

THIS AGREEMENT made this 1st day of May, 2021

BETWEEN:

MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26
(hereinafter referred to as "Willow Creek")

-and-

TOWN OF CLARESHOLM
(hereinafter referred to as "Clareholm")

-and-

TOWN OF FORT MACLEOD
(hereinafter referred to as "Macleod")

-and-

TOWN OF NANTON
(hereinafter referred to as "Nanton")

-and-

TOWN OF STAVELY
(hereinafter referred to as "Stavely")

INTERMUNICIPAL RECREATION AGREEMENT

WHEREAS:

- A. The Parties entered into the Willow Creek Regional Intermunicipal Collaboration Framework Agreement dated **April 1, 2020** (the "ICF") to advance, promote, and encourage opportunities and programs for collaboration amongst the Parties for their joint benefit, as well as the ultimate benefit of the residents of the respective Parties and the surrounding communities;
- B. The ICF contemplated an intermunicipal funding agreement for Recreation, pursuant to which the Parties wish to:
- 1) **Collaborate** – recognize the values of appropriateness, adaptability, accessibility, affordability, accountability, respect and reasonableness in collaborating to provide Recreation.
 - 2) **Mutual Services/Contribution** – provide for advancement, promotion and encouragement of opportunities and programs amongst Municipalities for their joint benefit, as well as the ultimate benefit of the residents of the respective Municipalities and the surrounding communities, and provide for corresponding contribution to costs of services.

- 3) **Service Levels/Standards** – define and deliver base service levels for Recreation, within the respective jurisdictions of the Parties;
- 4) **Financial Certainty** – steward scarce resources efficiently in the provision of Recreation and provide for cost and cost share certainty and consistency in respect of the funding of Recreation;
- 5) **Autonomy** – allow for the continued independent operation and policy decisions pertaining to the respective recreation services and programming by each Party, subject to base service level expectations tied to funding contributions identified in the respective schedules.

(the “**Additional Agreement Principles**”);

C. Recreation is defined as consisting of services, equipment and facilities that contribute to the physical, social, intellectual and creative well-being of individuals and/or community including, without restriction:

1) Establishment construction, operation and maintenance of:

- i. Parks (including spray parks);
- ii. Recreational and sports facilities (including ice rinks, curling rinks, ball diamonds, sports fields, golf courses);
- iii. Community halls and centers;
- iv. Shooting and archery ranges;
- v. Senior’s drop in centers;
- vi. Agriplex;
- vii. Aquatic centers;
- viii. Libraries;
- ix. Museums;
- x. Campgrounds;

2) Programs and activities that take place within the identified facilities;

3) Special, heritage and cultural events;

(collectively or individually referred to as “**Recreation**”);

D. The Parties have:

- 1) Identified and defined which recreation facilities and recreation operations serve the Municipalities and the MD and their respective residents’ mutual interests within **Schedule “A”** attached to this Agreement (collectively, the “**Recreation Facilities/Operations**”);

- 2) Identified how each Recreational Facility/Operation's fixed operational costs are funded – including the contribution by grants and donations;
- 3) Determined and reviewed the revenues and expenses related to each of the Recreation Facilities/Operations currently and historically;
- 4) Evaluated how Recreation Facilities/Operations are operated in each Municipality and the effect of operating models on operating costs for each recreation facility;
- 5) Determined the value to residents of the Recreation Facilities/Operations by location;
- 6) Identified the areas of Recreation that are conducive to funding contribution within **Schedule "B"** attached to this Agreement;
- 7) Identified a funding contribution formula that is fair and equitable and recognizes regional value;
- 8) Agreed that the contributions are based on 2019 data and are to remain constant for the Term of this Agreement, as set out within Schedule "C" and subject to inflationary cost reviews identified within Article 5 of this Agreement;
- 9) Noted that all future Intermunicipal Services which are proposed by a Municipality and/or the ICF Committee shall be negotiated pursuant to the Intermunicipal Collaboration Framework Section 7.1 to 7.8;

E. The Parties are committed to participating, co-operating and coordinating with each other on an on-going basis, as further contemplated within this Agreement, for the joint benefit of the Parties;

NOW THEREFORE in consideration of the mutual covenants and conditions herein contained, the Parties hereto agree as follows:

ARTICLE 1 - SPIRIT, INTENT, AND GUIDING PRINCIPLES

1.1 Application. Unless otherwise agreed to by the Parties, this Agreement applies to:

AREAS	DESCRIPTION	LOCATION
Southern Alberta Summer Games	Each year, the Games are hosted by a different Southern Alberta community, offering around 20 sporting events, as well as, a variety of cultural events. Over the four days of the Games, over 2000 athletes participate from the 13 regions in Southern Alberta, including the MD of Willow Creek.	Schedule "C"
Community Celebration Event	Each Party is responsible for hosting a Community Celebration Event, with autonomy to decide what the celebration	Schedule "D"

	entails, when to host it and how often to host it.	
Cemeteries	Each Party has a cemetery that is municipal. Cemeteries are a unique public service and each municipality has its own fees and operating model with its own levels of service, respecting size and age of cemetery as well as Council priority.	Schedule "E"
Pools/Aquatic Centre Arenas Curling Rinks	Pools/Aquatic Centers, Arenas and Curling Rinks are available for resident use throughout the region and are significant recreation areas.	Schedule "F"

1.2 Independence. Unless otherwise agreed to by the Parties, this Agreement does not:

- (a) apply to the delivery of other Recreation within each Party's jurisdiction and by that respective Party's own Recreation Department;
- (b) apply to future services by any Party independent of the other Parties pursuant to such Party's own Recreation plans, and which therefore do not form part of funding contribution under this Agreement;
- (c) apply to the delivery of any other service by any Party independent of the other Parties, and which therefore do not form part of Recreation under this Agreement;
- (d) impose automatic sharing of costs in relation to Recreation provided by any Party;
- (e) interrupt or prevent funding for Recreation generated by the public and community groups/societies within or for the benefit of any of the Parties; or
- (f) interrupt or prevent the availability, use or application of Recreation independently provided by a Party (and therefore not subject to co-funding or other cost sharing under this Agreement) in the course of providing services to residents.

