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| TO: | CHAIR AND MEMBERS INVESTMENT AND ECONOMIC PROSPERITY COMMITTEE MARCH 5, 2012 |
| FROM: | MARTIN HAYWARD CITY TREASURER, CHIEF FINANCIAL OFFICER |
| SUBJECT: | CREATION OF A SEPARATE ELDON HOUSE BOARD |

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| RECOMMENDATIONS |
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That, on the recommendation of the City Treasurer, Chief Financial Officer, the following **ACTIONS BE TAKEN** with regard to the creation of a separate Eldon House Municipal Service Board:

- (a) The draft Eldon House Municipal Service Board By-law **attached as Appendix "A" BE RECEIVED** and be referred to a Public Participation Meeting of the Investment and Economic Prosperity Committee on April 17, 2012.
- (b) The Transition Plan to put the Eldon House Municipal Service Board in place by December 31, 2012, included in this report **BE RECEIVED**.
- (c) The financing for the Transition Plan **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix "B" subject to the approval of the Eldon House Municipal Service Board By-Law.

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| PREVIOUS REPORTS PERTINENT TO THIS MATTER |
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- Municipal Council Resolution May 4, 2009 - that City of London Funding in the amount of \$25,000 be provided to assist with the 175th Anniversary Celebrations and that the Culture Office be requested to update the Museum London Management Agreement for Eldon House.
- Municipal Council Resolution August 30, 2010 – Eldon House Service Agreement with the City of London.
- Municipal Council Resolution March 29, 2011 – Necessary Measures to create a Separate Eldon House Board and the potential for Eldon House to be declared a National Heritage Site.
- Municipal Council Resolution July 25, 2011 - Eldon House application to be declared a National Heritage Site.
- Municipal Council Resolution September 19, 2011 – Creation of a Separate Eldon House Board.

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| BACKGROUND |
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Municipal Council, at its session held on September 19, 2011, resolved:

- "5. *That, on the recommendation of the Chief Administrative Officer, the following actions be taken with respect to the creation of a separate Eldon House Board:*
- (a) *the proposed model for the establishment of a separate Eldon House Municipal Board BE ENDORSED IN PRINCIPLE; and,*



- (b) *the Civic Administration BE DIRECTED to report back to the Finance and Administration Committee with respect to:*
- (i) *a more detailed transition plan to put the Eldon House Municipal Service Board in place by December 31, 2012; and,*
 - (ii) *a review of this transitional plan through formal public consultation process.”*

The purpose of this report is to present a draft by-law to establish a local board to manage and operate Eldon House. A draft By-law to establish the Eldon House Municipal Service Board is attached as Appendix “A”.

It is recommended that the draft by-law be referred to a public participation meeting to be scheduled before the Investment and Economic Prosperity Committee on April 17, 2012.

CREATION OF A NEW ELDON HOUSE MUNICIPAL SERVICE BOARD BY-LAW

The draft by-law would create a local board for the purpose of managing and operating Eldon House. A local board is an agent of the municipality and governed by the provisions of the *Municipal Act, 2001* which the Civic Administration felt was important when overseeing the administration of Eldon House. The Board’s primary responsibility is to manage the City’s asset. The *Municipal Act, 2001* authorizes a municipality to establish a municipal service board to provide for any of the matters included in the broad powers set out in section 10 of the Act, which includes the provision of any service or thing that the municipality considers necessary or desirable for the public.

The draft By-law is based on the private legislation that establishes and governs the operations of two of the City’s existing local boards, the London Convention Centre Corporation and the Covent Garden Market Corporation. The draft By-law also reflects some of the requirements contained in the current Operating Agreement for administration of Eldon House with Museum London. Highlights of the draft By-law are as follows:

