

**The Corporation of the City of Burlington**

**PARKS & RECREATION**

		<b>REC 026</b>
<b><u>ADMINISTRATIVE</u></b>  <b><u>POLICY</u></b>	<b>FACILITIES</b>	
	<b>JOINT VENTURE POLICY</b>  Effective: January 2010	

**PREAMBLE:**

Parks and Recreation services are part of the broad spectrum of social and community services, which support and enrich the quality of life of citizens of the City of Burlington. This policy is based on the following principles:

**PRINCIPLES:**

1. The City of Burlington is committed to being:
  - a. Recognized for its facility development and operations management expertise; and
  - b. A leader in supporting a system of integrated community leisure services to ensure that community needs are met.

The City will be recognized for these roles locally and province-wide, and will maintain its identity as a key community service provider.

2. Parks and Recreation services will be founded on community involvement and strategic alliances (Strategic Plan for Parks & Recreation).
3. Recreation and leisure services as provided through joint venture agreements are accessible to all citizens of Burlington regardless of ability, financial capabilities, cultural background, age or gender.
4. Safety, quality and customer responsiveness are the foundation of recreation and leisure services provided through joint venture agreements.
5. Parks and Recreation will work with joint venture organizations to ensure rates and fees are balanced and affordable particularly as they relate to general recreational programs offered to the community. Where both competitive and recreational programs are provided, Parks and Recreation staff will work with the joint venture organization to ensure that an appropriate balance exists.

**POLICY STATEMENT:**

The City of Burlington will pursue collaborative arrangements through joint venture agreements when this approach is:

1. Based on demonstrated community need with clear community benefit, either across the community or specific to identified priority geographic or targeted populations .
2. Consistent with the City and Department's strategic plans; and
3. Sustainable, with consideration given to the requirements for long-term dependence on City resources.
4. To actively support benefits of participation in recreation and leisure activities related to the health, wellness, social interaction and skill development of residents and economic benefits for the Burlington community.
5. To encourage and maximize participation of Burlington residents in a diverse range of recreational and leisure activities within their community.

**DIRECT CITY MANAGEMENT:**

The City will directly manage facilities and/or services when:

1. The City's financial expertise, land base or resources are essential to ensure the successful delivery of a leisure service with a demonstrated community need
2. No other service providers are interested in meeting the identified community need
3. Community input has demonstrated that the City is the preferred service provider and/or
4. City Council has directed this role through a resolution.

**DECISION-MAKING:**

City Council will make decisions about joint venture agreements and new directions, giving consideration to staff recommendations and appropriate community input processes. The Parks and Recreation Department senior staff team will make decisions about joint venture agreements based on staff research and input and within approved delegation of authority and purchasing policies and procedures.

**REVENUE GENERATION:**

In direct and facilitated service delivery, the City may pursue opportunities for revenue generation that result in a net surplus in specific service areas, whether the service or facility is directly delivered by the City or is delivered in a collaborative relationship with others.

**BUSINESS PROCESS:**

A Joint venture Business Process involving key decision points will ensure effective decision making. Elements of the process include:

1. Service and Needs Determination, including a review of strategic fit of the service within the context of current City and Department Strategic Plans
2. Service Delivery Approach Determination, including an analysis of options
3. Joint venture organization selection, including recruitment and a process to develop formal agreements
4. Management of Joint venture agreements, including implementation of the agreement and ongoing management of agreements
5. Evaluation of the joint venture agreement.

Staff will be assigned to manage joint venture agreements and an ongoing planning, review and reporting process will be undertaken.

**ASSESSMENT:**

City staff will assess requests from potential joint venture organizations based on the following as required:

1. Community Needs Assessment
2. Options Analysis
3. Joint Venture Organization Assessment
4. Business Plan
5. Feasibility Study, Requests for Proposals (RFPs) if required

**ROLES AND RESPONSIBILITIES:**

The City of Burlington Parks & Recreation Department will:

1. Provide leisure services leadership in Burlington through planning and facilitative roles that focus on research, evaluation, and activities that identify market needs and match these with appropriate service delivery approaches.
2. Provide resources to develop community capacity to support leisure services.

