



Date 4 May 2011

City Council Committee Report

To: Mayor Canfield & Members of Council

Fr: Karen Brown

Re: KAR, LOWDC and Special Events Recommendations

Recommendation:

That Council hereby approves the recommendations as set out within the report dated May 4, 2011, entitled "KAR, LOWDC and Special Events Recommendations", summarized as follows:

- Central coordination of special events throughout the City through the Lake of the Woods Development Commission (the Commission);
- Commission consideration be made to use the Kenora Assembly of Resources (KAR) on an incremental cost recovery basis for the set up and take down of the big tent on the South parking lot of the Harbourfront for 2011;
- Commission moves forward with special events in accordance with the plans they have set in place for 2011;
- Commission makes use of KAR on an incremental cost recovery basis to help with the set up and take down of special events throughout the City but outside of the Harbourfront area, provided the cost for doing so is competitive;
- KAR completes special events for which it has already coordinated that occur prior to May 31, 2011 and keeps any revenues generated as a result of those events;
- KAR provides a listing of special events for which they have been actively working on with event organizers to the Commission by May 20, 2011, for any activities that will occur on or after June 1, 2011, as well as contact information for those events and that any event organizers contacting KAR on a forward basis be redirected to the Commission special events staff;
- Special events equipment currently stored by KAR, including the City tents, to be transferred from KAR to the Commission effective May 31, 2011 and KAR be instructed to deliver that equipment to the related City storage facility, and be reimbursed for this transfer on an incremental cost recovery basis by the City;
- City to arrange and pay costs for separated storage to house the new Harbourfest equipment and the transferred special events equipment separately;

- Commission will be responsible for coordinating and renting the special events equipment effective June 1, 2011, including retaining the revenues therefrom unless otherwise provided under the Commission's agreement with Harbourfest;
- KAR will be provided with free access to the big tent and transferred special events equipment on the Harbourfront for the purposes of the Farmers' Market in 2011 and be responsible for all set up and take down related costs, equipment transfers, market jockeys and other related costs;
- KAR will maintain the Farmers' Market on the Harbourfront for 2011;
- KAR will facilitate accommodating parking requirements for South Harbourfront parking patrons as required based on specific and incremental impacts resulting from the Farmers' Market;
- Commission and KAR work together to ensure a successful transition of the Farmers' Market to special events in 2012;
- Tourism Development Officer, the Parks Supervisor and the KAR Harbourfront Services Coordinator meet as a group to work out the operating details related to implementing these final recommendations; and further

That the appropriate by-law be passed to approve the KAR service contract for the delivery of community social programs for 2011.

Background:

The subject of special events and the transfer of that function from the Kenora Assembly of Resources (KAR) to the Lake of the Woods Development Commission (the Commission) has been an area of discussion, study and reports for some time now. In March 2011, Council approved the following resolution:

That Council hereby formally approves the transfer of special events to the Lake of the Woods Development Commission (the Commission) effective 1 January 2011; and

That the Memorandum of Understanding between the City and the Commission be updated accordingly; and

That the appropriate by-law be passed for this purpose; and

That Council hereby authorizes City Administration to negotiate a service agreement with the Kenora Assembly of Resources (KAR) to 31 December 2012 to continue to provide social programming; and

That Council approves the appropriate by-law once a suitable service agreement has been negotiated; and

That the administration of the KAR services agreement be separated from the Commission and special events and be dealt with directly by City administration, independent of the Commission; and further

That Council create an Ad Hoc Committee to review the social programming services provided under the KAR contract with the intent of developing a long term plan for the provision of those services beyond the extended KAR service agreement, including a transition plan, with review and recommendations to be completed in 2011, and phase in to occur during 2012.

While the resolution references a two year agreement, it was recognized by Council that a one year agreement for 2011 was preferred to be able to accommodate any changes that may occur in 2012 as a result of that being a transition year. The one year agreement for 2011 is being drafted and will be sent to KAR with the intent of approval of that contract in conjunction with the approval of the recommendation as included in this report. A copy of the report which includes this recommendation approved in March 2011 has been attached for your reference.

