



Memorandum

Date: May 10, 2024
To: Finance and Audit Committee
From: Kate Cumming, Assistant Secretary-Treasurer

Action: **Community Rental Program Review - 2024/2025**

1.0 BOARD MOTION/DIRECTION

Policy 650 - Public Use of School Facilities along with accompanying Regulations 650R and Appendix 650A.

*Main 22P-090 as amended by amendments 22P-091 and 22P-095
(May 25, 2022 Public Board Meeting)*

THAT: The Board of Education set the community rental rates for nonprofit organizations at an average of 5% over the prior year and the custodial rate of \$50 per hour, as attached to the Agenda, and as presented at the May 25, 2022 Public Board Meeting, effective July 1, 2022.

Main 22P-096 (May 25, 2022 Public Board Meeting)

THAT: The Board of Education set the community rental rates for profit organizations at an average of 10% over the prior year and the custodial rate of \$75 per hour, as attached to the Agenda, and as presented at the May 25, 2022 Public Board Meeting, effective July 1, 2022.

2.0 BACKGROUND

Since 1998, the District has been charging for rental of facilities on an hourly basis. Most other districts rent out their facilities under a similar model. The intent of the rental fee is to help recover direct and allocated costs associated with the rentals, including additional custodial allocations, equipment and utilities and wear and tear on facilities.

3.0 INFORMATION STATEMENT

School District No. 23 (Central Okanagan) provides access to facilities for a variety of user groups throughout the entire year. This ranges from hourly rentals of gymnasiums, classrooms and fields to monthly lease contracts with preschool and after school program operators.

For hourly rental contracts, facilities are rented primarily in the evening during the week, as well as weekends. All rentals are administered through an online rental platform which includes a contract outlining the terms and conditions of the rental as well as the requirement that the appropriate insurance be provided. The program is coordinated through a Facility Rental Clerk at the Board Office who liaises with all Principals (or designate) regarding availability of space at the schools. The decision to make a facility available for community use is up to the Principal and bookings are subject to availability of custodial staff and the maintenance schedule as determined by the Operations Department. Some schools participate more actively in the program than others.

During the five year period 2016-2020, usage of the rental program by the community was averaging approximately 5,300 hours annually. The usage during the 2020/2021 school year was almost zero due to the COVID-19 pandemic; however, since 2021/2022 usage has increased and is expected to be over 7,600 hours for the 2023/2024 school year.

COMMUNITY USE HOURS ANALYSIS

	Actual 2021/2022	Actual 2022/2023	Projected to 30-Jun 2023/2024	Estimated 2024/2025
Gymnasiums	4,587	5,001	7,654	6,900
Other spaces	794	2,918	607	1,200
Total paid permits	5,381	7,918	8,261	8,100
Athletics	4,445	4,892	5,777	5,175
Other	142	109	1,877	1,725
Total Gymnasium permits	4,587	5,001	7,654	6,900
Community partner permits	1,642	1,983	3,088	2,500
Youth and Athletic permits	2,945	3,017	4,566	4,300
For Profit permits	-	-	-	-
Total Gymnasium permits	4,587	5,001	7,654	6,900

In addition, there are currently 53 childcare programs (preschool, StrongStart, before and after school care programs, seamless day and child care facilities) at 24 District locations.

In 2022/2023, the rental program generated approximately \$885,000 in revenue to the District, prior to any of the child care facilities opening. The average revenue generated from the District's rental program over the past 10 years is approximately \$665,000/year. It is expected that the District's rental program will generate approximately \$1,036,000 for the 2023/2024 school year. The rental revenue includes lease revenue from 4 of the 7 child care facilities that opened throughout the school year.

Direct costs for this program in the 2022/2023 school year which, includes clerical (1.25 FTE) and custodial support (3.0 FTE), was \$305,730.

There are additional direct costs incurred in 2023/2024 and 2024/2025 related to the child care facilities which include custodial staff wages, custodial supplies, utilities, snow removal, and preventative work orders. The revenue from the child care facilities is directly offset by the direct costs incurred.

Projected costs for the 2024/2025 fiscal year also include the expected direct cost of refinishing 8 secondary and 5 middle school gymnasium floors in the summer of 2024.

COMMUNITY USE RECOVERABILITY ANALYSIS

	Actual 2022/2023	Projected 2023/2024	Estimated 2024/2025
Hourly rentals	517,290	575,765	702,175
Short term leases	367,901	268,643	270,000
Child care facilities	-	191,700	453,000
Total revenue	885,191	1,036,108	1,425,175
Rental direct costs	305,730	324,408	358,843
Child care facility direct costs	-	188,521	453,675
Floor refinishing direct costs	-	-	132,500
Total direct costs	305,730	512,929	945,018
Net Income	579,461	523,180	480,157

In addition to the direct costs above, there are a number of indirect costs that are incurred as a result of community use rentals. These indirect costs include increased weekend demand of custodial staff, overtime costs for custodial staff, custodial supplies, increases in utility costs, school administrator time managing rental groups, Operations time managing damage to facilities and wear and tear on facilities and equipment.

In particular, with regards to school gymnasiums, the product used to finish gym floors is a water based product rather than the oil based product used in past years. The water based products do not have the lifespan of the oil based products and as such wear down more quickly and are required to be refinished more frequently. Consultation with school administrators has resulted in frequent appeals regarding the surface quality and safety of gymnasium floors, primarily from secondary and middle schools whose gymnasiums experience heavy use from athletic programs. More frequent refinishing of gymnasium floors is required to maintain safety and quality of use for school and community users.

