For Submission to: Executive Policy Committee.

Original Report signed by: Dr. Philippe Mailhot, Director, Le Musée de Saint-Boniface Museum

Report Date: 12 March 2007

Recommendations:

1. That the Budget of the St. Boniface Museum be adjusted upwards by a minimum of $ 54 564 and that the distributions be amended to reflect its actual staffing and other requirements. As submitted and prepared by City staff, the present submission is misleading and insufficient.

2. That steps be taken to permit the Museum Board and its officers to reassume their responsibilities for Budget Preparation and submission of same as outlined in the St. Boniface Museum By-Law 4824/88.

3. It is also requested that the City of Winnipeg Legal Services Division, in consultation with the Museum and other interested parties, prepare a Report clarifying the relationship between the Museum, the City, and its administration pursuant to the City of Winnipeg Act, the revised City Charter, the St. Boniface Museum By-Law, and various Council decisions over the past several years.

Report Summary: Under the terms of the City of Winnipeg Act and the St. Boniface Museum By-Law, the St. Boniface Museum Board, created and entirely appointed by Council, is responsible to supervise and manage the St. Boniface Museum including the preparation and administration of its Budget. As late as the early to mid-1990's the Museum's Administration was provided directives and guidelines by the City with which to prepare the Board's annual request, which it first presented to Community Committee and then to subsequent Committees as required. This situation has changed to a point where the Budget is now prepared by City staff with limited input from the Museum. This has resulted in a serious disconnect between what the Museum requires, how it can manage those resources, and what it receives by way of resources and the tools required to be accountable for them. The Budget of the Museum for 2007, and the projections for 2008-2009, as presented to Council, reflects neither the requirements of the Museum nor an accurate breakdown between Accounts. On the Expense side, the submitted Estimates indicate that $305 241 is required for Salaries and Benefits with $153 547 covering all other expenses. In terms of our 2006 Actuals, $350 164 was required for Salaries and Benefits with $96 845 required for other expenses. Simply on the basis of Financial Management, the proposed Budget will be difficult to monitor and administer. Having carried out the exercise within the Museum of correcting the distributions in order to reflect actual 2007 Salary and Benefit costs, it is clear that insufficient resources remain to operate a basic office, provide for various service contracts related to building maintenance and security, and carrying out the Museum function of researching, caring for, and displaying the Collections on behalf of the public. In order to avoid serious repercussions to the Museum's ability to serve the citizens of Winnipeg and to correct a

situation which will only compound itself over the next several years, the Museum is required to ask Council to examine and correct this state of affairs and provide the Museum with the resources necessary to at least maintain the same level of service it has provided to the present. Council is also asked to ensure that the Museum Board be enabled to carry out its responsibilities for Budget Preparation and Submission as outlined in the By-Law. In this manner, whatever decisions are ultimately made by Council regarding funding, it will be based on figures prepared by the Museum. Finally, in order to better clarify for all parties the responsibilities and relationship between the Museum and the City, it is requested that the Legal Services Division be asked to prepare a Report addressing the concerns raised by the Museum and any other parties.

Key Issues:
-The level and distribution of the Budget Allocation for the St. Boniface Museum. An increase of $54 564 will maintain 2006 levels of service and would include a Wage Increase provision reflecting the same inflation based percentage increases provided to Civic Employees. Staff has not had an increase since April 200

-The role of the Museum in the preparation and submission of its Budget requirements.

-The nature of the relationship between the City, its Administration, and the St. Boniface Museum.

Implications of the Recommendations:

General Implications:

Yes For the organization overall and/or other departments
Yes For the Community and organizations external to the City of Winnipeg
Yes Involves a multi-year contract

Comment:

The St. Boniface Museum will have a Basic Operating Budget ensuring its ability to maintain its current minimal staff requirements and levels of service. It would also acquire the tools and procedures to better administer and be accountable for those resources. This will enable it to continue its focus on further developing its relationships with Provincial, Federal, and other funders, which have in the past, at present, and for the foreseeable future, provided support for Project based initiatives such as Exhibit and Programming development, marketing partnerships, collections care, professional development etc.

Various Civic Departments will have a clearer idea of how the Museum relates to the City and what mutual responsibilities exist. An ongoing example is the fact that the City is responsible for the maintenance, repair and upkeep of the Museum at 494 Taché, but its officers do not consider the structure to be a Civic Building. We also receive contradictory opinions on a variety of other substantive issues.

External organizations and the public will be assured that the Museum will remain a stable professional operation enhancing the City's culture and heritage assets and that it can be relied upon as an active partner in heritage, tourism, and cultural initiatives.

Policy Implications:

__No
**Yes

The City and the Museum must address the issues outlined above for their mutual benefit as well as for that of the public and the recently created City Museum Board. This new Board will soon assume duties related to both the Civic Museums funded by the City and other institutions that received Grants from the Arts Advisory Council. It would likely appreciate clarifications as to the existing and future relationship of the Museum with the City.

Regulatory Implications:

Proposes Regulatory Impact:

Comments:

-Would clarify the rules and regulations relative to the operation of the St. Boniface Museum to the benefit of all parties.

Environmental Impact: None

Human Resources Implications:

Museum employees are not considered to be City Staff and are paid wages that are below City scale. Nonetheless, all have always been paid through the City Payroll system, (as was the case under the old City of St. Boniface), and all contribute to the City's Employee Benefits Program. The City Payroll Dept. also provides T4's and the Museum Budget is charged for its share of the Provincial Payroll Tax paid by the City. CUPE Local 500 represents all staff, except the Director. Of the six full-time staff, four are women, two of them are aboriginal/Métis, and all are bilingual francophones. Of the 15 or so part time staffers who are funded either by third party agreements, self-generated revenues through tours, and a Budget allocation roughly equalling one full time Museum position, most are students and eleven are female. If the Budgetary issues are not addressed this will ultimately result in the lay-off of all part-time staff and potentially have implications for full-time staff as well. As a direct provider of service to the public, limiting staff will limit our capacity to maintain operating hours and deliver services such as tours and outreach. This, in turn, will affect visitation, tours and the revenues they generate.

