

THIS MEMORANDUM OF UNDERSTANDING

BETWEEN:

THE TOWN OF COBOURG
(called the "Town")

OF THE FIRST PART

- and -

ART GALLERY OF NORTHUMBERLAND
(called the "AGN")

OF THE SECOND PART

NOW THEREFORE in consideration of the covenants contained in this Memorandum of Understanding, it is agreed between the parties as follows:

1.00 Background

- 1.01 The Cobourg Art Gallery was founded in 1960, as an adjunct of the Public Library – and one of only 10 public art galleries in Ontario at the time. From 1961 to 1970 the Gallery was staffed by volunteers, with curatorial and artistic direction provided by community residents. By 1970, the Gallery had established a permanent collection of some significance.
- 1.02 In 1973, the first government grant towards the restoration of Victoria Hall was \$100,000 from National Museums of Canada for the Cobourg Art Gallery. The Gallery incorporated in 1974, ending its relationship with the Library.
- 1.03 The Cobourg Art Gallery became the Art Gallery of Cobourg in 1974. Located in Victoria Hall, the Gallery was officially opened by the Secretary General of National Museums of Canada on January 7, 1977 – years before the restoration of Victoria Hall was complete. The Gallery was designated a ‘National Exhibition Centre,’ part of a program introduced by National Museums of Canada to generate the circulation of higher quality travelling exhibitions within Canada
- 1.04 In 1983, the Art Gallery of Cobourg was renamed the Art Gallery of Northumberland (AGN) so as better to reflect the regional nature of its collection and services.
- 1.05 The AGN closed temporarily in February 2015, following a period of financial and operational challenges, reopening September 2015.

- 1.06 Today, the Permanent Collection consists of over 1,000 works of local, regional, national and international significance, predominantly by Canadian artists. The Permanent Collection is in the top tier of collections of art in a public gallery in Ontario.
- 1.07 In 2017, the AGN engaged Laridae Communications Inc. to conduct a community engagement project with a grant from the Ontario Trillium Foundation to assess community interest in, and support for, AGN activities. A variety of stakeholder groups was engaged, including: Board, staff, members, volunteers, donors, artists, community partner organizations and funders. The outcome of this engagement work was the belief that the community clearly values the AGN and wishes to support it. However, Laridae concluded in July 2017 the organization continues to face structural and chronic sustainability issues that must be addressed if the AGN is to remain viable over the long-term.
- 1.08 On November 14, 2017, Laridae led a discussion with the Board and two representatives of the Town of Cobourg regarding strategic themes and priorities. The following specific priorities were identified:
- a) Secure investment from the Town of Cobourg to create a sustainable financial model
 - b) Explore program and/or project grants from other government bodies
 - c) Develop a fundraising strategy
 - d) Review the membership model
 - e) Review Gallery shops
 - f) Determine relationship (roles and responsibilities) with the Town
 - g) Develop a human resources plan
 - h) Review and refresh internal processes/infrastructure
 - i) Renew governance model and practices
 - j) Strengthen volunteer management
 - k) Plan for necessary capital investments
 - l) Create a communications strategy;
 - m) Publish the community engagement report
 - n) Review and refresh communications policies and procedures
 - o) Implement anti-spam provisions (all platforms)

- p) Increase programs of benefit to the community.
- q) Strengthen internal infrastructure to support exhibitions (e.g., funding for artist fees and installation [CARFAC fees]), fundraising, and sponsorships.
- r) Strengthen supports for collections management (inventory, ensuring accessibility, repairing work, database upgrading—the core business of a public gallery, ongoing work)
- s) Review policies and procedures relating to artistic programming and collections
- t) Re-instate Category A accreditation
- u) Review physical standards of space

2.00 **MUTUAL FINDINGS**

- 2.01 The AGN endured challenging times in recent years that have had a negative impact on the AGN's reputation, accreditation, finances and operations;
- 2.02 The AGN's Permanent Collection is a nationally significant Canadian art collection located in Cobourg;
- 2.03 The AGN has tremendous cultural and tourism potential for the Town and the greater region;
- 2.04 Long-term operational and financial viability of the AGN are contingent on the implementation of fundamental changes at the AGN;
- 2.05 The Town of Cobourg is providing the AGN with \$160,000 in operating funding in 2018 (\$65,000 more than in 2017) to help stabilize the organization financially in the short-term and to allow the organization the time to develop a new and viable Business Plan that will guide the AGN successfully into the future;
- 2.06 The development of a Business Plan may impact the capacity of the AGN to deliver regular services in 2018 and beyond;
- 2.07 The Town of Cobourg is willing to consider a new, closer and longer term operating and financial relationship with the AGN if it demonstrates commitment to develop a professional Business Plan and implementation strategy.