1.3 Guiding Principles. The Parties recognize that the guiding principles contained within the ICF, together within the Additional Agreement Principles, should guide the planning, development, implementation and operation of the Recreation under this Agreement, and the interactions between the Parties. In the event of any conflict between the respective principles, the guiding principles contained within the ICF will prevail.

1.4 Consultation. The Parties have no obligation to consult with one another in the planning, development, implementation and operation of the existing Recreation. Any changes to existing or new services are subject to provision of the Intermunicipal Collaboration Agreement, Section 7.

1.5 Co-operation. The Parties will work together on a cooperative basis and to take such steps as may be necessary and to enter into such additional agreements as may be required from

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time to time in order to meet their objectives in planning, development, implementation and operation of the respective Recreation.

- 1.6 **Compliance with Laws.** The Parties will comply with all applicable statutes and regulations governing the planning, development, implementation and operation of Recreation in each case, and will take all necessary steps to ensure compliance with all statutes and regulations as may be applicable in that regard.
- 1.7 **Reasonable.** Except where otherwise specifically provided, each Party will act reasonably in each case that it is entitled to exercise discretion hereunder or pursuant hereto and, in particular, in each case where an action, document, thing, or matter is required to be acceptable or satisfactory to it or is affected by its approval, consent, opinion, or discretion; and without limiting the foregoing, except where it is specifically provided that its consent may be unreasonably withheld, it will not unreasonably withhold or delay the exercise of any such discretion.
- 1.8 **Further Assurances.** The Parties agree that they shall from time to time execute such further assurances and documents as may be required by the Parties and their respective solicitors to give effect to the intent of this Agreement.

ARTICLE 2 - TERM, RENEWAL & EXTENSION

- 2.1 **Term.** The term of this Agreement shall be effective from the date of execution of this agreement until April 30, 2026 unless otherwise terminated or amended in accordance with the terms and conditions of this Agreement (the “**Term**”).
- 2.2 **Renewal.** Upon the expiration of the initial Term, and each subsequent renewal term, this Agreement shall automatically renew for an additional period of equal length unless:
- (a) this Agreement is otherwise extended or renewed, or replaced, by agreement in writing between the Parties, in which case the agreement of the Parties will apply; or
 - (b) the Intermunicipal Collaboration Framework is revised to indicate that Recreation, or a substantial portion thereof, should not be delivered on an intermunicipal basis, in which case the provisions of Article 6 will apply.
- 2.3 **Extension/Renewal.** This Agreement may also be extended for an additional period of time, or renewed for an additional term, by the Parties upon agreement in writing of each of the Parties.

ARTICLE 3 - REVIEW OF RECREATION

- 3.1 **ICF Committee.** The intermunicipal collaboration committee established under the ICF (the “**ICF Committee**”) will meet with, and/or review a report, including annual financial data and significant changes that may affect this Agreement from the CAOs of the Parties on an annual basis, for the purposes of informing and guiding the decisions and activities of the ICF Committee under the ICF as it may affect Recreation.
- 3.2 **Amendment.** Any resulting amendments to or replacements of this Agreement resulting from the reviews by the ICF Committee must be agreed upon in writing by the Parties.

- 3.3 **Disputes.** In the event of a dispute between two (2) or more of the Parties arising from such reviews pursuant to Section 3.2 of this Agreement, any matters or issues in dispute or otherwise unresolved shall be resolved through the dispute resolution procedure provided for within the ICF (the “**Dispute Resolution Procedure**”).

ARTICLE 4 - REGIONAL RECREATION FUNDING CONTRIBUTION

- 4.1 **Funding Contribution Process & Responsibilities.** Funding contributions will take place automatically annually on June 1 of each year of the Term.

ARTICLE 5 - FINANCIAL RESPONSIBILITY

- 5.1 **Funding Contribution.** The funding contribution to and of each of the Parties in respect of Recreation are provided within **Schedule “C”, “D”, “E”, and F”**. Save and except for those cost shares and payments contemplated within the aforementioned Schedules, or otherwise agreed to by the Parties from time to time, each Party is solely responsible for funding their own Recreation budget.

