



SPECIAL COUNCIL

November 6, 2019, 5:30 pm

Council Chambers

360 Dibble St. W.

Prescott, Ontario

Pages

1. Call to Order

2. Approval of Agenda

RECOMMENDATION

That the agenda for the Emergency Special Council Meeting of November 6, 2019 be approved as presented.

3. Declarations of Interest

4. Staff

4.1 Staff Report 84-2019 - Net Operating Cost Sharing Agreement

1

RECOMMENDATION

That Council authorize the Chief Administrative Officer and Mayor to continue contract negotiations with the Township of Augusta and the Township of Edwardsburgh Cardinal to established an agreement for the South Grenville’s arenas net operating expenditures based on the proposal that the Town of Prescott presented to the Township of Augusta on October 9, 2019 and to the Township of Edwardsburgh Cardinal on October 15, 2019, to be allocated equally 1/3 to the three municipalities, capped at \$25,000 per operating rink per year; and

That Council support the proposal to make the agreement effective January 1, 2019.

5. Period for Media Questions

6. Confirming By-Law - 43-2019

34

RECOMMENDATION

That By-Law 43-2019, being a by-law to confirm the proceedings of the Emergency Special Council meeting held on November 6, 2019, be read a first and second time.

RECOMMENDATION

That By-Law 43-2019, being a by-law to confirm the proceedings of the Emergency Special Council meeting held on November 6, 2019, be read a third time, passed and signed by the Mayor and Clerk.

7. Adjournment



		Date Req'd
Information Purposes		
Policy / Action Req'd	x	Nov 6'19
Strategic Plan		

STAFF REPORT TO COUNCIL

Report No. 84-2019

Date: November 6, 2019

From: Matthew Armstrong, Chief Administrative Officer and Treasurer

RE: Net Operating Cost Sharing Agreement

Recommendation:

That Council authorize the Chief Administrative Officer and Mayor to continue contract negotiations with the Township of Augusta and the Township of Edwardsburgh Cardinal to establish an agreement for the South Grenville's arenas net operating expenditures based on the proposal that the Town of Prescott presented to the Township of Augusta on October 9, 2019 and to the Township of Edwardsburgh Cardinal on October 15, 2019, to be allocated equally 1/3 to the three municipalities, capped at \$25,000 per operating rink per year; and

That Council support the proposal to make the agreement effective January 1, 2019.

Background/Analysis:

On November 1, 2019, the Council for Township of Augusta passed a similar motion to the one above. The differences between the motion passed by the Township of Augusta and the motion endorsed by Prescott Town Council in regard to a net operating expenditure cost-sharing plan, are as follows:

- The net operating expenditures would be split equally in thirds as opposed to proportionally based on population
- The agreement would be made retroactive to January 1, 2019 as opposed to January 1, 2020



		Date Req'd
Information Purposes		
Policy / Action Req'd	x	Nov 6'19
Strategic Plan		

Financial Implications:

The net operating costs for the arenas currently in operation would be shared equally by the Township of Augusta, the Township of Edwardsburgh Cardinal and the Town of Prescott up to \$25,000 per year per arena for the contributing municipalities (Augusta and Prescott). In the years until the Recreation Complex is built in Prescott, the Town of Prescott would contribute \$50,000 per year to Edwardsburgh Cardinal. The Township of Augusta would make the same contribution to the Township of Edwardsburgh Cardinal. It is anticipated that the yearly contribution will be less than the maximum contribution. Any amount remaining in excess of the \$25,000 cap per arena would be the responsibility of the municipality that operates the arena.

Once the Recreation Complex is built, the contribution made to Edwardsburgh Cardinal would continue, however the Town of Prescott would receive a maximum of \$50,000 to support the net operating expenditures of the Recreation Complex from the Township of Augusta and the Township of Edwardsburgh Cardinal (\$25,000 from each municipality).

The table below illustrates the maximum contribution each municipality would make prior to the Recreation Complex being operational and after the Recreation Complex becomes operational.

	Augusta	Edwardsburgh Cardinal	Prescott	Total
Prior to Complex Operating				
Payments to EC	\$50,000	-	\$50,000	\$100,000
After Complex Operating				
Payments to EC	\$50,000	-	\$50,000	\$100,000
Payments to Prescott	\$25,000	\$25,000	-	\$50,000
Total	\$75,000	\$25,000	\$50,000	\$150,000

Prior to the Recreation Complex operating, the Town of Prescott would expect to pay a maximum of \$50,000 per year. After the Recreation Complex is operating, the Town of Prescott would continue to pay a maximum of \$50,000 per year but it would also expect to receive a maximum of \$50,000 per year.

In the years prior to the Recreation Complex operating, the annual contribution to Edwardsburgh Cardinal would be supported by the annual transfer to reserve for the Recreation Complex. Therefore, there would be no affect on the surplus or deficit.



		Date Req'd
Information Purposes		
Policy / Action Req'd	x	Nov 6'19
Strategic Plan		

Alternatives:

Modify the motion to reflect a previous position.

Attachments:

Township of Augusta Council Report 2019-123 – Dated November 1, 2019

Town of Prescott Committee of the Whole Report 73-2019 – Dated October 7, 2019

Submitted by

Matthew Armstrong
Chief Administrative Officer and Treasurer

**AGENDA
AUGUSTA TOWNSHIP
SPECIAL COW MEETING
November 1, 2019 @ 6:30 P.M.**

- A. Call to Order
- B. Approval of Agenda
- C. Disclosure of Interest and Nature Thereof
- D. Report 2019 – 123 - Sharing of South Grenville Recreational Facility Expenditures
- E. Questions for the Public
- F. Questions for the Press
- G. Adjournment

REPORT NUMBER: 2019-123

DATE SUBMITTED TO COUNCIL: November 1, 2019

RE: Sharing of South Grenville Recreational Facility Expenditures

AUTHOR: Ray Morrison, CAO/Treasurer

RECOMMENDATION:

THAT Council receive the attached report for information; and:

THAT Council authorize the CAO and Mayor to express support for and actively participate in the Prescott 2019 Canada Infrastructure Program – Community Centre and Recreation funding application; and

THAT Council authorize the CAO and Mayor to continue contract negotiations with the town of Prescott and Township of Edwardsburg-Cardinal (EC) to increase Augusta's contribution to South Grenville's arenas net operating expenditures based on Prescott's proposal to Council, dated October 9, 2019, to be allocated equally 1/3 to the three municipalities, capped at \$25,000 per operating rink per year; and

THAT Council support Edwardsburgh-Cardinal's proposals to make the agreement effective January 1, 2019; and

THAT Council pay the hockey and skating associations as per Report 2017-043, for 2019-2020, but discontinue the payment for the 2020-21 season and going forward.

