



TOWN OF
HALTON HILLS
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REPORT

TO: Mayor Bonnette and Members of Council

FROM: Mandy Keller, Senior Manager of Community Development

DATE: June 4, 2021

REPORT NO.: RP-2021-0017

SUBJECT: Rate Relief, Waiver of Recovery Payments and Loan Deferrals

RECOMMENDATION:

THAT Report RP-2021-0017 regarding Rate Relief, Waiver of Recovery Payments and Loan Deferrals be received;

AND FURTHER THAT 2021 annual Loan payments valued at \$132,600 from Georgetown Soccer Club and Halton Hills Minor Football for Kiwanis Field be deferred per the rationale outlined in Report RP-2021-0017;

AND FURTHER THAT 2021 annual loan payments valued at \$38,500 be deferred from Halton Hills Gymnastics Centre per the rationale outlined in Report RP-2021-0017;

AND FURTHER THAT Future Sign service agreement payments valued at \$10,000 be deferred and the extension of the service agreement be made per the rationale outlined in Report RP-2021-0017;

AND FURTHER THAT staff be authorized to reduce the hourly outdoor fitness usage rental rate for fitness providers by 50% while in Step 1 and 2 of the Provincial reopening framework per the rationale outlined in Report RP-2021-0017;

AND FURTHER THAT recovery payments for Quarter 3 and 4 for Hillsview Active Living Centres valued at \$32,600 be waived for 2021 per the rationale outlined in Report RP-2021-0017;

AND FURTHER THAT staff be directed to update the necessary documents to reflect the deferral of loan and waiving of rental payments outlined in Report 2021-0017;

AND FURTHER THAT staff be directed to report back on any rate relief required for

major ice or aquatic users in Q4 of 2021 per the rationale outlined in Report RP-2021-0017;

AND FURTHER THAT the Acting CAO, after consultation with the Commissioner of Recreation and Parks, be authorized to administer facility rental rate adjustments, as necessary outlined in Report RP-2021-0017 through delegated authority.

KEY POINTS:

The following are key points for consideration with respect to this report:

- COVID 19 pandemic impacts to sport, fitness and recreation groups persist.
- Staff is recommending rate relief, waiver of monthly rental and loan deferrals to support these local groups.
- Financial impact on requested rate relief, waiver of monthly rental and loan deferrals in 2021 discussed in this report.

BACKGROUND AND DISCUSSION:

The Town has agreements in place for various local organizations and businesses that support the department in the delivery of recreational programs and services. Loan or partnership agreements or rental payments for specific groups have been approved by Council through by-laws or annual corporate rates and fee reviews.

In response to the challenges faced by community organizations as a result of COVID-19, the Town has supported local sport, recreation and children/youth serving organizations via rate relief to Aquatic User Groups through Council Resolution No. 2020-0065 and to Ice and Floor Sport Groups through Council Resolution No. GC-2020-0135 and GC-2020-0115. In addition, rental relief, waivers of lease payments and deferral of loan repayments to several groups were provided through Council Resolution No. GC-2020-129 and Council Resolution No. GC-2021-0004.

The purpose of this report is to provide Council with the financial impact on requested rate relief, waiver of monthly rental and loan deferrals in 2021 for specific recreation, fitness and sport providers and community groups.

As the COVID 19 pandemic persists, sport, fitness and recreation groups and lease/loan holders continue to face uncertainty in their operations. As the province of Ontario now moves into a new framework for reopening most recreation providers will return to some level of operation. That said, they are greatly impeded by restrictions around operation outdoors vs indoors, capacity with each step and lower than normal registration numbers being experienced.

In addition, two shut down orders have been experienced in the first and second quarters of 2021. As these organizations start and stop operations, they must issue refunds and carry over funds to future sessions all of which reduces these

organizations' financial capacity as they recover, try to generate new revenue and endeavor to return to sustained operations.

In response to these impacts the following relief on rental, waiver of monthly rental and loan deferrals is requested.

Loan Deferrals

In July 2020 Council approved loan deferrals as per Report No. RP-2020-0017 for Georgetown Soccer Club and Halton Hills Minor Football. As the impacts of Covid-19 remain for these groups staff is recommending that 2021 annual Loan payments valued at \$132,600 from Georgetown Soccer Club and Halton Hills Minor Football for Kiwanis Field be deferred again. These payments will resume in 2022 when, it is hoped, programs proceed as they have in the past. The term of the agreement will be extended by one year to 2032 to cover the 2021 deferral for both organizations. Any Kiwanis Field use in 2021 by Georgetown Soccer Club and Halton Hills Minor Football will be applied against the outstanding loan balance.

Group	Total Financial Impact (2021)
Georgetown Soccer Club and Halton Hills Minor Football	\$132,600.00

In July 2020 Council approved a loan deferral as per Report No. RP-2020-0017 for Halton Hills Gymnastics Centre. Staff recommend that the 2021 annual loan re-payments (both principal and interest) valued at \$38,500 from Halton Hills Gymnastics Centre be deferred as the group continues to experience challenges with restrictions and registration. These payments will resume in 2022 when, it is hoped, programs proceed as they have in the past. The term of the loan will be extended until 2025 to cover the 2021 deferral.

