

REQUEST FOR DECISION (RFD)

Date: June 20, 2023
To: Mayor Milligan and Members of Council
From: Michael Boronowski, Chief Administrative Officer
Subject: Consideration of Disposition – Max Turyk Community Centre

RECOMMENDATION

That Council provide direction, by resolution, on the consideration of the potential sale of Max Turyk.

PURPOSE

This report is provided as a follow up to the June 20, 2023 Committee of the Whole report, which provides a summary of public comments and questions related to Council's consideration of the sale of the Max Turyk Community Centre to the Conseil Scolaire Francophone (CSF).

It is provided as a separate report, to Council at this Special Meeting of Council so that Council has the ability to provide direction by way of formal resolution.

BACKGROUND

While the Max Turyk facility previously operated as an educational facility under SD5 and is currently leased to the CSF and not-for-profit child care and day care operators, many in the community have come to know this facility as a hub for community activity.

It is functionally a location where people enjoy and rely upon a number of services and recreation opportunities, booked through the City, and provided by external groups.

Given the consideration came by way of direct discussions with the CSF, Council directed staff to initiate a public consultation to support their consideration of the potential sale of the property.

The consultation included an online engagement through the Let's Talk Fernie Platform, and a public Open House on June 6, 2023. The results of those engagements were provided to Council at the June 20, 2023 Committee of the Whole Meeting.

Reviewed by:			
Chief Administrative Officer 	Director of Corporate Administration Services 	Director of Finance	Other:

INTERNAL CIRCULATION

This report was reviewed by the Director of Corporate Administration and the Director of Asset Management.

LEGAL/STATUTORY PROCEDURAL REQUIREMENTS

In accordance with Section 26 of the Community Charter, before the council is able to dispose of municipally owned land or improvements, Council must publish notice of the proposed disposition in accordance with the notice provisions listed in Section 94 of the Community Charter.

For a disposition of this nature, once an agreement is formalized and executed, then a notice will be created containing the following information:

- Description of the land or improvements;
- The person or public authority who is to acquire the property;
- The nature and, if applicable, the term of the proposed disposition;
- The consideration to be received by the municipality for the disposition.

COMPLIANCE WITH CORPORATE STRATEGIES & POLICIES

The following **Leisure Services Master Plan** recommendations are relevant to this file:

- Implement option #1A central recreation complex at the aquatic centre site
- Commission a real estate appraisal of the three potential sites proposed for disposal. (Max Turyk, Community Centre/Arena)
- Engage an architect to develop concept plans and preliminary cost estimates and a phasing program for the three options.
- initiate community consultation including facility users and business community and discussions over the three options. (MPCC community services work)
- release an expression of interest for a joint venture development including recreation facilities and, on the arena, site.
- release an expression of interest for a future joint venture development within the aquatic centre complex.
- establish a preferred concept cost estimates and business plan in preparation for future infrastructure grant opportunities.
- review funding options borrowing capabilities and potential for community referendum.
- in terms of prioritizing new facilities placed the highest priority on the reconstruction of the Centennial community centre combined with additional multi use recreation rooms followed by the fitness and health amenities.

The following policies in the **Official Community Plan** may provide guidance to Council's considerations on this file:

- 4-E.5 Explore development of a new community centre complex to replace the existing centre and diversify indoor recreational opportunities and programming.

- 4-F Fernie promotes, facilitates and encourages adequate and accessible childcare options.
- 4-F Affordable, accessible childcare is an ongoing issue in Fernie and surrounding communities. The City of Fernie can support and encourage the development of additional childcare spaces and options, which in turn would help improve Fernie's community wellbeing, livability and economic development.

Childcare

- 4-F.2 Support the shared-use of public buildings and sites for the provision of childcare.
- 4-F.3 Establish partnership agreements with major employers and industry stakeholders to develop new, affordable, high quality childcare facilities and/or expand existing facilities where feasible and appropriate.
- 4-F.4 Support and facilitate the development of new childcare and daycare options and expanding current facilities where feasible and appropriate.
- 4-F.5 Use development incentives and tools to leverage facilities or lands to help offset the costs of developing new childcare facilities.
- 4-F.6 Support and collaborate with other service providers to develop new childcare facilities.

Recreation

- 5-C Fernie supports the expansion of indoor, outdoor, active and low impact recreation and leisure opportunities for all ages and abilities.
- 5-C.2 Support and implement the Leisure Services Master Plan (LSMP).
- 5-C.3 Continue to work toward the provision of recreational facilities and services that are accessible to all segments of the population, including both residents and tourists, and that are designed to accommodate active and low impact uses.
- 5-C.7 Support the Leisure and Services Master Plan recommendations to develop a multiplex upgrade to the Fernie Aquatic Centre.
- 5-C.12 Continue to develop agreements with local schools to allow community recreation and sport use of school gym facilities.
- 5-D.7 Where feasible and appropriate, acquire lands for future parks, facilities, or as lands for greenway or natural corridor linkages.
- 5-D.8 Encourage continued partnerships between the City of Fernie and local schools for the development and maintenance of sport fields and playgrounds.
- 9-B.13.7 Work with local schools to develop and maintain school sites for recreational use by the community

The Asset Management policy provides the following Goals that should be considered:

Creating long-term financial sustainability

Choose options that reflect an ongoing commitment to long-term financial sustainability across all areas of the organization while investing in assets and delivering services aligned with community needs.

