

Intermunicipal Cooperation Initiative - Capital Cost-Sharing Agreement

WHEREAS the Signatories to this Agreement recognize that their common interests are far greater than their differences and that the advancement of their shared region will benefit all communities.

AND WHEREAS the Signatories further recognize that the advancement of their shared region is best accomplished through effective and ongoing cooperation, collaboration, coordination and communication.

AND WHEREAS the Signatories therefore commit to promoting, fostering and embodying cooperation, collaboration, coordination and communication in their relationships with each other.

AND WHEREAS the Signatories recognize that they each, separately and together with the other signatories, have a significant role to play in the success of their region and will ultimately share both the risk and the reward of regional success or failure.

AND WHEREAS the Signatories recognize the importance of municipal autonomy and the right of municipal self-determination.

AND WHEREAS the Signatories are committed to the Principle of "Mutual Benefit".

AND WHEREAS the Signatories want to provide quality of life by ensuring that a range of regional assets, programs and services that are effectively, efficiently and economically delivered, are reasonably available to the residents of their region.

AND WHEREAS the Signatories want to take cooperative advantage of the natural, geographic and man-made assets of their region to promote and effectively position it competitively in a global economic environment.

AND WHEREAS the Signatories want to extend the opportunity to other municipalities to participate in the Agreement.

NOW THEREFORE THIS AGREEMENT BEARS WITNESS that the Signatories agree as follows:

1. SIGNATORIES

1.1 **Charter Signatories.** The Charter Signatories to the Agreement are Northern Sunrise County and the Town of Peace River.

1.2 **Subsequent Signatories.** It is intended that this Agreement be open to other municipalities should they wish to take advantage of it in furthering their interests through regional cooperation. To that end, Northern Sunrise County and the Town of Peace River agree that other municipalities may join this capital cost-sharing arrangement based on the same principles reflected in this Agreement.

2. DEFINITIONS

2.1 **“Regional”** means the geographic area of the Signatory Municipalities and the assets, programs and services in which they have a mutual interest. Notwithstanding this definition, it is recognized that the term is not restrictive or exclusive of the inclusion of subsequent signatories to this Agreement. If other Municipalities enter into this Agreement, the land area of those Municipalities will become part of the Region.

2.2 **“Mutual Benefit”** means: “mutual” – belonging to each of several; “benefit” – the pursuit of regional advantage and advancement. Achieving mutual benefit means engaging in regular and ongoing communications; establishing agreements that maintain or enhance regional services, assets and programs; and through both, improving the social, economic and environmental well-being of the region.

2.3 **“Term”** means the term of this Agreement as described in Article 5.

3. PREAMBLE and SCHEDULES

3.1 The Signatories hereby confirm and ratify the matters and commitments contained and referred to in both the Preamble and Schedules to this Agreement.

3.2 The Preamble and Schedules are part of this Agreement.

4. PURPOSE

4.1 The purpose of this Agreement is to provide the opportunity to better provide quality of life to and serve, the residents of the respective Signatory Municipalities through the sharing of the capital costs of regional assets, programs and services that have mutual benefit.

5. TERM, RENEGOTIATION and TERMINATION

5.1 **Term.** The initial term of this Agreement is to be six (6) years from the date of signing so as to provide predictability, stability and certainty by spanning municipal election cycles. It will be automatically renewed for subsequent three (3) year terms unless there is a replacement agreement in place or it has been terminated under Section 5.3.

5.2 **Renegotiation.** Signatories may request renegotiation of all or part of this Agreement by providing a written request to the other Signatories one year prior to the expiry of the initial six (6) year term or one (1) year prior to the subsequent three (3) year anniversaries thereafter. Schedule "C" outlines relevant dates.

5.3 **Termination.** Recognizing that this Agreement helps to define the relationship between Signatory Municipalities and that they wish to provide predictability, stability and certainty across municipal election cycles while balancing their right to terminate the Agreement if necessary, Signatories may terminate it by providing notice in writing to that effect to the other Signatories one year prior to the expiry of the initial six (6) year term or one (1) year prior to the subsequent three (3) year anniversaries thereafter. A Notice to Terminate will automatically trigger the

Dispute Resolution steps outlined in Article 6. Should Dispute Resolution be unsuccessful, the Agreement will then terminate as of the next anniversary date of its signing. Schedule “C” outlines relevant dates.

5.4 Changes to Federal or Provincial Legislation. In the event that a change in Federal or Provincial Legislation has significant material adverse impact on the ability of one or more of the Signatory Municipalities to fulfill their obligations under this Agreement, they may request an extraordinary meeting of the Signatories to determine what implications the change(s) may have for the Agreement. In the event that Provincial Legislation changes the term of office for Municipal Elected Officials, those Sections and Schedules of this Agreement that relate to renegotiation and termination will be subject to amendment to ensure that renegotiation or termination notice and subsequent discussions take place in the middle year(s) of a Council’s term.

