

RE: BURNABY CHAMBER OF COMMERCE  
FEE-FOR-SERVICE CONTRACT RENEWAL

ITEM	9
MANAGER'S REPORT NO.	27
COUNCIL MEETING	88/04/11

ACTING MUNICIPAL MANAGER'S RECOMMENDATION:

- 1. THAT the recommendations of the Director Planning & Building Inspection be adopted.

\* \* \* \* \*

TO: MUNICIPAL MANAGER  
1988 April 05

FROM: DIRECTOR PLANNING & BUILDING INSPECTION  
Our File: 00.830

SUBJECT: BURNABY CHAMBER OF COMMERCE:  
FEE-FOR-SERVICE CONTRACT RENEWAL

=====

RECOMMENDATIONS:

1. THAT authority be given for the Corporation to execute the attached Agreement with the Burnaby Chamber of Commerce for the operation of the Travel Information Centre at its premises at 6525 Sprött Street for the 1988 calendar year.
2. THAT the \$29,354 representing the municipal cost of operating the Travel Information Centre be financed from the 1988 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 BACKGROUND

At its meeting of 1988 March 14, Council received a staff report on the renewal of the Fee-for-Service contract with the Chamber of Commerce for the operation of the Travel Information Centre. The following recommendations were adopted:

1. THAT staff be authorized to negotiate the terms of a renewal Fee-for-Service contract with the Burnaby Chamber of Commerce, as described in this report, for operation of the Travel Information Centre at its premises at 6525 Sprött Street for the 1988 calendar year.
2. THAT a further report be submitted to Council outlining the negotiated terms and budget of the 1988 contract for final approval.
3. THAT the Burnaby Chamber of Commerce be forwarded a copy of this report.

In response to the report, Council also requested information on comparable statistics of tourist activity in the Travel Information Centre from 1985-1987, and an assessment of the exposure of its existing location. The Chamber has provided input to these questions, and they are addressed below.

Staff have worked with the Chamber staff and have made the necessary revisions to the contract. The proposed terms for the 1988 agreement are outlined in the body of the report.

## 2.0 CHAMBER STATISTICS AND LOCATION

The number of tourist inquiries received by the Travel Information Centre increased from 8,445 in 1985 to 24,662 in 1986, and decreased to 18,601 in 1987.

The Chamber Manager attributes the significant increase in inquiries in 1986 not only to Expo 86, but also to an increased promotion of both tourism and Travel Information Centres by the Ministry of Tourism. Standardized directional signs were designed, and funded by the Ministry for local centres.

The Ministry also introduced the Superhost programme to train staff in the tourist industry to welcome and deal with the traveling public.

The combination of these factors have succeeded in significantly increasing the tourist activity in the Travel Information Centre from the pre-Expo year level.

The Chamber staff feel that the location of the Travel Information Centre is ideal because it is centrally located within Burnaby, close to a major highway interchange, and contains abundant parking to accommodate all types of cars, recreational vehicles and trucks. The recent directional signage is also considered to be a factor in drawing tourists to the Centre.

## 3.0 THE CONTRACT

The general terms of the 1988 agreement are essentially the same as the previous contract. The most significant changes relate to the limitation of the Municipal contribution (clause 3) and the renewal procedure (clause 8), as more specifically detailed below.

### 3.1 Duration of the Contract

The contract is retroactively effective from 1988 January 01 to 1988 December 31. Renewal of the contract begins in March because it is contingent upon receipt of an audited statement from the Chamber of Commerce, which is not prepared until late February.

### 3.2 Payment Amount

The Chamber has submitted a revised operating budget for 1988 which falls within 3.5% over the actual 1987 operating costs, as specified in the previous report to Council. The budget is detailed on Schedule A of the attached Agreement.

The operating costs of the Travel Information Centre are based on a proportion of the costs of the Chamber Business Centre. The Travel Information Centre budget comprises 25.5% of the permanent staff salary costs, 50% of building expenses, 9.9% of the office expenses, and 50% of the building depreciation costs.

The overall proportion of expenses attributed to the Travel Information Centre is approximately 23%, which is consistent with past years.

The Municipal contribution is calculated as 90% of the operating costs of the Travel Information Centre, as per the submitted budget. The Chamber is assessed 10% of the operating costs in recognition of the benefits of the Tourist Information Centre to the Chamber membership.

As outlined in the previous report, the 1988 agreement contains a clause (clause #3) which limits the Municipal commitment to 90% of the lesser of the budgeted costs or the actual costs, as determined from the audited statement. If the actual costs fall below the budgeted costs, the Municipality will be credited the difference in the 1989 contract.

The Municipal contribution to the operation of the Travel Information Centre for the 1988 calendar year, based on the Chamber budget will be \$29,354. Payment will be made to the Chamber in two installments; 50% on 1988 May 02, and the remaining 50% on 1988 September 01.

### 3.3 Funding Source

The Finance Department has confirmed that \$29,024 has been included in the Annual Budget for the Fee-for-Service contract. It has been suggested by the Finance Department that the \$330 difference be addressed in the Recast Budget.

