

Report from Operations Commission – PRCS/TES

Date of Report: September 18, 2017 **Date of Meeting:** September 18, 2017

Report Number: TES/PRCS-B043-2017 **File:** 68.32.101

Subject: Third Party Facility Management – Bill Burgoyne Memorial Arena

Recommendation

That the Budget Standing Committee receive for information.

Background

At its meeting of April 12, 2017, the Budget Standing Committee (BSC) asked staff to prepare a report on Third Party Facility Management - Bill Burgoyne Arena.

At its meeting of June 19, 2017, the BSC received the memo regarding Third Party Facility Management – Bill Burgoyne Memorial Arena for information purposes (Appendix 1) and directed staff "... to report on the original RFP information request, timelines, steps to be taken and alternate timeline."

Report

As indicated in the memo received by the BSC on June 19, 2017, there are several considerations that should be addressed prior to Council deciding to proceed with a Third Party Facility Management Model for the Bill Burgoyne Memorial Arena (BBMA).

The considerations include, but are not limited to:

- finalization of an Arena Facility Strategy (anticipated for Q2 of 2018);
- determination of Council's objectives for this operating model;
- review of best practice/industry trends;
- labour relations implications
- user impacts
- asset management responsibilities

Notwithstanding these considerations, should Council choose to pursue this approach, the following is an approximate anticipated timeline:

1. Council Approval to consider Third Party Management for BBMA
2. Discussions unions based on with existing contracts – 4 months
3. Development of Request for Proposal (RFP) – 3 months

- a. Development of the terms of reference for the RFP may involve further Council input as to what parameters, metrics, etc. are to be considered as part of the evaluation
 - b. This may be able to be done to a certain extent in parallel with the discussions with item 2
- 4. Issuance and Evaluation of RFP – 3 months
 - a. This would include issuing the RFP document, review and evaluation of bids received, preparation of report to Council
- 5. Start-up/Initiation for Successful Proponent – 2 months
 - a. Assuming award of the bid to a Third Party, there would be an initial period of time for the proponent to sign the necessary agreements, staff up for initiating the operation, among other considerations.

The above timeline is an approximation at this point. Staff would need to realign other priorities to commence this initiative.

Financial Implications

Not at this time.

Relationship to Strategic Plan

This report supports the Economic Sustainability Pillar to be an affordable city for young people, families and retired older adults through the optimization of capital infrastructure through effective asset management and sustainable investment.

Prepared, Submitted and Approved by:

Dan Dillon, P.Eng., Director of Transportation and Environmental Services

Phil Cristi, Acting Director of Parks, Recreation and Culture Services

Memorandum

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

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.

