

East Elgin Community Complex

Financial Review

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East Elgin Community Complex Review 2011

Introduction

This report has three components. The first is a review of the financial impact of recreation facilities and programming on area residents relative to a sample of 77 other municipalities in 2009, the second is a review of operations of the East Elgin Community Centre (EECC), and the third is a series of answers to questions posed by Councillors and Board members with respect to the joint municipal agreement governing the EECC.

Executive Summary

In comparison to the sample available, the cost per capita for Aylmer residents for parks, for facilities, and for recreation programming, is below the sample average in total. More significantly the EECC net cost per capita net of amortization is substantially below the sample average . This will

apply to Malahide residents as well since costs are shared equally and it has a slightly higher population.

As indicated when this report was commissioned the financial comparison is what is referred to as "high level" since no two municipalities are identical in the services delivered. But the data set is sufficient to indicate that the EECC costs to the taxpayer are not out of line, and may in fact be low if one believes the services offered to be premium services for a community of less than 15,000 residents.

The EECC is professionally run, with adherence to service policies and operational standards that are consistent with Provincial Regulations and with appropriate customer service standards. There is sufficient competition both for ice time and for event facilities in the area such that prices and services must be competitive or business will decline even more than the expanding availability of ice and event space would cause.

As for the questions posed, it is hoped the answers provide clarification as to the roles of the Board, staff, and Councils.

The Review

The review deliberately began with extensive one on one interviews with staff of the EECC and the Town as the administering municipality under the agreement.

The reason for starting without comparative financial data was to gain an understanding of the EECC, how it operated administratively, how costs were being managed (or not), and about the service environment within which it operated, without the discussions being tainted by a perception of a high or low cost impact.

Staff provided financial statements for the facility from its beginning and reviewed the changes in staffing and funding over time.

It was clear that the facility was conceived and constructed without an operational plan or budget. Some had believed that it might even break even or make a small profit on operations. That was not the norm then with such facilities and is not the norm today either. Recreation services and facilities

are provided by municipalities to serve citizen needs rather than to turn a profit. In fact, in only a few areas around the Greater Toronto Area do private sector for profit ice facilities exist.

Private or non profit banquet and special event facilities exist across Ontario and several continue in Aylmer and the surrounding area. Malahide Township recently opened a new facility which competes with the EECC.

Since the EECC was built, several ice rink additions in the market area have also occurred, such as the Dorchester arena and the new St. Thomas facility. The new Middlesex Centre facility in Kilworth/Komoka may also have an impact for specialty rentals.

Demographics also will have an impact over the longer term as minor hockey programs are under pressure to maintain their numbers as the number of children declines in Ontario and the area.

The EECC has responded to upward pressures on costs and revenue challenges with effectively discontinuing one senior position and not filling vacancies due to illness where legally possible.

There are positions at the EECC that must be filled to a certain standard with qualified personnel in order to operate the equipment that the building currently has in compliance with Provincial Regulations. It might be possible to reduce position requirements when this equipment is replaced but that is likely a decade or more away and the return on investment does not warrant early replacement.

A slight cost reduction could be achieved if the general maintenance standard of the building were lowered, although safety can not be compromised. If it were, not only could the management of the complex be held personally liable for injury, so might senior managers, and Board and Council members under recent changes to the Criminal Code.

A review of diverse items such as the banquet business and the grass cutting concluded that they were effectively performed with the taxpayer's interest in mind.

While not every aspect of the EECC's operations was reviewed, the review concluded that the operations of the Centre were managed appropriately and with a view to cost containment. Further staff reductions could actually

result in revenue losses greater than the corresponding savings, as reduced marketing and service level reductions can cause a decline in business.

Care should be taken in consideration of further reduction of ice availability.

Some business comes because there are two pads and the revenue lost from closing one might actually be more than the reduced cost given that all costs are not variable. The incremental cost of the second pad is equal to the cost of operating the first.

Comparative Costs

The comparison was drawn from the BMA Municipal Study 2010 posted at several municipal sites where BMA had contracted with municipalities with populations from 6,800 to over one million for in depth financial analysis, using data supplied from the 2009 Provincial Financial Information Return (FIR) database.

