

Memorandum of Understanding

Made this _____ of _____, 2020

between

LAC LA BICHE COUNTY

(hereinafter referred to as the County)

And

Plamondon District Community Development Society

(hereinafter referred to as the Society)

WHEREAS Lac La Biche County is a Specialized Municipality in the Province of Alberta;

AND WHEREAS the Society was incorporated on July 19, 2002 under the *Societies Act of Alberta*;

AND WHEREAS Lac La Biche County provides grant funding to non-profit organizations which provide cultural and recreational services within Lac La Biche County;

AND WHEREAS the Society was formed following the dissolution of the Village of Plamondon into the then-Lakeland County to advocate on behalf of the hamlet of Plamondon and the surrounding area to the municipal authority for funds and resources to deliver these services;

AND WHEREAS Lac La Biche County is committed to supporting the Society in their endeavour to provide cultural and recreational services to the hamlet of Plamondon and surrounding area;

AND WHEREAS the Society submits grant funding requests on an annual basis to the County, and on behalf of other non-profit organizations in Plamondon that offer recreational and cultural services;

NOW THEREFORE in consideration of the mutual covenants and representations set forth in the Agreement, the Parties hereby agree as follows:

Definitions

“Festival Centre and Recreation Grounds” refer to the lands and improvements within the hamlet of Plamondon legally described as Lot 5C, Block 4 Plan 0525675 and SW-2-68-16-4, which

together contains the baseball diamonds and Festival Centre, Mud Bog Grounds, playground and other out-buildings.

“The Society” means the Plamondon District Community Development Society which owns and operates the Plamondon Festival Centre and Recreation Grounds and is an independently incorporated Society under the *Societies Act of Alberta*. The Society also submits grant funding requests from other cultural and recreational groups in Plamondon. The Society also employs staff which provide services to other Umbrella Groups.

“Umbrella Groups” means those other cultural and recreational organizations in and about Plamondon which choose to access County funding and other resources through the Society. These organizations have their own finances, assets and organizational management and, although they collaborate with the Society to varying degrees, are otherwise autonomous and separate from the Society.

“MOU” means this Memorandum of Understanding including the Schedules of this MOU.

“Other Plamondon Groups” shall refer to other organizations that operate in and about Plamondon which are not represented by the Society in respect to requests made to the County for funding or other resources.

“Grant Applications” shall include operational, capital, and event grant applications.

“Plamondon District” shall mean the collective group of individuals in and about Plamondon who are the primary beneficiaries of the recreational and cultural services offered in Plamondon and surrounding area.

Overall Objective of the Memorandum of Understanding

1. To clarify and formalize the relationship between the County and the Society. This document aims to provide direction to Lac La Biche County Council, Lac La Biche County Administration, Society staff and board members of the Society.
2. To clarify the relationship between the County, the Society, the Umbrella Groups, and Other Plamondon Groups.
3. To this end, the County and the Society associate in a spirit of cooperation and open communication while each independently enacts its roles and responsibilities.

General Responsibilities of the Society

4. Manage and operate the Festival Centre and Recreation Grounds.
5. Act in advisory capacity to County Council and Administration by providing their understanding of the need and support of grant funding requests from organizations in and about Plamondon.

6. Generate revenues to support costs related to the operation and maintenance and development of new infrastructure of the Festival Centre and Recreation Grounds, which are not covered by County grant funding.
7. Explore funding opportunities from other levels of government or other organizations to support operational and capital costs.

General Responsibility of the County

8. Determine the amount of grant funding approved to the Society and Umbrella Groups on an annual basis.
9. Support the Society in a manner consistent with the MOU. Operational Funding for the Festival Centre shall be handled in a manner consistent with the provisions of Schedule A Funding Model.
10. Support the Umbrella groups in a manner that is consistent with the support provided to other community organizations.
11. Work collaboratively with the Society to meet objectives that are in the mutual interest of the County and the Society.

General

Both the County and the Society acknowledges and asserts:

12. That the Society provides cultural and recreational services to the hamlet of Plamondon and the surrounding area by its continual operation of the Festival Centre and Festival Centre grounds, and by undertaking capital projects and other improvements to these premises;
13. That these are services which the County would, to an extent, be obliged to provide, were the Society not there to provide them;
14. That, given the unique role of the Society as a substitute for County services in an urban centre which provides services for the surrounding rural areas, special provisions in existing funding models may be needed (i.e. grant programs) that allow for a greater degree of subsidization beyond the level of subsidisation provided the Umbrella Groups or to other non-profit organizations;
15. That, when it is impractical or not possible to incorporate provisions into existing funding models, it may be necessary for the County to provide funding to the Society under other agreements or arrangements; and
16. That the Society strives to represent and prioritizes the interests of the Plamondon District.

