

<b>TO:</b>	<b>CHAIR AND MEMBERS FINANCE AND ADMINISTRATION COMMITTEE SEPTEMBER 14, 2011</b>
<b>FROM:</b>	<b>JEFF FIELDING CHIEF ADMINISTRATIVE OFFICER</b>
<b>SUBJECT:</b>	<b>CREATION OF A SEPARATE ELDON HOUSE BOARD</b>

<b>RECOMMENDATIONS</b>
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That, on the recommendation of the Chief Administrative Officer, the following actions be taken with regard to the creation of a separate Eldon House Board:

- (a) The proposed model for the establishment of a separate Eldon House Municipal Service Board **BE ENDORSED IN PRINCIPLE.**
- (b) The Civic Administration **BE DIRECTED TO REPORT BACK** with a more detailed transition plan to put the Eldon House Municipal Service Board in place by December 31, 2012, and to review this transitional plan through a formal public consultation process.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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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 175<sup>th</sup> 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.

<b>BACKGROUND</b>
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Municipal Council, at its session held on March 29, 2011, resolved:

*“41. That, the Manager, of Culture and Municipal Policy BE DIRECTED to review and report back to the Finance and Administration Committee on the necessary measures to create a separate Eldon House Board, and the potential for Eldon House to be declared a National Heritage Site.”*

The purpose of this report is to outline the necessary measures to create an independent Eldon House Municipal Service Board (a Local Board), under the ownership of the City of London (the City). This potential new direction 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. These proposed changes are not intended to be a reflection on the current management of Eldon House by Museum London, but instead are meant to allow Eldon House management to access the greatest possible funding available for this city owned heritage facility.



## Background Concerning Eldon House

Located in the heart of the city overlooking the historic Forks of the Thames, Eldon House is London's oldest residence and the best example of a fully furnished Victorian home in Canada. Eldon House is an integral part of London's historical identity located at the Forks of the Thames. Eldon House was built for founding Londoners John and Amelia Harris, who moved into the 'new' home with their large family in September 1834. Eldon House remained within the family's ownership until Milly Harris, granddaughter of John and Amelia died in 1959, the house then passed to her nephews and niece who had grown up in the house. Together, they generously decided to give the estate to the City of London (the City) to be used as a museum and Harris Park.

Eldon House was gifted to the City from the Harris family (George Harris, Ronald Harris and Lucy Little) by Harris Agreement dated August 23rd 1960 effective January 1, 1961. The gift was in two parts, Part A which comprises Eldon House, its contents and a portion of land around the main house and Part B which comprises Harris Park. *"Subject to the terms of this Agreement, the residence Eldon House must be maintained in perpetuity as an historic site, as an example of and furnished to portray a residence of its period and standing in the community, and shall be open to public inspection at such time and upon such terms and conditions, including the charging of a fee therefore as the City shall from time determine;"*

In addition, under the Harris Agreement, the City is required to:

- keep the residence in a good and sufficient state of repair;
- keep the lawns and gardens in a neat and tidy condition;
- take reasonable precautions to preserve the residence and contents from hazards of all kinds; and,
- maintain the furnishings and keep them within the residence.

Under the City's ownership and through a contractual agreement, the management of Eldon House changed from the London Public Library to the London Regional Art and Historical Museum (LRAHM) in 1989.

The current Agreement for administration of Eldon House by Museum London for a four year term commencing on April 1, 2010 until March 31, 2014 was renewed by City Council and Museum London in September 2010. This Agreement may be terminated by either party at any time by providing sixty (60) days written notice to the other party. This service agreement states that:

- Museum London will be responsible for all operating and maintenance costs for Eldon House, except for all capital renovations made by the City.
- Museum London will 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. Museum London agrees to implement: 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.
- "Museum London will provide the City with an annual report each year which will include the following:
  - (a) a statement of operating revenues and expenditures;
  - (b) contact information for Eldon House;
  - (c) the vision and mission statement for Eldon House;
  - (d) a summary of the activities, programs and events and plans for the past year and those for the upcoming year;
  - (e) attendance numbers indicating visits by the general public and of the number of primary and secondary school tours;
  - (f) measure of the insured value of the collection, and efforts to ensure values are appropriately maintained;
  - (g) number of employees (full time and part time);
  - (h) number of volunteers and an estimate of the total number of volunteer hours;
  - (i) a summary of Interpretive Centre rentals;
  - (j) greenhouse management and usage;

- (k) a summary of website activity including the number of site visits by the public, number inquiries received and responded to by Eldon House staff or volunteers; and
- (l) a summary of marketing and promotion activities.”

