



REPORT TO GENERAL COMMITTEE – COMMUNITY SERVICES AND ENVIRONMENT COMMITTEE

TO: Mayor and Members of Council

FROM: Barbara M. Roth, Director, Recreation & Culture Services

PREPARED BY: George Phillips, Manager, Museum

DATE OF MEETING: 2006-Mar-06

SUBJECT: Agreement to Operate a Miniature Train Ride at Markham
Museum

RECOMMENDATION:

That the report titled Agreement to Operate a Miniature Train Ride at Markham Museum be received;

And that Council approve the objectives and conditions (Option 2) within a proposed agreement between the Town of Markham and the Markham Historical Society enabling the Town to operate and maintain the miniature train for a period of ten (10) years for a total cost of \$1 a year;

And that the miniature train be operated and maintained by members of the Markham Historical Society acting as formally registered volunteers of the Town;

And that the Town of Markham extend insurance coverage for the operation of the miniature train ride at the Markham Museum;

And further that the Mayor and Town Clerk be authorized to sign an agreement between the Town of Markham and the Markham District Society and any other documents to give effect thereto, in a form satisfactory to the Town Solicitor enabling the operation of the miniature train for a period of ten (10) years.

PURPOSE:

To request Council's approval of an agreement between the Town and the Markham Historical Society to enable the operation and maintenance of the miniature train ride by the Town at the Markham Museum and to extend the Town's liability insurance to cover the operation of the miniature train.

BACKGROUND:

The miniature train was constructed by a group of Markham Historical Society volunteers more than 10 years ago and has been a popular attraction on the Markham Museum site operating mainly at special events. In 2003 the incoming Museum Manager was asked by the Markham Historical Society to permit the operation of the miniature train following the Markham Historical Society's receipt of an exemption from certain regulations pertaining to certification of amusement rides regulated by the Technical Standards and Safety Association (TSSA) that had caused the ride to be shut down two years earlier.

The Markham Historical Society believed that liability coverage for operation of the miniature train had been provided as part of the Markham Museum's blanket endorsement when it had operated in the past. This was not the case; in fact since the machine is owned by the Markham Historical Society it could not be included under the Town of Markham's insurance covering the Markham Museum. The Markham Historical Society decided to look into obtaining insurance coverage from its own insurer but was unable to make a satisfactory arrangement for 2003.

In order to permit the operation of the miniature train for particular events in 2004 and 2005, a short term agreement was entered into by the Town and the Markham Historical Society for specific dates and times allowing extension of the Town's insurance to cover its operation.

In 2005 the miniature train was inspected by an engineer from the TSSA and despite no longer being classified as an amusement ride was deemed with minor modifications to be in compliance with the regulations.

It is recommended that Council approve a long term agreement with the Markham Historical Society to permit the Town to operate and maintain the train at the Museum.

The Museum Manager has met with the Markham Historical Society concerning the long term operation of the miniature train and received approval of the intent to enter a long term arrangement with the Town. Further, the Markham Historical Society is drafting plans for improvements (to be executed at their expense if approved) to the miniature train track route, its visibility on the site and its accessibility for disabled riders.

OPTIONS/DISCUSSION:

Discussions in 2003, 2004 and 2005 with the Markham Historical Society concerning long term solutions to the insurance and other operational concerns resulted in four possible options.

Option One: The Markham Historical Society donates the machine to the Town and the Town owns and operates the train.

Option 2: An agreement is drawn-up for 10 years between the Markham Historical Society and the Town granting the Town the right to operate and maintain the train on Town lands. The Markham Historical Society as owner of the asset will provide proof annually or as required by regulation, to the Museum Manager that all licenses are received and that the miniature train is in compliance with all applicable regulations. The Museum will arrange and pay for all inspections and related maintenance costs and insurance for the train.

Option 3: The Markham Historical Society and Town enter into an agreement allowing the Markham Historical Society to operate the train on Town land and requiring the Markham Historical Society to provide adequate insurance coverage for the train.

Option 4: The Markham Historical Society removes the machine and tracks from Museum site.

The Markham Historical Society did not wish to donate the machine and have given agreement in principle to a long term agreement which grants the Town the right to operate and maintain the train. The Markham Historical Society has informed staff that the cost to insure the machine is beyond their means.

