

THE CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

ADMINISTRATION REPORT

MEETING DATE: January 26, 2016
TO: Committee of the Whole
FROM: Diane Smithson, Chief Administrative Officer
SUBJECT: Recreation Cost Sharing Agreement Update

RECOMMENDATIONS

This report is provided for information purposes. Council may decide to provide further direction in regard to this matter.

BACKGROUND

At the June 29, 2015 Committee of the Whole meeting, I had a report on the agenda regarding the Recreation Cost Sharing Report. My report at that time based on some statistical analysis recommended that "That Council agrees to maintain the status quo with regard to the Howard Allan Recreation Cost Sharing Agreement." During the discussion on the report and at the subsequent Council meeting that night, the following Resolution was passed:

Motion #2

Resolution No. 260-15

Moved by Councillor Lowry

Seconded by Councillor Wilkinson

BE IT RESOLVED THAT Council authorizes the Mayor and CAO to negotiate a fair and reciprocal Cost Sharing Agreement with Carleton Place, and

THAT the final costs to Mississippi Mills not exceed current value, and

THAT the agreement returns to Mississippi Mills Council for approval.

CARRIED-6-3

Councillor Lowry requested a recorded vote

Yeas – Councillors Abbott, Cameron, McCubbin, Torrance, Wilkinson, Mayor McLaughlin

Nays – Councillors Ferguson, Gillis, Lowry

DISCUSSION

Following the passing of the above resolution, the Mayor and I scheduled an initial meeting with the Mayor and CAO for the Town of Carleton Place on August 5, 2015. A second meeting was held on October 6, 2015. Following these two meetings, it was suggested that Mississippi Mills put forth a proposal to the Recreation Cost Sharing Agreement.

As the next regularly scheduled Joint Recreation Committee meeting was scheduled for the next day, October 7, 2015, a proposal was not brought forth at that time. It was also agreed at the October 7 meeting that Howard Allan be invited to attend to make a presentation at the next meeting which was scheduled for January 13, 2016 to be hosted by Mississippi Mills.

At the January 13, 2016 meeting, a proposal report was submitted by Mississippi Mills for consideration following Mr. Allan's presentation. Ultimately, any recommendations would require approval from all three (3) participating councils. Many councillors from Mississippi Mills were in attendance to hear Mr. Allan's presentation. The following is the wording of the recommendation proposed though a full copy of the report is attached to this report:

THAT the Municipality of Mississippi Mills recommends to the Joint Recreation Cost Sharing Committee that the following be undertaken:

- 1. That Howard Allan, Allan Chartered Account Professional Corporation be retained to complete a review of the Cost Sharing Agreement and make recommendations for any changes;**
- 2. That upon receipt of an updated report by Howard Allan and subsequent approval by the member municipalities that:**
 - a. the Town of Carleton Place and the Township of Beckwith give consideration to entering into a separate reciprocal sharing agreement related to the Arena and Library facilities in Mississippi Mills based on the updated report.**
 - b. the Municipality of Mississippi Mills give consideration to entering into a separate sharing agreement related to Township of Beckwith facilities.**

The above recommendation was discussed at great length at the Joint Recreation Meeting. Mr. Allan suggested doing some analysis at an estimated cost of \$1,000. A motion was finally moved and seconded as follows:

THAT Howard Allan be retained at a cost of \$500 per municipality to complete a review of recreation costs on a per household and per capita basis for each of the three partners of the Recreation Cost Sharing Agreement and work with the Recreation staff in each of the municipalities to conduct a review and make recommendations regarding the spheres of influence used for the cost sharing calculations.

The motion was DEFEATED. The general feeling of the partners was that the current agreement is working well. Even though there may be an opportunity for more money for some of the partners if new facilities are taken into consideration, they feel that it is more important to continue to be good neighbours.

Given that there was no willingness of the parties at the meeting to change the agreement, I will deem this task item completed unless Council provides any further direction in regard to this matter.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report over and above what the Municipality currently pays in accordance with the Recreation Cost Sharing Report.

