
TO: GENERAL COMMITTEE

SUBJECT: FEES FOR FUNDRAISING EVENTS AT THE BARRIE MOLSON CENTRE




WARD: n/a

PREPARED BY AND KEY CONTACT: R. EMERSON – MANAGER, BUSINESS SERVICES EXT. 4500

SUBMITTED BY: B. ROTH, DIRECTOR OF RECREATION SERVICES

GENERAL MANAGER APPROVAL: RICHARD FORWARD, MBA, M.SC., P.ENG., GENERAL MANAGER OF COMMUNITY & CORPORATE SERVICES

CHIEF ADMINISTRATIVE OFFICER APPROVAL: CARLA LADD, CHIEF ADMINISTRATIVE OFFICER



RECOMMENDED MOTION

1. That delegated authority be granted to the Director of Recreation Services, in consultation with the General Manager of Community and Corporate Services, to waive the normal "Event Rate" Daily Fee charged for ticketed events at the Barrie Molson Centre – the fee having been established by the Fees Bylaw as approved by Council each year – and in place of this fee to charge qualifying fundraising events held at the BMC in accordance with the "Fee Guidelines for Fundraising Events at the Barrie Molson Centre" as provided in Appendix A of this report.

PURPOSE & BACKGROUND

2. The purpose of this staff report is to propose guidelines under which the Director of Recreation Services, in consultation with the General Manager of Community and Corporate Services, would be granted delegated authority to adjust the fees charged for fundraising events held at the Barrie Molson Centre, including:
 - a) The definition of qualifying fundraising events;
 - b) The definition of qualifying not-for-profit and/or charitable organizations;
 - c) The regular fees charged for events at the Barrie Molson Centre to be waived;
 - d) The fee to be charged for qualifying fundraising events; and
 - e) The administration of such guidelines.
3. On August 20, 2012 City Council adopted motion 12-G-200 entitled "HOCKEY NIGHT IN BARRIE V FUNDRAISING EVENT" as follows:
 1. That the Barrie Molson Centre facility be provided to Royal Victoria Hospital on August 16, 2012 for their "Hockey Night in Barrie V" fundraising event with the following City of Barrie costs to be paid by RVH/event organizers:
 - a) Direct staffing (including ushers, supervisor, ticket takers) - estimated in the amount of \$2000;
 - b) Summer Ice rental rate per hour rented by the organizers (shall not include an event rate) - \$252.88 per hour;

- c) Any facility cleaning costs incurred (staff or contractor) - estimated in the amount of \$1300; and
 - d) SOCAN fees - estimated in the amount of \$50
2. That staff in the Recreation, Facilities and Transit Department prepare a report for General Committee's consideration with respect to a policy to provide discounting options on the fees charged to fundraising events that use the Barrie Molson Centre as a venue. (Item for Discussion 6.2, August 13, 2012)
(File: R00)
4. Hockey Night in Barrie is an annual fundraising event which has been held at the Barrie Molson Centre in August of each year since 2008. The primary purpose of this event is to raise funds for the Royal Victoria Hospital, and as such Hockey Night in Barrie directs 100% of event proceeds (after event expenses are paid) to this purpose. The event is well supported by the local community, with dozens of businesses from Barrie and beyond donating products and services to the event. In six years, Hockey Night in Barrie has raised in excess of \$1,000,000 for the Royal Victoria Hospital.

ANALYSIS

5. Most of the facility rental fees established by the Recreation Services have been developed not only with an eye to cost recovery targets, but also in consideration of what not-for-profit organizations can bear – given that these community groups are the primary users of most spaces. This includes community halls and meeting rooms, ice pads, pools, baseball diamonds, and soccer fields. In some cases, differential pricing has been developed to distinguish between community and commercial uses (e.g. events at the Southshore Community centre, where there are different rental rates for community activities, and commercial meetings and events. In other cases where differential fees have not been established (e.g. ice rental rentals and field permits), such fees have been developed with community not-for-profit groups in mind – since such groups are the predominant users of these spaces. The exception to the development of community-minded fees is the "Event Fee" daily rate established for the Barrie Molson Centre, since such events are typically booked for commercial purposes.
6. From time to time, the Barrie Molson Centre is used for large-scale ticketed events for which the primary purpose is to raise funds for not-for-profit or charitable organizations and initiatives in the community. These events are somewhat rare however, and while all such events do not necessarily identify themselves as fundraising events at the time of booking, it is estimated that historically only 1 event of this nature is held at the Barrie Molson Centre each year.
7. As the only historically recurring fundraising event held at the Barrie Molson Centre each year, Hockey Night in Barrie, and the Council-approved support which has been provided to it in past years, has been used as a model for the development of the "Fee Guidelines for Fundraising Events at the Barrie Molson Centre" as provided in Appendix A.
8. The proposed "Fee Guidelines for Fundraising Events at the Barrie Molson Centre" would offer some financial relief for qualifying fundraising events at the Barrie Molson Centre which are not intended to generate any profit for a commercial entity. Such support could help these events to maximize their fundraising contribution by lowering event-related costs.