- The name, composition and budgetary process of the board, the requirement that the board follow rules, procedures and policies established by the municipality and the reporting and financial relationship between the municipality and the board are defined (see sections 3.0, 4.0, 6.0);
- The objects of the Eldon House Corporation are:
 - (a) to operate Eldon House as a municipal museum;
 - (b) to preserve, maintain and manage Eldon House as an historic site as the oldest surviving residence in the City of London. It is an example of a furnished residence intended to portray its period and standing in the community; and
 - (c) to provide current and future enjoyment and education for residents and visitors to the City of London.
- The corporation is required to adhere to the Harris Agreement, the Heritage Easement Agreement and the Eldon House Artifacts Gift Agreement (see section 8.0);
- Eldon House is to operate such that it meets, at a minimum, the Province’s Ministry of Culture Community Museums Operating Grant Program (Standards For Community Museums In Ontario) (see section 8.0);
- The Board shall establish and implement in consultation with the City over time,; an emergency management plan; a security plan; an artifacts inventory; a lawn and garden plan; and, curatorial collection management, building management and house management services plan appropriate for a heritage museum of the size and type of Eldon House (see section 8.0);
- Reference to abiding by the City’s Special Events Policy (see section 8.0);
- Indemnification insurance for the Board Directors (see section 7.0);
- The Eldon House Board is responsible for all operating and maintenance costs for Eldon House, except for all capital renovations and repairs in excess of \$3,000 which will continue to be the responsibility of the City (see section 8.0);



THE ELDON HOUSE MUNICIPAL SERVICE BOARD TRANSITIONAL PLAN

A gradual transition will be needed to ensure there is sufficient time to transfer the operation of Eldon House to the local board for January 1, 2013. The operational and transition matters that must be addressed include, without limitation to, the appointment of the directors, election of officers, the development of policies and procedures for the local board, the development of a budget and staff resourcing requirements. The Transition Plan is outlined in the table below.

It is recommended that the local board be established in 2012 and that during the transition period, the City will maintain the operating agreement with Museum London and Museum London will continue to operate Eldon House until such time as the board is established and ready to assume the operation of Eldon House in 2013. At that time, the City will terminate the agreement with Museum London (60 days notice) and all of the operational responsibilities will be transferred to the board.

| Actions | Dates |
|---|---|
| City Administration to: | |
| <ul style="list-style-type: none"> Prepare draft by-law; | to IEPC March 5 (to Council for first reading March 20, 2012) |
| <ul style="list-style-type: none"> Undertake public consultation before IEPC on by-law; | April 17, 2012 PPM before IEPC |
| <ul style="list-style-type: none"> Notify Museum London of Termination of Contract (60 days written notice required) | November 1, 2012 |
| Council to: | |
| <ul style="list-style-type: none"> Pass by-law ; | May 2012 |
| <ul style="list-style-type: none"> Appoint Board Members– includes advertising/search process conducted by City Clerk; | June 2012 |
| Eldon House Board Members to: | |
| <ul style="list-style-type: none"> Begin to address transitional and operational matters including election of officers, the development of policies and procedures for the local board, the development of a budget, business plan and business case and staff resourcing and requirements. | August 2012 |

FINANCIAL IMPLICATIONS OF ESTABLISHING THE ELDON HOUSE LOCAL BOARD

As noted in the report dated September 14, 2011, creation of a separate Eldon House board, the establishment of a local board to operate and maintain Eldon House will cost more than the current model for the operation and management because it will require the establishment of an administration to operate and report to the Board. In addition, accounting, yearend audits, budgeting, financial reporting and legal support may have cost implications, to ensure compliance with applicable legislation – the Municipal Act 2001.

However, the establishment of a local board to operate and maintain Eldon House is intended to allow access to the greatest possible funding available for this city owned heritage facility. It is anticipated that a new local board will provide the opportunity for the development of new audiences and revenue generation opportunities through innovative strategies, marketing and programming.

Financial Highlights of the New Eldon House By-law

The financial conditions detailed in the new Eldon House By-law are similar to those found in the by-laws that govern the operations of the City’s other Boards.