The annual funding contribution is summarized as:

	CELEBRATION EVENT	CEMETERIES	CURLING ARENA POOL	CURLING ARENA POOL RESERVE		SUMMER GAMES
MD (GRANUM)	\$ 1,000.00	-	-		MD	\$ 2,600.00
Claresholm	\$ 1,000.00	\$3,000.00	\$62,000.00	\$12,300.00	Claresholm	\$ 800.00
Fort Macleod	\$ 1,000.00	\$3,000.00	\$62,000.00	\$12,300.00	Fort Macleod	\$ 800.00
Nanton	\$ 1,000.00	\$3,000.00	\$62,000.00	\$12,300.00	Nanton	\$ 800.00
Stavely	\$ 1,000.00	\$3,000.00	\$29,000.00	\$5,700.00	Stavely	\$ 200.00
TOTAL MD CONTRIBUTION	\$ 5,000.00	\$ 12,000.00	\$215,000.00	\$42,600.00	TOTAL PARTNER CONTRIBUTION	\$ 5,200.00
Total MD Contribution				\$274,600		

- 5.2 **Calculations and Review.** The Parties acknowledge and agree that the contributions are based on 2019 data, and are to remain constant for the Term of this Agreement. Assessment or other adjustments will not be considered for the Term of this Agreement, with the exception that changes to costs pertaining to insurance, utilities and telecommunications attributable to recreation services, will be reviewed in year three (3) with a view to making appropriate adjustments that are data driven for years four (4) and five (5), based on aggregate averaging to achieve a common rate (the “**Inflationary Cost Review**”).
- 5.3 **Inflationary Cost Reviews.** With respect to the conduct of any Inflationary Cost Review:
- (a) the Parties recognize that a significant deflationary result would be due to something innovative taking place, and therefore:
 - (i) for the Term of this Agreement, base funding levels do not change for the Parties; and

- (ii) base funding does not get reduced if there are deflationary results from the Inflationary Cost Review;
- (b) the Inflationary Cost Review will require that actual fixed costs associated with providing Recreation services be demonstrated;
- (c) the bases and process for making a decision in inflationary/deflationary adjustments are as follows:
 - (i) each of the four urban municipalities must provide actual fixed costs and identify total increases or decreases;
 - (ii) the highest and lowest increases/decreases will be eliminated from the averaging, and the middle two will be averaged;
 - (iii) taking out the highest eliminates rewarding inefficiency or purchasing that is above base levels;
 - (iv) taking out the lowest ensures that efficiency or being frugal with purchasing is not penalized;
 - (v) adjustments will be made for year four (4) and five (5) based on this averaging;
- (d) any increases in adjustments will be capped by the average of the rate of the projected rate of inflation (as of March 5, 2021) for 2021, 2022, and 2023, as set out within the graph of actual and projected inflation rates contained within **Schedule "G"** attached to this Agreement (which average, as of March 5, 2021, is 1.58%);
- (e) if any costs are out of line for any one Party, all Parties will ask for and/or provide detailed information and explanation so that there is a shared understanding; and
- (f) any and all final decisions pertaining to adjustments will be made by the MD of Willow Creek.

5.4 Disputes. In the event of a dispute between two (2) or more of the Parties arising from Inflationary Cost Review pursuant to Section 5.2 and 5.3 of this Agreement, any matters or issues in dispute or otherwise unresolved shall be resolved through the Dispute Resolution Procedure.

ARTICLE 6 - TERMINATION & WITHDRAWAL

- 6.1 Termination.** The Parties may agree to terminate this Agreement at any time upon mutual agreement, subject always to the settlement of all financial responsibilities respecting this Agreement, and subject always to the requirements of or direction from the ICF, as amended or replaced from time to time.
- 6.2 Final Determination.** In the event of an inability of the Parties, or any of them, to settle any of the foregoing, the outstanding issue(s), matter(s) or thing(s) shall be referred to be resolved pursuant to the Dispute Resolution Procedure.

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ARTICLE 7 - GENERAL

- 7.1 **Existing Agreements.** This Agreement replaces all existing agreements or arrangements between the Parties regarding the specific topics of this Agreement.
- 7.2 **Other Agreements/Arrangements.** Nothing contained within this Agreement prevents any of the Parties from considering and entering into any further or other arrangements respecting Recreation, and other collaborations relating to Recreation, whether on a multi-party, bi-lateral or other basis, which in each case are complementary to this Agreement.
- 7.3 **Dispute Resolution.** In the event of the disagreement between the Parties with respect to issue, matter or thing arising from this Agreement (other than default in payment of a financial obligation) the Parties shall refer such dispute to be resolved pursuant to the Dispute Resolution Procedure (outlined in the Intermunicipal Collaboration Framework Agreement).
- 7.4 **Notice.** The address for service of notices and other documents or payments owned are as follows:

Town of Claresholm

c/o Chief Administrative Officer
PO Box 1000
Claresholm, AB T0L 0T0
FAX: 403-625-3869
EMAIL: info@claresholm.ca

Municipal District of Willow Creek

c/o Chief Administrative Officer
273129 Highway 520 West
Box 550
Claresholm, AB T0L 0T0
FAX: 403-625-3886
EMAIL: md26@mdwillowcreek.com

Town of Fort Macleod

c/o Chief Administrative Officer
PO Box 1420
Fort Macleod, AB T0L 0Z0
FAX: 403-553-2426
EMAIL: admin@fortmacleod.com

Town of Nanton

c/o Chief Administrative Officer
PO Box 609
Nanton, AB T0L 1R0
FAX: 403-646-2653
EMAIL: cao@nanton.ca

Town of Stavely

c/o Chief Administrative Officer
PO Box 249

Stavely, AB T0L 1Z0
FAX: 403-549-3743
EMAIL: cao@stavely.ca

Or such other address as the Parties may respectively designate from time to time. Any notice required or permitted by this Agreement may be served on the Parties by hand delivery or by mail. Notices sent by mail will be deemed to have been received three business days after mailing. In the event of a general postal disruption, notice shall not be attempted by mail.

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IN WITNESS WHEREOF the Parties hereto have executed this agreement as of the day and year first above written.