Committing to timely and compelling communication and engagement

Strengthen the organization, services, and the community through clear, consistent, engaging communication, and ensure effective channels to hear from the community.

Investing in core infrastructure and service delivery

Define and communicate all current municipal services. Structure and retain city resources and assets that support effective core service delivery for a sustainable and healthy community.

Building an inclusive community

Value and promote diversity and inclusion throughout operations, planning, service delivery, and governance. Identify and remove barriers for individuals and families to live and work in Fernie.

Dedicated to future-proofing our community

Identifying, developing, and continually improving planning and systems to ensure current and future preparedness is at the forefront of decision-making as we face and respond to financial, organizational, environmental, community, and cultural challenges.

FINANCIAL/BUDGETARY CONSIDERATIONS

Asset Liabilities and Reserve Contributions

The proposed sale price of the Max Turyk Community Centre is \$3.4 million. The revenue from the proposed sale would be placed in the Land Sale Reserve Fund to be allocated to land acquisition, land improvements, or capital investment, its use is to be determined at a later date.

The disposition of this facility would reduce the City's overall asset liabilities while maintaining certain levels of service to the Community. These changes are summarized earlier in this report.

Target and actual annual reserve contributions for facility renewal are low, however further work developing long-term capital plans and asset management plans for each municipal facility is required to provide an accurate figure for these considerations. There are no proposed reductions to annual facility reserve contributions reflected through the disposition of this property.

Operating Costs

Operating costs for the Max Turyk Community Centre include general facility supervision, janitorial, snow removal, building maintenance, facility booking and service request response, capital planning and budgeting, regular field maintenance and inspections.

The 5-year average annual operating cost for the Community Centre is approximately \$60,300. The table below reflects fixed and variable costs for operating the Community Centre. Transferring ownership of the facility and outdoor amenities to the CSF would see most variable costs go to CSF, with fixed costs remaining within the City budget. It must be noted that due to limitations on historical tracking of financial costs to the facility for field maintenance, playground, court, and other matters that these figures are likely understated.

Operating Costs	Amount	Fixed / Variable
Salaries	\$ 24,358.97	Fixed
Benefits & Paid Leave	11,420.51	Fixed
Equipment Cost	13,500.00	Variable
Administration Cost	2,638.00	Fixed
Safety Allocation	500.00	Fixed
Telephone & Internet	1,885.70	Variable
Utilities	34,376.36	Variable
Insurance	29,000.00	Variable
Building Repair Materials	2,500.00	Variable
External Contracts	6,000.00	Variable
Operating Supplies	2,500.00	Variable
Lost revenue from lessee rentals	(66,300.00)	Variable
Total Max Turyk operating budget	\$ 62,379.53	
Total variable costs	23,462.05	
Variable costs as a function of taxation %		0.27%

Capital Cost Investment Since Purchase

An average annual capital investment of ~ \$156k has been spent on the facility and outdoor amenities since ownership began in 2008.

While a 5-year capital plan has remained in draft form while this consideration has been explored, it's estimated that a similar investment will be required annually moving forward.

Annual Interest

Lastly, the annual interest earned on \$3.4M, at what staff feels is a conservative estimate of current and immediate future interest rates, would be approximately \$140k.

OPTIONS

Council may:

1. Resolve to advance the disposition of the Max Turyk Community Centre to the CSF.
2. Resolve to conclude consideration and not advance the potential disposition of the facility.
3. Table a decision, requesting additional information, to come back at a future date.
4. Direct staff otherwise.

In light of public feedback gathered through consultation, and directly from tenants and stakeholders, staff are not able to recommend advancing the disposition of this facility as currently proposed.

The concerns expressed by the community indicate a strong connection to the services offered through the facility and grounds. This includes recognition and appreciation for the French Language School, paired with concern due to uncertainty for the future of the amenities provided. Staff believe significant future planning and consultation and engagement would be required to comprehensive plans to appropriately assuage public and stakeholder concerns regarding the potential disposition.

CONCLUSION

This report provides a highlight of policy and financial factors to support Council in their consideration of the potential sale of the Max Turyk Community Centre. Council and many members of staff have received significant public input both directly and through the formal public consultation process.

Staff are not recommending the sale proceed in its current form, and acknowledge the gap in robust long-range plans which would be valuable for council in this type of consideration. Staff will be recommending long-term planning related to recreation amenities and facilities as a future budget item for next fiscal year, in coordination with the Official Community Plan, to form part of a public consultation process and master guiding document set when complete.

Respectfully submitted,
Michael Boronowski, Chief Administrative Officer