



GRAND VALLEY

REPORT TO COUNCIL

To: Mayor Soloman and Members of Grand Valley Council
Mayor Gerrits and Members of Amaranth Council
Mayor Gardhouse and Members of East Garafraxa Council

From: Meghan Townsend, CAO/Clerk-Treasurer, Grand Valley

Date: August 11, 2023

Subject: Grand Valley and District Community Centre Rehabilitation Project - financing for Phases 2 and 3

Purpose

To present to each council a proposal for funding Phases 2 and 3 of the Rehabilitation of the Grand Valley and District Community Centre Project.

Background

The three municipalities have been working on the rehabilitation of the Grand Valley and District Community Centre (“arena”) over the past four years. The ice surface project has been completed and was referred to as Phase 1 of the project.

Phases 2 and 3 include the addition of six new changerooms with washroom facilities, and accessibility upgrades within the building. Revised, detailed estimates for the cost of Phases 2 and 3 came in significantly higher than original estimates. The three municipalities have since been considering how to finance these phases, given that the grant we have received will not cover the increased costs.

Discussion

On July 18, 2023, each municipality sent representation to a discussion on financing the project. Mayor Gardhouse and East Garafraxa’s Treasurer participated, along with Amaranth’s Deputy Mayor Little and CAO/Clerk and Grand Valley’s Mayor Soloman and CAO/Clerk-Treasurer. The discussion included a review of projected cost of the project, the amount that the ICIP grant will cover, and the balance that municipalities should plan on covering. The remaining costs include the remaining design and engineering work, tendering, project management and all construction costs.

The discussion concluded with the following suggested plan to move forward:

1. Participants concurred that each participating municipality would pay their share of project costs up to the amount originally anticipated under the existing municipal

agreement. This is expected to cover design/engineering costs, tendering costs and some initial construction costs, but then the agreement terms will be completed. Grand Valley will invoice Amaranth and East Garafraxa in the same manner as was done for Phase 1 and Grand Valley will also submit claims to the ICIP grant for reimbursement of costs eligible under the grant, until the grant is fully expended.

2. Costs exceeding the ICIP grant will be funded under a loan from Infrastructure Ontario. The loan will be under the Town of Grand Valley. The payments on the loan will be collected from the three municipalities.
3. An agreement between the three municipalities will be drawn up, in accordance with the Community Centre's operating agreement requirements and in accordance with the municipalities' desire to continue their relationship regarding the Community Centre. This agreement will state the terms under which Amaranth and East Garafraxa will provide payment to Grand Valley – likely in monthly installments along with the operating levy for the Community Centre, but can be otherwise.
4. The term of the loan is to be short enough to pay it off quickly, but reasonable to accommodate impacts to municipal budget impacts.

A resolution stating agreement with this plan is requested from each of the three municipalities. If three resolutions of agreement are received, we will contact the Project Management firm at Barry Bryan Associates and restart work on the project, moving forward with the timelines projected in previous communications.

Financial Impact

Grand Valley intends to continue seeking alternative sources of funding for this project, and we are open to hearing from others with options and ideas.

This project will impact the 2024, 2025 and 2026 budgets, with minor payments to the Project Management firm likely to be required in 2023.

Recommendation

It is requested that each Council consider the following resolution:

WHEREAS The Council for the <Town/Township> of <insert name> is in agreement that the Rehabilitation of the Grand Valley and District Community Centre project should continue,

NOW THEREFORE BE IT RESOVLED THAT Council receives the proposal from the CAO/Clerk-Treasurer of Grand Valley and agrees as follows:

1. <Insert name> will pay our share of project costs up to the amount originally anticipated under the existing municipal agreement. This is expected to cover design/engineering costs, tendering costs and some initial construction costs, but then the agreement terms will be completed.
2. Costs exceeding the ICIP grant and the original intermunicipal agreement will be funded under a loan from Infrastructure Ontario. The loan will be under the Town of Grand Valley. The payments on the loan will be collected from the three municipalities. The amount of the loan may be reduced if alternate sources of funding are secured toward the project.

3. An agreement between the three municipalities will be drawn up, in accordance with the Community Centre's operating agreement requirements and in accordance with the municipalities' desire to continue their relationship regarding the Community Centre. This agreement will state the terms under which Amaranth and East Garafraxa will provide payment to Grand Valley.
4. The term of the loan shall be short enough to pay it off quickly, but reasonable to accommodate impacts to municipal budget impacts.

AND FURTHER THAT Council directs that a copy of this resolution be sent to the other two municipal partners in this project, and requests that the Project Management firm restart work toward completion of the project.

Respectfully submitted by,

Meghan Townsend
CAO/Clerk-Treasurer