## **CURRENT OPERATIONS OF ELDON HOUSE**

The creative potential of Eldon House was demonstrated during its very successful 175<sup>th</sup> Anniversary held from September 2009 to September 2010. At that time, thanks to a budget of \$25,000 provided by The City of London, the Eldon House 175<sup>th</sup> Anniversary Committee consisting of City of London, London Heritage Council and Museum London employees was able to enhance programming and host special anniversary events. This yearlong celebration shone a spotlight on Eldon House and attendance figures at Eldon House increased substantially over previous years, from approximately 1,000+ visitors to 6,000+ visitors and 14,000 visitors to the newly created Eldon House Website (created by the City of London Technology Services Division), demonstrating this historic museum's potential to grow and flourish when attention and resources are made possible. Currently, Eldon House is marking its 50<sup>th</sup> anniversary as a museum, and with a bold new vision and strategic direction, its future holds great promise for the next 50 years.

### **Eldon House Employees**

Current staffing compliment includes one full-time Heritage Site Coordinator, 5 permanent part-time Historical Interpreters and one Gardener. The Heritage Site Coordinator is supervised by the Administrator of Museum London.

### **Eldon House Programming**

In addition to the regular tours of the house, the current public programming of Eldon House includes:

1. Behind the Ropes Tours (twice a year)
2. Children's parties (Easter, Christmas)
3. Summer Teas (July and August)
4. Specialty Teas (Mother's Day; Father's Day Strawberry Social)
5. Victorian Christmas (month of December)
6. Lecture Series (Initiative of the 175<sup>th</sup> Anniversary)
7. Workshops (Initiative of the 50<sup>th</sup> Anniversary)
8. Retrospective Tours (Initiative of the 50<sup>th</sup> Anniversary)

The current educational programming of Eldon House includes: school tours (now arranged through Museum London) Pioneer Days (Grades 1-3); Ancient Civilizations (Grades 5-6); Rebels in Redcoats (Grades 7-8); intermittent participation in 'Museum School' program. The 175<sup>th</sup> anniversary was a yearlong celebration, held from September 2009 to September 2010. To celebrate the anniversary, Museum London and the Eldon House 175 Anniversary Committee organized special lectures and events to highlight the events. Currently, Eldon House is marking its 50<sup>th</sup> anniversary as a museum. Celebrations started in October 2010 and run through to September 2011. Special exhibitions, programming and tours relating to the last 50 years of Eldon House operating as a museum have been delivered.

### **The Finances of Eldon House**

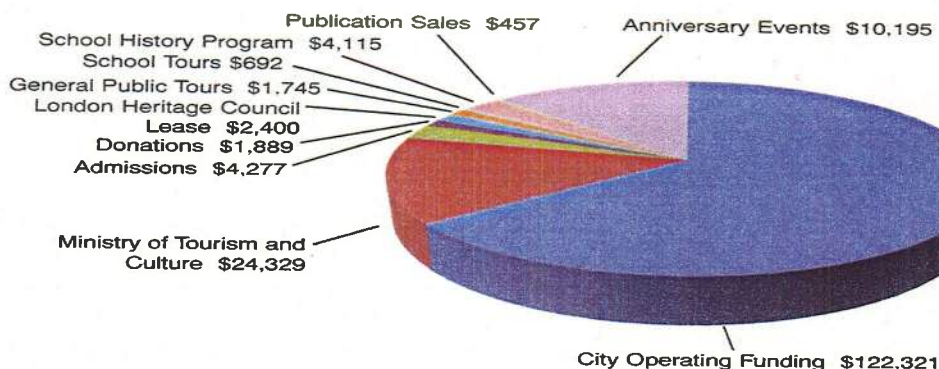
The City provides Museum London with a budget and in 2010; Museum London received core support from the City in the amount of \$1,587,193.

