

Corporate Report

REPORT NUMBER 263-2023-City Manager's Office-

DATE

PREPARED

August 14, 2023

FILE

MEETING DATE

August 28, 2023

SUBJECT

Report Back – 2024 Budget Amendments

RECOMMENDATION

WITH RESPECT to Report 263-2023 (City Manager's Office) we recommend that Outstanding Item 2023-004-ADM be removed from the Outstanding List;

AND THAT a new outstanding item be created for the consultation on outdoor rinks to be brought forward to the September 11, 2023 Committee of the Whole meeting;

AND THAT any necessary by-laws be brought forward to City Council for ratification.

EXECUTIVE SUMMARY

Administration was directed to conduct stakeholder engagement related to Sister Cities Program, Transit Routes, Neebing Arena, Outdoor Rinks, and Heritage Program to assist Council with decisions related to 2024 Budget Amendments.

This report provides a summary of results from surveys related to City Arenas and the City's Heritage Program.

A summary of results from a survey related to the City's Outdoor Rinks will be provided by memo by Parks & Open Spaces at the September 11 Committee of the Whole Meeting.

No surveys will be conducted related to Sister Cities Program as the committee has been dissolved and will conclude it's work as of August 31, 2023 as per direction of Council.

In recognition of being good neighbours and maintaining positive relationships, a memorandum from City Manager Norm Gale, dated July 13, 2023, was presented at the July 17, 2023 City Council meeting, and a resolution was passed to exclude Transit Routes from stakeholder consultation and from the current list of 2024 budget reduction options.

DISCUSSION

Neebing Memorial Arena

Users of all City arenas were invited to participate in online surveys that were conducted over three weeks in July, one for organizations from July 7-30, 2023, and one for individual participants from July 14-30, 2023. A total of 222 responses were received.

The savings anticipated from closing Neebing arena are approximately \$180K for a full year. Administration has noted that the City's current ice use fees are below comparison benchmarking and were anticipated to be increased beginning in 2024 as part of the Recreation & Culture Division's user fee review project. Continuing to operate Neebing arena and achieving the anticipated \$180K savings through increased user fee revenue in the Areas & Stadia Unit in 2024 would require a 19% increase in ice user fees.

Based on the above, the user surveys focused on tolerance for, as well as potential impacts of, user fee increases. They also provided an opportunity for open-ended feedback and suggestions. Key findings and themes are as follows:

1. Users are not supportive of closing an arena.

Themes in comments included:

- There is not enough ice to meet demand as is.
- Recreation is vital to youth, physical and mental health, and community safety and wellbeing.
- Consider other City services and reductions instead.

2. Users are willing to pay more for their ice time at City arenas.

- Over half of organization respondents are willing to pay up to 20% more for their ice time in 2024.
 - Most organizations that are not willing to pay 20% more in 2024 are willing to pay 5% more.
 - Approximately ¼ of the organizations that are not willing to pay 20% more in 2024 are willing to have fees increased by 20% over 3 years.
 - 6% of organization respondents are not willing to pay more for their ice use.
- 87% of participant respondents are willing to pay more to participate in their current ice activities.

3. There are potential risks to user groups, participants and the City, as well as expectations, associated with significant ice user fee increases.

These include:

- Download of fee increases to participants and spectators.
- Decreased participation.
 - 30% of participants would participate less in their current activity. 5% would no longer participate.
 - Reduced participant numbers may result in reduced ice allocation to affected organizations. This could decrease revenue to the City, which may be offset by increased ability to address unmet demand.
- Reduction in ice bookings.
 - 25% of organizations indicate they would book less ice if fees were increased by 15%-20%
 - This would decrease revenue to the City, which may be offset by increased ability to address unmet demand.
- Increased reliance on fundraising, sponsorships and PRO Kids.
- Decrease in off-ice team activities and team-provided items.
- Decreased participation of participant and/or family members in other recreational activities.
 - 29% of participants say that they or their family member(s) would participate less in other activities.
 - This could impact revenue in other Recreation units. Aquatics was the most noted other activity that would potentially be affected by reduced participation.
- Disproportionate impacts to smaller user groups including girl's/women's sport.
 - Lack of tolerance for increased fees and potential for significant impacts, up to and including a group becoming non-viable, were more commonly noted in groups such as Figure Skating, Ringette and Women's Hockey.
- Some users expressed expectations for increased quality and services at arenas if fees are increased.