The new by-law will stipulate financial conditions in which the new Eldon House Board will operate. For example, the new by-law will:

- Require the annual preparation of a budget of the corporation’s estimated revenues and expenditures and submission to Council for approval and to make such changes to it as Council considers appropriate;
- Set restrictions on expenditures as well as deem what constitutes authorized expenditures;
- Set the terms of OMB approval and exceptions;
- Define what constitutes a profit and the entitlement to profits, etc.;
- Require that the auditor for the City will audit the accounts and transactions of the corporation;
- Require the annual submission of a report including audited financial statements;
- Require the corporation to provide Council with any financial information as Council requests; and
- Set the fiscal year of the corporation as the same as the fiscal year of the City.

Expenditures

The anticipated costs associated with managing Eldon House under the new model of establishing a Local Board, are calculated based on the 2010 operational costs, the unallocated costs and the costs related to generating the new revenue.

Due to the fact that not all the costs (the unallocated costs) directly related to Eldon House were accounted for because of the sharing of services with Museum London, the Library and the City; quantifying the actual expenditures and change in expenditures under the new model is very difficult. Therefore, the approach taken is to show the impact on the City by the change in expenditures that will occur under the new model.

| Cost Implications (Impact on the City Budget) | |
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| 2012 Costs | |
| <p><u>Transitional Costs</u> Up to and including \$20,000</p> <p>Personnel Cost Increases</p> <p>Start-up Costs</p> | <p>A managerial role will have to be established to administer and operate Eldon House and report to the newly established Board of Directors. Hiring of a part-time manager will need to take place in the fall of 2012.</p> <p>There are new costs attributed to the Local Board model; setup costs associated with establishing a Local Board (onetime costs)</p> |
| 2013 Costs | |
| <p>Shared Services</p> | <p>Some shared services may not be able to continue and therefore the costs of providing these services will increase. For example; accounting, payroll, budgeting, financial reporting, legal support, grounds keeping, capital repair costs under \$3000, program & tour bookings, administration, marketing, and security.</p> |
| <p>New Administration Costs</p> | <p>Liability insurance for the board of directors, accounting fees and the costs associated with generating new revenues.</p> |
| <p>Personnel Cost Increases</p> | <p>A managerial role will continue to administer and operate Eldon House and report to the newly established Board of Directors and will have cost associated.</p> |

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| CONCLUSION |
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This potential new direction of establishing a local board for the operation of Eldon House is intended to provide Eldon House with the opportunity to actualize its full potential to be a high-profile and profitable heritage property serving Londoners, visitors and surrounding communities. It should also provide Eldon House with continued stewardship of the architectural integrity of the House, its property and artifacts going forward.

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| PREPARED BY: | PREPARED BY: |
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| ROBIN ARMISTEAD MANAGER, CULTURE AND MUNICIPAL POLICY | STEPHANIE JONES MUNICIPAL POLICY SPECIALIST - CULTURE |

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| RECOMMENDED BY: |
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| MARTIN HAYWARD CITY TREASURER, CHIEF FINANCIAL OFFICER |

CC: Brian Meehan, Museum London



**APPENDIX A
ELDON HOUSE MUNICIPAL SERVICE BOARD BYLAW**

Bill No.
2012

By-law No.

A By-law to establish a municipal service board for the purpose of operating and managing Eldon House.

WHEREAS subsection 5(3) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001*, provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001* provides that a municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

AND WHEREAS subsection 10(2) of the *Municipal Act, 2001* provides that a municipality may pass by-laws respecting: in paragraph 1, Governance structure of the municipality and its local boards; paragraph 2, Accountability and transparency of the municipality and its operations and of its local boards and their operations; paragraph 3, Financial Management of the municipality and its local boards; in paragraph 7, Services and things that the municipality is authorized to provide under subsection (1);

AND WHEREAS subsection 196(1) of the *Municipal Act, 2001*, provides that without limiting sections 9 and 10 those sections authorize a municipality to establish a municipal service board and to provide for the following matters:

1. The name, composition, quorum and budgetary process of the board;
2. The eligibility of persons to hold office as board members;
3. The manner of selecting board members, the resignation of members, the determination of when a member's seat becomes vacant and the filling of vacancies;
4. The term of office and remuneration of board members;
5. The number of votes of the board members;
6. The requirement that the board follow rules, procedures and policies established by the municipality; and
7. The relationship between the municipality and the board, including their financial and reporting relationship.

