

MEMORANDUM OF UNDERSTANDING

An understanding between the Government of Manitoba, as represented by the
Minister of Natural Resources and Northern Development (“Manitoba”)

And

The Manitoba Provincial Parks Cabin Owners Association (“MPPCOA”)

April 25th, 2023

WHEREAS, The Government of Manitoba, represented by the Honourable Minister of Natural Resources and Northern Development, is responsible for the administration of The Provincial Parks Act and the granting of leases and permits for the occupation of Crown lands within provincial parks;

AND WHEREAS, the Manitoba Provincial Parks Cabin Owners Association represents 12 cottage associations to ensure a relationship of trust and respect between cottager owners and Manitoba (Parks Branch) and with the goal to influence the administration of matters affecting cottagers within provincial parks;

AND WHEREAS, provincial parks are special places dedicated to the people of, and visitors to, Manitoba that preserve natural environments for recreational and educational opportunities and conserve and protect areas of geological, cultural, and ecological significance;

AND WHEREAS, Manitoba is one of only a few jurisdictions in Canada that grant leases and permits for private cottages within provincial parks;

AND WHEREAS, there is a shared priority of preserving the public parks system for current and future generations;

AND WHEREAS, Manitoba and the Manitoba Provincial Parks Cabin Owners Association, as a primary stakeholder group, have built a working relationship based on trust, respect, and transparency to work positively and collaboratively on matters affecting cottagers within provincial parks;

AND WHEREAS, Manitoba and the Manitoba Provincial Parks Cabin Owners Association recognize the need to develop and implement a modern lease and service fee model for cottagers in provincial parks;

AND WHEREAS, Manitoba and the Manitoba Provincial Parks Cabin Owners Association are committed to working together to develop a proposed lease and service fee model for government consideration that is fair, equitable, transparent, and appropriate;

AND WHEREAS, both parties recognize the need for ongoing dialogue and engagement to gain cottager perspective in the future regarding decisions that may impact cottagers in Manitoba Provincial Parks;

AND WHEREAS, it is the intention of the Manitoba government to develop, in accordance with key principles and components set out in this MOU, a fee

structure for the collection of land lease fees and a service fees model, whereby cottagers pay a fair, equitable, transparent and sustainable share of lease and service fees in relation to all other park users.

NOW, THEREFORE the Parties set out their mutual understanding as follows:

I. Context

Manitoba, through the Minister of Natural Resources and Northern Development, grants leases and permits for the occupation of Crown land within provincial parks. There are approximately 6,200 cottage lots (5,849 on leased land) within 15 provincial parks and 18 park districts. This is the largest number of cottages within provincial parks in any one province, across Canada.

Manitoba cottagers within provincial parks in 2021/22 contributed almost \$8 million dollars in lease, service, and chief place of residency fees. This amount is equivalent to 20% of the approximately \$40 million annual Parks operating budget for all 92 provincial parks, of which 76 are operational, and 15 contain cottages. For comparison, in 2021/22, cottagers in Saskatchewan Parks that lease cottage lots (2,169 units) paid approximately 11% (\$2.2 million) of the Saskatchewan Parks' annual operating budget.

The MPPCOA was created by cottage owners to represent cottagers. The MPPCOA currently represents 12 cottage associations in 7 of 15 provincial parks, where 80% of cottages are located. Manitoba and the MPPCOA feel there is a need for a strong, open, and transparent relationship through processes that are clearly defined, agreed upon, and documented. Both parties are committed to fairness, equity, and transparency for the approximately 6,200 cottage owners within Manitoba's provincial parks.

Manitoba and the MPPCOA have a long-standing history of working together, and; the parties have:

- collaborated on a Discussion Paper – Three Cottager Lease & Service Fees Model Framework Options for provincial park cottage lease and service fees;

- entered into a Terms of Reference to guide their working relationship which outline key responsibilities, timelines and deliverables, meeting frequencies, and membership – see Appendix 1, Terms of Reference.
- engaged the MPPCOA Cabin Owner Accounting Team to support the review of lease, and service fees, which includes the review of Parks revenues and expenditures as well as other accounting issues and the opportunity for the development of a legacy of transparent public reporting templates among other items to meet the reporting requirements of the Provincial Parks Act (Section 18 & 20); and
- established a Provincial Parks Cottage Lease and Service Fee Working Group to guide the model development; and
- developed and will maintain a Gantt Chart to guides key activities – see Appendix 2, Gantt Chart (April, 2023).

