



January 30, 2023

East Hants Arena Association
1076 Hwy #2 Lantz, NS B2S 1M8

Re: Facility Management Agreement

Board Members,

With the establishment of the Facility Management Agreement (FMA) between East Hants Arena Association and the Municipality of East Hants in July 2021, we anticipated a phase in period and a learning curve between our organizations and how we both operate. For the past 18 months since the signing, the day-to-day relationship between staff of both the Association and the Municipality continues to be responsive and collaborative.

The FMA was a key element to Council investing in the facility and increasing the area rate for the communities the facility serves. With that investment comes accountability to their tax payers. Following a review of the Agreement I have identified a number of items within the FMA that require the Association's attention. Items include, but are not limited to:

- Article 3.2(h) With respect to conducting regular inspections and providing East Hants with a reasonably detailed report. While this may be done, the Municipality does not have any record of receiving reports.
- Article 3.2(j) Leasing and tenants - East Hants was not aware of a prospective new tenant or consulted on a lease agreement that aligned with conditions approved by East Hants.
- Articles 3.3(e) and 3.6 address the requirement of the EHAA to enter into lease agreements on forms approved by East Hants.
- Article 3.2(o) Developing internal safety policies and practices. The Municipality has no record of receiving any documentation for review and comment.
- Article 3.2 (r) Applying for government grants - municipal staff have shared grant funding streams with no indication that the EHAA is moving forward with any applications. Municipal

staff are in the process of filling out a Provincial Rink Revitalization application which awarded numerous facilities with grant funding in previous years.

- Article 8.1 Annual Budget - while the operating budget was provided to our Finance Director within the range of the agreement (December 31st), it has not yet been approved by the EHAA Board, only the EHAA Budget Committee. East Hants presents the overall budget to our Council in January each year, which now incorporates the EHSP figures. Annually, these should be Board approved budgets.
- Article 8.2 - Community Access and Pricing - any increases in fees shall be approved in writing by East Hants, user charges are subject to East Hants approval. While there was discussion at a board meeting regarding user fees in 2022, it should be clarified that East Hants gives final approval on any proposed changes in fees.
- Article 8.7 Annual Financial Statements & Audits - there have been significant delays getting the information from the Baker Tilly audit. The agreement indicates the EHAA shall provide East Hants with year end financial statements within 60 days of the end of the operating year.
- Article 8.8 Annual Operation and Maintenance - within 60 days of the end of the operating year, a report shall be provided to the Municipality. To date this has not been provided.

I have asked Alana Tapper, as the representative of East Hants and liason between the Association's Board and Council, to work with your Board to create a quarterly check list and reporting process that will ensure the articles within the Agreement are being met in a timely manner. Working with this process will enable East Hants and the Board to effectly manage the FMA.

Regards,



Kim Ramsay, CAO
Municipality of East Hants
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CC. Council