



Working together with our community

Council-In-Committee Meeting – September 09, 2025

Subject: Port Dover Lions Agreement – Community Centre Operations
Report Number: CDS-25-049
Division: Community Development
Department: Recreation
Ward: All Wards
Purpose: For Decision

Recommendation(s):

That Staff Report CDS-25-049 Port Dover Lions Agreement – Community Centre Operations be received for information; and

That the Mayor and CAO be authorized to execute an updated agreement between Norfolk County and the Port Dover Lions Club for the operations of the Port Dover Lions Community Centre to reflect an increase in the annual commission rate from 50% to 60% of all revenue generated; and further

That the change to the annual commission rate be effective July 1, 2025.

Explanation:

The Port Dover Lions Club is responsible for day-to-day operations at the Port Dover Lions Community Centre. Payment for services is calculated as a percentage of revenue generated.

Executive Summary:

Purpose of the Report:

To ensure that the Port Dover Lions Club is compensated appropriately for operational expectations at the Port Dover Lions Community Centre.

Background and Context:

In June of each year, staff review the agreement governing the day-to-day operations of the Port Dover Community Centre in collaboration with the Port Dover Lions to ensure effective communication and operational efficiency. The Lion's Club has been operating the facility since July 1st, 2021.

Key Findings and Analysis:

The Port Dover Lions Club has been managing the Port Dover Community Centre under the current agreement for the past four years. During this period, rental revenue has increased, reflecting growing usage and community engagement. However, there has been a notable shift in the volume and types of rentals taking place. These changes have an impact on the operational workload and responsibilities of the Lions Club. The evolving nature of these rentals has introduced additional demands in terms of staffing, maintenance, and coordination.

Financial Implications:

Given that 2025 revenue is expected to exceed budget, the impact of the revenue share increase effective July 1, 2025 on current year operations would be minimal and would form part of the surplus/deficit for the Parks, Recreation, and Culture department. Overall, for 2026 the impact would be nominal, which could be minimized if revenue growth outpaces expenditures.

Discussions:

In 2020 a call for submission, CS-CSS-20-03 for proposals on Operation Management, Sponsorship or Other Opportunities for Arenas and Community Halls was issued. A few submissions were received for alternative service delivery models. As a result, Report CAO-21-38 Alternative Service Delivery – Norfolk Arts Centre and Port Dover Community Centre was ultimately approved by Council on May 18, 2021, authorizing the Mayor and CAO to execute an agreement with the Port Dover Lions for the day-to-day operations of the Port Dover Community Centre. The final agreement was signed by both parties on August 25, 2022, with an effective date of July 1, 2021, to correspond with the Lions Club fiscal year term of July 1 to June 30 annually.

The agreement outlines the following responsibilities of the Lions Club:

- Ensure all renters of, and attendees at, the Community Centre comply with all applicable municipal, provincial, federal statutes, regulations, policies, and procedures
- Obtain and keep in force the required insurance
- Ensure PDLC members work in a safe manner and follow health and safety precautions contained within NC policies or procedures and the Occupational Health and Safety Act and its regulations
- Handle enquiries and promote the use of the Facility, showing the Facility to customers, caterers, and advising users of fees, additional charges, available services, rules, and regulations
- Ensure Facility is open, closed, and secure before, during and after events
- Ensure Facility is clean and perform setup and takedown of tables and chairs required for Facility events including, but not limited to, coordinating access for hall decorators, caterers, musicians, and other event requirements
- Complete all cleaning and maintenance of the Community Centre including washrooms, main hall, meeting rooms, kitchen, storage areas and all equipment

- Ensure garbage and recycling are removed from inside the Facility to outdoor garbage bins and recycling area after each event and/or as needed to keep the Facility in a sanitary state
- Request ordering of necessary supplies in advance of requirement to ensure the Facility is always well stocked
- Ensure flower beds and grounds are maintained in a respectable manner – including weeding of flower beds, planting annuals, watering, and mulch
- Ensure members are flexible to guarantee that the Community Centre is available during daytime, evening, weekend, and holidays to cover use acknowledging that actual hours will vary from one week to another depending upon the number of events, meetings scheduled and the size of the events and that weekend events are often “back-to-back” and require immediate janitorial and set up/takedown after each event
- Work closely with the NC Facility Booking Clerk and ensure the Facility is not sublet to any user group or organization without an approved NC rental agreement in effect
- Market and promote the Facility, as well as provide advisory capacity on changes to user fee structure to ensure maximum rental revenue is obtained

The current arrangement has proven successful over the past four years. The revenue-sharing model continues to provide strong incentives for the Lions Club to increase both revenue and marketing efforts for the facility, which was one of the primary goals of the agreement. Additionally, reducing operational costs was a key objective. The management agreement has assisted in lowering the net operating cost of the facility, and the Lions Club has demonstrated consistent pride in maintaining the building to a high standard.

