



STAFF REPORT

TO: Council
FROM: Heather Boston, Treasurer
MEETING DATE: March 6, 2024
SUBJECT: NDCC Capital Needs

PURPOSE:

To seek Council's approval to move forward with the capital projects needed to keep the North Dufferin Community Centre (NDCC) running into the 2024/25 season.

BACKGROUND & DISCUSSION:

Grants & Contributions

The Township's application for the Green and Inclusive Community Buildings (GICB) grant exceeded the minimum program requirements and scored strongly. Mulmur was unsuccessful in securing funding due to the high level of applications received for the program. Although our project complied with all program requirements, our RETScreen report indicated less energy conservation and GHG reductions in comparison to other applications.

2024 Capital Needs

The NDCC requires the following critical repairs to maintain operations.

Replacement of Ice Surface and Boards: The leak in the ice surface piping has deteriorated and poses a significant risk to the ongoing operations of the arena. Immediate replacement is necessary to ensure the arena remains operational.

Arena Roof Above the Norduff Room: Despite previous attempts, the roof above the Norduff room continues to leak and requires replacement to prevent further damage.

FINANCIAL IMPACTS:

NDCC 2024 Capital Needs

2024	Replacement of Ice Surface & Boards	\$ 1,500,000
2024	Norduff Room Roof & Ceiling	\$ 70,000
		\$ 1,570,000

Funding Sources

Council could utilize the following funding sources to complete the above capital projects.

Reserve Account	Funding	Ending Balance
Tax Rate Stabilization Fund	\$ 550,000	\$ 504,848
Efficiency Reserves	\$ 409,347	\$ -
Recreation Building Reserves	\$ 76,310	\$ -
Contingency Reserve	\$ 113,310	\$ -
Shortfall	\$ 421,033	
	\$ 1,570,000	\$ 504,848

Shortfall Options

1. Request financial support from the other municipalities and users of the facility.
2. Borrow from other reserves. The Township has additional reserves in the amount of \$2.8 million. Funds borrowed must be replaced within two years to ensure critical infrastructure projects as per the asset management plan are not deferred. Deferral could result in road closures.
3. Utilizing the remaining balance in the tax rate stabilization reserves. This would remove Council's opportunity to utilize this reserve to lower and stabilize future tax levies. An automatic 2025 tax levy increase of 3% would be required. Note: In 2024 Council utilized \$150,000 from this reserve to achieve a 3% reduction.
4. End investment in the NDCC facility and close the arena. This would decrease the operating budget by approximately \$200,000 per year.

Future Capital Projects for Consideration

Stairs	\$ 4,500
Rubber Flooring	\$ 16,000
Septic System Relocation	\$ 100,000
New Addition - Change Rooms	\$ 3,125,000
Accessibility Lift	\$ 200,000
Accessible Washrooms	\$ 100,000
Norduff Room & Lobby Renovations	\$ 500,000
New Front Wind Break	\$ 300,000
Lighting	\$ 60,000
Engineering & Permits	\$ 600,000
Total	\$ 5,005,500

The above-mentioned capital costs are not immediate requirements and can be planned and budgeted for in the future as funding and needs arise. These projects would require further funds. After replenishing the borrowed reserve funds, the Township would need to rebuild the NDCC Building Reserves.

Council may wish to consider initiating fundraising efforts to help fund future capital projects. A fundraising committee, temporary staff, or a consultant may be required to facilitate the creation and implementation of a fundraising plan.

STRATEGIC PLAN ALIGNMENT:

1. Growing a Prosperous Mulmur: Responsibly managing the fiscal resources of Mulmur and providing opportunities for success.

ENVIRONMENTAL IMPACTS:

Council may wish to discuss the environmental impacts associated with this report and recommendation.

RECOMMENDATION:

THAT Council provide direction on the future operations of the North Dufferin Community Centre.

Submitted by: Heather Boston, Treasurer, CPA, CA, CGA

Approved by: Tracey Atkinson, CAO, BES, MCIP, RPP, Dipl M.M.