



**Date:** 05/03/2024

**To:** South Cariboo Joint Committee

**And To:** Murray Daly, Chief Administrative Officer

**From:** Darron Campbell, Manager of Community Services

**Date of Meeting:** March 13, 2024

**File:** 2240-20-7710

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## Short Summary:

South Cariboo Recreation Management Agreement (2024-2029) Between the District of 100 Mile House and the Cariboo Regional District

## Voting:

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## Memorandum:

The Cariboo Regional District and the District of 100 Mile House, through the 100 Mile Economic Development Corporation are preparing to enter a long term partnership for delivery of services under the South Cariboo Recreation function through the execution of a five-year recreation management agreement to begin in April 2024.

The primary scope of services under the agreement are the management and operation of the South Cariboo Recreation Centre and surrounding property as well as related activity programming and events. Under the agreement, it is also recognized that separate arrangements between the parties are in place for other recreation and culture properties such as the soccer fields, ball fields and the Martin Exeter Hall complex.

Under the agreement, the operating and capital costs for the recreation centre are paid by the District as the facility operator and then reimbursed by the Region quarterly upon receipt of an invoice from the District.

For financial terms, the agreement sets out annual net operating subsidy targets in Schedule A. The overall revenue and expense targets are reflected in the 2024 five-year financial plan for the South Cariboo Recreation function of the Region. It is understood from the agreement that the subsidy amount is a target based on current operating circumstances and net costs from previous years. The annual net operating deficit is a risk to the South Cariboo Recreation budget, and any potential operating surpluses also remain within the recreation budget. To support operation of the facilities with human resources, information technology and procurement, the District is entitled to charge an administration fee amounting to \$70,000 per year.

Also included in the agreement as Schedule E are relevant Region policies for the recreation facilities, including limitations for overnight parking and compliance with the requirement for recreation access passes for residents that do not live within the service taxation area.

### **Attachments:**

Proposed South Cariboo Recreation Management Agreement (2024-2029) between the Cariboo Regional District and the 100 Mile Economic Development Corporation.

### **Financial Implications:**

The net operating subsidy target amounts from the agreement are included in the 2024 South Cariboo Recreation function five-year financial plan and amount to \$210,000 in 2024 and balancing out at \$200,000 annually for 2026-2028.

The 2024 subsidy target increase amounts to a 13% increase over the contract target for 2023, which was included in a previous management agreement with Canlan Sports. Also included in the financial plan is the District's administration fee amounting to \$70,000 per year.

Capital costs for the recreation centre are also covered in the agreement and delivered as per the approved five-year capital plan, which amounts to \$1.13 million over the term of the contract.

To accommodate the cost of this agreement and other funding priorities noted in the 2024 business plan, such as allocating \$1.3 million for contributions to capital reserves, the South Cariboo Recreation budget includes a 20% increase in taxation in 2024 followed by 2% each year thereafter in the five-year plan.

### **Policy Implications:**

None.

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

- ☒ **Infrastructure and Asset Management:** To establish a systematic, predictable approach to managing the regional district's assets and infrastructure that builds on current asset management data and condition assessments.
- ☐ **Enhanced Communications and Engagement:** To build trust and credibility of the regional district by enhancing our communications and engagement with citizens, stakeholders, and volunteers.
- ☐ **Effective and Responsive Land Use Planning and Development:** To ensure our land use planning and development is responsive to future growth and housing needs, anticipates risks and hazards associated with climate change and provides efficient and consistent processes for landowners and developers.
- ☐ **Relationships with First Nations:** To foster a healthy and inclusive region by building and strengthening our relationships with First Nations and embracing the principles of reconciliation.

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**CAO Comments:**

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**Options:**

1. Endorse the recommendation;
2. Other action at the direction of the committee;
3. Defer.

**Recommendation:**

That the proposed South Cariboo Recreation Management agreement between the Cariboo Regional District and the 100 Mile Economic Development Corporation be approved for a five-year term (2024-2029) and that the appropriate signatories be authorized to execute the agreement.