The Relationship between the County and the Society and the Umbrella Groups

Both the County and the Society acknowledges and asserts:

17. That the legitimacy of the Society to represent and govern the Umbrella Groups in matters related to County funding is valid insofar as the Plamondon District, and by extension, the Umbrella Groups, generally supports the arrangement;
18. That the relationship between the Society and its Umbrella Groups is one which exists because these organizations have self-organized and agree to work together by entering into this arrangement, whether by a formal agreement or convention;
19. That the Umbrella Groups enter into this arrangement with the Society on their own accord, and that this arrangement is one between the Society and the Umbrella Groups exclusively;
20. That, while the above still holds true, Lac La Biche County will initially direct Other Plamondon Groups and Umbrella Groups that approach the County independently to first examine opportunities to collaborate with the Society in the submission of their grant applications to the County (assuming they have not already done so);
21. That Umbrella Groups must still meet the requirements of existing County funding programs, i.e. being an umbrella group does not necessarily make a group eligible for County funding;
22. That the Society shall serve in an advisory capacity to Lac La Biche County by expressing its understanding of the need and support of funding requests from the Plamondon District; and
23. Lac La Biche County reserves the right to approve projects in a manner that is different than what the Society recommends.

Submission of Grant Applications from the Society on Behalf of the Umbrella Groups

24. When applications are submitted by the Society on behalf of the Umbrella Groups, the Society, for the purposes of the application and any agreement with the County, shall be considered the applicant organization.
25. The Society will prepare and submit a separate grant application for each separate project or activity, i.e., one application will be submitted for each capital project, each event, and for each Umbrella Group requesting operational funding.
26. The PDCDS Coordinator or designate will be identified as the primary contact for these applications.
27. While the Society is still considered the applicant, the responses to the questions of the grant application should pertain to the Umbrella Group (with the exclusion of the primary contact). By way of example, a question which asks for financial information should contain responses particular to that Umbrella Group, and not the Society.
28. Applications submitted by the Society on behalf of an Umbrella Group must:
 - a. Be accompanied by motion from the Society endorsing the application (in addition to the one required from the Umbrella Group board);
 - b. Must be signed by the Society (not the Umbrella Group); and

- c. Must be accompanied by a letter from the Umbrella Group authorizing the Society to submit the application on their behalf, and to serve in the capacity as the applicant organization.
29. Approved funding will be payable to the Society, which will be responsible for distributing the funds to each group as approved by the County.
30. Capital grant requests must be ranked in order of priority by the Society.

Submission of Grant Applications Independent of the PDCDS Corporation

31. Lac La Biche County will accept grant applications submitted independently by Umbrella Groups or other Plamondon Groups, if these groups choose to submit applications in this manner.
32. These applications shall be submitted directly to the County by the Umbrella Group or other Plamondon Group.
33. Funding awarded to an Umbrella Group or Other Plamondon Group which has applied in the absence of PDCDS Corporation support will be provided directly to that Group.

Direct Support for Capital Projects

34. Some projects, given their scope, required level of expertise, or other reasons, may be those which ought to be managed and implemented directly by the County;
35. Additionally, the Society may be seeking financial support which exceeds the level assistance normally provided through the Capital Grant funding;
36. These projects should be ones which the Society discusses with Administration first. Administration and Council may choose to incorporate these projects into the County budget; and
37. Administration will work collaboratively with the Society to identify projects of this nature and to determine how to proceed with these requests.

Other Areas of Agreement

Administration of this Memorandum of Understanding

38. It is the responsibility of the president of the Society to provide communication relevant the provisions of this Memorandum of Understanding to the Chief Administrative Officer, or his/her designate. It is the responsibility of the Chief Administrative Officer to ensure that County employees affected by this Memorandum of Understanding are informed of its provisions.

Termination

39. This MOU may be terminated by mutual agreement of both parties upon providing thirty (30) days written notice.

Renewal

40. The terms and conditions outlined in this Memorandum of Understanding are valid for three years and shall be reviewed annually by both parties.

Plamondon District Community Development Society (The Society)

Name:

Position:

Signature:

Date:

Lac La Biche County (The County)

Name:

Position:

Signature:

Date:

Schedule A
Funding Model

1. Purpose

1.1 The purpose of this document “Funding Model” is:

- a) To specify how operational funding for the Society will be determined; and
- b) To establish a process to govern the administration of operational funding requests by the Society.

