

**INTERMUNICIPAL COLLABORATION FRAMEWORK  
ARBITRATION**

BETWEEN:

**LAC STE. ANNE COUNTY**

(the “**County**”)

- and -

**THE TOWN OF MAYERTHORPE**

(the “**Town**”)

**TOWN OF MAYERTHORPE  
RESPONSE TO STATEMENT OF ISSUES**

1. The Parties agree they share common municipal boundaries and have a statutory obligation to develop an Intermunicipal Collaboration Framework (“ICF”).
2. The Town takes the position the ICF must include the Town’s Recreation and Cultural Services and those services have been publicly acknowledged by the County to benefit County residents.
3. The Town and the County have been unable to agree to terms for a Recreation Services Agreement due, in part, to:
  - a. The County’s refusal to discuss a principled approach to the valuation of Recreation and Cultural services for more than a decade. In the Town’s experience, the County has determined its contribution for these intermunicipal services on an arbitrary basis that fails to fully consider the actual costs the Town incurs in providing Recreation and Cultural Services;
  - b. The Town considers the County’s past approach to be inconsistent with generally accepted accounting principles for municipal governments;
  - c. The Town’s preference that contributions for Recreation and Cultural Services be calculated using a more principled, full cost accounting approach, including accounting for the factors noted in paragraph 6, below; and

- d. The County's historical resistance to utilizing a collaborative and cooperative approach to consultation and planning in relation to Intermunicipal Recreation and Cultural services.
4. Although the Parties' differing views on the value of Recreation and Culture services have prevented adoption of an ICF, the Parties have publicly adopted and executed the Existing Service Agreements.
  5. The Town takes the position the Existing Service Agreements are binding contractual agreements and are not open to revision or amendment by the Award in this Arbitration. The only outstanding aspect of the Existing Service Agreements is determination of appropriate cost sharing in relation to Community clean up of Township Road 574A.
  6. The Town concurs that the Award must address the terms of the Recreation Agreement (including cemetery services) in order for the Parties to finalize the ICF. The Town seeks an Award that directs the Recreation Agreement must address cost sharing in a manner that considers:
    - a. costs for operation, administration and maintenance of facilities;
    - b. amortization;
    - c. capital costs;
    - d. growth and inflation;
    - e. any other factors necessary to ensuring the contributions are fair and equitable.
  7. In addition to the facilities listed in paragraph 11 of the County Statement of Issues, the Town seeks an Award that would include the following additional facilities and services in the Recreation Agreement and ICF:
    - a. The Mayerthorpe BMX/Skatepark;
    - b. The Mayerthorpe Toboggan Hill;
    - c. The Paddle Valley Gymkhana grounds;
    - d. The Mayerthorpe Agricultural facilities- including barns, arenas and related facilities;
    - e. The Mayerthorpe outdoor hockey/ skating rink;
    - f. All recreation open spaces provided by the Town and used by County residents, such as parks, playgrounds, outdoor pathways and trails, and sports fields, including ball diamonds, and related facilities;
    - g. The Mayerthorpe Cemetery;
    - h. Any other recreation and cultural services provided by the Town and which benefit County residents.

8. In response to paragraph 12 to 14, the Town takes the position that:
  - a. There is no reasonable basis to allege the Town would not operate recreational facilities appropriately and responsibly;
  - b. The Town complies with the requirements of the MGA in relation to financial administration and operates in accordance with generally accepted accounting principles for Canadian municipalities;
  - c. The County's allegations of excessive staff salaries, improper accounting practices or expense and inventory misallocation are without merit;
  - d. The County's contribution must be calculated based on the actual value of the services, employing full cost accounting. Contributions must utilize available, measurable and verifiable values. A fixed amount for the County's contribution to Recreation and Cultural Services will not reflect an equitable and fair approach to valuation of the benefit the County receives from those services or consider the factors noted in paragraph 6, above. It should be noted the County's past preference for fixed contributions has resulted in significant historical short falls in County contributions for recreation and cultural services.
  
9. In response to paragraph 17 of the County Statement of Issues, the Town reserves its right to challenge the relevance of subparagraphs (a) and (b) as the County elaborates on these positions. In addition, the Town requests the Arbitrator consider matters including:
  - a. The factors in paragraph 6, above;
  - b. The historical shortfalls in County contributions to recreation and cultural service;
  - c. The importance of fair and equitable cost sharing to ensuring consistency in delivery of recreation services; and
  - d. The importance of recreation services to the public interest in both communities;
  
10. By way of response, and in addition to the relief referenced in the Town's Statement of Issues, the Town seeks an Order from the Arbitrator that directs the parties to enter into an ICF that:
  - a. Is for a 5-year term;

- b. Includes the intermunicipal services addressed by the Existing Services Agreements and upholds the current terms of the Existing Service Agreements;
  - c. Identifies which Town owned and County owned recreation and culture services and facilities are shared on an intermunicipal basis;
  - d. Confirms the Town will be responsible to provide recreation and cultural services operated from Town owned lands or facilities and the County will be responsible to provide recreation and cultural services operated from County owned lands or facilities;
  - e. Confirms the provider of the recreation and cultural services will retain discretion as to operational and budgetary decisions but will provide the other municipality with an opportunity for input and reasonable budget and financial updates;
  - f. Sets out how annual funding contributions for recreation and cultural services will be determined and paid in a manner which considers the factors in paragraph 6, above, and ensures a fair and equitable approach to payment for services that benefit the other municipality; and
  - g. Such further and other terms as may be required after review of all the evidence and submissions and which the Arbitrator deems necessary to ensure a functional ICF consistent with the provisions of the MGA.
11. As indicated in the Town's Statement of Issues, and as required by s. 708.29(1) (3.1) of the MGA, the Award must address terms for Dispute Resolution. In particular, and in response to aspects of the County's Statement of Issues, the Town takes the position the Award should address:
- a. The ICF's purpose and foundation in intermunicipal cooperation and collaboration around planning, delivery and funding of intermunicipal services ("Duty to Collaborate");
  - b. Deterrents to adoption of unreasonable positions under the ICF which lack foundation in fact and law and are inconsistent with the Duty to Collaborate;
  - c. Provisions which limit the opportunity for disputes over valuation of services during the term of the ICF;
  - d. The public interest in avoiding or limiting disputes during the term of the ICF;

- e. The parties' obligations to conduct themselves in good faith in relation to implementation and interpretation of the ICF; and
- f. Such further and other terms as the parties may propose and the Arbitrator may determine appropriate.

Dated this 30<sup>th</sup> day of July, 2021

**HUTCHISON LAW**



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JANET L. HUTCHISON  
Counsel for the Town of Mayerthorpe

\*Signed by Cory Dawson to avoid delay