

ART GALLERY OF NORTHUMBERLAND MINUTES OF MEETING OF BOARD OF DIRECTORS

Held Thursday, December 12, 2019 in the Victoria Hall Committee Room at 4 pm

Present: Chair Mary Donaldson, Treasurer Frank Godfrey
Directors Ken Bagshaw, Michael Machon, Richard Szymczyk, Astrid Richardsen
Councillor Adam Bureau
Executive Director Olinda Casimiro
Guests: Kathleen Elliott, Dimitri Papatheodorou
Regrets: Secretary, Sarah Jacob

1. The Chair called the meeting to order at 4:05pm. Kathleen Elliott and Dimitri Papatheodorou introduced themselves to the Board as potential new directors.

2. The draft Agenda was presented. An amendment was discussed to include an update from Adam regarding Town of Cobourg (T of C) operating budget as it impacts on AGN.

Motion to approve amended agenda moved by Astrid; seconded by Frank – carried.

3. No conflicts of interest were declared.

4. The Minutes of Board of November 7, 2019 were approved.

Motion moved by Adam; seconded by Richard – carried.

5. Treasurer's Report

The November 30, 2019 internal operating statement is not available at this point (due to meeting being rescheduled to an earlier date), and should be available on the portal next week – per Olinda.

The 2020 Budget supplementary package to be provided to the T of C was circulated by Olinda. Ken confirmed that this package is supplemental information requested by the T of C and that we stand firm on the request for \$250K grant from the T of C. Olinda commented on the \$12K surplus budgeted for 2020 and that we are in good financial stead. Olinda and Ken then recapped the presentation made at the T of C on November 21.

Per Adam, the Mayor wants a 2019 vs 2020 comparison in the AGN presentation to Council. T of C came back informally with the idea of granting \$225K (\$200K from general funds and \$25K from Holdco), however this idea is tentative and pending discussions at the Council meeting on January 6, 2020.

Per Frank, the AGN received its' final installment of the 2019 grant from the T of C.

6. Executive Director's Report

Olinda presented her "Impact by Numbers" summary, and commented on various details. The Collections Committee was dissolved September 2019, and goal is to establish an "Acquisitions Committee".

Olinda presented various art works to be considered for accession to the permanent collection:

- #1 Ron Bolt works – Mr Bolt wants the AGN to have a copy of every print he created - Value \$30,400.
- #2 Ron Kaplansky – Phase 1: 36 works with each item value < \$1,000; total value \$17,575. Phases 2 and 3 to be through Cultural Property process and will follow Phase 1 – total of 106 works for the three Phases.
- #3 Cuthbert Rigby – 1880 watercolor – value \$1,000.
- #4 Stefan Nitoslowski - Two works by artist Stefan Nitoslowski were presented for purchase acquisition: *Light Flaps no. 6* and *Light Flaps no. 33*. Recommendation to purchase the works for the Permanent Collection for \$900 was discussed. Each work is valued at \$450.00 total of \$900.00.

Motion to approve above works of art #1 to #3 for accession to the AGN permanent collection and the purchase of #4 for \$900.00 for the AGN permanent collection – moved by Ken and seconded by Astrid – carried.

7. Committees

Executive – Ken agreed to act as ad hoc member of Executive Committee which is composed of Frank, Sarah and Mary. 2019 Executive Director evaluation to be done in January 2020. For 2020 evaluations, the planned criteria will be established in January 2020 and the evaluations will be completed by November 2020, including a mid-year review. Goal is to start the process earlier than in the past.

Finance and Audit – Ken reported:

Terms of Reference ("TOR") for the F & A committee has been updated, and Ken highlighted the recommended changes to the existing TOR.

Motion to adopt the updated TOR – moved by Ken; seconded by Frank – carried. (See Appendix 2 of these Minutes for the Terms of Reference Resolution which was approved by this Board Resolution).