Other Suggestions

Respondents offered several of other suggestions to achieve savings or generate new revenue for arenas. These included ideas for alternate revenue generation, adjustments

to operating models, and improved administrative processes. While some suggestions are not viable, or have been explored without success in the past, others are already in place or under review for future implementation. Examples include:

1. Sponsorship & Naming Rights

Administration intends to begin the process of exploring naming rights opportunities in 2024 as noted in Corporate Report 101-2023 - Sponsorship & Naming Rights Policy (Community Services, Recreation & Culture).

2. Online ice availability, booking and payment

- Users can now view available ice online.
- Administration continues to work towards the option of online ice booking.
- Many users can now view their billing and pay for their ice via their PerfectMind account.

3. Payment options at concessions

Point of sale terminals are planned to be available at concessions in fall 2023.

Administration continues to explore alternate options within the Arenas & Stadia Unit, in addition to user fee increases, to achieve the anticipated \$180K savings that would be realized through closing Neebing Arena. These options will be included for Council's consideration in the 2024 budget submission.

Heritage Program

Forty-five individuals with connections to and/or recent dealings with the Thunder Bay Heritage Advisory Committee (HAC), were invited to participate in a survey of HAC stakeholders. Participants included owners and managers of heritage properties, professionals who had been hired to renovate heritage properties, former and current members of HAC, and administrators from historical or heritage organizations. The online survey was conducted from July 26, 2023 to August 4, 2023 and twenty-eight responses were received.

Key findings are as follows:

1. Stakeholders do not support dissolution of the Heritage Advisory Committee (HAC)

86% of stakeholders do not support dissolution of HAC. Themes in comments included:

- HAC has a proven track record of dedicating itself to support Council in meeting its obligations under the *Ontario Heritage Act*.

- Without HAC, Council would need to refer requests for renovations to designated heritage buildings, and other heritage issues, to Administration for a report, which would cause delays in decision making.
- For a relatively minor cost, the Heritage Advisory Committee takes work and pressure off Council and Administration.
- HAC is a volunteer committee of individuals with experience and knowledge that Council and Administration may not have.
- Losing HAC could lead to the loss of important heritage buildings because Council and Administration's heavy workloads might push heritage to the bottom of their priorities list, or even eliminate it completely.
- Council and Administration must retain HAC to show leadership in preserving the history and heritage of Thunder Bay or the private sector will not follow.

64% of stakeholders indicated that the activities and functions of HAC assist them in their work. For example, when heritage property owners are considering renovations, HAC supports architects and designers in working together collaboratively with the objective of preserving Thunder Bay's built heritage.

Two stakeholders were in favour of dissolution of HAC, with one commenting that HAC created unnecessary red tape for local business owners.

2. Stakeholders do not support elimination of the part-time Heritage Resource Specialist

86% of stakeholders do not support elimination of the part-time Heritage Resource Specialist, and 86% also feel that the position provides value equal to or greater than its cost. Themes in comments included:

- The work of the Heritage Resource Specialist supports not only HAC, but all citizens by completing important heritage and historical research to help preserve Thunder Bay's heritage buildings, districts, and other properties.
- Eliminating this work could be perceived as a lack of respect for the City's history.
- The Heritage Resource Specialist completes valuable work that is not replicated by any other person in Administration. If this position is eliminated, who will do this work?

