



**JOINT RECREATION SUBCOMMITTEE AGENDA  
MARCH 24, 2021 1:00PM**

**This meeting is being conducted by means of Electronic Participation by a majority of members, as permitted by Section 238 (3.3) of the Municipal Act, 2001, as amended.**  
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<u>PAGE</u>	<b>1.0</b>	<b>Call to Order</b>
	<b>2.0</b>	<b>Appointment of Chair and Vice-Chair</b>
<b>2</b>	<b>3.0</b>	<b>Mandate</b>
<b>3</b>	<b>4.0</b>	<b>County Service Delivery Review Recreation Recommendations</b>
<b>8</b>	<b>5.0</b>	<b>NDCC Agreement By-law</b>
<b>9</b>	<b>6.0</b>	<b>NDCC Efficiency Study Recommendations</b>
<b>11</b>	<b>7.0</b>	<b>Mulmur Recreational Master Plan Recommendations</b>
	<b>8.0</b>	<b>Funding NDCC Project</b>
		Development Charge Accounts, Grants (likelihood, percentages, shovel-ready), Debentures & Loans, Feasibility Study (analysis of tax rate implications of each option), Historic Operating Costs (5 year average)
	<b>9.0</b>	<b>Other Recreational Community Groups/Committees</b>
	<b>10.0</b>	<b>Meeting Adjournment</b>

Staff Recommendation: THAT Council adjourns the meeting at \_\_\_\_\_ to meet again on \_\_\_\_\_, 2021 or at the call of the Chair.

**Mandate - Excerpt from February 17, 2021 Joint meeting**

**Moved by: Cufaro and Seconded by: White**

THAT the Council of Melancthon and Council of Mulmur direct the following Council members Mayor Janet Horner and Deputy Mayor Earl Hawkins and two Council members to be appointed from Melancthon Council and both CAOs to form a Sub-Committee to review the following items: Applicable Recommendations provided within the County of Dufferin Service Delivery Review regarding the North Dufferin Community Centre Agreements and Governance Structure.

CARRIED.

**County of Dufferin and Municipalities Service Delivery Review**  
**Excerpt Section A2 and 5.1 - Indoor Recreation Facilities**

A2: Indoor Recreation Facilities

Service Review Summary	
<b>Objective of the Review</b>	<ul style="list-style-type: none"> <li>• To identify optimal approach for cost-sharing forthcoming infrastructure investments and ongoing operations and maintenance</li> </ul>
<b>Strengths</b>	<ul style="list-style-type: none"> <li>• A commitment among the leadership of Member Municipalities to ensure that residents have access to Indoor Recreation Facilities; and</li> <li>• Alignment among staff leadership of Member Municipalities in their priorities for delivering Indoor Recreation Facilities, including quality and sustainability.</li> </ul>
<b>Gaps</b>	<ul style="list-style-type: none"> <li>• A lack of a regional approach to planning for recreation services</li> <li>• A lack of a clear understanding of the exact needs or preferences of the community with respect to Indoor Recreation services;</li> <li>• No performance indicators (e.g., satisfaction, etc.) being recorded or produced by the Management Boards overseeing Indoor Recreation Facilities;</li> <li>• Reporting structures that do not facilitate a direct line of sight into the operations of the facility for some Recreation Boards of Management</li> <li>• No comprehensive financial sustainability report for each facility/Governance Board.</li> <li>• Costs associated with the delivery of Indoor Recreation Facilities by the three Recreation Boards have increased significantly in recent years, without a corresponding increase in user fee revenue, resulting in higher levels of municipal funding.</li> </ul>
Recommendations	
<ol style="list-style-type: none"> <li>1. Explore a revision to the current governance structure associated with Indoor Recreation Facilities in the Rural Municipalities</li> <li>2. Develop a regional Recreation &amp; Facilities Strategy</li> </ol>	

## 5. Indoor Recreation Facilities

The goal of the review was to understand gaps in the current governance structure and recommend a governance and reporting structure that better enables municipal oversight and involvement in Recreation Facilities, given that they are their largest funders. In order to achieve that there are two recommendations proposed below:

1. Explore a revision to the current governance structure associated with Indoor Recreation Facilities in the Rural Municipalities
2. Develop a regional Recreation & Facilities Strategy

These recommendations are detailed further below, and align to the following Service Delivery Review Framework focus areas:

- Governance, Accountability, Roles and Responsibilities
- Business Processes and Tools

### 5.1 Recommendation 3: Explore a revision to the current governance structure associated with Indoor Recreation Facilities in the Rural Municipalities

Changes to the current structure in how indoor recreation facilities are governed in the rural member municipalities are recommended to allow for increased municipal oversight into a significantly visible and costly municipal function and set of assets.

