



**CITY OF HAMILTON**  
**PUBLIC WORKS DEPARTMENT**  
**Environmental Services Division**

<b>TO:</b>	Chair and Members Public Works Committee
<b>COMMITTEE DATE:</b>	April 19, 2021
<b>SUBJECT/REPORT NO:</b>	Confederation Beach Park - Wild Waterworks 2021 Season (PW21020) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Adriana Byrne (905) 546-2424 Ext. 2156
<b>SUBMITTED BY:</b>	Craig Murdoch Director, Environmental Services Public Works Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That the City of Hamilton accept the recommendation from the Hamilton Conservation Authority, operator of Wild Waterworks at Confederation Beach Park, for Wild Waterworks, which was endorsed by the Park Management Review Team, to remain closed for the 2021 Operating Season due to the COVID-19 pandemic;
- (b) That the City of Hamilton provide an estimated \$300,000 in financial support for the Wild Waterworks closure in 2021 due to the COVID-19 pandemic, and that it be charged to the Public Works Environmental Services budget and be funded through any federal/provincial COVID-19 amounts received; and,
- (c) That the General Manager of Public Works be granted the authority to execute, on behalf of the City of Hamilton, any revisions to the Management Agreement with the HCA and any related or ancillary documents necessary to implement Recommendation (a) each in a form satisfactory to the City Solicitor.

**EXECUTIVE SUMMARY**

The Hamilton Conservation Authority (HCA) operates Confederation Beach Park which includes Wild Waterworks under a Management Agreement with the City of Hamilton

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(City). Under this agreement the HCA is responsible for operating and maintaining the park including Wild Waterworks (WWW) and to prepare an annual operating plan and budget. The Agreement requires HCA to advise the City, as soon as it becomes aware, that the park faces a risk of running an operating deficit and to jointly, with the City, identify the reason and implement measures to mitigate the deficit.

In 2020, the COVID-19 pandemic was identified as a major impact to the operations at WWW and the HCA made a formal recommendation that the waterpark remain closed for the 2020 operating season; a recommendation that was approved by the HCA's Board of Director's Chairman and Chief Administrative Officer (CAO), the Park Management Review Team, a joint City/HCA group that oversees the Management Agreement between the two parties and ultimately, Committee of the Whole on May 13<sup>th</sup>, 2020. Provincial regulations ultimately did not permit the reopening of water or amusement parks in 2020.

Given the ongoing COVID-19 pandemic in 2021 it is not foreseeable that waterparks will be permitted to return to regular operations and full capacity. Two scenarios for an open waterpark have been considered:

- i) operate as a full attraction with 25% capacity with an overall park deficit estimated at \$865K or,
- ii) operate as a flat pool at 25% capacity with an overall park deficit estimated at \$1.459M.

A major concern with these scenarios is that public confidence could have a significant impact on attendance and could result in higher deficits than estimated. This is in addition to the attendance risk due to poor weather.

The recommendation to close WWW for the 2021 season would result in an estimated operating loss for Confederation Beach Park, including the waterpark of \$294K. This measure would mitigate the potential operating deficits that would be realized if the waterpark was to open. Closure of the waterpark does not impact the remaining aspects of Confederation Beach Park, including the opening of Lakeland pool. Other areas of Confederation Beach Park would remain open and operating subject to provincial and public health guidelines.

**Alternatives for Consideration – See Page 7**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The closed waterpark will generate no revenue and will run a deficit for Confederation Beach Park estimated at \$294K. Although the waterpark would be closed, certain expenses will still be incurred related to minimal

staff, equipment maintenance, grass cutting, security and basic essential preventative maintenance. It is estimated that City support of \$300K is required to mitigate a deficit for Confederation Beach Park. The operation of the rest of Confederation Beach Park could offset some or all of this deficit, it is not clear the extent of the impact of the COVID-19 pandemic will have in 2021 on other Confederation Beach Park operations. The required financial support to mitigate a deficit would be charged to the Public Works Environmental Services budget and then be funded through any federal/provincial COVID-19 amounts received.

**Staffing:** There is no impact to City staff. Staffing impacts would be experienced by the HCA and would result in 120-150 seasonal staff not being hired. Work will still be required at Wild Waterworks, which will be completed by 3 full-time staff and 3 contract staff who will be completing preventative maintenance. Additional maintenance projects can be undertaken, such as: overseeing of pool tile replacements, resurfacing and painting of the faded body slides visible from the QEW, and maintaining gardens. These staff can also be redeployed to Confederation Beach Park to assist in ongoing operations and maintenance. This decision will result in no layoffs.