3. The Heritage Advisory Committee enhances quality of life in Thunder Bay

82% of stakeholders feel the activities of HAC enhance the quality of life for the residents of Thunder Bay. Themes in comments included:

- HAC supported events such as Doors Open Thunder Bay and Heritage Walking Tours promote tourism and provide opportunities for citizens to experience the city in new and exciting ways.
- Having well-cared-for heritage properties and preserving the heritage landscape and cultural history of neighbourhoods enhances feelings of community, belonging and pride for residents.
- The shared values, customs, and histories characterized through cultural and built heritage help shape the way a person thinks about, behaves in, and views their community.
- HAC educates the public about heritage matters.

Each municipality in Ontario is required by section 27 of the *Ontario Heritage Act* (the Act) to keep a publicly accessible register of property that is of cultural heritage value or interest. The City of Thunder Bay's Heritage Register includes twenty-six formally designated heritage properties, one designated heritage district and fifty listed, but not formally designated, properties deemed culturally, historically, or architecturally interesting relative to heritage.

As per section 28 of the Act, Council may, by by-law, establish a municipal heritage committee to advise and assist on matters relating to conservation of property of cultural heritage value or interest, conservation districts and other heritage matters. The Thunder Bay Heritage Advisory Committee was originally established in 1977 as The Local Architectural Conservation Advisory Committee. The current name was officially adopted by City Council in March 2004.

Outdoor Rinks

An online survey inviting the public to provide feedback and share their views on proposed outdoor rink reductions was launched on August 17, 2023 and will remain open until August 27, 2023. The community can participate by visiting <https://getinvolvedthunderbay.ca/share-your-views-on-outdoor-rink-reduction>.

A summary of the results of this feedback will be provided to Council by memo at the September 11, 2023 COW meeting.

FINANCIAL IMPLICATION

Neebing Memorial Arena

The savings anticipated from closing Neebing arena are approximately \$180K for a full year. A user fee increase of 19% to achieve approximately \$180K in new revenue does not account for additional pressures or budget directives for the 2024 fiscal year. The existing 2024 budget directive to increase user fees by 5% will result in approximately \$47K in additional revenue. User fee increases of approximately 24% in 2024 would be required to achieve \$180K in revenue beyond the 5% directive already provided.

Heritage Program

Elimination of the Heritage Program would include removing the part-time Heritage Resource Specialist position, ceasing the biennial Doors Open event, and dissolving the Heritage Advisory Committee and would result in savings of approximately \$38K. All heritage matters would come forward to City Council for decision when required. No further properties would be designated unless directed by Council and consultation fees would be required to achieve designation without any subject matter expertise within the corporation. An addition to the budget may be required for external consultants with subject matter expertise on a case-by-case basis.

CONCLUSION

It is concluded that Outstanding Item 2023-004-ADM be removed from the Outstanding List, and that a new outstanding item be created for the consultation on outdoor rinks to be brought forward to the September 11, 2023 Committee of the Whole meeting

BACKGROUND

At the June 26, 2023 Committee of the Whole meeting, in response to Report 196-2023 Report Back – 2024 Budget Amendments, Council provided direction to conduct stakeholder engagement related to Sister Cities Program, Transit Routes, Neebing Arena, Outdoor Rinks, and Heritage Program to assist Council with decisions related to 2024 Budget Amendments. A total of \$902,100 was referred back to Administration within these items.

At the July 17, 2023 Committee of the Whole meeting, Council passed a resolution to dissolve the Sister Cities Committee.

At the July 17, 2023 City Council meeting, and a resolution was passed to exclude Transit Routes from stakeholder consultation and from the current list of 2024 budget reduction options.

REFERENCE MATERIAL ATTACHED

None.

REPORT PREPARED BY

Cynthia Olsen, A/Director – Strategic Initiatives & Engagement, City Manager's Office

REPORT SIGNED AND VERIFIED BY

Norm Gale, City Manager

08/21/2023