The municipal contribution to the EECC by Malahide and Aylmer that year was 556,000, approximately the same as the municipal contribution is expected to be for 2011.

While Malahide and Aylmer were not part of the BMA Study, it was possible to draw a comparison for Aylmer using the 2009 Aylmer FIR posted at the Ministry of Municipal Affairs FIR website.

The relevant comparisons are on Schedule A attached, as are copies of the calculations for other municipalities as printed in the BMA study.

The alternative was to review costs in comparison to a handful of centres of similar size. The larger sample and the similarity in accounting used makes the BMA review more appropriate and reliable.

The review's conclusion is that costs per capita are not out of line, and in fact it could be argued that the service available to a relatively small population base in the EECC is delivered at a very reasonable cost.

One concern heard besides cost is the quality of customer service and complaints received as relayed to Board members. To get an objective overview of service provision is always difficult for elected officials as one tends to hear much more often from persons who are unhappy rather than those who are.

It is recommended that if the Board and Councils wish to survey customer satisfaction that they engage a firm with professional skills to do so, as any attempt to do so on their own will not produce objective results.

Conclusion

The municipal contributions from Malahide and Aylmer to the EECC do not appear to be unusual for the quality of facility and service available there. Pressures will continue on both revenues and costs on all recreational ice as minor hockey enrollment declines across Ontario. The facility is well run and Councils should be cautious about further cost reduction targets as they may in fact reduce revenues more than expenses saved.

Schedule A

Parks and Recreation Cost Comparisons using BMA Municipal Study Approach and 77 Municipalities in the BMA Study versus Aylmer for 2009.

	Aylmer	Study Average
<u>Parks 2009</u>		
Net Cost per capita including amortization	\$51	\$49
<u>Recreation Programming 2009</u>		
Net cost per capita including amortization	\$0	\$17
<u>Recreation Facilities (excluding golf courses, ski hills and marinas)</u>		
Net cost per capita including amortization	\$57	\$54
Net cost per capita excluding amortization	\$39	\$43

Note (1) For Aylmer, Recreation Facilities net costs per capita are for the East Elgin Community Complex only.

Note (2): Malahide Township's costs for the EECC are shared equally with the Town of Aylmer and since Malahide has a higher population the comparative costs for the third category for the EECC are \$54 and \$37 respectively.

Note (3): While municipalities do not necessarily budget for amortization, the estimated annual expense for the use of tangible capital assets, it is believed to provide a better indicator of the total relevant costs for the year when it is included.)

Parks
(sorted by MPMP total costs per person)