3. Support collaborative service delivery through sound agreement management practices and communication that supports excellent customer service.
4. Develop contingency plans to respond to events that might require City intervention

**LINKAGES:**

The following Council-approved Policies and Departmentally approved Procedures have linkages to the Joint Venture Policy. Users are subject to all terms and conditions of these and other related and approved Policies and Procedures.

- Leisure Services Policy
- Zero Tolerance Policy
- Joint Venture Financing Policy

**JOINT VENTURE FINANCING:**

**PREAMBLE:**

Parks & Recreation services are part of the broad spectrum of social and community services, which support and enrich the quality of life of citizens of the City of Burlington. This policy is based on the following principles:

1. There is a substantial benefit to Community Groups and the City to financially support the practice of funding capital projects and community initiatives through a joint venture policy
2. Leisure services should be provided in a manner which is sustainable
3. Provision of these services is a shared responsibility among government and community providers as well as the individual

The policy includes three sections.

- **Section A** sets out the general policy intent with respect to guidelines for use, recovery and interest payments.
- **Section B** relates to specific financing options for community organizations.

**SECTION A GUIDELINES:**

1. Intent
  - a. The policy will continue to be a vehicle to provide access to funding for community groups unable to access funding through private sector lending institutions.

- b. The policy will be applied to renovations and retrofits in addition to new facility development.
  - c. The policy shall offer a menu of financing options for user groups to choose from.
  - d. The City will identify suitable projects well in advance and take a proactive approach to developing joint venture financing arrangements with community groups. The policy shall act as a planning and financial management tool.
  - e. The policy will include clear and fair criteria that address the recovery of interest. The Joint Venture Policy will be applied fairly - interest will be charged based on the cost to the City, whether from the issuance of external debentures or the loss of interest earned on financing from internal sources.
2. 100% Recovery Requirement (Principal & Interest):
- a. Any new facility (including a structure) that is requested by a group and has not been identified as a need in existing current or capital budgets or identified in the City's Major Facilities Study (approved by Council), that is proposed to be constructed and funded in the year it is requested.
  - b. Any renovation/retrofit that is proposed by a group and has not been identified as a need in current or capital budgets and proposed to be funded in the year it is requested.
  - c. Any new facility (including a structure) or renovation/retrofit that has been identified as required in future years but which the user group requests to be funded earlier than planned.
  - d. Any facility (including a structure) or renovation/retrofit that is primarily for the use of a limited membership (i.e. the facilities are not readily or generally available to the general public and the group charges annual dues or similar fees).
  - e. Any facility (including a structure) or renovation/retrofit that is primarily for the use of adults.

**SECTION B FINANCING OPTIONS:**

**POLICY FOR INTERIM FINANCING OF COMMUNITY GROUP RECREATION PROJECTS FINANCED BY PUBLIC DONATIONS**

That where the City is being requested to provide interim "bridge" financing for a project in conjunction with a group of citizens proposing to raise contributions through a campaign for community funds, the following requirements will apply:

1. That the community need for the proposed project and benefit be clearly demonstrated to the satisfaction of City Council, which would include a determination as to whether or not the need is being addressed to some degree by another service provider in the community.
2. That the community group be required to enter into an agreement with the City with respect to loan and repayment terms and conditions subject to the approval of the City's Legal Department.

3. That prior to application being made to the City for assistance in capital financing, at least 1/3 of the community subscription goal be achieved.
4. That all pledges for donations be receivable over a period not to exceed five years from the date of making the pledge, and that the length of repayment of the loan not exceed five years from the date of the first advance.
5. That the interested group be required to supply to the Treasurer of the City, prior to formal consideration of the application.
  - a. An audited financial statement\* for the immediately preceding year;
  - b. An analysis of the complete cost of the project including architect or consultant's fees, furnishings and equipment and any other costs related to the project;
  - c. A schedule to show how the project is to be financed;
  - d. A cash forecast of the project's expenditures and revenues over the period during which the City loan will be outstanding including loan repayments;
  - e. A forecast of incremental operating costs for 3 years.
6. That the group provide the Treasurer of the City with an audited financial statement\* of their operations within three months of the end of each fiscal year until the loan is repaid and with a quarterly statement of the cash position of the project and the status of pledges outstanding and collected during the term of the loan.
7. That all submitted financial reports and documents are prepared to the satisfaction of the City Treasurer.
8. That advances on the approved City loan shall be on the basis of required contractor progress payments and the cash position of the project, and evidenced by signed Promissory Notes.
9. That the names, addresses and occupations of the officers of the group be provided to the City at the time of application and the City be informed of any changes so long as the loan remains outstanding.

