

CITY OF MERRITT

AGENDA, SPECIAL MEETING OF THE CITY OF MERRITT COUNCIL, WEDNESDAY, SEPTEMBER 25, 1996 AT 7:00 P.M. MEETING ROOM #1, 2185 VOGHT STREET, MERRITT, B.C.

Issues with Thompson Nicola Regional District:

1. RECREATION FUNDING
2. ECONOMIC DEVELOPMENT
3. SOLID WASTE MANAGEMENT
4. LIBRARY

IN-CAMERA:

1. BAILLIE HOUSE
2. SPRING ISLAND TRAILER PARK
3. XMAS OFFICE CLOSURE



COPY

CITY OF MERRITT

April 23, 1996

TNRD
2079 Falcon Road
Kamloops, BC
V2C 4J2

2185 VOGHT STREET
P.O. Box 189
MERRITT, B.C. V0K 2B0
(604) 378-4224
FAX (604) 378-2600

Attention: Mr. Eric Shishido

RE: Nicola Valley Recreation Funding

Further to our numerous discussions on this issue I advise as follows:

- 1) A draft advertisement is attached. Please let me know your thoughts on it.
- 2) You are correct that the initial tenders came below budget. This has enabled the City to also include a new slab and board system in the project. Budget and tender price information is attached. The full budget will be accounted for as the Users' Committee has a lengthy wish list remaining.
- 3) Council has considered the position put forward by the Electoral Area Directors pertaining to the people at the extremities of the electoral area who really do not have an opportunity to utilize recreational facilities in Merritt. Council has therefore suggested that rather than have the Regional District pay 25% based on proportional population, (excluding people residing on Indian Reserves), the Regional District could pay 80% of their portion of the population, or 20% of the total capital and operating costs.
- 4) Our Recreation Manager has obtained information from the three largest user groups of the arena. Responses from the Figure Skating Club, Minor Hockey and Recreational Hockey indicate 23% of their participants reside outside the City of Merritt (some of this 23% will include people residing on Indian Reserves).
- 5) You indicated that current recreation funding would cease if arena funding proceeded. Council has difficulty with this position, because the City provides other recreational facilities and services that are utilized by the Nicola Sub-region. The City recognizes that parks are available in the rural areas, that the Regional District provides funding to the Nicola Valley Museum and that other less significant recreational amenities are not largely utilized by rural residents. Thus, Council has greatly narrowed its list of what the City believes are regionally significant recreational amenities. Specifically, Council believes the following should receive proportional funding by the T.N.R.D.:

- The Civic Centre;
- The Seniors Complex;
- The ball area only of Central Park. (The City recognizes that some ball is played in Lower Nicola, but the majority of leagues, particularly adult leagues, play at the many fields in Merritt);
- Recreational programming and special events. (The City provides various ongoing and seasonal recreation programs, such as Body Alive and Awesome Art, and specialty events such as Canada Day activities, Easter activities, etc.)

The total operating budget for these four items is in the \$95,000 per annum range of which approximately \$45,000 is offset by user fees. The operating deficit is in the range of \$50,000 per year, and the City requests the TNRD to continue to fund these items in the amount of approximately \$10,000 per year. (80% of the 25% proportional population).

- 6) If our understanding of your assessment base is correct, the above points should have the following financial implications:

ARENA FUNDING

Total Budget	\$ 2,648,000
2/3 Infrastructure Funding on \$2,391,000	<u>1,594,000</u>
Net Cost to City	<u>\$ 1,054,000</u>
TNRD Share:	
- Capital Construction: 80% of 25% = 20%	<u>\$ 210,800</u>
Operating:	
Operating (approximately)	\$ 200,000
Debt Servicing Cost = Over 15 years @ 10%	
Interest	105,400
Principal	<u>48,845</u>
Annual Payment	\$ 154,245
Administration Fee @ 5%	<u>\$ 10,000</u>
	<u>\$ 364,245</u>
TNRD Contribution @ 20%	<u>\$ 72,900</u>
Annual Payment (approximately)	<u>\$ 75,000</u>

General Recreation Funding

Current Contribution	\$ 28,000
Reduction after positive vote for Arena Funding	<u>- 18,000</u>
Future General Recreation Funding	<u>\$ 10,000</u>

Effects on Tax Rate

(Based on \$0.16/1000 generates \$100,000)

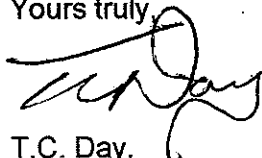
Current contribution \$28,000=	\$0.045/1,000
Plus New Arenas Funding \$75,000=	\$0.120/1,000
Less reduction in General Recreation (\$18,000)	<u>\$0.029/1,000</u>
New contribution rate	\$0.136/1,000
Increase	\$0.091/1,000

Average \$100,000 house increase \$9.10 per year.

We would appreciate yourself and John reviewing our estimates and advising us of any corrections. Further, it may be beneficial if you, John, Sukh and I have a telephone conversation to discuss the best means of presenting a clear picture to the Taxpayers.

I look forward to hearing further from you.

Yours truly,



T.C. Day,
City Administrator

TCD:la

cc: Director McMahon
Director Lunzman
Mayor and Council

Regional Recreation Finance Fact Sheet

- 1) Including operating the new Arena, but excluding any capital improvements, the City will spend \$1.3 Million on Recreation.
- 2) The City generates approximately \$600,000 in recreational revenues including the T.N.R.D.'s contribution to the Aquatic Centre. Thus, City of Merritt Taxpayers subsidize recreation in the amount of \$700,00 per year.
- 3) The City is seeking a tax contribution from the rural residents to pay their share of the Nicola Valley Arena, Merritt Civic Centre, Merritt Seniors Centre and the ball fields at Central Park.
- 4) The City realizes that some of its recreation facilities are not generally used by regional residents. Thus, the City has deleted what it views as local facilities from its requested cost sharing list.
- 5) A recent survey of major recreational user groups in the City of Merritt showed 23% of the users resided outside the City of Merritt. Excluding the Aquatic Centre, which rural residents do pay taxes towards, rural residents' usage of City recreational facilities is being directly subsidized by the City taxpayers.
- 6) The City realizes that some rural residents live at such great distance from the City that they do not have an opportunity to use City recreational facilities. Thus, the City has reduced the requested population based cost sharing formula from the actual population split of 75% City/ 25% Regional to 80% City/20% Regional.
- 7) If the rural areas do not contribute to these services on a taxation basis, the City will have to implement additional user fees to non-resident users so that City Taxpayers are not left subsidizing rural users.
- 8) The additional non-resident user fees are currently estimated at:
 - Each user of the Arena an additional \$400 per season.
 - Each member of a ball league using City fields an additional \$30 per season.
 - Each user of the Seniors Centre an additional \$40 per year.
 - Each renter of the Civic Centre an additional 100% of fees.
- 9) The taxation increase requested of rural residents is, in the City's opinion, modest. A taxation increase of approximately \$0.091 per thousand would cover all costs. Thus a \$100,000 home would pay an additional \$9.10 per year for equal use of the subject facilities.
- 10) The City would very much rather not implement expensive non-resident user fees, but can not continue to ask the City Taxpayer to carry the entire subsidy of recreational facilities utilized by all area residents.