

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 24th to July 2nd 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 1st. 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.