



The Corporation of the Municipality of Wawa Staff Report

Office of the Director of Community Services and Tourism

Prepared For: Corporate Planning Cmte.	Report No.: AP 2023-05
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Subject

This report updates Council on the results of the reopening of the Canteen for the remainder of the 2022-23 ice season, as well as makes a recommendation for the 2023-24 ice season.

Summary of the Recommendation

THAT the Corporation of the Municipality of Wawa complete an RFP process for rental of the canteen space for the 2023-24 ice season.

Summary of the Issues

This report details the activities completed by staff to reopen the canteen for the remainder of the 2022-23 ice season as directed by Council. It informs council on the actions taken by staff to reopen the service, the challenges and successes encountered, the financial results of operating the service and the final costs. It also makes a recommendation for the next operating season.

List of Stakeholders

- Municipal Council
- MMCC Users & User Groups
- Area businesses – food service
- Ratepayers
- Municipal Staff

Respectfully Submitted By: 	Prepared By: Alex Patterson, Director, Community Services and Tourism
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Purpose of Report

This report originates from a Council request to staff to reopen the canteen services for the ice season. As part of that request, staff created and issued an RFP in late 2022, but were unsuccessful in finding a successful proponent; there was one interested party. After the RFP process was complete, Council directed staff to reopen the service for the remainder of the ice season. Staff did so in limited fashion, focusing on public skating, hockey games, and large special events. As part of Council's direction, staff have prepared this report to summarize the season and provide results as well as a recommendation for the 2023-24 operating season.

Analysis

Canteen Reopening

Staff reopened the canteen towards the end of the operating season. After direction from Council it took staff 2 weeks to receive product and train new students to operate the service at the MMCC. Staff were able to reopen the service in conjunction with the Family Day long weekend to host the Wawa Winter Carnival. During the start of the canteen's operations, other organizations came forward to operate the canteen during 2 specific events for hockey games. These were one-time occurrences, and the remainder of the season continued with staff operating the service exclusively.

The reopening of the facility created challenges mid-season, as staffing in particular was difficult to find and train within a short timeline and during a season where most students already have seasonal employment. However, by training existing students on canteen operations, we managed to open for our goal of the family day weekend.

Staff opened the canteen in a very limited fashion compared to previous years. The operating hours and dates were limited to public skates (where one staff was already employed to take entry fees for the program) and larger events such as multi-game weekends, tournaments, bonspiels, and the Ice Fishing Derby. Staff also operated the facility with a very limited stock of food items, and did not experiment with any additional items due to a small budget and short operating time.

Successes and Challenges

The reopening of the canteen was met with positive feedback from patrons of the MMCC. It is a service that is important to a demographic of facility users that have positive associations with the canteen, as well as a convenience for patrons to grab a bite to eat or some coffee while they attend an event at the MMCC. In particular, fries are the most popular item by far, as summarized in this sales tally:

Sales Count:	
Fries	546
Gatorade	188
Pop Can	132
Hot Dog	126
Chocolate Bars	107
Candy Bags	101
Coffee	82
Popcorn	69
Hot Chocolate	62
Chips	54
Bottled Water	50
Candy (ie skittles)	43
Gum	24
Mr. Noodle	18
Tea	5

As demonstrated, staff limited the number of items for sale to a narrow selection to ensure that there was as little overhead as possible while still providing some of the expected offerings to the community and visitors using the service. To source these products, staff completed a comparison and cost analysis between 5 suppliers, including 2 local suppliers, and sourced items based on the lowest cost and minimum order requirements from 3 different sources. This ensured the lowest overhead possible to operate the service.

Staffing was also limited to one staff member wherever possible. During public skates, a student who was previously employed to take skating fees was trained to also operate the canteen, offering both services at no additional program cost. For smaller events, only one staff member was on at a time. Only during larger events such as tournaments were more than one staff present – constituting an additional reduction in costs from previous years.

As identified in the previous report, the canteen averaged losses of between \$1,500 and \$3,500 per year since 2007. These were not the total costs of the canteen however – administrative, training, utility and other costs are included in other cost centres. While utility costs will remain an estimate unless specialized metering equipment is used, staff tracked their time to administer and train staff as well as maintain the canteen facility, which will provide a better total cost estimate reviewed in the **Financial / Staffing Implications** section of the report.

Financial/Staffing Implications

Financial Results – Canteen

This operating season saw the best financial results for the canteen that have been achieved by the Department, but the service continues to operate at a small loss. The financial statement is as follows:

Canteen 2023 to date	2023 Jan - April 31
Canteen Product Sales	-\$5,780.51
Canteen - Wages	\$2,860.65
Canteen - Employer Paid Benefits	\$216.00
Canteen - Staff Training	\$171.50
Canteen Materials/Supplies	\$0.00
Canteen Cash - Over/Under	\$0.00
Canteen - Maintenance and Repair	\$0.00
Canteen Resale	\$2,730.49
Remaining Inventory**	-\$486.99
Total Revenue / Expense	-\$288.86

*Note that in Municipal finances, negative numbers indicate revenue.

