



City of North Bay Report to Council

Report No: CORP-2023-125

Date: September 22, 2023

Originator: Margaret Karpenko and Ian Kilgour

Business Unit:

Department:

Corporate Services

Financial Services Department

Subject: Increase Subsidy to North Bay-Mattawa Conservation Authority

Closed Session: yes no

Recommendation

That Council:

1. authorize the Mayor and City Clerk to enter into a one-year operational subsidy agreement between the City of North Bay and the North Bay-Mattawa Conservation Authority for an amount up to \$100,000 for the 2023-2024 operation of the Laurentian Ski Hill Snowboarding Club Inc., to the satisfaction of the Chief Administrative Officer, the Chief Financial Officer and City Solicitor;
2. direct staff to prepare an Options Analysis for Council's consideration regarding a partnership with respect to ski and snowboarding in the City, in consultation with the North Bay-Mattawa Conservation Authority and Laurentian Ski Hill Snowboarding Club Inc.; including 2023-2024 operating season and future budget implications; and
3. authorize the transfer of funds to the North Bay-Mattawa Conservation Authority from the Tax Rate Stabilization Reserve #99529R as outlined in Report to Council CORP 2023-125 dated September 22, 2023 from Margaret Karpenko and Ian Kilgour.

Background

City of North Bay and North Bay-Mattawa Conservation (NBMCA) Partnership

The City of North Bay has had a long-time partnership with NBMCA. This includes land management and development as well as natural resource planning approvals for approximately 50 years. The City has also had an operational subsidy arrangement with the NBMCA to support the Laurentian Ski Hill operations for approximately 10 years.

The NBMCA owns the land and assets that the Laurentian Ski Hill Snowboarding Club operates on. The NBMCA took over operations of Laurentian Ski Hill in late 90's. The operations were transferred to Laurentian Ski Hill Snowboarding Club Inc. in early 2000's.

Laurentian Ski Hill Snowboarding Club Inc. (Laurentian)

Laurentian Ski and Snowboarding Club Inc. and its predecessor has a long and successful history providing winter sport to area residents for almost 100 years. Following are some highlights from the "Laurentian Ski Hill & Snowboarding Club Inc. 2022-2023 Year in Review".

Laurentian:

- attracts 35,000 visitors annually, generating \$4.7 million GDP, and employs over 70 people with 100+ volunteers
- provides an opportunity for the region to have a winter product that promotes healthy and active living for residents
- offers a tourism destination that attracts provincial and national athletes
- is a critical community development asset
- has potential to become a popular four-season destination
- is a quality of life destination used to draw economic development investment attraction
- will be partnering with the YMCA for joint programming; and
- will be hosting the 2024 Ski Cross National and Provincial Competitions and the annual North Bay Ski Racing Club Downhill Ski Race attracting upwards of 1000 athletes and their families to the area for multiple days

Laurentian is governed by a Board of Directors and is a non-profit organization utilizing the lands and assets owned by the North Bay-Mattawa Conservation Authority (NBMCA) to operate the ski hill. The current operating model relies primarily on revenue generation from season passes, daily lift passes and youth programming (including lessons, camps and school visits). Additional revenue is generated through fundraising and sponsorship. It is planned to regain a lottery license (Nevada) to provide additional revenue.

To adapt to post Covid-19 realities (Laurentian did not open for the 2020-2021 season), Laurentian undertook a new management approach in 2021-2022. The new management approach led to a new strategic plan spanning 2023-2026 (attached as Appendix A).

The Strategic Plan identifies strengths, challenges, opportunities, threats, priorities. It also includes an Action Plan that identifies Sustainability, Operations, Infrastructure, Product Development, Marketing & Communications as priority areas.

Laurentian has been a valuable and long term recreational asset to the region and is still reeling from the impacts of Covid-19 global pandemic.

Path Forward

As a result of the changing legislation to the Conservation Act and the financial challenges of Laurentian, the parties have requested an agreement be negotiated for the continued sustainability of ski and snowboarding operations. Because of the time sensitivity of the request to ensure continuation of current operations, a one-year subsidy agreement for the 2023-2024 operating season with NBMCA is suggested. In addition, a comprehensive Option Analysis is recommended to be completed to inform future commitments by the City to the operations. The Options Analysis is to be completed in consultation with NBMCA and Laurentian and a subsequent Report to Council will follow.

It is recognized that Laurentian Ski Hill is a critical piece of recreational infrastructure in the region and needs to remain open and maintained. It is a key economic tool for the City of North Bay, the region and regional business partners.

In discussions with Laurentian and NBMCA, both parties expressed their wish to continue to work with the City to find a path forward to ensure ongoing sustainability of the operations.

Financial/Legal Implications

The NBMCA levies the City of North Bay for specific costs earmarked to support Laurentian. Annual contributions include a \$65,000 charge to the regions 10 member municipalities of which the City's share is approximately 79% for major upkeep of the NBMCA owned fixed capital assets on the Laurentian Ski Hill. Secondly, the City of North Bay contributes \$60,000 for Laurentian Ski Hill Snowboarding Club Reserve for operating expenses.

