

The Corporation of the Town of Lakeshore

Report to Council

Community & Development Services

Recreation Services



To: Mayor & Members of Council

From: Tammie Ryall, Director of Community and Development Services

Date: March 2, 2020

Subject: Request for Reduction in Facility Use Fees, Libro Community Centre

Recommendation

The Town charge Mr. Wayne Currie the applicable rate for use of the Libro Centre in accordance with the Town's User Fee By-law, and as further described in the report of the Director of Community and Development Services presented at the March 10, 2020 Council.

Background

At the August 13, 2019 Council Meeting, Council adopted the following motion.

Finance Services Reports (Attachment 1)

b) Grants and Community Partnership Program

385-08-2019 — Bailey/Santarossa

Council direct Administration to prepare draft revisions to the current Grant Request Policy AD-069 and prepare a Community Partnership program policy for Council's review.

Carried Unanimously

Subsequently, at the November 5, 2019 Council Meeting, Council adopted the revised Grant Request Policy AD-069 (Attachment 2). Section 3.2 of the Grant Request Policy sets out the organizations that receive benefits.

Wayne Currie's name was removed from the list in Section 3.2 of the Grant Request Policy AD-69, as per the direction of Council at the August 13 Council meeting and confirmed at the November 5, 2019 Council Meeting. The revised Grant Request Policy has the effect of requiring Wayne Currie to pay the hourly rate for use of a multi-purpose room, as set in the User Fee By-law. Staff contacted Mr. Currie to advise him of this change, and subsequently met with him.

Lakeshore Karate paid \$158 per month for use in 2019, (\$178.50 with tax) based on the amount in the former Grant Request Policy AD-69. This equates to approximately \$3.60 per hour (\$158 divided by 44 hours per month). A detailed list of the hours of use and revenue in 2019 are in Attachment 3.

Wayne Currie has operated a karate program for youth in Woodslee for 12 years. He uses a room in the Libro Community Centre (Millen Park) at 1925 South Middle Road. As described in detail in the attached submission (Attachment 4) he requests a special rate of \$375 per month to use the multi-purpose room.

The multi-purpose room in the Community Centre is the larger of the two rooms available, being 30 feet by 60 feet, which can seat 100 people. The Town currently does not provide recreational programming out of this centre due to low enrollment in the past. However, the rooms are available for workshops, meetings, parties, banquets, weddings and showers. A full kitchen is adjacent to the room.

It is understood that the Lakeshore Karate Club is a private organization, not a registered non-profit organization. According to the submission, approximately 60-70 students are enrolled year round. Classes are offered on Monday and Thursday, with an additional class offered on Saturday mornings. This amounts to: 4 hours of time on Monday; 4 hours on Thursday; and, 3 hours on Saturday for a total of 11 hours per week.

For the reasons expressed in the submission, students are charged \$20 per month to enroll in the Karate program. Mr. Currie would like to keep the enrollment fees for Lakeshore Karate low and is of the opinion that paying the rate in the User Fee By-law (\$56 per hour, non-commercial rate) would not be viable for the Club.

Although Mr. Currie refers to an agreement with the Town in his submission, Administration is unable to locate any written record of an agreement between Mr. Currie and the Town to provide the services. It appears that the reference to an agreement would be the rate included into the Grant Request Policy AS-069.

In his submission, Mr. Currie offers to pay \$375 per month for room use. It is assumed that this amount includes taxes. This equals \$326.25 per month revenue for the Town (after tax) which equates to \$7.40 per hour for use of the room (\$326.25 divided by 44 hours per month).

Under the User Fee By-law there are two potential rates: \$56 per hour, and a 4 hour block of time at \$171. The Chart below estimates the rates based on 11 hours per week.