Financial Implications:

As indicated on the Attached Chart, the projected 2007 City Allocation for the Museum as prepared by the Administration is $386 288 in addition to projected Operational Recoveries by the Museum of $72 500. After correcting the distribution amounts to accurately reflect present Salary and Benefits costs, the proposed Budget Allocation is untenable. In order to meet basic operating costs and to maintain the same level of service delivered by the Museum in 2006, the Museum requires an additional $54 564. This estimate does includes a Wage Increase Provision reflecting the percentage increase accorded by the City to its employees over 2006 and 2007. The Museum's Contract with its staff expired at the end of 2005 and negotiations with CUPE are ongoing. Were staff paid at the same rate as Civic Employees as requested in past negotiations by CUPE, the Museum would require an additional $87 066 above the proposed allocation for 2007. The above figures employ the same formulas used by the City to calculate mandatory and other benefit costs. In the case of the last, there is no provision for retroactivity. The issue for the Museum is that once the relatively modest Salary & Benefits component is provided for, insufficient resources exist to cover non-salary costs.

The revised Budget also incorporates a more realistic Operational Recovery projection. A twelve-month secondment arrangement with the Federal Government that provided a degree of additional recoveries concluded in March 2006.

Council will note that the Budget submitted by the Administration does include a "Bottom-Line" increase of $14 507 over 2006. Close to $8 500 of that increase is allocated to the Transfer to Civic Accommodations Account requiring a total of $63 773 over which the Museum has absolutely no input. The Museum also incurred a $6 176 shortfall in 2006, which the Administration corrected by transferring funds from the Museum's Trust Funds.

Should the Budget not be increased the Museum will eventually be faced with laying off its front-line part-time staff which in turn will leave it unable to provide tours, and special programming for its 12 to 15 000 visitors each year. The resulting impact on our $30 000 in admission revenue would only compound the Museum's difficulties. Were the Museum to retain its staff in order to provide service to the public, it would not have the resources to cover utilities, maintenance agreements, office requirements, or keep its Gift Shop stocked. The Gift shop generates some $15 000 in annual recoveries.

Report:

The St. Boniface Museum and its Board had no existence prior to its creation by the City of St. Boniface in late 1959. Under the terms of the City of Winnipeg Act, the St. Boniface Museum Board was "continued" and the City assumed responsibility for the 99-Year lease for the building from the Grey Nuns and other commitments made with the Federal government for the maintenance, upkeep, insurance, and operation of the

Museum and its building. Until the late 1980's, the majority of the Board consisted of City Councillors. Until recently, the Museum prepared its Budgets with the assistance of guidelines and guidance from City Staff. Using those guidelines, the Museum administration would prepare a Budget, submit it for approval to the Museum Board and then submit it to the City Administration for inclusion in the Preliminary Budget, and "Detailed Estimates". Requested adjustments were already included in the Estimates and the Museum was in a position to champion its request throughout the Budget process as it moved from the Community Committee, through the Standing Committees, etc. Whatever the result, the Museum had a Budget that it had prepared and was able to defend and be accountable for. This process ended when the Museum was first placed under the "umbrella" of Community Services and later, that of the City Clerk's Department. With regard to the issues at hand today, one particular matter stands out. We have learned that for at least the last three years, the Salary and Benefit calculations used in preparing the Museum Estimates ignore the fact that all six full-time employees as well as some of the part-time staff are also members of the Employee Benefits Program. The present Museum Estimates are based on the notion that only the Museum Director is a member of the plan. The museum is arguing that if the "bottom line" is generated based on incomplete inputs and the amounts allocated between the various accounts do not reflect reality, the result is a Budgetary and administrative nightmare for all concerned.

The St. Boniface Museum houses a collection of national significance within the walls of Winnipeg's oldest building, a National Historic structure. It works aggressively in order to secure project support and assistance from the Federal and Provincial governments as well as Private foundations and other funders. Its annual operating recoveries range between 50-70 000 dollars a year in addition to Project Grants. Since 1989, these various Project based grants and third party agreements have averaged over $51 000 a year. . With the projected opening of the Human Rights Museum a ten minute walk from our door and its promise of tens of thousands of visitors interested in the history of Louis Riel, the Métis, and Manitoba's French minority, the Museum is well placed to serve and enhance this growth in heritage related activity. To do this however, requires a Budget which will permit it to actually mail a letter, retain and eventually replace its experienced staff, and care for the building and artefacts the City of Winnipeg mandates it to do. The Museum is first asking that its 2007 Budget Allocation be increased by $54 564 in order to meet its 2007 operating costs, and that those costs be reflected in the projections of the next Budget cycle. It also asks that steps be taken to permit the Museum to reassume its legal responsibility to prepare its own Budgets for submission to City Administration and Council in the belief that this will improve accountability and the efficient administration of the resources allocated to the Museum by Council. Finally, in order to clarify the mutual responsibilities of the Museum and the City, the Legal Services Department be asked to prepare a Report outlining the various Agreements, obligations, and practices which exist between the Museum and the City based on the City of Winnipeg Act/City Charter, the St. Boniface Museum By-Law, past Reports adopted by Council, and the implications of the new City Museums Board recently created by Council.