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**TO:** GENERAL COMMITTEE

**SUBJECT:** NON-RESIDENT FEE – TOWNSHIP OF SPRINGWATER

**PREPARED BY AND KEY CONTACT:** D. BELL, MANAGER OF RECREATION BUSINESS SERVICES, EXT. 4352

**SUBMITTED BY:** B. ROTH, DIRECTOR OF RECREATION SERVICES

**GENERAL MANAGER APPROVAL:** D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

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**RECOMMENDED MOTION**

1. That the Non-Resident User Fee agreement (the “Agreement”) with the Township of Springwater for access to City of Barrie recreation programs and services for its residents be renewed for a four (4) year term effective March 1, 2019 and expiring on February 28, 2023 for a total fee of \$335,000 annualized as follows and reflecting an annual increase of 3%:
  - a) March 1, 2019 – February 29, 2020 \$80,200;
  - b) March 1, 2020 – February 28, 2021 \$82,000;
  - c) March 1, 2021 – February 28, 2022 \$85,100; and
  - d) March 1, 2022 – February 28, 2023 \$87,700.
2. That the Mayor and Clerk be authorized to execute the Agreement and any other documents, including extensions and amendments, to the Agreement as may be deemed necessary by the Director of Recreation.
3. That the Agreement shall provide for automatic renewal every four (4) years for subsequent four (4) year terms unless either party provides notice to the other prior to the end of any renewal period of its intention not to renew the Agreement.

**PURPOSE & BACKGROUND**

Report Overview

4. The purpose of this Staff Report is to outline the history, current situation, and expressed desire to continue the Agreement with the Township of Springwater for a further four (4) year term.
5. The City of Barrie’s Recreation Services Department makes recreation services and registration in recreation programs available to non-residents of Barrie through a non-resident surcharge of 15% applied to registration and membership rates charged to City of Barrie residents.

6. Since 2001, the City of Barrie and the Township of Springwater have employed a mutually beneficial "Non-Resident User Fee Agreement" whereby Springwater residents are provided access to City of Barrie-run recreation services under the same guidelines and at the same rates as Barrie residents in exchange for a lump sum payment by the Township of Springwater.
7. In 2001, City Council adopted motion 00-G-308 regarding the Non-Resident User Fee Agreement and the Township of Springwater has remitted annual payments to the City of Barrie every year since.

### **ANALYSIS**

8. Springwater wishes to renew the existing agreement which permits their residents to use City of Barrie recreational services and programs with no additional non-resident fee applied.
9. The lump sum payment is sufficient to cover the surcharge that would otherwise be paid by individual Springwater residents and provides for a contribution from Township to Barrie recreation operating and facility costs.
10. The annual rate of increase has been set at 3% per annum since the inception of this agreement. It is felt that this rate increase is trending in a similar fashion to the cost trends related to delivering recreational services within the City of Barrie's Recreational Services Department.
11. Sufficient capacity within existing recreation programs exists whereby offering residents of Springwater the opportunity to register at the same time as residents of Barrie does not disadvantage Barrie residents from participating in recreational programs. Thus the additional revenue is of assistance in reducing the overall operating costs.
12. Renewing this agreement continues to foster a positive working relationship with the Township of Springwater which is mutually beneficial in working on various other initiatives.
13. The Township of Springwater is expected to seek to extend the Agreement after the four year term. As such, the recommendation includes that the Agreement automatically renew for subsequent terms of four (4) years until such time as either the City or the Township provides notice to the other that it wishes to terminate the Agreement.

### **ENVIRONMENTAL MATTERS**

14. There are no environmental matters related to the recommendation.

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## **ALTERNATIVES**

15. The following alternatives are available for consideration by General Committee:

**Alternative #1**

The City could choose not to extend the agreement with the Township of Springwater and instead charge the current non-resident fee to Springwater residents.

This alternative is not recommended as it would result in less revenue for the City and potentially have a negative impact on the working relationship between the two municipalities.

**Alternative #2**

General Committee could eliminate the authorization for the Mayor and City Clerk to execute extensions of the agreement and require Council approval of any extension of the agreement.

This alternative is not recommended. The terms and conditions of the agreement have remained the same except for the annual escalation in the fee, since the initial agreement was executed. If there was a significant change to the agreement terms, the agreement would be brought back to General Committee and Council for consideration.

## **FINANCIAL**

16. The proposed agreement would generate \$335,000 over the four-year term. This revenue is more revenue than what would be generated through application of the standard non-resident rate, as Springwater is making a contribution to operating and facility costs.

## **LINKAGE TO 2018-2022 STRATEGIC PLAN**

17. The 2018-2022 Council Strategic Plan has not been finalized as of the writing of this report.