

# Corporation of the Town of Carleton Place

175 Bridge Street, Carleton Place, ON K7C 2V8 Phone: (613) 257-6200 Fax: (613) 257-8170

August 9, 2021

Ken Kelly, Chief Administrative Officer  
Municipality of Mississippi Mills  
PO Box 400,  
Almonte ON K0A 1A0



Dear Mr. Kelly:

Re: Cost Sharing Agreement – 2021 Proposal

This letter is a follow up to the discussions which took place at the Joint Recreation and Cost Sharing meeting held on June 23, 2021 wherein staff, on behalf of Council for the Town of Carleton Place, advised its cost sharing partners that the response received to Carleton Place's letter dated April 7, 2021 of a 2% increase over the 2020 cost sharing budgeted allocations was unacceptable.

In the April 7, 2021 letter, the Town of Carleton Place proposed an alternative method of invoicing for the 2021 fiscal year for the commitments under the agreement which included **invoicing based on the 2020 budget allocations** (prior to impacts of COVID) **plus 2% and fully reconciling to actuals at the end of 2021**. Carleton Place's proposal also included the Town advising its partners as early as possible that if it sees from a regular review of its finances that the difference between revenues and expenses in the areas of recreation, pool and library is approaching the amount invoiced to its partners, it will provide justification for any anticipated increase(s). At the very least, the Town will provide a financial report to its partners on actuals versus budget for the current year when it presents its 2022 budget in October 2021.

As you are aware, in 2020, the provincial government provided funding to municipalities to mitigate the operational impacts of COVID. Carleton Place allocated its COVID funding on a proportional basis to its departments that experienced losses in 2020. If the provincial government provides additional funding in 2021 to mitigate the impact of COVID on its operations (which at this point is unclear), the Town of Carleton Place also commits to allocating this funding on a proportionate share basis with all of its departments experiencing losses which includes recreation, pool and library. This proportionate allocation of provincial funding (if any) will be included in the final reconciliation to the cost sharing partners.

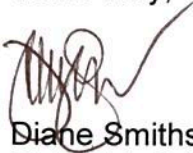
In 2020, invoices under the Howard Allan Cost Sharing Agreement were based on pre-COVID impacts. As a result, at year end, the residents of the Town of Carleton Place were **solely** responsible to pick up the difference between revenues and expenditures less cost sharing invoiced amounts to Mississippi Mills and Beckwith. This meant the Town of Carleton Place's share for recreation, pool and library services was \$314,744 more than anticipated due to the impacts of COVID.

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At the June 23, 2021, we suggested that Mississippi Mills and Beckwith appoint a member of Council to participate in further discussions regarding the 2021 alternate proposal presented. If we do not hear back from you by Friday, September 17, 2021 with respect to participating in further discussions on alternate 2021 invoicing, the Town of Carleton Place will invoice its cost sharing partners based on the original cost sharing formula and the Town's initial budget submission to the partners.

If you have any questions regarding what is being proposed, please feel free to contact Trisa McConkey, Treasurer at 613-257-6221; [tmcconkey@carletonplace.ca](mailto:tmcconkey@carletonplace.ca) or I.

Yours truly,

A handwritten signature in black ink, appearing to read 'Diane Smithson', with a stylized flourish extending from the end.

Diane Smithson,  
Chief Administrative Officer  
613-257-6255  
[dsmithson@carletonplace.ca](mailto:dsmithson@carletonplace.ca)