

STAFF REPORT: Office of The Chief Administrative Officer

REPORT TO: Council
MEETING DATE: August 30, 2010
REPORT NO.: CAO.10.12
SUBJECT: Funding Support for
The Marsh Street Centre
PREPARED BY: Paul Graham,
Chief Administrative Officer

A. Recommendation

THAT Council receive Report CAO.10.12 entitled "Funding Support for The Marsh Street Centre" for their information and;

THAT Council authorize a \$10,000 interest free loan to the Marsh Street Centre for five years, to be repaid in payments of \$2,000 annually and;

FURTHER THAT the loan be used for capital improvements at The Marsh Street Centre as outlined in this Report.

B. Background

The Marsh Street Centre has been involved in a fundraising campaign to make capital improvements at the Centre. Recently, our Fire Department has determined that The Marsh Street Centre's fire alarm system is not adequate when the building is reaching its capacity. The installation of this fire alarm related equipment will cost at least \$7,000. These costs are over and above the Centre's ability to generate funds in the short term.

In order to assist The Marsh Street Centre, in their short term financial challenges, I am recommending to Council that the Town provide a \$10,000 interest free loan to them over five years with \$2,000 payments annually. This \$10,000 loan would be used firstly for improvements to the fire systems to facilitate larger groups that may or may not require liquor licenses. Any residual funds could then be used to deal with other capital projects such as kitchen repairs.

A representative of The Marsh Street Centre will be present at the Council meeting should Council have any questions for the Centre.

C. The Blue Mountains' Strategic Plan

This financial support for the Marsh Street Centre is consistent with Strategic Goal 3.5 which anticipates continued support for cultural groups and community events.

D. Environmental Impact

None

E. Budget Impact

The cost of this small loan to the Town is related to the lost opportunity of not investing \$10,000 in one of our investment vehicles. The five year lost opportunity is estimated to be approximately \$1075 (based on an interest rate of 3.5%) and the impact on our budgets over the next five years will be very minimal. The funds will be taken from the Working Capital Reserve and the Reserve will be reimbursed as the loan is repaid.

F. Attachment

Respectfully submitted,

J.P. (Paul) Graham, P. Eng.
Chief Administrative Officer

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