**This remaining inventory is carried over to other events/programs/operations

As demonstrated above, the raw data of the canteen indicates a slight profit based on the cost centre. However, with staff tallying their admin time and estimating the cost of utilities, the breakdown is as follows:

Additional Cost Estimates	
Admin Staff Time	\$973.56
Maintenance Staff Time	\$1,062.00
Hydro (estimate)	\$500.00

Therefore, the cost operation of the 6 weeks of service is estimated at **\$2,246**.

It is important to note that not all costs can be accounted for including amortization of equipment, etc. There is also some cost savings in the public skate staff duplication, but this estimate is a good estimate of service costs to the community.

Revenue and Demand

Based on the aforementioned costs, staff reviewed the demand for the service. We completed this analysis by reviewing the days open, the events hosted, and the revenue generated. We also analysed the revenue generated per hour to determine the most successful events vs staff time. The data indicates that events such as tournaments are where the most demand for the service lies, while some larger events such as the fish derby were significantly underused:

Date	Hours Open		Revenue	# Transactions **Including skate passes	Product Sales/Hours Open
17-Feb	2	Public Skate/Winter Carnival	\$ 443.82	71	\$ 221.91
18-Feb	5	Home Games	\$ 890.53	158	\$ 178.11
19-Feb	7	WMHA Home Games	\$ 408.23	82	\$ 58.32
26-Feb	1.5	Public Skate	\$ 78.79	9	\$ 52.53
03-Mar	3	Fish Derby	\$ 49.90	10	\$ 16.63
04-Mar	5	Fish Derby	\$ 108.58	61	\$ 21.72
05-Mar	6	Fish Derby	\$ 494.56	72	\$ 82.43
10-Mar	1	Public Skate	\$ 72.80	14	\$ 72.80
11-Mar	5	WMHA Home Games	\$ 958.41	171	\$ 191.68
12-Mar	1.5	Public Skate	\$ 56.50	14	\$ 37.67
17-Mar	1.5	Public Skate	\$ 61.99	11	\$ 41.33
19-Mar	1.5	Public Skate	\$ 8.36	4	\$ 5.57
24-Mar	5	TOC/Women's Bonspiel	\$ 547.65	110	\$ 109.53
25-Mar	11	TOC/Women's Bonspiel	\$ 709.90	157	\$ 64.54
26-Mar	5	TOC/Women's Bonspiel	\$ 495.84	105	\$ 99.17
01-Apr	4		\$ 229.65		\$ 57.41
			\$ 5,615.51		

A review of this data indicates that most public skates are worthwhile to operate the service, as well as tournaments where there is a hockey game component. The most successful is where younger players are on the ice, as more family members attend. The fishing derby is an outlier this year, and the canteen results match the bar results.

Overall, these results indicate that the demand and community support for the service exists during hockey games, but not during other events. There is some synergy at public skates, but not a significant demand.

The data demonstrates that there is not the community demand to financially support the service, and have reviewed alternate ways of providing it which are explored in the **Alternatives** section of this report.

Policies Affecting Proposal

None.

Comments from Relevant Departments/Community and Corporate Partners

None.

Alternatives**Option A: Do not provide the canteen service in 2023-24**

This option would see the Municipality not operate any service at the MMCC for the 2023-24 season. Based on the initial public feedback and direction of Council, this option is **Not Recommended**.

Option B: Provide the canteen service with a Municipal operation in 2023-24

This option would see the Municipality continue to operate this service during the 2023-24 season in substantially the same manner as the end of the last ice season. However, based on the financial and demand analysis completed in this report, this option is **Not Recommended**.

Option C: Complete an RFP process to operate the canteen as a *Service*

This option would see the Municipality complete an RFP process to operate the canteen as a service. This option would retain the most control over the service, however this also presents several barriers to community businesses interested, such as WSIB requirements and other standard Municipal contractual options. Since this RFP received limited interest in 2022, this option is **Not Recommended**.

Option D: Complete an RFP process to rent out the canteen as a *Facility*

This option would see the Municipality enter into a lease with a local business for the rental of the space for their purposes. While this would eliminate the ability for the Municipality to control minimum hours, it opens up the possibility for other businesses to operate the canteen with reduced barriers to entry. While there is additional liability involved with this practice, a good rental contract can mitigate some of these issues, and the loss of control of hours is offset by the motivation to be open when the facility is busy. For this reason and others outlined within this report, this option is **Recommended**.

Conclusion

By accepting this recommendation, Council is providing the services requested by the community while also ensuring fiscal responsibility. It is providing an opportunity for local businesses to enter into a low overhead cost space and set their own pricing and hours to provide this service to the community.

At the end of the RFP process, staff will report back to Council in the results. Should the RFP be successful, a lease agreement for the space will be provided to Council for approval via By-Law. Should the process be unsuccessful, staff will report back on additional options which could include resumption of the service by staff for Council to consider.

Recommendation

THAT the Council of the Corporation of the Municipality of Wawa complete an RFP process for rental of the canteen space for the 2023-24 ice season.

Attachments

None.
End of Report.