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**TO:** GENERAL COMMITTEE


**SUBJECT:** INFORMATION RE: REMOVAL OF PHONE BOOTHS AT DUNLOP AND MAPLE

**WARD:** 2

**PREPARED BY AND KEY CONTACT:** FRANK BARBARO, MANAGER OF TECHNOLOGY SERVICES

**SUBMITTED BY:** CAROLYN GLASER, DIRECTOR OF INFORMATION TECHNOLOGY 

**GENERAL MANAGER APPROVAL:** RHONDA BUNN, EXECUTIVE DIRECTOR INNOVATE BARRIE 

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** C. LADD, CHIEF ADMINISTRATIVE OFFICER 

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**RECOMMENDED MOTION**

1. That Staff Report IT002-13 concerning the Removal of Phone Booths at Dunlop Street and Maple Avenue be received for information purposes.

**PURPOSE & BACKGROUND**

Report Overview

2. On April 29, 2013, City Council adopted motion 13-G-110 as follows:  
  
"That staff in the Information Technology Department investigate the feasibility of Bell removing the two telephone kiosks at the corners of Dunlop Street and Maple Ave., including any financial implications and report back to General Committee."  
  
3. The purpose of this staff report is to provide information and costs associated with the potential removal of phone booths located at the intersection of Dunlop St. and Maple Ave.

Background

4. In March of 2009, a contract between the City of Barrie and Bell Canada was signed allowing Bell Canada to continue to use specific City of Barrie locations for the operation of forty-six (46) telephone booths. In exchange for Bell Canada's use of these locations, the City would share a portion of the revenues associated with use of the pay telephones.
5. This contract is currently in a three year renewal period ending on March 16, 2015. As per the terms of the contract, removal of telephones prior to the end of the contract would result in removal charges and other penalties to the City.
6. There are currently four telephone booths located at the corners of Dunlop St. West and Maple Ave. (see **Appendix A** for photos), identified by their phone numbers as follow:
  - a) 705-792-4378 located on North East corner
  - b) 705-722-9133 located on North East corner

- c) 705-722-9362 located on South West corner
- d) 705-792-4380 located on South West corner

**ANALYSIS**

7. As per the contract, the City would incur costs of up to \$730 per payphone if it chose to have a phone removed prior to March 16, 2015 (the expiration date of the existing contract). These costs include:
  - a) \$250 for a Bell contractor to remove the payphone,
  - b) \$480 per disconnect of hydro where applicable, and
  - c) any additional costs required to repair sidewalks if necessary.
8. For the telephones listed in paragraph 6, the average daily revenue per phone, averaged over a 12 month period is:
  - a) 705-792-4378 - \$7.60 per day (\$2774/annum)
  - b) 705-722-9133 - \$1.00 per day (\$365/annum)
  - c) 705-722-9362 - \$2.70 per day (\$992.80/annum)
  - d) 705-792-4380 - \$1.80 per day (\$660.65/annum)
9. Bell Business Services has stated that average daily revenues of more than \$5.00 per payphone are sufficient to indicate that the payphone at its respective location is providing service to the community. Using this criterion, there is only one payphone at the intersection of Dunlop and Maple that meets or exceeds the \$5 daily revenue threshold.
10. The contract stipulates that the City is to receive revenues of 8% of the total monthly revenue per payphone, when the average daily total revenues in that month exceed \$5.00/day. Based on the dollar values in paragraph 8, the City receives an average of \$18.74 per month as only one of the four payphones meets the criterion for revenue sharing.
11. The contract indicates penalties for early cancellation and removal of payphones based on lost revenues. Bell Canada has agreed to waive this penalty due to the low revenues realized by the payphones at the intersection of Dunlop St. and Maple Ave.
12. Removal of the four payphone booths, at this location would require the City to pay Bell Canada up to \$2920 in removal costs (4 payphones at \$730/payphone), plus an additional \$2000 for City staff to repair the sidewalks (as estimated by Roads and Parks Operations). The approximate total cost of \$4920 associated with the removal of the payphones has not been included in the 2013 Business Plan. If the City proceeds with the removal of the phones, the costs would be addressed through total budget management as this is no budget for this type of work.
13. Affected operating incomes of approximately \$18 per month related to the telephones referred to in this report are included in an account - Corporate Revenues Department (Revenues Bell Canada) 01-24-0830-0000-8099. The approximate income over the remaining nineteen months of the contract would be \$340. The estimated net financial impact to the City would then be a cost of \$5260.

**ENVIRONMENTAL MATTERS**

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

**ALTERNATIVES**

15. The following alternatives are available for consideration by General Committee:

**Alternative #1**

General Committee could recommend that the 4 payphones at the intersection of Dunlop St and Maple Ave be removed prior to the end of the contract.

This alternative is not being recommended as the City would incur costs of up to \$4920 and lost revenues valued at \$340. As the costs and loss of revenues were not anticipated in the 2013 Business Plan, this would create an exposure that would need to be managed by the Corporation.

**Alternative #2**

General Committee could recommend that the 4 payphones at the intersection of Dunlop St and Maple Ave be removed at the end of the contract (March 2015).

The removal of these payphones at the end of the contract is a viable alternative given the low usage.

**FINANCIAL**

16. There are no financial implications associated with the recommended motion

**LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN**

17. The recommendation(s) included in this Staff Report are not specifically related to the goals identified in the 2010-2014 City Council Strategic Plan.

APPENDIX "A"

Photos of phone booths recommended for removal

