



**The Corporation of the Municipality of Wawa
Staff Report**

Office of the Director of Community Services and Tourism

Prepared For: Committee of the Whole	Report No.: AP 2024-03
Agenda Date: February 6, 2024	File No.: C11

Subject

This report concerns an opportunity to cost share a backup ice resurfacer with the surrounding communities of Marathon, White River, Biigtigong Nishnaabeg, and Schreiber.

Summary of the Recommendation


THAT the Council of the Municipality of Wawa enter into an agreement with the communities of Marathon, White River, Biigtigong Nishnaabeg, and Schreiber for the purchase, maintenance, and use of a backup ice resurfacer.

Summary of the Issues

The ice resurfacer is a key piece of arena equipment of a unique design. Where communities typically only have one unit, its failure represents a risk to continued facility operations. Recently, Marathon has proposed to other local communities the purchase of a used unit to act as a backup for the region.

List of Stakeholders

- Municipal Council
- Ratepayers
- Facility users of the MMCC Arena
- Municipal Staff

Respectfully Submitted By: 	Prepared By: Alex Patterson, Director, Community Services and Tourism
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Purpose of Report

This report originates from a proposal received from the Township of Marathon. They recently purchased a battery unit similar to the one currently in use at the MMCC Arena, and shortly thereafter a manufacturing defect caused a failure that took weeks to repair. As such, their community researched a backup unit, having gotten rid of their old machine after the purchase of the new unit. As a cost sharing measure for the region, the Township of Marathon contacted Wawa, White River, Biigtigong Nishnaabeg, and Schreiber to garner interest in sharing a backup unit.

Staff have previously identified this piece of equipment as a critical part of continuity of operations at the MMCC, however like Marathon, we disposed of our old Olympia as it was deemed too costly to store and keep our old machine operational. However, cost sharing with these communities represents a unique opportunity to ensure a critical spare is kept at 1/5th of the cost.

Analysis

Unit storage and maintenance

The unit will be stored and maintained in Marathon by the Township. Estimated costs are included in the next section of this Report.

A unit like this, with low annual runtime and annual maintenance being completed as per the manufacturer's schedule, can last between 15 and 20 years depending on how often it is required to act as a backup. As long as storage conditions are good the regular wear and tear that harms equipment is much less with the unit expected to be in service for only a few hours annually.

Transportation costs

When a unit fails, we have in the past received a unit shipped from Olympia in Elmira, ON. For there and back travel in 2022, the cost to the Municipality was \$8,000. As Marathon is much closer, these transportation costs are estimated to be \$2,000 for equipment transport, significantly decreasing emergency expenses in the event of a failure.

Agreement

This agreement has been signed by other Municipalities listed. It represents a partnership between other small communities to share the burden of a backup machine. The agreement also contains provisions for the ownership, and therefore in the event of any sale/replacement of the equipment the portion of the funds would be returned to the Municipality. However, there are no such provisions

should the municipality cancel our share of the agreement. Staff have reviewed the agreement and have no concerns with its wording or applicability.

Demand and Previous Issues

Over the last 10 years, there have been 5 instances where ice has been cancelled due to the failure of the Olympia. Of these, 3 have been issues that took more than 2 days to repair. One of these issues was related to CO emissions – this hazard has been eliminated by the new unit.

When this piece of equipment fails, it typically results in a loss of ice revenue in the range of \$1,000 to \$2,500. There is a risk of this loss being higher, ex. during a tournament weekend, and is situational depending on the date and time of the failure and the bookings at the facility.

Financial/Staffing Implications

Purchase Cost and Ongoing Expenses

The initial purchase cost of the unit for Wawa is \$4,300 + HST. This cost is our share of the total cost of the used unit.

Olympias have a maintenance schedule related to their hours. Based on our previous experience with this machine, staff expect that the total maintenance cost per year to store this machine and run it for less than 50 hours would be \$1,500 – or \$300 per community. Marathon has committed to provide the communities with budget estimates in advance of operating budget submissions, so this can be included in future budgets and monitored for any increases or decreases.

Costs of transportation and fuel would be each Municipality's responsibility when they needed the unit. For Wawa, transportation to and from Marathon was estimated by Mission Motors Towing to be \$1,000 each way

These costs can be accommodated currently in the Department's budget.

Policies Affecting Proposal

None

Comments from Relevant Departments/Community and Corporate Partners

None

Alternatives

Option 1: Do not sign the agreement

This option would see Wawa not sign on to this agreement. This would leave us in our existing position where we have no backup unit in case of emergency. This option is **not recommended**.

Option 2: Sign the agreement

This option would see Wawa sign the agreement with the other communities to ensure we have access to a backup machine in case of failure. As there is a low upfront and ongoing costs staff believe it is worth it to ensure that we can continue to provide service and protect from loss of revenue. Therefore, this option is **recommended**.