As Eldon House is not a separate entity from Museum London, the money that the museum receives from the City for its budget to manage and administer its operations includes the management and administration of Eldon House.

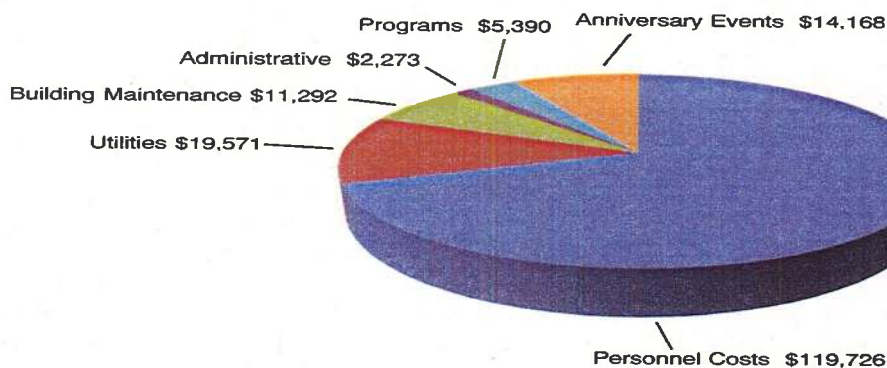
Up until 2010, Museum London has not had to report separately on Eldon House, however under the new contract with the City to manage and administer Eldon House there is a new requirement to provide the City with a statement of operating revenues and expenditures. The graph below represents that included in the 2010 Eldon House Annual Report prepared by the Museum.

## Operating Revenues and Expenditures 2010

### REVENUES



### EXPENDITURES



#### Expenditures (Total \$172,420)

Expenditures accounted for in the graph are those that are directly attributable to Eldon House. Other costs attributable to Eldon House but unaccounted for because they are sharing services with Museum London, the London Public Library and the City, and therefore are difficult to quantify, include:

#### Services provided by Museum London

- administrative costs;
- program and tour bookings;
- marketing services;
- security and cleaning services;
- Insurance; the Eldon House building is insured under the City's insurance but billed to Museum London. The contents of Eldon House are insured under Museum London's Insurance Policy as its policy affords better insurance for historical artifacts and is also paid for by Museum London.
- Accounting, yearend audits, budgeting, financial reporting and legal support.

#### Services provided by London Public Library

- payroll service for a fee to Museum London;

#### Services provided by the City

- grounds keeping for a fee to Museum London; and
- capital repair costs over \$3,000 are funded through the City's Heritage Planning's capital budget for maintenance of heritage buildings.

#### Revenues (Total \$171,963)

The City provided \$122,321, as illustrated in the pie chart, to support the operations of Eldon House. The City also provided access to a number of shared services as mentioned above.

Currently Eldon House receives a provincial Community Museums Operating Grant (CMOG) of \$24,329. This grant requires the applicant to be a non-profit corporation that has its head office

in Ontario and operates as a museum or a council of a municipality that operates as a museum. Eldon House must adhere to the ten standards which require documented policies, procedures and practices. Every year, three new policies/procedures must be developed and adhered to and these must be in place for at least three months prior to application submission. Museum London submits a separate application for Eldon House and the amount of funding is based on % of operating expenses which shouldn't be affected by a change in governance. Applications are made June 30, 2011 for the 2011 calendar year ending December 2011. The next period for application to CMOG is June 30, 2012 for the 2012 year.

Not reflected in the pie chart, as it is not part of operational revenues, the Little Trust Fund was established in 2005 for Eldon House and the principle amount is \$100,000. The net annual income of approximately \$5,000 (calculated on a three year rolling average basis less management fees) from the fund is to be used for the improvement, redecoration, refurbishing, restoration and enhancement of the building and the artifacts of Eldon House, not for operating funding, general maintenance and upkeep purposes.

### **SURVEY OF SIMILAR HERITAGE HOMES IN ONTARIO**

A Survey of Similar Heritage Homes and their governance models in Ontario is summarized in the chart below.

