



FOUNDATION DOCUMENT PART II: FUNDING THE RECREATIONAL FACILITIES AT CENTRAL PARK AND HERITAGE PARK

Chapter 13: December 1, 2012 Public Meeting about the Use of the Collus Share Sale Proceeds; The Town Establishes a Reserve for the Collus Proceeds

**Commissioner: The Honourable Frank N. Marrocco, Associate Chief
Justice, Superior Court of Justice, Ontario**

Please note that the statements in this Foundation Document have not been tested for the truth of their contents. The contents may be tested, challenged, supplemented, proven false, or discredited through the evidence called and the submissions made at the Inquiry. It will be for the Commissioner to consider all the evidence before ascribing any weight to anything contained in the Foundation Document

Chapter 13: December 1, 2012 Public Meeting about the Use of the Collus Share Sale Proceeds; The Town Establishes a Reserve for the Collus Proceeds

13.1 December 1, 2012 Special Meeting of Council and Public Consultation about the Use of the Collus Share Sale Proceeds; The Eddie Bush Memorial Arena Funding Application is Denied

793. Council held a special public meeting on Saturday, December 1, 2012 to seek input from the public about the use and allocation of the Collus share sale proceeds. Marjory Leonard and Collus CFO Cindy Shuttleworth provided a presentation regarding the background of the partnership, funds available, and potential uses.

Special Meeting of Council Minutes, December 1, 2012, [TOC0000636](#)

794. The December 1, 2012 Special Meeting minutes recorded that Marjory Leonard presented the following options for use of the Collus funds:

1. Pay down debt - cautioned that accelerating debt repayment would not be fiscally responsible as it would trigger penalties to the municipality.
2. Establish a legacy fund which would permit self financing of projects as recommended by Department Heads and re -pay with interest.
3. Invest a portion of the funds in the new recreation facilities and the balance into a legacy fund.
4. Allocate the funds to the following major projects: Hume Street rebuild; Sunset Point redevelopment; Harbour Redevelopment.

Special Meeting of Council Minutes, December 1, 2012, [TOC0000636](#)

795. The Special Meeting minutes reported that certain attendees at the meeting expressed support for paying down debt, and funding towards the Harbourfront. The minutes also recorded the following further suggestions from the attendees:

- Build additional recreation facilities, namely a gym and a pool;
- Upgrades to the soccer facilities at Fischer Field;
- Partner with Theatre Collingwood and fund a performing arts centre;

Repairs to roads and sidewalks;
Investment in sport and tourism;
Investment in sewer and water infrastructure; and
Infrastructure rehabilitation.

Special Meeting of Council Minutes, December 1, 2012, [TOC0000636](#)

796. During the meeting, when Council was questioned as to how the decision on the allocation of funds would be made public once decided, the Clerk advised that all comments including presentations and the minutes of the meeting would be provided to Council and the public through the standard protocols, and that Council would decide on the use of these funds in an open meeting.

Special Meeting of Collingwood Council Minutes, December 1, 2012, [TOC0000636](#)

797. The December 1, 2012 Special Meeting minutes also note that “Staff addressed questions from Council with respect to the reconstruction of Hume Street, the status of the Harbour Master Plan, the feasibility of incremental debenture repayment, and the amount currently paid to BLT/Sprung.” It was later reported that the final “settle up” figures were not available at the time of the December 1, 2012 public meeting.

Special Meeting of Council Minutes, December 1, 2012, [TOC0000636](#)

Staff Report #T2013-04, February 25, 2013, [CJI0008914](#)

798. A public survey was distributed at the December 1, 2012 Special Meeting of Council that included the following options:

- Decrease the debt;
- Establish an internal loan fund to fund capital projects under \$1m;
- Harbour Enhancements;
- Invest in the new recreational facilities;
- Road/sidewalk repairs and maintenance;
- Sunset Point Park redevelopment; and
- Other.

Staff Report #T2013-04, February 25, 2013, [CJI0008914](#)

Survey - We Are Seeking Your Input, Undated, [TOC0250627](#)

799. The survey provided space for the public to make additional comments, add specific areas of concern, or explain their choice. The survey also indicated written submissions could be submitted prior to December 7, 2012.

Survey - We Are Seeking Your Input, Undated, [TOC0250627](#)

13.2 The Town Makes a Second Payment to BLT

800. On December 5, 2012, BLT issued its second invoice for the Centennial Pool and the Central Park Arena in the amount of \$2,479,780.19. The holdback amount deducted from the second payment was \$548,624, which is equal to 10% of the sum of the first two payments. The Town paid the invoices on December 17, 2012.

[Summary Document 2-8](#): Cost of Arena and Pool and Sources of Funding, chapter 1.3

13.3 Eddie Bush Memorial Arena Funding Application is Denied

801. On December 17, 2012, Mayor Sandra Cooper emailed Council to advise that the CIIF funding application for the Eddie Bush Memorial Arena was not successful. Mayor Cooper wrote: "Staff will continue to pursue funding opportunities in the future. Work still will need to take place with the building with the budget consideration."

Email chain including Sandra Cooper, Town Councillors, Ed Houghton, and Paul Bonwick, December 17, 2012, [TOC0257136.0001](#)

802. Ed Houghton replied directly to Mayor Cooper, writing "Your Worship: Why didn't you use my words? The message that it can be done in phases has been lost". Mayor Cooper responded "Trying to do it quickly while at hairdresser's". Mr. Houghton replied, "Its too important an issue to do quickly. I'm sorry."

Email chain including Sandra Cooper, Town Councillors, Ed Houghton, and Paul Bonwick, December 17, 2012, [TOC0257136.0001](#)

803. Ed Houghton forwarded the email chain to Paul Bonwick, expressing frustration. Mr. Bonwick replied to Mr. Houghton: “100% she will not understand your frustration or consequence...meet with her and discuss is my advice....let's chat in an hour.”

Email chain including Sandra Cooper, Town Councillors, Ed Houghton, and Paul Bonwick, December 17, 2012, [TOC0257136.0001](#)

13.4 The Town Establishes a Reserve for the Collus Funds

804. The Town established a Reserve – Share Proceeds (the “Reserve Account”) in its financial records on December 31, 2012 and used the Reserve Account to record the Collus Funds until Council was able to determine the use of the funds. The reserve amount, totalling \$12,281,989, is reflected in the Town’s 2012 year end financial statements as a “Reserve set aside for specific purposes by Council.”

Town of Collingwood, Journal Inquiry Report, Dec. 31, 2012, [CJI0011151](#)

2012 Audit Working Paper 2012 TB, note 39 at line 198, [CJI0011229](#)

Corporation of the Town of Collingwood, Consolidated Financial Report, December 31, 2012, [TOC0510002](#), p 15

805. Table 13-1 below sets out the makeup of the reserve:

Table 13-1

Proceeds of Sale		\$8,000,000
Power Dividend	4,089,937	
Solutions Dividend	213,986	
	4,303,923	4,303,923
Dividend Adjustment		294,466
Share sale transaction expenses paid by Collus		(267,171)
Share sale transaction expenses paid by the Town		(49,230)
Reserve Created by Sale		\$12,281,989

2012 Audit Working Paper IS.11 Sale of Collus Shares to Powerstream Inc, December 31, 2012, [CJI0011218](#)

Foundation Document 1, Paragraphs 640 and 646