AND WHEREAS sections 23.1 and 23.2 of the *Municipal Act, 2001* authorize a municipality to delegate administrative and legislative powers to a body having at least two members of whom at least 50 percent are individuals appointed by its council;

AND WHEREAS by an agreement made August 23, 1960, between George G.R. Harris, Ronald S. Harris and Lucy R. Little (the "Harris Family") and City, the Harris Family transferred to the City the lands, premises and furnishings of the residence known as Eldon House (the "Harris Agreement");

AND WHEREAS pursuant to the Harris Agreement, the City agreed to maintain in perpetuity as an historic site the lands, premises and furnishings of Eldon House;

AND WHEREAS pursuant to By-law L.S.P.2329-578 passed November 21, 1977, Eldon House was designated under the *Ontario Heritage Act* as being of historical and architectural value;



AND WHEREAS by an agreement dated March 21, 1985 between the City and The Ontario Heritage Foundation the City agreed to preserve the heritage elements of Eldon House (the "Heritage Easement Agreement");

AND WHEREAS by an agreement dated June, 2005 between the Estate of Amelia Lucy Ronald Little, the Estate of George G.R. Harris and the Estate of Ronald Sutton Harris, Museum London and the City, certain objects and works of art which were previously covered under a loan agreement between the City and the Harris Family were conveyed by way of gift without reservation to the City;

AND WHEREAS The Council of the City of London considers it necessary and desirable to establish a municipal service board for the purpose of operating and managing Eldon House;

AND WHEREAS it is deemed expedient to pass this by-law;

NOW THEREFORE The Council of The Corporation of the City of London hereby enacts as follows:

1.0 Definitions

1.1 For the purpose of this by-law,

“**board**” means the board of directors of the corporation;

“**City**” means The Corporation of the City of London;

“**corporation**” means the Eldon House Corporation;

“**Council**” means the Council of the City;

2.0 Municipal Service Board Established

2.1 A municipal service board is established under the name Eldon House Corporation

2.2 The corporation is a body corporate.

2.3 The corporation is an agent of the City.

2.4 The corporation is a local board of the City for all purposes.

2.5 The objects of the corporation are:

- (a) to operate Eldon House as a municipal museum;
- (b) to preserve, maintain and manage Eldon House as an historic site as the oldest surviving residence in the City of London. It is an example of a furnished residence intended to portray its period and standing in the community; and
- (c) to provide current and future enjoyment and education for residents and visitors to the City of London.

2.6 The corporation is not authorized to:

- (a) acquire or hold an interest in real property; or
- (b) to incur obligations or spend money except in accordance with section 6.

2.7 The head office for the corporation shall be located in the City of London.

3.0 Board Composition

3.1 The corporation shall consist of a board of directors composed of five (5) directors appointed by Council each of whom shall be a person qualified to be elected as a member of Council and a resident of the City of London:

- (a) one (1) of whom shall have a background in and experience with finance;
- (b) one (1) of whom shall have a background in and experience with law; and
- (c) three (3) of whom shall have a distinct interest and/or knowledge of history and heritage.