Conclusion

By accepting the recommendation, the Municipality is taking steps to limit its risk and ensure that it can continue to provide services to our community in event of a critical equipment failure in a cost-efficient manner. We are supporting our region in doing the same, strengthening partnerships with our first nation and municipal partners.

Recommendation

THAT the Council of the Municipality of Wawa enter into an agreement with the communities of Marathon, White River, Biigtigong Nishnaabeg, and Schreiber for the purchase, maintenance, and use of a backup ice resurfacer.

Attachments

Appendix A: Agreement

End of Report.

THIS AGREEMENT made in quintuplicate this ____ day of _____, 2024

AMONG:

The Corporation of the Town of Marathon
(referred to in this Agreement as "Marathon")

-and-

The Corporation of the Township of Schreiber
(referred to in this Agreement as "Schreiber")

-and-

The Corporation of the Municipality of Wawa
(referred to in this Agreement as "Wawa")

-and-

Biigtigong Nishnaabeg First Nation
(referred to in this Agreement as "BN")

-and-

The Corporation of the Township of White River
(referred to in this Agreement as "White River")

Recitals:

1. The five parties noted above wish to enter into an agreement for the shared use of an Olympia Ice-Resurfacing Machine, to be used by the parties as a "back up" ice re-surfacing machine in the event of regular equipment failure.
2. The purpose of this Agreement is the goal of providing necessary community services in an efficient manner.
3. The shared equipment will be owned by, and housed by, Marathon, and used by the parties in accordance with this Agreement.

ACCORDINGLY, this Agreement is entered, for good and valuable consideration, the receipt and sufficiency of which are acknowledged by all five parties.

Equipment & Sharing:

- 1.1 The five parties to this Agreement shared equally in the cost of the acquisition of the equipment listed on Schedule "A" to this Agreement (referred to in this Agreement as the "Equipment"). Marathon is the "title holder" owner of the Equipment. As the title holder, Marathon will carry the Equipment on its schedule of property for insurance purposes.
- 1.2 Despite Marathon being the title holder, the parties agree that they each hold an equal share in the ownership of the Equipment, having shared equally in the cost of its acquisition by Marathon.
- 1.3 Each party to this Agreement has the right to request use of the Equipment should its own similar equipment break down or be out of service for other legitimate reasons.
- 1.4 Should a party wish to use the Equipment, it shall notify Marathon of its need, including anticipated time frames involved. Marathon will advise the party of the particulars for its retrieval of the Equipment as soon as is reasonably practicable. Each party is responsible for transporting the equipment to and from Marathon, as required and as communicated to the other parties.
- 1.5 The Equipment shall be available to all parties on a "first come, first served" basis. In the event that a party requests use of the Equipment, and the Equipment is already in use by another party, Marathon shall put the two relevant parties in contact with one another for discussion of when and how the Equipment will change hands. All parties will keep all other parties informed, at all times, of the whereabouts of the Equipment.
- 1.6 Each party shall ensure that no person operates the Equipment unless that person has the appropriate training on the use of the Equipment, and any/all licences or other permits required, and is competent to operate the Equipment. Each party shall address staff performance issues should the Equipment be misused or damaged by an operator of that party.
- 1.7 Each party shall, when using the Equipment, keep the other parties informed of its use, and return the Equipment, in proper operating condition, to Marathon when it is no longer required.
- 1.8 Fuel for the Equipment will be provided by the party using the Equipment. Each party agrees to receive the Equipment fully fueled, and to return it fully fueled.

Care & Control & Maintenance of the Equipment:

- 2.1 The Equipment will be housed in/by Marathon. Marathon shall have primary responsibility for care and maintenance while the Equipment is in Marathon. Each party has responsibility for care and maintenance of the Equipment when it is in its care and control.
- 2.2 The parties will share equally the cost of routine maintenance for the Equipment. Marathon will undertake the maintenance, and will invoice each other party, individually, annually, for its 1/5 share of these costs. Routine maintenance will be based upon:

- a. the Equipment manufacturer's recommendations;
- b. keeping a maintenance log for the Equipment;
- c. keeping a log of the operator, hours of use and mileage;
- d. inspecting the equipment; and
- e. documenting any damage in writing.

The only cost that is not to be shared by the parties is the cost of fuel. Such cost will be borne by the party using the Equipment. The Equipment will be available to all parties with full fuel, and must be returned to Marathon with full fuel.

2.3 Marathon will provide maintenance cost estimates each year prior to the annual budget cycle so that each party can plan for their share of the cost in its annual budget.

