

## Request for Decision

### Request for Write Off - 2020 Unpaid YMCA Parking Fees

Presented To:	City Council
Presented:	Tuesday, Mar 09, 2021
Report Date	Wednesday, Feb 24, 2021
Type:	Managers' Reports

### Resolution

WHEREAS the City of Greater Sudbury has a continuing interest in the health and sustainability of our community's YMCA; and

WHEREAS the YMCA of Northeastern Ontario has experienced significant revenue and programming loss as a result of Covid-19 and has approached the City of Greater Sudbury for assistance with a variety of ongoing revenue losses and cost challenges.

THEREFORE BE IT RESOLVED THAT the City of Greater Sudbury approves the write off \$61,993.93 as uncollectable from the YMCA Northeastern Ontario in accordance with the City of Greater Sudbury's Account Receivable and Collections Policy and the Delegations By-law, as outlined in the report entitled, "Request for Write Off - 2020 Unpaid YMCA Parking Fees", from the General Manager of Corporate Services presented at the City Council meeting on March 9th, 2021.

### Relationship to the Strategic Plan / Health Impact Assessment

This report refers to the Create a Healthier Community objective as identified in the City of Greater Sudbury Strategic Plan 2019-2027.

### Report Summary

The purpose of this report is to describe ongoing discussions with the YMCA ("the Y") regarding collaboration opportunities that produce benefits for both the Y and the community as a whole and, particularly, to recommend the write-off of outstanding parking lot fees that have accumulated throughout 2020.

### Financial Implications

The effect of the recommended motion, if approved, is to reduce the 2020 year-end position by \$61,933.93 by charging the outstanding parking lot fees to current operations, and correspondingly reduce the Y's

#### Signed By

##### Report Prepared By

Kevin Fowke  
General Manager of Corporate Services  
*Digitally Signed Feb 24, 21*

##### Financial Implications

Steve Facey  
Manager of Financial Planning & Budgeting  
*Digitally Signed Feb 24, 21*

##### Recommended by the Department

Kevin Fowke  
General Manager of Corporate Services  
*Digitally Signed Feb 24, 21*

##### Recommended by the C.A.O.

Ed Archer  
Chief Administrative Officer  
*Digitally Signed Feb 24, 21*

financial obligation to the municipality by an equivalent amount.

## **EXECUTIVE SUMMARY**

Like many community organizations, the effects of the Covid-19 virus significantly constrained the YMCA's operations by reducing revenue generating opportunities and increasing its operating costs. It has been collaborating extensively with the municipality throughout 2020, and continues to do so, to provide services for vulnerable populations. Nonetheless, such collaboration does not replace the organization's planned revenues and it needs to find alternatives that allow it to continue supporting our community with programs and services. This report describes ongoing discussions staff are having with YMCA representatives to identify collaboration opportunities that produce win/win outcomes for both the YMCA and the City of Greater Sudbury.

The YMCA rents parking spaces from the municipality for use by its members. Although the YMCA benefitted from Council's approval of suspended parking fees and parking enforcement for a part of 2020, it seeks forgiveness of all outstanding parking fees to December 31, 2020.

## **BACKGROUND**

The YMCA's parking fee receivable has risen to a total amount of \$69,282.93 with \$61,993.93 being aged receivables that are past due.

While government supports, in particular the Canadian Employment Wage Subsidy (CEWS) program have sustained the YMCA's solvency through 2020 and into 2021, the YMCA anticipates significant reductions in membership revenue to persist in 2021 and 2022. Only 40% of their membership returned after the first pandemic lockdown orders were lifted in the summer of 2020. Further, the number of members requesting financial assistance grew from 30% to 35%. The YMCA laid off the majority of its program staff in 2020 and continued with a small staff supported by the CEWS to offer programs including homeless sheltering and related services in partnership with the City. They have initiated a broad fundraising campaign with the theme "My Y is Resilient" and have set a \$2M goal to support continued operations in Sudbury and North Bay. They have raised \$1.4M in pledges under that campaign to date.

