

**West Parry Sound Recreation and Cultural Centre Board  
Open Meeting Agenda – November 8, 2023**

**Date:** November 8, 2023  
**Time:** 7:00 PM  
**Location:** via Zoom Video Conference

**1. Agenda:**

**1.1 Move to Closed Meeting**

Prior to the scheduled open meeting, the Board will move to a meeting closed to the public per the following resolution:

**Resolution**

THAT pursuant to Section 239(2) and (3) of the Municipal Act, S.O. 2001, c.25, as amended, the West Parry Sound Recreation and Cultural Centre Board moves to a meeting closed to the public in order to address matters pertaining to:

c) a proposed or pending acquisition or disposition of land for municipal or local board purposes, (**proposed property transaction for WPS Recreation & Cultural Centre Project**);

f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose, (**Indemnification Agreement**).

**1.2 Additions to Agenda**

**1.3 Approval of Agenda**

That the Agenda for the November 7, 2023 West Parry Sound Recreation and Cultural Centre Board is hereby approved as circulated.

**1.4 Declaration of Pecuniary Interest**

**1.5 Approval of Minutes**

That the Minutes of the October 11, 2023 West Parry Sound Recreation and Cultural Centre Board are hereby approved as circulated

**2. Presentations/Delegations/Correspondence**

**2.1 Chair's Report – Verbal Update**

**2.2 Susan Lewin, CS&P Architects,  
Andy Gordon, Gordon & Gordon Group Inc. Project Manager**  
RE: Presentation on Timing of Tenders, Cost Relative to Budget.

**2.3 Township of McKellar – Resolution Request to Exit the Agreement**

**3. Business**

**3.1 Matters Referred from Closed Meeting**

**West Parry Sound Recreation and Cultural Centre Board  
Open Meeting Agenda – November 8, 2023**

**3.2 Project Signage**

**Submitted by:** Project Manager and Steering Committee

**Resolution:**

That the signage be approved substantially in the form provided as Attachment 1

**3.3 Town Fees Related to Project**

**Submitted by:** Steering Committee

**Resolution:**

That the Town be requested to reduce Building Permit fees, Fees and Charges for water and wastewater and Development Charges relating to the project.

**3.4 Monthly Financial Report – N/A (to be provided to the next Board Meeting)**

**3.5 Fundraising Team Report – Verbal Update**

**4. Adjournment, and Move to Closed Meeting**

After the Open Meeting, and upon the direction of the Board Chair and Vice-Chair, the Board will move to a meeting closed to the public with attendance by the appointed primary Board members, Steering Committee and Recording Clerk only, per the following resolution:

**Resolution:**

THAT pursuant to Section 239(2) and (3) of the Municipal Act, S.O. 2001, c.25, as amended, the West Parry Sound Recreation and Cultural Centre Board moves to a meeting closed to the public in order to address matters pertaining to:

c) personal matters about an identifiable individual, including municipal or local board employees, (**personnel matter**).



# Township of McKellar

701 Hwy #124, P.O. Box 69, McKellar, Ontario POG 1C0

Phone: (705) 389-2842

Fax: (705) 389-1244

November 8, 2023

Donald Sanderson  
Chair, West Parry Sound Recreation and Cultural Centre Board

Sent via email: [dsanderson@wpshec.com](mailto:dsanderson@wpshec.com)

**RE: Resolution No. 23-705**

Dear Mr. Sanderson,

At the Regular Meeting of Council held on November 7, 2023, the Council of the Corporation of the Township of McKellar carried the following resolution:

**Resolution No. 23-705**

Moved by: Councillor Zulak

Seconded by: Councillor Ryeland

**WHEREAS** the Corporation of the Township of McKellar ("McKellar") recognizes that a recreation and cultural centre is an important amenity for the economic and social well being of the residents of West Parry Sound, including the residents of McKellar;

**AND WHEREAS** McKellar has always attempted to be a willing participant and contributor in area-wide initiatives that are practical, responsible and especially affordable to its ratepayers;

**AND WHEREAS** McKellar entered into the 'West Parry Sound Recreation and Cultural Centre Joint Municipal Service Board ("Board") Agreement' ("Agreement") on September 10, 2021;

