

Moss Park Arena - Governance and Operational Review

Date: June 4, 2024

To: Executive Committee

From: General Manager Parks, Forestry and Recreation, and Chief of Staff, City Manager's Office

Wards: 13 - Toronto Centre

SUMMARY

This report responds to City Council's direction to the City Manager, in consultation with the General Manager, Parks, Forestry and Recreation, to assess the impacts of transitioning the governance and operations of Moss Park Arena from a Board of Management to a City-operated arena. This report provides governance considerations as well as financial, operational, staffing and program impacts of such a transition.

Moss Park Arena provides indoor ice sport facilities along with programming including hockey leagues, hockey camps, and instructional programs. It is operated by a Board of Directors, appointed by City Council through the Civic appointments process and follows City policy in terms of how ice is allocated to community user groups.

If directed by City Council to transition Moss Park Arena from a Board of Management to a City-operated arena, a transition plan would need to be developed and implemented. This plan would include, but not be limited to, transitioning current programming to third party user groups, renegotiating ice contracts, a workforce management assessment and Council approval of additional operating funding required, through the budget process.

RECOMMENDATIONS

The General Manager, Parks, Forestry and Recreation and Chief of Staff, City Manager's Office recommend that:

1. The Executive Committee receive this report for information.

FINANCIAL IMPACT

There are no immediate financial impacts identified as a result of these recommendations.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

DECISION HISTORY

At its meeting on May 22, 2024, City Council directed the City Manager, in consultation with the General Manager, Parks, Forestry and Recreation, to assess the impacts of transitioning the governance and operations of Moss Park Arena from a Board of Management to a City-operated arena; such assessment to include financial impacts, program and operational considerations, and staff planning as appropriate, and report back on this assessment and implementation to the June 18, 2024 meeting of the Executive Committee.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.MM18.20>

COMMENTS

The City of Toronto owns 49 indoor arenas, consisting of 37 single-pad arenas and 12 multi-pad arenas, providing a total of 61 indoor ice pads. These facilities provide recreational and rental opportunities for youth and adult sports, leisure skating and instructional programming. Of these 49 indoor arenas, eight are operated by City Council appointed volunteer Boards of Management as City-Owned Agencies or "Arena Boards" under the [City of Toronto Act, 2006](#) and the Council-approved [Relationship Framework](#).

The remaining 41 arenas are operated by Parks, Forestry and Recreation (PFR).

As directed by City Council, staff have reviewed and assessed the governance considerations and financial, operational, staffing, and program impacts of transitioning the governance and operations of Moss Park Arena from a Board of Management to a City-operated arena. These considerations and impacts are outlined below.

Governance Considerations

Background on Moss Park Arena Board and Agency

Moss Park Arena is one of the City's eight Board-run arenas established by the former City of Toronto and the former Borough of East York and were continued as City boards under the *City of Toronto Act, 2006*. The Council-approved Relationship Framework with the Arena Boards further defines the City's relationship with the Arena Boards of Management by setting out their respective delegations of authorities, operating

principles, legislative frameworks and accountabilities to City Council. The Relationship Framework can be accessed here:

<https://www.toronto.ca/wpcontent/uploads/2017/08/8cf8-spc-arenas.pdf>.

The by-law that established and governs Moss Park Arena is found in Chapter 25 of the former City of Toronto Municipal Code that sets out their governance structures and mandates.

The former City of Toronto and the former Borough of East York made a decision to utilize a Board of Management model, whereby it delegated the responsibilities for the day-to-day operation of eight indoor arenas to a Council-appointed volunteer Board consisting of representatives of the local community and arena user groups. The Moss Park Arena Board manages, operates and maintains the Arena on behalf of the City.

Mandate

The mandate of the Arena Boards of Management is to operate the arena in a manner that meets local community needs for indoor ice recreational activities, while striving to deliver on the objective of producing sufficient revenue from these uses to operate at the lowest reasonable cost to the City and its residents. The eight Board-run arenas rely largely on community involvement and volunteers to deliver services and programs to local communities. The City provides the capital budget and a range of administrative supports.

The Arena Boards' mandate also includes:

- Ensuring the arena is safe, well-maintained and accessible for use by the local community, neighbourhood organizations and others;
- Allocating the use of the arena facility in a way that is equitable and balances the needs of local community residents, organizations and user groups; and
- Allocating ice-time to users in accordance with the Council-approved Ice Allocation Policy which prioritizes community youth recreational programming.

Board Composition

The Moss Park Arena Board is composed of a total of 11 Members as follows:

- The Member of Council for the Ward in which the Moss Park Arena is geographically located;
- Nine persons who are appointed by City Council at the beginning of each term, one of whom may be nominated by the Moss Park Skating Club; and
- The City's designate (PFR employee) as a non-voting, ex-officio member.

Responsibilities of the Board of Management

In accordance with the City's Relationship Framework with the Arena Boards, the responsibilities of the Board include the following:

- the overall management, operation and maintenance of the Arena, ensuring operations comply with all applicable legislation and City bylaws, policies and requirements;
- the overall development, funding and management of all Arena programs;

- the approval of an annual operating budget for recommendation to City Council;
- the approval of operating budget variance reports;
- the approval of all policies and guidelines for user fees and allocation of usage of the facility;
- the development of resources to support activities, programs and services of the Arena;
- the hiring and evaluation of the Arena Manager and Arena Staff; and
- the approval of the Arena's annual financial statements for audit purposes and receiving the report of the Auditor.