BACKGROUND:

Augusta Township has been asked to contribute more towards the operating and capital expenditures of neighbouring municipalities for several years. For many years, the Township contributed a non-resident fee to the local skating and hockey associations. At issue with this process is the funding did not make its way to the neighbouring municipalities. In 2017, Augusta entered into an agreement with Edwardsburgh-Cardinal to contribute \$15,000 (plus annual inflation) directly to the Township. Subject to Report 2017-043, funding to the local skating and hockey associations was reduced to offset this additional cost. No equivalent agreement was arrived at with Prescott, so no similar contribution has been paid. Throughout 2019, negotiations have occurred related to changing this model. Options include:

1. Status quo – Contribute \$15,650 to EC in 2019 and a similar contribution (i.e. \$7,825) to Prescott and continue reducing contributions to the associations per Report # 2017-043. See attachment A.
2. Support Prescott's current application to the Canada Infrastructure Program – Community, Culture and Recreation funding for a new rink in Prescott
3. Support Prescott's proposal that Augusta contribute to South Grenville Recreation facilities net operating expenditures on the basis of Augusta's

proportion of total South Grenville population, effective January 1, 2020. See attachment B.

4. Support Edwardsburgh-Cardinal's proposal to contribute to both net operating and capital expenditures on the basis of Augusta's proportion of total South Grenville population, effective 2019. See Attachment C.
5. Negotiate a reasonable Non-Resident Fee to be shared proportionately between EC and Prescott for use of Recreation Facilities in Spencerville, Cardinal and Prescott for each resident using their facilities. See Attachment D.

ANALYSIS:

The Township of EC proposes that the new sharing agreement be effective January 1, 2019, the Prescott proposes effective January 1, 2020. The current agreement with EC is understood to be an interim arrangement subject to ongoing South Grenville wide negotiations, the reduction in contributions to the local associations continues to be phased in, so it is reasonable to consider phasing in the move to a new funding model between municipalities. This needs to be considered separately from the capital vs operating cost basis for the amount. The significant increase in cost was not budgeted for 2019. Options 4 and 5 would very negatively impact the 2019 projected surplus/deficit. While EC has absorbed additional operating costs as a result of the closure of the Prescott Leo Boivin, these have been offset by increased rental income and the majority of costs being fixed, potentially resulting in an improvement in net operating costs. Augusta could absorb moving to the Prescott proposal in 2019 without going into deficit but would be unable to given the much larger EC request.

EC proposes that costs be shared equally 1/3 by the three municipalities, Prescott proposes they be shared proportionately based on population. While the merits of various allocations methods can be debated at length, sharing community wide cost proportionately based on population appears to be the least contentious and is straightforward to effectively administer, based on other successful agreements (i.e. SLCEDC). That being said, sharing equally 1/3 by the three municipalities is easier yet to administer and supports the concept of three equal partners working together. Capping the transfer at \$25,000 per operating rink per year has been suggested as a cost containment incentive measure. In addition, given Prescott's rink is closed, all the contribution should go to Edwardsburgh-Cardinal, until such time as Prescott's new rink is operational.

EC proposes that costs include capital, Prescott proposes that costs include net operating costs only. Arguments against Augusta paying a direct share of the capital costs of the existing or new rinks include:

- Augusta does not share in the grants to build them, (typically a very high percentage of total). If a municipality did not obtain significant grants at the time of building the arena, they still decided to proceed for their own good reasons at the time. Augusta should not be assessed costs for these long after the fact.
- Augusta will forego applying for the 2019 Canada Infrastructure Program – Community, Culture and Recreation funding for its own Recreational infrastructure needs in favour of supporting and strengthening the Prescott

application, thereby improving South Grenville's potential to be approved for this competitive application-based funding.

- Augusta residents will incur transportation costs to travel to and support our neighbouring municipalities' arenas.
- Augusta residents will not share in the commercial, tourism, employment or local community benefits of having the facility in our municipality.
- Augusta residents already contribute significantly to the viability of the rinks through their participation in the skating and hockey associations. Without Augusta's numbers, there would be no viable South Grenville associations, thus insufficient rentals to justify rinks in Edwardsburgh-Cardinal and Prescott.

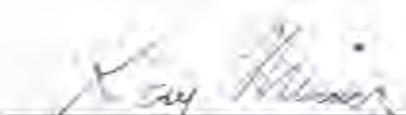
EC proposes the establishment of a joint committee of six: two from each municipality, to meet to discuss operational issues such as the setting of common ice rental rates. This seems fair and reasonable and capable of being effectively administered with ongoing turnover of Councils and staff members. However, Augusta does not currently have any say in the operations of our neighbour's rinks in South Grenville, Brockville or Athens, yet pay some form of transfer or non-resident fee to those municipalities. Private entities may also establish rinks in Augusta and the Township does not seek the responsibility of operating those (i.e. Gold-In-The-Net). Augusta does not wish to participate in the operations and scheduling of the rinks.

EC has expressed concerns that there may not be sufficient demand for additional ice time rental in a third arena to cover even the major portion of operational costs, thus putting an additional burden on all taxpayers to fund costs of three less-than-efficient arena operations. For example, only 90% of the prime-time ice available at Spencerville & Cardinal has been rented in September 2019. At the October 15, 2019 EC Council meeting, several hockey and skating associations demonstrated that they would sign up for 40 to 70 hours per week additional time, if it were made available. In addition, the ability to attract tournaments at all age levels and figure skating events (due to the larger ice surface) were identified, adding significant weekend hours of rental potential.

Councillors have heard two diametrically opposing views from many residents: 1) that a new rink in Prescott is not needed; 2) that they must support the building of and the grant application for the new rink in Prescott. In addition, Augusta has created and has identified a priority to continue to support local alternatives in its various communities (i.e. reopening Cedar Park outdoor rink in Maitland, partnership with Gold-In-The-Net, supporting volunteer operated outdoor rinks at our community halls – Maynard, MERC, North Augusta and potentially Algonquin and Domville).

FINANCIAL CONSIDERATIONS:

These were identified in the analysis portion above.



(Ray Morrison, CAO/Treasurer)

REPORT NUMBER: 2017-043

DATE SUBMITTED TO COUNCIL: June 26, 2017

RE: RECREATIONAL SERVICES AGREEMENT WITH EDWARDSBURGH - CARDINAL

PREPARED BY: Ray Morrison, CAO/Treasurer

RECOMMENDATION:

THAT the Mayor and CAO be authorized to sign an Agreement for the Use of Recreational Facilities with the Township of Edwardsburgh – Cardinal; and

THAT the Non-Resident User Fee Grant paid to residents using South Grenville facilities be reduced over 4 years to \$100 in 2017; \$75 in 2018, \$50 in 2019, \$25 in 2020 and that the CAO/Treasurer be authorized to advise affected associations accordingly.

REPORT:

During previous budget deliberations, Council decided to move forward with a more equitable and transparent approach for the provision of recreational facilities to Township ratepayers by negotiating recreational use agreements with our neighbouring municipalities. This process started with discussions with the Township of Edwardsburgh – Cardinal which has led to a proposed agreement, attached. Compared to the current non-resident fee charged by the City of Brockville and the volume of Augusta residents using Edwardsburgh-Cardinal facilities, this is an equitable transfer of funds to Edwardsburgh – Cardinal.

Attachment 1

In order to move forward with this more transparent funding arrangement, an agreement was drafted which provides for the breadth of services available to Augusta residents as well as a providing cost certainty over the years.