Municipality	2009 Net Costs Parks per Capita Excluding Amortization	2009 Net Costs Parks per Capita Including Amortization	2009 MPMP Parks Operating Costs per Person	2009 MPMP Parks Total Costs per Person
Kawartha Lakes	\$ 10	\$ 10	\$ 18	\$ 18
Pelham	\$ 17	\$ 17	\$ 16	\$ 20
Markham	\$ 27	\$ 27	\$ 27	\$ 27
Tillsonburg	\$ 25	\$ 26	\$ 25	\$ 28
Lakeshore	\$ 22	\$ 28	\$ 23	\$ 28
Amherstburg	\$ 16	\$ 23	\$ 20	\$ 29
Woolwich	\$ 21	\$ 24	\$ 25	\$ 29
Middlesex Centre	\$ 22	\$ 25	\$ 27	\$ 30
London	\$ 22	\$ 30	\$ 22	\$ 31
Chatham-Kent	\$ 27	\$ 30	\$ 28	\$ 31
Leamington	\$ 25	\$ 30	\$ 26	\$ 31
Timmins	\$ 28	\$ 30	\$ 29	\$ 31
Clarington	\$ 23	\$ 31	\$ 23	\$ 31
Grimsby	\$ 32	\$ 32	\$ 33	\$ 33
Whitchurch-Stouffville	\$ 27	\$ 41	\$ 22	\$ 34
Whitby	\$ 27	\$ 35	\$ 27	\$ 35
West Lincoln	\$ 31	\$ 33	\$ 34	\$ 37
Quinte West	\$ 25	\$ 32	\$ 30	\$ 37
Caledon	\$ 29	\$ 34	\$ 33	\$ 38
Peterborough	\$ 30	\$ 35	\$ 33	\$ 39
Prince Edward County	\$ 28	\$ 33	\$ 34	\$ 40
Huntsville	\$ 32	\$ 39	\$ 34	\$ 41
Vaughan	\$ 39	\$ 43	\$ 37	\$ 41
Milton	\$ 21	\$ 36	\$ 26	\$ 42
Kingston	\$ 38	\$ 41	\$ 41	\$ 44
Guelph	\$ 30	\$ 40	\$ 34	\$ 44
King	\$ 37	\$ 37	\$ 44	\$ 44
Stratford	\$ 37	\$ 43	\$ 40	\$ 45
Mississauga	\$ 36	\$ 44	\$ 38	\$ 45
Greater Sudbury	\$ 38	\$ 43	\$ 41	\$ 46
East Gwillimbury	\$ 36	\$ 47	\$ 36	\$ 46
Saugeen Shores	\$ 32	\$ 43	\$ 35	\$ 47
Aurora	\$ 43	\$ 43	\$ 48	\$ 48
Ottawa	\$ 44	\$ 49	\$ 42	\$ 48
Cambridge	\$ 45	\$ 47	\$ 46	\$ 48
Georgina	\$ 34	\$ 40	\$ 42	\$ 49
Kitchener	\$ 41	\$ 46	\$ 44	\$ 49
Thorold	\$ 38	\$ 46	\$ 41	\$ 49
Waterloo	\$ 46	\$ 48	\$ 46	\$ 49
Hamilton	\$ 38	\$ 49	\$ 38	\$ 50
Burlington	\$ 35	\$ 47	\$ 38	\$ 51
Barrie	\$ 40	\$ 51	\$ 40	\$ 51
North Dumfries	\$ 30	\$ 30	\$ 51	\$ 51
Newmarket	\$ 37	\$ 49	\$ 39	\$ 52
Pickering	\$ 42	\$ 51	\$ 44	\$ 53
St. Thomas	\$ 42	\$ 52	\$ 45	\$ 56

Parks (cont'd)

Municipality	2009 Net Costs Parks per Capita Excluding Amortization	2009 Net Costs Parks per Capita Including Amortization	2009 MPMP Parks Operating Costs per Person	2009 MPMP Parks Total Costs per Person
Lincoln	\$ 45	\$ 47	\$ 53	\$ 56
Halton Hills	\$ 35	\$ 46	\$ 45	\$ 57
Niagara Falls	\$ 50	\$ 54	\$ 52	\$ 57
Oshawa	\$ 46	\$ 53	\$ 50	\$ 58
North Bay	\$ 51	\$ 56	\$ 52	\$ 58
Wilmot	\$ 55	\$ 57	\$ 57	\$ 58
Toronto	\$ 56	\$ 60	\$ 55	\$ 59
Ajax	\$ 44	\$ 56	\$ 47	\$ 60
Brampton	\$ 54	\$ 63	\$ 53	\$ 62
Niagara-on-the-Lake	\$ 54	\$ 60	\$ 57	\$ 63
Fort Erie	\$ 47	\$ 63	\$ 49	\$ 65
Sault Ste. Marie	\$ 63	\$ 63	\$ 65	\$ 65
Central Elgin	\$ 52	\$ 58	\$ 60	\$ 66
Belleville	\$ 52	\$ 63	\$ 54	\$ 66
Sarnia	\$ 57	\$ 64	\$ 60	\$ 68
Brantford	\$ 53	\$ 60	\$ 62	\$ 68
Orillia	\$ 48	\$ 61	\$ 55	\$ 69
Woodstock	\$ 56	\$ 59	\$ 66	\$ 69
St. Catharines	\$ 57	\$ 65	\$ 61	\$ 70
Richmond Hill	\$ 55	\$ 71	\$ 57	\$ 73
St. Marys	\$ 67	\$ 70	\$ 66	\$ 74
Brockville	\$ 58	\$ 61	\$ 75	\$ 78
Windsor	\$ 68	\$ 75	\$ 76	\$ 83
Thunder Bay	\$ 70	\$ 84	\$ 73	\$ 87
Welland	\$ 68	\$ 82	\$ 75	\$ 89
The Blue Mountains	\$ 83	\$ 83	\$ 87	\$ 90
Port Colborne	\$ 75	\$ 93	\$ 80	\$ 102
Gravenhurst	\$ 57	\$ 120	\$ 55	\$ 128
Oakville	\$ 79	\$ 124	\$ 84	\$ 130
Average	\$ 41	\$ 49	\$ 45	\$ 53

