



## FAQs on the Amended Final Draft Joint Operating Agreement

This Frequently Asked Question (FAQ) document was developed in response to an Information Meeting held with Community Centre Association Presidents and Directors on December 3, 2016.

The questions below were asked by CCAs in reference to the *Proposed Final Draft Joint Operating Agreement* released on December 1, 2016. Please note that the FAQ responses reflect the most up-to-date version of the JOA - *Amended Final Draft Joint Operating Agreement*.

### Term and Termination

#### 1. Why are CCAs and the Park Board able to terminate for any reason at the end of a term?

At the end of the term, if the JOA does not reflect current operations or needs of either party, efforts to resolve the differences will be made. However, if amendments can't be agreed upon, the parties have the option to not renew the JOA. This is different than termination.

Five-year terms were chosen to allow both parties reasonable check-in points to discuss their operations and keep the Agreement up to date.

#### 2. At the end of three terms, why doesn't the JOA roll over until a new JOA can be drafted?

Given changing policies and practices of the recreation system, 15 years was selected as a reasonable period for the parties to revisit the entire Agreement. A new JOA can be largely based on the current agreement. Any changes proposed for the new JOA will be discussed using a similar consultation process.

### Governance

#### 3. Why does the Park Board refer to the CCAs as not-for-profits, societies, non-profits and registered societies in the JOA?

The term "not-for-profit organization" is all-encompassing and can refer to either a non-profit organization or a charity. Many CCAs are registered societies with a Board of Directors, and some are charities. Non-profits are able to do virtually anything, except operate with a profit-making motive and issue a charitable receipt. As some CCAs felt strongly that the term "non-profit" was not accurate, the Governance section has been updated to include wording from the Societies Act.

### Policies and Procedure

#### 4. What is the role of the Park Board Commissioners with regard to public policy?

As elected officials, the role of the Park Board Commissioners is to set the policies that guide the Park Board's services and programs. The Park Board Commissioners represent the needs of all Vancouver residents and are responsible for system-wide delivery of recreation services



under the *Vancouver Charter*. The Park Board Commissioners' policy priorities play an important role in how recreation services are planned and delivered.

#### **5. What if Park Board policy contradicts the JOA?**

Any new public policy initiatives to be implemented in the jointly operated facilities will not contradict the JOA unless agreed to by the parties in advance.

#### **6. What HR and corporate policies do the CCAs need to follow?**

In the JOA, CCAs are asked to adopt and adhere to good governance standards. Examples include policies that address conflict of interest, audit, responsible use of funds and succession planning. The CCAs are required to establish and adopt their own policies; they are not required to adopt City policies themselves.

### **Programming**

#### **7. How many system-wide programs does each centre need to run in a season?**

Up to five system-wide programs can be designated each season. To implement system-wide programs, the intent is for Park Board staff to work collaboratively with CCA program committees. This will help to make sure our joint goals of greater health and wellness for our residents remain a priority. To ensure successful collaboration, the Park Board has amended the JOA to specify that system-wide programs will not come into effect during the first year of the term.

#### **8. What if a community centre doesn't have the appropriate facilities to run a system-wide program?**

If a facility is not suitable to run a particular program, the Park Board may decide not to offer that program at that site.

### **Membership**

#### **9. Why does the Park Board not support an opt-out membership model?**

The Park Board is suggesting an opt-in instead of an opt-out format, meaning membership is not automatic. This ensures membership is entered into with the customer's full awareness and consent. CCAs will still be able to recruit members and retain active membership. We believe that opt-in membership allows all customers who wish to become part of the Association the ability to do so.

#### **10. How will CCAs communicate with their community if there is no membership?**

CCAs will still have memberships and will be able to communicate with their program registrants in a number of ways. For example, CCAs can communicate with program registrants by email, as CCAs will still receive email addresses when customers register for classes.

## Space Allocation

### 11. If there is a major event in the City, will the Park Board be able to take over an entire community centre?

For civic priorities, the Park Board may need first priority short term use of space within the jointly operated facilities (for example, elections and major sporting or cultural events). The Park Board will work with the CCA, providing notice to lessen any negative impacts and helping the CCA find alternative space.

### 12. How will the City compensate CCAs if there is a civic priority or special event?

Lost opportunity or revenue incurred by the CCA will not be paid for by the Park Board or City. For short-term use of space that does not have an impact on programming, the Park Board and City are not required to compensate the CCA for lost opportunity or revenue. If the CCA incurs costs as a result of the Park Board or City's use of the space (for example, paying for overtime staff) the Park Board will reimburse the CCA for those out of pocket costs.

### 13. For space usage, why are not-for-profit community groups prioritized over income-generating private rentals in the JOA?

The CCAs have priority use of the jointly operated facilities. After the CCAs, groups that benefit the community and provide recreation, culture or arts services should have priority before groups providing other services. This will help make sure that the community centres, which are public facilities, are being used in a way that benefits the whole community.

## Childcare

### 14. Why do CCAs have to split the cost to make sure childcare facilities are compliant with standards and regulations? Why does the Park Board not pay for the full cost of childcare facilities like they do for the rest of the building?

The Park Board is supportive of public facilities being used for licensed childcare, and the CCAs are able to offer childcare in the jointly operated facilities rent-free. The CCAs set pricing for childcare and they normally charge the public market rates.

As the CCAs receive the revenue from childcare operations, the Park Board is suggesting part of that revenue be used to make sure childcare facilities are compliant with standards and regulations.

Understanding the importance of childcare to Vancouver's residents, the Park Board has agreed to support the CCAs by splitting the cost to make sure that childcare facilities are compliant.

