



**Date:** 12/06/2018

## **AGENDA ITEM SUMMARY**

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**To:** Central Cariboo/City of Williams Lake Joint Committee  
**And To:** John MacLean, Chief Administrative Officer  
**From:** Darron Campbell, Manager of Community Services  
**Date of Meeting:** Central Cariboo Joint Committee\_Jun20\_2018  
**File:** 2260-20 / 7010-02

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### **Short Summary:**

Central Cariboo Recreation – City-CRD Facility Management Agreement Renewal

### **Voting:**

Voting – Electoral Area D, E, F, and City of Williams Lake  
Ratification Required by CRD

### **Memorandum:**

The Cariboo Regional District owns the Cariboo Memorial Recreation Complex and has a management agreement with the City of Williams Lake to operate the facility and deliver recreation programming for the benefit of central Cariboo residents.

The current five-year management agreement will expire at the end of December 2018 and the City of Williams Lake provided notice to the Region that it is prepared to enter negotiations to renew the agreement for an additional term.

At its meeting January 24, 2018 the Central Cariboo Joint Committee provided direction to staff to review the agreement and bring forward a renewal proposal for consideration.

Under the agreement, a taxation subsidy target is established each year for the five-year term to cover the operating deficit for the Complex after direct revenues are accounted for.

The attached renewal includes a 1.75% increase in the subsidy target annually, which is consistent with the previous agreement and amounts to approximately \$28,000 per year.

Section 3.5 of the agreement allows for the subsidy targets to be re-negotiated in good faith if there are extraordinary circumstances that affect either the expected revenues or expenditures related to management of the facility or delivery of recreation services. This is particularly relevant for the current renewal due to the pool and fitness centre upgrade project completed in 2017, which will create a completely new baseline for both revenues and expenditures. The proposed renewal assumes that the net operating deficit will remain essentially the same overall; however, this will need to be validated through actual experience, which will take several years of stable operations.

The only other material change to the agreement is inclusion of the expansion parking area adjacent to Kiwanis Park as a maintenance cost for the Complex. This land continues to be owned by the City; but will be managed directly by the Complex in conjunction with other parking areas.

### **Attachments:**

Central Cariboo Recreation Management Agreement – Proposed Renewal 2019-2023

### **Financial Implications:**

The target operating subsidy for recreation services in each year is included as Compensation to the City in Schedule A of the agreement. The new subsidy targets increase 1.75% each year from 2019-2023 and range from \$1.59 million to \$1.71 million.

This net operating cost deficit is included in the Central Cariboo Recreation and Leisure Services five-year financial plan and can be accommodated without an increase in taxation over the term of the plan.

Also included in the Compensation to the City is an administrative fee amounting to 3% of gross operating expenditures (\$76,850 in 2017) in recognition of the services provided from other City departments to the Complex, such as human resources, payroll and IT.

Capital projects at the Complex are dealt with separately and a five-year capital plan is approved each year as part of the budget review and business planning process.

### **Policy Implications:**

None. Although the Recreation Complex is owned by the Regional District and operated by the City through the attached management agreement, a joint governance model is in place through the Central Cariboo Joint Committee, which reflects the long-term relationship between the local governments for the provision of recreation services that benefit the entire central Cariboo area.

### **Alignment with Strategic Plan:**

- Ensuring Sufficient and Sustainable Funding
- Building on our Relationships
- Providing Cost Effective High Quality Services
- Focusing on Being Well Governed

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### **CAO Comments:**

I concur with the recommendation.

### **Options:**

1. Receipt;
2. Endorsement of the recommendation;
3. Defer.

**Recommendation:**

That the agenda item summary from Darron Campbell, Manager of Community Services, dated June 12, 2018, regarding a proposed renewal of Central Cariboo Recreation Facility Management Agreement between the Cariboo Regional District and the City of Williams Lake, be received. Further, that the agreement be renewed with the current terms and conditions for an additional five years including an annual increase in the taxation subsidy operating deficit target of 1.75% per year and the inclusion of the parking lot expansion area, and that the appropriate signatories be authorized to execute the renewal agreement.