\* The City Treasurer may waive the requirement for audited financial statements for the preceding year if in his/her opinion the risk of material error is low and the Community Group provides financial statements prepared by an independent, qualified accountant.

**POLICY FOR LOANS TO COMMUNITY GROUPS FOR THE CONSTRUCTION, RECONSTRUCTION, REPAIR OR EXPANSION OF RECREATION FACILITIES**

That where the City is being requested to partially finance a project through a municipal contribution and/or a loan in conjunction with a community group, the following requirements will apply:

1. That the community need for the proposed project and benefit be clearly demonstrated to the satisfaction of City Council, which would include a determination as to whether or not the need is being addressed to some degree by another service provider in the community.
2. That the community group be required to enter into an agreement with the City with respect to repayment, title and operations subject to the approval of the City's Legal Department.
  - a. That a sum equal to at least 10% (was 15%) of the project cost be either paid by the Community Group or deposited with the Corporation at the time of signing the agreement and prior to commencement of new Construction;
  - b. That a sum equal to at least 10% (was 25%) of the project cost be either paid by the Community Group or deposited with the Corporation at the time of signing the agreement and prior to commencement of Reconstruction, Repair or Expansion.
3. That the length of repayment for the loan not exceed ten years.
4. That ownership of the facilities be vested in the Corporation of the City of Burlington.
5. That the interested group be required to supply to the Treasurer of the City prior to formal consideration of the application, an audited financial statement\* for the preceding fiscal year and a cash forecast of their operations for the lesser of the term of the loan or the following three years, indicating how the loan repayment is to be financed.
6. That the group provides the Treasurer of the City with an audited financial statement\* of their operations within three months of the end of each fiscal year until the loan is repaid.
7. That all submitted financial reports and documents are prepared to the satisfaction of the Treasurer.
8. That the financial resources of the Community Group be considered as a primary source of funding for the project, when the need for the loan is being assessed.
9. That the design of the facilities and the retaining of an architect or engineer if required be authorized and approved by Council.
10. That tenders or requests for proposals be called for and awarded by Council and the construction of the facilities be supervised by City staff, and that any extras to the contract in excess of the contingency allowance be approved by Council prior to the work being carried out.
11. That the names, addresses, and occupations of the officers of the organization be provided to the City at the time of application and the City be informed of any changes so long as the loan remains outstanding.

\*The City Treasurer may waive the requirement for audited financial statements for the preceding year if in his opinion the risk of material error is low and the Community Group provides financial statements prepared by an independent, qualified accountant.

**GENERAL DEFINITIONS:**

**Agreement:** A concord of understanding and intention between two or more parties with respect to the effect upon their relative rights and duties.

**Business Plan:** A document that establishes direction for delivery of a particular service based on a market analysis and identification of goals and objectives, strengths, weaknesses, opportunities and threats (SWOT Analysis). Business plans include a summary of current status and related issues, capital and operating budgets (including multi-year if required), financial impacts, alternatives considered, preferred alternative(s) and specific recommendations for implementation, evaluation, responsibility and timeline.

**Community Group:** Defined within the Community Development Policy (REC 017) as a non-profit, volunteer group whose primary objective is the provision of leisure services for Burlington residents. More broadly, a group of people who share a common place, experience or interest.

**Community Need:** A gap identified through demographics, trends, community feedback and/or demands for service based on the existing range of services and/or service providers.

**Exclusivity:** Limiting possession, control or use to a single individual or group and excluding others from participation or access.