9. By implementing the proposed guidelines, the City of Barrie would be waiving up to \$3,129.41 in rental fees for each qualifying fundraising event. Some examples are illustrated below in Table 1.

Table 1: Rental revenue impact for typical events

Event Length	"Event Fee" Daily Rate currently charged	Proposed "Fundraising Event Fee" which would be charged	Value of Fees Waived by the City of Barrie
5 hours	\$4,259.51	\$1,130.10	\$3,129.41
7 hours		\$1,582.14	\$2,677.37
10 hours		\$2,260.20	\$1,999.31
18 hours (Full Day)		\$4,068.36	\$191.15

10. With the exception of the rental fees waived, as described in the proposed guidelines, all other terms and conditions related to use of the Barrie Molson Centre for ticketed events would continue to apply. This would include the requirement for event users to reimburse the Barrie Molson Centre for the full cost of all equipment, services, licenses and other items required for a safe, responsible, and successful event. The items, which would be included in the event contract, will include but not be limited to security, ushers, first-aid support, and custodial services during and after the event.
11. Fundraising events which sell tickets will continue to be required to remit to the City a "Capital Refurbishment Fee (C.R.F)" of \$1.40 + HST for each ticket sold. This C.R.F. charge will not be waived for qualifying fundraising events.
12. The revenue to be received from the proposed "Fundraising Event Fee" would continue to cover the incremental facility operating costs which are incurred by the Barrie Molson when an event is held. These costs - including incremental staffing, utilities, and supplies - are those which would otherwise not be incurred if the event were not held and are estimated to be \$127-165 per hour, depending on the length, timing, and scale of the event.
13. Implementation of the proposed guidelines should not set a precedent requiring similar fee discounts to be extended at other facilities.
14. Implementation of the proposed guidelines would not be anticipated to have an impact on Recreation Services' financial performance in comparison to budget, since:
- a) The fees charged for qualifying fundraising events would continue to fully cover the operational expenses incurred by Recreation Services for these events;
 - b) Recreation Services does not anticipate a significant number of qualifying fundraising events to be booked each year, and cannot identify any revenue impact to historically annual events at the BMC.
 - c) Qualifying fundraising events will only be booked after the City of Barrie Community Ice Allocation process has been completed year, and therefore such

events would not significantly impact the number of revenue generating hours at the Barrie Molson Centre in any given year.

ENVIRONMENTAL MATTERS

15. There are no environmental matters related to the recommendation.

ALTERNATIVES

16. Council could amend the recommended Fee Guidelines for Fundraising Events at the Barrie Molson Centre by waiving the requirement for qualifying fundraising event holders to remit a Capital Refurbishment Fee to the City of Barrie.

Currently a fee of \$1.40 plus HST is charged for each ticket for events at the Barrie Molson Centre, and would continue to be charged to qualifying fundraising event holder should the recommended motion before Council be approved. Relieving event holders of this obligation would mean a reduction in potential revenue to the City of approximately \$6,636 for each sold-out event at the Barrie Molson Centre.

Waiving the Capital Refurbishment Fee could be accomplished by:

- i. AMENDING the recommended motion to read:

That delegated authority be granted to the Director of Recreation Services to waive the normal "Event Rate" *and the "Capital Refurbishment Fee"* for ticketed events at the Barrie Molson Centre – *both fees being* established by the Fees Bylaw as approved by Council each year – and in place of *these fees* to charge qualifying not-for-profit and/or charitable fundraising events held at the BMC in accordance with the "Fee Guidelines for Fundraising Events at the Barrie Molson Centre" as provided in Appendix A of this report.

- ii. DELETING part c) under article 2 within the "Fee Guidelines for Fundraising Events at the Barrie Molson Centre" in Appendix A, and replacing it with the following.
 - c) The "Capital Refurbishment Fee" (currently \$1.40 + HST per ticket as defined by Council's 2014 Fees Bylaw) normally charged for ticketed events at the Barrie Molson Centre, will be waived.

FINANCIAL

17. Notwithstanding the Event Rate approved by Council in the Fees by-law, the Director of Recreation would require delegated authority to successfully administer the "fundraising events" rate described in this report. The primary reason for this is the need to respond to the potentially unique incremental costs associated with the events in question through unique pricing.
18. There is the potential for lost revenue to the corporation through opportunity cost (i.e. a fundraising event fills a time spot that could have been sold at a higher profit margin). However, this risk appears to be adequately mitigated by the guidelines set out in this report for provision of the program.

