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| TO: | CHAIR AND MEMBERS INVESTMENT AND ECONOMIC PROSPERITY COMMITTEE MEETING ON JULY 31, 2012 |
| FROM: | MARTIN HAYWARD CITY TREASURER, CHIEF FINANCIAL OFFICER |
| SUBJECT: | AGREEMENT BETWEEN THE CITY OF LONDON AND DONALD JONES MANAGEMENT SERVICES INC. – MANAGEMENT OF CENTENNIAL HALL |

RECOMMENDATION

That, on the recommendation of the City Treasurer, Chief Financial Officer, the attached proposed by-law (Appendix “A”) **BE INTRODUCED** at the Municipal Council meeting to be held on August 28, 2012 to:

- a) approve a three year extension agreement to December 31, 2015 between The Corporation of the City of London (City) and Donald Jones Management Services Inc. (attached as Schedule “A”) to the by-law; and
- b) authorize the Mayor and the City Clerk to execute the agreement approved in a), above.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

- Board of Control – December 9, 2009 – report authorizing an extension to the agreement between City and Donald Jones Management Services Inc. to December 31, 2012.

BACKGROUND

The current agreement between the City and Donald Jones Management Services for the operation and management of Centennial Hall expires on December 31, 2012.

Administration is recommending a three year extension due to:

- discussions that are continuing with regard to City Hall options,
- stability until after the next municipal election,
- help meet current budget constraints – the City of Hamilton contracted KPMG to undertake an analysis of facility subsidies for performing arts centres/theatres. The results of that study indicate that the Centennial Hall is the lowest municipal subsidized centre. A copy of the summary is attached as Appendix B.
- The agreement contains a 90 day notice provision to terminate the contract with or without cause.

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| RECOMMENDED BY: |
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| Martin Hayward City Treasurer, Chief Financial Officer |



APPENDIX A

Bill No.
2012

By-law No. A.-

A by-law to authorize the execution of an Agreement between The Corporation of the City of London and Donald Jones Management Services Inc. for the operation and management of Centennial Hall.

WHEREAS subsection 5(3) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS the City and Donald Jones Management Services Inc. entered into an Agreement, commencing January 1, 2013 to operate and manage Centennial Hall.

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Agreement entered into between The Corporation of the City of London and Donald Jones Management Services Inc., attached as Schedule A to this by-law, is hereby authorized and approved.
2. The Mayor and the City Clerk are hereby authorized to execute the Amending Agreement authorized and approved under section 1 of this by-law.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on August 28, 2012.

Joe Fontana
Mayor

Catharine Saunders
City Clerk

First Reading – August 28, 2012
Second Reading – August 28, 2012
Third Reading – August 28, 2012



THE CORPORATION OF THE CITY OF LONDON
(hereinafter called the "Owner")

- AND -

DONALD JONES MANAGEMENT SERVICES INC.
(hereinafter called the "Manager")

WHEREAS by an agreement dated the 1st day of January, 2006 (the "2006 Agreement"), the Owner engaged the Manager to operate and manage Centennial Hall at 550 Wellington Street in the City of London which is a multi-purpose public hall owned by the Owner;

AND WHEREAS by an agreement dated the 1st day of January, 2010, the Parties extended the term of engagement of the Manager to operate and manage the Hall for the Owner;

AND WHEREAS the parties wish to extend the term of engagement of the Manager for an additional three (3) year period;

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the Owner and the Manager agree as follows:

1. The term of engagement of the Manager shall be extended for an additional three (3) year period commencing on the 1st day of January, 2013 and ending on the 31st day of December, 2015, on the same terms and conditions as set out in the 2006 Agreement.
2. Schedule "A" – Regular Personnel Costs or Contract Services of the 2006 Agreement is hereby deleted and replaced by the Schedule "A" attached hereto.
3. Paragraph 2 of the 2010 Agreement is hereby deleted.
4. In all other respects, the parties confirm that the 2006 Agreement and 2010 Agreement shall remain in full force and effect.

IN WITNESS WHEREOF the Owner and Manager have executed this Agreement as evidenced by the signatures of their authorized officers.

THE CORPORATION OF THE CITY OF LONDON

Per: _____
Joe Fontana, Mayor

Per: _____
Catharine Saunders, City Clerk

DONALD JONES MANAGEMENT SERVICES INC.

Per: _____
Donald Jones, President
I have the authority to bind the corporation.

SCHEDULE "A"

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Donald Jones Management Services Inc. and City of London

REGULAR PERSONNEL COSTS

| Description | Estimate |
|------------------------------|-----------------|
| Office Manager | \$ 60,000 |
| Secretary | \$ 40,000 |
| Office Assistant (part time) | \$ 7,500 |
| Head of Maintenance | \$ 45,000 |
| Maintenance Pool | \$ 99,500 |
| | |
| Total | \$252,000 |