This collaborative approach to engagement will support the development over time of recommendations for Manitoba's consideration that are informed by data, reflective of cottager interests, and are appropriate under the broader policy considerations of the Province of Manitoba.

II. Intent

This MOU is intended to provide Manitoba and the MPPCOA with a framework for advancing the relationship, now and in the future, between the two parties on behalf of cottage owners. There is mutual inherent value in Manitoba and MPPCOA, having a trusting relationship that is fair, open, honest, transparent, and respectful. Manitoba and MPPCOA agree that open and unfettered dialogue and communication will be critical in moving forward in this relationship.

In addition, this MOU will also outline key principles and components to guide the development of the proposed lease and service fee model.

This MOU has been achieved through collaborative engagement and consultations over many years. The parties intend to work together in good faith to advance shared priorities.

Manitoba is the authority under The Provincial Parks Act, all associated Regulations, and or other applicable laws. This MOU does not create any legally binding rights or obligations between the parties.

III. Key Principles and Components

Manitoba and the MPPCOA acknowledge the following key principles and components that will guide the work on shared priorities, including informing the provincial park cottage lease and service fee model:

a) Principles of Shared Understanding

1. Provincial parks provide a public good and are a shared responsibility of all park user groups.
2. Manitoba makes annual financial contributions to the capital, maintenance, and operation of provincial parks and recognizes the need for ongoing contributions for the greater public good.
3. The parties acknowledge that all park user groups may benefit from capital investments in parks. Cottagers within provincial parks are prepared to contribute to capital costs directly attributable to cottager usage. A method to determine the portion of capital costs directly attributable will be developed as part of the lease fee and service fee model.
4. All fees collected from cottagers are reinvested into provincial parks where cottages are located.
5. The MPPCOA is a primary stakeholder group in provincial parks. It is important to engage in appropriate consultations and communications with the MPPCOA to gain cottager perspective, insight, and key information.
6. In the future, the MPPCOA will be provided with an opportunity for effective, timely and open dialogue regarding decisions that may affect the lease and service fee model, other fees, or other cottage-related issues.
7. Fairness, equity, and transparency are required among cottagers in provincial parks across the province, respecting lease and service fees.

8. The lease and service fee model should be relatively simple to administer, have minimal red tape, and be easy to communicate to provincial park cottagers.
9. Manitoba will consider whether any contemplated changes to the cottager lease and service fees are reasonable for provincial park cottage owners. Minimum lease fees, maximums to annual increases, and the number of years in a review cycle, with recommendations from the MPPCOA, will be welcomed and strongly taken into consideration.
10. Manitoba is committed to enhancing the data and public financial information reported annually as required by The Provincial Parks Act under Sections 18 and 20. This will promote clarity and transparency and will demonstrate how funding is reinvested in Manitoba's programs and improvements to ensure the long-term sustainability of provincial parks to the benefit of all park users.
11. MPPCOA, cottagers, and other park stakeholders will be engaged at an appropriate time and frequency to inform decisions on annual park maintenance and capital planning, including the Provincial Parks Endowment Funds.

b) Lease Fees:

1. The recreational lot land lease fee is established in section 4 of the Parks Fee Regulation (M.R 148/96).
2. A person who uses or occupies land under the authority of a permit or lease, required by the Permits and Leases Regulation (M.R. 150/96), shall pay the fee for that use and occupation required by regulation.
3. A lease fee cannot be collected from owners on private land within a provincial park.
4. Land assessment methodology should achieve fairness and equity in determining the value of leased or permitted land.
5. The lease and service fee model recommended to the government will include land assessments that consider the value of the raw land only and will not include improvements to those lands (including for buildings, docks, sheds, etc.).
6. The cost of land assessments will not be paid for by cottagers.

