Briefing – to Members of Council

Council Meeting Date: January 7, 2020

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<th>Topic</th>
<th>Draft Memorandum of Understanding with the Plamondon District Community Development Society (PDCDS)</th>
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| Confidential | No |

| Attachment(s) | 1. Draft Memorandum of Understanding (MOU)  
2. Draft Funding Model |

| Issue | Administration has drafted an MOU (and accompanying funding model) for Council review and comment.  
- Although currently a separate document, the funding model is meant to be merged into the MOU (either as a schedule or as part of the main document).  
- The draft MOU has also been shared with PDCDS.  
- The main purpose of the MOU is to:  
  1. Articulate and clarify mutually held beliefs and assumptions that underpin the relationship between the two organizations.  
  2. To clarify the relationship between the County, PDCDS and its umbrella groups.  
  3. To return the determination of funding for the Festival Centre back directly under Council purview.  
- The development of an MOU/agreement between the County and PDCDS has been discussed over the past year.  
- Assuming Council supports the MOU, Administration recommends that the operational funding requested by PDCDS in 2020 be addressed following any ratification of the MOU. |

| Background | Reasons for the MOU:  
- Articulating beliefs and creating mutual expectations: There has been significant Council discussion regarding what constitutes fair and appropriate funding for PDCDS, specifically the Festival Centre. An |
MOU will lay out foundational beliefs that Council can use as a basis for future decisions. Furthermore, the MOU will create clear mutual expectations and help define a single County position on the matter.

- **Clarifying Relationships:** PDCDS serves as the head for an affiliation of societies based out of Plamondon. Together these organizations carry out projects, host events and coordinate grant funding requests to the County. Currently, there is ambiguity regarding the relationship between PDCDS as its own discrete Society, PDCDS as the head of this affiliation, and the umbrella groups, in addition to other groups from Plamondon, which also seek County funding but are not actively part of the affiliated “PDCDS groups”. An MOU is able to clarify the various facets that constitute these relationships, or establish which relations are even recognized.

- **Provide Council with the direct decision over PDCDS operating funding:** The total annual operating funding provided to PDCDS for the Festival Centre is 6-7 times higher than the next highest group. Additionally, the funding is used to support a greater degree of staffing costs than other operational grant funds do. In this way, PDCDS is more similar to organizations like the Lakeland Interpretive Society or the Museum, or even a County department. These organizations have their operational funding approved directly by Council and are governed by an MOU, while County departments; some with comparable budgets; have their operational expenses approved directly by Council.

The current operational funding program works best with organizations that have enough cashflow to bear a greater proportion of their operational costs. The Festival Centre, in proportion to its overall operational costs, has less revenues for operations than do other groups. The Festival Centre has expressed issues with the levels of operational funding provided since 2018. By allowing the organizations to present the request directly to Council, Council can use its discretion to provide funding at a higher level if they feel it necessary. This presents more flexibility than having funding based on a formula.

- **General Tenets of the MOU**

  - **Regarding how PDCDS/Festival Centre is different than other groups:***

    The Festival Centre is unique from other agricultural halls and community centres in Lac La Biche County and Plamondon. This difference warrants consideration for more funding than the level of subsidization provided to these other groups.

    The difference lies in the assertion that the Festival Centre is a direct substitute for facilities and services in an urban centre that the County would be otherwise obliged to provide as a municipal service, were it (the Festival Centre) not there do so.

    This is different than the other organizations which, to a greater extent than PDCDS, supplement County services by providing services outside of the County’s mandate, rather than substituting it.

  - See sections Sections 8-12 of the Draft MOU.
Regarding the relationship between the County, PDCDS and Umbrella Groups

If Umbrella Groups submit applications through PDCDS, PDCDS (the specific society) will be considered the applicant.

The PDCDS parent group/umbrella group construct does not involve the County. That is to say, it is an arrangement between those parties. For grant purposes, the County only recognizes individual organizations. This is why PDCDS will assume responsibility as the applicant for grant applications.

Organizations in Plamondon may apply directly to the County if they do not wish to be part of the affiliation of organizations.

Because of this relationship, the County does not impose any requirements on the PDCDS/Umbrella group relationship (Sections 13-26 of the MOU).

Operational Funding Model (see funding model document)

Operational Funding will be based on the operational expenses approved by council, less a portion of the revenues the Society generates. This will encourage the Society to generate its own revenues, while allow the County benefit of revenues brought in by the Society.

To accomplish this, the Society will present a budget to Council that identifies the operational expenses it wishes the County to support (and the dollar value attached to it). The budget will also identify the amount of revenues that will offset these expenses. The net amount will be the grant request.

Council is free to approve any amount, according to their discretion.

The actual grant paid to the Society at the end of the year will depend on the actual revenues and expenses. Administration and PDCDS will work together to reconcile the grant following the fiscal year.

The Society is able to transfer funding between expense categories. However, the funding allocated for staffing and repair and maintenance is fixed.

Strategic Alignment
- Recreation and Culture
- Social Wellness

Follow-up
- To accept the briefing as information.

Prepared by: Carl Kurppa