



## FAQs on the Draft 2 Joint Operating Agreement

### Timeline and Process

#### 1. Why is the Park Board writing the Joint Operating Agreement (JOA)?

The Park Board has responsibility for system-wide delivery of recreation services under the [Vancouver Charter](#). Community Centre Associations (CCAs) are valuable partners in service delivery, and all but one of Vancouver's 24 Community Centres are jointly operated by a Community Centre Association and the Park Board.

The Park Board and CCAs have spent many years and significant resources trying to renew the existing JOAs. These agreements outline roles and responsibilities for joint operation of Vancouver's community centres. The current JOAs are out of date and do not reflect the current practices or operations of the parties. Resolving outstanding issues and ensuring the JOA addresses today's needs is overdue to ensure all parties are able to focus on serving Vancouver's communities.

#### 2. Can the CCAs come together collectively and determine what the problems with the proposed JOA are?

The Park Board and CCAs have tried various means and processes in the past years to negotiate a new JOA, none of which were successful. A new approach was needed. The new process that was launched in April 2016 is an attempt to approach the development of a new JOA using a consultation model.

The consultation model seeks the input of all CCAs, rather than being dependent on all the CCAs coming together to agree on terms.

#### 3. Will the Park Board consider an extension to the consultation timeline?

At the conclusion of the scheduled feedback sessions, the Park Board will review the timeline. The last session is currently scheduled for October 5, 2016.

#### 4. Why is consensus among all CCAs not part of the process?

The Park Board recognizes each CCA is a unique and individual entity. This is reflected in the consultation model, in which each CCA and all Directors are given an equal opportunity to provide feedback in two transparent forums (i.e., in-person meetings and an open online survey).

The Park Board is striving to formalize a deal that modernizes the relationship between the parties and, ultimately, is in the best interest of the residents of Vancouver.

The unique arrangement at each community centre will be captured in the appendices to the JOA. The appendices will be reviewed with each individual CCA to ensure the final JOA reflects the current practices at each individual centre.



## Roles and Responsibilities

### 5. What is the role of the Park Board Commissioners?

The Park Board Commissioners are participating in the feedback sessions to listen and to observe the process. The new process that was launched in April 2016 was approved by the Park Board Commissioners. Ultimately, the Park Board Commissioners will vote on approving the final JOA before it is provided to the CCAs for signing.

### 6. Why is the City of Vancouver not present at CCA Consultations?

The JOA is an agreement between the Park Board and the CCAs. The City of Vancouver is involved in the process as it reflects the specific interests or responsibilities of the City, namely: indemnification, HR practices, ownership of facilities, and financial implications.

Any feedback that comes out of this process that relates to other City departments is communicated via Park Board staff.

## Appendices

### 7. How were the appendices developed? Who is being consulted on the appendices and how can the CCAs provide feedback?

To draft the appendices, Community Centre Supervisors documented current practices unique to each community centre. A table specific to each community centre was created. These tables were reviewed and discussed by staff and used to draft the content in the appendices.

Supervisors will be oriented to the appendices so that they can walk the CCAs through the content in their appendices. CCAs can then determine whether their appendices accurately capture current practice and provide feedback.

It is important to note that only arrangements between the CCA and Park Board are captured in the appendices. Other business arrangements at community centres that are not between the CCAs and the Park Board are excluded (for example, arrangements for space or programming between the CCAs and affiliated groups are excluded). Items that are already addressed in the body of the JOA are also excluded from the appendices.

### 8. Will the appendices contradict the JOA?

The appendices will not contradict the JOA, but rather will identify and document current practices of the parties which may not be described in the JOA, or that are different from what is described in the JOA. Unlike the JOA, the appendices are flexible documents that will capture evolving needs over time and can be updated as practices evolve.

**9. Will the appendices be final documents that we must sign off on?**

CCAs will receive draft appendices for review in early October. We expect this to be an iterative process of receiving feedback and refining the content of the appendices. If there are unresolved issues related to the appendices when it comes time to sign the final JOA, CCAs can still sign the JOA. Any outstanding items related to the appendices can then be referred to dispute resolution.

**10. Will CCA appendices be shared among groups (i.e., will a CCA be able to review another CCA's appendix)?**

Alongside the new JOA, the appendices will be posted on the public Park Board website once they are no longer in draft form.

**11. How is the new JOA reflecting differences in childcare programs between centres?**

Any unique arrangement pertaining to childcare in a specific community centre will be reflected in the appendix for that community centre. Any requirements regarding childcare operations (i.e., compliance with standards and laws) are already referred to in the body of the JOA.

### **Finance and funding**

**12. What is the rationale for the 2% Community Investment Fund (CIF) and how will it be used? What if contributing 2% to the CIF will put CCAs into deficit?**

The Community Investment Fund (CIF) was developed to enable CCAs to broadly contribute to the overall recreation system as they are able to. Some community centres are able to generate more funds than are required to run their programs, while other community centres struggle to fund their programs.

It is envisioned that at a 2% contribution level, the amount of the fund would enable support of system-wide programming implementation at community centres that would otherwise not have the financial resources to fund this key public policy programming.

If a CCA is concerned that a contribution of 2% of gross revenue will be unaffordable, there is a Hardship Clause to appeal for relief. Draft 2 of the JOA states that “in situations of financial hardship, the Association may request that the Park Board permit a partial or total exemption from that year’s contribution to the Community Centre Investment Fund.”

**13. Is the 2% CIF of gross revenue or net revenue?**

The 2% is intended to be taken off of gross revenue. It is not intended to be deducted from - or as a contribution from - retained earnings.

