

Memorandum of Understanding

Between

The Whiteshell Cottagers Association Inc.

Suite 2D 1975 Corydon Ave.

Winnipeg, MB, R3P 0R1

And

Manitoba Association of Cottage Owners Inc. (o/a as MACO)

P.O. Box 281 Station Main

Winnipeg, MB R3C 2G9

Preamble

In March of 2013, MB Conservation and Water Stewardship announced its new Parks Strategy; heralded as a 10 year plan for provincial park development in Manitoba. However, included in this plan were dramatic changes to government policies for lease and service fees charged to lease holders in Manitoba's Provincial Parks. With no meaningful public consultation, the Ministry began implementing increases in Park District Service Fees (PDSF) as well as changes in assessed Crown land values by amounts of up to 750%. With no planned change in the existing Crown land rental rates of 4% of land value, rents of more than \$5,000 to \$7000 per year are to be expected by the end of the implementation period. These increases are laid out in regulations pursuant to the Provincial Parks Act (PPA); increased rents are to phase in over ten years and PDSF's in five. At the same time, Government has also announced a cap on occupancy costs of \$3000.00 per annum extending to the 2016-2017 invoice year, at which time the development of a new formula for determining lease rates and service fees will have been completed. Full consultation with all stakeholders is promised in developing the new system, but details have yet to be announced, and no guarantees have been put in place.

The Whiteshell Cottagers Association Inc. (WCA) finds serious deficiencies in the manner in which these changes have been developed and announced and finds the end result to be unreasonable and unsustainable. Cottagers are fully prepared to pay in full for those services which they actually use, but insist on the right to review and validate these service fees with the Minister, as specified by the Parks Act. We also understand the wish of government to collect reasonable compensation for the rental of raw land, but we are very concerned by the lack of reasonable and fair process in the government's current plan. We fear that many long-term cottagers will be forced to sell their cottages as a result of the dramatic rent increases in these proposals. Accordingly, WCA intends to exercise all options necessary toward the objective of

opening meaningful dialogue with government to arrive at a mutually satisfactory resolution in these matters. With this objective in mind, we draw the attention of all stakeholders to agreements reached between the Cottagers Owners Association and Parks Branch Management in the Province of Saskatchewan for dealing with comparable conditions in that Province.

The Agreement

The undersigned organization supports the following objectives of the WCA in its discussions with the Government of Manitoba and its Ministry of Conservation and Water Stewardship and is willing to work with the WCA to reach these objectives:

- Freeze total occupancy costs, the sum of Crown Land Rents and Park District Service Fees (PDSF) at the 2015 invoice level pending the establishment of a revised lease rate and PDSF regimen acceptable to all stakeholders.
- Establish an ongoing advisory process with representation of all stakeholders pursuant to the authority given to the Minister in PPA section 29 to open dialogue to develop reasonable and sustainable future occupancy costs for cottage leaseholders in provincial parks.
- Provide a formal annual report on park operating costs, revenues and expenditures, with the opportunity for stakeholders in each park district to provide meaningful input and feedback to inform the Minister's decision-making process pursuant to PPA sections 18(2) and 18(3).
- Provide a formal detailed annual report on major and minor capital projects charged to the Park District Service Fees for depreciation and interest charges. Reporting on major capital projects to include the proportion of initial cost to be carried on PDSF and that proportion to be carried by government.
- Provide annual financial statements pursuant to PPA section 20 that, in addition to expenditures, clearly show all contributed revenues from PDSF and Crown land rent by Park, Park District, and lake location.
- Provide an annual report on park operations that clearly shows activity statistics (numbers of users by category) for all types of park users and the revenues received from vehicle permits, camping, and all other fees related to park use.

The Whiteshell Cottagers Association Inc. agrees to maintain open and full communication regarding the above objectives with those Provincial Parks associations whose signing officers have executed this agreement.

Organization: Manitoba Association of Cottage Owners Inc.

Date: June 16, 2015

Name: David Crabb

Position: President

Signature:



Witness: By motion passed by majority vote at June 16, 2015 MACO Inc. Board of Directors Meeting held at CanadInn McPhillips in Winnipeg.

MACO Memo_Understand_WCA 2015