<b>Ownership / Management Structure</b>	<b>Number</b>	<b>Location</b>
Municipality owns and operates	6	Hamilton- Whitehern Guelph – McCrae House Tillsonburg – Annandale Toronto – Spadina Museum Region of Waterloo – Joseph Schneider Haus Mississauga – Benares House
Municipality owns but operated by a Local Service Board	1	Burlington – Ireland House
Municipality owns but operated by separate not-for-profit foundation	1	Kitchener - Homer Watson House
Municipality operates but does not own (owned by Windsor Historic Sites Association)	1	Windsor - Francois Baby House
Parks Canada owns and operates	1	Ottawa – Laurier House
Ontario Heritage Trust owns and operates	3	Windsor - Duff Baby House Grafton - Barnum House Brockville - Fulford Place
Owned and operated by national incorporated not-for-profit (the Canadian National Diabetes Association)	1	London - Banting House

Many of these heritage homes surveyed are owned and/or operated by the municipality and the City of Burlington's Ireland House is operated by a Local Service Board. Some historic homes have a "Friends" group of volunteers that assist with fundraising and attendance initiatives. Homes owned by the municipality are eligible to apply to the Community Museums Operating Grant on an annual basis.

In all models there is a defined / steady source of operational, capital funding and maintenance support mechanisms. Generally support is received through the municipality, Parks Canada or the Ontario Heritage Trust. Funding for marketing is minimal and usually comes from the overall operational funding. Many of the heritage homes also try and obtain project funding through grants.

The majority of the homes are open year round, on a select number of days and open longer periods during the summer months. There is usually a complement of full time and part time staff as well as summer students located at each site. The number of visitors varies from a few hundred (for a home only open during the summer months) to approximately 30,000 for a home year round.

Ten of the heritage homes are designated national historic sites and one is in process of applying. It is recognized that there is Cost-Sharing Program Funding available, however according to a number of these heritage home administrators, it is very difficult to obtain.

## **REVIEW OF POTENTIAL NEW OPERATIONAL MODELS FOR ELDON HOUSE**

Although the City recently renewed its agreement with Museum London for the administration of Eldon House, an opportunity has arisen to establish an independent Eldon House with separate governance, under the continued ownership of the City. Moving to a new model will take Eldon House to the next level of maturity, while maintaining ownership of the home with the City.

While the Council Resolution requests that there be a separate board for Eldon House, there are a number of models that could be used for the operation of this facility. The following are potential options:

1. Establish a Separate Eldon House Municipal Service (Local) Board;
2. Establish a Not-for-Profit Organization or RFP to select an existing Not for Profit Organization; or,
3. Operate Eldon House through a City Department.

A summary of the pros and cons of these potential operational models is attached as Appendix "A" to this report. In any of these options, organizations administering Eldon House would have to agree to be bound by and operate Eldon House in accordance with the provisions of the 1960 Harris Agreement and the other existing agreements.

### **PROPOSED ELDON HOUSE MUNICIPAL SERVICE (LOCAL) BOARD**

It is proposed that Eldon House be governed as its own Municipal Service (local) Board. A local board is an agent of the municipality and governed by the provisions of the Municipal Act, which the Civic Administration felt was important when overseeing the administration of a municipal property. 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. A municipal service board is a local board. Traditionally local boards are established for the governing and regulating of civic affairs with a view to providing certain services for a municipality. Examples of local Boards in London include the London Convention Centre, the London Transit Commission, Covent Garden Market Corporation and Museum London. A local board is a body corporate and an agent of the municipality.

#### **The Benefits of Establishing a new Eldon House Local Board**

Establishing Eldon House as a separate entity provides a tremendous opportunity to put a focus on the heritage of London and Eldon House to create a new vision for its next fifty years as a museum.

It is anticipated that a new Eldon House Board will provide the opportunity for the development of new audiences and revenue generation opportunities through innovative strategies, marketing and programming. Ideally Eldon House could be developed into a tourist destination. Many of its collections are from around the world and could be used to attract immigrant visitors.

As a separate heritage museum, Eldon House has many networking and collaborative opportunities to harness with other museums and community representatives. For example, there could be more partnerships with the University of Western Ontario's Archives and Research Collections Centre.

