



Council-In-Committee Meeting – June 11, 2024

Subject: Community-Led Initiatives - Port Dover Kinsmen Club Splash Pad Proposal
Report Number: CAO-24-049
Division: Office of the Chief Administrative Officer
Department: Administration
Ward: Ward 6
Purpose: For Decision

Recommendation(s):

That the Report regarding the Port Dover Kinsmen Club Splash Pad Proposal be received as information; and

That Council support, in principle, for the 2027 capital budget, the proposal for a splash pad in Port Dover, as summarized in this report, pending confirmation of the following:

- Necessary water and wastewater capacity is confirmed and that allocating water for a splash pad will not hinder capacity for growth requirements; and
- A new water allocation policy is approved by Council; and
- A Council-approved Recreation master Plan confirms the splash pad requirement for Port Dover and Norfolk.

Executive Summary:

Norfolk is fortunate to have community groups such as the Kinsmen Club of Port Dover who contribute tirelessly to improving the quality of life for residents and making our communities a wonderful place to call home. The Port Dover Kinsmen Club is proposing raising capital funding for a new splash pad for the Port Dover Kinsmen Park, proposed for completion by Summer 2026. Thereafter, Norfolk County would be responsible for 100% of splash pad operating costs and capital maintenance replacement costs.

The intent of this report is to provide Council with information on the full scope and cost of the project to ensure the capital and operating implications are fully understood when considering the project. Additionally, Council should consider the addition of recreational amenities within the context of a recreation master plan, intended to identify community needs. This report has been drafted in accordance with the provisions outlined in the new [Community-Led Initiatives](#) process.

Discussion:

1. Background:

In the summer of 2023, representatives from the Port Dover Kinsmen Club began meeting with County Staff to propose raising funds to construct a new splash pad at the south-west corner of Port Dover Kinsmen Park, located at 95 Hamilton Plank Rd, Port Dover. Initial consultation has included meetings with the General Manager of Operations and General Manager of Environmental and Infrastructure Services, as well as site visits with staff. This project is intended to improve community recreational facilities and complement the amenities currently on site, which include a play park, pavilion, and baseball diamond. The proposed splash pad would be a low-maintenance flow-through system that would use municipal water once and drain into the municipal wastewater system. Like every mechanical system, maintenance costs are difficult to predict.

As part of our new Community-Led Initiatives application process, a representative from Port Dover Kinsmen Club presented the Splash Pad proposal at the May 2024 Council in Committee meeting. Council directed staff to prepare a report for consideration in June 2024.

2. Proposal:

The attached Port Dover Kinsmen Club Splash Pad application proposes:

- 100% of \$611,500 in estimated capital funding to be raised by the Port Dover Kinsmen Club, up to \$700,000;
- 100% of future operating costs and capital maintenance and replacement costs to be the responsibility of the County (property tax impact);
- \$15,000-\$20,000 in capital water infrastructure improvements to accommodate the splash pad to be undertaken and paid for by the County (property tax impact);
- Requests Norfolk County assistance with:
 - Issuing tax receipts to donors (staff time required);
 - Finding, drafting and submitting grant applications (staff time required);
 - Waiving fees related to splash pad fundraising (e.g. permits, special event rental fees, etc. Staff time required, property tax impact);
 - Donation of any excess material and supplies to help with construction and landscaping (costs TBD);
- The Splash Pad would be in operation from Victoria Day Weekend to Labour Day Weekend, approximately 100 days per year, 8 hours per day (staff time required);
- The proposal estimates that the splash pad would use approximately 115,000 liters of water per day, if operational for 8 hours. If operating hours are expanded, additional water would be used.

3. Analysis:

Staff appreciate the Kinsmen Club's commitment to improving our community by raising funds to increase our recreational amenities. The provision of a new splash pad would improve utilization of a community asset, provide relief during summer heat waves, and allow residents to enjoy outdoor recreation in a multi-use outdoor facility. Increasing recreational amenities could help attract new residents with young families to our area. The Kinsmen Club is a valued community partner that Norfolk has worked with in the past and would welcome the opportunity to work with again.

While staff are appreciative of the proposed project, we have identified constraints that would limit our ability to accommodate all elements in the attached proposal at this time; as well as critical financial and capacity limitations for Council to consider when evaluating the proposal:

3.1 In-Kind County Contributions:

Collecting Donations and Issuing Tax Receipts

The attached request for County assistance with collecting donations and issuing tax receipts would be difficult to accommodate. On a limited basis, in the past, our Finance Department has offered to support similar projects by issuing tax receipts on a temporary basis, subject to the execution of an agreement between the County and the fundraising organization. The County could consider providing this service for the proposed splash pad project on a temporary basis, subject to the execution of a similar agreement. However, staff do not have the capacity to support the Kinsmen Club by issuing donor tax receipts on an ongoing basis.

Collecting donations and issuing tax receipts on behalf of an organization is a time-consuming process that would need to be adequately resourced, particularly because this would set a precedent that the County provides this service for other community groups. Taking on this responsibility would also mean that the County would assume responsibility for any errors and would assume the legal responsibilities while the money is in its possession.

