



The Corporation of the City of Sault Ste. Marie

April 29, 2025

TO: Mayor Matthew Shoemaker and Members of City Council

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DEPARTMENT: Community Development and Enterprise Services

RE: YMCA Update

Purpose

The purpose of this report is to provide Council with an update on the YMCA, specifically its governance structure, CEO recruitment, YMCA Canada position, membership growth, and financial status.

Background

The Sault Ste. Marie YMCA (SSM Y) has experienced significant financial and operational challenges, culminating in announcing it would close in early 2024. The support of the City, and a community fundraising initiative resulted in the Lukenda Foundation purchasing the building and the City entering into a long-term lease for the facility. The SSM Y is a tenant of the building, providing essential programming to the community, including daycare support, day camp programs during the summer, pool programming, and related affordable health and recreation services.

In addition, NOHFC approved a funding request in support of an essential boiler project for the facility.

Analysis

City staff continue to work very closely with the SSM Y with the goal of leading the organization back to prosperity.

It should be noted that YMCA Canada (Y Canada) issued a letter dated December 20, 2024, noting their concerns with the local SSM Y, which presented a risk to their charter. As a result of that letter, SSM Y has fast-tracked dealing with a number of concerns that Y Canada has raised.

- Leadership
- Finance
- Operations
- Governance

Y Canada and YMCA Ontario Regional Development Centre (RDC) continue to work with SSM Y and have communicated recently that the recent changes are on the right track with positive steps being taken. A monthly call continues with Y Canada, RDC, SSM Y and the City participating. The CEO and Chair of the Board of Y Canada advised that they were both pleased to see the SSM Y progress in the March 2025 monthly call.

The City is also involved as a resource to monitor essential projects and building items that are being addressed.

Updates from the categories of concern are listed below:

Leadership

The City has been advised that Northeastern Ontario YMCA (NEO Y) decided not to partner with the local SSM Y, and it is staff's understanding that they need to focus on their current network given a number of challenges they face. Once this was determined, SSM Y established a hiring committee consisting of heads of Human Resource departments from two well-known local companies, RDC, SSM Y Co-Chairs, and City staff.

A job description was updated, and a posting was issued. The salary range was raised from what was historically compensated to attract the skill sets required to guide the organization moving forward. Over 140 resumes were received. The first round of interviews had four individuals participate in answering behavioural-based questions. The CEO Search Committee held its second round of interviews on Thursday, April 3, 2025, and a final interview is scheduled for April 28, 2025. The second interview consisted of a presentation and additional questions short-listed to three individuals (attended by Y Canada, RDC, SSM Y Board representatives). A Human Resource professional from a large local employer guided the process.

An offer of employment for the position is planned to be issued the first week of May 2025.

Finance

- Monthly Statements are now completed up to February 2025.
- Auditors have been secured to complete the Audited Financial Statements as of March 31, 2025.
- The Finance Committee extended the Accounting position into the summer and expanded the scope of work with additional deliverables, including but not limited to continuing with the monthly financial statements, preparing audit working papers, GST returns, NPO returns, assisting with the budget, performing a ratio analysis, and any other task that may be necessary.
- A retired SSM Y CFO has been assisting staff who are working on a budget for 2025-2026 ending March 31, 2026. The goal is to have approved budgets by the end of April 2025.

- On the membership growth side, SSM Y has seen positive momentum and currently sits at **2,957** members which is trending higher than the target of 2,400 set for March 2025.

Operations

- Child Safety and Protection compliance training is underway. A new tracking system has been developed.
- Staff have launched the summer camp registration. Demand has been steady to date with 273 youth registered between the ages of four to twelve.
- Staff have addressed several key building items with support from the City Maintenance team, Building Department, and Fire Department.
 - Design for the new workshop is underway, and a C-can has been secured to provide needed storage.
 - The gym floor has been repaired (completed March 2025).
 - The contract for the boiler replacement has been awarded and work is underway.

Governance

- SSM Y has been able to attract four qualified new directors based on a skills matrix. Two of them are employed by a local accounting firm and other two are from a major employer with significant operations and health and safety experience. The Board is currently comprised of nine members.
- There are three sub-committees: Governance, Finance and Fundraising.
 - The Finance Sub-Committee is meeting regularly.
 - The Fundraising Sub-Committee has had three meetings and has launched a Yuk Yuk's fundraiser in May and a 50/50 draw.
 - In addition, the YMCA recently received a \$25,000 donation from the Rotary Club.
 - A Catch the Ace fundraiser is also planned.
 - The Governance Sub-Committee is planning a meeting in April.

On the fundraising side, the amount committed to date is \$630,000, with \$380,000 obtained and \$202,000 to be collected over a four-year period. Efforts continue.

On the financial side, for the year ending March 31, 2024, the SSM Y had a surplus of \$239,268. For the 11 months ending February 2025 there is a positive contribution of approximately \$131,410 after adding back the loss of the building resulting from the sale for accounting purposes.

The Financial Statements and Business Plan were submitted to the City as part of the Memorandum of Understanding; however, the Business Plan was only for one year and varied from some prior-year projections Y Canada had prepared.

It is recommended that a new five-year plan be created with the onboarding of a new CEO to submit to the Board for approval and subsequently forwarded to the City. This would provide the City with a clear indication that the SSM Y is positioning itself for long-term sustainability, including:

1. Confirmation that the SSM Y can continue to meet the day-to-day cash needs for operations.
2. Identifying any shortfalls for future anticipated capital expenditures.
3. Identifying fundraising goals that are critical to meet for annual targets.
4. Developing a strategy with community partners and identifying funding sources for the capital construction and subsequent operation of a future new building.

Staff will encourage SSM Y to provide an update at a future open Council meeting in Q2-Q3 2025 to advise the community where the SSM Y is headed in alignment with their renewed strategic direction.

Financial Implications

There is no impact to the operating budget.

Strategic Plan / Policy Impact / Climate Impact

This matter falls under the Quality of Life focus area of the corporate Strategic Plan.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Deputy CAO, Community Development and Enterprise Services dated April 29, 2025 concerning YMCA Status Update be received as information.

Respectfully submitted,

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