**Legal:** Legal Services has been consulted to confirm the City's obligations under the Management Agreement. As the agreement does not contemplate a shut-down of all or part of the Park including the WWW portion, Legal Services has provided compliance advice primarily related to having the Park Management Review Team review the HCA recommendation and bringing this recommendation to Council.

## **HISTORICAL BACKGROUND**

Beginning in March 2020, the Government of Ontario and Hamilton Public Health Services have issued a variety of measures in an effort to stop the spread of COVID-19. With the uncertainty of what would be permitted in 2020, extensive consultation took place between the HCA and City staff during the months of April and May 2020. Assuming at that time that Provincial regulations may permit waterparks to open in some modified capacity in 2020, for safety reasons and to mitigate financial deficit implications, a recommendation to leave WWW closed for the 2020 season was presented to, and was endorsed by, the General Issues Committee in May 2020. Any operating option considered, exceeded the deficit reflective of leaving the facility closed.

Closure provided the opportunity to undertake the required Hamilton Public Health Services painting and resurfacing requirements of Little Squirt works and the Lazy River.

Ultimately, Provincial regulations did not permit the reopening of water or amusement parks in 2020.

For the 2020 season, WWW remained closed and the HCA received the approved amount of \$425,000 in additional funding from the Tax Stabilization Reserve to support the estimated operating shortfall. After all 2020 financials for the overall park operations were considered, the HCA was successful in reducing their funding deficit to \$225,000 and therefore, they are returning approximately \$200,000 to the City that will go back into the Tax Stabilization Reserve. The City has applied COVID-19 Relief Funding under the Safe Restart Agreement to the eligible additional costs and lost revenues of the park closure in 2020.

Given the ongoing COVID pandemic in 2021, a decision once again needs to be made in regard to the operation of the WWW facility as it is not foreseeable that waterparks will be permitted to open to a full return of regular operations and capacity. Currently, Provincial regulations do not permit the opening of water and amusement parks and there is no indication of when their reopening may be considered or with what restrictions. Outdoor waterparks have a short operating season and any further loss of operating days and/or reduced capacity limits, coupled with increased expenses related to COVID safety measures has a substantial impact.

On March 4, 2021, a Park Management Review Team meeting was held between the HCA and City staff to review and vote on the recommendation put forward by the HCA as is required under the Confederation Park Management Agreement which governs the relationship between the City and the HCA. The Park Management Review Team voted in support of the HCA's recommendation and moves these recommendations to Council for approval as required by the Management Agreement given its ramifications for the objectives and budgets set by the City

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

Not Applicable

## **RELEVANT CONSULTATION**

The following groups were consulted and are represented on the Park Management Review Team.

Parks and Cemeteries Section, Environmental Services Division, Public Works Department  
Energy, Fleet and Facilities Division, Public Works Department  
Recreation Division, Healthy and Safe Communities Department  
Financial Planning Administration & Policy Division, Corporate Services Department

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Corporate Services Department, Legal and Risk Management Services Division, has provided direction related to the Management Agreement.

Formally, the Park Management Review Team Committee and HCA Board each separately met on March 4, 2021 and voted in support of HCA's recommendation to remain closed for the 2021 operating season in order to mitigate the operating deficit.

**ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)**

The City and the HCA has a shared duty under the Management Agreement to implement measures to mitigate operating deficits.

**Pre-COVID 19 Normal Operating Season:**

In a normal year, WWW operates from mid-June until Labour Day; approximately an 80-day operating season and requires over 100,000 patrons during that time to generate enough revenue, combined with tenants and concession stands, to cover costs. Weather is the single biggest impact with past attendance varying from 88,000 to over 140,000 visitors. There is pre-summer attendance between 2,000-6,000 driven by school programs and public attendance on June weekends. The facility requires six weeks of preparation to open to the public for staff training, inspecting and maintaining all the attractions, scheduling and passing all required inspections from Technical Standards & Safety Association and Public Health Services prior to opening. To open on any given day the facility must be staffed, regardless of the number of patrons that come; the costs are essentially fixed and do not vary with attendance. In 2019, revenue of \$2.5M and attendance of 103,223 was reached.

**Park Opening Scenarios:**

HCA could prepare Wild Waterworks to open. At this point in time, it would likely be that the best opening date achieved would be July 1, 2021, providing a 73-day season and as historically 10% of the days are lost to poor weather, 66 days would be most likely number of day operated. Given the reduced operating season, two scenarios for how an open waterpark may operate in a 2021 pandemic season have been considered, namely, operation at 25% capacity either as a full attraction or as a flat pool only. Both scenarios would require changes to the normal operations. An approved operating plan would be required through Hamilton Public Health Services to allow for screening, line spacing, sanitation, distancing, etc. The reduced capacity would cap attendance at 1000 patrons per day; assuming full daily attendance, it would equate to a total of 66,000 visitors for the season. As a flat-water pool, wave action and water slides are not available and are the usual attractions of the waterpark. As a flat-water attraction WWW would consist of the pool, lazy river and little squirt works.