The City's preliminary review recommends an upset limit of \$100,000 from the Tax Rate Stabilization Reserve #99529R be provided for Laurentian Ski Hill Snowboarding Club for the 2023-2024 operating expenses. The operating subsidy will be provided to NBMCA in monthly installments upon review of monthly financial reports. This will ensure the sustainability of Laurentian operations for the 2023-2024 season. If the City and NBMCA are unable to reach a suitable one-year operational subsidy agreement, Laurentian would be forced to close for the 2023-2024 season.

The City's future commitments to NBMCA to support ongoing ski and snowboarding operations will be determined after the completion of the Options Analysis. The analysis will also inform future City budget deliberations and the City's participation level to sustain ski and snowboarding in the community.

Corporate Strategic Plan

- Natural North and Near
- Affordable Balanced Growth
- Responsible and Responsive Government
- Economic Prosperity
- Spirited Safe Community

Specific Objectives

- Leverage the natural environment to enhance healthy living and recreational opportunities.
- Promote the natural environment as a four season destination for ecotourism.
- Celebrate North Bay's proud history and heritage.
- Foster the creation of a community with a positive environment that instills pride and confidence and supports a resilient diversified and inclusive economy.
- Leverage North Bay's significant, unique assets to drive economic growth, such as the airport and deep knowledge of relevant industry sectors.
- Build on the existing sports community to drive sport tourism.
- Consider all aspects of decisions to fund new infrastructure.
- Develop and engage in programs and activities to retain and attract youth to the City.
- Develop and provide recreational and community centre services geared to meeting the broad spectrum of needs in the community.
- Ensure the efficient and effective operations of the City, with particular consideration to the impact of decisions on the property tax rate.
- Work with partners and stakeholders to identify and find solutions to streamline processes and remove barriers.

Options Analysis

Option 1:

That Council:

1. authorize the Mayor and City Clerk to enter into a one-year operational subsidy agreement between the City of North Bay and the North Bay-Mattawa Conservation Authority for an amount up to \$100,000 for the 2023-2024 operation of the Laurentian Ski Hill Snowboarding Club Inc., to the satisfaction of the Chief Administrative Officer, the Chief Financial Officer and City Solicitor;

2. direct staff to prepare an Options Analysis for Council’s consideration regarding a partnership with respect to ski and snowboarding in the City, in consultation with the North Bay-Mattawa Conservation Authority and Laurentian Ski Hill Snowboarding Club Inc.; including 2023-2024 operating season and future budget implications; and
3. authorize the transfer of funds to the North Bay-Mattawa Conservation Authority from the Tax Rate Stabilization Reserve #99529R as outlined in Report to Council CORP 2023-125 dated September 22, 2023 from Margaret Karpenko and Ian Kilgour.

This is the recommended option.

Option 2:

Do not enter into a one year subsidy Agreement. This will result in the probable closing of Laurentian Ski Hill Snowboarding Club Inc. (Laurentian)

Laurentian, directly, indirectly and through induction reportedly contributes over \$4.7 million to the region’s GDP and supports and impacts over 70 jobs. Closing Laurentian will result in direct job losses in the area and the loss of highly valued community asset. It will negatively impact the attraction of work force and other future economic development initiatives in the region.

Option 2 is not recommended.

Recommended Option

That Council:

1. authorize the Mayor and City Clerk to enter into a one-year operational subsidy agreement between the City of North Bay and the North Bay-Mattawa Conservation Authority for an amount up to \$100,000 for the 2023-2024 operation of the Laurentian Ski Hill Snowboarding Club Inc., to the satisfaction of the Chief Administrative Officer, the Chief Financial Officer and City Solicitor;
2. direct staff to prepare an Options Analysis for Council’s consideration regarding a partnership with respect to ski and snowboarding in the City, in consultation with the North Bay-Mattawa Conservation Authority and Laurentian Ski Hill Snowboarding Club Inc.; including 2023-2024 operating season and future budget implications; and
3. authorize the transfer of funds to the North Bay-Mattawa Conservation Authority from the Tax Rate Stabilization Reserve #99529R as outlined in Report to Council CORP 2023-125 dated September 22, 2023 from Margaret Karpenko and Ian Kilgour.

Respectfully submitted,

Name: Margaret Karpenko, CPA, CMA
Title: Chief Financial Officer /Treasurer

Name Ian Kilgour, MCIP, RPP
Title: Director, Community Services

I concur with this report and recommendation

Name John Severino, P.Eng., MBA
Title: Chief Administrative Officer

Personnel designated for continuance:
Margaret Karpenko, CPA, CMA
Chief Financial Officer /Treasurer

Ian Kilgour, MCIP, RPP
Director, Community Services