It is likely that funding will be available to Eldon House through grant applications, which are not available under present management structure, as Museum London's financial budget is too large to qualify. The Culture Office has confirmed with the Provincial Community Museum Operating Grant (CMOG) administration that this major heritage funding granter would look upon the establishment of a separate Eldon House Board very favorably as a better situation than having Museum London manage the historic home and there should be no gap in terms of funding for any transition.

New revenue may be made possible through a revival of the disbanded 'Friends of Eldon House' volunteers for specific and ongoing fundraising, as well as new initiatives for memberships and profit-oriented programming.

## The Finances of the Eldon House Local Board

### Expenditures

The 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 discussed under the Revenue section.

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.

<b>Cost Implications (Impact on the City Budget)</b>	
Personnel Cost Increases:	A managerial role will have to be established to administer and operate Eldon House and report to the newly established Board of Directors.
Shared Services	Some shared services may not be able to continue and therefore the costs of providing these services will increase. For example; accounting, payroll, grounds keeping, program & tour bookings administration, marketing, and security.
Start Up Costs	There are new costs attributed to the Local Board model; setup costs associated with establishing a Local Board (onetime costs)
New Administration Costs	Liability insurance for the board of directors, accounting fees and the costs associated with generating new revenues.

The Local Board model 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 the applicable legislation - the Municipal Act.

### Revenues

The revenues generated by managing Eldon House under the Local Board model are calculated based on assumption that 2010 reported revenues are maintained and the potential new revenue sources, obtained by speaking to long time employees.

	<b>2010 Revenues</b>	<b>Potential New Revenues attributed to establishing a Local Board</b>
<b>Existing Revenues</b>		
City of London Operating Fund	\$122,321	
CMOG	\$ 24,329	
Anniversary Events Continuation of programming created during the Anniversary	\$ 10,195	
Admissions	\$ 4,277	
School History Program	\$ 4,115	
School Tours	\$ 692	
General Public Tours	\$ 1,745	
London Heritage Council Lease	\$ 2,400	(\$ 2,400)
Donations	\$ 1,889	



	2010 Revenues	Potential New Revenues attributed to establishing a Local Board	
<b>Potential New Revenues</b>			
New Fundraising, Grants & Donations		\$ 20,000	
Eldon House Membership Fee (\$35 x 100 members)		\$ 3,500	
Onsite Weddings and photography		\$ 5,000	
Summer Afternoon Tea		\$ 6,000	
Community Rentals of Interpretive Centre		\$ 2,500	
Eldon House Gift Shop		\$ 1,500	
<b>Total</b>	<b>\$171,963</b>	<b>\$ 36,100</b>	<b>\$208,063</b>

It is anticipated that the establishment of a local board for Eldon House will have greater potential than the current administration by Museum London for raising revenues and deriving funds from granting, donations and sponsorships. This is because a new Eldon House board would be solely dedicated to the success of Eldon House and could concentrate their efforts more on this facility and therefore raise more money through grants, sponsorships and donations.

An Eldon House Board would also be eligible for project grants after it has been established as a not-for-profit organization for more than one year. For example, currently there are granting programs such as Canadian Heritage's Museum Assistance Program (MAP) that Museum London is not eligible to apply for because their revenues are too high, but a separate Eldon House organization may be eligible to apply. Project grants through the Ontario Ministry of Tourism and Culture require the applicant to be an incorporated not-for-profit in existence for one year. Many of the historic homes surveyed have accessed funding from the Ontario Ministry of Culture Museum and Technology Fund, Provincial Cultural Attractions and Museums; Technologies Grants, and the Ontario Municipal Infrastructure Investment Initiative. The Ontario Trillium Foundation Funding permits applicants to be local service boards and incorporated not-for-profits. Federal granting programs vary in what they require of the applicant and the type of programs that are available.

Capital funding assistance to museums may be available from the Federal Government's Cultural Spaces Program and the Ontario Heritage Challenge Endowment Fund. An Eldon House Board may be able to make application to various community foundations which are interested in funding local heritage. A Local Board does not hold Charitable Tax Status but the City of London could issue tax receipts for cash donations given to an Eldon House Board. This could assist the Board in being able to obtain donations and sponsorships from the community. The Board could apply to become a Charity in order to issue their own tax receipts however, this takes time and the rules and regulations for issuing tax receipts are very particular and might be very demanding for a small administration to handle.