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Even at a reduced capacity, physical distancing in the wave pool and on slide towers would be a challenge as would keeping surfaces disinfected. Both the Lifesaving Society and World Waterpark Association recommend waterparks operate with reduced in-water capacity based on challenges to maintain physical distancing and recognize size and design challenges to keep surfaces disinfected.

Increased operating costs would be incurred in either scenario in order to maintain distancing and cleaning protocols. If operating as a flat pool only, admission rates should be reduced to 50% given the number of attractions that would no longer be available for use. Affordability for a flat-water attraction may also impact attendance as a family of 4 will cost \$54.99 compared to Lakeland pool at \$24.86 and family rate for City pools is \$10.61. Therefore, the financial implications of operating a waterpark under these two scenarios would result in an estimated operating loss for Confederation Beach Park of \$865K if operated as a full waterpark and \$1.459M if operated as a flat pool.

Outdoor waterparks have a short operating season and any further loss of operating days and/or reduced capacity limits, coupled with increased expenses related to COVID safety measures has a substantial impact. Therefore, from both a public health and financial perspective, it is the recommendation of both the HCA and the Park Management Review Team that WWW not be opened to the public in 2021. As in 2020, closure of WWW offers the single option to mitigate the operating deficit for Confederation Beach Park the most, estimated at \$294K.

The following table outlines historical financials and the operating scenarios reviewed:

	<u>2019</u>	<u>2020</u>	<u>2021 #1</u>	<u>2021 #2</u>	<u>2021 #3</u>
<u>Wild WaterWorks</u>					
<i>Wild WaterWorks Attendance</i>	103,223	<u>CLOSED</u>	25% Capacity 66,000	Flat Pool 66,000	<u>CLOSED</u>
Revenues	\$ 2,507,235	\$ (297)	\$ 1,694,550	\$ 979,100	\$ -
Expenses	<u>2,799,859</u>	<u>720,999</u>	<u>2,984,693</u>	<u>2,862,526</u>	<u>718,750</u>
Wild WaterWork Surplus/(Deficit)	(292,624)	(721,296)	(1,290,143)	(1,883,426)	(718,750)
<u>Balance of Confederation Beach Park</u>					
City support - Municipal Levy	\$ 670,000	\$ 670,000	\$ 670,000	\$ 670,000	\$ 670,000
City Support - COVID-19 Related		425,000			
Revenues	616,400	484,792	587,870	587,870	587,870
Expenses	<u>681,402</u>	<u>658,398</u>	<u>832,991</u>	<u>832,991</u>	<u>832,991</u>
Total CBP Operations Surplus/(Deficit) (Including Wild WaterWorks)	<u>\$ 312,374</u>	<u>\$ 200,098</u>	<u>\$ (865,264)</u>	<u>\$ (1,458,547)</u>	<u>\$ (293,871)</u>

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OUR Vision: To be the best place to raise a child and age successfully.  
 OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.  
 OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

## **ALTERNATIVES FOR CONSIDERATION**

Direct HCA to prepare WWW to open during the 2021 Operating Season as soon as a Provincial directive would permit its opening and submit reopening plans to Hamilton Public Health for approval.

**Financial:** Depending on the Provincial and Public Health restrictions imposed on waterpark operations, along with the variables of weather and public confidence in attending a waterpark, the financial implications of operating the waterpark would result in an estimated operating loss for Confederation Beach Park, at a minimum, of \$865K if operated as a full waterpark and at a minimum, of \$1.459M if operated as a flat pool. The required financial support to mitigate a deficit would be charged to the Public Works Environmental Services budget and then be funded through federal/provincial COVID-19 amounts received, if any.

**Staffing:** The HCA would need to hire all temporary staff in addition to their permanent staff and would need additional staff estimated at 15-20 to ensure sanitization and support for physical distancing. The HCA will hire a minimum of 150 seasonal staff to ensure the waterpark is staffed appropriately. To be open for July 1, hiring would need to be done immediately in early May, potentially prior to notification from the Province and before Hamilton Public Health approval of the opening plan which will result in increased costs if the facility is not permitted to reopen.

**Legal:** N/A

## **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

### **Economic Prosperity and Growth**

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

### **Healthy and Safe Communities**

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

## **APPENDICES AND SCHEDULES ATTACHED**

Not Applicable