SUMMARY

This report summarizes the work undertaken by the Mayor and I in an attempt to negotiate a new Cost Sharing Agreement. If further direction is not provided by Council, I will deem this task item completed.

Respectfully submitted

Diane Smithson,
Chief Administrative Officer

ATTACHMENT

Proposal Report to Joint Recreation Committee

THE CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

ADMINISTRATION REPORT

DATE: January 13, 2016
TO: Joint Recreation Cost Sharing Committee
FROM: Diane Smithson, CAO
SUBJECT: **RECIPROCAL COST SHARING**

RECOMMENDATION

THAT the Municipality of Mississippi Mills recommends to the Joint Recreation Cost Sharing Committee that the following be undertaken:

- 1. That Howard Allan, Allan Chartered Account Professional Corporation be retained to complete a review of the Cost Sharing Agreement and make recommendations for any changes;**
- 2. That upon receipt of an updated report by Howard Allan and subsequent approval by the member municipalities that:**
 - a. the Town of Carleton Place and the Township of Beckwith give consideration to entering into a separate reciprocal sharing agreement related to the Arena and Library facilities in Mississippi Mills based on the updated report.**
 - b. the Municipality of Mississippi Mills give consideration to entering into a separate sharing agreement related to Township of Beckwith facilities.**

BACKGROUND

The original cost sharing study was undertaken by Howard A. Allan, Chartered Accountant in April 1987. Following his presentation of the study, an agreement for Recreational and Cultural Services was entered into by the Town of Carleton Place, Town of Almonte, Township of Beckwith and Township of Ramsay on September 28, 1987. The parties then agreed to have an addendum report completed in August 2001. The addendum report took into account the amalgamation that had taken place between the Town of Almonte and the Township of Ramsay with the Township of Pakenham into the newly created Town of Mississippi Mills.

As neither the Township of Ramsay nor the Township of Beckwith had any recreational or cultural facilities in 1987, the agreement was created to recognize the use of facilities in both the Town of Almonte by Township of Ramsay residents and in the Town of Carleton Place by Township of Beckwith and Township of Ramsay residents and by Town of Almonte residents for the Town of Carleton Place pool facility.

The 1987 cost sharing formula was based on assessment and to this day, Mr. Allan's staff provides a calculation that sets the cost sharing percentages based on updated

assessment figures. These annual adjustments have kept the agreement current as growth has taken place in the municipalities. The 1987 formula calculated a contribution to Carleton Place based on the assessment value of properties in or near Carleton Place and a contribution to Almonte based on assessed value of properties in or near Almonte. Assessment for properties within Almonte and Carleton Place were calculated at 100% whereas properties in the rural areas (Beckwith and Ramsay) were assessed at 80%, 40-50% or 15% depending on their distance from Carleton Place and Almonte.

To date, the agreement has not included a formula for sharing between Almonte and Carleton Place except for a contribution from Almonte towards Carleton Place for the pool.

DISCUSSION

The addendum report prepared in 2001 was partially requested to consider the handling of future recreation facilities built outside the Town of Carleton Place and propose recommendations for the sharing of operating costs for such facilities between the participating municipalities.

It has been 14 years since the Cost Sharing Agreement has been reviewed by the parties. Over the years, both Beckwith and Carleton Place have approached the other parties about contributing to sharing towards additional facilities within their jurisdictions i.e. Beckwith Recreation Complex and Carleton Place Canoe Club. While both Beckwith and Carleton Place share in the costs of these additional facilities, Mississippi Mills has declined to participate.

The most recent agreement between Beckwith and Carleton Place for the sharing of operating and long term debt costs of the Beckwith Recreation Complex was based on the formula proposed by Howard Allan in the 2001 Addendum Report with a contribution of 41.17% being made by Carleton Place to Beckwith.