A first-ever corporate sponsorship became available to Eldon House in 2010, as a result of its staff initiative to create a 175<sup>th</sup> Anniversary living history play, based on writings from family diaries, entitled 'Christmas at Eldon House'. By matching a 'Business for the Arts' grant of \$5000, Union Gas helped to sponsor a professional DVD of the play and create great potential to promote the House.

The Friends of Eldon House could be reconstituted to encourage volunteerism and this could become the fundraising body for the organization. It may be possible for membership programs to be initiated as a source of revenue.

Other sources of revenue could include new public programming and education revenue from initiatives such as: military re-enactments, wedding events, birthday parties for children, community group rental of the Interpretive Centre, Antique events, summer camp, and an Eldon House gift shop in the interpretive centre. Educational initiatives be expanded to programming



that includes women's studies, fine arts, art history, environmental studies (gardens), war history and London's history at the Forks of the Thames.

## **THE ELDON HOUSE MUNICIPAL SERVICE BOARD TRANSITIONAL PLAN**

A gradual transition will be needed for a little over a year to ensure there is sufficient time to establish an Eldon House Board organization with administration, budget, policies and procedures, resourcing and to ensure the transfer of the CMOG grant, noting that the granting period of CMOG is based on a calendar year. Eldon House policies must be in place 3 months before the application to CMOG is submitted in June 2012. Applications are made June 30, 2011 for the 2011 calendar year ending December 2011. The next period for application to CMOG is June 30, 2012 for the 2012 year. It is also noted that Eldon House as a separate organization would not be eligible for project grants until it has been in existence for more than one year.

Cost sharing partnerships could be arranged with the City and Museum London as both could be partners in this new model and could offset some of the costs. The current educational programming of school tours that are arranged by Museum London could continue as Museum London currently has capacity to do tours that include Eldon House. Storage of small items of Eldon House could continue at Museum London.

Consideration should be given to the following steps to establish an Eldon House Municipal Service Board:

1. Consultation regarding the Eldon House Transition Plan
  - Consultation with the representatives of the Harris family about the proposed direction.
  - Consultation with Museum London Board of Directors about the proposed model and further partnership with the new Eldon House Municipal Service Board.
  - Consultation with Library about continuation of payroll services for a fee;
  - Consultation with potential interim Board of Directors for Eldon House Municipal Service Board.
  - Broad public consultation should be held with the public and the heritage community about the development of this new Local Board for Eldon House.
  
2. Transition Period Until December 31, 2012
  - An interim Board of Directors, including representatives from City Council, other community heritage organizations and representatives who have had experience establishing new organizations, who could share their knowledge and expertise to make sure the new Eldon House organization is successful should be put in place for the transition period until December 31, 2012. The interim Board should include cross over board positions with Museum London to provide guidance and maintain the CMOG grant.
  - Museum London would continue services such as storage, educational tours and cover off the cost of extra expenses over the transition period.
  - The interim Board of Directors would develop a vision, mission, mandate, policies and procedures for the new Eldon House Board.
  - Determine staffing requirements for the new Eldon House Board.
  - A budget would be established by the interim Board of Directors for the new Eldon House Board.
  - The staff of Eldon House would apply for a CMOG grant in June 2012

3. New Eldon House Municipal Service Board Established by the Year 2013


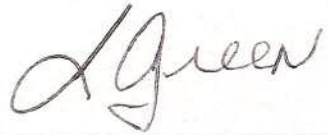
- The new Board of Directors for the Eldon House Municipal Service Board would be put in place (see attached as Appendix "B" proposed model). The Board of Directors would not be paid.
- New Potential public programming initiatives would be initiated by the Eldon House Board of Directors.
- The current agreement with Museum London would be terminated by this date and a new agreement would be put in place between the City of London and the new Eldon House Board.


**CONCLUSION**

It is recommended that Administration report back with a more detailed transitional plan to put the Eldon House Municipal Service Board in place by December 31, 2012, and to review this transitional plan through a formal public consultation process.