**Facilitation:** The process of supporting and enabling others to achieve their desired outcomes through effective development and use of their own resources, skills and knowledge.

**Feasibility Study:** A document that summarizes findings, analyses, conclusions and recommendations pertaining to demand for a proposed service at a particular point in time. Feasibility studies include a summary of context within the community, market and competitive/comparable analysis, financial analysis and utilization projections, conclusions regarding need and preliminary concept development. Concept development may include operational characteristics, site alternatives and selection criteria, funding sources and implementation plans. Feasibility studies are primarily indicated when new facilities are anticipated and/or when existing facilities are proposed for major renewal.

**Lease:** A lease is a grant of the right to exclusive possession of a premises which creates an interest in real property. A lease is a hybrid document in that it creates both a contractual relationship and a property law relationship between the landlord and the tenant. This hybrid affords the landlord contractual remedies, as well as property law remedies, in order to enforce the tenant's obligations. Common lease terms include the payment of rent and the covenant of quiet enjoyment (i.e. unimpaired use and enjoyment of the premises).



**Licence:** A licence is a grant of the right to use a premises in a specific way on specific terms. A licence does not create an interest in real property. A licence is a contractual arrangement that makes certain acts permissible on the premises. In most licences, the licensor typically retains a large degree of possession and/or control of the premises. A license may or may not provide for a degree of exclusive possession.

**Leisure Services:** The Community Development Policy includes parks, recreation, sport and cultural activities in its definition of leisure. Leisure Services do not include hospitality services such as catering and bar operation, facility maintenance nor services that are provided solely for their revenue-producing benefits.

**Strategic Alliance:** A arrangement that involves the City and one or more additional entities from the community, not for profit or the private/commercial sector, which enables the City and other entities to achieve strategic objectives through the sharing of resources. (Strategic Alliances Guidelines for Development) In May 1995, Burlington Council adopted a policy supporting the pursuit of strategic alliances as a method for providing municipal facilities and services on a case by case basis.

**Tenant:** One who has a legal agreement to rent or lease from a landlord; one who has the occupation or temporary possession of lands or building/facility space of another.

**Direct Delivery:** Services that the City leads or initiates and that the public sees as delivered by the City since they utilize the City's identity in promotional materials. Includes revenue-producing services that allow the City to meet other objectives and community needs.

**Contracted Services:** A form of service delivery outlined in a formal written agreement. Contracted services may be provided within City facilities and/or at other facilities and do not employ City staff paid through City payroll. Service contracts encompass clearly defined performance standards and service delivery criteria including such elements as revenue sharing, service quality, customer service, accessibility, risk management, facility access, equipment, training, registration and related details. Risk is based on the accountability outlined in the written agreement.

**Joint Venture:** Any combination of resources by two or more persons, corporations, partnerships, or some combination thereof, whereby each agrees to contribute money, knowledge, skills, land/property in order to conduct an initiative together. The City of Burlington's Joint Venture Policy addresses major projects such as the development of new facilities, major renovations to existing facilities and a variety of financing options for user groups. The City might have complete, partial or no ongoing responsibility for facility maintenance, capital repair and asset preservation, hence, the City's risk rests with the ownership of the physical asset. Joint Venture Agreements can allow significant freedom to operate or be very detailed about limits.

Joint Venture Organizations refers to a non-profit organization serving youth or adults and renting facilities for the purposes of delivering programs meeting the following criteria:

1. Burlington-based;
2. Does not duplicate an existing program;
3. Serving youth, has participants primarily under 19 years of age and maintains a minimum of 90% Burlington residency for all programs/leagues;
4. Serving adults has participants primarily over 19 years of age and maintains a minimum of 80% Burlington residency for participants for all programs/leagues.

**Partnership:** An arrangement whereby two or more entities carry on business in common with a view to profit.

**Public Recreational Spaces (Facilities):** Includes any facility or green space that is owned, operated, held by joint venture or offered for lease by the City. These spaces may include but not be limited to parks, sports fields, ice surfaces, pools, gymnasias and multi-use community meeting rooms.