The miniature train can be integrated as part of the planned Heritage Carnival special attraction on the Museum site as set out in the Museum Master Plan.

The Markham Historical Society has expressed interest in upgrading the miniature train ride at their expense by reconfiguring the track layout and some cosmetic improvements for the summer of 2006.

Staff recommends Council approve **Option 2** subject to the Markham Historical Society agreeing to the following conditions:

- The Markham Historical Society as owner of the asset will provide proof annually or as required by regulation, to the Museum Manager that all licenses are received and that the miniature train is in compliance with TSSA standards and all applicable regulations. The Museum will arrange and pay for all inspections and related maintenance costs.
- The Markham Historical Society will communicate any findings by inspectors requiring repairs or modifications to the Museum Manager for action.
- The Markham Historical Society provides a minimum of (2) volunteers and any further additional volunteers from time to time as may be necessary for the safe operation of the train, that are trained and able to maintain and operate the miniature train according to a schedule determined in March prior to each years operating season, and that such volunteers will act as volunteers on behalf of the Town.
- The Markham Historical Society agrees and acknowledges that all ride revenue collected by the Town shall be retained by the Town to be used to cover the expenses incurred by the Town in operating and maintaining the Train and to cover the cost of the insurance premium to be paid by the Town for the insurance required pursuant to the Agreement.

- The Town will track the direct expenses and revenues associated with the train's operation. At year-end the Town will reconcile the account. Any monies received over the expenses will be donated to the Markham Historical Society.
- Upgrades or proposed changes to the train operation(s), i.e. track extension will not take place until a detailed written plan is prepared by the Markham Historical Society, submitted to and approved by the Museum Manager so that all Town resources, insurance and liability issues can be proactively managed..
- The Markham Historical Society is permitted to place a professionally designed and produced sign near the miniature train acknowledging the Markham Historical Society's contribution of the ride.
- Either party may terminate the agreement upon giving 60 days notice.

FINANCIAL CONSIDERATIONS:

The following are the financial implications related to Option #2. Option #2 is the recommended option. The financial impact is based on the 2005 operating season and the amounts are included in the proposed 2006 operating budget. The Town will track the expenses and revenues associated with the train's operation. At year-end the Town will reconcile the account. Any monies received over the expenses will be donated to the Markham Historical Society.

Expenses	Annual Cost
Maintenance / Inspection / Certification	\$1,500
Insurance	\$500
Staffing (Volunteers)	0 ¹
Sub-Total	\$2,000
Revenue	\$2,000
Net	0

Note 1: Staffing: The Markham Historical Society has committed to staff the operation of the miniature train with Markham Historical Society volunteers registered as Museum volunteers. The Markham Historical Society is responsible for ensuring that its volunteers operating the ride are adequately trained and that all required documentation is completed as per the requirements of the TSSA agency that regulates amusement devices.

If the Museum owned and operated the train the annual staffing expense for two seasonal staff paid \$12 per hour for 16 weeks is estimated to be \$14,400, plus statutory benefits of \$1,570. The operation of the miniature train will if staffed by Markham Historical Society Volunteers be a break-even activity.

Aside from the nominal lease expense, under this agreement the Town would assume the costs of insurance, maintenance, inspection and certification. The costs would be offset by revenues gained from ticket sales.

ACCESSIBILITY CONSIDERATIONS:

The Markham Historical Society has agreed to develop modifications to the loading and unloading area to accommodate disabled children. The Museum's capital request in 2006 is adequate to allow improvement of the walk way access to the miniature train.

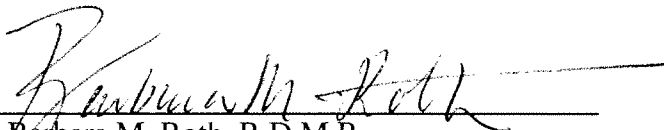
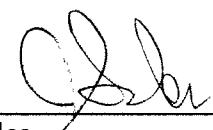
ENGAGE 21ST CONSIDERATIONS:

Provide a service to our visitors at a reasonable cost.

BUSINESS UNITS CONSULTED AND AFFECTED:

Legal

Finance


Barbara M. Roth, R.D.M.R.
Director, Recreation and Culture Services
Jim Sales
Commissioner of Community &
Fire Services