Note that this would change the governance framework under which municipalities collaborate today, not the fact of their collaboration. Municipalities that have shared indoor recreation service delivery to date would continue to collaborate and work together (including through the development of a regional Recreation & Facilities Strategy recommended below) within a revised governance structure.

#### CURRENT STATE CHALLENGES

- Reporting structures that do not facilitate a direct line of sight into the operations of the facility for some Recreation Boards of Management, resulting in uncertainty among Municipal staff leadership regarding adherence to policies and procedures, despite being covered under Municipal insurance policies.
- There is no comprehensive financial sustainability report for each facility/Governance Board. Discussions may be focused on user fees or the differential between resident/non-resident fee structures, however fees do not pay 100% of costs including replacement cost of the facility – nor is this anticipated as it is common that some recreation costs are subsidized by Municipalities.
- Costs associated the delivery of Indoor Recreation Facilities by the three Recreation Boards have increased significantly in recent years, without a corresponding increase in user fee revenue, resulting in higher levels of municipal funding.
- A lack of oversight and ability to manage recreation services as part of a larger strategy and portfolio which would promote cross-functional partnerships (e.g. parks, trails, arts, and culture).

#### PROPOSED RECOMMENDATION

Outside of Orangeville, the three indoor recreation facilities in Dufferin are collaborative partnerships among participating municipalities. The Centre Dufferin Recreation Complex, Grand Valley and District Community Centre, and North Dufferin Community Centre are jointly funded by the participating Municipalities and Governed by a Committee of Management (CDRC and GCDCC) or a Joint Board of Management (NDCC).

Numerous examples of upcoming infrastructure costs were identified during consultations and stakeholders recognized that those are likely to be large and will require more collaboration. Municipal stakeholders are well aware of the need to be fiscally responsible in the provision of Indoor Recreation Facilities (a non-critical service).

In light of the gaps and rising costs identified by stakeholders for this service, two options are proposed that would require an amendment to the current governance structures. It should be noted that the same solution may not be preferred for all and that boards may take different options.

**OPTION A:**

Consider revising the reporting structure of recreation Boards of Management so that in all boards the Facility Manager reports to the Municipal CAO (or other senior municipal staff member).

- Currently, staff of the CDRC and the NDCC are each employed by their respective Boards and have no formal reporting relationship to staff leadership of any of the participating municipalities. In these cases, the Township of Mulmur and Town of Shelburne are both owners of the Indoor Recreation facilities in their municipalities yet have no direct control over their largest assets.
- It is recommended that the current reporting structure be altered so that the Facility Managers of the CDRC and NDCC report to the leadership at the municipality, rather than to the Board itself.
  - The Facility Manager of the CDRC would report to the Town of Shelburne
  - The Facility Manager of the NDCC would report to the Township of Mulmur
- The Boards of Management would shift to provide strategic, rather than operational, oversight of the recreational facilities, and are provided with a holistic picture of the financial status of recreational services as they fit within the municipal budget, not as a standalone. The Board would continue to provide insight on programming in place at the facility, ensuring the needs of all participating communities are met.
- The budget would be prepared by the Facility Manager with input and review by the CAO. The budget would then be submitted to the Board for approval.

**Expected Benefits:**

Participating municipalities would have a direct line of sight into the following key areas:

- Operations and service levels of the indoor recreational facility including key performance indicators to make informed decisions regarding investments required.
- Investments required and their timelines for a significant asset.

