

MEMORANDUM of AGREEMENT made this _____ day of _____, 2021.

BETWEEN

STURGEON COUNTY
(hereinafter referred to as “the County”)

-and-

THE TOWN OF MORINVILLE
(hereinafter referred to as “the Town”)

RECREATION COST SHARING AGREEMENT

WHEREAS the County and the Town support serving the recreational needs of their collective residents based on the principles of transparency, fairness, regional collaboration, and stewarding scarce resources efficiently in providing local services; and

WHEREAS it is recognized that the Town has developed recreation amenities which are accessed in part by residents of the County; and

WHEREAS it is acknowledged that while intermunicipal recreation services will require operational support from the County and the Town, it is expected that the community will also contribute to the operation of the recreational amenities through fees, fundraising, and volunteer support; and

WHEREAS the County acknowledges it wishes to pay its fair share for intermunicipal recreation accessed by its residents, and that this agreement represents a transition period wherein the County is increasing financial contributions to the Town’s recreation services in advance of the County and Town implementing a system to track resident usage at subregional recreation amenities; and

NOW THEREFORE in consideration of the mutual covenants, provisions and promises herein, the Parties agree as follows:

1. DEFINITIONS

- 1) **Agreement** means this Cost-sharing Agreement.
- 2) **Asset Management Planning** means the process of making the best possible decisions both locally and between the Parties regarding the operating, maintaining, renewing, future planning, replacing, and disposing of recreational infrastructure assets across the subregion, with the objective of maximizing benefits, managing risks, and providing satisfactory levels of service to residents in a financially sustainable manner.
- 3) **Capital Cost** means the costs of capital projects. For the purposes of this Agreement, Capital Costs applies to the capital projects related to the Town’s recreational infrastructure assets.

- 4) **Capital Replacement Costs** means costs associated with repair or replacement of a tangible capital recreation asset including but not limited to doors and windows, roofing, heating and cooling systems, flooring, equipment, and other amenity improvements, having a value of \$5,000 or more.
- 5) **Capital Replacement Reserve** means the account in which annual payments related to capital replacement costs are maintained. The Capital Replacement Reserve is a restricted reserve maintained by the Town.
- 6) **Committee** means the Intermunicipal Negotiating Taskforce Committee, as established by the Parties' Intermunicipal Advisory Committee.
- 7) **Consumer Price Index** means the annual Edmonton Consumer Price Index (CPI) for "all goods," as calculated by Statistics Canada for the most recent one-year period as of September 1 of the previous calendar year.
- 8) **Operating Cost** means the annual net operating cost/debt servicing contributions. For the purposes of this Agreement, Operating Costs applies to the operating and maintenance related to the Town's recreational amenities.
- 9) **Parties** means collectively, Sturgeon County and the Town of Morinville; **Party** means either one of them.

2. APPLICATION

- 1) Unless otherwise specifically provided for within the Agreement, this Agreement applies to:
 - a) The operation and delivery of the Town's recreational facilities, programs, and services;
 - b) The operation, management, maintenance, and capital replacement of the Town's recreation amenities required to provide recreation services; and
 - c) The use and enjoyment of the Town's recreational facilities, programs, and services by the residents of the Parties.

3. TERM AND RENEWAL

- 1) The Term of this Agreement shall be the period commencing upon the signing of this Agreement and continuing for a period of approximately five (5) years until its expiry on December 31, 2025. The Committee shall commence renegotiations of this Agreement no later than twelve months before the expiry of the Agreement.
- 2) Subject to Section 3(1) of this Agreement, the subsequent recreation agreement shall consider data reflecting resident usage commencing January 1, 2024 at the County's recreation amenities and the Town's recreation amenities to formulate the future allocation model beginning on January 1, 2026.

- 3) This Agreement may be amended by mutual consent in writing. Amended versions of the Agreement shall repeal and replace all previous versions of this Agreement.
- 4) Early termination of this Agreement may occur upon either Party to this Agreement providing six (6) months written notice to the other Party indicating the Party's intention to terminate this Agreement.

4. ASSET AND RESIDENT USAGE PLANNING

- 1) The Parties shall implement an Asset Management Planning process by December 31, 2023 to support informed decision making both locally and between the Parties regarding the operating, maintaining, renewing, replacing, and disposing of the Town's recreational infrastructure assets. The objective is to maximize benefits, manage risks, and, where appropriate, plan for optimal future asset locations, and provide satisfactory levels of service to the public in a sustainable manner.
- 2) Subject to Section 3(2) of this Agreement, the Parties shall identify a system to track resident usage at County and Town recreation facilities by April 1, 2022. Systems to track resident usage at County and Town recreation facilities shall be implemented no later than April 1, 2023.
 - a) A new funding allocation model that incorporates data reflecting resident usage at the County's recreation amenities and the Town's recreation amenities shall be developed no later than January 1, 2024. The new allocation formula shall be monitored and adjusted to reflect resident usage by the Parties between January 1, 2024 through December 31, 2025 for implementation on January 1, 2026.

