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<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON MAY 25, 2016</b>
<b>FROM:</b>	<b>CHERYL SMITH ACTING DIRECTOR OF COMMUNITY AND ECONOMIC INNOVATION</b>
<b>SUBJECT:</b>	<b>TRANSFER OF THE AMELIA LUCY RONALDS LITTLE TRUST FUND FROM MUSEUM LONDON TO THE CORPORATION OF THE CITY OF LONDON</b>

<b>RECOMMENDATIONS</b>
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That, on the recommendation of the Acting Director of Community and Economic Innovation, and concurred by the Director, Financial Services and the Solicitor II the following actions **BE TAKEN** with respect to the Amelia Lucy Ronalds Little Trust Fund (*referred to as the Little Trust Fund*):

- a) The Civic Administration **BE DIRECTED** to take all necessary steps to obtain an order under the *Charities Accounting Act* appointing The Corporation of the City of London as the Trustee for the Amelia Lucy Ronalds Little Trust Fund; and
- b) The Mayor and City Clerk **BE AUTHORIZED** to execute any documentation, including without limitation to agreements with Museum London, in a form satisfactory to the Manager of Culture and the Director, Financial Services to give effect to the appointment of The Corporation of the City of London as the Trustee for the Amelia Lucy Ronalds Little Trust Fund.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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- 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 September 19, 2011 – Creation of a Separate Eldon House Board.
- Municipal Council Resolution March 2012 – Creation of a Separate Eldon House Board.
- Municipal Council Resolution November 25, 2014 – Eldon House Municipal Service Board By-law Amendment to the Board Composition.

<b>BACKGROUND</b>
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The purpose of this report is to recommend that the Civic Administration be authorized to take the necessary steps to have the Corporation of the City of London appointed as the Trustee for the Amelia Lucy Ronalds Little Trust Fund (referred to in this report as the Little Trust Fund). Currently Museum London is the sole Trustee for the Little Trust Fund.



The Little Trust Fund was established by Mrs. Amelia Lucy Ronalds Little who died in August 2001. In her will, Mrs. Little left the sum of \$100,000 to Museum London for the purpose of founding a trust fund to be designated as the Amelia Lucy Ronalds Little Trust Fund. The bequest provides that the net annual income from the fund is to be used for the improvement, redecoration, refurbishing, restoration, and enhancement of the Eldon House Museum building and the artifacts contained therein and not for general maintenance and upkeep purposes.

Museum London was named as the sole Trustee for the Little Trust Fund. Up until December 31, 2012 when Eldon House Corporation became a municipal service board of the City of London, Museum London managed and operated Eldon House on behalf of the City. As the Museum no longer manages Eldon House, it is seeking to resign as the Trustee and would like the City to hold and manage the Little Trust Fund.

### **Description of Eldon House**

Virtually unchanged since the last century, Eldon House is London's oldest surviving residence and best example of a fully furnished Victorian home in Canada. Built in 1834, for founding Londoners John and Amelia Harris, it contains family heirlooms, furnishings and priceless treasures of the Harris Family. Set on high ground overlooking the Fork of the Thames, Eldon House is surrounded by a beautiful 19<sup>th</sup> century style garden. Eldon House contains an extraordinary collection of objects originating from around the world.

Eldon House lands, buildings and collection of 481 Ridout Street North, were donated to the City of London by the Harris family on August 23, 1960 to be used as a museum and Harris Park. The original Eldon House maintenance agreement between the Corporation of the City of London and George G. R. Harris and Ronald S. Harris is referred to as "the Harris Agreement". Under this Agreement, the City of London is responsible for operating Eldon House in perpetuity, as a historic site, as an example of and furnished to portray a residence of its period and standing in the community.

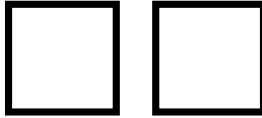
### **Museum London's role related to Eldon House**

Since August 23, 1960, Museum London has operated Eldon House on behalf of the City of London through an Eldon House Operating Agreement. Under this agreement, Museum London agreed to operate and maintain Eldon House as an historic site, in accordance with the terms and conditions of this agreement and the Harris Agreement, the Heritage Easement Agreement, the Artifacts Gift Agreement and the Personal Information and Confidentiality Agreement. Museum London was responsible for operating and maintaining Eldon House such that it met 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 Resource Standards.