### 3.4 Future Agreements/Performance Measures

Clause (8) of the agreement has been amended to shift the responsibility for renewal of the contract to the Chamber of Commerce. The Chamber is required to make application for renewal by 1989 February 28. The application is to be accompanied by the audited statement of 1988 actual costs, the final report of the log of Tourist inquiries and a proposed budget for the 1989 calendar year.

At this time, staff will review the audited statement and fulfillment of other terms of the contract and determine the advisability of entering into an agreement for another year.

The final results of the Tourism Survey will also be available prior to renewal of the contract. The survey will provide information on the level of user satisfaction with the Tourist Information Centre and tourist oriented facilities in the Municipality.

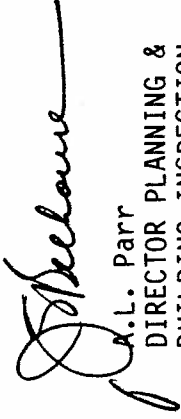
Municipal Manager  
re: Burnaby Chamber of Commerce:  
Fee-For-Service Contract Renewal  
1988 April 05 Page 4

ITEM 9  
MANAGER'S REPORT NO. 27  
COUNCIL MEETING 88/04/11

4.0 EXECUTION OF THE AGREEMENT

141

Authority is sought from Council for the Corporation to execute the attached agreement with the Burnaby Chamber of Commerce. The staff of the Chamber have participated in revisions to the contract and are satisfied with the amendments. The Board of the Chamber meets on 1988 April 12, and will consider the 1988 contract at that time.

  
J.L. Parr  
DIRECTOR PLANNING &  
BUILDING INSPECTION

  
DLF/pja

ATTACH.

cc: Director Finance

THIS AGREEMENT dated the       day of       , 1988

BETWEEN:

THE CORPORATION OF THE DISTRICT OF BURNABY  
4949 Canada Way  
Burnaby, B.C. V5G 1M2

ITEM	9
MANAGER'S REPORT NO.	27
COUNCIL MEETING	88/04/11

(hereinafter called the "Municipality")

OF THE FIRST PART

AND:

THE BURNABY CHAMBER OF COMMERCE  
6525 Sprout Street  
Burnaby, B.C. V5B 3B8

(hereinafter called the "Chamber")

OF THE SECOND PART

WHEREAS as 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 Travel 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 considerations of the mutual covenants and other recited consideration, the parties agree as follows:

1. The Municipality agrees to pay a fixed amount of \$29,354 to the Chamber in support of their providing services as herein-after specifically set forth during the 1988 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 mutually acknowledge that the said sum of \$29,354 referred to in clause 1 represents 90% of the approved budgeted operating costs for the said Visitor Information Centre as provided in Schedule A attached hereto and forming part of this Agreement and that the Municipality's payment to the Chamber is calculated on that basis. The Chamber shall, by February 28, 1989, submit to the Municipality an audited financial statement, certified by a Chartered Accountant licenced to practice in British Columbia, specifying the actual operating costs associated with the operation of the Business Centre and the Visitor Information Centre during the term of this Agreement that can, to the reasonable satisfaction of the Municipality, be compared with the projected expenses included in Schedule A. In the event that the operating costs of the Visitor Information Centre during the term of this Agreement were less than the budgeted operating costs stated in Schedule A, the Municipality's payment shall be re-calculated on the basis of 90% of the actual operating costs. The difference between this sum and the sum of \$29,354 paid to the Chamber as provided in clause 1 shall be applied as a credit to any payment made by the Municipality pursuant to any subsequent agreement for the year 1989.

4. The Municipality and the Chamber agree that in the event the Ministry of Labour grant of \$17,164 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.

5. The Municipality and the Chamber agree that in the event no funds are forthcoming from the Ministry of Labour Challenge '88 Program, the Chamber shall nonetheless provide the service necessary to operate the Travel Information Centre during normal business hours (during the entire year).
6. The Municipality agrees to provide payment to the Chamber in two equal installments of \$14,677 on May 2, 1988 and September 1, 1988.
7. 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 Travel Information Centre intended to provide visitor information services to both residents of the Municipality and tourists.
  - ii) The Travel Information Centre will be housed within the Chamber's Business Centre situated at 6525 Sprout Street, Burnaby, B.C. with at least 50 percent of the premises allocated to the operation of the Travel Information Centre.
  - iii) During the term of this Agreement, the Travel Information Centre will be operated in conformity with the following timetable:



<u>Period</u>	<u>Days/Week</u>	<u>Hours of Operation</u>
1988 January 01 -	5	
1988 May 06	(Mon.-Fri.)	9 am - 5 pm
1988 May 09 -	7	
1988 September 02		8:30 am - 8:30 pm
1988 September 06	5	
1988 December 31	(Mon.-Fri.)	9 am - 5 pm

iv) The Chamber will provide adequate staff and other resources for the effective operation of the Travel Information Centre during the times set forth in Clause 6(iii), including the use of the Chamber Manager, Membership Services Coordinator and Secretary, as well as the use of part-time Travel Consultants provided through the Challenge '88 Summer Employment Program during the period from 1988 May 02 to 1988 September 03.