**AND WHEREAS** McKellar has since obtained legal advice regarding an interpretation of obligations contained within said Agreement;

**AND WHEREAS** the Board was provided delegated authority to act on behalf of the Corporation of the Township of McKellar to "provide for those matters which, in the opinion of the participating municipalities are necessary or desirable to facilitate the establishment and operation of the joint municipal service board";

**AND WHEREAS** the Agreement states in Clause No. 3 that "the capital costs for the design and construction of the Centre shall not exceed \$32 Million (the amount of Municipal and ICIP funding available at the time of signing this agreement)...";

**AND WHEREAS** McKellar was of the understanding that its capital contribution to the project would be collected over time as invoices were submitted during construction instead of the surprising demand of full payment at one time, necessitating the requirement of obtaining a loan in the amount of \$775,000 at an interest rate of 4.41% for a period of ten years, to be repaid in annual payments of \$96,678.54 which follows a ten-year amortization period and equal to approximately 2.5% of McKellar's current levy, to fund the capital cost of the pool complex;

**AND WHEREAS** the Agreement states in Clause No. 4 that "the Board is authorized to add capital improvements (i.e. new projects) to the Centre from time to time up to a limit of \$350,000 per budget year, as adjusted by the annual building construction price index (BCPI) for Ontario," the line item in McKellar's annual budget being approximately \$30,000;

**AND WHEREAS** the Agreement states in Clause No. 9 that "joint municipal contributions to fund the annual operating deficit shall be capped at \$350,000, annually, indexed to CPI," and further that "any deficit larger than this amount, to be covered by municipal contributions, shall require approval of the Municipalities", resulting in another line item in McKellar's annual budget in the amount of approximately \$30,000;

**AND WHEREAS** the Agreement states in Clause No. 13 that "the Capital Budget shall project capital replacement and rehabilitation expenditures for the upcoming ten (10) year period which shall be determined by an asset management plan prepared within two (2) years of this Agreement coming into effect to address future capital requirements for the Centre over a ten (10) year period," resulting in another line item in McKellar's annual budget in the amount of approximately \$30,000;

**AND WHEREAS** an independent study conducted by BDO, dated June 15, 2023, concluded that the Board will "need to address a [projected] cash flow shortfall of \$740,000," 8.5% of which McKellar is responsible;

**AND WHEREAS** the independent study conducted by BDO noted that "medium risk considerations include revenue assumptions, construction of a 6-lane pool and funding contributions";

**AND WHEREAS** the Agreement states that "the Municipalities shall share the burden of the annual contributions to the operating budget and the capital budget (including contributions to the capital reserve as determined by the asset management plan) according to the following percentages:" with McKellar's percentage listed as 8.5%;

**AND WHEREAS** the Agreement states in Clause No. 23 that "any term in this Agreement may be changed upon a two-thirds vote of the Municipalities, save and except where another municipality wishes to join the Board and enter into this Agreement, or where a municipality wishes to withdraw from the Board and this Agreement, or where the funding formula is to be changed, in which case all Municipalities to this Agreement must give their consent";

**AND WHEREAS** the Project has dramatically changed in scope, with little attempt at descoping, since its inception and since this Agreement was signed; with the potential

addition of two more 25m pool lanes, a possible relocation which may result in a change of ownership and the urging of the Fundraising Committee for the public to forward suggestions regarding additions to the design of the facility regardless of extra cost;

**AND WHEREAS** many of these potential changes are proposed to be financed through fundraising, the nature of which is uncertain and without guarantees, with any deficits to be covered by municipal funding;

**AND WHEREAS** the professional fundraisers have been put on hold or paused at this time;

**AND WHEREAS** it has been demonstrated on numerous occasions that the weighted voting system and the funding formula are grossly inadequate and unfair with McKellar's vote weighted as 1/12 of the total and the other partner municipalities weighted as: Seguin 3/12, Parry Sound 3/12, McDougall 2/12, Archipelago 2/12, Carling 1/12;

**AND WHEREAS** McKellar's recent five-year capital budget forecast indicates that the Township could experience a projected shortfall of \$5,000,000 for necessary infrastructure, in particular roads, bridges and facilities, excluding any costs associated with the proposed Recreation and Cultural Centre project;