It should also be noted that this annual contribution should make the Township eligible to have one of the Ingredion Centre's dressing rooms named after our municipality.

Preliminary discussions have taken place with the Town of Prescott and are pending with the City of Brockville.

FINANCIAL IMPACTS:

The financial impact has been addressed in the 2017 budget. A letter explaining the policy shift to local recreational associations will be sent upon approval once the agreement is ratified in order to provide sufficient notice to the associations that contributions will be reduced over a 4 year period beginning fall 2017.

Ray Morrison, CAO/Treasurer

Annette Simonian, Clerk

COMMUNITY CENTRE NET OPERATIONAL COST SHARING

October 9, 2019



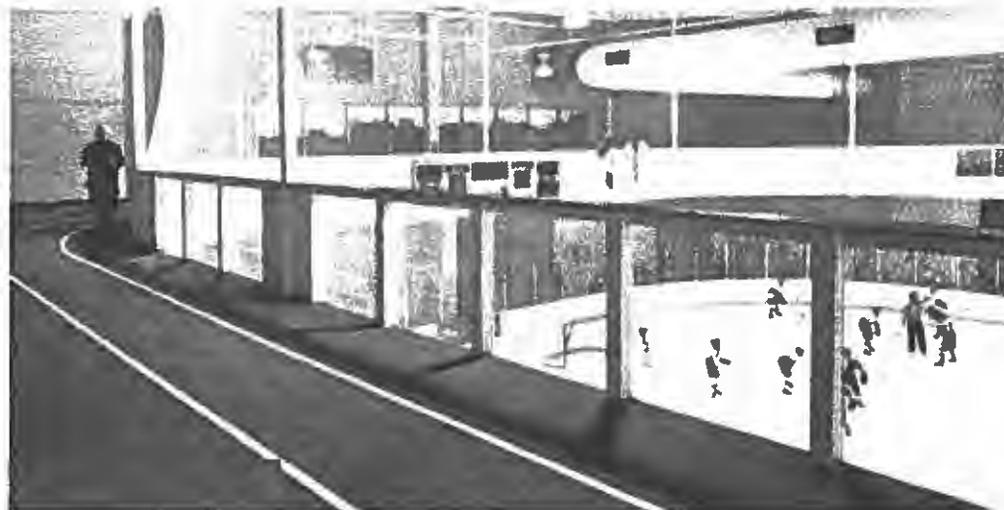
History – Why Now?

- For many years South Grenville residents have used and enjoyed all 3 community centres
- In the Fall of 2018 the Leo Boivin Community Centre ice plant was decommissioned
- Planning to replace the Community Centre had already started but with a 5 to 10 year time horizon, it was quickly accelerated in response to the closure
- Goal is to reduce the amount of time the residents of South Grenville go without access to a 3rd facility
- Investing in Canada Infrastructure Program – Community, Culture and Recreation funding applications are now open until November 12, 2019
 - This grant will provide up to 73.33% funding for eligible projects
 - Applications are stronger if they are made jointly which require a capital or operating expense partnership between municipalities



What is going to be built?

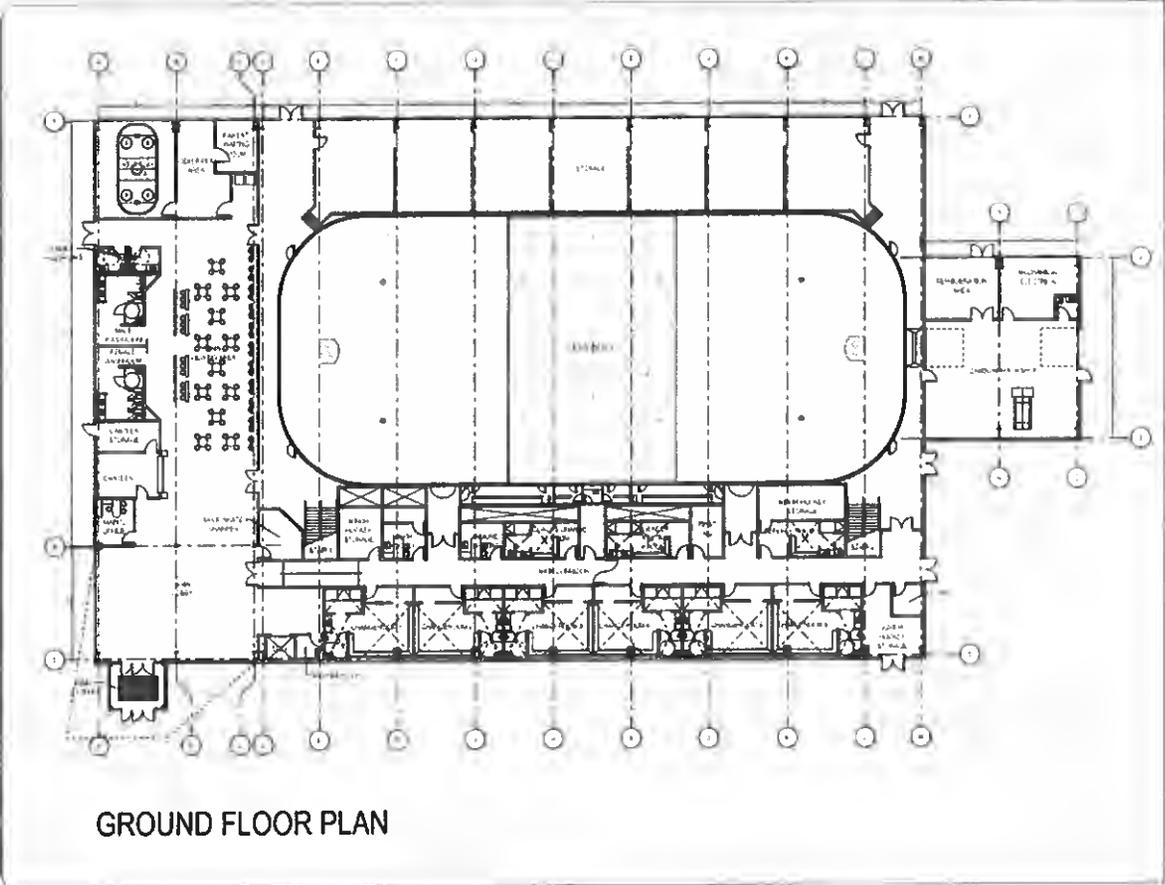
- With an aging population, there will be a focus on building a Community Centre that will appeal to all ages across various activities
- The Community Centre will be the hub for activities based on these facilities:
 - Ice Surface
 - Walking Track
 - Community Rooms
 - Outdoor soccer fields
 - Outdoor baseball fields
 - Provision for additional phases in the future