### **The Eldon House Corporation**

The Eldon House Corporation was created to be a Municipal Service Board by Council on December 31, 2012 to manage and operate Eldon House, which is the City of London's asset. 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. 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); including but not limited to, Governance, Finance, Collections, Exhibition, Interpretation and Education, Research, Conservation, Physical Plant, Community, and Human Resources Standards.

### **The Little Trust Fund**

At the time the Little Trust Fund was established on July 23, 2002, Museum London operated Eldon House for the City. Museum London received the \$100,000 bequest in 2002. It has been included in its audited financial statements as a Restricted Fund. A total of \$32,311.08 has been disbursed for Eldon House since the Little Trust Fund was established. The City has reviewed the financial activity within the Little Trust Fund provided by the Museum. This total spending agrees to the audited financial statements which are annually disclosed to the City as part of the audited financial statement notes. Therefore, the City does not have any concerns about taking over the management of the fund.

The Eldon House Corporation provides the stewardship of the architectural integrity of the house, its property and artifacts. According to the stipulations of the Little Trust Fund, the accrued interest of this permanent endowment fund is to be used in the service of conservation projects to ensure the preservation of Eldon House artifacts. The Little Trust Fund net annual income is to be used for the improvement, redecoration, refurbishing, restoration, and enhancement of the Eldon House Museum building and the artifacts contained therein, not for general maintenance and upkeep purposes.

### **Museum London Trustee Resignation**

As Museum London no longer operates Eldon House on behalf of the City of London, the Museum London Board has formally authorized their intent to resign as the Trustee of the Little Trust Fund and has requested that the City seek to be appointed as the Trustee and that the Little Trust Fund be transferred to it. The Museum London Board Resolution is attached as Appendix “A” to this report.

Civic Administration, with the concurrence of the Eldon House Corporation is recommending that the City take the appropriate steps to be appointed as the Trustee for the Little Trust Fund. It should be noted that the Eldon House Board of Directors approved a resolution in December 2015 asking for this change in Trusteeship.

*“That the City of London **BE REQUESTED** to seek approval as Trustee of the Little Trust Fund on behalf of the Eldon House Corporation.”*

### **Process to have the City appointed as Trustee**

The Little Trust Fund is a charitable purpose trust held for the benefit of the public. The *Charities Accounting Act* provides a simplified procedure to appoint a new or replacement Trustee where the sole Trustee seeks to resign. The Act provides a simplified administrative process to obtain a court order if consent to such order has been given by the Public Guardian and Trustee. Preliminary discussions with the Office of the Public Guardian and Trustee indicate that such process would be available in this instance.

With the appointment of the City as Trustee, the safeguarding and management of the Little Trust Fund would be conducted in accordance with the terms of the late Mrs. Little’s will, the *Trustee Act*, the rules regarding investments set out in the *Municipal Act, 2001* and O. Reg.438/97 under the *Municipal Act, 2001* entitled “Eligible Investments and Related Financial Agreements” and the City’s policies.

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Council Policy 8(16) entitled "Trust Funds" attached as Appendix "B" to this report would apply to bequests such as the Little Trust Fund. In accordance with this Council Policy, the City Treasurer or his/her designate shall be responsible for establishing and administering all trust funds. All investments relative to trust funds shall be made in accordance with the applicable legislation and the City's Investment Policy. The financial records of all trust funds are audited annually by the Corporation's external auditor. It is noted that the terms and conditions of the Little Trust Fund are broad enough in order to avoid excessive administrative difficulties in managing and disbursing funds.

<b>CONCLUSION</b>
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Museum London seeks to resign as the Trustee for the Little Trust Fund. As the City is the owner of Eldon House, Civic Administration, with the concurrence of the Eldon House Corporation is recommending that the City take the appropriate steps to be appointed as the Trustee for the Little Trust Fund.