MUNICIPAL DISTRICT OF WILLOW CREEK
No. 26

Per: Maryanne V. Sandberg
Per: [Signature]

TOWN OF CLARESHOLM

Per: [Signature]
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TOWN OF FORT MACLEOD

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TOWN OF NANTON

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SCHEDULE "A"

RECREATION SERVICES BY MUNICIPALITY AND RECREATION OPERATIONS IN THE REGION

SERVICES DELIVERED OR TO BE DELIVERED ON AN INDIVIDUAL BASIS

Service	Description	Lead Municipality	How the Service will be Provided	How the Service will be Funded
Claresholm & District Museum	Claresholm operates a Museum and Visitor Information Centre	Town of Claresholm	Town Staff	Town Revenues
Aquatic Centre	Provide an indoor pool for residents in the community and surrounding area in partnership with AHS	Town of Claresholm	Town Staff	Town Revenues
Ice Arena	Provide an ice arena for residents in the community and surrounding area.	Town of Claresholm	Town Staff	Town Revenues
Ball Diamonds	Provide ball diamonds for residents in the community and surrounding area.	Town of Claresholm	Town Staff	Town Revenues
Other Parks Including Spray Park	Provide parks and playgrounds for residents in the community and surrounding area.	Town of Claresholm	Town Staff	Town Revenues
Pool	Provide an outdoor pool for residents in the community and surrounding area in partnership.	Town of Fort Macleod	Town Staff	Town Revenues
Ice Arena	Provide an ice arena for residents in the community and surrounding area.	Town of Fort Macleod	Town Staff	Town Revenues
Ball Diamonds	Provide ball diamonds for residents in the community and surrounding area.	Town of Fort Macleod	Town Staff	Town Revenues
Other Parks Including Spray Park	Provide parks and playgrounds for residents in the community and surrounding area.	Town of Fort Macleod	Town Staff	Town Revenues

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Community Halls	Provide community halls to the residents of the municipality and surrounding area.	Town of Fort Macleod	Town Staff	Town Revenues
Cemetery	Provide cemetery plots to interested customers.	Town of Fort Macleod	Town Staff	Town Revenues
Parks	The Town maintains a small fully serviced campground along with a park and a number of small green spaces.	Town of Stavely	Town Staff	Town Revenues
Ice Arena	Provide an ice arena and racquetball courts for community and surrounding area residents.	Town of Nanton	Town Staff	Town Revenues
Ball Diamonds	Provide Ball diamonds for residents in the community and surrounding area.	Town of Nanton	Town Staff	Town Revenues
Other Parks	Provide parks and playgrounds for residents in the community and surrounding area.	Town of Nanton	Town Staff	Town Revenues

SERVICES DELIVERED OR TO BE DELIVERED ON AN INTERMUNICIPAL BASIS

Service	Description	Lead / Provider	How the Service will be Provided	How the Service will be Funded
Cemetery	Provide annual grants to help with the maintenance costs	MD	Per Schedule "E" of this Agreement	Per Schedule "E" of this Agreement
Libraries	Grant funding for urban municipalities, which MD ratepayers use	MD	Per Service Agreement	Per Service Agreement
Recreation	Grant funding for Urban Municipalities, which MD ratepayers use facilities	MD	Per Schedule "F" of this Agreement	Per Schedule "F" of this Agreement
Canada Day Celebration	Grant funding to support Canada Day in each town	MD	Per Schedule "D" of this Agreement	Per Schedule "D" of this Agreement
Special Levies, Capital Grants and Municipal Reserve Funding	Claresholm Curling Rink, Claresholm Community Hall roof and parking lot paving, Claresholm Skating Rink, Fort Macleod Curling Rink, Fort Macleod Hall renovations and equipment purchase, Fort Macleod playground, Stavely joint-use facility, Stavely Hall roof, Sold MD building to Stavely Ag Society for \$10.00, Stavely & District Ag Society roof, Nanton	MD	Per Service Agreement	Per Service Agreement

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	<p>Hall kitchen renovation, Nanton Hall washroom & bar renovation, Tom Hornecker roof replacement, to name a few.</p> <p>This list does not include multiple requests for funding by service clubs, societies and associations located in the rural and urban municipalities</p>			
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SERVICES DELIVERED OR TO BE DELIVERED BY THIRD PARTIES

Service	Description	Lead Municipality	How the Service will be Provided	How the Service will be Funded
Community Centre	Gun Range and 2 Halls (small and large) with stage and kitchen for rental for events, etc.	Town of Claresholm	Per Service Agreement	Town Revenues
Senior's Drop-In Centre	Facility to house seniors group events and gatherings	Town of Claresholm	Per Service Agreement	Town Revenues
Agriplex	Grounds and horse arenas for indoor rodeos and events	Town of Claresholm	Per Service Agreement	Town Revenues
Curling Rink	Provide a curling rink for residents in the community and surrounding area	Town of Claresholm	Per Service Agreement	Town Revenues
Golf Course	Provide golf course for residents in the community and surrounding area	Town of Claresholm	Per Service Agreement	Town Revenues
Museum	Fort Macleod Historical Association operates the museum on behalf of the Town	Town of Fort Macleod	Per Service Agreement	Town Revenues
Curling Rink	Fort Macleod Curling Club provides a curling rink for residents in the community and surrounding area	Town of Fort Macleod	Per Service Agreement	Town Revenues
Library	Fort Macleod Library Board operates the library on behalf of the Town	Town of Fort Macleod	Per Service Agreement	Town Revenues
Recreation	The arena, golf course, archery lanes and Golden Age Centre are situated on Town-owned property. The Town has lease agreements in place with each of the groups that they operate the facilities for the benefit of the	Town of Stavely	Per Service Agreement	Town Revenues