The YMCA sent a letter to Mayor Bigger and senior staff asking for assistance in early January. This letter is attached to this report as appendix A. Mayor Bigger's response is attached to this report as Appendix B for ease of reference. In summary the letter seeks a partnership with the City to explore synergies that could reduce costs and increase revenues. The letter offers the following four options as starting points for discussion:

1. Transferring ownership of YMCA condominium Units to the City of Greater Sudbury
2. The potential that with City ownership, the Aquatics Centre could continue to be operated by the YMCA
3. Repurposing the Aquatics Centre, Squash Courts and Digital Classroom
4. Reopening the Condominium Agreement to increase rental fees

Staff have been working with the YMCA on a number of parking initiatives. In late 2019 new pay-by-plate parking technology was installed for the spaces under and adjacent to the Durham Street facility. In the summer of 2020, parking wayfinding, curb and pavement work and

gatehouse demolition was completed to move to full automation of the payment system. Staff have been in discussion with the YMCA about studying the utilization of the Elgin Street lot. This includes exploring the potential to automate it and optimize its use, reducing the YMCA's parking fees.

## ANALYSIS

The YMCA pays the City \$7290 per month for approximately 110 spaces in two parking lot areas. This fee covers spaces in a lot off Elgin Street, northwest of the City's CP Rail parking lot and spaces adjacent to the YMCA along Brady. The YMCA's account receivable includes the aged amounts in Table 1, which are accruing interest in accordance with the Account Receivable and Collections Policy.

Table 1. - Past due Amounts - YMCA of Northeastern Ontario

Aging Period	Amount due	Interest	Total
November-December 2019	\$14,580.00	\$1,512.92	\$16,092.92
January - March 2020	\$21,870.00	\$1,080.51	\$22,950.51
October - December 2020	\$21,870.00	\$1,080.50	\$22,950.50
Total billed and past due 2020			<u>\$61,993.93</u>

Council approved suspending collection of on-street parking fees and all proactive parking enforcement during the initial stages of the pandemic response. This suspension lasted from March 24<sup>th</sup> to July 2<sup>nd</sup> of 2020 and during that period the volume of traffic and demand for parking was extremely low. Similarly, parking fees and proactive enforcement for parking lots was suspended in March of 2020, resuming on October 1<sup>st</sup>. Most weekdays during core business hours, only 40-50% of normal demand for parking lot and on-street spaces were in-use by the motoring public. The Elgin Street lot used by YMCA members has had significantly lower utilization throughout 2020 and during the lockdown periods utilization was essentially nil.

## CONCLUSION

This report recommends the write off of \$61,993.93 in aged receivables from the YMCA. It also informs Council of the YMCA's interest in discussing potential synergies that could benefit the YMCA and the City from a financial or service delivery point of view.

## NEXT STEPS

Staff will meet with YMCA officials and explore the areas for discussion identified by the YMCA and facility related savings (such as parking) that could be realized through changes in service levels and operational changes that reduce net costs. It is anticipated that this work will involve an analysis of (at a minimum) the potential synergies involving multiple divisions:

- Leisure Services (recreation and aquatics services),
- Social and Children's Services (various programs, shelters and homelessness),

- Finance, Assets and Fleet (assets and facilities management, real estate, energy initiatives)
- Security, By-Law and Parking (parking, as above, plus facility security arrangements)

Staff will keep Council apprised of the progress of these discussions and seek direction from Community Services Committee and/or Council at appropriate decision points.



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January 5<sup>th</sup>, 2021

Dear Mayor Brian Bigger,

On behalf of the YMCA of Northeastern Ontario I wanted to thank you for the support throughout the past year. Our Association is pleased that we have been able to work with you throughout the pandemic to support the vulnerable and homeless population with the Warming Centre (both throughout that day during the first lockdown and now overnight) as well as support the meal service at the Parkside Centre.

As a result of this successful partnership, I would like to ask for the City's support in working with the YMCA as a partner to reimagine how we operate the Centre for Life facility on Durham Street to ensure it is financially viable and can continue to play a vital role in building a healthy community in our downtown core for many years to come.