Source—2009 FIR

Recreation Programming
(sorted by MPMP total costs per person)

Municipality	2009 Net Costs Recreation Programs per Capita Excluding Amortization	2009 Net Costs Recreation Programs per Capita Including Amortization	2009 MPMP Recreation Programs Operating Costs per Person	2009 MPMP Recreation Programs Total Costs per Person
Brockville	\$ 1	\$ 1	\$ 1	\$ 1
Sault Ste. Marie	\$ 2	\$ 2	\$ 2	\$ 2
West Lincoln	\$ (2)	\$ (2)	\$ 2	\$ 2
St. Catharines	\$ 4	\$ 4	\$ 4	\$ 4
Lakeshore	\$ 1	\$ 1	\$ 5	\$ 5
Samia	\$ 5	\$ 5	\$ 7	\$ 7
Belleville	\$ 3	\$ 3	\$ 8	\$ 8
Gravenhurst	\$ (2)	\$ (2)	\$ 9	\$ 9
Niagara-on-the-Lake	\$ 6	\$ 6	\$ 10	\$ 10
St. Thomas	\$ (13)	\$ (13)	\$ 10	\$ 10
Whitby	\$ 9	\$ 10	\$ 10	\$ 11
Niagara Falls	\$ (4)	\$ (4)	\$ 11	\$ 11
Woolwich	\$ -	\$ -	\$ 11	\$ 11
Leamington	\$ (5)	\$ (5)	\$ 12	\$ 12
Peterborough	\$ 8	\$ 8	\$ 14	\$ 14
Kawartha Lakes	\$ 6	\$ 6	\$ 14	\$ 14
Woodstock	\$ 9	\$ 9	\$ 15	\$ 15
Stratford	\$ 10	\$ 10	\$ 16	\$ 16
Amherstburg	\$ 16	\$ 16	\$ 17	\$ 17
North Bay	\$ 13	\$ 13	\$ 18	\$ 18
Welland	\$ 14	\$ 14	\$ 19	\$ 19
Prince Edward County	\$ 15	\$ 15	\$ 19	\$ 19
Timmins	\$ 16	\$ 17	\$ 20	\$ 20
Greater Sudbury	\$ 18	\$ 19	\$ 21	\$ 22
Markham	\$ (4)	\$ (4)	\$ 22	\$ 22
Wilmot	\$ 24	\$ 24	\$ 23	\$ 23
Guelph	\$ 9	\$ 9	\$ 23	\$ 23
Chatham-Kent	\$ 18	\$ 18	\$ 24	\$ 24
Cambridge	\$ 22	\$ 24	\$ 23	\$ 24
Quinte West	\$ 24	\$ 24	\$ 25	\$ 25
Brampton	\$ 13	\$ 13	\$ 25	\$ 25
Kingston	\$ 15	\$ 18	\$ 22	\$ 25
St. Marys	\$ (16)	\$ (16)	\$ 25	\$ 25
Pelham	\$ 19	\$ 19	\$ 26	\$ 26
Windsor	\$ 23	\$ 24	\$ 26	\$ 26
Thunder Bay	\$ 20	\$ 20	\$ 26	\$ 26
Clarington	\$ 23	\$ 23	\$ 27	\$ 27
Ajax	\$ 18	\$ 18	\$ 29	\$ 29
East Gwillimbury	\$ (20)	\$ (10)	\$ 20	\$ 31
Whitchurch-Stouffville	\$ 27	\$ 32	\$ 27	\$ 31
Waterloo	\$ 26	\$ 26	\$ 31	\$ 31
Georgina	\$ 24	\$ 31	\$ 22	\$ 32
London	\$ 18	\$ 18	\$ 32	\$ 33
North Dumfries	\$ 8	\$ 8	\$ 33	\$ 33
Mississauga	\$ 13	\$ 14	\$ 33	\$ 33
Milton	\$ 12	\$ 12	\$ 33	\$ 33

