



TOWN OF LABRADOR CITY
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December 13th, 2016

Council
Town of Wabush
PO Box 190
Wabush, NL, A0R 1B0

Mayor Vardy,

Further to recent correspondence, please accept this letter in response to the Town of Wabush request for support in the cost sharing of the operation of the Mike Adam Recreation Complex.

We, the Council for the Town of Labrador City continue to support a regional recreation solution. Considerable dialogue has occurred in the last 18 months (Recreation Fusion, other meetings) in an effort to develop the guiding principles for a regional recreation model. We also recognize the significant financial constraints that the Town of Wabush is facing in 2017 and further in 2018 as the provincial government transitional funding comes to an end.

Council for the Town of Labrador City wants to have a regional recreation solution in place prior to the next council assuming office in the fall of 2017. The council for the Town of Labrador city is prepared to provide funding for a regional recreation budget on an 80/20 split based on achieving significant cost reductions from the \$3.8million (in 2015) total combined operational expenses of the two towns. We recognize that the Town of Wabush as well as the Town of Labrador City have taken steps to find efficiencies and reduce the cost of recreation.

Going forward, we are prepared to budget an additional \$300,000 based on an 80/20 agreement for regional recreation operating expenses. This additional amount will be budgeted in 3 equal \$100,000 commitments available upon achieving the following milestones:

- By March 31, 2017 - Development of governance group, review of combined budget and identification of opportunities for quick cost savings (identification of duplication of services).
- By June 30, 2017 – Developed medium and long term strategies for delivery of recreation at a reasonable cost to taxpayers with additional cost savings
- By September 30, 2017 – 4 year budget outlook for recreation including capital requirements.

While this request addresses the immediate need for operational support for the Mike Adam Recreation Center, the Town of Labrador City remains committed to investing capital dollars into offering an improved recreation and leisure experience for all residents and visitors in Labrador West. We recognize that a key driver in the recruitment and retention of new residents to the region will be replacement of aging facilities with new modern designs and energy efficient buildings. These new facilities will help to further reduce operational costs in the long term while addressing current gaps such as accessibility.

We look forward to working with you to build a regional recreation and leisure governance structure that helps to meet the needs for “Living Large in Labrador West”.

Sincerely,



Karen Oldford
Mayor