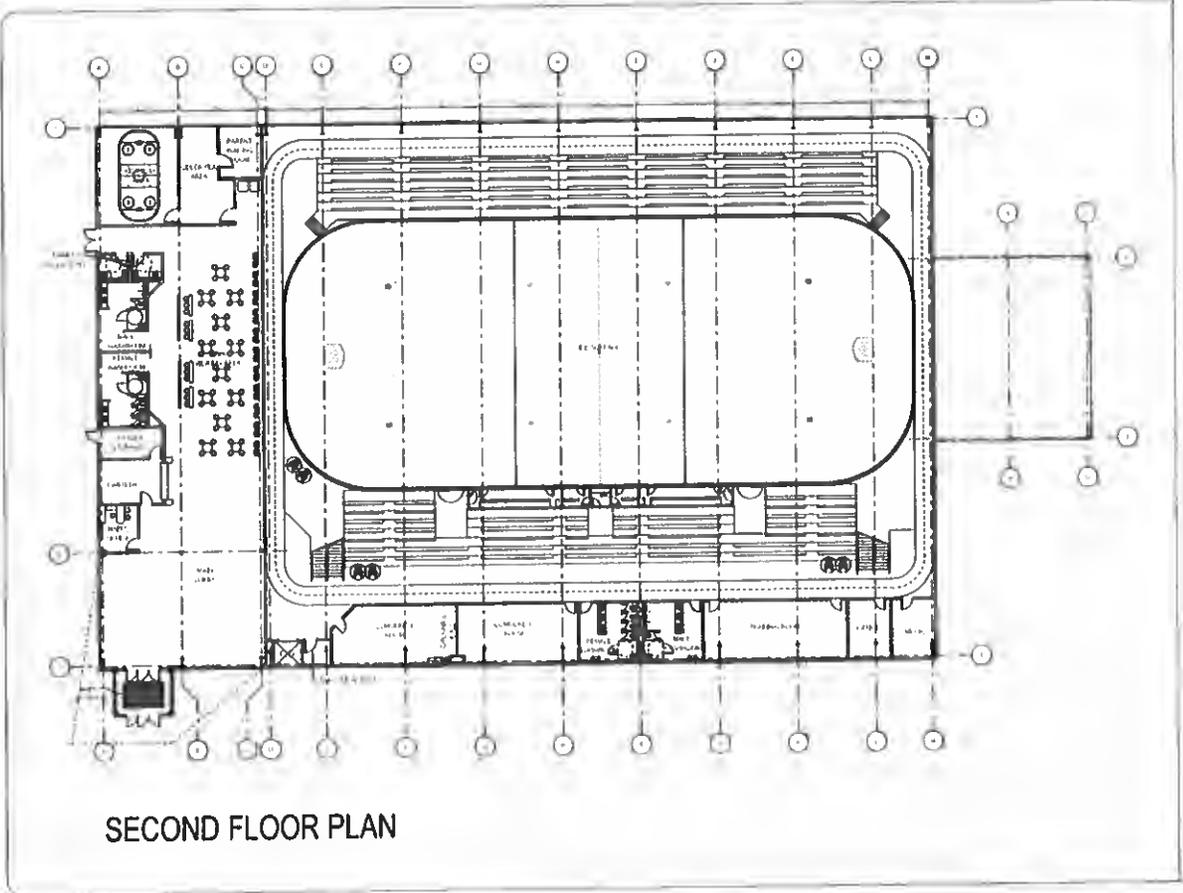
What is going to be built?



What is going to be built?



What is going to be built?



SECOND FLOOR PLAN

Where is the Money Coming From?

- Investing in Canada Infrastructure Program – Community, Culture and Recreation funding applications are now open until November 12, 2019
 - This grant will provide up to 73.33% funding for eligible projects
 - Applications are stronger if they are made jointly which require a capital or operating expense partnership between municipalities

- Remaining 26.67% will be a combination of local fundraising efforts and a capital contribution by the Town of Prescott

\$1.00 local = \$2.75 in government funding



- Fundraising Goal is \$3,020,000
 - Already at \$1,450,000 (48%) of the goal



Building South Grenville Partnerships

- In March of 2019 the Ontario government announced modernization funding for municipalities to explore and implement efficiencies
- One of the guiding principles of becoming more efficient is working with our neighbouring municipalities to provide services to residents by removing the invisible lines between municipalities
- The leadership of Augusta, Edwardsburgh Cardinal, and Prescott met on May 13, 2019 to explore possible opportunities where the municipalities could collaborate and create partnerships



Effect on Other Community Centres

- Prior to the closure of the Leo Boivin Community Centre in the fall of 2018, Edwardsburgh Cardinal and Prescott both ran relatively efficient facilities where prime time hours for ice were being highly utilized; the loss of the Leo Boivin Community Centre did not increase the revenue of the two facilities in Edwardsburgh Cardinal
- Most users of Community Centres want and need access during what is considered the prime hours of the day and week
- Prime hours are generally during the evenings on weekdays and during the day and evening on weekends
- Given that all three facilities were running at a high prime time hours utilization, the loss of the facility in Prescott did not result in an increase in revenues at the arenas in Edwardsburgh Cardinal
- Brockville also did not see an increase in usage at its arenas, as again, their prime time hours were already highly utilized
- Re-establishing the historical three facilities that South Grenville has relied on for many years will provide the needed prime time hours that users had lost in the fall of 2018; Community Centre users have confirmed the need for prime time rental hours
- The loss of these hours have prevented users from running tournaments in South Grenville as there are not enough hours available to accommodate such events without sacrificing regular schedules and rentals

Effect on Other Community Centres

Description	Spencerville Arena		Cardinal Arena		Total	
	2017	2018	2017	2018	2017	2018
Operating Revenue	\$219,169.72	\$233,832.18	\$459,447.66	\$442,115.53	\$678,615.38	\$675,947.71
Operating Expense	\$315,577.44	\$301,295.12	\$498,076.74	\$494,093.13	\$813,654.18	\$795,388.25
Operating Loss	\$96,407.73	\$67,462.94	\$38,629.08	\$51,977.60	\$135,036.81	\$119,440.54

▪ Source: Edwardsburgh Cardinal

- Between 2017 and 2018, the Spencerville Arena revenue increased by \$14,662.46, while the Cardinal Arena saw a decrease in revenue of \$17,332.13. This resulted in an overall decrease in arena revenue of \$2,669.67 between the two sites despite the loss of the third facility in Prescott in the fall of 2018.
- In 2017, Edwardsburgh Cardinal ran a net operating loss of \$135,036.81 on the two arena facilities. In 2018, the operating loss was \$119,440.54 despite a decrease in revenue of \$2,669.67.
- The improvement in the operating loss was due to a reduction in expenditures and not a result in additional revenue generated by the closure of the Leo Boivin Community Centre.

