

Re: PROPOSED CONTRACT - BURNABY CHAMBER OF COMMERCE  
VISITOR INFORMATION CENTRE

MUNICIPAL MANAGER'S RECOMMENDATIONS:

1. THAT authority be given for the Corporation to execute the attached Agreement with the Burnaby Chamber of Commerce for the operation of a Visitor Information Centre at its premises at 6525 Sprott Street for the 1986 calendar year.
2. THAT the \$30,252 representing the fixed Municipal cost of operating the Visitor Information Centre be financed from the 1986 Annual Operating Budget as a separate line item under the Municipal Council section of the Annual Budget.

R E P O R T

1.0 SUMMARY AND PURPOSE

The Municipal Council at its meeting of 1985 May 21 passed the following resolution:

"WHEREAS the Burnaby Chamber of Commerce has been making a claim for some considerable period of time that it has been providing a service, namely 'tourist and convention information', to the citizens of Burnaby and;

WHEREAS the Burnaby Chamber of Commerce states that the amount of \$20,500 is not sufficient to handle even a portion of the costs;

THEREFORE BE IT RESOLVED that the Municipal Manager be requested to enter into negotiations with the Burnaby Chamber of Commerce to evaluate the possibility of establishing a contract for fee for service and recommend to Council, in a report, his recommendations as to the amount that would be appropriate;

AND FURTHER THAT such a cost item be considered a line item in the budget and not part of the allocation to the Grants and Publicity Committee;

AND FURTHER THAT consideration be given for the balance of 1985 and that this cost be considered a line item in the budget for the 1986 year."

As a result of considerable review and discussion both internally and with representatives of the Burnaby Chamber of Commerce, the attached proposed Contract Agreement has been negotiated for a one year period that would provide for the Chamber operating a Visitor Information Centre on a fee for service basis under defined terms and conditions. The purpose of this report is to summarize the key points of the Agreement and to obtain Council authority for its execution.

2.0 BACKGROUND

The Burnaby Chamber of Commerce has estimated that visitors spend in the order of \$700,000 annually in the Municipality with spending spread throughout the community in hotels/motels, restaurants, gas stations, pharmacies, stores and the like.

Over the past 2 years, the Tourist Information Centre operated by the Burnaby Chamber of Commerce, at its Business Centre on Sprout Street, has served about 9,000 visitors annually. A large proportion of these people are seeking general directions or information on the region as a whole. The Chamber, in providing its Tourist Information Centre, has been attempting to "capture" a proportion of these visitors by identifying nearby transit services and facilities that are regionally central and convenient and cheaper than downtown alternatives.

Certainly, a major advantage enjoyed by the Municipality is its central location within the region with the resultant accessibility advantages and its gateway situation on Highway 1 relative to the City of Vancouver where the majority of the region's visitor attractions and facilities are concentrated. This locational advantage not only will help attract visitor related facilities and services in the future but as well will maintain the high volume of visitors entering the Municipality seeking assistance and information. With these factors in mind, there has been an underlying philosophy during the course of the negotiations that notwithstanding tourism benefits received by a small segment of the Chamber membership, there is a general responsibility and advantage for the Municipality to participate in the provision of visitor information services.

### 3.0 THE PROPOSED CONTRACT - THE KEY POINTS

#### 3.1 The Approach

In talking with several of the local Chambers of Commerce, no one is aware of any Lower Mainland Municipality that handles its own tourist promotion services. In most cases, the Municipality either makes an annual grant or negotiates a fee for service contract with the local Chamber to provide tourist information services. This is considered the most cost-effective approach in that it minimizes duplication by precluding the necessity of the Municipality having to develop, staff and manage an independent tourist information centre. Your Municipal Manager concurs with this viewpoint. A basic premise therefore in the calculation of the amount proposed for payment to the Chamber is a proportional sharing of overhead and operating expenses of the Chamber's Sprout Street facility.

#### 3.2 Duration of Agreement

The term of the Agreement is from 1986 January 01 to 1986 December 31.

#### 3.3 Payment Amount

It is proposed that the Municipality pay a fixed amount of \$30,252 to the Chamber in support of their providing services as defined in the Agreement. The budget on which this figure is based is included as Schedule A attached to the Agreement. This budget recognizes a proportional sharing of permanent Chamber staff expenses (23%), building expenses (50%), office expenses (12%) and depreciation expenses (37%). Collectively, the Municipality under this Agreement is to assume 23 percent of the operating costs of the combined Visitor Information Centre and Burnaby Chamber of Commerce Business Centre. The amount of \$30,252 to be paid to the Chamber includes a 10 percent reduction in recognition of the direct benefits of tourism activity that would accrue to a component of the Chamber's membership.