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	community and surrounding area			
Recreation	Campground, golf course and Ag grounds	Town of Nanton	Per Service Agreement	Town Revenues
Senior's Drop-In Centre	Facility to house seniors group events and gatherings	Town of Nanton	Per Service Agreement	Town Revenues
Community Centre	2 halls (upstairs and downstairs) with stage and kitchen for rental for events, etc.	Town of Nanton	Per Service Agreement	Town Revenues
Curling Rink	Provide a curling rink for residents in the community and surrounding area	Town of Nanton	Per Service Agreement	Town Revenues

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SCHEDULE "B"

ASSESSMENT OF RECREATION AREAS FOR INCLUSION IN THE INTERMUNICIPAL COLLABORATION FRAMEWORK RECREATION AGREEMENT

Recreation areas identified by the Intermunicipal Collaboration Framework Recreation Sub-Committee to not be investigated as part of the Intermunicipal Collaboration Framework Recreation Agreement:

- Parks
- Ball Diamonds
- Sport Fields
- Golf Courses
- Shooting Archery Range
- Agriplex/Ag Grounds
- Libraries
- Museums
- Skate Parks
- Legion
- Special Projects

Recreation areas identified by the Intermunicipal Collaboration Framework Recreation Sub-Committee to be investigated as part of the Intermunicipal Collaboration Framework Recreation Agreement:

- Southern Alberta Summer Games
- Canada Day
- Cemeteries
- Campgrounds
- Empress Theatre
- Seniors Centers
- Community Halls/Centers
- Pools/Aquatic Center
- Curling Rinks
- Arenas

Recreation areas selected to be included in the Intermunicipal Collaboration Framework Recreation Agreement:

- Southern Alberta Summer Games
- Canada Day
- Cemeteries
- Pools/Aquatic Centre
- Arenas
- Curling Rinks

SCHEDULE "C"

SOUTHERN ALBERTA SUMMER GAMES

<u>DESCRIPTION:</u>	<p>The Southern Alberta Summer Games is the longest running annual sporting event in Alberta and an opportunity for those in many different sports, age groups and skill levels to compete in regional competitions.</p> <p>Each year, the Games are hosted by a different Southern Alberta community, offering around 20 sporting events, as well as, a variety of cultural events. Over the four days of the Games, over 2000 athletes participate from the 13 regions in Southern Alberta, including the MD of Willow Creek.</p>
<u>PARTNERS:</u>	MD WILLOW CREEK, TOWN OF CLARESHOLM, TOWN OF FORT MACLEOD, TOWN OF NANTON, TOWN OF STAVELY.
<u>FORMULA:</u>	<p>The MD of Willow Creek will lead by choosing a non-profit society with whom it will enter into an agreement to coordinate the registration and representation at the Southern Alberta Summer Games.</p> <p>The MD of Willow Creek pays 50% and the urban municipalities pay 50% of fixed costs, given that participation in the Southern Alberta Summer Games encourages representation of the region regardless of residence.</p> <p>If fixed costs change, the MD of Willow Creek will work with partners to ensure fair and equitable contributions.</p>
<u>FINANCIAL CONTRIBUTION:</u>	<p>MD WILLOW CREEK: \$2,600 TOWN OF CLARESHOLM: \$800 TOWN OF FORT MACLEOD: \$800 TOWN OF NANTON: \$800 TOWN OF STAVELY: \$200</p> <p>The MD of Willow Creek will develop and manage the agreement with a non-profit society, including a termination clause if necessary. The MD of Willow Creek will invoice each municipality for the contribution and undertake responsibility for administering the agreement with the non-profit society, including receipt of the annual report of costs.</p>
<u>RATIONALE:</u>	<p>The MD Of Willow Creek will have an agreement with non-profit society funded by partner contribution for coordination of Games, covering the fixed costs. The fixed costs consist of coordination of regional participation and registration of participants in the Southern Alberta Summer Games, and collection and payment of registration fees.</p> <p>Variable costs, which include Southern Alberta Recreation Association (SARA) fees and T-shirts, are covered by participant registration fees.</p> <p>This results in:</p> <ul style="list-style-type: none"> • Low financial risk for the Parties.

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	<ul style="list-style-type: none"> • Support of a volunteer non-profit in the region with sustainable funding. • Alleviation of cumbersome administration by any Party.
<u>EXPECTATIONS:</u>	<ul style="list-style-type: none"> • The MD of Willow Creek manages the agreement with the non-profit completely ensuring accountability. • Registration fees must be kept affordable in order to ensure maximum accessibility. • The non-profit society will ensure awareness of Southern Alberta Summer Games so that optimal interest for participation is generated.