Net Operational Cost Sharing

- The residents of Augusta, Edwardsburgh Cardinal, and Prescott are all users of the three Community Centres that have served the South Grenville area for many years.
- As part of the May 13, 2019 meeting, the concept of Community Centre net operating cost sharing was first explained and discussed. This was building on previous discussions that had occurred since 2015 on how municipalities could support each other in the operations of recreational facilities.
- Follow-up meetings that occurred throughout the spring and summer on the concept of a net operating cost sharing relationship, were used to further explore, discuss, and refine the idea.
- The concept of sharing operational costs of Community Centres is not new, nor unique. The communities of Gananoque and Leeds and the Thousand Islands currently have such an agreement whereby Gananoque owns and operates the Community Centre while Leeds and the Thousand Islands provides financial support for the net operating cost in recognition that users are from both municipalities.
- Net Operational Cost Sharing
 - Revenue – Expenses = Net Operational Cost (shared)

Net Operating Cost Sharing - Today

- There are several ways the net operating cost for Community Centres could be shared between the three municipalities to reflect the fact that the users are from all three municipalities. The original suggestion put forward in May, was based on the residency of users. As discussions progressed, there was concern that tracking each specific user would be difficult and time consuming. Therefore, the concept of sharing the net cost proportionally based on population was developed. **POPULATION SHARE**

	Augusta	EC	Prescott	Total
Population	7,353	7,093	4,222	18,668
%	39.39%	38.00%	22.62%	100.00%



- If an agreement was developed between the three municipalities, on a go forward basis to begin January 1, 2020, and the net costs were split proportionally based on population, the following would be the estimated allocation:

	Augusta	EC	Prescott	Total
%	39.39%	38.00%	22.62%	100.00%
Allocation	\$47,266	\$45,595	\$27,139	\$120,000



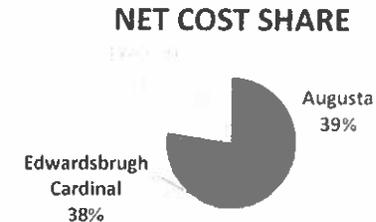
* Edwardsburgh Cardinal would immediately benefit by \$74,405 per year

Net Operating Cost Sharing – In the Future

- Once the replacement of the Leo Boivin Community Centre is built, the estimated proportional allocation would be as follows:

	Augusta	EC	Prescott	Total
%	39.39%	38.00%	22.62%	100.00%
Allocation	\$78,877	\$75,991	\$45,232	\$200,000

* Edwardsburgh Cardinal would benefit \$44,009 per year



- The above allocation reflects the net added cost of returning to a third facility (\$80,000 estimated based on size of building and building methods) and each municipality contributing proportionally towards the total net operating cost based on population
- The formula would be adjusted as new census data is released

Questions?



MUNICIPAL MODERNIZATION.....ARENA SERVICES

A PROPOSAL FOR FUNDING ARENA SERVICES IN THE SOUTH GRENVILLE REGION

PROPOSAL OUTLINE:

All three municipalities in South Grenville agree to form a six-person Community Arena Board to govern and fund arena services effective Jan 1/2019 and onward.

BACKGROUND:

1/ At the present time TWPEC owns and operates two arenas which provide arena services for the entire South Grenville region.

2/ Close monitoring of our arena operations indicates that our Facilities Manager achieves more than 94% sale of available prime ice-time and overall excellent usage of total ice-time available. TWPEC has a long record of successfully managing optimum rental revenue balanced with controlled operating and capital costs. It is expected that TWPEC has the capacity to manage a third facility with the same degree of optimization.

3/ TWPEC taxpayers fund the total cost of providing these services...2017=\$446,286.06 & 2018=\$439,995.39

4/ The Town of Prescott has a publicly stated desire to build a third arena, partially funded by an ICIP Grant, to serve the South Grenville ice-rental markets, both citizen recreation and business oriented.

The town of Prescott proposes to apply for a Federal-Provincial Grant under the INVESTING IN CANADA Infrastructure Program (I.C.I.P.) ...Community Culture and Recreation Stream which opened for applications on Sept 3 / 2019 with a November deadline.

6/ Although never formally approached in writing to provide financial support to the proposed new Prescott Arena Application there have been a number of informal approaches to do so; eg: Prescott arena fund raisers Beatty & Baril; Councillor to Councillor discussions; Mayor to Mayor to Mayor discussions; CAO discussions; suggestions and comments at various fund raising events and in the media.

7/ Ice Rental Experience during the latest Arena operating Season...Aug 2018 to June 2019...suggests that there is only minimal interest in the purchase of additional Ice-Rental hours and that there is little support to develop a Business Case for a third arena in the South Grenville Region.

8/ A third ice-rental arena in the South Grenville Region is likely to reduce Ice-Rentals revenues at the two arenas operated by the Township of Edwardsburgh Cardinal thus driving up Arena Operating/Capital costs to our resident taxpayers beyond the amounts documented above for 2017 & 2018. Full costs for 2019 are not yet known but appear to be on track with 2018.

9/ If a third arena is to be built in the South Grenville Region, financed by grants from I.C.I.P., it is imperative that all three municipalities share in the Operating/Capital costs of all three arenas as they are used by the residents of all three municipalities without discrimination as to the residential location of the user.

10/ This proposal is premised on the success of the I.C.I.P. Application to fund a major portion of the capital costs of a third South Grenville arena as a result of which the partners would contribute no more than 26%, to a maximum of \$3 million of capital costs.

MECHANISM:

It is proposed that all three municipalities in South Grenville agree to form a six-person Community Arena Board (two from each jurisdiction) to govern and fund arena services effective from Jan 1/2019 and onward.

It is further proposed that the Township of Edwardsburgh Cardinal prepare and develop for signature of the other Municipalities a legal document to support and implement such an agreement and that such an agreement form the only basis on which the Township of Edwardsburgh Cardinal would provide support, financial or otherwise, to the construction of a third arena in the South Grenville Region.

It is further recommended that upon acceptance of this proposal by the Council of the Township of Edwardsburgh Cardinal; full Council visits to Council (or Committee) meetings of each of the other two municipalities be arranged to present and discuss this proposal with a view to receiving Approval-In-Principle from each of the other municipal councils.

Respectfully submitted
 Pat Sayeau, Mayor
 Township of Edwardsburgh Cardinal

As of March 2019:

2017 and 2018 Arena Costs Summary

Description	Spencerville Arena		Cardinal Arena	
	2017	2018	2017	2018
Operating Revenue	\$219,169.72	\$233,832.18	\$459,447.66	\$442,115.53
Operating Expense	\$315,577.44	\$301,295.12	\$498,076.74	\$494,093.13
Operating Loss	\$96,407.73	\$67,462.94	\$38,629.08	\$51,977.60
Capital	\$7,551.21	\$16,856.81	N/A	N/A
Capital Debenture Principal	N/A	N/A	\$71,897.73	\$75,235.70
Capital Debenture Interest	N/A	N/A	\$231,800.31	\$228,462.34
Cost to Taxpayers	\$103,958.94	\$84,319.75	\$342,327.12	\$355,675.64

Total Cost to the Township of Edwardsburgh Cardinal Taxpayers:

2017 = \$446,286.06

2018 = \$439,995.39

It was away back on March 21, 2019 that the Prescott Arena fundraisers, Judy Baril and Dave Beatty, first met with Deputy Mayor Deschamps and me with their request that the Township of Edwardsburgh Cardinal share in the cost of replacing the Leo Boivin Arena in Prescott.