3.00 **AGN DELIVERABLES**

3.01 The findings and recommendations of Laridae from the November 14, 2017 discussion on strategic themes and priorities have been incorporated into the following deliverables that must be addressed by the AGN within a detailed Business Plan that must be submitted to the Town of Cobourg by November 30, 2018 that includes the following:

- a) **Mandate** - Within the Board, staff, membership and broader community, there are many conflicting opinions on the mandate and vision of the AGN. Therefore, the mandate and vision must be reviewed and revised to provide clarity for future operations.
- b) **Governance** - There are different types and categories of art galleries as well as various models of governance. The AGN needs to evaluate these options carefully against a revised organizational mandate and potential operational partnership with the Town of Cobourg. Such a review needs to include a thorough assessment of the types of accreditation the AGN should seek (including the recently reinstated Category-A) and how such accreditation would impact both the governance and operations of the renewed organization.
- c) **Organizational Structure** - Based on the recommended new mandate and governance model, core programs and services need to be identified along with a draft organizational structure and key roles and responsibilities to deliver those services. Careful consideration must be made of important resources, including staff, volunteers, members, donors and artists. During the implementation of the new Business Plan, a Human Resources Plan shall be developed to transition the organization to the new state.
- d) **Financial Sustainability** - A key component of the Business Plan will be a financial strategy mapped to the organization's new mandate, governance and organizational structure. This will include an approach towards sustainability through grants, fundraising/sponsorship, program fees and membership..
- e) **Communications** - The Business Plan shall include a Marketing Strategy that incorporates branding and community engagement.

3.02 As a condition of receiving quarterly funding payments from the Town, the AGN shall provide its Members and the Town of Cobourg detailed reports on its progress towards achieving each of the Business Plan deliverables according to the following schedule:

- (i) By June 30, 2018
- (ii) By August 31, 2018
- (iii) By November 30, 2018 (to include the draft Business Plan)

4.00 TOWN OF COBOURG DELIVERABLES

4.01 The Town of Cobourg shall provide the AGN with \$160,000 in operating funding in 2018 (\$65,000 more than in 2017) subject to the following payment schedule and upon receiving reports from the AGN that demonstrate continuous progress on the deliverables:


- a) Rent in the amount of \$45,000 (exchange of cheques);
- b) \$20,000 to repay a Promissory Note;
- c) By March 31, 2018 – 1st Payment of \$28,750 (paid March 9, 2018)
- d) By June 30, 2018 – 2nd Payment of \$22,000
- e) By September 30, 2018 – 3rd Payment of \$22,000
- f) By December 31, 2018 – 4th and Final Payment of \$22,250

THIS MEMORANDUM OF UNDERSTANDING is approved by the Council of the Town of Cobourg and the Board of Directors of the Art Gallery of Northumberland and is authorized by the signatures below effective as of the _____ day of _____, 2018 and may be subject to renewal by mutual agreement.

TOWN OF COBOURG

Per:

Name & Title: MAYOR GIK BROCANIER

Signature: 

Name & Title: Brent Larmer, Municipal Clerk

Signature: 

ART GALLERY OF NORTHUMBERLAND

Per:

Name & Title: CHAIN OF BOARD MARY DONALDSON

Signature: M Donaldson May 9, 2018

Name & Title: Diane Alger, May 9, 2018

Signature: [Signature]

The Corporation of the Town of Cobourg

MOTION

Date: May 22, 2018

No. 153-18

Moved by: S. Seguin

Seconded by: B. J. [Signature]

WHEREAS the Regular Council considered a Memorandum of Understanding between the Town of Cobourg and the Art Gallery of Northumberland;

NOW THEREFORE BE IT RESOLVED THAT Council authorizes the Mayor to sign the Memorandum of Understanding with the Art Gallery of Northumberland (AGN) that outlines a Town of Cobourg payment structure for operating funding in 2018 in return for regular progress reports and the delivery of a detailed and viable Business Plan and implementation plan that will guide the organization to long-term operational and financial success and sustainability as a key cultural and tourism asset for the community.