Recreation Programming (cont'd)

Municipality	2009 Net Costs Recreation Programs per Capita Excluding Amortization	2009 Net Costs Recreation Programs per Capita Including Amortization	2009 MPMP Recreation Programs Operating Costs per Person	2009 MPMP Recreation Programs Total Costs per Person
Grimsby	\$ 13	\$ 26	\$ 20	\$ 33
Lincoln	\$ 22	\$ 22	\$ 34	\$ 34
Hamilton	\$ 27	\$ 27	\$ 34	\$ 34
Orillia	\$ 21	\$ 21	\$ 37	\$ 37
Brantford	\$ 21	\$ 21	\$ 38	\$ 38
Saugeen Shores	\$ 33	\$ 34	\$ 39	\$ 39
Richmond Hill	\$ 16	\$ 17	\$ 43	\$ 45
Pickering	\$ 27	\$ 27	\$ 45	\$ 45
Kitchener	\$ 41	\$ 41	\$ 46	\$ 46
Barrie	\$ 15	\$ 16	\$ 45	\$ 47
King	\$ 27	\$ 27	\$ 48	\$ 48
Caledon	\$ 12	\$ 12	\$ 51	\$ 51
Halton Hills	\$ 21	\$ 21	\$ 53	\$ 53
Vaughan	\$ 6	\$ 20	\$ 39	\$ 54
Oakville	\$ 26	\$ 26	\$ 55	\$ 55
Oshawa	\$ 33	\$ 33	\$ 59	\$ 59
Aurora	\$ 26	\$ 26	\$ 60	\$ 60
Newmarket	\$ 43	\$ 43	\$ 67	\$ 68
Burlington	\$ 42	\$ 42	\$ 69	\$ 69
Huntsville	\$ 50	\$ 50	\$ 70	\$ 70
Toronto	\$ 69	\$ 73	\$ 75	\$ 79
Tillsonburg	\$ 24	\$ 25	\$ 104	\$ 104
Ottawa	\$ 88	\$ 88	\$ 120	\$ 121
Average	\$ 16	\$ 17	\$ 30	\$ 32

Source—2009 FIR

Recreation Facilities—Other
(sorted by net costs per capita including amortization)

Municipality	2009	2009	2009 Net	2009 Net
	Revenues as % of Total Expenditures Excluding Amortization	Revenues as % of Total Expenditures Including Amortization	Costs Recreation Facilities per Capita - Other Excluding Amortization	Costs Recreation Facilities per Capita - Other Including Amortization
King	168%	117%	\$ (39)	\$ (14)
North Dumfries	0%	0%	\$ (7)	\$ (7)
Huntsville	119%	91%	\$ (4)	\$ 2
Lakeshore	83%	76%	\$ 5	\$ 8
Brockville	91%	85%	\$ 5	\$ 9
Amherstburg	49%	46%	\$ 15	\$ 17
West Lincoln	58%	50%	\$ 13	\$ 18
Grimsby	64%	64%	\$ 20	\$ 20
Lincoln	58%	50%	\$ 17	\$ 23
Port Colborne	63%	63%	\$ 23	\$ 23
Pelham	19%	16%	\$ 19	\$ 23
Sarnia	49%	42%	\$ 20	\$ 26
Orillia	53%	46%	\$ 20	\$ 26
Ottawa	0%	0%	\$ 20	\$ 28
Middlesex Centre	57%	51%	\$ 22	\$ 28
Quinte West	45%	36%	\$ 19	\$ 28
Whitby	80%	68%	\$ 17	\$ 31
Aurora	61%	61%	\$ 32	\$ 32
Gravenhurst	48%	40%	\$ 24	\$ 33
Guelph	37%	37%	\$ 36	\$ 36
Chatham-Kent	50%	45%	\$ 30	\$ 36
Kawartha Lakes	43%	42%	\$ 36	\$ 37
Central Elgin	50%	46%	\$ 33	\$ 39
Toronto	4%	3%	\$ 37	\$ 40
Welland	24%	22%	\$ 36	\$ 42
Timmins	65%	62%	\$ 36	\$ 42
Prince Edward County	32%	30%	\$ 39	\$ 42
Windsor	54%	44%	\$ 28	\$ 43
Peterborough	82%	66%	\$ 18	\$ 44
London	8%	6%	\$ 32	\$ 44
Ajax	61%	55%	\$ 34	\$ 44
Richmond Hill	40%	32%	\$ 31	\$ 45
Belleville	51%	47%	\$ 39	\$ 45
Milton	47%	39%	\$ 33	\$ 47
Wainfleet	38%	35%	\$ 42	\$ 47
Thorold	43%	35%	\$ 34	\$ 48
The Blue Mountains	44%	44%	\$ 48	\$ 48
Brantford	36%	31%	\$ 39	\$ 49
Whitchurch-Stouffville	64%	56%	\$ 35	\$ 50
Wellesley	57%	48%	\$ 36	\$ 52

