



RESPONSE TO SOUTH RIVER MEDIA RELEASE REGARDING SHARED SERVICES

We received a letter from South River (Sep 21, 2022) a few hours after receiving an inquiry from the media. The matter currently in question is the 2021 over budget amount for the Arena. There is a fair amount of background to the matter, subject to legal advice*. At this time, Machar has no contractual obligation* (no written authority) to pay the 2021 over budget amount for Arena. See Resolution 135-21 (passed Aug 23, 2021 and provided below). This Resolution was passed by Machar to enable us to continue supporting shared services. We support shared services, and we continue to support shared services with payments up to date and up to the budget amounts (as authorized by Council).

TOWNSHIP OF MACHAR				
			Resolution Number: <u>135-21</u>	
Moved By: <u>Bart Wood</u>				
Seconded By: <u>Neil Scarlett</u>			Aug 23, 2021	
WHEREAS South River passed a Resolution on Dec 10, 2018 to remove itself from Shared Services Committees effective Dec 31, 2019, and				
WHEREAS the consequence of the Resolution from South River was the termination of Agreements respecting the joint operation of the Arena and the Fire Department, and				
WHEREAS Machar secured an agreement in principle dated Mar 17, 2020 that South River had no issue with updating the 1996 Fire Board Agreement and the 1997 Arena Board Agreement, and				
WHEREAS Machar provided the original By-law Agreements in digital format to South River on Feb 12, 2021 and the updated By-law Agreements on Mar 23, 2021, and				
WHEREAS there has been no success in South River signing the updated By-law Agreements, and				
WHEREAS South River provides monthly Shared Services Reports, Accounts Payable Ledgers, and Income Statements for Fire and Arena to Machar by the 15 th of each month, and				
WHEREAS the By-law Agreements pertain to Committee structure, budget and cost sharing,				
NOW THEREFORE THAT Machar agrees to cost sharing for Fire at 50-50, for Arena at 1/3 Machar and 2/3 South River for Arena operations, and 50-50 for Arena capital, subject to the following:				
<ul style="list-style-type: none"> ▪ budget amounts agreed to by Resolution of the Township of Machar by Apr 1 of each year, ▪ payments up to the annual budget amounts approved, ▪ providing that the costs are for Fire and Arena only, ▪ that services continue to be provided per status quo, ▪ that the Arena be available to Machar citizens, and ▪ that the Arena be available to the municipality for Emergency purposes. 				
Carried by: <u>Lynda Carleton</u>				
Lost by: _____				
- Division of Votes -				
NAME OF MEMBER OF COUNCIL	Yeas	Nays	Abstention	Absent
Mayor Lynda Carleton	✓			
Councillor Ron McLaren	✓			
Councillor Blair Flowers	✓			
Councillor Neil Scarlett	✓			
Councillor Bart Wood	✓			
Total				

There is a separate By-Law No. 13-19 (Oct 28, 2019) that establishes Fire Department services for South River and Machar.

Notable for 2022, the Village put forward Budget request increases (Mar 9, 2022) of 32.08% for Arena and 4.15% for Fire. The Township responded (Mar 16, 2022) to request lower drafts. Our own departments came in for 2022 Budgets at 1.2% for Landfill and 2% for Roads. Drafts came back from South River (Mar 24, 2022) at the same for Fire at 4.15% and a bit higher for Arena at 32.23%. Machar approved 2022 contributions to shared services (Mar 28, 2022); Arena and Fire at 2021 Budget amounts + 3% subject to Resolution 135-21. We advised the Village of this on Apr 12, 2022. This is higher than those approved for our own departments. Additionally, the Township allocated a \$100,000 grant to the Arena in 2021 for capital purposes to install back-up generators and update the kitchen. The project isn't yet complete.

Municipalities are governed and must operate per legislation, rules and procedures. There is no longer in place any structure* (legal authority) to meet with South River (since they removed themselves from Committees terminating the by-law agreements which provided for the meetings). We advised the Village of this legal advice on Jun 17, 2021. We support shared services. There are 4 services shared directly with South River: Library (administered by a Board), Medical Centre (administered by a Board/Machar), Arena and Fire (previously administered by Committees/South River). We want to resolve this matter, we feel we should have meaningful input and financial consideration for the money contributed by the Township. We work hard to represent Machar taxpayers and endeavor to be fiscally responsible in all departments, we put forward the same values and expectations that we have in our own operations. In some ways, the Township and the Village operate very differently. We value shared services. We believe different thoughts and opinions bring about better decisions. We believe in democracy and that decisions can't be just one sided, without regard to the input of the partner. We continue to dialogue with South River on this matter. We believe a more conciliatory approach would be more appropriate to move the matter forward. We hope this information has been helpful in understanding.

In the spirit of same, Machar has sent an agreement proposal to South River that if approved, would enable us to pay the 2021 over budget amount for Arena and we've again requested lower drafts for the 2022 budgets. The Arena budget was over approximately \$54,000 in total in 2021 and proposed an increase of approximately \$70,000 in total in 2022. We need to reach a compromise and operate on a mutual level of respect. The swift and unexpected timing from South River has left us subject to procedural requirements before we could respond. The Agreement will provide the mechanism (legal authority) to meet with the Village. We've done our best to act as soon as we could. This is a complex and important matter. There are of course, many additional details and we've done our best to summarize the main points in the matter. We remain committed to and we value shared services, but we're unable to contravene legal advice obtained. Machar currently faces policy considerations and upcoming restrictions on Council before the municipal election. Machar has a race for Mayor currently in play between the incumbent (current) and an incumbent Councillor (2 candidates for 1 position), as well as 3 incumbent (current) Councillors and 4 new Councillors (7 candidates for 4 positions). We'll do what we can to resolve the matter within our current parameters with the co-operation and renewed engagement of South River, and the input of our taxpayers. Please feel free to contact us with any questions.