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Item No. 14.2.3 (i)
Halifax Regional Council
December 11, 2018

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY:

Original Signed by

Jane Fraser, Director of Finance, Asset Management and ICT

Original Signed by

Jacques Dubé, Chief Administrative Officer

DATE: December 7, 2018

SUBJECT: Funding Request – YMCA of Greater Halifax/Dartmouth

INFORMATION REPORT

ORIGIN

December 3, 2018 – At the meeting of the Audit & Finance Standing Committee questions of clarification arose with respect to the funding request from the YMCA of Greater Halifax/Dartmouth. In an effort to provide this information in a timely manner to members of Regional Council the YMCA was asked to provide clarification.

LEGISLATIVE AUTHORITY

HRM Charter, S.N.S c.39

79(1) The Council may expend money required by the Municipality for

...

(av) a grant or contribution to

...

(v) any charitable, nursing, medical, athletic, educational, environmental, cultural, community, fraternal, recreational, religious, sporting or social organization within the Province,

...

(viii) a registered Canadian charitable organization;

BACKGROUND

At their meeting of March 27, 2018, Regional Council motion directing staff to provide a staff report to consider the YMCA of Greater Halifax/Dartmouth request for funding in the amount of \$1,500,000 towards the new John W. Lindsay YMCA as outlined in the presentation to the Audit & Finance Standing Committee meeting of February 21, 2018.

DISCUSSION

Specific questions of clarification arising out of the Audit & Finance Standing Committee meeting of December 4, 2018, were beyond the capacity of HRM staff to provide at that time. In follow-up, a written request for assistance was sent to the YMCA on December 5, 2018. The response is included as Attachment 1 and Attachment 2 of this report.

The YMCA has provided their written consent for this information to be circulated to Members of Council for context with respect to their funding request.

FINANCIAL IMPLICATIONS

None

COMMUNITY ENGAGEMENT

Not applicable.

ATTACHMENTS

1. Response to December 4, 2018, Further Information Request from the YMCA of Greater Halifax/Dartmouth to HRM Staff. Received December 6, 2018.
2. YMCA Statement of Revenues and Expenses over a 10-Year Period.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Peta-Jane Temple, Team Lead Grants & Contributions, Finance, Asset Management & ICT, 902.490.5469

Attachment 1

Attention: Peta-Jane Temple, Grants & Contributions, finance and Asset Management
From: Brian Posavad, YMCA of Greater Halifax/Dartmouth
Date: December 6, 2018

Subject: *Response to December 4, 2018 further information request*

I have inserted YMCA responses to the questions outlined in your memo, please contact me if you require any additional information or clarification.

Best Brian

Membership: Long-range trends - concern was expressed regarding a membership goal of 6,000 within the first two years of operation. Can you provide actual membership numbers (adult/youth) for the South Park Street location, for example 2004 to the year the facility closed? An annual average would be helpful if possible, if not a range will suffice.

- The outdated facility on South Park had membership highs of approximately 3500 members. When the YMCA on closed the membership count was approximately 1200 members. The former YMCA on South Park Street was constructed in 1951 and was built to meet the needs of the community of the day. As such, it housed a residence, auditorium, chapel, bowling alley, small 19m pool and a gymnasium. Over the years, the YMCA evolved to facility to meet the needs of the community and the emerging health and wellness movement, and the facility was renovated to accommodate those requirements. The new John W. Lindsay YMCA is not comparable to the old YMCA facility's ability to serve the community. It will have twice the amount of program space available including state of the art equipment and programs spaces. The new YMCA will be purpose-built to serve the health and wellness needs of the community today and in the future.
- YMCAs that have renewed their facilities in Atlantic Canada have seen 200-300% growth in membership and accesses. Examples of this growth can be found in Moncton, Saint John, and St. John's, where the built new facilities that provided programs and services that were not available based on the limitations of their old facilities. Third party market research conducted on behalf of the YMCA in 2007 pointed to a "pent-up demand" on the peninsula of Halifax for the type of community facility and amenities that the YMCA was proposing to build. Research indicated that the YMCA could achieve 6,500-8,000 members within the first 18-24 months of opening. Since 2007, residential densification on the peninsula of Halifax has increased and continues to grow. Based on the results of the market research, and the growth in those living within a 5 km radius, the YMCA is confident that achieving 6,000 members within the first 18-24 months is realistic and conservative.

"Universal inclusive access": There appears to be some confusion with respect to the statement included in the staff report "discounts or waivers for members who cannot afford the full membership fee or access to a designated program" and" There is no age restriction but most are requests

from/for youth” (Staff report, p.4). The membership appears to be primarily adults yet the discounts or waivers appear to be primarily youth – is this an accurate representation?

