

ITEM	12
MANAGER'S REPORT NO.	21
COUNCIL MEETING	1980 03 17

RE: BURNABY LAKE SPORTS COMPLEX
 FIELD HOUSE EXPANSION
 BURNABY LAKE RUGBY COMMITTEE
(ITEM 6, REPORT NO. 19, 1980 MARCH 10)

On 1980 March 10, Council adopted the following recommendations in connection with a report regarding the proposed expansion of the fieldhouse in the Burnaby Lake Sports Complex:

- "1. THAT Council authorize the Municipal Solicitor to incorporate the 'Operating Agreement' in respect of the Burnaby Lake Sports Complex Fieldhouse between the Corporation of the District of Burnaby and the Burnaby Lake Rugby Committee into a twenty-year licence agreement at an annual fee of \$1.00; and
2. THAT Council authorize the execution of such licence agreement; and
3. THAT Council authorize the execution of a 'Finance Agreement' on the lines of the attached draft Finance Agreement."

As requested by Council, the Municipal Manager is reviewing the matter of performance assurance, i.e., a documented assurance by the Rugby Club that it will be able to satisfy its financial commitments with respect to the expansion. Council will receive a further report on this particular aspect of the matter in the near future. In the meantime, any execution of documents between the Club and the Municipality will be withheld pending the conclusion of the Municipal Manager's review and his satisfaction that the municipality is protected in the event of partial performance.

Additional background information on this matter is contained in the following report from the Municipal Treasurer.

RECOMMENDATION:

1. THAT a copy of this report be sent to the Parks and Recreation Commission.

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1980 March 12
 File: G69-7

TO: MUNICIPAL MANAGER
 FROM: MUNICIPAL TREASURER
 RE: BURNABY LAKE SPORTS COMPLEX
 FIELDHOUSE EXPANSION - BURNABY LAKE RUGBY COMMITTEE
(ITEM 6, REPORT NO. 19, 1980 MARCH 10)

RECOMMENDATION

1. THAT this report be received for information purposes.

REPORT

I believe that Item 6, Report No. 19, 1980 March 10, should be expanded to include the following information.

The paragraphs commencing with the first paragraph on page 1 and ending with the third paragraph on page 2 deal with events occurring in the period between 1978 September 06 and 1979 April 27. As it happened, the Municipal Treasurer did not make the application for the Provincial Recreation Facilities Assistance Grant. The application was made by the Central Valley Rugby Committee as a joint project between the Burnaby Rugby Club, Twiligher Rugby Club and the District of Burnaby. A grant of \$175,512.49 was approved by the Province on 1979 July 05 and may be drawn by the Committee, 50% on completion of 50% of the gross estimated cost and the balance after completion of the project.

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Your Treasurer met with Messrs. Steen and Christie of the Burnaby Lake Rugby Committee (Society) and Parks and Recreation staff members on 1980 February 21 and reviewed the proposed financing of this project. It was explained that it was intended that the Committee's Architect, Mr. Herbert Challier, together with Management Contractor Mr. Harry Skipper, would manage the project. Payments for goods and services would be paid by the Society's Treasurer, Mr. Mac Christie, and the work would be performed by volunteers or contractors under contract.

The Corporation could not assume responsibility for the management of the project or for the payment of accounts because the Corporation cannot make use of volunteer labour in the manner proposed.

The only guarantee the Society could make concerning its obligation to raise \$208,025 in the form of donated goods and services, volunteer labour and cash donations, was a letter of credit with the Toronto-Dominion Bank for \$40,000 guaranteed by Mohawk Oil Company, letters of intent from a number of businesses, and the word of the individual members of the club to donate their services.

It became quite clear that if the project was to proceed on this basis it would have to do so strictly on the good reputation of the members of the Rugby Club and that the Parks and Recreation Commission and the Municipal Council would have to accept the possibility that the club might run out of money before the project was completed and that additional funds might have to be found by the Corporation to complete the project and to permit the collection of the balance of the Recreation Facilities Assistance grant due from the Province.

On satisfying myself that the Parks and Recreation staff concerned clearly understood the situation outlined in the preceding paragraph, and that they would ensure that the Commission be so informed, I recommended:

1. That the Society draw from the \$40,000 letter of credit to pay accounts as they arose.
2. That the Architect provide the Corporation with certificates certifying that the payments have been made; and further, that certain goods and services to whatever value had been donated, whereupon the Corporation would reimburse the Society for the amounts paid out, to the extent of the Corporation's contribution of \$143,000.
3. That once 50% of the estimated gross cost of the project had been expended in cash, goods and services, the Society would make claim for 50% of the Recreation Facilities Assistance grant.
4. That by this time, the Society would have collected sufficient in cash, services and materials to complete the project.
5. That there might be a cash flow problem at the completion date of the project in that all accounts must be certified by a qualified public accountant before the final claim can be made for the Recreation Facilities Assistance grant.
6. That details of this arrangement and the duties and responsibilities of the Society and the Corporation be set out in an agreement under seal between the two bodies.

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The intent of the agreement is to ensure that the duties and responsibilities of the two bodies are clearly set out and ensure as much as possible that they are not open to dispute some time in the future. The document is not intended to ensure that the Society will indeed carry out its responsibilities, for the Society itself has no assets on which to claim in case of default. The document included in Item 6 outlines the bare bones of an agreement and is not the agreement itself.

Under the circumstances, Council should be advised that completion of this project depends entirely upon the good faith and ability of a group of reputable citizens. If they fail to carry out their obligations, the Corporation may be forced to find the money to complete the project and safeguard the Recreation grant from the Province.

Submitted for the information of Council.


MUNICIPAL TREASURER

BM:gw

cc: Parks & Recreation Administrator