2. Definitions

2.1 “Eligible Expenses” shall mean those expenses incurred by the Society which Council will provide operational grant funding to support.

2.2 Eligible Expenses shall fall into three categories:

- a) Staffing, including mandatory employment related costs and WCB;
- b) Repairs and Maintenance; and
- c) Other Operational Expenses, which includes:
 - i. Building Supplies;
 - ii. Materials;
 - iii. Utilities (Power, Water, Heating);
 - iv. Waste Removal;
 - v. Telephone, Fax, Security Systems, internet;
 - vi. Garbage Removal;
 - vii. Grounds keeping, including snow removal;
 - viii. Insurance;
 - ix. Bookkeeping;
 - x. Volunteer and Program Personnel;
 - xi. Office Supplies;
 - xii. Courier and postage;
 - xiii. Employee related travel costs;
 - xiv. Programming Costs;
 - xv. Licenses, Fees and Memberships;
 - xvi. Volunteer Development and Training (excluding honorariums);
 - xvii. Travel and Meals;
 - xviii. Advertising and Promotion;
 - xix. Non-refundable GST; and
 - xx. Other expenses at the discretion of the County.

2.3 “Ineligible Expenses” shall mean expenses which are ineligible for operational grant funding, this includes, but is not limited to:

- i. Non-routine repair and maintenance costs;
- ii. Expenses related to fundraising (casino, events, etc.);
- iii. Interest on debt;
- iv. Amortization;
- v. Gifts;
- vi. Endowment funds;
- vii. Donations;
- viii. Honorariums; and

ix. Other expenses at the discretion of the County.

2.4 “Approved Expenses” shall mean the Society’s expense budget as approved by Council for the purpose of determining the grant funding, which consists of Staffing, Repair and Maintenance and Other Operational Expenses.

2.5 “Net Fundraising Proceeds” shall mean the net revenues from all events, projects, or initiatives, which are intended, in whole or in part, to generate revenues for the Society.

2.6 “Other Operational Funding” shall mean funding from other levels of government or other organizations which are spent against Eligible Expenses incurred in the grant year.

3. **Funding Model**

3.1 The annual operational funding will be equal to 100% of the Approved Expenses, less 75% of the following actual revenues generated by the Society (subject to 7.6 and 7.13):

- a) Net Fundraising Proceeds;
- b) Rental revenues and other fees for services;
- c) Externally unrestricted donations and sponsorships; and
- d) Other Operational Funding.

3.2 The above notwithstanding, County operational funding shall not be provided for Eligible Expenses paid for by Other Operational Funding. The reconciliation report and the final amount paid to the Society for the grant year shall be adjusted, if necessary, to reflect this this.

3.3 The following revenues **shall not** be deducted from the Approved Expenses:

- a) Casino funding, regardless of whether they could potentially be used to offset operations; and
- b) Externally restricted donations and sponsorships, and grant funding (or a portion thereof) which may not be spent against Eligible Expenses¹. While these expenses won’t be deducted from the Approved Expenses, they *may* be considered in the determination of Net Fundraising Revenues, if such revenues are tied to an event, project or initiative².

¹ e.g. grants or donations for a capital project.

² e.g. a grant from the Province to support costs related to an event.

3.4 Donations, sponsorships or grant funding (or a portion thereof) which are externally restricted, but *are* spent against eligible expenses, shall be considered Other Operational Funding and treated accordingly.

3.5 The funding initially released to the Society will be based on the projected revenues and Approved Expenses at the time of the funding approval. The final grant amount will be determined at the time of the reconciliation report, taking into consideration the relevant *actual revenues*, any approved increases to the expense budget, or actual expenses (in the case where the actual expenses are less than the Approved Expenses)

4 Submission of Funding Request

4.1 The Society shall submit their operational funding request by September 30, for requests for the following year. For example, the funding request to offset 2021 operational expenses will be submitted by September 30, 2020. When reasonable or necessary, Administration may extend the deadline for the submission of the operational funding request.

4.2 The request shall be submitted to the Chief Administrative Officer (CAO), or designate.

4.3 The request shall include the following documents:

- a) A cover letter, signed by the President of the Society;
- b) A budget for a 12-month period, coinciding with the Society's fiscal year, which includes:
 - i. The Staffing, Repair and Maintenance, and Other Operating Expenses (broken down by line item for Other Operating Expenses) to be approved by Council;
 - ii. Projected Net Fundraising Proceeds, rental revenues and other fees for services, externally unrestricted donations and sponsorships, and Other Operational Funding.
 - iii. The amount of grant funding the Society is requesting based on the above, according to the funding model.