## Human Resources

### 15. If the CCA stops paying staffing cost recovery payments, how are those positions funded?

The CCAs are responsible for paying staffing cost recovery payments as those positions are often to the benefit of, or at the request of the CCA. If a CCA stops paying for those positions, the Park Board may need to reduce staffing levels if replacement funding is not available. In some circumstances, this may mean eliminating the position.

## Renovations and Maintenance

### 16. Could optional building enhancements be subject to dispute resolution?

Decisions about optional building enhancements are based on building assessments, priorities for health and safety, state of repair of the buildings and availability of resources. The Park Board works with other City departments in order to deliver capital projects and maintenance. Therefore, they are not a topic appropriate for dispute resolution, but the Park Board has included an escalation process in the JOA so that the CCA can bring forward disputes on this issue to higher levels of management in the Park Board.

### 17. What building condition assessments have been completed?

Building condition assessments have been completed for all Park Board Community Centres.

### 18. Why were common spaces added to the JOA?

Common spaces were defined in the JOA, based on feedback from the CCAs and to address the replacement of the map originally included in Schedule A with a list of spaces being jointly operated. The Park Board heard from some CCAs that common spaces like hallways should continue to be used as they are now.

## Finance - Revenue and Expenses

### 19. Why was the term surplus revenue chosen over the term financial reserves?

The term surplus revenue was chosen over financial reserves as financial reserves are often designated for a specific purpose. The term surplus revenue refers generically to revenue that the CCAs have earned above and beyond expenses.

### 20. What if a CCA cannot spend their surplus revenue within five years?

The requirement for CCAs to spend surplus revenue within five years has been removed. The Park Board has requested that CCAs create a plan for surplus revenue, keep it updated, and make that plan available to the public.

If a CCA wants to contribute to a renovation or a new facility, they should communicate that intent to the Park Board.

### 21. What if the CCA plans to build a new centre in 10 years?

Building a new centre is not the responsibility of the CCA. The Park Board is responsible for determining priorities for capital investments and will involve CCAs in that discussion.

### 22. Will the Park Board commit to a mutual responsibility for the financial sustainability of the community centres?

The Park Board has a mutual interest in the financial sustainability of the community centres. As needed, the Park Board will support the CCAs to develop financial sustainability. Language has been added in Whereas G to reflect this position.

Because the CCAs collect revenue from programming and services at the community centre and set pricing, they are responsible for maintaining financial sustainability with the appropriate support of the Park Board. Should a CCA wish to discuss financial issues, the Park Board will work collaboratively with the CCA for solutions.

### **23. What is the difference between suggestion, feedback, input and consultation?**

The terms suggestion and feedback are all used to describe how the CCAs will be able to voice their opinions on topics for consideration by the Park Board and are similar.

A definition for input has now been added with a specific process to receive and consider suggestions from the CCA. The term “Input” has been included in the JOA where this more formal process is appropriate

The term consultation is intentionally not used in the JOA. This is because consultation has a legal meaning that is evolving and would not be appropriate in this case.

#### **Finance - Budgets and Records**

### **24. Why is the Park Board allowed to audit CCA books? If CCA books are already audited, why can't the Park Board just review the existing audits?**

Being able to audit CCA books is an important part of being financially transparent and accountable. A review of CCA books would only allow the Park Board to see financial records at a high level. Sometimes, the Park Board may need to look deeper into the financial practices of the CCA, depending on nature of the concern being raised.

#### **Finance - Community Centre Investment Fund**

### **25. Why did the Park Board not adopt the stepped proposal for the Community Centre Investment Fund (CCIF) as requested by the CCAs?**

For the second draft of the JOA, some CCAs requested a stepped contribution to the CCIF based on prior year gross revenue. After carefully considering this feedback, the Park Board settled on a single percentage-based model. The concern is that a stepped model may be less equitable than a single percentage-based model. For example, community centres that generate \$750,000 per year in revenue would contribute the same amount as community centres that generate \$1,000,000 per year in revenue. A percentage model allows for a more equitable contribution based on prior-year revenue.

### **26. How will the Community Centre Investment Fund be spent?**

After the CCIF begins to generate funds in the second year of implementation, priorities are to improve equity among community centres and to reinvest into programming that benefits the community.



**27. Will the Community Centre Investment Fund affect the size of the Park Board budget? Will the Community Centre Investment Fund allow the City of Vancouver to give less to the Park Board?**

The CCIF will not affect the Park Board budget or allow the City to give less to the Park Board budget. Revenue from the CCIF will be reinvested in the community centre network. It will not be used to finance capital projects or be used to supplement the Park Board budget.

**28. Does revenue generated from investment income and rental deposits count toward the Community Centre Investment Fund calculation?**

Based on CCA feedback, revenue from investment income and refunded rental deposits will not count toward the CCIF calculation.

**Finance - Insurance**

**29. Will the Park Board confirm that the indemnity agreement continues to provide coverage for CCA programming?**

Yes - the Park Board confirms that the indemnity agreement continues to provide coverage for CCA programming. This was included in Section 24.9 of the JOA.

**Dispute Resolution**

**30. Why can't CCAs use dispute resolution if they disagree with City policies or Park Board policies?**

There are some items that are not appropriate for a third party to decide on through dispute resolution, including policies and standards set by the Park Board and the City. These policies are Park Board and/or City Council approved.

**Termination or Non-Renewal**

**31. What happens if the Park Board is in material breach of the JOA?**

Based on CCA feedback, information about what happens if the Park Board is in material breach of the JOA was added. This includes clear steps for the CCA to take if they believe the Park Board is in breach of the JOA and an obligation on the part of the Park Board to try to remedy that breach.