At the end of 2019, the last year of full operations, (Pre-COVID and the Lions Club agreement), annual revenue was approximately \$32,000 and the net operating cost of the facility was approximately \$57,000, excluding \$21,000 related to flooring replacement work completed that year which is required at certain intervals. In 2024, annual revenue was approximately \$60,000 and net operating costs were approximately \$27,000, demonstrating that the operational agreement with the Lions Club is working which leads to a positive outcome for the County and the levy impact.

However, there has been a noticeable decline in larger-scale, higher revenue events, with a shift towards smaller, more frequent rentals. This trend is occurring province-wide and appears to be a lasting impact of the COVID-19 pandemic, reflecting a broader change in public habits and event preferences. Greater use of the facility by the Port Dover Seniors has also had an impact. With the nature and frequency of facility use having changed it has led to increased demands on the Lions for set-up and takedown support. Given this shift and the corresponding increase in operational workload, a request to review the level of commission has been submitted.

Currently the Lions Club receives 50% of all revenue generated. The Lions Club has indicated that they feel the non-profit discount that is applied to rentals also impacts the

amount of revenue collected for the facility, and ultimately the amount of commission they receive, but doesn't change the amount of work required for maintaining the facility. A large percentage of rentals in this facility fall within the category of non-profit use. Staff have reviewed the request and have come up with the following options.

Option 1: Status Quo – This option is not recommended as maintaining a positive working relationship with the Lions Club and keeping this alternative service delivery model that works well, is important and meets the Strategic Priorities of Council.

Option 2: Calculate Commission for the Lions Club based on full rental cost of all rentals before the application of any Non-Profit Discounts to rental fees – This option is also not recommended as this would require considerable manual calculations and administrative time. The reporting capabilities of the XPLOR Recreation Management System utilized for facility booking at this time is not capable of providing the data to calculate revenue at the pre-discounted stage.

Option 3: Increase the percentage of commission on revenue collected – This option is the recommended solution. Operational costs have declined since the Lions Club has taken over the day-to-day operations of this facility, reducing the demand on County staff. The facility is being utilized more often and has a great benefit to the Community.

The following table demonstrates what the impacts of a 5%, 10% and 15% increase based on actual revenue generated over the past 4 years:

Term	Revenue	Commission at 50%	Impact of 5%	Impact of 10%	Impact of 15%
Year 1 – July 1 -Dec 31, 2021 (6 months)	\$12,680	\$6,340	\$634	\$1,268	\$1,902
Year 2 – Jan 1 -Dec 31, 2022	\$55,955	\$27,997	\$2,800	\$5,599	\$8,399
Year 3 – Jan 1 -Dec 31, 2023	\$52,799	\$26,399	\$2,640	\$5,280	\$7,920
Year 4 – Jan 1 -Dec 31, 2024	\$59,583	\$29,792	\$2,979	\$5,958	\$8,397
Year 5 – Jan 1 -June 30, 2025 (6 months)	\$41,834	\$23,099	\$2,092	\$4,183	\$6,275

As a comparator, if we increased Year 5 revenue (January 1 to June 30, 2025) by 25%—to reflect the removal of the non-profit discount, the total revenue would have been \$52,292. This represents the maximum potential revenue, assuming all rentals during that period received the 25% discount. Under this scenario, the Lions Club's 50% commission would have totaled \$26,146, an increase of \$3,138 compared to actual earnings.

While this reflects the upper limit, it aligns with the projected 5% to 10% impact range (\$2,092 to \$4,183), indicating that adjusting the commission rate would produce a similar financial outcome to removing the 25% discount. Opting for a commission-based increase would also reduce administrative workload and offer the Lions Club additional compensation for the growing demand on their resources.

Conclusion:

The Lions Club continues to provide valuable service to both the community and the County through their dedicated efforts. However, under the current agreement, there is no mechanism for the Club to receive additional compensation for increased workload unless user fees are raised or rental volumes increase. Notably, the commission rate has remained unchanged for the past four years. In recognition of the Lions Club's contributions and in support of fair compensation, staff recommend that Council approve a 10% increase to the commission rate payable to the Lions Club for their services.

Finance Comments:

From a budgetary perspective, which is established based on historical calendar year performance, the Approved 2025 Levy Operating budget consists of Operating Expenditures of \$58,500, Revenues of \$57,400, and Revenue Share of \$28,700 representing 50% of budgeted rental revenue, resulting in a budgeted Net Levy Impact of approximately \$29,800.