They presented some plans, preliminary design and engineering concepts and cost estimates of \$12 million to replace 'The Leo'. At that very first meeting we shared with them the operating losses and capital costs paid by our Edwardsburgh Cardinal taxpayers in 2017 (\$446,286.00) and 2018 (\$439,995.00) to provide and operate two arenas for all residents in the South Grenville region. Those costs were documented and made public in my Prescott Journal column of October 2, 2019.

Our response to their request was in the form of a very simple question: how much more do you think our Edwardsburgh Cardinal taxpayers should be paying for arena services?

But we did not close the door completely and suggested that perhaps it was time to form a joint tri-municipal committee to begin work on planning a major new regional multi-recreation centre, to



be constructed within the next five to ten years. It was explained however that significant work had been done by Prescott between August (when the building was forced to close) and March with the single focus of replacing 'The Leo' and all of the significant design concepts had been established and that it was too late for broader design consultations to start over.

Since that initial meeting with the fundraisers and until recently, there has been little to no formal communication with either Prescott or Augusta concerning financial contributions to the new Prescott arena. The matter did come up, without any detailed discussion, at the joint council meeting of all three councils hosted by the Township of Edwardsburgh Cardinal on July 30, when all Council members spoke briefly on the broad topic of municipal modernization, and of course there have been several tri municipal Mayor/Deputy Mayor/CAO meetings between March and July to discuss municipal

modernization and cost-sharing of services such as library services, fire department co-operations, building service department co-operation etc.

Numerous staff meetings at the CAO level have also been held to advance detailed discussions on these topics, but arena sharing costs and the question of supporting the Prescott grant application have been only cursory and have not risen to, nor been approved, at the council level.

However, at the September 10 Edwardsburgh Cardinal administration/finance meeting, the committee received and discussed a detailed report:

"A Proposal for Funding Arena Services in the South Grenville Region", and this proposal tied Township of Edwardsburgh Cardinal support of the Prescott grant application to a tri-municipal cost-sharing agreement for the operation of all three arenas. Mayor Todd was present in the gallery to hear the discussion and although the committee made no recommendation, I presented Mayor Malanka with a copy of the report the next day as we have been in frequent communication on these matters and Augusta is clearly the key to any form of future cost-sharing

agreement.

Essentially the same report: "A Proposal for Funding Arena Services in the South Grenville Region" came before Edwardsburgh Cardinal council at the meeting of September 23, where it was adopted and passed by council as the Township of Edwardsburgh Cardinal's approach to the issue.

Then on October 15 Mayor Todd & Mayor Malanka attended at the Township of Edwardsburgh Cardinal administration/finance committee of the whole meeting to speak to a counter proposal advanced by the Town of Prescott.

Thus, there are now two proposals for the financing of arena costs on the table for discussion. The Edwardsburgh Cardinal Proposal introduced at the administration/finance committee meeting of September 10 and approved by our Council on September 23, and the Prescott proposal, first presented on October 15. There are five distinct differences between the two proposals:

1. Township of Edwardsburgh Cardinal proposes that the shared funding begin January 1, 2019 to cover costs in 2019. Our taxpayers have been bearing the full burden of incremental costs since September

2018. Prescott proposes that the start year be January 1, 2020.

2. Township of Edwardsburgh Cardinal proposes that the costs be divided 1/3 to each municipality because we are mainly providing facilities for kids, and no one wants to get into the counting of where they reside. As Mayor Todd points out, the dividing lines between our municipalities are invisible to the kids and their parents. Prescott proposes costs be divided by population.

3. Township of Edwardsburgh Cardinal proposes that the sharing of costs include capital costs. Augusta has never paid any amount of the capital costs of any arena facility in the South Grenville region. Prescott proposes that shared costs be for operating costs only.

4. Township of Edwardsburgh Cardinal proposes the establishment of a joint committee of six: two from each municipality, to meet to discuss operational issues such as the setting of common ice rental rates. Prescott has not addressed this concept in their proposal.

5. Township of Edwardsburgh Cardinal has expressed concerns that there may not be sufficient demand for addi-

tional ice time rental in a third arena to cover even the major portion of operational costs, thus putting an additional burden on all taxpayers to fund costs of three less-than-efficient arena operations. For example, only 90% of the prime-time ice available at Spencerville & Cardinal has been rented in September 2019.

As Mayor Malanka noted during his presentation, at this point the council of Augusta Township has taken no position on the sharing of arena costs and have provided him with a mandate to only continue discussions.

The admin/finance committee of Edwardsburgh Cardinal is committed to reviewing the two proposals and after a discussion at the end of our meeting on October 15, we committed to a special meeting for this specific purpose to be held on October 30.

In summary, at this time the matter of Township of Edwardsburgh Cardinal supporting the Prescott grant application (deadline November 12) is tied to a tri-municipal cost-sharing agreement for the operation of all three arenas, and we are a long way from achieving that objective at this time.

Open invitation to Augusta's 10th annual Business of the Year breakfast

Augusta Council and the Economic Development and Tourism Committee invites business



event on Friday, November 1 is \$10.00 per person. Registration will begin at 7:30 a.m. and breakfast will

Maid to Shine, Dewar's Inn; Sauve Heating and Ken Miller's Excavating. This year's nominees for Trailblazer of

made to Jeanette Johnston at LGSBEC at 613-342-8772 extension 4471.

Many thanks in advance

participate in the Prescott and Brockville parades. The theme is a surprise, but I can guarantee it will no

6a)

Briefing Note**Committee:** Committee of the Whole**Date:** June 2, 2014**Department:** Administration**Topic:** Recreation Cost Sharing Agreement**Background:**

The discussion of cost sharing with Augusta Township developed out of the Strategic Planning session held between Council and Senior Management last fall. At the February 5, 2014 Budget meeting, the CAO was directed to write to the Augusta Township CAO formally requesting a contribution. A copy of that email is attached.

On February 13 the Augusta CAO called and advised that his council were discussing the request and asked for a dollar amount. I suggested \$15,000 might be appropriate and stated that it was not Council's desire or intention to have the agreement impact Augusta's funding of minor sports associations.

At Augusta's request, a funding agreement that spelled out an annual \$15,000 contribution was drafted by EC staff; EC council members reviewed and recommended it at the meeting of April 7. In May, a revised agreement was received from Augusta Township offering just \$10,000 as an annual contribution.

The Augusta CAO advised by email that the reduced number is based on "100 residents using your facilities so felt it was fair on the basis of the \$100 per kid we now budget".

At the Committee of the Whole meeting on May 20, 2014, staff was directed to investigate details of current cost sharing agreements between other municipalities as well as typical recreation budgets for municipalities similar in size and assessment to Augusta Township.

The table below illustrates cost-sharing agreements between municipalities in the region. As you will see, most agreements focus on a contribution rate based on number of users from outside of the hosting municipality.

Municipalities	Method of Determining Contribution
Smith's Falls & neighbours	<ul style="list-style-type: none"> Total operating costs* divided by number of ice users equaling \$316.80/youth arena user in 2014** Mostly arena focused Also charges surcharge to 'other' users outside of contributing municipalities directly
Arnprior & Renfrew	<ul style="list-style-type: none"> Charges surcharge of 35-50% for Out of Town Users unless part of a club consisting of more than 75% of

	residents from contributing municipalities
Brockville & Elizabethtown-Kitley	<ul style="list-style-type: none"> • \$20,000 flat charge to Elizabethtown-Kitley • No formal agreement in place
Athens & Elizabethtown-Kitley	<ul style="list-style-type: none"> • \$100/family paid by Elizabethtown-Kitley to Athens

*Total operating cost excludes interest and principle borrowed as well as administration and management costs.