In addition, in 2010, Mississippi Mills completed a \$2 million expansion and renovation of the Almonte Community Centre that included six (6) new change rooms, barrier free access and upper hall improvements. Mississippi Mills was successful in obtaining a Building Canada Fund grant to pay for 2/3 of the cost. Similarly, significant improvements have been made to the Stewart Community Centre in Pakenham and our two branches of the Library. At the time of construction, Mississippi Mills did not approach Beckwith or Carleton Place for contributions towards these upgrades.

Since the Cost Sharing Agreement was first entered into, the population has become more mobile (i.e. many families now have two vehicles) and with arena ice being at a premium for teams/leagues to obtain, people are willing to travel more to obtain the amount of ice time they require. For example, Carleton Place Girls Hockey now receives 6 hours of ice per week in Mississippi Mills (2 hours per week in Pakenham and 4 hours per week in Almonte) as they were unable to rent the hours of ice they required in Carleton Place to accommodate the number of registrants/teams they had. Additionally, due to increased mobility and demands by users, it is no longer fair to limit the scope of the agreement to just parts of the former Ramsay Township. Mississippi Mills is the partner to the agreement.

A cursory review of registrations by various users of the Almonte Community Centre, Stewart Community Centre indicates that there are Carleton Place and Beckwith users of these facilities. In addition, our library is used by residents of Carleton Place and Beckwith. As a result, Mississippi Mills would now like to request a contribution towards any net operating and the long term financing components for our arena and library facilities, though on a going forward basis only. According to the current Howard Allan 2001 addendum report, Carleton Place would contribute 41.4% of these costs and Beckwith 11% though these figures may change going forward.

PROPOSAL

Mississippi Mills is asking the Recreation Cost Sharing Committee and its respective Municipal Councils to give consideration to a two-part proposal.

Given that it has been 14 years since the Cost Sharing Agreement and formulas were last reviewed, Mississippi Mills would be in favour of having an update of the report completed if both Carleton Place and Beckwith agree.

If this is the chosen course of action, once the agreement has been updated, Mississippi Mills respectfully requests that Carleton Place and Beckwith consider contributions towards the net operating and any long term debt costs of Mississippi Mills' Community Centres and Libraries based on the new formula proposed by Mr. Allan. Mississippi Mills will in turn give consideration to contributing to facilities in Beckwith Township.

FINANCIAL IMPLICATIONS

As an example, the Municipality of Mississippi Mills' net operating costs of the Almonte Community Centre (taking into account all expenses and subtracting all revenues) are \$22,992.06. The Municipality's annual debt repayment is \$54,516.00. If Carleton Place and Beckwith contributed to these costs in accordance with the current Addendum report, the allocations would be as follows:

MUNICIPALITY	PERCENTAGE	OPERATING COST	CAPITAL COST	TOTAL
Carleton Place	41.4%	\$9,518.71	\$22,569.62	\$32,059.35
Beckwith	11.0%	\$2,529.13	\$5,996.76	\$8,518.19
Mississippi Mills	47.6%	\$10,944.22	\$25,949.62	\$36,893.84
TOTAL	100%	\$22,992.06	\$54,516.00	\$77,508.06

Similar calculations could be completed for the Stewart Community Centre in Pakenham and our two library branches.

SUMMARY

The need for additional ice time by users, the lack of available ice in home communities and the increased mobility of people has resulted in a broader use of recreational facilities and libraries by groups / individuals from other communities. In order to

accommodate the changing users of our facilities, Mississippi Mills has undertaken significant capital improvements of its arena and library facilities. Previously, Mississippi Mills did not approach its partner municipalities in the Howard Allan Cost Sharing Agreement for contributions towards these upgrades or their operating costs. However, given these facts, Mississippi Mills now respectfully requests a contribution from its partners towards the net operating and long term debt costs of these facilities on a going forward basis.

Respectfully submitted on behalf of Mississippi Mills Council,

Diane Smithson,
Chief Administrative Officer