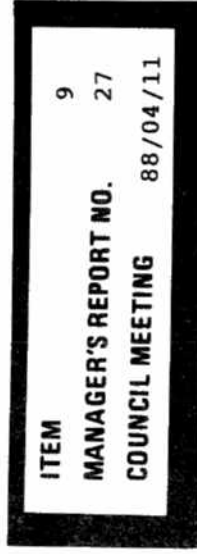
v) The Chamber will acquire and distribute suitable brochures and descriptive literature, particularly pertaining to Burnaby and the Lower Mainland, for the benefit of residents of the Municipality and tourists.

vi) The Chamber will actively promote Burnaby as a centrally situated regional visitor centre through referrals to local facilities, businesses and attractions, including specific facilities as identified through coordination with the Municipality.



ITEM	9
MANAGER'S REPORT NO.	27
COUNCIL MEETING	88/04/11

- 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 Travel 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 complete the compilation and evaluation of Phase I of a Tourism Survey together with a summary report, both in a form satisfactory to the Municipality on, or before, April 30, 1988. The Chamber will also complete the compilation and evaluation of Phase II of a Tourism Survey together with a summary report both in a form satisfactory to the Municipality on or before November 1, 1988.
- x) The Chamber will provide secretarial, bookkeeping and other office services as are necessary for the efficient operation of the Travel Information Centre.
- xi) 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.



147

xii) 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.

8. In the event that the Chamber desires to commence negotiations for a subsequent agreement with the Municipality, the Chamber shall so advise the Municipality on, or before, February 28, 1989. The Chamber's application shall be accompanied by

i) an audited financial statement of actual operating expenses associated with the operation of the Business Centre and the Visitor Information Centre in 1988, certified by a Chartered Accountant licenced to practice in British Columbia that can, to the reasonable satisfaction of the Municipality, be compared with the projected expenses included in Schedule A

ii) a final report of the log of tourist enquiries and tourism programs

iii) a proposed operating budget for 1989.

It is mutually understood that nothing herein creates a binding obligation by the Municipality to enter into any subsequent agreement.

ITEM	9
MANAGER'S REPORT NO.	27
COUNCIL MEETING	88/04/11

9. 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.

IN WITNESS WHEREOF the Corporate Seals of the Parties hereunto been affixed in the presence of their duly authorized officers the day and year first above written.

THE CORPORATE SEAL OF THE CORPORATION  
OF THE DISTRICT OF BURNABY WAS HEREUNTO  
AFFIXED IN THE PRESENCE OF:

-----

Municipal Clerk-Authorized Signatory

THE CORPORATE SEAL OF THE BURNABY  
CHAMBER OF COMMERCE WAS HEREUNTO  
AFFIXED IN THE PRESENCE OF:

President-Authorized Signatory

SCHEDULE A

ITEM	9
MANAGER'S REPORT NO.	27
COUNCIL MEETING	88/04/11

1988 Proportional Share of Projected Expenses - Burnaby Visitor Information Centre and Burnaby Chamber of Commerce Business Centre.

149

	Combined Total	Business Centre	Visitor Information Centre
<u>Staff Expenses</u>			
Salaries, Commissions, Benefits	87,000	51,590	35,410
Staff Benefits	3,500	3,000	500
	<u>90,500</u>	<u>54,590</u>	<u>35,910</u>
<u>Building Expenses</u>			
Land Rental & Taxes	3,600		
Utilities	1,600		
Janitorial & Maintenance	3,000		
Insurance & Security	1,400		
Interest	3,800		
	<u>13,400</u>	<u>6,700</u>	<u>6,700</u>
<u>Office Expenses</u>			
Audit & Accounting	2,500	1,875	625
Conference & Membership	1,500	750	750
Equipment Rental	2,700	1,800	900
Interest (Operating)	600	600	
Office Supplies	9,730	8,819	911
Postage	6,000	5,335	665
Telephone	2,740	1,827	913
Newspapers	19,800	19,800	
Brochures	2,500	2,500	
	<u>48,070</u>	<u>43,306</u>	<u>4,764</u>
	<u>151,970</u>	<u>104,596</u>	<u>47,374</u>
<u>Depreciation</u>			
Building	4,810	2,405	2,405
Furnishings	2,240	2,240	
	<u>7,050</u>	<u>4,645</u>	<u>2,405</u>
GRAND TOTAL	<u>159,020</u>	<u>109,241</u>	<u>49,779</u>
Less Ministry of Labour	-17,164		17,164
	<u>141,856</u>	<u>109,241</u>	<u>32,615</u>
Less Net 10% Assessment to Chamber of Commerce			3,261
Net Assigned Municipal Cost of Operating Visitor Information Centre			29,354