19. As the proposed guidelines are not anticipated to have an impact on Recreation Services' financial performance in comparison to budget, no additional funding and/or budget adjustment is required to implement the recommendations contained in this report.

LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN

20. The recommendation(s) included in this Staff Report support the following goals identified in the 2010-2014 City Council Strategic Plan:
- Improve and Expand Community Involvement and City Interactions
 - Strengthen Barrie's Financial Condition
21. By encouraging large scale fundraising events at the Barrie Molson Centre, the City of Barrie would be supporting organizations and initiatives which provide important opportunities for Barrie Residents to get involved in making their City a better place to live. The proposed guidelines will also ease and improve the event planning process for BMC event holders, by clearly defining process and conditions under which they can seek the City's support. At the same time, the level of support recommended in this report is proposed in a fiscally responsible manner, allowing the City to continue recovering the operating costs associated with these events and minimizing any loss in potential revenue.

APPENDIX "A"

Fee Guidelines for Fundraising Events at the Barrie Molson Centre

PURPOSE

1. The purpose of these Fee Guidelines for Fundraising Events at the Barrie Molson Centre (herein referred to as the Guidelines") is to:
 - a) Provide support for large scale fundraising events at the Barrie Molson Centre which benefit community organizations and initiatives which are important to Barrie residents;
 - b) Define a level of support which is fiscally responsible by allowing the City of Barrie to recover all incremental operating costs associated with these events which are incurred at the Barrie Molson Centre.

FEES FOR QUALIFYING EVENTS

2. For Qualifying Events which meet all criteria contained in these Guidelines, the following fees shall apply for rental of the Barrie Molson Centre:
 - a) The "Event Rate" (currently \$4,259.51 + HST per day, as defined by Council's 2014 Fees Bylaw) normally charged for ticketed events at the Barrie Molson Centre, will be waived.
 - b) The prevailing ice rental rate for the Barrie Molson Centre (currently \$226.02 + HST for prime-time uses, as defined by Council's 2014 Fees Bylaw) will be charged for each hour of the event, including pre- and post-event time when the facility will otherwise not be available for other uses.
 - c) A "Capital Refurbishment Fee" (currently \$1.40 + HST per ticket as defined by Council's 2014 Fees Bylaw) will be remitted by event holders to the City of Barrie for each ticket sold for the event.
 - d) All other direct costs required for a safe, responsible, and successful event which are incurred by the Barrie Molson Centre on the event's behalf will be payable to the Barrie Molson Centre. Such requirements will be included in the event contract, and may include, but not be limited to:
 - i. event equipment rentals;
 - ii. event set-up labour (including installation of floor deck over the ice and removal of boards and glass, if required);
 - iii. ushers, supervisors, ticket takers, security, first aid, and other event personnel;
 - iv. cleaning and custodial, during and after the event;
 - v. SOCAN fees and other licensing and/or permit fees.

QUALIFYING FUNDRAISING EVENTS:

3. In order to be deemed a Qualifying Event, to be eligible for the fees defined above, the following criteria must be met in full:
 - a) The event must be planned, organized, and executed by a registered not-for-profit or charitable organization operating within Barrie's boundaries, or by a third party where an explicit endorsement has been provided in writing by such a registered not-for-profit or charitable organization operating within Barrie's boundaries.
 - b) The primary or sole purpose of the event must be to raise funds for a charitable or not-for profit organization, where those funds are to be entirely used for organizations or initiatives specifically within the City of Barrie or the County of Simcoe
 - c) The event organizers must commit to ensuring 100% of net proceeds raised by the event are to be directed to the identified not-for-profit or charitable organization or initiative and in no case should the amount contributed to not-for-profit/charitable group be less than 50% of the gross cost of the event.
 - i. Net proceeds will be defined as the gross ticket sales for the event less direct operating costs paid by event organizers for the planning, production, and execution of the event (the charges for which shall not exceed the reasonable market value of such services).

APPLICATION/ADMINISTRATION

4. Proposed Qualifying Events will be considered based on Barrie Molson Centre availability, once space needs have been booked for existing Facility Use Agreements at the Barrie Molson Centre and after the City of Barrie's Community Ice Allocation process has been completed.
5. Event organizers must request for fees to be waived in accordance with these Guidelines, at the time of booking, by directing such request in writing to the Director, Recreation Services. This request will identify:
 - a) The proposed date and time of the event
 - b) The hours required for pre-event set-up and post-event load-out.
 - c) The name of the primary event organizer, who shall sign the Event Contract
 - d) The name of the not-for-profit/charitable organization who will benefit from the event
6. Should the event be organized by a third party who is not to be the ultimate recipient of the funds raised, the event organizer shall include with the fee waiver request a letter of endorsement from the qualifying not-for-profit/charitable organization who will be the beneficiary of the event.