

STAFF REPORT



To: Council
From: Adam Dedrick, Director of Recreation & Parks
Approved by: Warren MacLeod, Chief Administrative Officer
Date: September 28, 2022
Subject: Shelburne County Arena Contribution Agreement MOU

Origin

A five-year funding contribution agreement (MOU) has been developed for the Shelburne County Arena outlining operational funding contributions from the Municipality, Town of Shelburne, and Town of Lockport.

Recommendation

THAT, Council of the Municipality of the District of Shelburne enter into a five-year funding agreement with the Shelburne County Arena Association, the Town of Lockport and the Town of Shelburne, effective April 1, 2022, with the Municipality's contribution being \$29,500 per year for five years with a two percent increase each year for years two to five.

Background

The MOU, which is included with this report, outlines the contribution amounts from each municipal unit and the terms of the agreement which notes that the funds can only be used for operational purposes, that the Shelburne County Arena Association (SCAA) must operate a balanced budget and any capital funding must be requested separately. The contribution amounts and terms of the MOU have been approved by the Town of Lockport, Town of Shelburne and the SCAA.

Next Steps

Upon approval of the MOU and the receipt of required documents from the SCAA (budget, financial report) the MOU will then need to be signed by all parties and the contribution funds can then be distributed.

Budget Implications

As per the agreement, the Municipality will contribute \$29,000 annually for five years with a two percent increase each year for years two to five. This amount will come from the Recreation & Parks operating budget.

Attachments

-Shelburne County Arena Contribution Agreement Memorandum of Understanding

Memorandum of Understanding

Agreement made this _____ day of _____, 2022

BETWEEN:

Shelburne County Arena Association

An incorporated society under the Societies Act
(hereinafter "SCAA")

-and-

Municipality of the District of Shelburne, Town of Shelburne, and Town of Lockeport

All incorporated municipalities under the Municipal Government Act
(hereinafter "Municipalities")

BACKGROUND:

The SCAA owns and operates the Shelburne County Arena, an important local infrastructure that provides recreational opportunities for the community. The Municipalities value the Arena and the many benefits it provides and recognize the importance of having a contribution agreement in place to support the long-term sustainability of the facility.

PURPOSE:

This agreement outlines the commitment of funding from the Municipalities to the SCAA to ensure the operational sustainability of the Shelburne County Arena over a five-year period. It also outlines the responsibilities of all parties to effectively achieve this outcome.

TERMS OF AGREEMENT:

- a) The Municipalities will provide an operational contribution for a five-year term, \$50,000 the first year with a 2% increase each year after.
- b) The contribution amount is for operational support only. Any requests for capital funding will be outside of this agreement.
- c) SCAA will be required to develop an operating budget, which includes the contribution amount, that is balanced and does not show a deficit.
- d) SCAA will provide their operating budget and annual financial statements to the Municipalities for review prior to receiving any of the contribution funds.
- e) Any funds required beyond the contribution amount will be the responsibility of SCAA.
- f) Contribution funds will be provided in one lump sum each fiscal year.
- g) Any of the contribution funds not utilized in a fiscal year will be put into a reserve.
- h) The SCAA must maintain its status as an incorporated society to receive funding.

CONTRIBUTION AMOUNTS:

	Year 1	Year 2 (+2%)	Year 3 (+2%)	Year 4 (+2%)	Year 5 (+2%)
	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Municipality of Shelburne (59%)	\$29,500	\$30,090	\$30,692	\$31,306	\$31,932
Town of Shelburne (39%)	\$19,500	\$19,890	\$20,288	\$20,694	\$21,107
Town of Lockeport (2%)	\$1,000	\$1,020	\$1,040	\$1,061	\$1,082
Total Contribution	\$50,000	\$51,000	\$52,020	\$53,061	\$54,121

TERM:

- a) This agreement takes effect on _____ day of _____, 2022 and shall continue in effect for a term of five years. Future agreements are to be negotiated at that time.
- b) Any of the parties may terminate this MOU at any time by giving at least six (6) months' notice in writing.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement by their authorized signatories.

Shelburne County Arena Association

Witness

President

Municipality of the District of Shelburne

Witness

Warden

Town of Shelburne

Witness

Mayor

Town of Lockeport

Witness

Mayor