Recreation Facilities—Other (cont'd)

Municipality	2009	2009	2009 Net	2009 Net
	Revenues as % of Total Expenditures Excluding Amortization	Revenues as % of Total Expenditures Including Amortization	Costs Recreation Facilities per Capita - Other Excluding Amortization	Costs Recreation Facilities per Capita - Other Including Amortization
Pickering	47%	42%	\$ 43	\$ 52
Georgina	43%	39%	\$ 43	\$ 52
Cambridge	36%	32%	\$ 43	\$ 53
Kitchener	39%	35%	\$ 46	\$ 53
Markham	0%	0%	\$ 53	\$ 53
Fort Erie	40%	29%	\$ 33	\$ 54
Vaughan	9%	7%	\$ 40	\$ 54
Burlington	31%	26%	\$ 43	\$ 54
St. Thomas	1%	1%	\$ 45	\$ 54
Halton Hills	49%	39%	\$ 37	\$ 55
Niagara Falls	3%	3%	\$ 52	\$ 56
Mississauga	13%	11%	\$ 46	\$ 56
Niagara-on-the-Lake	44%	35%	\$ 39	\$ 56
Oakville	2%	2%	\$ 46	\$ 57
North Bay	30%	27%	\$ 49	\$ 58
Hamilton	4%	3%	\$ 54	\$ 59
St. Catharines	11%	9%	\$ 52	\$ 60
Greater Sudbury	40%	37%	\$ 53	\$ 60
Kingston	46%	38%	\$ 46	\$ 62
East Gwillimbury	0%	0%	\$ 62	\$ 63
Barrie	37%	28%	\$ 43	\$ 63
Leamington	48%	41%	\$ 48	\$ 63
Thunder Bay	38%	36%	\$ 59	\$ 64
Sault Ste. Marie	23%	23%	\$ 65	\$ 65
Woolwich	46%	44%	\$ 64	\$ 70
Wilmot	47%	38%	\$ 54	\$ 77
Woodstock	30%	26%	\$ 69	\$ 85
Stratford	3%	2%	\$ 58	\$ 85
Clarington	27%	22%	\$ 69	\$ 87
Brampton	16%	13%	\$ 74	\$ 92
Oshawa	29%	23%	\$ 70	\$ 98
Saugeen Shores	38%	34%	\$ 89	\$ 103
Waterloo	48%	42%	\$ 84	\$ 106
Newmarket	26%	22%	\$ 101	\$ 122
Caledon	9%	6%	\$ 80	\$ 130
Tillsonburg	0%	0%	\$ 135	\$ 139
St. Marys	28%	23%	\$ 256	\$ 329
Average	40%	35%	\$ 43	\$ 54

Source—2009 FIR

Sept 20 Additional Questions

1. Budget

The Board itself does not prepare the budget. It reviews what staff develop, with particular regard by the Board as to the contents of sections 3.2 and 3.5 of the agreement, and makes a recommendation to the two Councils.

Within the approved budget section 7.1 gives authority to the Board to establish staff complement. This does not automatically give the Board authority to hire, terminate or layoff staff.