7. An appeal process will ensure fairness amongst lease and permit holders. The process associated with an appeal should not present barriers to participation and should include minimal administration.

c) Service Fees:

1. Service fees apply to all cottage lots within a provincial park regardless of ownership.
2. Service fees for cottagers will be based on operating costs associated with providing services that benefit cottagers and that cottagers have access to within the individual park and/or subdivision.
3. All services in a park district will be tracked, and MPPCOA recommendations on an appropriate share of services in that park district to be assigned to the cottage user group will be taken into consideration by Manitoba.
4. The share of service fees assigned to the cottager user group will be divided among cottagers at the park district level.
5. The proposed model may include categories of cottage users who could pay higher fees, such as owners of a cottage-based business, permanent residents, owners of cottage rentals in the private cottage market, and out-of-province residents.

d) Cottage Subdivision Directives:

1. Manitoba will engage with MPPCOA when updating policy on rules, directives, and regulations relating to cottage lot development/subdivisions in Manitoba's provincial parks, and will take the MPPCOA's recommendations into consideration.
2. Manitoba will provide all provincial park cottagers with some form of advance public notice explaining any changes to the rules, regulations and guidelines applicable to cottagers that are made by Manitoba from time to time. Manitoba will consult and seek input from cottagers about these changes.
3. As directives are updated over time, Manitoba will endeavour to minimize any impact on cottagers who may have received approvals under former directives; legal non-conforming provisions will be considered when appropriate.

IV. Changes to this Memorandum

Manitoba and the MPPCOA understand that this MOU will expire in five (5) years. It is the parties' intention that they will meet six (6) months before the expiry date to review, or earlier by mutual agreement, and prepare a new MOU to continue to define their common goals and objectives, with a renewed commitment to a positive working relationship.

V. Summary

Manitoba and the MPPCOA acknowledge the importance of the relationship and processes outlined in this MOU and commit to working to follow that which is outlined and work to improve the relationship moving forward. Both parties agree that this MOU provides a solid framework for a more defined, constructive, positive relationship.

Signed on behalf of:

Manitoba Provincial Park Cabin Owners Association



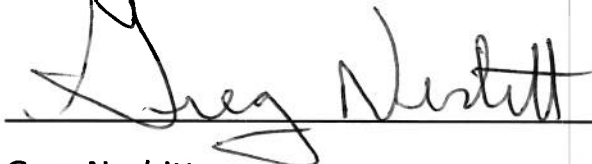
Ronald S. Smith



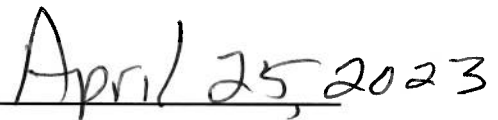
Date

Acting Chair, Manitoba Provincial Park Cabin Owners Association

The Government of Manitoba



Greg Nesbitt



Date

Minister, Natural Resources and Northern Development

Appendix 1: Terms of Reference

Terms of Reference

Provincial Park Cottage Lease and Service Fee Working Group

Last updated: May 25, 2022

Context

The Manitoba Government, through the Department of Environment, Climate and Parks (ECP) administer recreational leases for lots leased to cottage owners in 12 different provincial parks. The Manitoba Provincial Park Cabin Owners Association (MPPCOA) was created by cottage owners for the purposes of pursuing cottage leasehold interests.

Purpose

The creation of the Provincial Park Cottage Lease and Service Fee Working Group, including subcommittees (Working Group), is to provide advice and cottager stakeholder perspective to the Department of Environment, Climate, and Parks, to support the Provincial Park Lease and Service Fee Modernization Project, and to build a long-term relationship, based on trust, between the department and the MPPCOA that is beneficial for both users and the public. In addition, the intent of the Working Group is to ensure the final model being recommended for government consideration makes sense from both the cottager perspective and the broader interests of the provincial government.

Scope

The Working Group will review and provide cottager perspective, on Provincial Park Lease and Service Fee Modernization Project matters. This includes matters related to the determination and implementation of a new model used to determine lease and service fees for cottages within provincial parks and other shared priorities.

Guiding Principles and Working Assumptions

Parks are unique areas in Manitoba. The focus of the parks system is preserving natural environments for recreational and educational opportunities and to conserve areas of geological, cultural and ecological significance. There is a shared priority of preserving the public parks system for current and future generations.

The Manitoba Provincial Park Cabin Owners Association and Manitoba Parks and Trails Division have established a working relationship based on trust, respect, and transparency and are to work positively and collaboratively in defining an approach to managing the administration of matters affecting cottagers within provincial parks, including the collection of service fees and Crown land rent from provincial park cottagers, in a way that is fair and sustainable for all Manitobans and provincial park stakeholders.

The Working Group will continue to uphold the original guiding principles of the MPPCOA and the Parks and Trails Division.