**14. Can the Park Board legally direct CCA use of retained earnings (i.e., financial reserves)?**

In a word: No. There are strict regulations under BC's [Society Act](#) that define what Societies (i.e., CCAs) can spend their money on.

In the spirit of cooperation and transparency to the public however, the Park Board recognizes the importance of a publicly-available plan for the retained earnings (or financial reserves) of CCAs that were generated using public assets. This plan should be available for the Park Board and for the public to view. Ensuring that funds generated using public assets are re-invested into the system is an important element of transparency and public accountability with respect to the use of these public assets.

**15. Is the Park Board asking CCAs to reduce their retained earnings (i.e., financial reserves) to zero? Is this allowed under the new [Society Act](#)?**

Draft 2 of the JOA does not propose CCAs take retained earnings to zero. Rather, it clarifies that as a not-for-profit, the Association acknowledges that its goal and purpose is not to generate and retain large financial surpluses, but is rather to reinvest any surplus funds it generates into the community.

Importantly, the JOA requests that CCAs work with the Park Board to make a plan for any existing large reserves. It is up to individual CCAs to create reserves or contingency funds as a backup for operating deficits if they wish to do so. We will propose language clarifying the ability of the CCAs to maintain operating reserves.

**16. What if CCAs are unable to reasonably spend their financial reserves within the proposed five-year period?**

The proposed language requests a plan to spend large financial reserves over a period of five years. However, it is recognized that five years may not be long enough for CCAs that have larger reserves or existing longer-term plans that exceed five years. In that case, the JOA contemplates that parties can mutually agree to a longer time period.

## Membership

**17. What if CCAs depend on membership for grant applications?**

In our experience, granting organizations are interested in the number of patrons served, rather than membership numbers. Additionally, granting organizations often measure the quality of membership by the number of members present at a Society's AGM, rather than the total number of members.

The Park Board will be able to support CCAs with reporting on the usage of programs, drop-ins, and other metrics to assist with grant writing.



## Staffing and HR

### 18. How will the new JOA affect Group 1 employees?

There is no intention to alter the concept of Group 1 employees in Draft 2 of the JOA. Group 1 employees are treated the same as all other employees. Article 13.2 (c) of Draft 2 of the JOA introduces that the Park Board commits to seeking CCA approval for “Group 1” costs on an annual basis. If the CCA chooses to not approve the Group 1 costs, the Park Board will reduce staffing levels at the Jointly Operated Facilities accordingly.

## Legislation and Insurance

### 19. Why is the Park Board controlling CCA membership? Is this allowed in the new [Society Act](#)?

The Park Board is not attempting to control membership in a Society. Draft 2 of the JOA states that membership in a CCA is not a pre-requisite for the public to access, register for, or participate in programming or services. This will ensure that membership is not a barrier to accessing programming or services. The public is still permitted to join the Society voluntarily.

### 20. Will the new JOA be compliant with the new [Society Act](#) coming into effect in November 2016?

The Park Board and City of Vancouver’s legal department sees no conflict between the new [Society Act](#) and Draft 2 of the JOA as proposed. If CCAs or their legal advisors see a conflict between the new [Society Act](#) and Draft 2 of the JOA as proposed, please let the Park Board know, specifically, what section(s) of the new [Society Act](#) are in conflict with the Draft 2 of the JOA.

### 21. What does indemnity cover?

Indemnity is provided by the City of Vancouver in the event of a claim for damages against CCAs arising from provision of activities provided by the CCA (for example, programming). The current indemnity between the CCAs and the City of Vancouver is separate from the JOA.

Indemnity is meant to protect the CCAs against claims from participants who are injured or otherwise hurt as a result of programming. It is not insurance for the CCA Board of Directors.

### 22. Are my Board Members insured under the new JOA? How much will it cost to purchase additional insurance coverage for Board members?

The JOA does not include insurance. Insurance coverages and rates are unique to each group seeking coverage and the Park Board cannot offer insurance advice. Please contact a broker to understand the specific impact to your organization.



**23. At one stage of the negotiations, there was mention of a reserve to cover employment risk that CCAs could draw from. Does this reserve exist?**

There has been past discussion of setting-up a reserve for the CCAs to contribute to and withdraw from in the event of employment related litigation. This was rejected by the CCAs in the past and the CCAs had expressed an interest in obtaining insurance coverage instead, so the concept of a reserve does not appear in this draft JOA.

### **Signing and Implementation**

**24. What happens if CCAs don't sign the new JOA?**

Over several years, the Park Board and CCAs have been engaged in various negotiations, taking different forms, with a view to reaching agreement on a new JOA. Most recently, the Park Board has engaged in lengthy consultation with the CCAs which has culminated in the new form of JOA. The new JOA reflects the terms by which the Park Board is prepared to jointly operate public facilities with CCAs. If a CCA refuses to enter into the new JOA with the Park Board, the CCA is indicating that it does not wish to jointly operate the facility on terms which are acceptable to the Park Board. In those circumstances, the Park Board will consider its options for ending its relationship with such a CCA in order to pursue a relationship with a new or existing CCA that shares the Park Board's objectives as reflected by the new JOA.

With respect to the six CCAs which are currently engaged in litigation against the Park Board, the Park Board has already issued Notices of Termination terminating their respective JOAs. Pursuant to an Order of the Court, the Park Board cannot act on the Notices of Termination and the JOAs will remain in effect until trial or further order of the Court. Accordingly, should any of those six CCAs refuse to sign the new JOA, the Park Board will immediately proceed with the litigation to bring the matter to trial so that the Court can determine the validity of the termination.