**Acknowledgements**

The Culture Office would like to acknowledge the contribution by Stephanie Jones of the Culture Office.

<b>PREPARED BY:</b>	<b>PREPARED BY:</b>
	
<b>ROBIN ARMISTEAD MANAGER, CULTURE AND MUNICIPAL POLICY</b>	<b>LAURIE GREEN BUSINESS PLANNING PROCESS MANAGER</b>

<b>RECOMMENDED BY:</b>

<b>JEFF FIELDING CHIEF ADMINISTRATIVE OFFICER</b>

CC: Brian Meehan, Museum London

POTENTIAL OPERATIONAL MODELS FOR ELDON HOUSE – APPENDIX “A”

Potential Models for Consideration ownership of Eldon House is with the City of London	Pros of Models	Cons of Models
<p><b>1. Current Situation - Museum London Local Board</b></p>	<ul style="list-style-type: none"> <li>• Museum London is a local board which is an agent of the municipality and will have only the powers and duties delegated to it by the City.</li> <li>• The City has an agreement with Museum London that governs the management of Eldon House.</li> <li>• This is the least expensive model for the City because Museum London provides shared services for Eldon House; accounting, yearend audits, budgeting, financial reporting and legal support, management supervision through its existing staff, educational programming and books school tours, security, grounds keeping and marketing. The Library does the payroll and Museum London assumes the cost. There are efficiencies with sharing services.</li> <li>• All the unionized employees are the responsibility of Museum London and who belong to the same union as the Museum’s employees.</li> <li>• Museum London is a registered charity and can issue tax receipts for donations to Eldon House.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of volunteers who are able to access donations and sponsorships specifically for Eldon House as it is not separated from Museum London.</li> <li>• Lack of attachment of volunteers specifically for Eldon House because it is not separated from Museum London.</li> <li>• Lack of ability to derive funds from granting programs provided to smaller organizations because Museum London’s budget is too large.</li> <li>• Under the current model, not enough time/effort/capacity can be devoted to programming, increasing revenues, attendance and attracting volunteers because Museum London focuses their attention on their other lines of business.</li> <li>• Only a base level of programming and attendance will be maintained.</li> </ul>
<p><b>2. Establish a Separate Eldon House Municipal Service (Local) Board</b></p>	<ul style="list-style-type: none"> <li>• A local board is an agent of the municipality and will have only the powers and duties delegated to it by the City.</li> <li>• The City will have an agreement with the new Board that will govern the management of Eldon House.</li> <li>• Permanent employees can remain with OMERS Pension Plan.</li> <li>• Dedicated organization to focus on Eldon House.</li> <li>• Volunteers who are attached to Eldon House can</li> </ul>	<ul style="list-style-type: none"> <li>• This model will be more expensive than the current model for the City because it may not be able to share some service costs with Museum London and the Library (to be determined) such as administration, tour bookings, security, accounting, payroll, grounds keeping, marketing etc.</li> <li>• May be an expensive model for the operation and management of one small asset because it will require establishment of an administration to operate the asset and report to the Board, accounting and</li> </ul>

