

Subject: Business Case Review of Regional Recreation Corporation of Wood Buffalo

APPROVALS:

Carole Bouchard, Director
Bob Couture, Executive Director
Marcel Ulliac, Chief Administrative Officer

Administrative Recommendations:

THAT the following be recommended for Council approval:

1. THAT an external consultant be engaged to review the business case for the relationship between the Regional Municipality of Wood Buffalo (Municipality) and the Regional Recreation Corporation of Wood Buffalo (RRC) including but not limited to the RRC's governance structure, role, responsibilities, mandate and financial review; and
2. THAT up to a maximum of \$100,000 be allocated to fund the consultant's review, drawn from: the Community Services Department 2016 Operating Budget surplus; the Community and Protective Services Division 2016 Operating Budget surplus; the 2016 Corporate Operating Budget surplus; or if necessary, the Emerging Issues Reserve in the above noted order.

Summary:

On March 31, 2016, Administration received two letters from the RRC (Attachments 1 and 2). The first letter is a request that the Municipality review the RRC's mandate to support its proposed operating agreement with the Municipality. The second letter asks that, in conjunction with that review, the RRC transfer the operations of the Fort Chipewyan Pool back to the Municipality.

Administration reviewed the request letters and is recommending that an RRC business case review be conducted by an independent third party. The terms of reference for the review would include: governing structure, operations and cost recovery, including an examination of the current partnership framework and an analysis of whether the role, responsibilities and mandate of the RRC are serving the needs of Wood Buffalo residents (Attachment 3).

Background:

The MacDonald Island Park Society (MIPS) was originally incorporated as an Alberta Society on October 23, 1978. MIPS focused on providing residents with quality sports, culture, and recreational opportunities at MacDonald Island, exclusively. On April 5, 2004, the MacDonald Island Park Corporation (MIPC) was incorporated as a non-profit corporation under Part 9 of the Alberta *Companies Act* to take over the role of MIPS, likewise focusing exclusively on facilities

and activities at MacDonald Island. In 2013 a decision was made to expand the operations of MIPC beyond MacDonald Island, and for that purpose a new not-for-profit corporation called the Regional Recreation Corporation of Wood Buffalo (“RRC”) was created under federal legislation on June 10, 2013. Through the last half of 2013 the RRC gradually took over the operations of MIPC.

The RRC operates the Suncor Community Leisure Centre, Miskanaw Golf Course, Shell Place and Anzac Recreation Centre. It is also currently expected to be responsible for future operations of the Fort Chipewyan Pool and the Conklin Multiplex. The Fort Chipewyan Pool is expected to open in September 2016; the Conklin Multiplex is under construction and tentatively scheduled to be completed by 2018.

The relationship between the RRC and the Municipality is governed by relevant provisions of the *Municipal Government Act* and the *Canada Not-for-Profit Corporations Act*, the RRC’s Articles of Incorporation and Corporate Bylaw, and a grant funding agreement. The Articles and Bylaw of the RRC state that its purpose and mandate are to: “advance, promote and encourage recreational, cultural and social activities and events for the benefit of the residents of the RMWB” and to “operate existing and future recreational and cultural facilities to serve the cultural, recreational and social needs of the residents of the RMWB.”

Alternatives:

1. Administration internally reviews the operating partnership between the Municipality and the RRC, including but not limited to the RRC’s governing structure, role, responsibilities, mandate, operations and cost recovery.
2. The RMWB will assume operations for the running of the Fort Chipewyan Pool.

Budget/Financial Implications:

Funding to hire an external firm is not approved in the 2016 Operating Budget.

Rationale for Recommendations:

According to the RRC’s Articles of Incorporation and Corporate Bylaw, the RRC “shall not amend, alter or fail to follow the foregoing mandate without the prior approval of the RMWB, which approval may be withheld in the sole and absolute discretion of the RMWB.”

In alignment with Regional Indoor Recreation and Community Facilities Master Plan, development of a standardized partnership framework through which all partnership opportunities are vetted and potential partners are sourced and selected is an important component of developing and managing operating partnerships.

Strategic Plan Linkages:

- Pillar 1 – Building Responsible Government
- Pillar 6 – Building a Sustainable Region
- Pillar 7 – Building for a Healthy and Active Lifestyle

Attachments:

1. Letter of request to review the mandate from the RRC, dated March 31, 2016.
2. Letter of request to transfer the operations of Fort Chipewyan Pool from the RRC to the Municipality, dated March 31, 2016.
3. Terms of Reference for business case analysis of the Regional Recreation Corporation of Wood Buffalo