Insurance & Indemnity:

3.1 As noted in Section 1.1 of this Agreement, the Equipment will primarily be insured by its owner, Marathon.

3.2 Each party will provide insurance coverage for the Equipment while the Equipment is in its care, custody, or control, for general liability coverage.

3.3 In the event of damage to the Equipment which results in an insurance claim, the deductible will be payable by the party that had use of the Equipment at the time of the accident. The insurer for Marathon has agreed that the deductible may be paid by a party other than Marathon, and that such payment shall not prevent payment of the claim.

3.4 Each party will be responsible for any liability issues (including claims by its employees and by third parties) that arise out of an event that occurs while that party has care, custody, and control of the Equipment. Any liability insurance of the party that is using the equipment shall be considered primary over any other collective insurance, regardless of any insurance clauses.

3.5 Each party agrees that it shall hold harmless each other party, and its elected officials and staff persons, from any and all claims that may arise from an occurrence when the Equipment is in its possession. Such agreement is subject to any claims arising as a result of negligence or omissions in maintenance of the Equipment, as set out in Section 2.2 of this Agreement. Such indemnification includes all costs, including legal costs.

General:

4.1 This Agreement may be amended only upon the written agreement of all parties.

4.2 In the case of a default of any term of this Agreement by any party, the parties will, together, attempt to resolve the dispute amicably. Should an amicable resolution fail, the parties agree that the dispute will be resolved through arbitration or mediation. Failing arbitration or mediation, all available remedies will remain available to all parties.

4.3 If one party defaults in its obligations under this Agreement, the other parties may undertake the obligations of the defaulting party, and claim as against the defaulting party, all associated costs.

4.4 Should any party wish to provide notice to another party of any circumstances relating to this Agreement, the notice shall be provided by regular letter mail or hand-delivery at the addresses indicated in this section. Given the vagaries of delivery, formal notice by email will not be accepted. Notice will be considered to have been delivered four (4) days after the date of mailing by regular mail, or on the date of delivery, if hand-delivered by 3:00 p.m., or on the day following the date of delivery, if hand-delivered after 3:00 p.m.

To Marathon:

Attention: CAO
P.O. Box TM
4 Hemlo Drive
Marathon, Ontario P0T 2E0

To Schreiber:

Attention: CAO/Clerk
P.O. Box 40
204 Alberta Street
Schreiber, Ontario P0T 2S0

To Wawa:

Attention: CAO/Clerk
P.O. Box 500
40 Broadway Avenue
Wawa, Ontario P0S 1K0

To BN:

Attention: CEO
P.O. Box 193
78 Pic River Road
Heron Bay, Ontario P0T 1R0

To White River:

Attention: CAO/Clerk/Treasurer
P.O. Box 307
10 Durham Street
White River, Ontario P0M 3G0

- 4.5 Should any party wish to terminate its involvement in this Agreement, it shall provide six (6) months' written notice to the other parties in accordance with Section 4.4. Termination is voluntary. In the event of the departure of one party, the other parties will assume that party's maintenance obligations. The departing party will be responsible for all of its obligations up to and including the date of termination.
- 4.6 Nothing in this Agreement creates any particular legal relationship between the parties. It is specifically agreed that none of the parties are partners, joint venturers, agents or trustee of any other party.
- 4.7 This Agreement constitutes the entire agreement between the parties and it is agreed that there is no covenant, promise, agreement, condition precedent or subsequent, warranty or representation or understanding, whether oral or written, other than as set forth in this Agreement.
- 4.8 The parties acknowledge that this Agreement is a public document.
- 4.9 The parties acknowledge that each has either received or waived the benefit of its own legal advice with respect to the execution of this Agreement.
- 4.10 This Agreement may be signed in counter parts, together which will be considered the full agreement.

TO WITNESS, the undersigned affixed their corporate seals attested by the hands of their properly authorized officers. By so executing this document, the signatories warrant and certify that the corporations for which they are signing are in good standing and duly incorporated and organized under the laws of the jurisdiction in which they are incorporated, and that the officers are authorized and empowered to bind the corporation(s) to the terms of this Agreement by their signatures.

The Corporation of the Town of Marathon

Per: _____

Title: Works, Operations, Facilities and Parks Manager
I have the authority to bind the Corporation

The Corporation of the Township of Schrieber

Per: _____

Director of Operations
I have the authority to bind the Corporation

The Corporation of the Municipality of Wawa

Per: _____

Title: _____
I have the authority to bind the Corporation

Biigtigong Nishnaabeg First Nation

Per: _____

Title: _____
I have the authority to bind the First Nation

The Corporation of the Township of White River

Per: _____

Title: _____
I have the authority to bind the Corporation

Schedule "A"

Equipment

**detail the equipment: make, model, serial number, etc.