6. DISPUTE RESOLUTION

6.1 In the event of a dispute between the Signatories about the interpretation or application of any of the terms, covenants or conditions contained within this Agreement or when a Notice to Terminate has been made, the Signatories shall follow the following Dispute Resolution steps:

- a. Step One – Negotiation (between the parties);
- b. Step Two – Mediation and/or Facilitation;
- c. Step Three – Arbitration; and
- d. Step Four – Binding Arbitration (only by mutual agreement).

7. RETROACTIVE FORCE and EFFECT

7.1 Notwithstanding that the term of this Agreement is calculated from the date of signing, for the Charter Signatories (Northern Sunrise County and the Town of Peace River), it has force and effect retroactive to 1 January, 2009.

8. ACCESS to REGIONAL ASSETS, PROGRAMS and SERVICES

8.1 Signatory Municipalities will provide access to regional assets, programs and services to each other's residents in a manner that does not discriminate between them.

9. JOINT FUTURE FACILITIES and INFRASTRUCTURE RESERVE

9.1 The Signatories agree to create a jointly managed and funded reserve to help the partner municipalities optimize their ability to meet their priorities in providing mutually beneficial facilities and infrastructure into the future.

9.2 A joint reserve account for that purpose will be established by 31 December, 2009.

9.3 The Signatories agree to fund the Joint Future Facilities and Infrastructure Reserve in accordance with Schedule "A".

9.4 Contributions to this Reserve will be due on or before 1 July each year beginning in 2010. For 2009, contributions will be due on or before 31 December.

9.5 Further guidance related to this Reserve is included as Schedule "B".

10. CAPITAL COST SHARING

10.1 Notwithstanding the establishment of a Joint Future Facilities and Infrastructure Reserve, the Signatories acknowledge that there will be additional opportunities, requirements and the expectation that capital costs for facilities and infrastructure that are considered to be mutually beneficial regional assets, will be shared.

10.2 Nothing in this Agreement precludes separate, case-by-case capital cost-sharing agreements to be reached.

11. GENERAL PROVISIONS

- 11.1 **Further Assurances.** The Signatories covenant and agree to do such things and execute such further documents, agreements and assurances as may be necessary or advisable from time to time to carry out the terms and conditions of this Agreement in accordance with their true intent.
- 11.2 **Assignment of Agreement.** No Signatory will assign its interest in this Agreement, or any part thereof, in any manner whatsoever without having first received written consent from all other Signatories. Such consent is not to be unreasonably withheld, provided that in no event will any assignment which may have been consented to, release or relieve the assignor from its obligations to fully perform all of the terms, covenants and conditions of this Agreement or its parts.
- 11.3 **Notices.** Any notice required to be given hereunder by any Signatory will be deemed to have been well and sufficiently given if it is delivered personally or mailed by pre-paid registered mail to the address of the party for whom it is intended. A notice or other document sent by registered mail will be deemed to be sent at the time when it was deposited in a post office or public letter box and will be deemed to have been received on the fourth day after it was postmarked.
- 11.4 **Entire Agreement.** The Agreement constitutes the entire agreement between the Signatories relating to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Signatories in relation to the subject matter hereof. There are no warranties, representations or other agreements among the Signatories in connection with the subject matter hereof except as specifically set forth herein.
- 11.5 **Unenforceable Terms.** If any term, covenant or condition of this Agreement or the application thereof to any Signatory or circumstance will be invalid or unenforceable to any extent, the remainder of this Agreement or application of such term, covenant or condition to a Signatory or circumstance other than those to which it is held invalid or unenforceable, will not be affected thereby and each remaining term, covenant or condition of this Agreement will be valid and enforceable to the fullest extent permitted by law.

- 11.6 Amendments.** This Agreement may only be altered or amended in any of its provisions when any such changes are put in writing and signed by all of the Signatories.
- 11.7 Remedies Not Exclusive.** No remedy herein conferred upon any Signatory is intended to be exclusive of any other remedy available to that Signatory but each remedy will be cumulative and will be in addition to every other remedy given hereunder or now or hereafter existing by law or in equity or by statute.
- 11.8 No Waiver.** No consent or waiver, express or implied, by any Signatory to or of any breach or default by any other Signatory, in the performance by such other Signatory of their obligations hereunder will be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such Signatory. Failure on the part of any Signatory to complain of any act or failure to act of another Signatory or to declare such Signatory in default, irrespective of how long such failure continues, will not constitute a waiver by such Signatory of his rights hereunder.
- 11.9 Counterparts.** This Agreement may be executed in several counterparts each of which when so executed, will be deemed to be an original. Such counterparts will constitute the one and same instrument and notwithstanding their date of execution, will be deemed to bear the date as of the date of this Agreement.
- 11.10 Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the Province of Alberta.
- 11.11 Time.** Time will be of the essence for this Agreement.
- 11.12 Enurement.** This Agreement will enure to the benefit of and be binding upon the Signatories and their respective successors and permitted assigns.