- 3.2 Directors shall serve for a term not to exceed the expiry of the term of office of the Council that appointed them or until their successors are appointed.
- 3.3 The seat of an appointed director becomes vacant if the director is absent from the meeting of the board for three successive months without being authorized to do so by a resolution of Council.
- 3.4 If the seat of a director becomes vacant for any reason at any time, the Council may fill the vacancy for the balance of the director's term.
- 3.5 A director may be reappointed to the board.
- 3.6 Council may by a resolution passed by a majority of its members, remove a director at any time.
- 3.7 Directors shall serve without remuneration.
- 4.0 Board Procedures**
- 4.1 Council may pass by-laws governing the board and the affairs of the corporation and the board shall comply with such by-laws.
- 4.2 By-laws passed by the board must not conflict with City by-laws passed under section 4.1.
- 4.3 The board shall pass by-laws governing its proceedings, the calling and conduct of meetings, and the keeping of its minutes, records and decisions consistent with any requirements set out in a by-law of the City.
- 4.4 A majority of the directors constitutes a quorum at any meeting of the board.
- 4.5 Despite any vacancy among the directors, a quorum of directors may exercise the powers of all of the directors.
- 4.6 A director has only one vote.
- 4.7 The meetings of the board and the corporation shall be open to the public and only those persons that the board considers to have engaged in improper conduct at a meeting may be excluded from the meeting.
- 4.8 The board may close a meeting, or a part of the meeting to the public only in accordance with section 239 of the *Municipal Act, 2001*.
- 4.9 (1)The board shall hold at least six (6) monthly meetings each year and the interval between one meeting and the next shall not exceed sixty (60) days.
- (2) A majority of members of the board may requisition a special meeting of the board by serving a copy of the requisition on the chair or vice-chair of the board.
- (3) The chair of the board may call a special meeting of the board at any time whether or not he or she has received a requisition under subsection (2).
- 4.10 (1) The board shall elect from its directors a chair and vice-chair.
- (2) The chair and vice-chair are eligible for re-election.
- 4.11 (1) The board shall appoint a secretary of the corporation who shall:
- (a) give notice of the meetings of the board;
 - (b) keep all minutes of meetings and proceedings of the board;
 - (c) record without note or comment all resolutions, decisions and other proceedings at a meeting of the board whether it is closed to the public or not; and
 - (d) perform such duties, in addition to those set out in clauses (a) and (b) as the board may from time to time direct.



4.12 (1) The board may appoint such committees as it determines necessary to conduct the business of the board.

(2) Each committee appointed shall be composed of not fewer than three (3) members of the board and shall perform such duties and undertake such responsibilities as the board specifies and shall report to the board.

(3) Any member of the board may be the chair or vice-chair of a committee.

4.13 The *Municipal Conflict of Interest Act* applies to the board and its committees.

4.14 Council may designate an appointed official of the City who shall have the right to attend meetings of the board and its committees and to participate in their deliberations but is not entitled to vote, be the chair or vice-chair or act as the presiding officer at a meeting.

5.0 Personnel

5.1 (1) The corporation may:

- (a) appoint, hire or otherwise engage officers, employees, agents or others;
- (b) determine the qualifications, responsibilities, duties and positions and terms and conditions of employment or service of persons appointed, hired or otherwise engaged by the corporation;
- (c) establish classifications for persons appointed, hired or otherwise engaged by the corporation, and reclassify, transfer or promote such person;
- (d) determine the remuneration, salaries and benefits of, and any payments to, officers, servants, agents or others; and
- (e) suspend, discharge or otherwise terminate employment or services.

(2) The remuneration, salaries and benefits determined under clause (1)(d) shall not exceed the maximum remuneration, salaries and benefits established from time to time by Council for the senior heads of its departments.

6.0 Financial

6.1 (1) The corporation shall prepare annually a budget of its estimated revenues and expenditures and submit it to Council. Such budget shall be in the form and manner and contain such information as the City may require.

(2) Council may approve the budget and may make such changes to it as Council considers appropriate.

(3) The corporation shall not incur obligations or spend money, other than for its normal operating expenses;

- (a) until the budget for the fiscal year has been approved by Council;
- (b) if the budget has not been approved, unless Council approves the obligation or expenditure.

(4) The corporation may;

- (a) incur obligations and spend money only in accordance with its approved budget; and
- (b) may deviate from the budget only with the approval of Council.

6.2 The fiscal year of the corporation is the same as the fiscal year of the City.

6.3 The accounts and transactions of the corporation shall be audited annually by the auditor of the City.

6.4 The corporation shall prepare and submit to Council an annual report which shall include audited financial statements.