4.4 Upon the request of Administration or Council, the Society may be required to provide the following additional information:

- a) Projected Eligible Expenses for the present year (projection based on year-to-date).
- b) A document highlighting the anticipated program and services of the Society in the year for which funding is requested, and major operating activities.
- c) Job descriptions representative of the positions for the year for which funding is requested.

5 Approval of the Funding Request

5.1 The Society will present their funding request to Council.

5.2 Council may choose to approve the expenses as requested by the Society in the proposed budget. Alternatively, Council may choose to approve a lesser amount.

5.3 The Society will enter into a grant funding agreement following the approval of funding. The grant funding agreement will be similar to that used for annual operational funding under other County grant programs, except where the MOU warrants otherwise.

5.4 Despite what Council deems the Approved Expenses, the Society may exceed these amounts. However, only the Approved Expenses will be used in the determination of grant funding.

6 Budget Changes throughout the Grant Year

6.1 The Society may transfer approved budget among the budget line items that fall under the Other Expenses Category.

6.2 Transfers to and from the Staffing and Repair and Maintenance category, or overall increases in Approved Eligible Expenses of any category, shall require Council approval.

7 Reconciliation Report

7.1 Following the completion of the fiscal year for which the grant funding was provided, the Society shall provide Lac La Biche County with a reconciliation report.

7.2 This reconciliation report shall be provided by February 1st following the grant year.

7.3 The reconciliation report shall identify:

i. The Approved Expenses (see Sections 7.5 and 7.6);

ii. The *actual* revenues for the following:

- Net Fundraising Proceeds;
- Rental revenues, and other fees for services;
- Externally unrestricted donations and sponsorships; and
- Other Operational Funding.

iii. The final grant amount, based on the actual relevant revenues and Approved Expenses, according to the funding model.

iv. The funding owed to the Society by the County, or vice versa.

7.4 The Other Expense Category in the Reconciliation Report shall identify the line items from the original application.

7.5 The Approved Expense shall be the values subsequent to any permitted transfers or approved Council increases as per Section 6.

7.6 If the actual expenses are less than the Approves Expenses, the actual amounts shall be treated as the Approved Expenses for the purpose of determining the funding.

7.7 The Society will be responsible for completing the reconciliation report.

7.8 The reconciliation report will be reviewed by County Administration.

7.9 Approval of the reconciliation report will be provided in writing to the Society.

7.10 The County reserves the right to recalculate the funding or reclassify revenues or expenses which would change the final operational grant funding amount. That being said, the County and the Society will work collaboratively to ensure that the reconciliation report complies with the provisions and intended spirit of the agreement.

7.11 If any funding is owed back to the County by the Society, a single payment will be made to the County within 30 days following the request to do so.

7.12 If any funding is owed to the Society by the County, a single payment will be made to the Society within 30 days following the notice of approval of the reconciliation report.

7.13 The amount of additional funding provided to the Society will not exceed 5% of the grant based on the revenues originally projected in the grant application.

8. Payment of Grant Funding

8.1 Upon approval of both the County budget and the Societies request, an initial payment equal to 100% of the estimated final grant amount (the amount determined by the funding model once relevant revenues are factored in).

8.2 A payment of up to 50% of the estimated final grant amount may be provided if the County budget and/or the Society's request is not yet approved. This will be provided at the discretion of Administration.

8.3 Any payment for a given year, will not be provided until the previous year's reconciliation report is received and, if required, any owed funding is repaid.

9. Other

9.1 The Society shall solicit donations and sponsorships for fundraising events and initiatives such that funding provided for these initiatives may be considered externally non-restricted revenues, and therefore, be factored into the calculation for Net Fundraising Revenues.

- 9.2 Externally unrestricted donations, sponsorships provided to the Society by the County shall not be considered in a way such that it will lower operational funding provided under this MOU.
- 9.3 Other grant funding provided by the County which is restricted to expenses that are Ineligible Expenses shall not be considered in such a way that it will lower operational funding provided under this MOU.
- 9.4 Other grant funding provided by the County which is restricted to expenses that are Eligible Expenses shall be treated as Other Operational Funding, and consequently reduce the grant funding provided under this MOU.
- 9.5 For the purpose of determining the operational funding, ticket sales made to the County for fundraising shall be treated as ticket sales to any other organization.
- 9.6 Net Fundraising Proceeds shall be calculated by adding up the Net Fundraising Proceeds *from each* event or initiative. Net losses for any one event or initiative shall be calculated at zero (instead of a negative number).