** To date, 3 out of the 5 municipalities approached for a contribution have committed the full \$316.80/user.

According to the 2012 FIR, net costs for recreation for municipalities in this region with 7,000 – 10,000 residents ranged from \$87,277 (Augusta) to \$2,134,719 (Smiths Falls). The Township of Augusta has the lowest average net recreation spending per resident in the United Counties at \$11.75. By comparison, EC's net spending per resident is \$99.97. Average spending per resident (excluding Athens and Smiths Falls) in the UCLG is \$95.78. See the attached table for further details.

The additional \$15,000 originally requested from Augusta Township would increase their spending per resident by roughly \$2.00 each for an annual total of \$13.75 per resident.

Debra McKinstry

From: Debra McKinstry <dmckinstry@twpec.ca>
Sent: Thursday, February 06, 2014 4:10 PM
To: 'Pierre Mercier'
Subject: Edwardsburgh Cardinal Recreation costs

Good afternoon Pierre

Edwardsburgh/Cardinal Council has recently completed the budget review for 2014. At yesterday's meeting, Council reviewed the Recreation budget and directed me to write to you with a formal request for consideration.

As you are aware, E/C is home to two ice arenas and two public swimming pools as well as a number of other recreation facilities that are common in most municipalities. As you are also aware, the Township has recently completed construction of a new state-of-the-art arena in Cardinal at a cost of \$6,607,700. Of that total, \$1,342,408 was funded through use of Township reserves and tireless fundraising efforts on the part of residents, staff and Council. The remaining \$5,265,000 is subject to long term financing through Infrastructure Ontario.

During the review of the Recreation budget, it was revealed that approximately 150 children from Augusta make use of one or both of our arenas through registration in the various Minor Hockey Associations and Figure Skating Associations. We are also aware that some adult Augusta residents avail themselves of the skating facilities, and that we may also be hosting your ratepayers at one or both swimming pools. This is understandable, as the Township of Augusta does not provide those facilities to their residents within the boundaries of your municipality. We welcome our neighbours to participate and certainly do not wish to change anything in that regard.

The 2014 draft budget for the Township of Edwardsburgh/Cardinal includes a net Recreation expense of \$782,700. This covers administration, several parks, two pools, two arena operations, three canteens and the South Edwardsburgh Community Centre building.

The 2014 assessment totals for the Township of Edwardsburgh/Cardinal are \$668,112,747, of which \$565,708,981 is residential assessment. Augusta Township assessment for 2014 totals \$724,984,509, of which \$645,626,555 is residential. It appears to us that the additional \$79,917,574 of assessment from residential properties alone should generate sufficient taxation revenue that some could be directed toward support for recreation facilities currently being supported solely by the taxpayers of Edwardsburgh/Cardinal.

Council feels that it is only fair and reasonable that Augusta Township contribute towards the cost of provision of recreation facilities that are enjoyed by ratepayers from Augusta on a daily basis.

I trust you will discuss this with your Council during your budget deliberations and that a favourable response will be forthcoming.

Debra McKinstry
CAO/Clerk
Township of Edwardsburgh/Cardinal
PO Box 129, 18 Centre Street
Spencerville, Ontario K0E 1X0
Phone: 613-658-3055, Extension 104
Fax: 613 658 3445
Website: www.edwardsburghcardinal.ca

Recreation Costs

Fiscal Year: 2012

MAH Code	Municipality	Population Municipal Data SLC 2 0041 01	Total Revenues	Total Expenses	Net Costs	Average Net Recreation Costs per Resident
56619	Athens Tp	2,809	\$250,569.00	\$170,603.00	-\$79,966.00	-28.47
56601	Augusta Tp	7,430	\$0.00	\$87,277.00	\$87,277.00	11.75
56615	Front of Yonge Tp	2,752	\$4,519.00	\$40,436.00	\$35,917.00	13.05
56622	Elizabethtown-Kitley Tpp	9,724	\$132,367.00	\$262,603.00	\$130,236.00	13.39
56506	Merrickville-Wolford V	2,812	\$21,537.00	\$167,976.00	\$146,439.00	52.08
56618	Rideau Lakes Tp	9,291	\$642,727.00	\$1,240,366.00	\$597,639.00	64.32
56621	Leeds and the Thousand Islands Tp	9,277	\$50,572.00	\$851,382.00	\$800,810.00	86.32
71614	South Dundas Tp	10,794	\$330,523.00	\$1,326,413.00	\$995,890.00	92.26
56101	Brockville C	21,870	\$986,114.00	\$3,004,702.00	\$2,018,588.00	92.30
56620	Edwardsburgh/Cardinal Tp	6,959	\$537,193.00	\$1,232,861.00	\$695,668.00	99.97
56301	Gananoque ST	5,194	\$936,320.00	\$1,519,711.00	\$583,391.00	112.32
56617	North Grenville M	15,085	\$1,340,918.00	\$3,114,934.00	\$1,774,016.00	117.60
56302	Prescott ST	4,284	\$421,684.00	\$1,224,342.00	\$802,658.00	187.36
55301	Smiths Falls ST	8,978	\$760,192.00	\$2,894,911.00	\$2,134,719.00	237.77
56505	Westport V	594	\$245,151.00	\$424,773.00	\$179,622.00	302.39



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Information Purposes		
Policy / Action Req'd	x	Oct 7 '19
Strategic Plan		

STAFF REPORT TO COMMITTEE OF THE WHOLE

Report No. 73-2019

Date: October 7, 2019

From: Matthew Armstrong, Chief Administrative Officer and Treasurer

RE: Community Centre Net Operating Cost Sharing

Recommendation:

That Committee of the Whole endorse the concept of the sharing of Net Operating Costs of the South Grenville Community Centres and bring forward this proposal to the Township of Augusta and the Township of Edwardsburgh Cardinal Municipal Councils.

Background/Analysis:

The Town of Prescott is intending on submitting an application for funding to the 2019 intake of the Investing in Canada Infrastructure Program – Community, Culture and Recreation, to replace the Leo Boivin Community Centre that was unexpectedly closed in the fall of 2018 due to ammonia leaks and their associated risks. Planning to replace the Community Centre had already been started, but with a five to ten year time horizon. The planning and design process was accelerated in response to the closure, so as to limit the amount of time residents and users were without a Community Centre here in the Town of Prescott and throughout the South Grenville region.