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SCHEDULE "D"

COMMUNITY CELEBRATION EVENT

<u>DESCRIPTION:</u>	<p>Each Party is responsible for hosting a Community Celebration Event, with autonomy to decide what the celebration entails, when to host it and how often to host it.</p> <p>The Community Celebration Event provides an opportunity for residents of the region to enjoy and participate in celebrations that are close to home and by formally recognizing municipalities' autonomy and flexibility in celebration choice, residents can access celebrations free of charge at various times of the year.</p>
<u>PARTNERS:</u>	MD WILLOW CREEK, TOWN OF CLARESHOLM, TOWN OF FORT MACLEOD, TOWN OF NANTON, TOWN OF STAVELY.
<u>FORMULA:</u>	<p>The MD of Willow Creek provides equal contributions throughout the region, despite differences in population of municipalities or size or frequency of celebrations, allowing for the funds to be spread equally throughout the region.</p> <p>Some municipalities supplement the contribution received with their own or through other means, allowing Councils to choose what the celebration looks like, recognizing the principle of autonomy and adaptability.</p>
<u>FINANCIAL CONTRIBUTION:</u>	<p>MD WILLOW CREEK PROVIDES TO:</p> <ul style="list-style-type: none">• TOWN OF CLARESHOLM: \$1,000• TOWN OF FORT MACLEOD: \$1,000• TOWN OF NANTON: \$1,000• TOWN OF STAVELY: \$1,000
<u>RATIONALE:</u>	<p>The Parties recognize that celebrating community is important and that each Party must have autonomy in celebrating its community and flexibility in the use of funds.</p> <p>The MD of Willow Creek's participation is important and is recognized, along with the community hosting.</p> <p>Transparency around alignment of contribution to the event is provided and important.</p>
<u>EXPECTATIONS:</u>	<ul style="list-style-type: none">• There must be alignment of the use of funds with at least one community celebration event, ensuring accountability.• The event for which the funds are used must be free to residents to attend (affordable) in order to ensure maximum accessibility.• Recognition must be provided to the MD Willow Creek and the groups that provide the celebration.

SCHEDULE "E"

CEMETERIES

<u>DESCRIPTION:</u>	<p>Each Party has a cemetery that is municipal. Some municipalities have private cemeteries which are not subject to this Agreement.</p> <p>Cemeteries are a unique public service and each municipality has its own fees and operating model with its own levels of service, respecting size and age of cemetery as well as Council priority.</p>
<u>PARTNERS:</u>	MD WILLOW CREEK, TOWN OF CLARESHOLM, TOWN OF FORT MACLEOD, TOWN OF NANTON, TOWN OF STAVELY.
<u>FORMULA:</u>	<p>The MD of Willow Creek contributes towards the base level of funding and urban municipalities can contribute in addition to this base level of funding to ensure the level of service they wish. This respects each Party's autonomy.</p> <p>The base level of service is unirrigated land, two mows per year, basic brush and tree maintenance, and basic record keeping.</p>
<u>FINANCIAL CONTRIBUTION:</u>	<p>MD WILLOW CREEK PROVIDES TO:</p> <ul style="list-style-type: none">• TOWN OF CLARESHOLM: \$3,000• TOWN OF FORT MACLEOD: \$3,000• TOWN OF NANTON: \$3,000• TOWN OF STAVELY: \$3,000
<u>RATIONALE:</u>	<p>Cemeteries are a unique public service. Urban centers become service providers for burials, which results in permanent cemetery citizens. The Parties recognize that cemetery citizens come from outside the region and although this may burden the cemeteries, the Parties recognize that there are benefits to burial/cemetery tourism.</p> <p>Municipal Council autonomy is recognized through the choice to have service provision beyond base level of service, that the MD is contributing towards.</p>
<u>EXPECTATIONS:</u>	<ul style="list-style-type: none">• Information pertaining to user fees and associated level of service will be shared with partner municipalities (accountability).• Burials are provided with a base level of service in order to ensure choice and accessibility.

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SCHEDULE "F"

POOLS/AQUATIC CENTERS, ARENAS & CURLING RINKS

Pools/Aquatic Centers, Arenas and Curling Rinks are considered together in determining a funding formula, given that two of the Parties have "tri" buildings and two other Parties have unique models for at least one facility. All three recreation areas are capital intensive and utilized by residents of the region and therefore it makes sense to consider all three together.