<b>RECOMMENDED BY:</b>	<b>SUBMITTED BY:</b>
<b>ROBIN ARMISTEAD MANAGER OF CULTURE</b>	<b>CHERYL SMITH ACTING DIRECTOR, COMMUNITY &amp; ECONOMIC INNOVATION</b>

<b>CONCURRED BY:</b>	<b>CONCURRED BY:</b>
<b>ANNA LISA BARBON DIRECTOR, FINANCIAL SERVICES</b>	<b>JENNIFER SMOUT SOLICITOR II CITY SOLICITOR'S OFFICE</b>

Museum London  
Eldon House

22 February 2016

Robin Armistead MSW, RSW  
Manager of Culture  
Culture Office, Community and Economic Innovation

Dear Robin,

At their January board meeting the Museum London Board instructed me to contact the City of London to begin the transfer of the "Amelia Lucy Ronalds Little Trust Fund" from Museum London to the City of London. To start this process they passed the following resolution:

*WHEREAS Museum London is the trustee for the fund designated as the "Amelia Lucy Ronalds Little Trust Fund" (the "Fund") in accordance with the terms and conditions set out in the Agreement dated July 23, 2002 between Anthony H. Little and George H. Little, Estate Trustees of the Estate of Amelia Lucy Ronalds Little and Museum London (the "Agreement");*

*AND WHEREAS pursuant to section 4 of the Agreement, the net annual income from the Fund is to be used for the improvement, redecoration, refurbishing, restoration and enhancement of the building known as Eldon House and the artifacts contained therein;*

*AND WHEREAS effective December 31, 2012, the operating agreement between Museum London and The Corporation of the City of London (the "City") for the operation and management of Eldon House expired;*

*AND WHEREAS pursuant to the City's By-law A.6825-162, on January 1, 2013, the management and operation of Eldon House was entrusted to the City's municipal service board known as Eldon House Corporation;*

*NOW THEREFORE be it resolved that:*

*The Executive Director be instructed to correspond with the City and request that it take the steps necessary to facilitate the transfer of the Fund from Museum London to the City for the reason that Museum London no longer operates and manages Eldon House on behalf of the City.*

Please let me know if this letter is sufficient to start this process. Also, let me know if we can provide you with any information related to the Fund.

Sincerely,



Brian Meehan

## APPENDIX B

### 8(16) Trust Funds

That the following policies be established with respect to trust funds, namely:

- (a) when accepting contributions from community groups and organizations for community projects and events, the practice of identifying such contributions as discretionary trust funds be discontinued; it being pointed out that the Municipality has no specific authority to establish this type of trust fund;
- (b) the Finance Division continue to be responsible for accounting, reporting and investment services for funds presently maintained by the Municipality on behalf of community groups and organizations for which there is no specific legislative authority or trust indenture, on the understanding that the City will be acting in the capacity of a custodian of the fund and not as a trustee;
- (c) approval of the Board of Control be obtained by the Finance Division on any new requests which it receives to accommodate community groups and/or individuals wishing to deposit money with the City for contribution towards an activity or event and requiring the City to issue tax deductible donation receipts; and that the Board of Control, in reviewing such requests, take into consideration the administrative costs of entering into such arrangements;
- (d) when reviewing new requests outlined in part (c) above, the Finance Division be required to determine and recommend to the Board of Control on whether or not:
  - (i) a custodial relationship is appropriate;
  - (ii) a new or existing reserve fund should be used to accumulate money received; or
  - (iii) contributions should be taken directly into revenues.

and that in so doing, the Finance Division be requested to use the following evaluation criteria:

- (i) the level of direct involvement with the organization, project or activity;
- (ii) a determination that the City is empowered on its own to make a grant to the organization involved under section 113 of the *Municipal Act*, R.S.O. 1990, Chapter M.45 and/or the Municipality is empowered to spend money on the undertaking or project in accordance with the provisions of the *Municipal Act*, R.S.O. 1990, Chapter M.45 or some other statute;
- (iii) a determination of whether or not the undertaking is of a recurring or non-recurring nature;
- (iv) a determination of the size of the project and/or lead time to the planned commencement of the project;
- (v) a determination of whether or not the project or undertaking is included in the Capital Works Budget or Current Budget with fundraising being identified as a source of financing; and
- (vi) a determination of whether or not fundraising activities by the community group, organization or individual will be of a short, non-recurring duration;