5. NEW INTERMUNICIPAL RECREATION SERVICES

- 1) In the event that either Party wishes to initiate a new intermunicipal recreation service, facility, or initiative, the initiating Party's Chief Administrative Officer will notify the other Party's Chief Administrative Officer of the following:
 - a) General project or initiative description; and
 - b) Envisioned scope.
- 2) Once either Party has received written notification on the desire to engage in discussion on a new intermunicipal service, facility, or initiative, a Committee meeting, organized by the initiating Party, must be held within ninety (90) calendar days of the date the written notice was received.
- 3) The Committee shall confirm the following criteria to the satisfaction of both Parties before a new intermunicipal service, facility, or initiative can be further pursued by the Committee:
 - a) Demonstrated community impact and support in both municipalities;
 - b) A joint planning model involving both municipalities; and
 - c) Demonstrated potential for intermunicipal efficiencies.

- 4) Pursuant to the completion of Section 5(3) of this Agreement, the Committee shall develop a business plan and evaluate the following criteria as the basis for determining if a new service, facility, or initiative is desirable by both Parties:
 - a) Estimated cost (capital and operating) and long-term borrowing implications;
 - b) Appropriate funding and timing of expenditures for both Parties;
 - c) The level of projected use and benefit to the residents and ratepayers of both Parties;
 - d) An implementation plan;
 - e) Which Party will manage the operations of the service, facility, or initiative;
 - f) The appropriate process for planning the agreed upon service(s);
 - g) A process and implications for discontinuing the service provided; and
 - h) A time frame for the delivery of the service(s) being discussed, including a start and end date of the service(s) delivery.
- 5) The cost associated with developing a business plan, as described in Section 5(4) of this Framework, shall be shared between the Parties based on the Committee's direction in assigning each Party a portion of the cost.

6. CONDITIONS

- 1) County residents shall pay for access to the Town's recreational facilities, programs, and services at the same rate as Town residents and Town residents shall pay for access to the County's recreational facilities, programs, and services at the same rate as County residents.
- 2) County residents shall have the opportunity to enroll and/or register in the Town's recreational programs and services under the same timeframes afforded to Town residents and Town residents shall have the opportunity to enroll and/or register in the County's recreational programs and services under the same timeframes afforded to County residents.
- 3) The Town shall publicly acknowledge the County as a contribution partner to its recreation funding. This acknowledgment shall include signage, print, and social media recognition in a way that is mutually acceptable to the Parties' Chief Administrative Officers.

7. FINANCIAL RESPONSIBILITY AND REPORTING

- 1) For the ease of budget certainty, the County agrees to a fixed operating cost contribution amount for the duration of the agreement term (plus CPI or 2%, whichever is the greater), as identified in Schedule A of this Agreement. Unless otherwise agreed to by the Parties, the operating cost contribution amount shall be provided to the Town within thirty (30) days of the beginning of the calendar year.

- 2) The Parties recognize that over time, the Town’s recreational assets may need to be renovated, upgraded, or replaced. As such, the Town will establish a restricted Capital Replacement Reserve, as identified in Schedule A of this Agreement. Unless otherwise agreed to by the Parties, the Capital Replacement Reserve contribution amount shall be deposited by the Parties into the reserve within thirty (30) days of the beginning of the calendar year.
 - a) Should funds within the Capital Replacement Reserve not be used within five (5) years of deposit, an asset management plan outlining how the funds will be used shall be developed by the Town and provided to the County.

- 3) The Town will provide to the County year-end financial accounting documentation related to all its recreational facilities, programs, and services, including detail where the County’s recreational services funding contributions have been applied.

IN WITNESS WHEREOF, the Parties have affixed their corporate seals as attested by the duly authorizing signing officers of the Parties as of the day first below written.

Signed this _____ day of _____, 2021 at _____, Alberta.

STURGEON COUNTY

TOWN OF MORINVILLE

Mayor

Mayor

Chief Administrative Officer

Chief Administrative Officer

SCHEDULE "A"

Operating Cost Contributions

For the years 2021 – 2025, the County agrees to the following funding amounts; in turn, the Town will provide annual reporting on expenditures, per Section 7(3) of this Agreement:

- 2021 \$784,724
- 2022 2021 Funding Amount + CPI or 2% (whichever is greater)
- 2023 2022 Funding Amount + CPI or 2% (whichever is greater)
- 2024 2023 Funding Amount + CPI or 2% (whichever is greater)
- 2025 2024 Funding Amount + CPI or 2% (whichever is greater)

Capital Replacement Reserve Contributions

For the years 2021 – 2025, the Parties agree to each contribute annually to the Capital Replacement Reserve in the amount of \$50,000. The Town shall maintain control over the Capital Replacement Reserve account and will provide annual reporting on expenditures, per Section 7(3) of this Agreement.