Our YMCA has been able to step up and adjust our program delivery in a multitude of ways across all our typical program and service areas (e.g., Virtual employment and immigrant settlement services, virtual health and fitness and even camping options; as well as providing child care through every phase of the Provincial Pandemic Response Plan). In addition to supporting new services, e.g., our DISCO Hub (Digital Inclusion, Social Connection and Opportunities for Seniors) and supporting the homeless community.

This ability to adapt and respond to ongoing and emerging community needs is what the YMCA is known for and yet we remain financially vulnerable as we head into 2021. Our team have worked hard seeking internal organizational efficiencies (including energy efficiency initiatives for Durham Street), seeking grants and launching a successful fundraising campaign 'My Y is resilient' to ensure that we complete our current financial year without incurring a financial deficit. Our 'My Y is Resilient' Campaign has raised \$1.3M (both received or committed donations) since its launch in September, 65% of our 2-year goal. This has all served to reaffirm that our communities need the Y and want the Y! However, our forecasts for the next financial year indicate we are still at risk and most notably the biggest expense we have, that cannot be easily removed, are the costs associated with the Durham Street Centre for Life in Sudbury.

This facility for the YMCA, is the face of our Association in Sudbury and is part of a Condominium that we share with the City of Sudbury. From the initial design concept 20+ years ago, the intention for the Centre for Life, was to provide a community centre in the heart of the downtown core, that would cater to the health and wellness of our citizens at all stages of life.

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Currently, the centre houses a YMCA Child Care Centre, the YMCA Centre for Life, with Health, Fitness, Aquatics and Youth Programming, the Parkside Centre (Older Adult Centre) and the Cardiac and Pulmonary Rehabilitation Clinic (with Health Sciences North). During the pandemic, the service provision grew to include supports for the vulnerable/homeless population.

The fee for service programs operated by the YMCA cannot meet the revenue needed to offset the facility costs borne by the YMCA throughout 2021, where membership and child care demand is expected to remain significantly lower than Pre-Covid-19 numbers. We are forecasting a considerable deficit position by year end. In fact, membership revenue pre-Covid-19 while good and generated a positive net contribution, was not generating enough to support the necessary capital reinvestments required in the building. Therefore, while we could seek a similar Covid-19 Relief package, that our facility in North Bay successfully received from the City of North Bay – a similar package in Sudbury would not be enough to secure the long-term future of the facility.

Furthering the challenge of running a sustainable and long-term viable operation, is the changing dynamic in the City's core. The opioid and homelessness crisis combined with the impact of the pandemic has led to much more visible drug use and homelessness, particularly in and around the YMCA facility. This in turn is impacting the choice of parents and members, who are expressing their displeasure with this situation. For them, it raises concerns for their own and dependents safety, as well as concern for the safety of our YMCA staff. This will likely lead to permanent reductions in memberships/child care enrollment, as well as increased costs associated with security and repairs for damages caused by the homeless population.

On the other hand, we strongly believe that the programs and services are important, especially now more than ever and these services align perfectly with the YMCAs Mission and Charitable Purpose. These essential services are necessary to help our community recover from the pandemic and related recession, while also maintaining a vital heartbeat in the core of our City. Prior to the pandemic approximately 30% of our membership base required financial assistance, which the Y was able to provide in order to ensure access to our programs and services for all. We anticipate this need will increase as we come through and recover from the Pandemic. It is also a facility whose design supports inclusion, community building and whose esthetic features are ageing well.

To that end, I ask you to support our YMCA's request to partner with us to review how we can collectively reimagine the Centre for Life and ensure that it can continue to play an important role in Sudbury's future. Ultimately for the YMCA to remain financially viable we have two goals for the facility – we either need to increase revenue streams and/or reduce occupancy costs.



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Our Board of Directors has had preliminary discussions and have identified four options as starting points for discussion, including:

1. **Transfer ownership of YMCA Units to the City of Sudbury**
2. **City of Sudbury take on ownership of Aquatics Centre, the YMCA operate**
3. **Repurpose Aquatics Centre +/- Squash Courts and Digital Classroom – to either rent out space and offset occupancy costs or to utilise space for alternative programming/service delivery and bring in different revenue**
4. **Reopen Condominium Agreements – to increase rental fees**

Naturally, there may be other options or hybrids models that could be considered. Our board along with senior management have formed a subcommittee to take on these issues and we would like to do this in partnership with the City.