Since the approval of that report, the Parks Supervisor has been actively working and in discussions with both KAR and the Commission with regards to transferring the special events function and how the details would work between the parties in this transition. Some issues remain that must be resolved. The season of special events is quickly upon us. It would appear that Council needs to set the final direction in dealing with some of these items in order to move forward with a decision, enabling staff to meet and work out the operational details in time to ensure special events does not suffer as a result.

City administration has taken the opportunity to meet with the KAR Board Members and staff (Bill Richards and Buck Matiowski on April 27th, and John Berringer on May 2nd) and the representatives of the Commission ad hoc Committee on Special Events (Dennis Wallace, Randy Nickle, Jennifer Findlay and Heather Paterson on May 3rd). The intent of these meetings was to obtain information and clarification on each party's position for the purposes of forming a final recommendation to Council. It should be noted that the recommendations formed as a result of these meetings were based on an evaluation of what would be fair to all parties, as opposed to meeting the wishes or positions of the parties, and were considered to be in the best interests of the City overall. The recommendations are not independent, and have been pulled together as a package for ensuring both parties are treated fairly. Separation and / or separate treatment of the recommendations will reduce the fairness of this plan to one or more parties.

Based on these meetings, the following is being recommended for direction by Council and implementation by City staff, including the City staff reporting directly to the Commission, as well as the KAR staff.

Central coordination of special events

The Commission's special events plan focus is on the Harbourfront area and the tent. It is based on this model that they have budgeted and made their plans for 2011. It is recognized, however, that special events occur on a variety of scales and throughout the municipality, and that the special events vision needs to be able to effectively address the needs of event organizers for events throughout the City. The Commission has indicated that it is committed to helping facilitate all these events. On a forward basis, there should be a central coordination of special events through the Commission, and all events will need to be coordinated through the Commission. Recreation facilities and parks will continue to be booked through those respective departments. Special events will have access to bookings for these departments to be able to advise organizers on venue availability.

Use of KAR Programs for Special Events Set Up and Take Down

As stated, the Commission's special events plan focus is on the Harbourfront area and the tent. They have developed their plans around this venue, and have established their requirements accordingly. The City needs to allow the Commission to move forward with special events and ensure the plans they have put in place are working effectively in 2011. Having said that, KAR has provided the Commission with a quote for set up and take down of the big tent, given that the new tent cover will not be up until late summer. Using KAR for this service is a sensible solution and one that the Commission should seriously consider. The Commission will need to determine how to address the daily security, maintenance and structural requirements of the big tent, as well as the parking related issues resulting from displacing the parking patrons at the South Harbourfront in order to accommodate the tent.

The issue with events in other areas of the City remains. It is recommended that the Commission use KAR on an incremental cost recovery basis for the purposes of set up and take down for special events in other areas of the City. As per the attached March 8th report, the Parks Supervisor would be used as the liaison between special events and KAR for coordinating this type of activity. Should the Commission be able to obtain a cheaper price for this service elsewhere, then it would not be bound to use KAR for this, although it is recognized that this must be resolved and a commitment made for the purposes of coordinating manpower, as opposed to an expectation of regular quoting on an event by event basis. It is also worth remembering that there should be no reliance on other City staff, such as operations or recreation staff, for the

special events, other than the liaison function performed by the Parks Supervisor.

In the interim and in addition to work done on the Farmers' Market, KAR has been already working with special event organizers for 2011 for events not occurring on the Harbourfront. KAR should complete special events that will occur prior to May 31st, and will keep any revenues generated as a result of those events. For any events KAR has been helping which will occur commencing June 1 or after, KAR will provide a list of those events to the special events staff for their coordination as soon as possible. For any future contact with KAR by event organizers, those organizers will be directed to contact the special events staff.