Due to these increased cost pressures and to address need at the schools, District staff recommend a new community rental classification be added to better address the increased costs of wear and tear on facilities, in particular for users who use the gymnasiums. The aim of the increase would be to generate sufficient funds from the community use of the gymnasiums in our District to fund the increased cost of refinishing the gymnasium floors on a more regular basis.

Further analysis of the community rentals has shown that essentially all of the youth and adult athletic use of the District's gyms are Non-Profit users. As outlined below, the creation of a new classification of community rental rate users would separate the current Non-Profit users of the District's gymnasiums into Community & Educational Partners and Youth and Adult Athletics.

COMMUNITY USE HOURLY RATES

**Community & Educational Partners
(Previously Non Profit)**

	2022/2023 Non Profit Rate	2024/2025	\$ Change
Administration Fee	10.00	10.00	-
Cancellation Fee	5.00	5.00	-
Weekend & After Hour Surcharge Fee	32.00	32.00	-
Gym (Middle/Secondary), includes QGE	68.00	68.00	-
Gym (Elementary), includes Central	60.00	60.00	-
Hollywood Road Education Services Classroom, Cafeteria, Multi-Purpose, Library	82.00	82.00	-
Playing Field - Youth	57.00	57.00	-
Playing Field - Adult	3.50	3.50	-
Parking Lot	6.50	6.50	-
	5.00	5.00	-
Custodial Hourly Rate	50.00	50.00	-
Weekend 4 Hr Minimum	200.00	200.00	-

Youth and Adult Athletics (New)

	2022/2023 Non Profit Rate	Proposed 2024/2025	\$ Change
Administration Fee	10.00	10.00	-
Cancellation Fee	5.00	5.00	-
Weekend & After Hour Surcharge Fee	32.00	32.00	-
Gym (Middle/Secondary), includes QGE	68.00	100.00	32.00
Gym (Elementary), includes Central	60.00	92.00	32.00
Hollywood Road Education Services Classroom, Cafeteria, Multi-Purpose, Library	82.00	82.00	-
Playing Field - Youth	57.00	57.00	-
Playing Field - Adult	3.50	3.50	-
Parking Lot	6.50	6.50	-
	5.00	5.00	-
Custodial Hourly Rate	50.00	50.00	-
Weekend 4 Hr Minimum	200.00	200.00	-

Commercial (Previously Profit)			
	2022/2023	2024/2025	\$ Change
Administration Fee	10.00	10.00	-
Cancellation Fee	5.00	5.00	-
Weekend & After Hour Surcharge Fee	50.00	50.00	-
Gym (Middle/Secondary), includes QGE	240.00	240.00	-
Gym (Elementary), includes Central	220.00	220.00	-
Hollywood Road Education Services	285.00	285.00	-
Classroom, Cafeteria, Multi-Purpose, Library	190.00	190.00	-
Playing Field - Youth	30.00	30.00	-
Playing Field - Adult	30.00	30.00	-
Parking Lot	30.00	30.00	-
Custodial Hourly Rate	75.00	75.00	-
Weekend 4 Hr Minimum	300.00	300.00	-

Classification as a Community & Educational Partner will be at the discretion of District staff and will be for not-for-profit organizations whose mandate is to offer low cost programs to youth and families, run largely by volunteers. This classification will also extend to local post-secondary partners and provincial sport organizations. The District will continue existing rental cost arrangements with District partner groups and joint use agreements with local municipalities.

As the remainder of community rental rates were increased to address inflationary cost pressures for the 2022/2023 year, no further changes are recommended at this time. There is also no change proposed to the current custodial rate at \$50/hour for nonprofit organizations and \$75/hour for profit organizations.

It is also recommended that preschool and after school rental rates be increased by 5% consistent with prior years to address ongoing cost escalation. The monthly rates for the child care facilities will remain as per the negotiated multi-year agreements.

PRESCHOOL & AFTER SCHOOL MONTHLY RATES

PRESCHOOL RATES		
	Monthly	% Change
2010 & previous	300	
2011	315	5%
2015	330	5%
2017	338	2%
2020	355	5%
2023	373	5%
Proposed 2025	392	5%

AFTER SCHOOL RATES		
	Monthly	% Change
2010 & previous	500	
2011	525	5%
2015	550	5%
2017	565	3%
2020	593	5%
2023	623	5%
Proposed 2025	654	5%

4.0 SECRETARY-TREASURER/CFO COMMENTS

The Secretary-Treasurer/CFO supports the above proposed rental fee increases, as well as the program goals. The focus continues to be on providing community access to these facilities without negatively impacting the operations of the school or the District.

5.0 STAFF RECOMMENDATIONS

THAT: The Finance and Audit Committee recommends to the Board:

THAT: The Board of Education set the community rental rates as attached to the Agenda, and as presented at the May 15, 2024 Finance and Audit Committee Meeting, effective July 1, 2024.

6.0 APPENDICES

- A. Policy 650 – Public Use of School Facilities
- B. Regulations 650R – Public Use of School Facilities
- C. Appendix 650A – Public Use of School Facilities – Schedule of Rental Fees