Bank Account signing authority - the updated signing authority provisions were presented to the Board on July 18, 2019 and Ken requested that the Board today ratify the adoption of the new provisions presented to the Board on July 18, 2019. Ken highlighted various details in the new signing authority provisions including requirement of two signatures including the Executive Director and Treasurer, plus substitute signatories in the event that the ED or the

Treasurer are unavailable. Olinda spoke to various elements of the signing authority provisions. Discussion on whether the By-Laws should operate to designate signing authorities as opposed to implementation by Board resolution. Ken spoke to the point that we need to have a clear authorization now and that further discussion can take place during the formal review process for the By-Laws. In the meantime, the Board should authorize the resolution for the signing authority provisions that the AGN has been operating under since July 18, 2019. Motion to ratify the new signing authority provisions effective July 18, 2019 as previously presented to the Board on July 18, 2019 - moved by Ken; seconded by Frank – carried. The F & A committee then recommended that the Chair of the F & A committee replace the Board Vice-chair as a substitute signatory in the TOR, and therefore

Ken moved a motion to accept this amending resolution; seconded by Astrid – carried. (see Appendix 1 of these Minutes for the amended Signing Authority Resolution which was approved by this Board Resolution);

Ken briefed the Board on the new auditors for 2020, being Welsh LLP who were appointed by the members at a special members meeting on October 3, 2019. The F&A committee met with Welsh LLP on December 12, 2019 along with Olinda and Irene Locke (AGN bookkeeper) to discuss audit planning matters for the upcoming audit. Timetable for the audit process: Irene to have the year end materials available to Welsh LLP by February 7, 2020; Welsh to complete the audit and provide draft financial statements to the F&A committee about one week prior to the March 10, 2020 F&A committee meeting (which Welsh will attend), and final drafts to the Board prior to the March 19th Board meeting for approval; Welsh to attend the AGM on April 18, 2020.

Nominations - Kathleen Elliott and Dimitri Papatheodorou were introduced as potential directors to be nominated in order to fill existing Board vacancies. Dimitri and Kathleen discussed their backgrounds and asked various questions. Their CV's were circulated. Kathleen asked about the existence of Director's and Officer's Liability insurance, and Olinda confirmed that D&O insurance is in place. Intention is to have a new directors and all-directors orientation meeting. Directors serve a maximum of up to a three year term from the date of the AGM which approves their appointments. The terms are staggered so that each year one third of the Board is up for election. Newly elected or appointed Directors serve the length of the balance of the term to which they were elected or appointed. Olinda offered to meet with Kathleen and Dimitri to provide background of AGN and orientation to each as new directors. Olinda gave a history of the AGN, especially since the point in time she was hired on July 17, 2017.

Motion to nominate Dimitri to the Board by Mary; seconded by Frank – carried.

Motion to nominate Kathleen to the Board by Frank; seconded by Astrid – carried.

Dimitri and Kathleen's appointment to the Board will be put forth to the members for election at the next AGM on April 18, 2020.

Task Forces

By-Laws – Richard discussed some background history of the By-Law initiative including his original involvement several years ago to review and update the previous By-Laws from an approx. 25 page document to about 12 pages. These simplified By-Laws have been in place for about 2 years. One year ago the Board struck a new committee to prepare a Handbook and review By-Laws which resulted in a 147 page document. Richard believes that the new draft document is excessively complex and several other Directors concurred. Richard recommends that the Board start with the existing simplified By-Laws which were approved by the members at the AGM on March 18, 2018 and review/update as necessary. Richard requested comments on the existing By-Laws to be emailed to him only and he will review and propose amendments to be considered. Olinda mentioned that the existing By-Laws are on the portal.

Handbook – committee of Astrid, Mary and Sarah; Mary reported that the committee will review and prepare amendments on a chapter by chapter basis, using the existing draft Handbook prepared 6 months ago as a starting point (including simplifying wherever possible). A draft Chapter 1 is expected to be presented to the Board in January 2020 and will be posted to the portal.