Potential Models for Consideration ownership of Eldon House is with the City of London	Pros of Models	Cons of Models
	<p>access donations and sponsorships.</p> <ul style="list-style-type: none"> <li>• Greater potential for raising revenues from granting because an Eldon House organization would have a smaller operating budget.</li> <li>• More programming will be added which should increase revenues due to increased attendance because the new Board and volunteers will be solely dedicated to the operations of Eldon House.</li> <li>• There may be opportunity to partner with Museum London and continuing to share educational programming and tours in establishing this new local board model.</li> <li>• The City can issue tax receipts for cash donations to Eldon House donors.</li> </ul>	<p>yearend audited statements and legal support may be required to ensure compliance with the applicable legislation - the Municipal Act.</p> <ul style="list-style-type: none"> <li>• There will be an additional salary expense to hire a part-time manager/curator of Eldon House.</li> <li>• The new Board will not have Charitable Tax Status but could apply to become a Charity later in order to issue their own tax receipts however, this takes time and the rules and regulations for issuing tax receipts are very particular and might be very demanding for a small administration to handle.</li> </ul>
<p><b>3. Establish an Eldon House Not for Profit Organization or RFP to select an existing Not for Profit Organization to operate Eldon House</b></p>	<ul style="list-style-type: none"> <li>• Dedicated organization to focus on Eldon House.</li> <li>• Volunteers who are attached to Eldon House can access donations and sponsorships.</li> <li>• Greater potential for raising revenues from granting because this not for profit organization may have a smaller operating budget.</li> <li>• More programming will be added which should increase revenues due to increased attendance because the new Board and volunteers will be solely dedicated to the operations of Eldon House.</li> <li>• If the Not for Profit is a Charitable organization, it could issue tax receipts for donations.</li> </ul>	<ul style="list-style-type: none"> <li>• This model will be a more expensive than the current model for the City because it will not be sharing service costs. Will have to assume responsibilities of the shared services that Museum London and the Library provided (administration, tour bookings, security, accounting, payroll, grounds keeping, marketing etc).</li> <li>• It may be an expensive model for the operation and management of one small asset because it will require establishment of an administration to operate the asset and report to the Board, yearend audited statements and legal support may be required to ensure compliance with the applicable legislation - the Municipal Act.</li> <li>• A not for profit is not an agent of the municipality to oversee a municipal property</li> <li>• Permanent employees cannot remain with OMERS Pension Plan</li> </ul>

Potential Models for Consideration ownership of Eldon House is with the City of London	Pros of Models	Cons of Models
<p><b>4. Operate Eldon House through a City Department</b></p>	<ul style="list-style-type: none"> <li>• The City Department can directly oversee and control the operations of the property.</li> <li>• The City could limit costs due to shared service arrangements within the City i.e. accounting, payroll, yearend audits, budget, administration, grounds keeping, security.</li> <li>• Permanent employees can remain with OMERS Pension Plan.</li> <li>• There may be opportunity to share services such as educational programming and tours with Museum London.</li> <li>• City could issue tax receipts for cash donations.</li> </ul>	<ul style="list-style-type: none"> <li>• Existing staff have limited capacity to provide this service.</li> <li>• Existing staff are not dedicated to focus on Eldon House.</li> <li>• Volunteers would be less attached to Eldon House because it is seen as part of the City.</li> <li>• Municipalities are not eligible to raise revenues from many granting programs, donations and sponsorships.</li> <li>• Only a base level of programming and attendance will be maintained because there is no capacity to provide this service, unless more people were hired therefore increasing costs.</li> <li>• There will be an additional salary expense to hire a manager/curator of Eldon House or add to the duties of an existing staff person.</li> </ul>

## APPENDIX B

### Draft preliminary Terms of Reference for an Eldon House Board of Directors

#### **Board Membership:**

Upon reviewing a variety of potential Board Governance Models, it is recommended that Eldon House be governed by a Board of Directors comprised of not more than twelve (12) and not fewer than eight (8) voting members appointed by the City of London.

#### **Members may include:**

- One representative from London City Council
- One representative from a London educational institution
- One representative from tourism industry
- One representative from the business community
- One representative with a finance background
- One representative with a legal background
- Up to six members-at-large with distinct interest in history and heritage (appointment of citizens to Boards by the City of London)

#### **Tenure:**

Members to be appointed by The City of London for either a *two* or *three*-year term to ensure a continuing combination of new and returning members. The Board will select a Chair and Vice Chair from among the appointed Advisory Board members.

#### **Role:**

- to advise the Curator in matters relating to the mandate of Eldon House
- to provide a communication link between the City of London and Eldon House
- to make recommendations which support identified curatorial, educational, promotional, and fundraising goals of Eldon House
- to assist in creating community and corporate partnerships to further these goals
- to increase the profile and presence of Eldon House, as a heritage tourist attraction locally, provincially, nationally and internationally

#### **Meetings and reporting:**

- the Board meets 5 times a year (September, November, January, March and May)
- the Board selects its Chair and Vice Chair
- the Board devises its terms of reference for its members/directors
- the Board provides an Annual Report to The City of London and the Culture Office
- the Board appraises London's Culture Manager on an operational, as-needed basis
- the Board quorum consists of 50% plus one of voting members