



Municipality of the District of Argyle

Item: YMCA request for partnership

Date: Original April 28, 2020, modified May 11, 2020

VISION

We see Argyle as home to a healthy and thriving rural population. Our municipality promotes and supports economic and social opportunities for the region and engages in the active expression of our unique Acadian heritage. We are a place of choice for rural living and are widely recognized for our warm hospitality and joie de vivre. Surrounded by fresh air and cool ocean breezes, we work and play in the great outdoors. People choose to live in Argyle because of our commitment to each other, to our community and to our neighbors. Argyle is a place we are proud to call home.

Background:

Council has received a request from the YMCA regarding a proposal to partner with a purpose to fund and support the YMCA operations over a longer term. The partnership proposal suggests a scenario where the municipalities would share in the ownership of the YMCA in its current location. With no foreseeable project in sight for a Mariners Center expansion, it is left the YMCA and the municipal units with uncertainty on the delivery of this recreation service.

Currently the YMCA is closed due to COVID, which adds complexity to their current situation. We are also in a time of complexity which makes the financial request ill timed.

As you are aware. The YMCA received funding from all three municipalities for an assessment of their current location. The result has been shared with Council. In short, A 20+ year solution would cost \$8,400,000. The cost would not include anything extra; it includes accessibility improvements and compliance with new regulations, but no new service.

The alternative solution, which is to address needs for years 1-10, would be about \$5,300,000, with \$1,500,000 of it needing immediate response. So in short, the YMCA would be in need of about \$1,500,000 to address immediate needs.

The Municipality of Yarmouth has discussed this request, and has refused to enter any agreement with the YMCA. I do not have the actual wording of the motion, and it is my understanding that the YMCA is reaching out to MODY to determine exactly what that decision means, and whether it means it is no longer interested in funding the Y operations.

The Town has discussed this partnership proposal but I do not have any decision to share with Council as of 4 pm today. It is clear that neither the Town nor the Municipality of Yarmouth are interested in ownership of that building at this time, as was suggested by councilors around this table at an earlier discussion.

I have reached out to the interim CEO, and the intention of the proposal was to present an option to the Municipalities and are open to alternatives. What they seek, as do many profit and non-profit organizations, is a sustainable, longer term plan. Each year, we ask the YMCA to present a request to three municipal units. Each year, the Y has no idea whether their funding

will continue or be cutoff, and with growing costs, and decreased revenue sources, this is becoming a large challenge for them.

The YMCA is a charitable organization, with multiple objectives, in recreation, in community support and spirit. They still receive endowments from estates that have a long history with the organization, and up until COVID, have successfully fundraised a minimum of \$100,000 annually through their Y-12 lotto and other means. Their fundraising success has waned as of late. We can presume the reasons, and they could include an aging facility that is taking priority over fund raising plans; an aging facility making the place look less attractive therefore less attractive of a fundraiser; increased competition amongst fundraisers; decreased membership; decreased community capacity; reduced community outreach

The YMCA has traditionally been supported by all three units to support the aquatic portion of their operations. For many years, the YMCA has led in swimming lessons and developed a strong team of competitive swimmers, thanks in large part to dedicated staff and volunteers.

Without some form of viable solution coming from one, two or all municipalities, the YMCA is likely to commence a process of closure. The YMCA has asked for a response by May 5th, 2020.

Any major retrofit of the YMCA in its current location would likely require provincial and/or federal support. With a new aquatic center seemingly far away in funding, the municipality is being asked to consider an interim solution to maintain a service to our residents.

The Municipality, therefore, should ponder the following: Is the service delivered by the YMCA important to our residents. If not, then the decision is clear. If so, is it Argyle's responsibility to assist in the financial issues of the YMCA, and if so, what is an acceptable magnitude.

Accept the proposal as is, consider ownership of the asset in its current condition

The current proposal as is was largely unaccepted by Council. The idea of ownership or governance was not an area Argyle Council wished to focus. The Town of Yarmouth, through discussions, is more interested in setting conditions for the partnership moving forward. This is an understandable position for the Town, who has hosted this organization for many years, successfully, in its current location.

Propose a modified funding solution to the YMCA, in collaboration with your partners

Council is willing to support a continued service led by the YMCA and have experienced the pros and cons of having multiple councils being asked for support. In particular, the YMCA has experienced the frustration of going to three different councils, annually, to request funding. The YMCA desires and requires more stability than an annual request. Furthermore, the Municipality of Yarmouth has rejected a partnership and we are still unclear whether that means they are rejecting funding. It appears it does mean that. However, we are in a state of uncertainty for the future of the YMCA in that location, and the potential Mariners Center expansion. So, while the YMCA requires stability, we are facing much uncertainty. Council

decided that a 2-year funding agreement of \$50,000 each year would represent the extent of their collective interest.

To simplify the funding agreement, Council asked the CAO to approach the Town to discuss the option of paying the Town directly. The reason for this option would be that the YMCA would make its requests to the Town, and we would deal with the Town, not the YMCA.

There are pros and cons to this option. The pros are that the YMCA is clear in who to ask for funding. There are few, if any, non-profit organizations in Argyle that deal directly with MODY or Town. This way, Argyle can fulfill its mandate, that is, to fund but not control or attempt to control or own. The Town has a particular interest in the success of the YMCA, and it places them in the driver's seat in those decisions.

The disadvantage of this arrangement is that if you disagree with the Town's approach with the YMCA, you are not in the position to intervene. Clearly, you may institute stipulations in the grant that if the YMCA closes permanently, that you are not obligated to continue payments. While this is a disadvantage normally, Council has requested a funding agreement only, so it is consistent with your desire.

For your information, the YMCA payments are typically done monthly, therefore any conditions you impose on the funding can be addressed efficiently.

Reject any future financial contribution

This option was debated but not for long. Council wants to maintain support for the service, so is committed to some financial contribution, and is willing to support a 2-year, \$50,000 contribution through our discussions. As the discussion involved a negotiated agreement, the details of the discussion were done in-camera.

MGA considerations:

As the YMCA is a non-profit organization delivering recreational services for a region, this consideration is Section 65 eligible. Council can own a building for the purpose of delivering this service if it so chooses. It is also able to contribute to a non-profit organization without ownership, if we disclose the amount in a local paper for taxpayers' info. Finally, the Town is an eligible recipient of Argyle funds.

CAO's Recommendation:

Council has indicated that it wishes to continue funding the YMCA, in particular for the aquatic services rendered but for other services also. Based on recent research, membership is about 25% Argyle. The YMCA has requested \$200,000 in municipal funding, and Council's recommendation to CAO of \$50,000 is exactly 25% of the request.

The Town is finalizing a counter proposal to the YMCA, which will further define the partnership. Council, as a partner of the Town, has been made aware of this counter proposal, shared in-camera, however, it is still being discussed and changed.

Argyle's interest is in funding a service. Our funding amount is for 2 years and would be comparable to our investment in the WREN (albeit the WREN is a long-term funding agreement).

Based on Council's interest, I would recommend that the funds can be disbursed directly to the Town of Yarmouth for the next 2 years, with conditions. These conditions would be negotiated with the Town. This would allow the Town to work as closely as they desire with the YMCA, without our intervention, but also aid the Town (and the YMCA) in funding. The Town should be asked to consider this request independently.

Suggested motion:

Motion to approve a contribution of \$50,000 per year for two years, supporting operations of the YMCA, and that the CAO request conditions on the funding, including the recipient of the funds, and bring the recommended payment plan to Council for final approval.