- Policies and procedures, in particular as it relates to the municipalities insurance agreements with the indoor recreation facilities.
- The ability to coordinate indoor recreational facility assets with other recreational municipal assets – including parks, trails, sports-fields, and other community events/activities. The Board could continue to provide strategic leadership to direct this.

**OPTION B:**

Explore options to dissolve recreation Boards of Management and enable a Member Municipality to fully operate the facilities they already own, which could include establishing contracted funding arrangements with neighbouring municipalities to share costs and protect access for residents.

- Dissolving the Recreation Boards of Management for CDRC, GVDCC and NDCC would result in the three indoor recreation facilities to be owned and operated by the Municipality, and therefore management and operations, including programming, would be the responsibility of municipal staff.
- The budgets for each facility would be included in the Town or Township’s budget, and would be considered by the respective Council.
- Participating Municipalities could develop contracted funding arrangements to gain access and to share in costs in 5 year increments.
- Given that the current Boards have played a key role in providing insights into programming for the facilities, an advisory committee of community members may be established to provide input and can be used as a program sounding board moving forward.

**Expected Benefits:**

- Municipalities which own the asset would have direct responsibility of operations, service levels, and investments.
- This would eliminate the current staff effort which goes towards supporting current Boards of Management, including attending and facilitating all Board activities.

**IMPLEMENTATION CONSIDERATIONS**

In consultation with board members, it was noted that the option to dissolve boards was not fully supported as it was believed that those municipalities that owned the facility were able to provide input through the current board arrangements. In addition, it was noted that tracking resident’s usage by municipality is not currently done and was believed to be challenging for the purpose of determining cost distributions if moved to a contractual arrangement. However, population numbers and forecasting of these estimates can be used as the foundation for future contractual agreements.

**FINANCIAL IMPLICATIONS**

Financial implications related to changes in governance structure are anticipated to be minor. One-time legal costs may be incurred as a result of the need to alter the Board arrangements and formalize any changes. These are not anticipated to be

significant given the overall funding requirements of these facilities. There are no significant ongoing/long-term financial implications of this recommendation as it relates to how the arenas are governed.

Note, however, that the proposed changes will provide for better general and risk management for the municipalities, potentially reducing one-time and/or large financial losses.

Additional municipal staff time would be allocated to supporting the operation of these facilities – primarily from a budget and planning perspective. However, this may be offset in a reduced need/requirement for secretarial/treasurer functions currently provided. However, the objective of revising the current governance structure is to have increased control and oversight over continuously rising costs related to indoor facilities and their programming, in order to find efficiencies while meeting the needs of the community. As an asset and program of a municipality, recreation services would benefit from a broader understanding of the communities needs beyond recreation to allow for more strategic decision making.

#### SUMMARY OF BENEFITS

- A revised governance structure allows for a reduction in risk from a staff management, risk and liability perspective and increases direct oversight for better policy alignment.
- Streamlining effort through the use of municipal procedures for finance, maintenance, and other corporate services.

## **North Dufferin Community Centre Agreement - Excerpts from By-law 33-17**

5. The Board shall have eight (8) members, all of whom have voting rights. The Board shall be comprised of one (1) member of Council from each of Mulmur and Melancthon, two (2) community members from each Mulmur and Melancthon, and two (2) other community members-at-large. The Board shall recommend nominated candidates, drawn from community applicants to the parties. The Board members shall be appointed by both parties by resolution. In the event of a disagreement, each party shall appoint 3 community members of its choice to the Board. Nominated candidates shall serve for a term of which they are appointed. The parties shall also have the power to designate the appointed Council representatives to the Board, and may set their term on the Board, not to exceed the term of the Council on which they sit. The quorum of the Board shall be five (5).
10. Insurance shall be provided through Mulmur's insurance provider and the cost will be billed to the Board.
20. The Board shall prepare the estimate of the Board's net financial requirements for the year ("Budget"). There shall be no deficit budgeting. The Board shall work co-operatively and equitably with the parties to the Agreement to fund all operational and developmental expenses.
27. In the event that either Mulmur or Melancthon wishes to cease participating in the Board, they may do so by providing one (1) year written notice of termination to the other party and the Board. Any notice given as aforesaid shall terminate this Agreement as of the 31 of December of the next calendar year.