As a qualified donee, the County is legislatively required to follow the CRA requirements for issuing tax receipts on behalf of a third-party. The process would include the tracking of all donor's personal information, in addition to the amount of the donation, in order to provide a proper legal receipt. All personal information would need to be stored securely, in accordance with the County's records management policies. As well as the transfer of information and funds to and from project organizers, in a timely manner, to meet tax reporting deadlines, and pay the construction invoices. Reconciliations of the funds would be required.

Grant Applications

Similarly, staff could forward grant applications to the Kinsmen Club for consideration if opportunities become available. However, staff do not have the capacity to write grant proposals on behalf of community organizations. Staff foresee a potential conflict of interest, as the County may wish to pursue a grant under the same funding stream if an opportunity of mutual interest becomes available.

Waiving of Fees

Staff are concerned that waiving fees to accommodate this project would set a precedent in the community that could result in substantial expense/loss of revenue. Furthermore, if the request to waive fees associated with fundraising were to extend to building permits, it could result in a substantial loss of revenue.

Supplies

Finally, staff would consider providing excess materials in kind for this project, but cannot guarantee availability. Costs for providing this donation are unknown at this time.

3.2 Capital Costs

Subject to Council approval, the requested \$15,000 to \$20,000 in estimated capital infrastructure funding to increase the size of the service connections to the property and splash pad would need to be accommodated through the water reserve. There are numerous pressures related to our water reserve, and this additional unbudgeted and unexpected expense would place additional pressures on the reserve.

3.3 Operating Costs

The attached proposal estimates the splash pad would consume approximately 115,000 liters of water per day, operating at 8 hours a day. However, staff estimate the daily use of 150,000 liters of water based on the water consumed by the Simcoe Splash Pad and to reflect the higher peak day demand put on the water distribution system. Annual operating costs for the Simcoe Splash Pad are budgeted at \$36,300 for 2024. 2023 expenses included \$28,000 in water expenditures, \$1,000 in hydro expenditures, \$4,000 for supplies, and \$4,700 for maintenance and repair services.

Operating the proposed splash pad would require regular maintenance, including water filtration and chlorination, and monitoring water quality. Operational staff would be required to allocate staff time for the added responsibility of the operation of the splash pad. Duties include 7 days a week inspection, garbage pickup, chemical refills, cleanings, and responding to public inquires during the proposed operating period. Staff would be challenged to meet this service requirement with the current staffing compliment. It is estimated 1 plus hours would be required each day to complete this work. Furthermore, Port Dover parks staff have recently been burdened with additional

beach maintenance, larger summer crowds, increased tourism with no staffing increases.

3.4 Water Capacity

As Council is aware, Port Dover has experienced significant water capacity limitations that forced the County to introduce a moratorium on new development in 2019. Upgrades to our water treatment facility will be completed in two phases. Phase 1 upgrades have been completed and Phase 2 upgrades are on track to be complete in Q1 2025, bringing the overall treatment capacity to 7,500 cubic meters of water per day. Staff are confident that Port Dover will have sufficient capacity to support a splash pad by 2026. **However, proceeding with the proposed splash pad would limit the County's ability to accommodate new development in Port Dover.** For perspective, the splash pad would consume the equivalent of approximately 150 homes in water consumption.

As an alternative, the Port Dover Kinsmen Club could consider proposing a splash pad that treats and recirculates water for reuse. This would have less impact on County water capacity, and could be considered more environmentally sustainable. However, staff estimate that the required infrastructure would increase the capital cost of the proposed project considerably. More significantly, a recirculation splash pad requires substantially more staff resources to operate and maintain, as water quality needs to be monitored regularly.

Financial Services Comments:

The Approved Capital Budget does not include a planned project for a Port Dover splash pad. A number of factors have been identified as potential issues/items for Council's consideration when determining feasibility of the proposed splash pad. A new splash pad is not included in our current 10 Year Capital Plan; adding it in 2026 would produce the following implications which are not otherwise currently budgeted for:

Water and wastewater usage

The proposed build includes an estimated daily use of 115,000 liters of water. Based on the Simcoe splash pad, Staff estimate that this amount is closer 150,000 liters of water per day when considering the peak day demand a splash pad puts on the drinking water system. Based on the staff estimate, water usage will cost the County approximately \$33,000 per year, at 2024 rates. Rates are forecasted to increase significantly over the next ten years, with an anticipated increase of approximately 180% over the period.

At this time, the method of discharging the wastewater would either be into the wastewater system or stormwater system. If after further investigation, it is determined that the disposal would be required through the wastewater system, the operation costs would be approximately \$42,000 annually. Potential capital costs, if the discharge were to occur into the stormwater system are unknown, until further investigation.

Given the anticipated water use for this proposal, **the County would be limited in its ability to approve new development proposals in Port Dover without making further substantial investments in increasing water treatment capacity.** This would equate to the loss of approximately \$543,000 in annual property tax payments, including education, for 150 homes (based on the approved 2024 average residential tax levy), a range of \$2.5 million to \$3.6 million in estimated development charges (based on type of build), and \$200,000 in estimated water and wastewater charges.

