

THE MUNICIPALITY OF LAMBTON SHORES

Report DCS 31-2020

Council Meeting Date: December 1, 2020

TO: Mayor Weber and Members of Council
FROM: Steve McAuley, Director of Community Services
RE: YMCA Agreement Renewal

RECOMMENDATION:

THAT Report DCS 31-2020 regarding the “YMCA Agreement Renewal” be received; and

THAT the renewal of the agreement with the YMCA of Southwestern Ontario for the operation of the Suncor Wellness Centre for an additional three years be approved; and

THAT the By-Law authorizing the Mayor and Clerk to sign the associated contract agreement be approved.

SUMMARY

This report provides background information on the existing operating agreement with the YMCA of Southwestern Ontario for the operation of the Suncor Wellness Centre, and seeks Council approval to renew the agreement for an additional three years.

BACKGROUND

The YMCA of Southwestern Ontario (YMCA) has operated the Suncor Wellness Centre at the Shores Recreation Centre since the facility opened in 2007. In addition to the wellness centre, the YMCA also provides programming opportunities in the gymnasium located at the Shores.

In 2014, Council directed staff to issue a Request for Proposal (RFP) for the operation of the wellness centre. After review of the submissions, it was determined that the YMCA would offer the best value for service and therefore Council approve a three year operating agreement with the YMCA. This agreement included an option to renew for an additional three year period. The agreement was renewed in 2017, with an option to renew for an additional three year period. The current agreement expires December 31, 2020.

Since 2007, the YMCA has been successful in providing recreation programs and services to members. In addition to providing the necessary expertise needed to provide

a valuable service to the community, the YMCA is a non-profit organization, and has financial assistance available for members unable to afford the full monthly fees to ensure there are no financial barriers to participation.

The YMCA has worked with existing service providers in the community to complement, rather than duplicate services. Additionally, the YMCA has been responsive to community need, adding programs where gaps may exist. In the last three years the YMCA has expanded programs to Thedford and Grand Bend to address programming gaps in those communities. The YMCA continues to monitor programming needs, and has the ability to increase programs as needed throughout the Lambton Shores community.

The YMCA currently provides programming for ages 4 and up. In addition to fitness programs, the YMCA has offered home alone/babysitting courses, youth sports conditioning, PA day camps, summer camps, Pickleball and a gymnastics program.

The YMCA is provided use of the Shores Recreation Centre gymnasium to operate programs. They are limited to 10 hours of prime time use (Monday to Friday, 5:00pm – 10:00pm) in order to allow sufficient availability for other programs and private rentals.

The existing agreement with the YMCA includes a management fee of 15.5% on actual revenue, with a revenue sharing clause whereby the Municipality receives 40% of membership revenue beyond a 350 threshold, which helps to offset the management fee. This arrangement is unchanged from the previous agreement.

Staff recommend that the existing agreement with the YMCA be renewed for an additional three year period, with an expiration of December 31, 2023. The draft agreement is attached for Council consideration.

There are no significant changes proposed in the draft agreement, although the following sections have been amended to provide clarity:

Section 3.23: updated to include COVID-19 protocols

Section 5.1: updated wording to provide clarity

Schedule D: updated to more closely reflect actual practice

All fitness and administration (e.g. computers) equipment located in the facility remains the property of the Municipality, with the exception of some of the group fitness class equipment purchased corporately through the YMCA of Southwestern Ontario.

ALTERNATIVES TO CONSIDER

Council may choose to direct staff to issue a Request for Proposal for the operation of the Suncor Wellness Centre. The current agreement with the YMCA has provided an excellent partnership opportunity with the Municipality. Further, the YMCA offers expertise in the fitness industry, and provides consistent service throughout all of its

branches. The financial arrangement with the YMCA provides an excellent value for the service.

RECOMMENDED ACTIONS

The recommendation is for the Municipality to renew its current agreement with the YMCA of Southwestern Ontario for an additional three year period. The agreement with the YMCA provides a good value for service. Further, with the uncertainty surrounding the ongoing COVID-19 pandemic, staff's opinion is that a Request for Proposal is not the best option at this time.

The agreement has been reviewed and vetted by the Municipal legal counsel and the Municipal insurer.

FINANCIAL IMPACT

There are no changes to the existing financial arrangement proposed in the updated contract. The anticipated management fee to the Municipality for 2021 is \$26,195 based on the YMCA draft 2021 budget. It is anticipated that this cost will increase over the lifetime of the contract as the YMCA rebuilds its membership base, which declined as a result of the COVID-19 pandemic. Once memberships exceed 350 and returns to normal, pre-pandemic levels (historically on average 419 members), the management fee will be offset by the revenue sharing arrangement identified in the agreement.

It is important to note that the Municipality retains any operating surplus of the YMCA, and is responsible for paying any budget shortfalls. This is unchanged from the existing agreement. Both the Municipality and YMCA strive to ensure that there is no operating deficit, however this may have been unavoidable in 2020 due to the extenuating circumstances of the COVID-19 pandemic.

The Municipality remains responsible for other operational expenses related to the facility including the cost of utilities. This is unchanged from previous years.

CONSULTATION

YMCA of Southwestern Ontario
Mr. Paul Hendrix, Lambton Shores Legal Counsel
Frank Cowan Insurance Company
Janet Ferguson, Treasurer
Ashley Farr, Manager of Community Development

Attached:

1. YMCA Agreement 2021-2023