Thank you for considering this option and I look forward to hearing from you.

Sincerely,

**Helen Francis**

CEO & President

**YMCA of Northeastern Ontario  
Association Services**

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CC: Board, Jenny Parisotto (CFO), Jacqueline Grube (VP Child Care, Youth and Family Development) and Kendra MacIsaac (GM Health, Fitness and Aquatics) YMCA of Northeastern Ontario

CC: Steve Jacques, Councillors (Fern Cormier, Deb McIntosh, Geoff McCausland, Mark Signoretti, Al Sizer)



**Brian Bigger**  
Mayor / Maire  
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February 18, 2021

Helen Francis  
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Dear Helen,

This letter will provide a response to the issues raised in our initial discussions last year as well as your follow up emails. While I am able to provide some defined answers, today, this note also anticipates a continued dialogue on several issues that you have raised on behalf of your board and the YMCA Northeastern Ontario organization.

The City of Greater Sudbury sees the YMCA as an important asset for our community, a longstanding and trusted partner and an anchor institution in the heart of the city. We are concerned about the impact that the COVID-19 pandemic, and other trends, is having on the YMCA and your future. The CGS would like to better understand the situation you face and is open to exploring ways that we might work together on longer term solutions. I have asked staff to follow up with you to initiate this work and Kevin Fowke, General Manager of Corporate Services, has agreed to take on the role as your single point of contact for our work together. Kevin will be follow up with you directly in the very near future.

I am able to address some of your issues specifically and will begin by indicating that I will support your request for relief from the accumulated parking debt. Given the challenges for all of us in the past year, and the actions that we have taken to date with regard to the parking file, I think it is reasonable to ask that the parking debt up to December 31, 2020, be brought to zero. Neither staff nor I is able to implement this forgiveness on a unilateral basis, so we have initiated a report to Council to secure the authority for this action. I anticipate it will be dealt with at the March 9 meeting of City Council.

Another issue that you raised in your correspondence is the need for additional and specific security with regard to the use of your building as a warming shelter for our downtown vulnerable population. I can say that we are prepared to cover the cost of this additional security and Tyler Campbell,

Director of Social Services, will be in touch very soon if he has not reached out already.

On a related note, we agree with your suggestion regarding the use of the Parkside Centre during the changeover period and wholeheartedly support the continued discussion of this option with their representatives. We cannot compel them to share in this work, however, and it does not appear that they are willing to seriously consider this approach at the current time.

I am aware that members of your team have been meeting with staff in our Leisure Services Division regarding a proposal for alternate service delivery for youth programming. Director of Leisure Services, Jeff Pafford, informs me that staff in the CGS Recreation Section are reviewing the information provided recently and will be consulting with the Community Services Committee of Council on this option in the next few months.

We know that there is also interest from the YMCA to explore some form of partnership or alternative service delivery model for aquatic facilities. Laurentian University has also approached the CGS with a similar request. At the same time, the City faces its own challenges with aging municipal pools, demographic changes, uneven geographic distribution, and a proposal for a new therapeutic and leisure facility. The operational models of all three aquatics providers are significantly different and it is not immediately clear how these might come together to serve the full community. As we continue to examine the City's approach to pools and aquatics, we are interested in the continued discussions with Laurentian and the YMCA about a sustainable community approach to aquatic service delivery.

Helen, I trust that this letter provides some answers for your questions and also the assurance of the City of Greater Sudbury's continued interest in the health and sustainability of our community's YMCA. You have our commitment to continue to work with you and your team to identify and pursue mutually beneficial opportunities that can help to stabilize the YMCA's future and deliver value and enhanced quality of life for the citizens of Greater Sudbury. Staff have agreed to keep me informed of their work on a regular basis but you and your Board Chair should not hesitate to reach out to my office directly at any time.

Best regards,

A handwritten signature in black ink, appearing to read 'B. Bigger', with a stylized flourish at the end.

Brian Bigger  
Mayor, City of Greater Sudbury