Group	Total Financial Impact (2021)
Halton Hills Gymnastics Centre	\$38,500.00

Advertising Term Deferrals

Staff had suspended the 2020 arena board advertising and Future Sign service agreement due to the facility closures and anticipate doing the same until September of 2021. Staff will proceed with the necessary administration to defer the collection of approximately \$10,000 of Future Sign revenue and extend the term of the service agreement accordingly. No board advertising dollars have been collected from vendors since the onset of the pandemic in March 2020. The annual term for board ads will begin September 1, 2021, and run through August 31, 2022, at the value noted in the Council approved rate report.

Group	Total Financial Impact (2021)
Future Sign	\$10,000.00

Outdoor Fitness Providers

As fitness providers traditionally operating indoors respond and adhere to guidelines, it is necessary for them to acquire outdoor space to do any level of programming, this while still maintaining their indoor facilities. This is further impacted by restrictions faced on the number of individuals that can participate in organized fitness programming.

The outdoor fitness usage rate is available for fitness providers to access outdoor park space, however given the above discussed factors the rate has been flagged as cost prohibitive. As such staff is recommending that the outdoor fitness usage rate be reduced by 50% while the province remains in Step 1 and 2. It is anticipated that these providers will be able to return to their indoor location by Step 3.

The actual financial impact of the 50% rate reduction for the outdoor fitness usage rate is not fully known as fitness providers are still awaiting notification of a reduction to determine their schedules. This reduction is intended to make outdoor space more accessible which may encourage more fitness providers to apply for spaces then in the past, therefore potentially offsetting any revenue loss. That said based on the current requests the 50% rate reduction to the outdoor fitness usage rate will mean a revenue loss of \$1,300.

Group	Total Financial Impact
Fitness providers	\$1,300

Hillsvie Active Living Centre Operating Budget

Throughout 2021, Hillsvie Active Living Centres has continued to operate programs and services in a limited capacity in accordance with the Province's framework for reopening and Stay at Home orders.

Certainty around when and how these services will resume to a normal pre Covid- 19 capacity remains unknown. The Hillsvie Board of Directors contribute, 25% of the total operating budget each year. Considering Provincial restrictions and that any phased reopening will be at a substantially reduced capacity, the Board anticipates minimal revenue recovery to offset this expense. In 2021 it is assumed that this inability to contribute the full 25% to the operating budget will continue through the 3rd and 4th Quarter. The proposed financial impact recalculates the 25% contribution excluding facility related costs to help offset the revenue loss.

Group	Total Financial Impact (3 rd and 4 th Quarter)
Hillsvie Active Living Centres	\$32,600

As the above organizations resume operations it is anticipated that Provincial restrictions will continue to ease, and activities will begin to normalize. The anticipated recovery should allow these groups to operate as they have in the past and generate the necessary revenues to sustain operations.

Potential Q4 Rate Relief

Until more is known regarding the capacity limits and regulations related to indoor recreational facility operations, staff are not able to confirm the rationale for rental rate relief in the last quarter of 2021. Staff recommend that rate relief requests from major ice users and aquatic groups be referred to Council for approval at that time. If there are adjustments to rate relief measures required for room rentals, minor leaseholders, Pro shops or floor use, staff recommend that the CAO have delegated authority and make discretionary rate adjustments in consultation with the Commissioner of Recreation and Parks. The primary considerations would include:

- Impact to regular operations due to reduced occupancy;
- Regulatory requirements that increase operating costs in the various Steps of the Roadmap to Reopen; and/or
- Inability to pay the established rates due to financial impacts of operating under the Roadmap to Reopen framework.

STRATEGIC PLAN ALIGNMENT:

This report aligns to the Town's Strategic plan recognizing the value to provide responsive, effective municipal government and strong leadership in the effective and efficient delivery of municipal services.

RELATIONSHIP TO CLIMATE CHANGE:

This report is administrative in nature and does not directly impact or address climate change and the Town's Net Zero target.

PUBLIC ENGAGEMENT:

Public Engagement has been conducted as follows: information gathering and meetings with each of the respective groups referred to in this report. Each recreation, fitness and sport provider and facility user impacted will be informed of Council's decision regarding the disposition of this report.

INTERNAL CONSULTATION:

The Town Treasurer has been consulted and has provided approval.

FINANCIAL IMPLICATIONS:

This report has an immediate financial impact and requires a funding source.

The deferral of the 2021 annual Loan payments from Georgetown Soccer Club and Halton Hills Minor Football for Kiwanis Field will have an impact of \$132,600 on Town cash flows;

The 2021 annual loan payments \$36,600 deferral and \$1,900 interest waived from Halton Hills Gymnastics Centre will have an impact of \$38,500;

Future Sign service agreement deferral would result in an estimated financial impact of \$10,000 for 2021 cash inflows to the Town;

The impact of the reduced hourly outdoor fitness usage rate by 50% for fitness providers for Steps 1 and 2 will have a permanent reduction of cash inflows to the Town in 2021 of \$1,300;

The impact of reducing the Hillview recovery payments for 3rd and 4th quarter will have a permanent reduction of cash inflows to the Town in 2021 of \$32,600;

Total 2021 Financial Impact of this Report RP-2021-0017: \$215,000. Of which, \$33,900 is a permanent loss of revenues that can be funded from Safe Restart Agreement funding and \$181,100 is a deferral of cash inflows that Finance will manage through operating reserves until such time as the monies are received.

Reviewed and approved by,

A handwritten signature in black ink, appearing to read "Warren Harris".

Warren Harris, Commissioner of Recreation and Parks

A handwritten signature in black ink, appearing to read "W. Andrews".

Bill Andrews, Acting Chief Administrative Officer