Appendix 1: Terms of Reference

Key Responsibilities

Specific responsibilities of the Working Group include but are not limited to:

- Providing advice on the development of the Provincial Park Lease and Service Fee Modernization Project that are associated with the determination and implementation of a new model used to determine lease and service fees for cottage lots within provincial parks.
- Providing cottager perspective associated with how service and lease fees are to be determined and the distribution of service fees;
- Reviewing related financial information pertaining to the project;
- Advising on written agreements associated with the Provincial Park Lease and Service Fee Modernization Project;
- Disseminating non-confidential information to cottagers within provincial parks on the work completed within the Working Group
- Commitment to ongoing and regular communication
- Raising and responding to issues in a timely manner

Roles

Chair

The Group will be co-chaired by the Assistant Deputy Minister of Parks and Trails Division (within the department of Environment Climate and Parks) and a representative the MPPCOA.

Secretary

The position of Secretary will be held by Jaime Patrick, Project Manager, Parks and Trails. The Secretary will be responsible for taking meeting minutes, distributing the minutes to the Working Group within five days of the meeting, identifying next steps to be completed by key individuals, and developing key messages for public dissemination.

Timelines and Deliverables

A lease and service fee model is to be developed in principle by January 2023, with implementation of the model in place for the 2025 billing period. The final model determination will be based on the direction and commitment of government.

A Memorandum of Understanding (MOU) between ECP and the MPPCOA, to be completed by February 2023, based on the direction and commitment of government. The MOU will provide ECP and MPPCOA with an agreed upon and documented framework for managing the project to completion.

Meetings

Working Group meetings will be held as required from May 2022 until January 2023. A meeting schedule will be determined by the Working Group. Meetings will take place in person at Parks Branch office, located at 200 Saulteaux Crescent, in Winnipeg. All meetings will include a Teams link for those not able to join in person.

Appendix 1: Terms of Reference

A standing meeting between the co-chairs will occur every three weeks, via telephone or Teams to ensure both Parks and MPPCOA are up to date on the current status of the project.

The meeting norms will ensure:

- Equity guides the work
- The commitment of members is honoured by allowing sufficient time for participants to respond to and meaningfully engage in the work
- Appreciate that discourse will be part of the process
- Respect and confidentiality of members' positions
- Meetings are solutions focused and make effective and efficient use of all members' time

Meetings may be called on an ad hoc basis, if an issue is considered to be relevant to the Provincial Park Lease and Service Fee Modernization Project.

Membership:

MPPCOA will appoint members to the Working Group to represent the MPPCOA. ECP will appoint members to the Working Group to represent the Parks and Trails Division or other relevant areas of Government.

Additional Working Group members may be included at the discretion of the [Assistant] Deputy Minister of Manitoba Environment, Climate and Parks and with the advice of the Working Group.

The Working Group is not a legal entity, and will not have legal or contractual responsibility for the Provincial Park Lease and Service Fee Modernization Project and the information associated with it.

Confidentiality and non-disclosure

Members of the Working Group shall treat as confidential any discussions, recommendations, draft or final reports, financial documents or parts thereof, whether recorded or not, where the information has been identified by Manitoba Government as "confidential information".

Throughout the term of the Working Group, members of the panel shall keep all confidential information secure and shall not use the information except as required in the work of the Working Group and shall not disclose the confidential information to any person except without the prior written consent of the Deputy Minister of Manitoba Environment, Climate and Parks. All information that is in the custody or control of the province is subject to the Freedom of Information and the Protection of Privacy Act.

Appendix 1: Terms of Reference

Colleen Kachulak

Colleen Kachulak, Assistant Deputy Minister, Parks and Trails Division
Department of Environment, Climate and Parks

June 30, 2022

Date

Dean Amundson

Dean Amundson, Chair
Manitoba Provincial Park Cabin Owners' Association

July 5, 2022

Date

Appendix 2: Gantt Chart (April, 2023)

ID	Task Name	Jan-23				Feb-23				Mar-23				Apr-23				May-23				Jun-23				Jul-23				Aug-23				Sep-23				Oct-23			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4								
1	Project Initiation and Planning																																								
2	Analysis of Models and Options																																								
3	Model Progresses MET/REG - MCO																																								
4	MPPCOA Engagement and Review of Analysis																																								
5	MCO - Signed by MPPCOA & MEMO																																								
6	Financial Analysis																																								
7	Lease Fee Financial Review																																								
8	Service Fee Financial Review																																								
9	Service Fee Review																																								
10	Model Refinement																																								
11	Model Determination - Lease and Service Fee																																								
12	Scenario Modeling																																								
13	Review and Engagement with MPPCOA																																								
14																																									
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x = current

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