12. LIST OF SCHEDULES

12.1 The following Schedules are part of this Agreement:

- a. Schedule A – Joint Future Facilities and Infrastructure Reserve Funding;

- b. Schedule B – Joint Future Facilities and Infrastructure Reserve Guidance; and
- c. Schedule C – Renegotiation and Termination Dates.

IN WITNESS WHEREOF the Signatories have hereunto executed this Agreement under their respective corporate seals and by the hands of their proper officers duly authorized in that regard.

Signed this ____ day of _____, 2009 in _____, Alberta.

NORTHERN SUNRISE COUNTY

TOWN OF PEACE RIVER

Per: _____

Per: _____

Reeve Agnes Knudsen

Mayor Iris Callioux

Per: _____

Per: _____

CAO Bob Miles

CAO Norma MacQuarrie

SCHEDULE "A"

JOINT FUTURE FACILITIES and INFRASTRUCTURE RESERVE FUNDING

Northern Sunrise County and the Town of Peace River agree that funding for this Reserve will be by matching contribution beginning in 2009.

Contributions will at the following levels:

- 2009 - \$100,000 each;
- 2010 – 2012 inclusive - \$250,000 each; and
- 2013 – continuing - \$300,000 each.

SCHEDULE “B”

JOINT FUTURE FACILITIES and INFRASTRUCTURE RESERVE GUIDANCE

The creation of a jointly managed and funded reserve to help the partner municipalities optimize their ability to meet their priorities in providing mutually beneficial facilities and infrastructure into the future is to be guided by the following:

- **Purpose:**
 - To permit strategic investment in mutually beneficial facilities and infrastructure;
 - To be based on the agreed definition of “Regional” and the Principle of “Mutual Benefit”;
 - Sufficiently flexible to allow for other regional municipalities to join;
 - Sufficiently flexible to accept funds from industry or other sources; and
 - To be available to fund capital including land but not operating costs.

- **What Qualifies:**
 - Regional facilities and infrastructure (both need to be further defined in a regional context).

- **Funding:**
 - Matching contributions by participants;
 - Sufficiently flexible to allow for different funding models should participating municipalities agree; and
 - Sufficiently flexible to accept funds from other sources.

- **Governance:**
 - Set up as a joint reserve account; and
 - Annually audited and reported jointly in the Financial Statements of participating municipalities.

- **Administration of Reserve:**
 - The CAO’s of participating municipalities acting jointly; and
 - Joint development of short and long term priorities in a regional context and based on the Principle of Mutual Benefit.
 - Upon the termination of this Agreement, all unexpended funds forming part of the joint Reserve account shall be accounted for and returned to the participating municipalities in proportion to their respective contributions to the Reserve.

- **Joint Advisory Committee:**

- A joint advisory committee comprised of the Mayor/Reeve and Deputy Mayor/Reeve of participating municipalities will be set up; and
 - Its mandate would be to be a source of advice to the CAO's administering the reserve and to review recommended facility and infrastructure investment priorities prior to incorporating them into the annual Business Planning and Budget Processes for participating municipalities.
- **Process:**
 - CAO's review funding levels and contributions as well as short and long term priorities;
 - Joint Advisory Committee reviews and provides advice related to CAO recommendations;
 - CAO's incorporate recommendations into normal annual Business Plan and Budget development processes at municipal level; and
 - Participating Councils review and ultimately make decisions related to the reserve through their normal municipal Business Plan and Budget processes.

SCHEDULE "C"

Renegotiation and Termination Dates

23 Oct 09 – Agreement signed.

23 Oct 14 – First date on which a Request for Renegotiation or a Notice of Termination can be filed. If the latter, Dispute Resolution as outlined in Article 6 is triggered.

23 Oct 15 – Agreement renews for an additional three (3) year term unless: the Agreement has been amended or a new Agreement has been negotiated in response to a Request for Renegotiation; or, Dispute Resolution in response to a Notice of Termination has been unsuccessful, in which case the Agreement terminates.

23 Oct 17 – Date on which a Request for Renegotiation or a Notice of Termination can be filed. If the latter, Dispute Resolution as outlined in Article 6 is triggered.

23 Oct 18 – Agreement renews for an additional three (3) year term unless: the Agreement has been amended or a new Agreement has been negotiated in response to a Request for Renegotiation; or, Dispute Resolution in response to a Notice of Termination has been unsuccessful, in which case the Agreement terminates.

23 Oct 20 – Date on which a Request for Renegotiation or a Notice of Termination can be filed. If the latter, Dispute Resolution as outlined in Article 6 is triggered.

23 Oct 21 – Agreement renews for an additional three (3) year term unless: the Agreement has been amended or a new Agreement has been negotiated in response to a Request for Renegotiation; or, Dispute Resolution in response to a Notice of Termination has been unsuccessful, in which case the Agreement terminates.

The elements outlined above continue to repeat on a three year cycle unless the Agreement in place at the time has been terminated.