Municipality of the District of Argyle	Item: Mariners Center intermunicipal agreement amendment Date: November 21, 2025

Vision statement

Argyle is the community of choice to invest, live and play.

Mission statement

Argyle invests time & talent in growth opportunities in fishing, tourism, and renewable energy sectors.

Argyle provides affordable taxation while providing safe and healthy communities and strives to engage and inform our residents on decisions that affect them most.

Argyle provides high class, accessible recreational and cultural facilities and helps celebrate its unique heritage and culture and welcomes new residents to our region.

CAO's Recommendation:

That Council approve the amendment to the Mariners Center Management Authority (MCMA) intermunicipal agreement, enabling the MCMA to borrow funds.

These amendments have been approved by both the Town and District of Yarmouth at their most recent meeting.

Suggested motion:

Move that Council approve the amendments to the Mariners Center Management Authority's intermunicipal agreement as presented.

Background:

The MCMA has three major capital projects underway. The expansion is an obviously large project, but two other projects include the rink ice slab replacement in Arena one, and the roof repair for the Mariners Center.

The CAO's met and I recommended a process where MCMA would borrow funds to support these projects. All three of us agreed that this made the best sense for financing the projects and would separate the expansion costs from the original Mariners Center building. The total borrowing for this is currently estimated to be 1.8 million, and the source of repayment shall come from the three owners over the course of time, as well as any potential surplus from the expansion.

In addition to these projects, there will be a need to finance fundraising pledges. As mentioned in previous updates for the expansion, many pledges for funding are committed over the course of time (5 even 10 years). The project costs will be all in a year from now. There will be a cash gap that will be filled over the course of time. It is the municipality's responsibility to finance this. The recommendation is that the fundraising funds gap be financed by debt held directly by the MCMA. The source of repayment shall come from any potential surplus from the expansion as well as fundraising pledges fulfilled. The owner municipalities will not be responsible for the loan amount, and would only be responsible for the interest cost at the most.

The amendment of the Intermunicipal Agreement is the first major step to this end.

Strategic Alignment:

Mariners Center is a strategic asset of the municipality as mentioned in our strategic plan. Mission statement notes that we support high class, accessible recreational facilities.

Required Engagement and Communication:

None of note

Risk factors to consider:

The MCMA will be given the authority and power to borrow, the risk is that the due diligence in obtaining debt will not be at the level that we in Argyle are comfortable or accustomed to see. The mitigation here is that all debt issued at the subsidiary level must be guaranteed by the three owners, therefore we will be applying our due diligence regardless. With debt there is always risk of interest cost escalation in a variable cost scenario. The MCMA shall follow the debt issuing process of the provincial government, which will be a fixed interest rate loan. The timing of the loan may result in interest being cheaper or more expensive than the current rate. This is not a risk we can control.

Financial considerations:

No immediate financial considerations. Once the project costs are settled and debt is known, this information shall be provided to the MCMA and MODA.

Alternatives to consider:

These projects could be financed by owners through contributions. This would mean a large sum of money would be transferred to MCMA. While the MCMA would save in interest, owners would be denied the opportunity to use those funds on other priorities.

Since there will already be a significant contribution from all 3 units to MCMA for the expansion, this option is not the preferable route. Furthermore, the owners may have to borrow to accomplish their other priorities, so while the MCMA would avoid interest costs, owners may not.

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