Hydro use

The splash pad would require hydro to run the system that feeds water to the apparatus within the splash pad. This would cost approximately \$1,200 per year, in 2024 dollars, expecting annual increases thereafter.

Maintenance costs

In addition to the water & wastewater operating costs, an estimated \$4,000 will be required for supplies and \$5,000 for maintenance & repairs annually, in 2023 dollars, expecting annual increases thereafter.

Lifecycle costing and asset replacement

The County would be responsible for all capital maintenance, repairs and asset replacement costs. Staff estimate an annual transfer of \$50,600 (based on 2024 dollars) to reserves would be required to accommodate asset lifecycle maintenance and replacement costs.

Insurance and legal liability

The County would assume all risk and liability for the splash pad. In order to minimize legal liability we would need to have staff complete routine documented inspections of the splash pad to ensure that there are no hazards present to public users.

Waiving of fees

The financial impact of waiving the fees specified in the application could be minimal, but may vary depending on the number of events hosted and the value of prizes. The [User Fees and Service Charges Bylaw](#) lists the following charges:

- Special event permits:
 - \$347 for large events (over 1000 people); and
 - \$117 for small events
- Lottery/Raffle Licenses cost 3% of the total value of prizes, or \$10 per wheel

The application gives an example of an event or raffle for fundraising efforts. The waiving of these fees would set a precedent for all similar community initiatives. Staff

will still need to complete the work required for award of the permits to allow the events to take place, without receiving the offsetting revenues for the work required.

Staff expect that any applicable building, planning or other development fees will be paid as part of the splash pad project for construction costs, and are therefore not part of the fee waiver request.

Provision of tax receipts

County staff do not have the capacity to support the Kinsmen Club by issuing donor tax receipts on an ongoing basis. This would require time from numerous staff within finance for processing as well as coordination with the organizing group on a regular basis, and reconciliations throughout the process to ensure all funds are accounted for correctly.

Grant writing support

Staff do not have the capacity to write grant proposals on behalf of community organizations. There remains the potential for a conflict of interest if the County wishes to pursue a grant under the same funding stream if an opportunity of mutual interest becomes available.

Summary

If Council wishes to move forward with this project, the initial capital costs for the water infrastructure upgrades will need to come from the water reserve for approximately \$20,000.

In addition, the following chart outlines the operational costs that will need to be added to the operating budget starting in 2026 and forward. The re-allocated time that operations staff will need to meet the needs of the splash pad has not been included in the summary.

Description	Annual Amount
Water and Wastewater usage	\$33,000
Hydro Usage	\$1,200
Maintenance and Repairs	\$5,000
Materials & Supplies	\$4,000
Lifecycle Cost (Annual)	\$50,600
Annual Operational Costs	\$93,800
Potential Wastewater Costs	\$42,000
Total Potential Costs	\$135,800
Levy Increase	0.11%

Interdepartmental Implications:

Operations:

Operations staff have identified staffing capacity challenges that will need to be addressed to accommodate monitoring and maintenance needs through the addition or reallocation of 0.25 FTE. There will also be a need for additional park maintenance and garbage collection due to increased use.

Community Development – Recreation:

The Recreation Facility Strategy as part of the Master Plan update is now underway that will review and provide recommendations for future recreation facility needs. It is noted that a splash pad is not currently in the 10 Year Capital Plan, and it may be premature to add a recreational amenity at this time until a fulsome review is conducted and recommendations on a master plan are presented to Council for consideration and approval.

Consultation(s):

This report was drafted in consultation with the Chief Administrative Officer, General Manager of Operations, General Manager of Environmental and Infrastructure Services, General Manager of Community Development, Director of Finance, and a representative from the Port Dover Kinsmen Club.

Strategic Plan Linkage:

This report aligns with the 2022-2026 Council Strategic Priority Building Norfolk - Develop the infrastructure and supports needed to ensure complete communities.

Explanation: The provision of capital funding for new recreational amenities and assessing the impact to existing infrastructure capacity, development opportunities, and ongoing operating costs and long-term capital investment required to maintain the proposed asset are all in alignment with Council's Building Norfolk priority.

Conclusion:

Staff appreciate the proposal brought forward by the Port Dover Kinsmen Club and their effort to improve our community with capital funding for new recreational amenities. Staff have outlined the capital and operating impacts this initiative would have should construction proceed, and the limitations it would place on all types of development opportunities in Port Dover due to water consumption and disposition capacity constraints. When considering this proposal, Council will need to prioritize either the new recreational amenity, or the ability to allow new development, as Port Dover will not have sufficient water capacity to accommodate both in the long term. Council may want to defer approval of a Port Dover Splash Pad until the water shortage in Port Dover is fully resolved, Norfolk County has a clear path forward for development, a revised water

allocation policy is complete, and the Recreation Master Plan is completed and approved by Council.

Attachment(s):

- CLI Application - Kinsmen Club Port Dover Splash Pad

Approval:

Approved By:
Al Meneses, CAO

Prepared By:
Stephanie Potter,
Manager, Corporate Initiatives