

- 4.11 Comply with all Federal, Provincial and local government regulations respecting the operation of public aquatic and recreation facilities and the provision of the Service.
- 4.12 Employ and provide the services of staff and personnel necessary to provide the Service promptly and efficiently.
- 4.13 Work with and report to the CITY, who shall provide general input and advice to ALE for the management of the Centre and the provision of the Service.
- 4.14 With the exception of costs associated with the provision of natural gas, electricity and water to the Centre, or as otherwise stated in this Agreement, ALE shall pay all costs arising from the operation of the Centre and the provision of the Service in accordance with ALE's operating budget approved by the CITY. ALE shall submit requests to the CITY for all capital expenditures. Should an extraordinary event occur at any time which results in an unanticipated large expense, ALE and the CITY will discuss the possibility of sharing such expense.
- 4.15 Collect and receive all monies arising from the operation of the Centre and keep books of accounts, records, vouchers, cheques, papers and documents within generally accepted accounting principles as they apply to the operation of such a facility and the provision of the Service.
- 4.16 As aquatic admission, fitness admission and circuit admission rates are set by CITY bylaw, ALE shall work with the CITY to determine such fees as required. All other programs and services shall be offered to the public at fair market value.
- 4.17 Prepare financial operating statements for the operations of the Centre and submit financial operating statements monthly to the CITY.
- 4.18 Have an independent accountant prepare a complete financial statement for the operation of the Centre for the calendar year ending December 31 of each year of the Term, within two (2) months of the calendar year end, and provide such financial statements to the CITY upon request.-
- 4.19 Prepare and submit an annual budget to the CITY for the operation of the Centre no later than October 31 for the next year. The subsidy amounts- shall not exceed \$469,536 for 2017 (subject to the CITY approval of a 2017 fees and charges increase of not less than 2%), and will be adjusted annually for the duration of this Agreement by a negotiated amount mutually agreed upon but not less than the CPI (the "Annual Contribution").
- 4.20 Operate the Centre and provide the Service in a fiscally sound manner and advise the CITY promptly of any anticipated deficit or participation problems.
- 4.21 Prepare a schedule and programs for the use of the Centre appropriate to the needs of the public and ensure that such meets the approval of the CITY.
- 4.22 Make every attempt to prevent any builder's liens for work, labour, services or materials ordered by ALE or for the cost of which ALE may be in any way obligated during the Term of this Agreement, from attaching to title to the land on which the Centre is located.
  - 4.22.1 Whenever such lien shall attach or any claim therefore be filed, ALE shall promptly discharge such lien.

Insurance and Revenue Canada concerning Federal or Provincial Employee Tax Remittances and General Services and Sales Taxes in connection with the operation of the Centre.

- 4.27 ALE shall make every reasonable effort to screen all existing and new staff/volunteers that are, or may be, working with children and youth to safeguard against any abuse. ALE shall require all staff and volunteers working with or near children and vulnerable adults to submit to a Criminal Records Check.

5. CONDITIONS OF PREMISES

ALE agrees that, upon termination of this Agreement pursuant to clauses 2 and 22, ALE shall leave the Centre in the same or like condition as it was on December 31, 2016, following inspection, subject to normal wear and usage.

6. LICENSES/PERMITS

ALE agrees that any licenses/permits obtained for the operation of the Centre shall be in the name of the CITY, unless otherwise required by law to be in the name of ALE.

7. DISCRIMINATION AND RESPECTFUL WORKPLACE

ALE acknowledges that the Centre shall be for all members of the community regardless of race, creed, gender, spiritual belief, or physical ability and ALE shall not discriminate against any members of the community on any of these grounds with the exception of those members of the community whose use of the Centre may pose a legitimate health or safety risk to themselves or others.:

ALE also acknowledges that the CITY expects that the Centre operation will fulfil requirements and policies for a Respectful Workplace and Anti Bullying.

8. FUNDING

The CITY agrees that in consideration for the Service, the CITY shall pay by equal monthly installments, on the first day of each month, commencing January 1<sup>st</sup>, 2017 one-twelfth (1/12) of the total of the Annual Contribution and the Annual Management Fee.