Board of Management Capacity, Support and Compliance

As a City board, Moss Park Arena Board of Management delivers programs and services on behalf of the City of Toronto and is subject to City Council directions and applicable City of Toronto program and administrative priorities and policies. There are various approaches the City can take to support Board governance, capacity and compliance including:

- City staff are able to directly engage with the Chair of the Board of Management, the Board as a whole, and the Arena Manager as required.
- The City may also consider specific amendments to the Relationship Framework with the Arena Board and/or Municipal Code chapters if required, including specific policies and procedures, additional reporting requirements and community engagement.

In addition, City Council has authority pertaining to its City boards to:

- Direct additional training and orientation to the Board of Management, as is currently underway, through the training on Human Rights and Anti-harassment and Discrimination training for all City boards.
- Review appointments and refresh the membership on specific Boards of Directors if required and as appropriate. City Council appoints members of Boards.
- Consider exercising City Council authority under the City of Toronto Act, 2006, to dissolve and assume the powers of a Local Board of the City, if required.

Transitioning to a City-operated Arena

PFR-operated arenas offer affordable recreational and instructional programming predominantly focussed on skill-based learning through introductory Learn to Skate programs. In addition to these instructor-led programs, PFR provides opportunities for free drop-in leisure skates across a variety of age categories. Booking of ice time at both City-operated arenas and Board of Management Arenas is done in accordance with the City's [Ice Allocation Policy](#) where ice time is allocated on a priority basis according to group classifications. Once the Policy has been applied, any remaining available ice can be booked through PFR's Client Services unit.

Moss Park Arena currently organizes and offers a variety of adult and youth hockey programs including men's and women's adult leagues, youth and adult hockey schools, and youth hockey camps. In addition to these programs offered by Moss Park Arena's management team, user groups can book available ice time.

If directed by City Council to transition to a City-operated arena, PFR-delivered programming would be limited to Learn to Skate and drop-in programs, in accordance with its arena service delivery. Additional organized recreational programming would be organized and delivered by third-party users through ice permits. PFR would not be positioned to deliver existing programs currently organized by Moss Park Arena staff, such as hockey leagues and hockey camps. A plan for transitioning would need to consider how to establish new permit arrangements for these long-standing leagues and hockey programs currently utilizing Moss Park Arena. Additionally, a transition plan would need to include the development of a local community recreation program model consistent with other comparable City of Toronto arenas. Ice allocation would continue to be implemented in accordance with the City's Ice Allocation Policy to which Board of Management operated arenas are currently subject.

In addition to programming considerations, transition planning would include PFR's assumption of daily maintenance and operation of the facility and aligning the operation with how city-run rinks are staffed and structured.

Overall, transition planning inclusive of programming, staffing, issuance of ice contracts and communication with existing user groups, would require a lead time of a minimum of 12-15 months, including alignment with the City's annual budget approval process.

Capital and state of good repair (SOGR) investments are already the responsibility of PFR. Therefore, there would be no impact from a potential transition regarding capital and SOGR responsibilities.

Workforce Considerations

Moss Park Arena, like the majority of Board of Management Arenas, is staffed directly by the Board. The staff of the Arena are employees of the Board. A workforce management strategy would need to be developed prior to implementing a transition plan. This would include alignment with other City-operated arenas in accordance with the City's recruitment process and Collective Agreement requirements.

Financial Considerations

Board of Management of arenas are required to operate in a manner that balances meeting the needs of the local community with the objective of generating sufficient revenue to operate the facilities at the lowest reasonable cost to the City of Toronto and residents. Under the Relationship Framework, the boards are required to operate the facility in a fiscally responsible manner and in accordance with the annual operating budget as approved by City Council and are accountable to City Council through the annual submission of financial statements. Boards also have the authority to set fees for ice rentals.

Based on the Arena Board's 2024 approved operating budget, Moss Park Arena is expected to achieve near full cost recovery with \$1.04 million in expenditures and \$1.02 million in revenue, with a minor net variance.

The operating budget for a City-operated, year-round single pad arena is estimated to be approximately \$0.7 million gross and \$0.2 million net which includes the cost to maintain the facilities to support year-round operations, instructional and free drop-in skate programs. It is estimated that approximately \$0.5 million would be generated through ice rental permits and that a net cost of \$0.2 million would be required to absorb the arena operations, including staffing costs, and provide free programming as outlined above.

Table 1: Operating Budgets for Moss Park Arena and City Operated Arena

<i>All figures in millions</i>	Moss Park Arena Board of Management	PFR Projected Budget for City Operated Arena
Expense	\$1.04	\$0.71
Revenue	\$1.02	\$0.53
Net	\$0.02	\$0.18

It is also important to note that Moss Park Arena is co-located with John Innes Community Recreation Centre, one of PFR's 39 Free Centres, and therefore PFR-delivered programs at the Arena would be free.

Conclusion

This report has identified the potential impacts of transitioning the governance and operations of Moss Park Arena from a Board of Management to a City-operated arena. The report has also outlined potential implementation considerations including lead time required to develop detailed plans related to workforce management, recreation programming, ice booking permits, minor capital, and operating budget impacts.

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