



## Council Report

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**Report Number:** CA02026-002  
**Meeting Date:** April 21, 2026  
**Title:** Summit Wellness Centre Update  
**Description:** To update Council on the Summit Wellness Centre project and address debenture increase requirements.  
**Author and Title:** Ron Taylor, CAO

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### Recommendation(s):

**That** Report CA02026-002, **Summit Wellness Centre Update**, be received;

**That** Council approve an increase to the tax funded debenture for the Summit Wellness Centre project (953220301) to the upset amount of \$1,860,000; and

**That** Council approve the Development Charge (DC) funding of \$7.1 Million to be converted to a DC debenture; and

**That** the total \$25.5 Million project construction budget be reduced upon receipt of any grant approval; and

**That** the City's Long-Term Financial Plan be updated to reflect this increase.

**Department Head:** \_\_\_\_\_

**Financial/Legal/HR/Other:** \_\_\_\_\_

**Chief Administrative Officer:** \_\_\_\_\_

## **Background:**

At the February 16, 2021 Special Council meeting, Council adopted the following resolution:

### **CR2021-091**

**Moved By:** Councillor Yeo

**Seconded by** Councillor Dunn

**That** the Coboconk Wellness Centre be included in the 2021 Special Projects Budget in the amount of \$126,000 to be funded from the Tax Levy.

This decision provided necessary funds to advance the planning and preparation work for the proposed facility development. The Chamber concurrently led a community fundraising campaign to contribute to the facility redevelopment budget.

At the August 10, 2021 Regular Council Meeting, Council adopted the following resolution:

### **CR2021-369**

**Moved By** Councillor Yeo

**Seconded By** Councillor Seymour-Fagan

That Report CS2021-006, Coboconk Wellness Centre Update – Funding Request, be received;

**That** funding in the amount of \$150,000.00 be provided to the Coboconk Wellness Centre Committee (Coboconk and Norland Chamber of Commerce) in order to proceed with desired Environmental and Energy Studies and various Designs and Drawings; and

**That** the funds, not to exceed \$150,000, be financed from the uncommitted portion of the City's Capital Contingency Reserve (1.32248).

Committee of the Whole – October 5, 2021:

### **Memorandum Regarding Wellness Centre Financing**

Mayor Letham

### **CW2021-245**

**Moved By** Councillor Yeo

**Seconded By** Deputy Mayor O'Reilly

**That** the Memorandum from Mayor Letham, **regarding Wellness Centre Financing**, be received;

**That** staff explore funding alternatives and financing models to allow for the start of construction in 2022;

**That** these concepts be brought forward as a decision unit in the 2022 budget process; and

**That** this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Council approved the construction at the November 30, 2021 Council meeting by adopting the following resolution:

**CR2021-610**

**That** the CAO and Treasurer be authorized to pursue provincial grant funding for the Summit Wellness Centre, and implement the project through a special debenture, that debenture not exceeding ten million dollars; and

**That** Staff report back with an update on any provincial grant funding opportunities.

Report CAO2022-005 (Appendix A to this report), was considered by Council at the May 17, 2022 Council meeting, and the following resolution was adopted:

**CR2022-158**

**That** Report CAO2022-005, **Summit Wellness Centre**, be received;

**That** project 953220301 – Summit Wellness Centre be approved for special debenture financing to an upset limit of \$10,000,000.00 and considered for inclusion in the Development Charges Background Study; and

**That** the City Treasurer be authorized to refinance capital project 953220301 – Summit Wellness Centre to reduce reliance on debenture financing in the event the project receives additional financing from grants, development charges or other sources.

This project was further supported by Council at the April 22<sup>nd</sup>, 2025 Council meeting, with the consideration of Report CORP2025-013 (Appendix B to this report), by increasing the budget to \$16.5M through the following resolution:

## **CR2025-126**

**That** Report CORP2025-013, Summit Wellness Centre Update, be received;

**That** Council approve an increase to the debenture for the Summit Wellness Centre project (953220301) in the upset amount of \$6,500,000.00; and

**That** the City's Long-Term Financial Plan be updated to reflect this increase.

It was anticipated that one final budget update and reconciliation would be brought to Council as the project neared completion, reflecting the total project cost (following revised work estimates and tender responses), and status of grant funding applied for.

The Summit Wellness Centre project is now nearing completion. The total project cost estimate exceeds the budget of \$16.5 Million approved one year ago. This report provides Council with an update on the project construction and recommends approval of a final project construction budget of \$25.5 Million (an increase to the gross project budget of \$9 Million).