9. Old Business

Mary requested that the October 3, 2019 Minutes of the meeting of members be accepted for circulation. Motion to accept the minutes for circulation to the members at the AGM scheduled for April 18, 2020 was

Moved by Frank; seconded by Astrid – carried.

10. New Business

Recording Secretary – Mary stated that we need to hire a professional recording secretary to take the minutes of board meetings. She asked for discussion. Adam stated that he will work on obtaining a permanent recording secretary from the T of C who will attend future Directors' Meetings and take Minutes with the goal of starting early in 2020.

11. Remarks from the Chair – Mary thanked everyone including Olinda for their assistance and participation during 2019, and welcomed Dimitri and Kathleen to the Board.

12. Discussions – Astrid maintains a detailed listing of all AGN volunteers with their names/contact information. Olinda mentioned the January 11, 2020 opening reception for two exhibitions and welcomed the Directors to attend.

Olinda also requested that the Directors approve the T of C supplemental package including the 2020 Budget (with comparisons), the one page narrative and excluding the "Impact by Numbers". Richard objected to the use of a "22% increase in funding request" on the basis

that this could be interpreted negatively by council and also that percentage changes are sometimes very misleading. Discussion ensued and the Board agreed with Richard. Olinda was directed to remove this reference from the narrative attachment.

Motion to accept the 2020 Budget (with comparisons) and with Narrative attachment (including deletion of the "22%" reference) - Moved by Frank; seconded by Astrid – carried.
Supplemental package to be submitted to the T of C by Olinda on December 13, 2020.

13. Date of Next Directors' Meeting – January 16, 2020.

14. Adjournment -

Moved by Frank; seconded by Adam – carried

Meeting terminated at 6:00pm

APPENDIX 1

(appendix to the December 12, 2019 Board Minutes)

ART GALLERY OF NORTHUMBERLAND

PROPOSED BOARD RESOLUTION CONCERNING CONTRACTUAL AND BANK SIGNING AUTHORITIES AS ORIGINALLY ADOPTED ON JULY 18, 2019 AND RATIFIED AND AMENDED ON DECEMBER 12, 2019

Whereas:

It has been noted that the Executive Director currently lacks any delegated signing authority for corporate agreements and, having regard for the nature and status of her position as the operational head and a key spokesperson for the Gallery, this oversight needs to be remedied; At the request of the Board Chair, the Finance & Audit Committee has reviewed the present situation and has sought and obtained the views of the Executive Director and the Chair to develop a recommended resolution to remedy the situation; This also presents the opportunity to update the general signing authority of board members and of the other corporate officers.

Accordingly, the Finance & Audit Committee recommends that the Board of Directors adopt the following resolution:

BE IT RESOLVED:

That the primary bank signing officers with the chequing account at the TD Bank be designated as the Executive Director and the Treasurer together or, if either is unavailable, the other of them together with either the Board Chair or the Chair, Finance & Audit Committee and, in furtherance of this resolution, all banking documents required by the TD Bank to establish these signing authorities be signed by the Board Chair and Board Secretary.

2. That financial transactions (being either a commitment or expense) may be approved as follows:

If the specific financial transaction is provided for in the Budget (which in this resolution means the budget document for each fiscal year formally approved by the Board [including for 2019, the budget approved on March 21, 2019] together with the supportive working papers¹ from which the aggregated budget amounts were derived) then, (i) by the Executive Director alone up to a transaction value not exceeding \$5000 and, (ii) if in excess of \$5000, by the Executive Director together with one of the Treasurer, the Board Chair and the Chair, Finance & Audit

¹ During the 2019 fiscal year all persons having signing authority are to be provided with a full copy of the detailed supporting working papers underlying the 2019 budget to enable them to determine that an individual commitment or expense is provided for the approved budget. For subsequent fiscal year it is assumed the budget as approved by the board will include the supporting working papers.