<p><u>DESCRIPTION:</u></p>	<p>Pools/Aquatic Centers: Town of Claresholm (indoor pool), Town of Fort Macleod (outdoor pool), and Town of Nanton (outdoor pool).</p> <ul style="list-style-type: none"> • Town of Fort Macleod – Outdoor pool part of a "tri" building – Seven days a week, May long weekend to September long weekend. The Town of Fort Macleod owns, operates, and maintains the pool. • Town of Nanton - Outdoor pool part of a "tri" building – Seven days a week, May long weekend to September long weekend. The Town of Nanton owns, operates and maintains the pool. • Town of Claresholm – Indoor pool – Seven days a week, year-round. Alberta Health Services (AHS) owns and maintains the pool; the Town of Claresholm coordinates programming and staffing. The year-round indoor facility is truly regional and provides value to the entire region by virtue of the fact that it is the only year-round indoor pool in the region. <p>Arenas: Town of Claresholm, Town of Fort Macleod, Town of Nanton, and Town of Stavely.</p> <ul style="list-style-type: none"> • Town of Fort Macleod – The Town of Fort Macleod owns, operates and maintains the arena. It is part of a "tri" building. • Town of Nanton – The Town of Nanton owns, operates and maintains the arena. It is part of a "tri" building. • Town of Claresholm – The Town of Claresholm owns, operates and maintains the arena, which is stand alone. • Town of Stavely – The Ag Society owns and operates the arena, separate from the Town of Stavely. <p>Curling Rinks: Town of Claresholm, Town of Fort Macleod, and Town of Nanton.</p> <ul style="list-style-type: none"> • Town of Fort Macleod – The Curling Rink is rented by Curling Club. It is part of a "tri" building. Bar revenue part of the operating model. • Town of Nanton – The Curling Club leases the Curling Rink seasonally. It is part of a "tri" building. • Town of Claresholm – It is a stand alone rink that is leased by the Curling Club. Bar revenue is part of the operating model.
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<u>PARTNERS:</u>	MD WILLOW CREEK, TOWN OF CLARESHOLM, TOWN OF FORT MACLEOD, TOWN OF NANTON, TOWN OF STAVELY.
<u>FORMULA FOR ANNUAL OPERATIONS:</u>	<p>In devising the formula, several items were considered:</p> <ul style="list-style-type: none"> • The Town of Claresholm has low fixed costs for its aquatic center due to its unique and beneficial arrangement with AHS, however, there is value attached to the benefit it provides as a truly regional facility to the residents of all municipalities. • Curling is gaining in popularity and those urban municipalities that have bar revenues are able to operate viability. • Expenses for ice arenas are increasing, while usage is decreasing. • The Town of Stavely has a unique operating model through the Ag Society which lends to the viability of the arena in that town. This model is seen as commendable as it involves the participation of a not-for-profit and therefore provides benefit to the residents. • Fixed, variable and staffing costs were analyzed for pools, curling rinks and arenas. <ul style="list-style-type: none"> • Fixed costs are considered in the formula as they are asset driven and variable costs are policy driven. • Variable and staffing costs (operational costs) are not considered in the formula as they are policy driven and respect the autonomy of the urban municipalities. • Average fixed costs were reduced due to the unique arrangement that the Town of Claresholm has with Alberta Health Services. • The funding formula averaged the fixed costs for the Towns of Fort Macleod, Claresholm, and Nanton. It is recognized by all Parties that the unique arrangement that the Town of Claresholm has with Alberta Health Services resulted in lower average cost when included with the Town of Fort Macleod and Town of Nanton costs. • The MD pays 50% of the <u>average</u> total fixed costs for the pool/aquatic, curling rink and arenas in the Town of Fort Macleod, Town of Nanton and the Town of Claresholm. • The MD pays 50% of the total fixed costs for the arena in Stavely. • Urban municipalities make decisions and are responsible for operations (which will impact variable and staffing costs and are policy driven).
<u>FORMULA FOR ANNUAL RESERVES:</u>	<p>Each municipal council makes decisions pertaining to operations (with the exception of Curling Rinks), where operational decisions are made by the Curling Clubs</p> <p>Each municipal council makes decisions pertaining to facilities. These facilities are capital intensive and aging. Therefore, it is important to plan for the repairs, maintenance and enhancement of these facilities. The Parties agree that a Reserve fund needs to be established in each Town (if one has not already been established) for facilities, that includes contributions from the MD of Willow Creek for this purpose</p>

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	<p>and <u>matched annually at minimum</u> by the urban municipalities. This will enable all Parties to budget in a consistent manner and plan as appropriate to individual council decisions pertaining to the facilities.</p> <p>The MD of Willow Creek agrees to pay 10% of <u>average</u> fixed costs annually (calculated at the time of negotiation and remains constant) into a Reserve to be matched at minimum annually by the Urban municipalities to be used for repairs, maintenance, and enhancement to existing footprint of facilities.</p> <p>The funds can be used by each urban municipality for upgrading and maintaining the existing recreational facility footprint, ensuring that the existing service provided through the facility is not changed.</p> <p>The Reserve can be used at any time during the five year term, with the MD of Willow Creek providing that contribution. The contribution can be recorded as a receivable if a municipality had to use the funds prior to receipt in a particular year(s).</p> <p>Reporting on the use of the funds is not required but may be requested. Approval for the use of funds is not required. Urban municipalities are still free to and in fact encouraged to pursue grant opportunities in partnership with the MD of Willow Creek or other urban municipalities as appropriate.</p>
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FINANCIAL ANALYSIS: AQUATIC CENTERS/POOLS, ARENAS, CURLING RINKS
(BASED ON 2019 DATA)

FIXED COSTS CALCULATION

	CURLING				POOL				ARENA				TOTAL			
	FIXED	VARIABLE	STAFFING	TOTAL	FIXED	VARIABLE	STAFFING	TOTAL	FIXED	VARIABLE	STAFFING	TOTAL	FIXED	VARIABLE	STAFFING	TOTAL
Fort Macleod	\$9,096	\$10,069	\$0	\$19,165	\$35,000	\$36,339	\$116,620	\$187,959	\$98,275	\$79,676	\$256,021	\$434,172	\$142,371	\$126,284	\$372,641	\$641,296
Nanton	\$25,695	\$13,453	\$11,350	\$50,498	\$31,741	\$33,634	\$72,718	\$138,093	\$83,352	\$87,449	\$237,617	\$270,693	\$140,788	\$173,148	\$350,368	\$664,304
Claresholm	\$8,734	\$928		\$9,662	\$1,994	\$33,619	\$232,170	\$267,983	\$76,989	\$31,415	\$102,395	\$210,799	\$87,717	\$66,162	\$334,565	\$488,444
Stavely	N/A	N/A	N/A	\$0	N/A	N/A	N/A	\$0	\$57,800	\$96,043	\$31,490	\$185,333	\$57,800	\$96,043	\$31,490	\$185,333

Fort Macleod	142,371.00		Fort Macleod	61,812.67
Nanton	140,788.00		Nanton	61,812.66
Claresholm	87,717.00		Claresholm	61,812.67
Total Fixed Costs	370,876.00		Total of 50% MD Portion	185,438.00
50% of Total Fixed Costs	185,438.00		Stavely Total Fixed Costs	57,800.00
Stavely Total Fixed Costs	57,800.00		Total of 50% MD Portion	28,900.00
Total of 50% MD Portion	28,900.00		Note: For contribution purposes, numbers have been rounded to \$62,000 and \$29,000	

