



RM OF SPRINGFIELD RECREATION SPENDING - PART TWO

In Part One of our two-page newsletter we showed you the cost per capita for recreation without including capital spending; Part Two includes capital budgeting for recreation.

RM OF SPRINGFIELD COST PER CAPITA FOR RECREATION		
2013 SPRINGFIELD POPULATION 14,861 RECREATION BUDGET (OPERATING) \$635,601.00 RECREATION BUDGETED (CAPITAL) \$805,000.00 TOTAL RECREATION BUDGETED \$1,440,601.00 \$96.94/PER CAPITA	2016 SPRINGFIELD POPULATION 15,342 RECREATION BUDGET (OPERATING) \$538,200.00 RECREATION BUDGETED (CAPITAL) \$1,056,000.00 TOTAL RECREATION BUDGETED \$1,594,200.00 \$103.91/PER CAPITA	2020 SPRINGFIELD POPULATION 16,394 RECREATION BUDGET (OPERATING) \$1,121,926.00 RECREATION BUDGETED (CAPITAL) \$741,265.00 PLUS, THE RECREATION CENTER COSTS \$18,664,701.00 TOTAL RECREATION BUDGETED \$20,527,892.00 *\$1,252.16/PER CAPITA * This includes spending from reserves.

Facts about the Springfield Recreation Centre you should know.

Council’s plans for the proposed Springfield Recreation Centre are morphing into something that we should all ask ourselves if we can afford let alone if we need such a luxury particularly at this time.

Just look back to where we started then review up to where we seem to be now.

2016 Springfield unveiled a *Recreation Master Plan* that after years without having an overall recreation strategy was received as being a constructive blueprint to follow for our community. Briefly it provided Springfield with an affordable and logical step by step means of supporting and improving recreation throughout the municipality. Many recommendations have been implemented: yearly maintenance allocation for existing rec. facilities; increased resources to improve services and programs; moderate increase to recreation funding for parks, trails, field and open space management. This has already come at a significant cost.

Not including capital costs, these steps alone have increased operating costs for recreation as follows:

2016 Budget = \$538,200 -> 2020 Budget = \$1,121,926

Capital cost are an even bigger ticket item and *the Master Plan* also laid out a plan for capital spending that included creating a capital reserve (savings account) and over years setting aside money into that fund to raise 1/3 of capital spending on a Recreation Centre. The other 2/3 was to be funded by federal/provincial grants and private/community fund raising.

Conceptually *the Master Plan* modeled a \$10 million dollar proposed project cost with estimated borrowing of \$3.3 million that in 2021 would cost each ratepayer \$287.06 each year.

In the spring of 2020, council hired a company for Design Services and Construction Management of an \$8 million Recreation Centre. The approved cost of these design services were not to exceed \$499,000 including a \$75,000 grant. This is the only grant received to date. In the fall, Council applied for grant funding under the federal/provincial programs. Unannounced to the public at the time, the grant application amount was expanded to construction costs of **\$18,650,000**. Also, not announced, was the design costs were increased by a further \$256,000. (*Costs for design alone are now approaching ¾ of a million dollars.*)

Also, in late spring Council circulated a borrowing by-law #20-06 (which has not yet been passed) which exposes their intentions to increase the RM borrowing limit for this project to \$14,050,000. This followed a Springfield Community Recreation Centre Business Case plan that was released on March 17th, 2020 that although it seems incomplete, it forms the basis of the funding model that Council is preparing to proceed with. It identifies that even if federal/provincial support is not forthcoming it has in place the necessary funding. i.e. Using reserve funds of \$4,614,281 which along with the proposed borrowing of \$14 million to fund the **\$18.6 million project**.

If all this is confusing to you, you are not alone. Even if Council's intent was not to confuse, they have by dropping crumbs of information over years changed what was first envisioned in the Master Plan, and seem prepared to deviate from Springfield's historical past practice of only building recreation facilities if there was also in place substantial support funding from grants as well as significant (previously 1/3) community support and engagement through fund raising etc.

FACTS also not to be ignored are:

- **Operational costs** for recreation in Springfield, funded entirely by taxation, have **more than doubled** in the last 4 years.
- The rationale for a community hall and indoor multi-use facility costing about \$10 million has been in the works for years. Many other staged additions have been floated around with some limited support but never with a full accounting of a need /cost funding analysis associated with them and shared in consultation with the entire community.
- Capital cost of the proposed recreation center, if it comes in on 2020 budget estimates, would cost **each ratepayer at least twice what was envisioned in the master plan (i.e. \$287.06 per year) for borrowing costs alone** as well as a further depletion of accumulated reserve funds of \$4.6 million. Council verbally says that this won't happen if significant grant funding is not secured, yet council's own Business Case and pending borrowing by-law suggest differently. They have set in place their funding to proceed with this project. It is possible if any grants are awarded to the municipality the money will be used over and above what the municipality is funding.

- Other Springfield communities have been expected to contribute approximately 1/3 of recreation facility development costs for their communities by local fund raising and private/commercial donations etc. before the project could get municipal funding. This does not appear to be a requirement in Oakbank. To date the Springfield Community Centre Reserve Fund shows a balance as of November 30th of just \$12,626.57. Where is the envisioned support council expected from developers? Where is the community support from businesses; aggregate companies in particular that have been profiting by removing a non- renewable resource from within our borders?
- Additional funding will be needed for annual operating costs of the proposed Community Centre. The Business Case suggests operating costs will be approximately half a million dollars in each year; some of which can be offset by user fees. The report gives scenarios based on % of use and uses comparisons with some City facilities but in reality, some of the stats do not match with news reports on problems being encountered (even prior to COVID) with escalating maintenance and repairs/ needs of City recreation facilities. This final point is perhaps largest unknown factor and should alone be cause for concern. This expense too will have to be covered by taxation forever and this will be on top of what we are already supporting.

This is all a far cry from what was approved by Springfield residents when they embraced the Recreation Master Plan that sold us on wording such as “moderate increases of funding” and recognized in its recreation framework other types of recreation uses and needs. Now we are looking at an indoor soccer pitch.

Ask yourselves: Can we afford this luxury and does the majority of Springfield feel it’s a necessity or just a want? Council is obviously moving in this direction and NOW is the time for the public to voice *what they want*, not just allow this Council to dig a big hole for us and put us in debt for the next 20+ years.

PLEASE JOIN THE BUDGET CONSULTATIONS THURSDAY AT 6:30.

RM of Springfield Budget Consultations

Thursday, February 11, 2021 6:30 PM

(If you are unsure how to virtually attend call the RM at 204-444-3321 or email info@rmofspringfiled.ca to find out how you can participate.)