Equipment and Related Storage

The Commission entered into an agreement with Harbourfest with regards to special equipment. Harbourfest put in an application for funding, and the resulting equipment purchase is to be used under the big tent on the Harbourfront for special events and stored by the City. In addition, there is a special events equipment inventory currently being held by KAR. In order to accommodate central booking of special events, the equipment including the City's tents currently stored by KAR will be transferred to the Commission effective May 31. KAR will be instructed to deliver that equipment to the related storage facility owned by the City and the City will pay incremental costs incurred by KAR related to moving this equipment to the City's facility. The City will need to make arrangements for separating the storage of the Harbourfest equipment as opposed to the other equipment being transferred from KAR. KAR will need to have direct access to the equipment transferred if they are to do set up and take down work on behalf of special events. Effective June 1st, the Commission will be responsible for coordinating and renting this equipment, with recommended set up and take down through KAR as coordinated by the Parks Supervisor. Doing this will effectively eliminate the equipment rental revenues and storage costs from the KAR budget as of May 31st, as well as potentially reduce insurance costs. This will also introduce equipment rental revenues (net of incremental cost recoveries for KAR) for the Commission that will be used to offset lost tent rental revenue. This lost tent rental revenue is discussed further below under Farmer's market section of this report.

Farmers' Market

With the transfer of the equipment from KAR to the Commission, KAR no longer holds the resources to support the Farmers' Market program on Wednesdays. KAR has not budgeted for funds to pay for tent rentals as historically they held the tents and had the ability to use those tents. Communications related to the Farmers' Market have already been distributed, including pricing. As such, it is not recommended that the

table rental rates be adjusted for 2011. Net revenues from the Farmers' Market are used to offset some of the costs related to the KAR programs. KAR's plan is to relocate the Farmers' Market if needed in order to ensure they do not incur further costs for which they do not have the budget. KAR does budget for costs related to set up and take down; including market jockeys that help unload vendors' vehicles due to limited parking space on the Harbourfront. Under the Commission tent fee structure, the tent rentals include the set up and take down of equipment. While the Commission feels strongly that KAR should be paying for the tent rentals from this program, it is recognized that KAR is transferring the special events equipment to the Commission this year. In addition, the Commission is clear in their position that the Farmers' Market must remain at the Harbourfront. This has been supported by communication received from the BIZ requesting Council support to keep the Farmers' Market on the Harbourfront. A copy of this letter has been attached to this report for your reference. Finally, in our discussions, KAR has indicated that this is the last year that they will do the Farmers' Market program and that they will not be doing it in 2012. For 2011, KAR should not be paying for any tent rentals, primarily in recognition of the transfer of the special events equipment, but also acknowledging that KAR will directly be responsible for set up and take down requirements, including parking related impacts on Farmers' Market days, and with the vision of maintaining the Farmers' Market on the Harbourfront in 2011. Also in 2011, the special events staff must work with the KAR staff to ensure a successful transition of the Farmers' Market, so that special events is able to ensure the continuation of this successful event in 2012. The Commission can also take this opportunity to review the fee schedule to see if it should be adjusted for 2012.

Coordination of Operating Details

It is recommended that the Tourism Development Officer, the Parks Supervisor and the KAR Harbourfront Services Coordinator meet as a group, independent of either Board or Commission members, to work out the operating details related to implementing these final recommendations. Things to be discussed include, but are not limited to:

- maintenance of the big tent on the South parking lot over the summer months;
- garbage clean up following events should the individuals / group fail to clean up (under the KAR agreement, KAR continues to be responsible for the cleanup of these areas, but should not be responsible to incur incremental costs if there is a failure of event organizers to ensure the cleanup is performed);
- transitioning the farmers' market operations;
- logistics and details of how the parties will operate to complement and assist each others' programs, while recognizing the separation and allowing each program to run independently.

Next Steps - KAR

As staff members actively work to implement and resolve these issues, next steps with determining a transition plan for KAR, including a summit and opportunities for public consultation, will be pursued. In the interim, the amended contract for 2011 between KAR and the City should now be passed based on the results of these discussions and the workload as clarified between the City and KAR during those discussions.

Budget:

Both the Commission and KAR will be required to implement these changes and operate within their existing budget allocations from the City.

The City will incur expenses related to the reimbursement of incremental costs related to the physical transfer of the equipment from KAR to the Commission for holding at the City's storage facility. The City will also incur some costs related to the separation of the existing storage facility used by the Commission to separate out the Harbourfest equipment from the other special events equipment. This separation will be paid for through the maintenance budget for that facility.

The KAR budget will be impacted through lost equipment revenues, but offset through a reduction in insurance and equipment storage fees.

The Commission budget will be impacted through lost tent rental revenues, but offset through new equipment rental fees.

Communication Plan/Notice By-law Requirements:

Both parties will be advised of Council's decision on this matter.