



The Corporation of the
City of Sault Ste. Marie
COUNCIL REPORT

April 12, 2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Malcolm White, CAO
DEPARTMENT: Chief Administrative Officer
RE: Appendix A 2021 04 12 - Pointe des Chenes Campground
Update and Next Steps.docx

Purpose

To provide background and context for Council's recent decision not to renew the operating agreement with the Lions Club to operate the campground and to recommend next steps.

Background

The Lions Club has been operating the Pointe des Chenes Campground through a series of operating agreements with the City for many years (since 1985). The agreements have had varying degrees of cost sharing arrangements for operating costs and capital improvements

Over the last 10 to 12 years, past and present City Councils have expressed concerns over the operating and capital costs being provided by the City for the campground, which would be classified as a non-core, non-traditional municipal service. These concerns were summarized in the following resolution passed at the 2012 11 05 Council meeting:

Whereas Pointe Des Chenes Park has been operated by the city of Sault Ste. Marie for many years; and

Whereas the property is divided into two distinct areas, one being a day use area and the other being a trailer park operated by the Lions Club of Sault Ste. Marie; and

Whereas the city has had a unique partnership with the Lion's Club with regard to the operation of the trailer park; and

Whereas the city has historically paid for most of the capital expenditures of the trailer park; and

Whereas an estimated \$45,000 is required to be spent on park upgrades in the near future; and

Whereas during the 2012 budget deliberations, it was agreed that council, in concert with city staff, would continue to look for opportunities to minimize

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expenditures and improve efficiencies within city operations; Now Therefore Be It Resolved that appropriate staff prepare a preliminary report on possible long-term plans for the park, including but not limited to expansion of the trailer park or possible sale of the property to private interests who may wish to develop the area within existing zoning requirements; and Further that the Lions Club be consulted as part of this report to determine future plans the club may have for the operation of the property.

The report responding to this resolution appeared on the 2013 04 22 Council meeting. The Lions Club presented future plans for the park that included expansion of the sites and upgrades to services to create revenue streams that would cover future operating costs and fund capital improvements. The plans required further study to assess feasibility and costs, which were reported back to Council at the 2015 02 09 Council meeting. In the intervening time the Lions Club operated the campground for the 2013 and 2014 seasons on the basis of annual extensions to the previous operating agreement, although the Club increased its contribution to the cost of operating the water system.

The assessment of the proposed expansion and upgrades indicated an estimated capital cost of \$1 million, which was beyond the capacity of the Lions Club. Council then approved a further 5 year operating agreement that reduced the operating contribution of the City. The City and the Club funded some incremental upgrades to the campground during this time, however the need for more significant capital investment remained.

After a one year extension that allowed operation during the 2020 season (abbreviated because of the pandemic), Council approved the recommendation not to renew the operating agreement due to the failure of the water distribution system and the significant investment required for a replacement and other required upgrades.

In addition to the operating issues, there has been a longstanding issue with the water supply at the site. A detailed history prepared by the City Solicitor is appended to this report. As Council is aware, the water supply is non-potable due to contaminants from firefighting activities at the airport from the time it was operated by Transport Canada. As the attached report outlines, despite many years of engaging Transport Canada and the Ministry of the Environment, Conservation and Parks, there is still no provision of potable water at the site.

Analysis

There are a number of options open to Council concerning the future of the campground property, however to preserve the value of the asset and ensure the sustainable future of the day park and campground property, the supply of potable water is critical.

Staff are recommending that Council confirm its authorization for staff to continue to press Transport Canada to provide an acceptable solution for the provision of potable water at the site to serve the campground and the day park facilities in a timely manner. Once this issue is resolved, staff can then evaluate and present to Council options for the long-term future of the campground.

Financial Implications

There are no financial implications associated with the recommendation in the near term. There may be financial implications to be assessed once the City has been provided with a means to provide potable water at this site.

Strategic Plan / Policy Impact

This is an operational matter not articulated in the Corporate Strategic plan.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the CAO dated 2021 04 12 concerning Pointe des Chenes Campground Update and Next Steps be received and the recommendation that staff continue to work with Transport Canada, the Ministry of the Environment, Conservation and Parks and Algoma Public Health to ensure the timely and sustainable provision of potable water for the campground and day park and to report further to Council on recommendations for the future of the campground once the provision of potable water has been established.

Respectfully submitted,

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