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FINANCIAL SUMMARY OF YORK REGION'S DOMESTIC BID FOR THE 2014 COMMONWEALTH GAMES

The Finance and Administration Committee recommends the adoption of the recommendation contained in the following report, April 21, 2006, from the Chief Administrative Officer:

1. RECOMMENDATION

It is recommended that this report be received for information.

2. PURPOSE

This report summarizes for Regional Council the financial costs associated with the domestic bid process York Region undertook in an attempt to host the 2014 Commonwealth Games.

3. BACKGROUND

3.1 Regional Council Endorsement

On September 22, 2005, Regional Council endorsed York Region to prepare a formal bid to host the 2014 Commonwealth Games. The first step was to prepare a Domestic Bid that would be evaluated against bids from other Canadian municipalities to determine the Canadian representative for a further International Bid.

Regional Council had approved setting aside up to \$500,000 and approved an expenditure of up to \$150,000, to be funded from the Tax Stabilization Reserve, for payment of costs related to the development of the domestic phase of the bid.

At the time it was estimated that the cost to develop a domestic bid would be approximately \$800,000, and that private sector support through corporate financial donations could be raised to offset York Region's financial share.

3.2 Selection of Canadian Representative for International Bid

By November 1, 2005 the Commonwealth Games Association of Canada (CGC) had received formal bids from York Region, Halifax, Hamilton, and Ottawa. Following a process of evaluation by the CGC Bid Review Committee that included technical reviews, site visits, and presentations by the bid municipalities, the Commonwealth Games Association of Canada announced on December 15, 2005 that Halifax was selected as the Canadian representative for the International Bid.

4. ANALYSIS AND OPTIONS

The domestic bid process for York Region was overseen by a Bid Executive Committee, with leadership from Regional Chair and CEO Bill Fisch and Regional Councillor Jim Jones. Expenditure control and accountability guidelines were established to maintain appropriate oversight and control through the office of the Chief Administrative Officer. Regional staff was responsible for the accounting of all expenses and revenues, as well as the payment of supplier invoices.

4.1 Summary of Expenditures and Revenues

At the time of Regional Council endorsement, estimated total expenditures for the bid process were anticipated to be \$800,000. Actual total expenditures amounted to \$676,586, much less than forecast due to lower than anticipated costs for printing, public relations, administrative and professional fees. These costs were kept lower than original estimates through the use of in-house Regional staff support.

As anticipated, expenditures related to the domestic bid activities have been offset by donations from many private sector corporations totalling \$541,000. As outlined in the September 22, 2005 report to Regional Council entitled 2014 Commonwealth Games Bid, the Region approved the use funds up to the amount of \$150,000, from the Tax Stabilization Reserve, to be used towards the cost of a domestic bid. The report also outlined that if sufficient corporate sponsorship could be secured, the proceeds would be used to “reduce York Region’s financial share”. As the fundraising campaign covered a large portion of the costs related to the domestic bid process, the Region’s portion of funding commitment has been reduced to \$135,586.

A summary of expenditures and revenues are shown in Table 1 below.

Table 1
Expenditure and Revenue Summary for
York Region’s 2014 Commonwealth Games Bid

Summary	Sept. 22 Estimate	Actual
Total Expenditures	\$800,000	\$676,586
Less: Revenues from Corporate Donations	Undetermined	<u>(\$541,000)</u>
Regional Funding from Tax Stabilization Reserve	Up to \$150,000	\$135,586

5. FINANCIAL IMPLICATIONS

As a result of lower than anticipated expenditures and a successful fundraising campaign, the Region's portion of funding contribution for the 2014 Commonwealth Games Bid has been reduced from an upset estimate of \$150,000 to \$135,586.

6. LOCAL MUNICIPAL IMPACT

There is no specific local municipal impact identified by this report.

7. CONCLUSION

Regional Council had approved setting aside up to \$500,000 and approved an expenditure of up to \$150,000, to be funded from the Tax Stabilization Reserve, for payment of costs related to the development of the domestic phase of the bid.

With actual expenditures being less than anticipated and corporate donations covering a large portion of the bid process costs, the Region's portion of funding required for the 2014 Commonwealth Games Bid has been reduced to \$135,586.

This report has been reviewed by senior management.