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TOWN COUNCIL WORK SESSION COMMUNICATION

AGENDA DATE: July 29, 2024

SUBJECT: Johnstown Historical Society MOU

ATTACHMENTS:

1. Draft MOU from JHS
2. Draft MOU from Town
3. 2025 Financial request
4. 2024 Financial Summary
5. Progress Report
6. Grant Report

PRESENTED BY: Mitzi McCoy, Deputy Town Manager
Matt LeCerf, Town Manager

WORK SESSION ITEM DESCRIPTION:

The purpose for this work session is to discuss topics related to the Johnstown Historical Society (JHS) which includes, but are not limited to the following items:

- Formalizing the relationship between the Town and the JHS with a Memorandum of Understanding
- Financial request for the 2025 budget
- Current operations

Background

The Town owns the Historic Parish House and Museum located at 701 Charlotte St., and partners with the JHS to operate it. The JHS is a 501(c)(3) nonprofit organization, legally distinct and separate from the Town.

The relationship between the Town and JHS has generally been supportive and collaborative. In 2020, JHS began submitting budget requests to the Town and requested that one of their volunteers be made a part-time employee so they could be compensated for their contributions. Consequently, beginning in 2020, the Town started providing regular subsidies to the JHS and began paying wages and burden for this position.

The financial contributions from the Town to the JHS beginning in 2020 are as follows:

Year	Direct Contributions	Employee Support	Total
2020	\$6,328	\$8,612	\$14,940
2021	\$6,186	\$22,692	\$28,878
2022	\$14,735	\$39,605	\$54,340
2023	\$64,588	\$23,191	\$87,779
2024 (YTD)*	\$73,103	\$18,839	\$91,942

* FY2024 Approved Total: ~\$115,000

Over time, the relationship and requests have evolved, and the lines between the entities have greyed prompting several discussions between Town Staff, the Museum Director, and JHS Board members.

On April 26, 2024, Town staff met with Clair Hull, the president of the JHS, to review our current arrangement with the JHS, both in relation to the Parish House and in relation to the Museum Director. Key issues discussed included the need for a clearer distinction between the responsibilities of the Town and JHS to avoid potential legal liabilities. The current structure has created confusion regarding the house itself and inadvertently suggests joint employment, which could lead to legal complications for both entities.

To address these concerns, we explored the possibility of establishing a formal agreement between the Town and the JHS. This agreement would clearly define the duties and responsibilities of the Town regarding the Parish house and those of JHS as the operator of the museum and employer of the Museum Director. Additionally, there was discussion about structuring financial support from the Town to enhance the JHS's operational independence and mitigate joint employment concerns.

Attached for your review are two draft MOU's. One was prepared by the JHS, prior to our meeting in April, and the other has been prepared by Town Staff and closely mirrors the agreement that the Town has with Senior Center Board which is also a 501(c)(3).

Some of the elements that still need to be considered and incorporated into the agreement include the following:

- One of the goals and objectives recently identified by Council is a desire to see the Parish House open and available for additional visitors, during the weekend. This will

undoubtedly need to be incorporated in the MOU to ensure both accountability, defined metrics, and understand the operational needs.

- Acknowledgement that the Town has no obligation for IRS Tax Reporting required and obligated onto the JHS 501(c)(3) and will not complete such reporting requirements to the IRS.
- Annual reporting requirements and financial positions of the JHS on an annual basis.

Notwithstanding grant opportunities, establish a fixed annual budget for the Historic Society. It is Staff's request that we work with the JHS Chairperson and Chad Young as the JHS liaison to finalize the MOU prior to the document being considered for execution.

Additional attachments include the 2025 financial support request that was submitted by the JHS, the 2024 financial summary report, a Progress Report prepared by the Museum Director, and a report that details past grant history and property improvements.

Reviewed and Approved for Presentation,



Town Manager