\$ 6,600	\$ -	\$ 6,600	0%
Maple CC - Bocce Office	Maple Italo Canadian Club	120	\$ 10.2	\$ 1,200	\$ -	\$ 1,200	0%
Vellore Village CC - Activity Rooms 1 & 4	South Asian Seniors Club (also known as Human Endeavour)	1,824	\$ 10.2	\$ 3,400	\$ -	\$ 3,400	0%
Vellore Village CC - Small Office in Activity Room 4	Vellore Village Seniors Club	74	\$ 10.2	\$ 800	\$ -	\$ 800	0%
Vellore Village CC - Activity Area - Activity Rooms 1 & 4	Vellore Village Seniors Club	1,824	\$ 10.2	\$ 3,400	\$ -	\$ 3,400	0%
Total Community Centres - Older Adult Clubs - City Expenditures/(Revenues)		14,501		\$ 53,200	\$ -	\$ 53,200	0%

HERITAGE HOMES AND OTHER FOR COMMUNITY SERVICE ORGANIZATIONS AND OLDER ADULT CLUBS

Heritage Homes/ Other	Community Service Organizations with Exclusive Use of Space	Area - Sq. ft. Occupied	Average Cost per sq. ft.	2014 Expenditures	2014 Revenues	Difference	Cost Recovery %
Armstrong House - 42 Old Yonge Street	Society for the Preservation of Historic Thornhill	1,792	\$ 8.1	\$ 14,500	\$ (4,200)	\$ 10,300	29%
Baker House	Phillippine Heritage Band	2,056	\$ 8.1	\$ 16,700	\$ (3,000)	\$ 13,700	18%
Blue Willow - Offices #1, 2	Elspeth Heyworth Centre	400	\$ 8.1	\$ 3,200	\$ (2,300)	\$ 900	72%
Kline House	Old Boys Club	2,055	\$ 8.1	\$ 16,600	\$ -	\$ 16,600	0%
Merino Library - Office # 2	Maple Lions Club	100	\$ 8.1	\$ 800	\$ -	\$ 800	0%
Merino Library - Library Office	Vaughan CARES	100	\$ 8.1	\$ 800	\$ (2,300)	\$ (1,500)	288%
M. Cranny House - Upstairs Office	Santafest	500	\$ 8.1	\$ 4,100	\$ (1,700)	\$ 2,400	41%
Thornhill Park Tennis Club House	Thornhill Tennis Club	2,066	\$ 8.1	\$ 16,700	\$ (4,500)	\$ 12,200	27%
Wallace House	Wallace House Steering Committee	1,640	\$ 8.1	\$ 13,300	\$ -	\$ 13,300	0%
Total Heritage - CSO - City Expenditures/(Revenues)		10,709		\$ 86,700	\$ (18,000)	\$ 68,700	21%

Heritage Homes/ Other	Older Adult Clubs with Exclusive Use of Space	Area - Sq. ft. Occupied	Average Cost per sq. ft.	2014 Expenditures	2014 Revenues	Difference	Cost Recovery %
Merino Road - Office #1	Maple Pioneer Italian Seniors Club	100	\$ 8.1	\$ 800	\$ -	\$ 800	0%
M. Cranny House - 3 offices	Human Endeavour	1,550	\$ 8.1	\$ 12,600	\$ (1,900)	\$ 10,700	15%
Total Heritage - Older Adult Clubs - City Expenditures/ (Revenues)		1,650		\$ 13,400	\$ (1,900)	\$ 11,500	14%

Total Part A Expenditures/(Revenues)	33,192	\$ 218,000	\$ (45,200)	\$ 172,800	21%
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PART B: 2014 LEASES FOR CITY OWNED FACILITIES FOR COMMUNITY SERVICE ORGANIZATIONS

Facility	Community Service Organizations with Exclusive Use of Space	Area - Sq. ft. Occupied	Average Cost per sq. ft.	2014 Expenditures	2014 Revenues	Difference	Cost Recovery %
Charlton House - 220 Charlton Avenue	Hospice Thornhill	1,728	\$ 8.0	\$ 13,800	\$ (7,800)	\$ 6,000	57%
Devlin House - 11151 Keele Street	Vaughan Soccer Club	2,400	\$ 8.0	\$ 19,200	\$ (7,100)	\$ 12,100	37%
Kleinburg Scout House - 10415 Islington Ave	Kleinburg Nobleton Soccer Club	2,345	\$ 8.0	\$ 18,800	\$ (5,300)	\$ 13,500	28%
Piazza House - 31 Woodbridge Ave	Hospice Vaughan	4,000	\$ 8.0	\$ 32,000	\$ (9,600)	\$ 22,400	30%
MNR - 10401 Dufferin Street	Lazio Group - (Adult Cultural Organization)	1,200	\$ 8.0	\$ 9,600	\$ (6,000)	\$ 3,600	63%
Total Part B Expenditures/(Revenues)		11,673		\$ 93,400	\$ (35,800)	\$ 57,600	38%

PART C: 2014 FACILITIES LEASED BY THE CITY FOR OLDER ADULT CLUBS

Facility	Older Adult Clubs with Exclusive Use of Space	Area - Sq. ft. Occupied	Annual Cost per sq. ft.	2014 Expenditures	2014 Revenues	Difference	Cost Recovery %
7575 Keele St, Unit 5	Concord West Seniors Club	1,248	\$ 28.3	\$ 35,300	\$ -	\$ 35,300	0%
7700 Pine Valley, Units 15, 16	Pine York Seniors Club	2,340	\$ 24.7	\$ 57,900	\$ -	\$ 57,900	0%
1 Sonoma Blvd., Bldg B, Units 5,6,7,8	Sonoma Heights Seniors Club	3,747	\$ 25.8	\$ 96,600	\$ -	\$ 96,600	0%
Vaughan Crest Park Trailer	Vaughan Crest Seniors Club	1,386	\$ 1.4	\$ 1,900	\$ -	\$ 1,900	0%
Total Part C Expenditures/(Revenues)		8,721		\$ 191,700	\$ -	\$ 191,700	0%

Total Expenditures/(Revenues)	53,586	\$ 503,100	\$ (81,000)	\$ 422,100	16%
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Notes:

- Expenditures include the direct and indirect cost of Facility Maintenance Services operating the facility
- Revenues and expenditures are exclusive of taxes
- Exclusive users are sole users of the space. Expenditures for exclusive users are based on the full allocated cost to operate the space.
- Predominant users share the space with the City and/or other users. Expenditures for predominant users are proportionate based on the number of hours the space is occupied by the user per week.
- CSO groups who have rented space through RFP's or other formal procurement processes have been excluded from the presentation above.
- Storage Rooms, changerooms, snack bars, kitchens, etc. are excluded