6.5 The corporation shall provide the City with such financial information as the City may require.



- 6.6 (1) The corporation shall keep proper books of account and accounting records with respect to all financial and other transactions of the corporation, including, and without limiting the generality of the foregoing;
- (a) records of all sums of money received from any source whatsoever and disbursed in any manners whatsoever; and
 - (b) records of all matters with respect to which receipts and disbursement take place in consequence of the maintenance, operation and management of the corporation.
- (2) The corporation shall keep or cause to be kept and maintained all such books of accounts and accounting records as the City may require.
- 6.7 The corporation shall make all of its books and records available at all times to such persons as Council may require and shall provide certified true copies of such minutes, documents, books, records or any other writing as Council may require.
- 6.8 (1) The corporation shall, in accordance with good business practice, keep and maintain an accurate inventory of its personal property and provide Council with an inventory thereof as Council may require.
- (2) The inventory shall include separate inventories of the artifacts for Eldon House.
- 6.9 (1) Council may require the corporation,
- (a) to provide information, records, accounts, agendas, notices or any paper or writing; and
 - (b) to make a report on any matter, as Council determines, relating to the carrying out of the purposes and objects of the corporation.
- (2) The corporation shall,
- (a) file with the City all such information records, accounts, agendas, notices, paper and all other materials as Council may require; and
 - (b) make such reports within the time specified by Council and containing such content as Council may require.
- 6.10 (1) The corporation shall from time to time provide the City as requested with statements of,
- (a) revenues and expenditures;
 - (b) profit and loss; and
 - (c) such financial matters or operating expenditures as Council may require.
- (2) The statements referred to in subsection (1) shall be in such form as the City may require.
- 6.11 (1) The City is entitled to receive any profits resulting from the operations of the corporation and is responsible for any losses incurred by the corporation.
- (2) Council may determine what constitutes profits for the purpose of subsection (1).
- 7.0 Indemnification**
- 7.1 (1) Subject to subsection (2), every director or officer of the corporation and his or her heirs, executors, administrators and other legal personal representatives may from time to time be indemnified and saved harmless by the corporation from and against,
- (a) any liability and all costs, charges and expenses that he or she sustains or incurs in respect of any action, suit or proceeding that is proposed or commenced against him or her for or in respect of anything done or permitted by him or her in respect of the execution of the duties of his or her office; and
 - (b) all other costs, charged and expenses that he or she sustains or incurs in respect to the affairs of the Corporation.
- (2) No director or officer of the corporation shall be indemnified by the corporation in respect of any liability, costs, charges or expenses that he or she sustains or incurs in or about any action, suit or other proceeding as a result of which he or she is adjudged to be in breach of any duty or responsibility imposed upon him or her under any Act unless, in an action brought against him or her in his or her capacity as director or officers, he or



she has achieved complete or substantial success as a defendant.

(3) The corporation may purchase and maintain insurance for the benefit of a director or officer thereof, except insurance against a liability, cost, charge or expense of the director or officer incurred as a result of his or her failure to exercise the powers and discharge the duties of his or her office honestly, in good faith and in the best interests of the corporation, exercising in connection therewith the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