In March of 2019, the Ontario government announced modernization funding for municipalities to explore and implement efficiencies. One of the tenants of becoming more efficient is working with our neighbouring municipalities to provide services to residents by removing the invisible lines between municipalities. That led the leadership of Augusta, Edwardsburgh Cardinal, and Prescott to meet on May 13, 2019, to explore possible opportunities where the municipalities could collaborate and create partnerships. As part of that meeting, the concept of Community Centre net operating cost sharing was first explained and discussed. This was building on previous discussions that had occurred since 2015 on how municipalities could support each



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other in the operations of Community Centres. Follow-up meetings that occurred throughout the spring and summer on the concept of a net operating cost sharing relationship, were used to further explore, discuss, and refine the idea. From the very first meeting in May, the Town of Prescott communicated and reiterated that it was not seeking a capital contribution from Edwardsburgh Cardinal to build a new Community Centre in Prescott, as Edwardsburgh Cardinal already supports two facilities in their area.

The concept of a net operating cost sharing Community Centres is not new, nor unique. The communities of Gananoque and Leeds and the Thousand Islands currently have such an agreement whereby Gananoque owns and operates the Community Centre while Leeds and the Thousand Islands provides financial support for the net operating cost in recognition that the users are from both municipalities.

The residents of Augusta, Edwardsburgh Cardinal, and Prescott are all users of the three Community Centres that have served the South Grenville area for many years.

Prior to the closure of the Leo Boivin Community Centre in the fall of 2018, Edwardsburgh Cardinal and Prescott both ran relatively efficient facilities where prime ice time hours were being highly utilized. The loss of the Leo Boivin Community Centre did not increase the revenue of the two facilities in Edwardsburgh Cardinal.

Description	Spencerville Arena		Cardinal Arena	
	2017	2018	2017	2018
Operating Revenue	\$219,169.72	\$233,832.18	\$459,447.66	\$442,115.53
Operating Expense	\$315,577.44	\$301,295.12	\$498,076.74	\$494,093.13
Operating Loss	\$96,407.73	\$67,462.94	\$38,629.08	\$51,977.60

Source: Information provided by Edwardsburgh Cardinal

Between 2017 and 2018, the Spencerville Arena revenue increased by \$14,662.46, while the Cardinal Arena saw a decrease in revenue of \$17,332.13. This resulted in an overall decrease in arena revenue of \$2,669.67 between the two sites despite the loss of the third facility in Prescott in the fall of 2018. This is due to the fact that most users of Community Centres want and need ice time in what is considered the prime hours of the day and week. Prime hours are generally during the evenings on weekdays and during the day and evening on weekends. Given that all three facilities were running at a high prime time hours utilization, the loss of the facility in Prescott did not result in an increase in revenues at the arenas in Edwardsburgh Cardinal. Brockville also did not



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see an increase in usage at its arenas, as again their prime time hours were already highly utilized. Therefore, returning to the historical three facilities that South Grenville has relied on for many years will provide the needed prime time hours that users had lost in the fall of 2018. Community Centre users have confirmed the need for prime time rental hours. The loss of these hours have prevented users from running hockey tournaments in South Grenville as there are not enough hours to be able to accommodate such events without sacrificing regular league schedules and rentals.

In 2017, Edwardsburgh Cardinal ran a net operating loss of \$135,036.81 on their two arena facilities. In 2018, the operating loss was \$119,440.54 despite a decrease in revenue of \$2,669.67. Therefore, improvement in the operating loss was solely due to a reduction in expenditures and not a result in additional revenue generated by the closure of the Leo Boivin Community Centre in Prescott.

Financial Implications

There are several ways the net operating cost for Community Centres could be shared between the three municipalities to reflect the fact that the majority of the users are from all three municipalities. The original basis put forward in May of sharing the net operating costs was on the residency of the users. As discussions progressed, it became evident that tracking each specific user would be difficult and time consuming. Therefore, the concept of sharing the net cost proportionally based on population was developed.

	Augusta	EC	Prescott	Total
Population	7,353	7,093	4,222	18,668
%	39.39%	38.00%	22.62%	100.00%

Source: 2016 Census

If an agreement was developed between the three municipalities on a go forward basis to begin January 1, 2020 and the net costs were split proportional based on population, the following would be the estimated allocation:

	Augusta	EC	Prescott	Total
%	39.39%	38.00%	22.62%	100.00%
Allocation	\$47,266	\$45,595	\$27,139	\$120,000

Allocation would be based on the actual net operating cost of the facilities in Edwardsburgh Cardinal



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The above allocation would result in Edwardsburgh Cardinal being able to defray the net operating cost of the two facilities that are currently in South Grenville by \$74,405 per year. This would be achieved by the municipalities of Augusta and Prescott contributing towards the net operating costs proportionally based on population.

Once the replacement of the Leo Boivin Community Centre is built, the estimated proportional allocation would be as follows:

	Augusta	EC	Prescott	Total
%	39.39%	38.00%	22.62%	100.00%
Allocation	\$78,877	\$75,991	\$45,232	\$200,000

The above allocation reflects the net added cost of returning to a third facility and each municipality contributing proportionally towards the net operating cost based on population. The formula would be adjusted as new census data is released.

The agreement would still allow each municipality to own and operate their facilities while recognizing the fact that the users of these facilities reside in South Grenville and are therefore supported by all three municipalities.

Attachments:

None

Submitted by

Matthew Armstrong
 Chief Administrative Officer and Treasurer

**THE CORPORATION OF THE
TOWN OF PRESCOTT**

BY-LAW NO. 43-2019

**A BY-LAW TO ADOPT THE PROCEEDINGS OF THE EMERGENCY SPECIAL COUNCIL
MEETING HELD ON NOVEMBER 6, 2019**

WHEREAS, Section 5(3) of *the Municipal Act, 2001 S.O. 2001, c.25, as amended*, provides that Council's powers shall be exercised by by-law; and

WHEREAS certain actions of Council do not require the enactment of a specific by-law;

NOW THEREFORE BE IT RESOLVED THAT, the Council of the Corporation of the Town of Prescott enacts as follows:

1. Subject to Paragraph 3 of this by-law, the proceedings of the above-referenced Council meeting, including all Resolutions, By-laws, Recommendations, Adoptions of Committee Reports, and all other motions and matters decided in the said Council Meeting are hereby adopted and confirmed, and shall have the same force and effect, as if such proceedings were expressly embodied in this by-law.
2. The Mayor and Clerk are hereby authorized to execute all such documents, and to direct other officials of the Town to take all other action, that may be required to give effect to the proceedings of the Council Meeting referred to in Paragraph 1 of this by-law.
3. Nothing in this by-law has the effect of conferring the status of a by-law upon any of the proceedings of the Council Meeting referred to in Paragraph 1 of this by-law where any legal prerequisite to the enactment of a specific by-law has not been satisfied.
4. Any member of Council who complied with the provisions of Section 5 of the Municipal Conflict of Interest Act, R.S.O. 1990, Chapter M.50 respecting the proceedings of the Council Meeting referred to in Paragraph 1 of this by-law shall be deemed to have complied with said provisions in respect of this by-law.

READ A FIRST AND SECOND TIME THIS 6th DAY OF NOVEMBER, 2019.

Mayor

Acting Clerk

**READ A THIRD AND FINAL TIME AND PASSED THIS 6th DAY OF NOVEMBER,
2019.**

Mayor

Acting Clerk