Table 1 below provides a comparison of 2016-2019 Actuals prior to entering into the agreement with the PD Lions group, and 2021-2024 (Post COVID) after the agreement was established. The comparison shows that operating expenditures rose by approximately 13% on average from 2016-2019 and decreased by approximately 8.5% between 2021-2024. Expenditures decreased primarily as a result of lower Norfolk County maintenance staff time provided to the facility and the elimination of function coordinator staff time to manage facility bookings, as well as lower operating supplies.

Revenue increased by 9.5% on average between 2016-2019 and increased by 40% on average over the 2021-2024 period. There is a clear distinction between the sustained revenue growth during the agreement period as communicated in the report. This also includes 2021, which was a year in which County operations were still being impacted by the pandemic.

The Net Levy impact also increased by approximately 19% between 2016-2019, and rose only 1% between 2021-2024, which shows the PD Lions group have provided a consistent level of service while increasing facility usage resulting in a decreased burden on the County Tax Levy.

Table 1: 2016-2024 Actuals Comparison

	NC Operations				
Actuals	2016	2017	2018	2019	Average
Total Operating Expenditures	76,457	79,430	92,652	110,821	89,840
% Change		3.9%	16.6%	19.6%	13.4%
Total Revenues	(26,715)	(38,436)	(35,968)	(32,774)	(33,473)
% Change		43.9%	-6.4%	-8.9%	9.52%
Revenue Share (50% of Rental Revenue Only)	-	-	-	-	-
Net Levy	49,742	40,994	56,684	78,047	56,367
% Change		-17.6%	38.3%	37.7%	19.46%
	PD Lions Agreement				
Actuals	2021	2022	2023	2024	Average
Total Operating Expenditures	53,610	45,579	67,936	56,704	55,957
% Change	-51.6%	-15.0%	49.1%	-16.5%	-8.5%
Total Revenues	(18,917)	(56,606)	(52,799)	(59,583)	(46,976)
% Change	-42.3%	199.2%	-6.7%	12.8%	40.8%
Revenue Share (50% of Rental Revenue Only)	6,340	27,997	26,400	29,792	22,632
Net Levy	41,032	16,972	41,537	26,913	31,614
% Change	-47.4%	-58.6%	144.7%	-35.2%	0.9%

Option 2 is difficult to model based on information available and is not being recommended by staff due to the high administrative burden and system limitations, therefore, only **Option 3** impacts have been reviewed here. **Table 2** provides a conservative projection of the potential Net Levy impact in 2026 if the revenue share increased to 60%, assuming revenue and operating expenditures increased at the rate of inflation (3.5%). Overall, this is a nominal one-time impact which could be minimized if revenue growth outpaces expenditures. Staff indicate that 2025 revenue could exceed \$70,000 due to increased usage by the Port Dover Seniors and other trends. 2025 operating results will be taken into consideration when establishing the 2026 budget as part of the average.

Table 2: 2025-2026 Projected Budget Impacts

Budget	2025	2026 Projected	\$ Change	% Change
Total Operating Expenditures	58,500	60,548	2,047	3.50%
Total Revenues	(57,400)	(59,409)	(2,009)	3.50%
Revenue Share (60% of Rental Revenue)	28,700	35,645	6,945	24.20%
Net Levy	29,800	36,784	6,984	23.44%

Given that 2025 revenue is expected to exceed budget, the impact of the revenue share increase effective July 1, 2025 on current year operations would be minimal and would form part of the surplus/deficit for the Parks, Recreation, and Culture department.

Interdepartmental Implications:

Purchasing Services

Purchasing Services has reviewed the report and advises that any amendments made to the contract must be done so in accordance with the terms and conditions of the executed agreement.

Consultation(s):

Community and Development Services staff – GM, Supervisor Parks Operations East, Supervisor, Recreation Services, Facility Booking Clerk, CAO and Port Dover Lions Club members have been consulted on this report.

Strategic Plan Linkage:

Serving Norfolk - ensuring a fiscally responsible organization with engaged employees who value excellent service

Strengthen communication and service delivery Improving how Norfolk communicates and delivers services to the community, both digitally and in-person.

Attachment(s):

- PDLCC Operation Agreement between Norfolk County and Port Dover Lions Club

Approval:

Approved By:
Al Meneses, Chief Administrative Officer

Reviewed By:
Bill Cridland, General Manager, Community & Development Services

Prepared By:
Nikki Slote, Director, Recreation