**AND WHEREAS** the Municipal Act, 2001, S.O. 2001, c.25, specifically states, and is referenced by the recent independent study completed by BDO financial experts, the role of Council is, among other responsibilities, to maintain the financial integrity of the municipality (224[d]);

**AND WHEREAS** Council is of the opinion that McKellar cannot agree to sign a 'blank cheque' with a potential minimum of five percent (5%) increase in annual levies to finance this Project over and above the historical capital and operating budget for the municipality;

**NOW THEREFORE BE IT RESOLVED THAT** the Council of the Corporation of the Township of McKellar does hereby notify the Board that it wishes to invoke Clause No. 23 of the Agreement and requests all Municipalities to this Agreement to agree to McKellar's immediate withdrawal from this Board and this Agreement;

**AND FURTHER BE IT RESOLVED THAT** McKellar shall honour its one time maximum financial commitment towards capital construction in the amount of approximately \$735,000 and its commitment to contribute annually towards any operating deficit of the Facility, up to 8.5% of such annual deficit, provided that the annual maximum contribution shall not exceed \$30,000, commencing in the first year of the Facility's operation for a total of ten (10) years, with the annual maximum amount to be increased by the annual consumer price index as of September of the preceding year;

**AND FURTHER BE IT RESOLVED THAT** Operating deficit means where the operating costs and expenses incurred by the Facility, as determined under Generally Accepted Accounting Principles (GAAP), that are related to the operation of the Facility and which shall not include depreciation or reserve funds, exceed the membership revenue and

any other operating revenue received by the Board. McKellar shall have the ability to review all operating costs, revenues and expenses and satisfy itself with the said deficit;

**AND FURTHER BE IT RESOLVED THAT** McKellar's role in respect of the Project is limited to making a financial contribution to the Project and McKellar will henceforth not be involved in the Project or its operation, as decision makers nor administrators, as evidenced by McKellar's rescinding of its delegated authority to the Board, acting as an agent of the municipality, and its rescinding of Council Resolutions appointing Council representatives and of its Clerk Administrator, acting as a member of the Steering Committee;

**AND, FINALLY BE IT RESOLVED THAT** a copy of this Resolution be forwarded to each of the participating partners in this proposed project (i.e. the Township of the Archipelago, the Township of Carling, the Municipality of McDougall, the Town of Parry Sound, the Township of Seguin, the Municipality of Whitestone); Shawanaga First Nation; Wasauksing First Nation; MPP Graydon Smith; MP Scott Aitchison; MPP Kinga Surma, Minister of Infrastructure for the ICIP Community, Culture and Recreation infrastructure stream; the Province of Ontario; and the Federal Government of Canada.

**Carried**

Regards,



Karlee Britton  
Deputy Clerk  
Township of McKellar  
[deputyclerk@mckellar.ca](mailto:deputyclerk@mckellar.ca)  
(705) 389-2842 x5

cc:

Township of the Archipelago  
Township of Carling  
Municipality of McDougall  
Town of Parry Sound  
Township of Seguin  
Municipality of Whitestone  
Shawanaga First Nation  
Wasauksing First Nation  
MPP Parry Sound-Muskoka, Graydon Smith  
MP Parry Sound-Muskoka, Scott Aitchison  
King Surma, Minister of Infrastructure  
Premier of Ontario, Doug Ford  
Prime Minister of Canada, Justin Trudeau

## West Parry Sound Recreation and Cultural Centre Board Open Meeting Report

**Meeting Date:** November 8, 2023

**Report Title:** Project Signage

**Submitted by:** Project Manager and Steering Committee

**Purpose of Report:**

To obtain approval for signage on the property.

**Resolution:**

That the signage be approved substantially in the form provided as Attachment 1.

**Background:**

The Recreation and Cultural Centre represents a significant investment in the health and well being of the residents of West Parry Sound and in the attraction and retention of a skilled workforce to the area.

