

This Agreement is made this 29th Day of March, 1999, between the parties:

The Town of Digby, a municipal body corporate pursuant to the Towns Act
The Municipality of the District of Digby a municipal body corporate pursuant to the Municipal Act.

The Parties hereto agree:

1 Definitions:

(a) "Commission" means the Digby Area Recreation Commission established by this Agreement;

(b) "community recreation complex" means the rink, swimming pool and any community recreation complex which is authorized by the Municipality and the Town, to erect, construct, build, purchase, maintain and operate, and includes any real and personal property forming any part thereof or used in connection therewith;

(c) "Municipal Council" means the Council of the Municipality of the District of Digby;

(d) "Municipal Councillor" means a member of the Municipal Council;

(e) "Municipality" means the Municipality of the District of Digby;

(f) "Town Council" means the Council of the Town of Digby;

(g) "Town Councillor" means a member of the Town Council;

(h) "Town" means the Town of Digby.

2 The Town And Municipality will , register with the Registry of Joint Stocks a not for profit Corporation to be called Digby Area Recreation Commission for the management and operation of the community recreation complex and services.

3 The community recreation complex remains with and is vested in the Municipality and the Town in equal shares.

4 Neither the Municipality, the Town nor the Commission shall

(a) become financially interested in any hockey team or other team, or other form of public entertainment played or presented in the community recreation complex by guarantee or otherwise, other than by renting or operating the complex on a percentage basis for a fixed charge or series of charges; or

(b) prejudice or jeopardize the successful financial operation of the community recreation complex.

5 The objects and purposes of the Commission are to operate, maintain and manage the community recreation complex and recreation services on behalf of the Municipality and the Town.

6 The Commission's board of directors will consist of

(a) two Municipal Councillors appointed by the Municipal Council

(b) two Town Councillors appointed by the Town Council;

(c) one person appointed by the Municipal Council who is not a Municipal Councillor;

(d) one person appointed by the Town Council who is not a Town Councillor.

7 A Director of the Commission whom is a Councillor holds office for a term of April 01/99 to November 01, 2000 then for four years thereafter. A Director of the Commission whom is not a Councillor is appointed annually commencing on April 1, 1999.

8 A Director of the Commission whose term of office has expired may be re-appointed.

9 A Municipal Councillor or a Town Councillor ceases to be a member of the Commission when he/she ceases to be a Municipal Councillor or a Town Councillor.

10 Where a person ceases to be a member of the Commission for any reason, including resignation, inability to act or death, the Council which appointed him/her shall appoint a person to the Commission who has the same qualifications to be a member as the person who ceased to be a member, to serve for the unexpired portion of the term of office of the person who ceased to be a member.

11 Four members is a quorum of the Commission.

- 12 Each Director of the Commission may be paid such reasonable travel and other expenses that the member incurs in acting as a director as may be determined by the Commission and approved by the Municipal Council and the Town Council.
- 13 The Board of Directors of the Commission shall appoint from themselves a Chairman, a Vice-Chairman and a Treasurer who shall hold office for two years.
- 14 The Commission shall appoint a Secretary .
- 15 The Commission shall appoint either the auditor of the Municipality or the auditor of the Town as auditor of the Commission.
- 16 The Commission may
- (a) enter into an agreement with the Municipality and the Town respecting the operation, maintenance and managing of the community recreation complex, and recreation services and may carry out the terms of such agreement;
 - (b) make by-laws, rules and regulations relating to its affairs and for any purpose incidental thereto, not inconsistent with the provisions of this Agreement, including bylaws, rules and regulations designating what person or persons may execute documents for and on behalf of the Commission and affix its seal thereto;
 - (c) from time to time borrow, subject to the Municipal Finance Commission Act and with the approval of the Municipal Council and the Town Council, by way of a temporary loan or loans from any chartered bank in the Province for the purpose of defraying current operating expenses where the total of all loans outstanding at any time does not exceed fifty thousand dollars;
 - (d) subject to the Municipal Finance Commission Act and with the approval of the Municipal Council and the Town Council, borrow from the Municipal Finance Commission to meet the capital needs of the Commission where the borrowing is guaranteed by the Municipality and the Town;
 - (e) within the provision of an organizational chart approved by the Municipal Council and the Town Council, engage such employees as the Commission deems proper and necessary for the purpose of attaining its objects, pay such employees such reasonable remuneration and reimburse them for such expenses as the Commission deems proper and necessary and promote, demote, dismiss or suspend such employees.
- 17 A by-law, rule or regulation made pursuant to clause (b) of subsection (14) is not effective unless and until it is approved by the Municipal Council and the Town Council.
- 18 The Municipality and the Town may guarantee the repayment of a borrowing made pursuant to clause (d) subsection (14).
- 19 The fiscal year of the Commission is from the first day of April in any year to the thirty-first day of March in the next following year
- (a) The Commission shall annually on or before the fifteenth day of March submit a balanced budget for the ensuing year's operating revenue and expenses.
 - (b) The Commission shall provide a three-year capital budget as an appendix to its operating budget but a budget submitted pursuant to subsection (17) clause (a) or (b) is not effective unless and until it is approved by the Municipal Council and the Town Council at a joint meeting.
- 20 The Commission shall apply the annual revenues received by it
- (a) to provide for the payment of ordinary operating expenses;
 - (b) to pay the principal and interest due on any debt;
 - (c) to setting aside a reserve for contingencies not to exceed fifty per cent of the current year's surplus with a maximum accumulation of one hundred thousand dollars;
 - (d) to establish a Special Reserve Fund for capital expenditures.
- 21 No money may be withdrawn from a contingency reserve or a Special Reserve Fund established pursuant to subsection (18) without the prior approval of the Municipal Council and the Town Council.

- 22 Where the Commission has a deficit in any fiscal year, the Municipality and the Town shall pay, in equal shares, such amounts as may be required to eliminate the deficit and the amount required to be paid by each of the Municipality and the Town is and is deemed to be a debt due by it and shall be included in its estimates for the year immediately following the year in which the deficit was incurred.
- 23 The Commission shall, not later than the thirty-first day of May in each year, submit to the Municipal Council and the Town Council a statement for the immediately preceding fiscal year, showing
- (a) the revenue of the Commission from all sources during the fiscal year;
 - (b) the expenditures by the Commission during the fiscal year, including provisions for reserve for accounts not collected;
 - (c) a revenue fund balance sheet as of the close of the fiscal year;
 - (d) a capital and loan fund balance sheet reflecting the assets administered by the Commission and the liabilities of the Commission as of close of the fiscal year;
 - (e) a continuity of surplus or deficit accounts;
 - (f) such other information and accounts as the Commission, the Municipal Council or the Town Council may request; and
 - (g) such other financial reports as will disclose the operations and financial condition of the Commission
- such statements to be prepared in accordance with generally accepted municipal accounting principles consistently applied and to be audited in accordance with the system of auditing prescribed pursuant to the Municipal Affairs Act and by a person who is appointed for that purpose and who is registered as a municipal auditor pursuant to the Municipal Affairs Act.

IN WITNESS WHEREOF the parties have executed this agreement by their respective officials, dully authorized in that behalf on the day and year first above written.

**SIGNED AND SEALED
in the presence of:**

The Town of Digby

Per: _____
Witness

Mayor

Witness

Per: _____
Town Clerk

The Municipality of the District of Digby

Per: _____
Witness

Warden

Witness

Per: _____
CAO