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## Memorandum

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**To:** The Chair and Members of the Budget Standing Committee  
**Cc:** Dan Carnegie, CAO  
**From:** Bryan Shynal, Commissioner of Operations  
**Date:** June 13, 2017  
**Subject:** Third Party Facility Management – Bill Burgoyne Memorial Arena

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The following responds to a request by the BSC from its meeting of April 12, 2017, for information on the implementation of third party management for the Bill Burgoyne Memorial Arena (BBMA).

### 1. Background

The BBMA is a single pad arena situated at 129 Linwell Rd. that is owned and operated by the City providing seasonal ice and dry floor programming opportunities for the community. Facility profile information is provided within Appendix 1.

In accordance with the current asset management program work plan, staff will recommend an Arena Facility Strategy for consideration by Council in Q3/17 that will include:

- An arena demand and utilization assessment confirming current capacity status.
- An arena facility condition analysis summary confirming a 5 year capital forecast.
- Facility optimization opportunities.

Recent arena facility initiatives and developments include:

- Operations Commission organizational restructuring (2016) consolidating facility maintenance, operations and capital programming into the Manager of Facilities & Energy portfolio to improve operations and asset management performance.
- Seymour Hannah Arena rehabilitation works to remedy ice pad issues and renew critical refrigeration infrastructure (1 & 4 /2016; 2 & 3 /2017)
- Bill Burgoyne Memorial Arena improvements and capital forecast:

- 2016 – Roof replacement over dressing room/lacrosse room - \$20,000 - funded by Building Improvement Reserve.
- 2017 – Brine pipe/header/compressor repairs - \$160,000 – funded by the Infrastructure levy.
- 2018 – 2022 Capital forecast for equipment rehabilitation works - \$430,000.
- 2018 – 2027 Capital forecast for building and site infrastructure rehabilitation works - \$2,957,000.
- Merritton arena third party operator agreement renewal for a 5 year term (2016).\*
- Haig Bowl arena third party private operator agreement renewal for a 10 year term (2016). \*
- New arena construction projects underway in area municipalities that add to arena facility supply within the region.

*\* Note that the city retains responsibilities for asset management and funding capital rehabilitation and renewal works under both third party agreements.*

## **2. Third Party Operation Model:**

The preparation of a comparative business case for a transition to a third party operator for the BBMA should address the following considerations:

- a) Council's objectives and intended outcomes for a transition to an alternate facility operation model such as reduced operating and capital costs, ice allocation policy compliance etc.
- b) Best practice research results relative to industry trends for municipal arena facility operation (i.e. in house or third party).
- c) The Labour relations implications relative to the collective bargaining agreement.
- d) Management of user impacts (fees, availability and scheduling etc.).
- e) Asset management program responsibilities (i.e. preventative maintenance, capital rehabilitation etc.).
- f) Lake Street Service Centre staff parking requirements at the BBMA to support the consolidation of staff from the Geneva Street Facility staff (Q2/2018.)

### 3. Conclusion:

The preparation of a comparative business case is recommended if Council wishes to consider a transition to a third party operation model for the BBMA. The development of the business case should be informed by the outcome of Council's consideration of staff recommendations associated with an Arena Facility Strategy to be provided in Q3/2017.

### Appendix 1.

#### Bill Burgoyne Arena



**Address:** 129 Linwell Road

**Classification:** Arena

**Year Opened:** 1973

**Lot Size:** 0.99 ha

**Major Facilities:**

Arena

Change Rooms (6)

**Comments:**

The arena's ice pad measures 185' x 85' with seating and standing room capacity for 800 spectators. City Staff indicate that the concrete slab, boards and mechanical are in fair condition and are not expected to be replaced within the master planning period.