Signage will reinforce the message that the project is moving forward which in turn supports fundraising and sponsorship efforts. Attachment 1 is the proposed signage for the site. The facility is intended to be inclusive for the benefit of all West Parry Sound, therefore the recommended sign includes all communities identified in the original grant application. Given the size and complexity of the project the Board has assembled a team of experts to ensure the timely completion of the project. These experts are also identified on the Option 1 signage.

Option 2 identifies all the same communities, but excludes the firms engaged in the project.

The signage referred to in Options 1 and 2 is not mandatory. Attachment 3 is a template of the signage required by ICIP.

**Financial Impact:**

**Attachments**

Attachment 1 – Option 1 Signage

Attachment 2 – Option 2 Signage

Attachment 3 – ICIP Signage Requirements



# WEST PARRY SOUND RECREATION AND CULTURAL CENTRE

**PROJECT MANAGER** | GGI INC   
 **CONSTRUCTION MANAGER** | BALL CONSTRUCTION   
 **ARCHITECT** | CS&P ARCHITECTS   
 **STRUCTURAL / CIVIL** | LEA CONSULTING  
**MECHANICAL / ELECTRICAL** | SMITH + ANDERSON ENGINEERING   
**LANDSCAPE** | MWA LANDSCAPE ARCHITECTS INC   
**AQUATIC** | DEI ENGINEERING





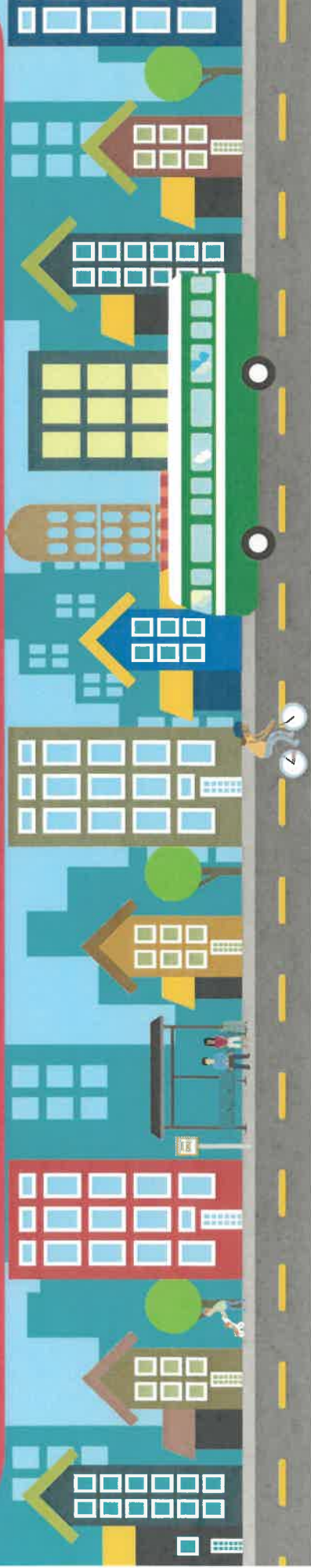
**WEST PARRY SOUND RECREATION AND CULTURAL CENTRE**





# 3 - 5 word Project Title / Titre du projet (de 3 à 5 mots)

**\$0.0 K or M / 0,0 k\$ ou M\$**



## West Parry Sound Recreation and Cultural Centre Board Open Meeting Report

**Meeting Date:** November 8, 2023

**Report Title:** Town Fees Related to the Project

**Submitted by:** Steering Committee

**Purpose of Report:**

To request a reduction in Town Fees related to the Project.

**Resolution:**

That the Town be requested to reduce Building Permit fees, Fees and Charges for water and wastewater and Development Charges relating to the project.

**Background:**

As the Board is aware it has been a challenge balancing construction costs and a budget while maintaining the facility programming plan. Part of any construction budget are the various municipal fees that apply. The Town of Parry Sound has three (3) primary fees related to construction projects which include a building permit fee, Fees and Charges related to Water and Wastewater infrastructure and Development Charges. Based on a 43,000 sq ft facility these charges are estimated at \$396,000, \$260,000, and \$121,000 respectively.

As a reduction in these fees would have a positive impact on the project budget, the Board has an opportunity to request the Town of Parry Sound reduce these fees.

**Financial Impact:** The impact will depend on the extent of the reduction offered by the Town.

**Attachments**

None