9. SURPLUS/SHORTFALL

- 9.1 If, at the end of any Fiscal Period, the total revenue of the Centre, including any amounts paid by the CITY to ALE other than the Annual Management Fee, exceeds ALE's total expenses of providing the Service during the Fiscal Period, then the excess revenue (the "Surplus") shall be paid by ALE to the CITY, in which case Clause 16.0 shall apply.

9.2 If, at the end of any Fiscal Period, the total revenue of the Centre, including any amounts paid by the City to ALE other than the Annual Management Fee, -does not exceed ALE's total expenses of providing the Service during the Fiscal Period, then any shortfall shall be the responsibility of the CITY.

#### 10. EXPENSES

It will be the responsibility of ALE to control expenses within those budgeted and submitted to the CITY annually.

If it becomes apparent to ALE at any time that there may be a substantial discrepancy, due to unforeseen circumstances, between the actual financial performance of the Centre and the budget, ALE shall promptly notify the CITY and shall be available to meet with the CITY to review the discrepancy and the parties agree that in such case, they may make such further agreements as may be required.

#### 11. DISPLAY LOGO

The CITY agrees that ALE may display its logo and other materials to identify ALE at the Centre and in publications.

#### 12. INDEPENDENT CONTRACTOR

The relationship between the CITY and ALE shall be that of an independent contractor. The parties agree that nothing contained herein shall be construed to deem ALE to be the agent of the CITY and that ALE has no authority to bind the CITY nor incur any expense or liability on the CITY's behalf.

#### 13. EXTERIOR GROUNDS MAINTENANCE

Unless otherwise specifically stated herein, the CITY is responsible for the exterior grounds maintenance of the property, including parking lot repairs, snow removal, and playground and skatepark repairs.

#### 14. BANKING

ALE shall maintain a separate bank account for the operation of the Centre. All monies from time to time received on account of the operation of the Centre and the provision of the Service shall be deposited immediately in such account in the same drafts, cheques, bills or cash in which the same are received and all disbursements on account of the operation of the Centre shall be made by cheque drawn on such account.

## 15. USE OF CITY MONIES

All monies received by ALE from the CITY under this Agreement other than under clause 17 shall be used only for the purpose of providing the Service.

## 16. SHARING THE SURPLUS

The CITY may share the Surplus, if any, with ALE in accordance with the following procedure:

- 16.1 ALE must submit in writing a request to share in the Surplus of a Fiscal Period by the last business day of February of the year following the Fiscal Period to which the Surplus relates.
- 16.2 CITY staff shall conduct a complete review of the Service provided during the Fiscal Period to which the Surplus relates to ensure that the level and quality of the Service has not diminished or decreased from previous years, but has continued to be enhanced. CITY staff shall utilize the Performance Measures and any other material or records to aid in their decision.
- 16.3 Based on the review conducted under clause 16.2, CITY staff may recommend, or may not recommend, that ALE share in 50% of the Surplus. CITY staff shall provide the recommendation with supporting rationale in a report to Council for the CITY within six months of receipt of a request under clause 16.1.
- 16.4 Upon receipt and consideration of a report under clause 16.3, Council for the CITY may decide to share the Surplus with ALE. Council for the CITY's decision shall be final.

## 17. MANAGEMENT FEE

ALE shall receive a direct management fee of \$110,175 in 2017 and in subsequent years of the Term a direct management fee equal to that of the previous year's with an annual increase equal to the CPI or as otherwise mutually agreed upon (the "Annual Management Fee").

## 18. STRUCTURAL CHANGES

ALE shall not undertake any structural changes or additions to the Centre without prior approval from the CITY. Replacement or repairs of building structures, facilities or equipment, which are unbudgeted shall be undertaken only with prior approval of the CITY.

## 19. TECHNOLOGY

All computer hardware, software, telephone systems and other technology systems shall be provided at the expense of the CITY. Upgrades or additions to these systems shall be at the discretion of the CITY when funds are made available through the annual budget approval process. All fees (other than debit and credit card fees) related to the Recreation Registration