



Staff Report

Council Meeting Date: January 13, 2025

Subject: FIN-2025-01 Tara Curling Club Request for Interest Free Loan

Report from: Emily Dance, Chief Administrative Officer

and David Munro, Interim Treasurer

Attachments: Draft Grants and Donations Loan Agreement

Recommendation

Be It Resolved that Council hereby approves Report FIN-2025-01 Tara Curling Club Request for an Interest Free Loan;

AND, as per the grants and donations policy, authorizes entering into an interest free loan agreement with the Tara Curling Club in the amount of \$10,000 over a ten year term;

AND FURTHER authorizes the appropriate By-Law coming forward to bring force and effect to the same.

Background

On November 12, 2024 the Tara Curling Club made a delegation to Council to request a \$200,000 interest free loan over a ten-year term for ice making/refrigeration plant equipment replacement and for the equipment to be placed on municipal property.

Staff have discussed the request with the Curling Club. They have reduced their request to \$100,000 and confirmed they are able to place the equipment on their own property.

The Club has received a \$200,000 Trillium Grant for the project and have noted they are able to move forward with the project without funds from the municipality; however, this could put the Club at risk as they have other expenses

to cover. They are considering other granting opportunities and are having trivia fundraisers.

Analysis

Staff have reviewed the request in keeping with the grants and donations policy, past practice and the Tara Curling Club Agreement (Joint Facility) and have provided an analysis for Council's consideration.

Grants and Donation Policy

The grants and donations policy statement recognize that residents have the right to expect tax dollars will be expended in a manner that is fair, justifiable and holds grounds accessing public funds; therefore, careful consideration must be given recognizing the financial constraints impacting the Municipality's ability to provide funding to groups.

The purpose of the Grants and Donations Policy is

- to provide support to non-profit groups and organizations that provide programs, services or events that are a general benefit to the community
- to offer awards and gifts to persons whose actions or achievements are in the opinion of Council, worthy of note and recognition
- to support volunteer, community-based organizations that are fundamental to maintaining our quality of life
- to provide staff with clear direction in considering and responding to donation requests and,
- provide an equitable process for groups and organizations seeking donations, grants and in-kind donations from the Municipality of Arran-Elderslie.

The Tara Curling Club provides programs and events that are a general benefit to the Community; therefore, staff consider the Tara Curling Club eligible within the policy.

7 Community Projects

7.1 Where larger projects consist of a capital component the applicant may be eligible for a municipal contribution in the form of a grant.

7.2 Municipal contribution is determined as 10% of the project budget, to a maximum of \$10,000.

7.3 Consideration can be given to an interest-free loan with annual repayments over 10-year term

7.4 Agreement required, see Schedule "F"

Past Practice

Council has provided exemptions to the grants and donations policy in interest-free loan amounts over \$10,000 in instances where the interest-free loan was used by Community Groups while fundraising for capital projects where the project became an asset of the municipality, for example splash pad and all-wheels park.

Tara Curling Club Joint Facility Agreement – January 1, 2000

As per Section 1.1 of the agreement the Tara Curling Club is the absolute owner of the curling rink and the lands and remains responsible for all capital costs and maintenance costs associated with the curling rink, the property and the equipment.

The municipality is responsible for the cost of the hydro, water, sewer and garbage services for the curling rink for the period in each year commencing April 16th and ending on September 30th.

The municipality is under no obligation to provide capital funding for the upgrades to capital infrastructure associated with the curling club building, nor will retain any ownership of the ice making/refrigeration plant equipment should the club not be able to meet their obligations.

Staff recommend providing the maximum loan amount permitted under the grants and donations policy of \$10,000 in the form of an interest free loan paid back in ten years. This will provide funds to the group while they fundraise and cover other expenses that may come up. The loss in revenue could be considered a grant to the Curling Club to be included in the grants and donations budget line for 2025 and future years depending on the length of term.

Link to Strategic/Master Plan

6.5 Engaging People and Partnerships

Financial Impacts/Source of Funding/Link to Procurement Policy

The loss of interest on a 10-year loan of \$10,000 using 4% is approximately \$2,350. The loss would have to be included in the Grants and Donations line on the operating budget.

Approved by: Emily Dance, Chief Administrative Officer