Day of Class	Number of hours weekly	Rate (Week)	Monthly Facility Use Fee (11 hours per week)	Yearly Facility Use Fee
Monday	4	\$171 (4 hr. block rate)	\$684	\$8,208
Thursday	4	\$171	\$684	\$8,208
Saturday	3	\$168 (hourly rate of \$56)	\$672	\$8,064
Total	11	\$510	\$2,040	\$24,480

Comments

Other recreational programs are offered at the Town's community centres with individuals or groups using space for an hourly fee, as set out in the User Fee By-law. Alternatively, recreational programs are run by the Town. Instructors are hired by the Town and are paid an hourly rate. As set out in his submission, Mr. Currie is not interested in having the Town run the program with the instructors paid at an hourly rate.

It is noted that the Club chooses to provide lessons at a low rate (\$20 per student per month). Under this model, the Club could investigate other funding sources (e.g. grants) to receive financial assistance to subsidize the cost of operation.

It does not appear that the Karate Club would qualify for the Lakeshore Community Grant fund as it is not a registered non-profit organization. Further, payment of fees would be an on-going expense that would not fit the criteria of the grant program.

Administration is recommending that the Karate Club pay the rates in the User Fee By-law. The 2020 rate are \$56 per hour and \$171 for a 4 hour block. This equals \$2,040 per month, based on using the room for 44 hours per month.

The Recommendation implements the previous direction of Council, passed on August 13 and November 5, 2019, to amend the Grant Request Policy AD-69.

This Recommendation implements a user-pay approach in keeping with the User Fee By-law. It also recognizes fairness and transparency for other individuals, organizations and groups paying fees for use of space in municipal facilities.

Should Council not support the Recommendation, it is suggested that Council direct Administration to bring back a report and agreement. Grant Request Policy AD-69 would need to be amended (Attachment 2, Section 3.2, organizations that receive benefits). In addition, if a flat monthly rate is supported by Council, a facility use agreement should be entered into, specifying the length of the agreement (e.g. 3 years) and setting a limit to the number of hours per week or month that the Karate Club can book the facility.

Financial Impacts

Under the monthly rate of \$158 monthly before taxes, the Town received a total revenue of \$1,896 in 2019.

Under the monthly rate suggested by Mr. Currie of \$326.25 per month before taxes, (with \$48.75 taxes, total is \$375). This equals an hourly rate of approximately of \$7.40 per hour. The Town would receive an annual revenue of approximately \$3,915.

Under the User Fee By-law, at \$56 per hour and \$171 for a four hour block of time, the Town would receive annual revenue of approximately \$24,480 assuming the club is using the room for 44 hours per month for 12 months.

Should Council accept Mr. Currie's proposal, the Town would be foregoing approximately \$20,565 in revenue which could be perceived as bonusing under subsection 106 (2) (d) of the Municipal Act, 2001. An excerpt from the Municipal Act, 2001 is below.

Assistance prohibited

106 (1) Despite any Act, a municipality shall not assist directly or indirectly any manufacturing business or other industrial or commercial enterprise through the granting of bonuses for that purpose.

Same

(2) Without limiting subsection (1), the municipality shall not grant assistance by,

- (a) giving or lending any property of the municipality, including money;***
- (b) guaranteeing borrowing;***
- (c) leasing or selling any property of the municipality at below fair market value; or***
- (d) giving a total or partial exemption from any levy, charge or fee.***

Attachments:

Attachment 1 – Grant and Community Partnership Report to Council

Attachment 2 - Grant Request Policy AD-069

Attachment 3 - 2019 Hours and Fees Paid by Lakeshore Karate

Attachment 4 - Wayne Currie's Submission

Report Approval Details

Document Title:	Request for Reduction in Rental Fees, Libro Community Centre, Woodslee.docx
Attachments:	<ul style="list-style-type: none">- Attachment 1, Report on Grants and Community Partnership Program.pdf- Attachment 2 Grant Request Policy AD-069.pdf- Attachment 3 - 2019 Hours and Fees Paid by Lakeshore Karate.pdf- Attachment 4 - Wayne Currie's Submission.pdf
Final Approval Date:	Mar 5, 2020

This report and all of its attachments were approved and signed as outlined below:

Rosanna Pellerito

Kristen Newman

Truper McBride