8.0 Operation and Management of Eldon House

- 8.1 The maintenance and management of the land, buildings and structures located on the west side of Ridout Street in the City of London and known as Eldon House owned by the City is entrusted to the corporation until such time as the City may by by-law assume such maintenance and management.
- 8.2 The corporation shall operate and maintain Eldon House as an historic site, as an example of and furnished to portray a residence of its period and standing in the community.
- 8.3 The corporation shall at all times operate and maintain Eldon House in accordance with terms and conditions of the following agreements:
- (a) the Harris Agreement;
 - (b) the Heritage Easement Agreement; and
 - (c) the Artifacts Gift Agreement.
- 8.4 Subject to the agreements set out in section 8.3 the corporation shall, operate and maintain Eldon House such that it meets, at a minimum, the Province's Ministry of Culture Community Museums Operating Grant Program (Standards For Community Museums In Ontario), including but not limited to, Governance, Finance, Collections, Exhibition, Interpretation and Education, Research, Conservation, Physical Plant, Community, and Human Resources Standards.
- 8.5 The corporation shall establish and implement, in consultation with the City, such plans that are necessary for the operation and maintenance of Eldon House which shall include without limitation to the following:
- (a) an emergency management plan including a strategy to preserve and protect the residence from hazards including but not limited to fire, water, humidity and infestations of insects or vermin;
 - (b) a security plan to ensure precautions against loss or damage caused by crime, vandalism, malicious mischief or similar incidents;
 - (c) an artifacts inventory which includes, but is not limited to donor name, acquisition date, description of the item, photographs, conservation efforts expended, and storage requirements and methods utilized;
 - (d) a lawn and garden plan appropriate to the age and style of Eldon House including annual landscape plans, record of planting and removal of perennial plants and
 - (e) a curatorial collection management, building management and house management services plan appropriate for a heritage museum of the size and type of Eldon House.
- 8.6 The corporation shall at all times abide by the City of London Special Events Policies and Procedures Manual (which includes filming), and such other policies governing the use of City property as shall be reasonably applicable.
- 8.7 The corporation shall be responsible for all operating and maintenance costs and capital renovations and repairs for Eldon House, save and except those costs for capital renovations and repairs as set out in section 8.8. Operating and maintenance costs for Eldon House will be identified as a program within the corporation's budget.
- 8.8 The City shall be responsible for all capital renovations and repairs to Eldon House in excess of three thousand (\$3,000.00) dollars.
- 8.9 The corporation shall allow the City access to Eldon House at any time to inspect the state of maintenance and repairs of Eldon House.

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8.10 The City and the corporation shall jointly conduct quarterly inspections and audits of Eldon House. Prior to January 1, 2013, the City and the corporation shall conduct an inspection and audit which shall establish the standard for all future audits and inspections. Such standards shall not be less than the City's standard for inspection and audit of its facilities.

9.0 General

9.1 Council may by by-law dissolve the corporation and any property of the corporation remaining after its debts have been paid vests in the City.

9.2 This by-law may be referred to as the "Eldon House By-law".

9.3 This by-law comes into force and effect on the day it is passed.

PASSED in Open Council on _____, 2012.

Joe Fontana
Mayor

Catharine Saunders
City Clerk

First Reading –
Second Reading –
Third Reading –



APPENDIX 'B'

#12029

Chair and Members
Finance and Administrative Services Committee

February 16, 2012
(Approve Special Provisions)

RE: Creation of a Separate Eldon House Board

FINANCE DEPARTMENT REPORT ON THE SOURCES OF FINANCING:

The Finance Department confirms that the cost of this initiative cannot be accommodated within the financing available for it in the Operating Budget. The funding is available as a drawdown from the Operating Budget Contingency Reserve and that, subject to the adoption of the recommendations of the City Treasurer, Chief Financial Officer, the detailed source of financing for this project is:

| <u>ESTIMATED EXPENDITURES</u> | <u>Approved Budget</u> | <u>This Submission</u> | <u>Balance for Future Work</u> |
|--|-------------------------------|-------------------------------|---------------------------------------|
| Transitional Funding ⁽¹⁾ Eldon House Municipal Service Board | \$0 | \$20,000 | \$20,000 |
| NET ESTIMATED EXPENDITURES | \$0 | \$20,000 | \$20,000 |
| <u>SUMMARY OF FINANCING:</u> | | | |
| Drawdown from Operating Budget Contingency Reserve ⁽²⁾ | \$0 | \$20,000 | \$20,000 |
| TOTAL FINANCING | \$0 | \$20,000 | \$20,000 |

Financial Note

- ⁽¹⁾ Transitional funding is comprised of one-time start up cost to cover a part-time manager, policy development and set up costs associated with establishing a Local Board.
- ⁽²⁾ The additional funding requirement of \$20,000 is available as a one-time draw from the Operating Budget Contingency Reserve.

cc

Larry Palarchio
Director of Financial Planning & Policy