- The YMCA is a not for profit, charitable organization. As such, our mandate is to ensure that anyone who wishes to participate in a YMCA program, service or become involved as a YMCA member has the opportunity to do so, regardless of their personal economic circumstance.
- YMCAs across Canada have a confidential, individualized approach to financial assistance. We only ask that people who require support with their YMCA participation, pay what they are able to pay within their means. This applies to all ages.
- Historically youth subsidies have been higher based on request. However, families, adults and students all have the same opportunity to receive financial support.
- No one will be denied access to the new YMCA facility due to financial reasons. YMCAs across Canada on average report that 1 out of every 3 members/participants receive some level of financial support and we believe this will be consistent in Halifax.

“The YMCA anticipates that approximately one (1) in every 3 or 4 members will request financial assistance” (Staff report, p.4). Is this rate of individual subsidy applicable to the YMCA’s South Park facility only? I ask because the YMCA operates from various locations in Halifax, Dartmouth, Cole Harbour, assorted schools, and an annual summer camp. Some of these programs would have a larger uptake from children and youth. Also, approximately what percentage of subsidies would be for (i) membership to the South Park facility and (ii) what percentage for an individual program (for example, a summer camp, child care fee, day passes?

- All YMCA programs (not just the new YMCA facility) run under the principle that no person will be denied access for financial reasons. As such, YMCA financial assistance is provided to families enrolled with YMCA child care, camping, recreational programs, and youth leadership.
- YMCA programs use multiple methods to fund these programs including fee for service, community donation, foundation, and government funding.

The term “affordability” might also encompass procedures such as pro-rated payment (monthly installments with or without interest).

- YMCA memberships will be priced at market rates (with a number of different membership options to choose from including monthly payments). There will be also be various opportunities to use the new facility beyond a traditional membership - short term membership, teen night access, day passes, swim passes, and registration for specific programs are some examples of how the community will be able to access the YMCA.

My sense is that the term “universal access” could be interpreted as “free membership” but could also refer to a discounted fee for a specific program. Is there a limit on the duration of waiver – for example, could someone be a member at no cost in perpetuity?

- Universal access refers to the fact that no one will be denied due to financial circumstance. There is a fee for the services provided, but we work closely with our members to ensure everyone can and will participate.

Child care: Does the term “child and family development centre” include a daycare service? If not, are there specific considerations that led to exclusion. If yes, what is the capacity (# of children) and schedule of operations (days per week)?

- The YMCA will be open 7 days a week and children and youth will be participating in registered and drop in programming every day. The YMCA also will have other opportunities for children, youth, students and families to participate at the YMCA beyond membership.
- The YMCA Child and Family Centre with further service youth and children in our community. Designed to be a safe, inclusive space; a positive environment for youth that inspires and fosters creativity and a sense of belonging, this centre will provide flexible programming spaces for a variety of structured and unstructured activities for children, teens, and families. It will serve as a unique way to introduce those younger members and participants and their families to the YMCA through programming like drop in youth activities, day camps, babysitting/first aid courses, youth leadership, and teen night.
- The Centre will also serve as a living room for other community and youth serving agencies who are looking for youth friendly spaces to offer their programming; programming that falls outside of the traditional YMCA programming (i.e. parenting groups, mental health services etc.)
- We are anticipating that 40% of our membership will be child, youth, and students.

Financial: Two questions arise in this regard. The first is with respect to the increase in the projected construction cost which included “currency rates”. What is the YMCA purchasing from outside Canada such that currency rates would have an impact on price? The second question is with respect to how the YMCA’s financial position has been trending over the past ~10 years (from 2008 to 2017). A synopsis would suffice: revenues, expenses, net revenues and accrued surplus/deficit. Are there any special circumstances that have increased/decreased revenue? (For example, one would expect revenues might decrease immediately prior to or in anticipation of and during closure and expenses might have increased during the Y’s relocation to a commercial lease).

- Generally, the cost of construction has increased in Halifax and the YMCA like other projects have experienced escalation since its original design. Materials and labour costs have risen since the original costing and the project has experienced significant price increases in steel, gypsum, aluminum, and metal panel.
- A link to our last 10 years of audited statements - <https://ymcacanada.sharepoint.com/:f:/s/hfx-board/BOD/Audit/EjhvP1xXvsRDluJAMBmmvMIBvtAMAZalAe50xbF8kHXtPQ?e=UaZibJ>
- A summary document of operating expense and revenue is included in the response

	YMCA of Greater Halifax/Dartmouth Statement of Revenue and Expenses over 10 Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue	7,805,150	8,006,984	7,979,195	8,876,440	8,188,190	8,407,939	7,754,024	6,862,588	8,199,382	9,999,131
Expenses	7,683,358	7,790,550	7,572,851	8,243,580	8,090,323	7,975,444	7,676,289	6,960,612	8,071,246	9,869,809
Excess of Revenues over Expenses	121,792	216,434	406,344	632,860	97,867	432,495	77,735 -	98,024	128,136	129,322
Net After All Other Charges/Investment Income	- 83,119	34,805	210,064	32,988 -	98,655	256,329 -	114,399 -	345,565	97,911	212,068