



Staff Report

Report To: Council Meeting
From: Robin Greenall, Chief Administrative Officer
Date: 2025-06-23
Subject: Port Glasgow Trailer Park – Recommendation Report

Recommendation:

That West Elgin Council hereby receives the report from Watson and Associates:

And That, Council approves the recommendation to maintain the ownership and management of the park in a total cost recovery scenario;

And That, Council approves the recommended three-year seasonal rate increases;

And That, Council directs staff to research and implement best practices for a recreational trailer park to update the service and use policies and procedures that support reducing liability and risk costs;

And that Council directs staff to review its operational structures and implement policies and procedures that support operational efficiencies.

Purpose:

The purpose of this report is to provide Council with the financial analysis of operating scenarios for the Port Glasgow Trailer Park.

Background:

October 24, 2024 - West Elgin Council Meeting, Council moved the recommendation to declare the Port Glasgow Trailer Park surplus and proceed with the disposition of land.

The demand for resources, both financial and operational, led to the decision to declare Port Glasgow Trailer Park as surplus. Financially, it is anticipated within three years the cost of general operations and management of the park will fall onto the levy (general tax base). Operationally, the municipality dedicates significant administrative and onsite staffing plus contracted service for maintenance support per season; this staffing support occurs during prime time for construction and development projects. Redirecting staff hours would support the maintenance and growth of our community.

December 19, 2024 - West Elgin Council Meeting, Council moved forward the recommendations:

That West Elgin Council receives the report from M. Badura, CAO/Treasurer re: Next steps for the Port Glasgow Trailer Park lands; and That West Elgin council chooses the following recommendations:

That West Elgin Council considers operating the park for the 2025 calendar year and directs staff to bring 2025 PGTP Fees and Charges By-Law for review and approval at the next meeting of council; And

That West Elgin Council provides trailer park residents with the opportunity to submit offers for consideration; And

That Council appoint Councillor Dougherty and Councillor Statham to the Port Glasgow Trailer Park Advisory Committee

April 10, 2025 - West Elgin Council Meeting, Council reconsidered the previous decision of December 19, 2025, and further moved that:

Whereas the Port Glasgow Trailer Park lands were declared as surplus by Council at its October 24, 2024 meeting;

And whereas the proposed divestment has not been clearly communicated to the users of Port Glasgow Trailer Park or surrounding area;

And whereas alternative uses or revenue opportunities have not been explored and compared to the current divestment plan.

Be it resolved that the divestment of Port Glasgow Trailer Park be deferred until a comprehensive cost-recovery analysis is completed, outlining the financial implications of continued municipal ownership and operation, inclusive of leasing options; And Further that a report is delivered to Council with full-cost recovery options and divestment options.

April 24, 2025 - West Egin Council Meeting, Council moved the following recommendation:

That West Elgin Council hereby receives the report from Robin Greenall, CAO regarding the Port Glasgow Trailer Park Financial Analysis Study– Quote.

And That Council approves the recommendation to contract Watson and Associates Economist Ltd. to complete a financial analysis study, and to fund the cost of the service through the Municipality of West Elgin's Port Glasgow Trailer Park Reserves.

Watson & Associates was contracted to conduct a financial analysis of the Port Glasgow Trailer Park in 5 operating scenarios:

- Maintaining ownership and operating the park with 0% seasonal increases, Status Quo
- Maintaining ownership and operating the to be cost neutral (revenue covers operating and capital costs)
- Maintaining ownership and operating the park to be a revenue stream
- Leasing the park to a third-party management
- Selling the park.

The reporting of their analysis is included as the appendix of this report.

Recommendations and considerations:

Based on the financial analysis of the Watson report, and assessment of management and operational procedures and policies, the following recommendations are for Council's consideration.

Administration recommends that Council proceed to maintain the ownership and management of the park in a total cost recovery scenario for the benefit of community.

The Port Glasgow Trailer Park was declared surplus due to the anticipated financial and operational stresses on the municipality. To address management issues related to the park, it is advised that council directs Administration to review and implement best practices for the management of a recreational trailer park, and to update the service and use policies and procedures that support reducing liability and risk costs. And that Council directs staff to review its operational structures and implement policies and procedures that support increasing operational efficiency.

To address the financial stressors, it is advised that the Council approves the following 3-year seasonal rate schedule increases to support a cost recovery service.

Year	Percentage Increase	Rate Increase	Seasonal Rate
2026	11%	\$236.00	\$2,378
2027	11%	\$261.00	\$2,639
2028	9%	\$238.00	\$2,877

After which, projected rate increases will be assessed based on operational and capital service demands. This will ensure that the financial demands for delivering the Port Glasgow Trailer Park recreational services are supported solely by the revenue.

Other scenario options:

The following scenarios are not the preferred option; they are listed with considerations if Council wished to explore as a recommendation.

Retaining the Park as a Source of Revenue

The option to retain the park as a source of revenue is not preferred as this option would require further legal analysis of the operating and management policies for the Port Glasgow Trailer Park. This option could be explored in the future.

Leasing

The leasing scenario was not recommended due to operational risk and liability concerns.

Leasing the property is not the preferred option as a level of risk and responsibility for the park, and to replace assets within the park, remain with the municipality. Municipal staff will be responsible for assessing that park's assets are effectively managed and maintained. To reduce risk of damage, third-party park operators should have experience and skills with the maintenance of large septic systems, water line, hydro, road maintenance etc.....

Municipal staff have identified that not all underground assets (sewage lines) are recorded and mapped. Prior to considering this option a full assessment and mapping of assets should be completed to avoid unnecessary damage to existing lines.

If Council would like to retain the ownership of the land and maintain the current recreational services without the direct responsibility of managing the park, staff would recommend that a lease model would be contracted through the RFP process. The RFP process would establish the minimum skills and experience required by park operators and establish a minimum annual lease rate.

Sale of Land.

The sale of the land is not the preferred option as once the land is sold it no longer provides a benefit to the community. If Council would like to consider the sale of land, staff would recommend that Council directs staff to provide an investment strategy to maximize the one-time earnings.

Financial Implications:

Financial implications are identified within the attached report.

Policies/Legislation:

None

Alignment with Strategic Priorities:

Infrastructure Improvement	Recreation	Economic Development	Community Engagement
<input type="checkbox"/> To improve West Elgin's infrastructure to support long-term growth.	<input checked="" type="checkbox"/> To provide recreation and leisure activities to attract and retain residents.	<input checked="" type="checkbox"/> To ensure a strong economy that supports growth and maintains a lower cost of living.	<input checked="" type="checkbox"/> To enhance communication with residents.

Respectfully submitted by,

Robin Greenall, CAO