There is no authority granted to the Board to close the complex for a period of time. Operational policies are the responsibility of the Two Councils as per Section 1.0 of the Terms of Reference. It makes it clear that the Board is an "Advisory Board" rather than an operational board with its focus on *"advising the two Municipal Councils on Strategic objectives and operational policies to guide the management of the Complex"*.

Also, there is no authority for the Board to establish subcommittees. The Board cannot delegate the duties delegated to it.

2. Liaison with user groups and community stakeholders

This direction is consistent with the advice to be given by the Board to the Councils with respect to rents, fees and user group and customer service policies. It is also interpreted to mean that delegations wishing to appear before the two Councils would be directed to appear before the Board instead.

3. No vision for future of the Complex.

The Board is charged with consideration of a Complex Development Master Plan in Section 3.5. Ultimately the Plan would be approved by the two Councils.

The original goal of becoming self sustaining has turned out to be unrealistic. The Councils should reconsider this section.

4. Timely Budgets

The March 31 deadline for budget to municipal staff in the agreement Section 3.6 is not timely. It should be done in the fall of the preceding year.

5. Staff Complement

Unless delegated, authority to establish positions and thus complement rests with a municipal Council. In this case, since all staff of the EECC are staff of Aylmer, ultimately Aylmer must approve them.

Section 7.1 should be interpreted to mean within the approved budget plan rather than within the approved budget amount where it says "within the approved budget".

6. Audited Statements Section 3.9

Since the financial operations of the EECC are incorporated as part of the financial system of the Town, the Board cannot control the delivery of the Audited statements.

These statements should not differ significantly from the year end report provided by staff on January 31st.

The Board should be apprised as to any significant differences or any control system weaknesses.

7. Chair and Vice Chair Section 2.3

Only one must be an elected Councillor. Both could be. Both could not be appointed from outside of the two Councils. Both cannot be a representative of the same municipality. It also appears that neither can be the jointly appointed member, although it could be argued that he/she meets the requirements of representing either municipality. This should be clarified to mean the latter.

8. Service levels.

Operational policies are the responsibility of the two Councils, adopted by them with advice of the Board, primarily through the budget plan. Service levels are an important component of the budget plan.

9. Board Remuneration

This can be included in the budget. Only approved amounts can be paid.

10. Delegated powers

Section 3.1 only makes it clear that the Board has only those powers that have been expressly delegated to it.

11. Procedures and policies as per Section 3.3

Presumably this refers to relevant policies pursuant to Section 270 of the Municipal Act and rules of procedure governing meetings. It is assumed that the policies and procedures of the Town of Aylmer apply with the necessary modifications.

12. Audit

The Board should not be asked to approve the audited statements, but should be asked if it has any comment.

13. User Groups

As indicated previously, there is no authority to establish subcommittees for liaison or other purposes. The Board is able to hear delegations within its approved procedures for doing so.

14. Section 7.1

The number of staff needs to be part of the budget plan. The ability to appoint does not automatically include the ability to lay-off or terminate. Appointment would usually follow from a recommendation of the General Manger after an appropriate recruitment process. A decision to lay-off or terminate full time staff would need the approval of Aylmer Council as they

would be Aylmer employees. The General Manager's advice as well as that of the Board would be important to Council in reaching such a decision.

15. Section 7.1 Expenditures.

Approvals for items in accordance with the delegated authority and identified in the approved budget do not need further municipal Council approval.

16. Dissatisfaction with the Performance of the Managing CAO

If the Board is not satisfied with bullet 5 reports, it should communicate that to the Managing CAO. If it is not satisfied with the response it should communicate that dissatisfaction to the Managing CAO's Council.

17. Closed Sessions

The board is governed by Section 239 with respect to closed sessions. The Board should keep such sessions to a minimum. The Board should seek training as to proper procedures for holding closed sessions.

18. Disciplinary Measures

Discipline of the General Manger would be determined and carried out by the managing CAO presumably with the advice and knowledge of the Board. Discipline of the Managing CAO would be the responsibility of his/her Council. If it related to an EECC matter, presumably the Board's advice would be considered.