### Efficiency Study Recommendations

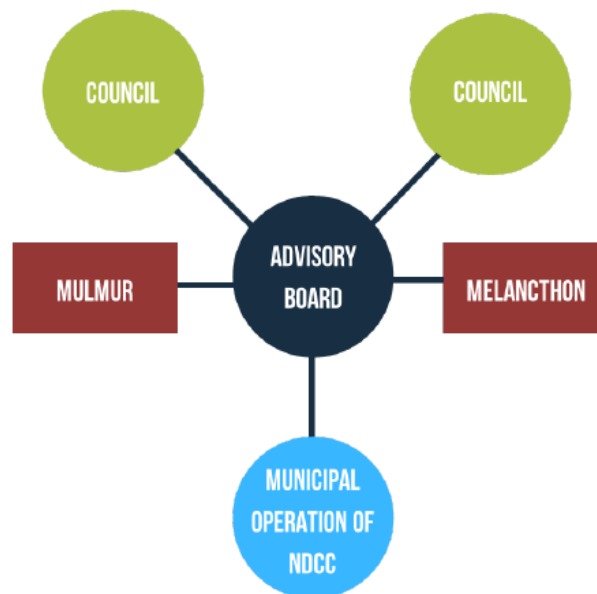
<b>OPTION</b>	<b>CAPITAL COST</b>	<b>MAINTENANCE (10 year escalating, per municipality per year)</b>
A – Maintain Existing Facility	\$1,717,200	\$39,998-\$47,785
B – New Dressing Room (includes option A repairs plus \$850k for 6 dressing rooms and 1 accessible bathroom)	\$2,905,200	\$44,868 - \$53,621
C – New Facility (NHL ice with 200 seats, 6 change rooms, 240 community space)	\$19,200,000	\$94,436 - \$112859
D- Existing Facility plus Community Hub Expansion	\$6,100,000	\$44,605 - \$53,307

## Excerpts from NDCC Efficiency Study

- 7.2 The aim of any review of board mandate and authority should be based on maximizing the value of the community centre to the communities. This includes not only cost control and operational efficiency but enhanced community programming and use of the facility. In our view, this is either achieved through a realignment of operational control to one of the townships or adjusting the board of management to achieve greater independence in management, rate setting, secretarial and treasury functions. The solution may lie in the relative costs of one approach over the other: (i) enhancing the resources of the Board to operate more independently (additional staff and management resources at the operational level) versus (ii) seeking the efficiencies of direct operational control by one municipality supported by an advisory board and effective reporting to both councils.

### 7.2 Review of Governance Models (Cont'd)

Advisory Board Option



## **Excerpts from Mulmur Recreation Master Plan**

### **Recreational Director (recommendation #5)**

5. The Township should give consideration to staffing requirements necessary to successfully implement the Township's recreation mandate. Specifically, consider expanding the job description of the NDCC Management role to encompass a broader range of job responsibilities including responsibility for indoor and outdoor recreation, community development of programming opportunities and co-ordination of all recreation and leisure services provided and/or facilitated by the Township. This permanent, full-time job description includes management of the NDCC and events at the Township's facilities.

### **Programming (recommendation #6)**

6. Investigate opportunities for new and/or expanded partnerships to improve service levels, enhance program delivery, and leverage public funding.

### **New or improved NDCC (recommendation #7)**

7. Continue the cost-sharing agreement with the Township of Melancthon for the operation and maintenance of the NDCC / a new multi-use recreation facility in Honeywood.

### **Funding structure (recommendation #12)**

12. Immediately initiate the development of a) funding strategy to assess and secure sources of capital funding for a new replacement single-pad multi-use recreation facility. A range of sources should be explored, including all levels of government and potential non-profit partners; and b) operational business case for a new multi-use community centre.

### **Playground structure (recommendation #33)**

33. Decommission the playground at Honeywood Park (NDCC site) in the short-term. A new playground is recommended to be developed elsewhere on the site. If Honeywood is the chosen site for a new multi-use recreation facility, the planning for this facility (and the site as a whole) should be undertaken with the community's engagement.