#### 3.4 Funding Source

It is proposed to finance the Municipal portion of the 1986 expenses for Visitor Information Services from the 1986 Annual Operating Budget. The funding will be shown as a separate line item under the Municipal Council section of the Annual Budget.

3.5 Minimum Level of Service

In the unlikely event that no funds are forthcoming from the Ministry of Labour Challenge '86 Grant for extra staffing of the Visitor Information Centre during the designated peak season, the Chamber will be required to provide service necessary to operate the Visitor Centre during normal business hours on a year round basis. Should the requested grants be received as anticipated, then the Visitor Information Centre will be open on an extended hours basis for 7 days a week in the period from 1986 April 28 to 1986 October 10 corresponding to the Expo 86 season.

3.6 Future Agreements/Performance Measures

Provision has been made for the Municipality to review the advisability of entering into a subsequent Agreement with the Chamber. This review will be based on records associated with the use of the Visitor Information Centre and on an audited statement of expenses that can be compared with the projected expenses included in Schedule A. A survey questionnaire is proposed to be developed during 1986 that could be used in 1987 and subsequent years to determine the level of user satisfaction with the Visitor Information Centre and help define future improvements.

3.7 Liability

The Chamber indemnifies the Municipality from all liabilities in connection with the services to be supplied by the Chamber.

4.0 EXECUTION OF AGREEMENT

Authority in sought from Council for the Corporation to execute the attached Agreement. The President (designate) and the Manager of the Chamber have been involved in the preparation of this Agreement and have indicated they are prepared to recommend its acceptance by their Board. A copy of the proposed agreement will be forwarded to the Chamber's Board for their approval following receipt of Council's authority to execute the Agreement.

cc: Municipal Solicitor  
Director Finance

THIS AGREEMENT dated the \_\_\_\_\_ day of \_\_\_\_\_, 1986

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Between: THE CORPORATION OF THE DISTRICT OF BURNABY  
(hereinafter called the "Municipality")

OF THE FIRST PART

And: THE BURNABY CHAMBER OF COMMERCE  
(hereinafter called the "Chamber")

OF THE SECOND PART

WHEREAS the Municipality recognizes the importance of promoting Burnaby as a regional visitor centre;

AND WHEREAS the Chamber has provided and desires to continue to provide, a Visitor Information Centre service at its Business Centre in Burnaby as a means of promoting Burnaby as a regional visitor centre;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and other recited consideration, the parties agree as follows:

1. The Municipality agrees to pay a fixed amount of \$30,252 to the Chamber in support of their providing services as hereinafter specifically set forth during the 1986 calendar year.
2. The parties agree that the Municipality's payment to the Chamber is based on the budget prepared by the Chamber and set out in Schedule A hereto attached and forming part of this Agreement.

3. The Municipality and the Chamber agree that in the event the Ministry of Labour grant of \$23,017 shown in Schedule A for the hiring of 6 part-time Travel Counsellors is not forthcoming, the level of service described in Section 6(iii) herein shall, if necessary, be reduced to reflect the actual amount received following consultations between the Municipality and the Chamber.
4. The Municipality and the Chamber agree that in the event no funds are forthcoming from the Ministry of Labour Challenge '86 Program, the Chamber shall nonetheless provide the service necessary to operate the Visitor Information Centre during normal business hours (during the entire year).
5. The Municipality agrees to provide payment to the Chamber in two equal installments of \$15,126 on April 1, 1986 and September 1, 1986.
6. The Chamber covenants and agrees to the following relating to promotion of tourism in the Municipality:
  - i) The Chamber will administer, staff and operate a Visitor Information Centre intended to provide visitor information services to both residents of the Municipality and tourists.
  - ii) The Visitor Information Centre will be housed within the Chamber's Business Centre situated at 6525 Spratt Street, Burnaby, B. C. with at least 50 percent of the premises allocated to the operation of the Visitor Information Centre.
  - iii) During the term of this Agreement, the Visitor Information Centre will be operated in conformity with the following timetable:

ITEM 9  
MANAGER'S REPORT NO. 18  
COUNCIL MEETING 86/03/10

Period                      Days/Week

1986 January 01-                      5

1986 April 27                      (Mon.-Fri.)                      9am - 5pm

1986 April 28-

1986 September 05                      7                      8:30am - 8:30pm

1986 September 06-

1986 October 10                      7                      9am - 7pm

1986 October 13-                      5

1986 December 31                      (Mon.- Fri.)                      9am - 5pm

iv) The Chamber will provide adequate staff and other resources for the effective operation of the Visitor Information Centre during the times set forth in Clause 6 (iii), including the use of the Chamber Manager and Secretary, as well as the use of part-time Travel Consultants provided through the Challenge '86 Summer Employment Program during the period from 1986 April 28 to 1986 October 10.

v) The Chamber will acquire and distribute suitable brochures and descriptive literature, particularly pertaining to Burnaby and the Lower Mainland, for the benefit of residents of the Municipality and tourists.

vi) The Chamber will actively promote Burnaby as a centrally situated regional visitor centre through referrals to local facilities, businesses and attractions.

- vii) The Chamber will prepare and pursue available senior government grant applications, will hire and supervise Travel Counsellors and prepare a Tourist Information Program and budget that will be the basis for preparing a subsequent Agreement between the parties.
- viii) The Chamber will maintain a log of Visitor Information Centre users with statistics being available on the number of individuals served in person, by telephone and through correspondence as one measure of the service provided pursuant to this Agreement.
- ix) The Chamber will prepare, with the assistance of the Municipality, a survey questionnaire during 1986 that can be used during 1987 to determine the level of user satisfaction with the Visitor Information Centre and other facilities and services in the Municipality and help identify services and programs that could be expanded, curtailed or introduced in subsequent years.
- x) The Chamber will provide secretarial, bookkeeping and other office services as are necessary for the efficient operation of the Visitor Information Centre.
- xi) The Chamber will provide an audited statement of expenses associated with the operation of the Business Centre and the Visitor Information Centre during the 1986 Agreement period that can be compared with the projected expenses included in Schedule A.

- xii) The Chamber will not incur any expense for which the Municipality shall be required to reimburse the Chamber, or for which the Municipality in any other way shall become liable to any person without prior consent of the Municipality in writing.
- xiii) The Chamber will indemnify and save the Municipality harmless from all loss, damage, costs, actions and suits arising out of or in connection with the services to be supplied by the Chamber under this Agreement and provide proof of comprehensive public liability insurance.
7. The Municipality agrees to review the advisability of entering into a subsequent agreement and advise the Chamber accordingly by 1987 February 15, based on an assessment of the success of this Agreement.
8. The Municipality and the Chamber agree that the provisions of this Agreement shall be given such reasonable interpretation as will facilitate a full and proper handling of tourist and related information services for all residents of and visitors to the Municipality.



SCHEDULE A

1986 Proportional Share of Projected Expenses - Burnaby Visitor Information Centre and Burnaby Chamber of Commerce Business Centre.

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	<u>Combined Total</u>	<u>Business Centre</u>	<u>Visitor Information Centre</u>
<u>Staff Expenses</u>			
Salaries, Commissions, Benefits	\$94,037	\$54,400	\$39,637
Staff Expenses	<u>2,000</u>	<u>2,000</u>	<u>-</u>
	96,037	56,400	39,637
 <u>Building Expenses</u>			
Land Rental & Taxes	4,000		
Utilities	2,016		
Janitorial & Maintenance	2,500		
Insurance & Security	1,200		
Interest	<u>4,200</u>		
	13,916	6,958	6,958
 <u>Office Expenses</u>			
Audit & Accounting	2,400	1,850	550
Conferences & Membership	2,000	1,000	1,000
Equipment Rental	4,500	3,000	1,500
Interest (Operating)	3,000	3,000	-
Office Supplies	4,000	2,680	1,320
Postage	4,500	4,000	500
Telephone	4,500	3,000	1,500
Tourist Services	1,000	1,000	-
Newspapers	<u>26,120</u>	<u>26,120</u>	<u>-</u>
	52,020	45,650	6,370
 TOTAL EXPENSES	\$161,973	\$109,009	\$52,965
 <u>Depreciation</u>			
Building	7,331	3,666	3,665
Furnishings	<u>2,460</u>	<u>2,460</u>	<u>-</u>
	9,791	6,126	3,665
 GRAND TOTAL	<u>\$171,764</u>	<u>\$115,134</u>	<u>\$56,630</u>
 Less Ministry of Labour Challenge '86 Grant	23,017	-	23,017
	\$148,747	\$115,134	\$33,613
 Less Net 10% Assessment to Chamber of Commerce	-	-	<u>3,361</u>
			\$30,252
 Net Assigned Municipal Cost of Operating Visitor Information Centre			\$30,252