Committee or, should the Executive Director be unavailable, then by any two of the Board Chair, the Chair, Finance & Audit Committee and the Treasurer or;

If the specific financial transaction is not provided for in the Budget, then (i) by the Executive Director alone up to \$1000, (ii) if exceeding \$1,000 but not exceeding \$10,000, by the Executive Director together with one of the Treasurer, Board Chair and Chair, Finance & Audit Committee up to \$10,000 and (iii) by the Board exclusively if exceeding \$10,000 after receipt by the Board of a review and recommendation by the Finance & Audit Committee.

The Executive Director may delegate in writing approval authority for commitments or expenses to a limit in each case of \$200 to the appropriate staff position and shall report doing so to the Chair of the Finance & Audit Committee.

The Board Chair is authorized to approve reimbursement of expense claims submitted by the Executive Director who shall provide to the Finance & Audit Committee for review an annual accounting of expenses incurred in each fiscal year promptly after each year.

3. All approvals of financial transactions pursuant to section 2 above shall be recorded and evidenced by the signature of the person approving.

APPENDIX 2

(appendix to the December 12, 2019 Board Minutes)

Art Gallery of Northumberland

Board of Directors

Terms of Reference of the Finance and Audit Committee

- 1 Appointment and Composition: the members shall be appointed annually at the first Board meeting following each Annual General Meeting to serve until the next Annual General Meeting. The number of members for the ensuing year shall be set by the Board at the time of appointment and at least a majority of the members shall be Board members and shall be independent². The Board shall appoint the chair of the Committee from among the independent members. The Treasurer shall be one of the members and at least two members shall be financially literate independent directors.³ The Board Chair is an ex-officio, non-voting member of the Committee unless appointed by the board as a full time member. The Executive Director is also an ex-officio non-voting member.
- 2 Responsibilities on Audit Matters:
 - 2.1 Help ensure that the annual audit is conducted in an efficient, cost-effective and objective manner;
 - 2.2 Assist the Treasurer in oversight of AGN's financial reporting and internal financial control systems;
 - 2.3 As and when appropriate, recommend the adoption of new or revised accounting policies and practices; and,
 - 2.4 Recommend the appointment of the external auditor and the appropriate audit fee.
- 3 Responsibilities on Financial Matters:
 - 3.1 Review and recommend to the Board the annual budget prepared by management;
 - 3.2 Review annually the AGN's insurance and risk management programs and make such recommendations to the Board as the Committee thinks appropriate;

² Independent means not being an employee of AGN or a Councillor or employee of the Town of Cobourg or any other funding body.

³ Financial literacy refers to the ability to read and understand fundamental financial statements, including a balance sheet, statement of revenue and expenditures and statement of cash flows..

- 3.3 Assist the Treasurer in the review and monitoring of financial policies and practices and make recommendations to the Board if changes are required;
 - 3.4 Oversee the fulfilment of AGN obligations under grants;
 - 3.5 Review financial controls and financial reporting systems, loans, banking and investments, charitable status compliance; and,
 - 3.6 Oversee the investment of AGN funds including the investment of any endowment funds and, with respect to the endowment funds, receive and review, at least semi-annually, review a performance report and advise the Board thereon.
- 4 Frequency of Meetings: The Committee shall meet at least twice a year to perform its audit function, with the auditor invited as appropriate, once before the audit commences to review the audit plan and once after the audit is complete in draft to review the audit report. In addition, the Committee shall hold such further meetings as are necessary to fulfill its role on financial matters. The Committee also shall meet at the call of the chair.
5. Quorum for Meetings: The quorum for meetings shall be a majority of the members at the date of the meeting.
7. Reporting:
The Committee reports to the Board of Directors
8. Date of Last Review:
The Terms of Reference were last reviewed and approved by the Board of Directors on December 12, 2019.

Adopted on November 21, 2018 and revised on December 12, 2019