- (e) a trust fund policy as set out in [Appendix 8\(16A\)](#) be established and that the existing policies governing the administration of trust funds be replaced therewith; and
- (f) the City will accept donations from community groups, organizations and individuals subject to general direction and issue tax deductible receipts only when the organization to whom the donation is directed operates under authority of the municipality and/or the donation will be used as a source of financing for a City project or program. Finance Division determines whether the City is empowered to make a grant to the organization involved and/or the municipality is empowered to spend money on the undertaking or project under Provincial Legislation.

ADOPTED APRIL 2, 1990; AMENDED DECEMBER 20, 1999 [8(17) AUG 1999]

## **8(17) Donations Made for Non-Profit Organizations**

That a policy be established whereby the City of London accept donations from organizations and individuals which are made on the condition that such donations be transferred to a local non-profit organization for purposes which are in the best interest of the Municipality; and that the Civic Administration be authorized to issue receipts for income tax purposes where such donations conform with the applicable Federal and Provincial legislation.

ADOPTED NOVEMBER 5, 1990 [8(18) AUG 1999]

## **8(16A) Appendix to Trust Fund Policy**

Purpose: To set out the guidelines under which the City of London will establish and administer trust funds.

### Guidelines

- (1) The City Treasurer or his/her designate shall establish and administer trust funds on the following basis:
  - (a) in accordance with applicable statutes and regulations,
  - (b) in accordance with specific terms of a Last Will and Testament or other trust indenture,

- (2) Legislated Trusts

These trusts shall be administered in accordance with the statutes and regulations establishing them. The City of London administers trusts for residents at Dearness Home in accordance with the *Homes for the Aged Act*, R.S.O. 1990, Chapter H.13 and an Ontario Home Renewal Program trust in accordance with the *Housing Development Act*, R.S.O. 1990, Chapter H.18.

- (3) Bequest Trusts

These trusts shall be administered in accordance with the terms and conditions of the Last Will and Testament of the donor. Every attempt should be made to ensure that the conditions regulating use of the funds are general in nature in order to avoid excessive administrative difficulties in disbursing funds.

Bequests established with similar purposes should be consolidated into one fund. A memo record may be retained to identify capital receipts by donor and/or separate equity sub-accounts be established for each contribution source.

Interest on bequests to the Dearness Home will be used for benefit of the Dearness Home and its residents.

(4) General

- (a) The City Treasurer or his/her designate shall be responsible for establishing and administering all Trust Funds with the exception of trust funds administered by the Library Board and Museum London. The City Treasurer shall report to Council once per year, as at December 31 on the financial position and income and expenditures of trust funds administered during that period. The report format will be consistent with that required under the Municipal Financial Reporting Handbook.
- (b) Interest on short term investments shall be credited to each trust fund not less than semi-annually, in arrears, with the exception of the OHRP and Dearness Resident trusts where volume considerations will dictate the periodic allocation of interest. The interest credited to said trust funds shall be equal to the amount earned by the Corporation by the deposit or investment of said funds on an individual or pooled basis. Trust funds must maintain a minimum average balance of \$100 to earn interest for the allocation period.
- (c) Interest on long term investments shall be accounted for on a "cash" basis (i.e. credited to trust funds, in arrears, based on the timing of receipts of interest proceeds for each specific fund).
- (d) The accounting policies for trust funds shall follow generally accepted accounting principles as set out in the Municipal Financial Reporting Handbook and conform to the Corporate accounting policies prescribed from time to time by the City Treasurer or his/her designate with the exception of accounting for interest on long term investments as outlined in (4)(c) above.
- (e) All investments relative to trust funds shall be made in accordance with the *Trustee Act*, R.S.O. 1990, Chapter T.23 and City of London Investment Policy.
- (f) In accordance with all appropriate legislation the City Treasurer, or his/her designate shall have the financial records of all trust funds audited annually by the Corporation's external auditor.