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<p><u>FINANCIAL CONTRIBUTION:</u></p>	<p>ANNUALLY, FOR CONTRIBUTION TO FIXED COSTS, THE MD WILLOW CREEK PROVIDES TO:</p> <ul style="list-style-type: none"> • TOWN OF CLARESHOLM: \$62,000 • TOWN OF FORT MACLEOD: \$62,000 • TOWN OF NANTON: \$62,000 • TOWN OF STAVELY: \$29,000 <p>ANNUALLY, INTO RESERVES, THE MD WILLOW CREEK PROVIDES TO:</p> <ul style="list-style-type: none"> • TOWN OF CLARESHOLM: \$12,300 • TOWN OF FORT MACLEOD: \$12,300 • TOWN OF NANTON: \$12,300 • TOWN OF STAVELY: \$5,700 <p>RESERVE CONTRIBUTIONS BY THE MD OF WILLOW CREEK ARE TO BE MATCHED ANNUALLY BY THE URBAN MUNICIPALITIES</p>
<p><u>RATIONALE:</u></p>	<p>The formula:</p> <ul style="list-style-type: none"> • Meets the fairness principle as fixed costs are used as the basis, which are incurred in order to have the facilities exist. • Is understandable and replicable. • Provides five years of quantifiable, sustainable funding for operations as well as maintenance, repairs and enhancements and therefore allows proper planning. • Allows municipalities to set policies around programming and provision of services while recognizing autonomy.
<p><u>EXPECTATIONS:</u></p>	<ul style="list-style-type: none"> • Urban municipalities have autonomy in programming and each jurisdiction is required to ensure affordable and accessible service to residents. • Urban municipalities will ensure sufficient upgrades and maintenance of facilities to be able to provide programming into the future. • Urban municipalities will provide matching contribution to the annual maintenance, repairs and enhancements. • The annual maintenance, repairs and enhancement contribution by the MD eliminates any ad hoc negotiations during the Term of the agreement. • For clarity, beyond the existing footprint, any additional expansion or new facility will be negotiated as part of the Intermunicipal Collaboration Framework Agreement. • Approval on the use of funds is not required. • Reporting on the use of funds is not required but may be requested. • Reserve can be used anytime in the Term of the agreement (i.e. it can be used annually, pooled or in advance).

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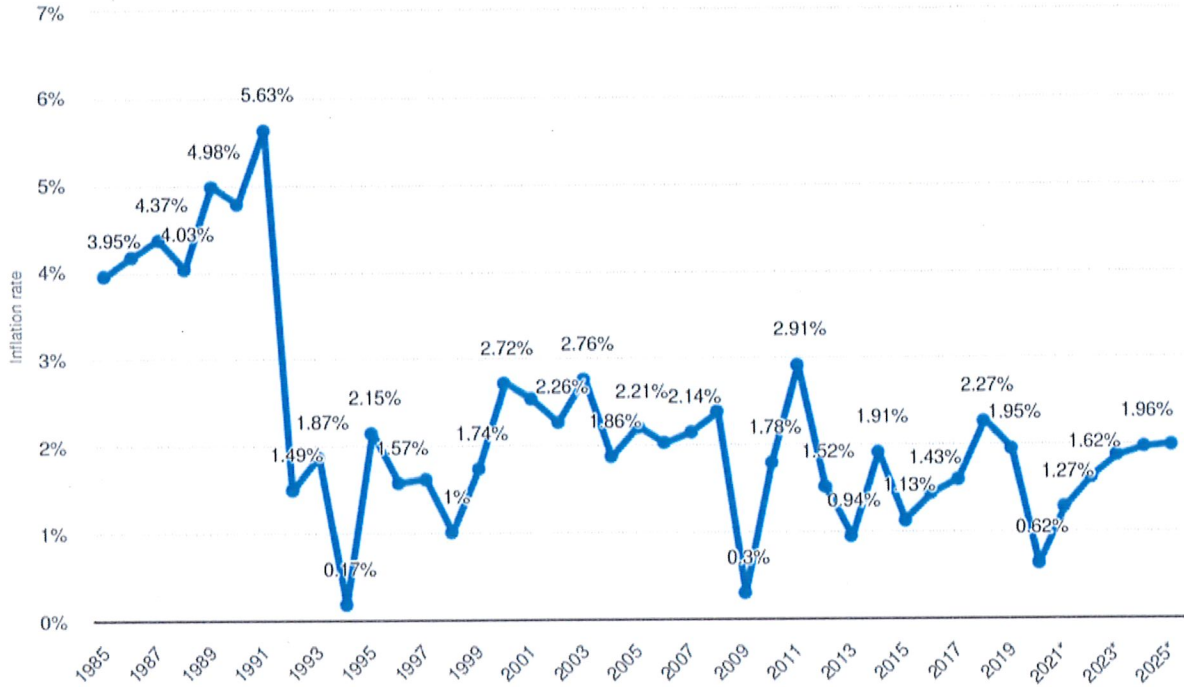
	<ul style="list-style-type: none">• Urban municipalities are still free to and are encouraged to pursue grant opportunities in partnership with the MD and with other urban municipalities.
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SCHEDULE "G"

ACTUAL AND PROJECTED INFLATION RATES FOR FIXED COST ADJUSTMENTS

Canada: Inflation rate from 1985 to 2025 (compared to the previous year)



Source
IMF
© Statista 2020

Additional Information:
Canada; IMF; 1985 to 2019

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