It is anticipated that an outstanding grant could offset the final project cost by as much as \$2.4 Million.

### **Rationale:**

The Summit Wellness Centre (SWC) is slated for completion during the summer of 2026. Discussions have been ongoing between City Staff and the Coboconk, Norland and Area Chamber of Commerce (Chamber) to provide cash flow and financing up to the current budget limit of \$16.5 Million. As of early 2026 the Chamber confirmed that the project would exceed the \$16.5 Million budget and final figures indicated that another approximate \$9 Million would be required to complete the project.

This is due to several factors:

- Identified increase in the scope of work, detailed and provided to the City in 2025 that noted there were several items not included in the original scope of the project through the original construction agreement.
- Most of the larger government grant applications applied for were not approved.
- Tender awards for various project contracts were coming in much higher than forecasted (estimates pre-pandemic; work commenced during the pandemic).
- Particularly throughout 2025 and current, tariffs, delivery expenses, heating costs, weather and material delays, fuel costs and snow removal have exceeded estimates in the original Cost Consultant Report.

The community has raised over \$1.7 Million in donations to date and the campaign is continuing.

The Chamber has already contributed \$1 Million of this fundraising towards the construction of the building. The terms of the Memorandum of Understanding, signed with the City, states that the Chamber is responsible for using additional fundraising funds to purchase equipment, furniture and technology needs. The additional \$700,000 of fundraising has been committed to these items.

The Chamber has applied for numerous grants and is currently waiting for an approval from the Ministry of Health for an approximate \$2.4 Million grant. Staff are recommending that the final project budget include all works needed to be funded, and upon receipt, then the Treasurer will reduce the total project budget accordingly.

The SWC has prepared a Project Update memorandum (see Appendix C).

**Other Alternatives Considered:**

Council could choose not to fund this project through to construction completion. However, this would not be in alignment with Council’s previous direction to support the project as a partner. It is also not recommended as substantial construction progress has been made, and completion cannot proceed without a project funding commitment.

**Alignment to Strategic Priorities**

The SWC is aligned to the 2024 to 2027 Council Strategic Priority of An Exceptional Quality of Life with the action to improve the health and well-being of residents. This facility will serve as a health, primary care and community hub for Kawartha Lakes.

**Financial/Operation Impacts:**

The current projected deficit and the increased budget is illustrated below:

Project	Current Budget	Estimated Total Spending to Completion of Construction	Current Deficit	Gross Project Budget (Final)
Summit Wellness Centre- 953220301	\$16,500,000	\$25,500,000	(9,000,000)	\$25,500,000

In the April 2025 staff report it was noted that an element of this project is growth related. During the last Development Charge (DC) study this project was included in the eligible projects and assigned DC funding of approximately 28%, net of any grants received. The current \$16.5M budget is structured as follows:

Type of Financing	Amount
Debenture Financing	\$11,880,000
Development Charge Funding	\$4,620,000
<b>Total Project Funding</b>	<b>\$16,500,000</b>

Now that the budget has increased to \$25.5 Million the funding split would be as follows:

<b>Type of Financing</b>	<b>Amount</b>
Debenture Financing	\$18,360,000
Development Charge Funding	\$7,140,000
<b>Total Project Funding</b>	<b>\$25,500,000</b>

Council previously authorized total Debenture funding for this project to an upset limit of \$16.5 Million. An additional maximum \$1.86 Million in debenture financing is requested (totaling \$18.36 Million).

In addition, Staff is recommending that the revised DC funding of \$7.14 Million be a DC debenture rather than a withdrawal from the DC reserve (which is currently under-funded due to a slowdown in growth in the Province).

The Chamber continues to work on various alternative funding sources. The first is a Ministry of Health Grant which, if successful, the project will receive up to \$2.4 Million. The other source of funding is the potential for increased fundraising (those efforts continue). The City receives an HST 100% ITC refund for project expenses. These rebates, totaling approximately \$2.5 Million will further offset the gross project budget. This additional funding, fundraising and HST refunds could reduce the gross project budget below \$20 Million. The Treasurer and the CAO will reduce the tax funded debenture and the DC debenture as funding is realized.

## **Consultations:**

City Treasurer  
Director, Community Services  
Manager, Building & Property  
Manager, Capital Assets  
Coboconk, Norland and Area Chamber of Commerce

## **Attachments:**

Appendix A – Report CAO2022-005



CAO2022-005

Appendix B – Report CORP2025-013



CORP2025-013

Appendix C – Summit Wellness Centre Project Update (April 2026)



Summit Wellness  
Centre Project Update

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**Department Head: Ron Taylor, CAO**