



Report to: Development Services

Meeting Date: June 10, 2019

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**SUBJECT:** Markham Foundation for the Performing Arts  
**PREPARED BY:** Eric Lariviere, Ext. 7546  
Flato Markham Theatre Manager

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**RECOMMENDATION:**

1. THAT the report “Markham Foundation for the Performing Arts” be received; and,
2. THAT Council approve the “Markham Foundation for the Performing Arts Business Case” (Appendix B); and,
3. THAT staff be authorized to apply for incorporation for a not-for-profit, Municipal Services Corporation which will operate under the corporate name the “Markham Foundation for the Performing Arts”; and,
4. THAT Council approve the appointment of the City’s Chief Administrative Officer, Treasurer, and Director, Economic, Growth, Culture & Entrepreneurship as the initial directors of the Markham Foundation for the Performing Arts; and,
5. THAT Staff be authorized to apply to Canada revenue Agency (CRA) to register the Markham Foundation for the Performing Arts as a charity; and,
6. THAT Staff be authorized to establish a nomination committee composed of Mayor, Ward 2 Councillor Alan Ho, Ward 1 Councillor Keith Irish, and two (2) current members of the Flato Markham Theatre Advisory Board (Aleem Israel, Justin Reid) to identify suitable director candidates for the Board of Directors of the Markham Foundation for the Performing Arts; and,
7. THAT Council approve the advertising cost of the Board of Directors regular recruitment process to a maximum of \$3,000.00, which will be funded from the approved 2019 Professional Fees account # 560 560 5699.
8. THAT Staff be authored and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

To seek Council authorization to establish a not-for-profit, charitable Municipal Services Corporation, which will operate as the “Markham Foundation for the Performing Arts”.

**BACKGROUND:**

In September 2017, Council approved the Flato Markham Theatre Strategic Plan 2017-2021 (attached to this report as “Appendix A”), which positions Markham as a major centre and destination for cultural innovation and diversity. Objective #8 of the Flato Markham Theatre Strategic Plan 2017-2021 is to “establish a charitable foundation”. As indicated in the Strategic Plan, *“An arms-length Charitable Foundation will be more successful in raising funds, as many individuals and corporations are reluctant to donate to a municipality that they feel is supported through property taxes. Moreover, many granting organizations and government agencies will not fund City organizations, but*

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*will fund an arms-length Foundation. A Foundation can also establish and manage endowment funds in support of programming priorities and hire fundraising staff or a fundraising consultant.”*

There are several actions that have been identified under Objective 8 – Establish a Charitable Foundation including:

- Action 37. Explore the feasibility of establishing a Foundation including transitioning the current Advisory Board to a Foundation Board;
- Action 38. Explore steps needed for incorporation and charitable status.

Successful fundraising is important to Goal #3 of the Strategic Plan “Building a Sustainable Infrastructure”. As indicated in the Strategic Plan, *“It is apparent that the Flato Markham Theatre is operating at or beyond capacity, both from theatre date availability and staff and resources to support the programming. In order to move forward, it is critical for the staff, the Theatre’s Advisory Board and the City to address building an adequate supporting infrastructure to maintain the growth that has occurred.”*

#### **OPTIONS/ DISCUSSION:**

In support of the Flato Markham Theatre Strategic Plan 2017-2021, and the establishment of a charitable foundation, Staff recommend that a not-for-profit, charitable corporation be established, which will operate as the Markham Foundation of the Performing Arts. Not-for-profit corporations may apply for charitable status through Canada Revenue Agency (CRA).

Section 203(1) of the *Municipal Act* allows municipalities to establish corporations for municipal purposes (referred to as “Municipal Services Corporations”). A municipality exercising its power to establish a Municipal Services Corporation must first adopt a business case, and consult with the public.

In support of the establishment of a Municipal Services Corporation, which will operate as the Markham Foundation for the Performing Arts:

- A business case has been developed by Staff, and is attached to this report as “Appendix B”
- Staff held a public consultation meeting on May 27, 2019 at the Civic Centre, which provided an opportunity for members of the public to learn more about, and provide feedback on the establish of the Markham Foundation for the Performing Arts.

Staff request approval from Council to proceed with the following:

- (1) To proceed with the establishment of a not-for-profit, charitable Municipal Services Corporation, which will operate under the corporate name: the “**Markham Foundation for the Performing Arts**”. The purpose of the Markham Foundation for the Performing Arts will generally be as follows: to undertake fundraising and other activities in support of the development and sustainability of a vibrant performing arts community in the City of Markham, including the Flato Markham

Theatre (or successor) and its programs and facility (including in support of the expansion / acquisition of infrastructure), in order to advance the public's appreciation of the arts.

- (2) To appoint (for the purposes of incorporation) the City's Chief Administrative Officer, Treasurer, and Director, Economic Growth, Culture & Entrepreneurship as the initial directors of the Markham Foundation for the Performing Arts.

Staff request approval from Council to establish a nomination committee to identify suitable director candidates for the Board of Directors of the Markham Foundation for the Performing Arts. Staff recommend that the nomination committee be comprised of the following: Mayor, Ward 2 Councillor Alan Ho, Ward 1 Councillor Keith Irish, and two (2) current members of the Flato Markham Theatre Advisory Board (Aleem Israel, Justin Reid). Staff recommend that the nomination committee:

- determine the required skills / qualifications for the director candidates,
- conduct the search and recruitment for candidates, making use of appropriate advertising,
- conduct the interview process, and
- present Council with a short list of potential director candidates for Council's consideration and approval.

#### **FINANCIAL CONSIDERATIONS**

The anticipated cost of advertising for candidates is estimated not to exceed \$3000.00. To be funded from within the approved 2019 Professional Fees operating account 560 560 5699.

#### **HUMAN RESOURCES CONSIDERATIONS**

None.

#### **ALIGNMENT WITH STRATEGIC PRIORITIES:**

Flato Markham Theatre Strategic Plan 2017-2021

#### **BUSINESS UNITS CONSULTED AND AFFECTED:**

Legal Services

Finance

#### **RECOMMENDED BY:**

Stephen Chait, CMC  
Director, Economic Growth, Culture  
& Entrepreneurship

Arvin Prasad, MPA, RPP, MCIP  
Commissioner,  
Development Services

**ATTACHMENTS:**

Appendix “A” - Flato Markham Theatre Strategic Plan 2017-2021

Appendix “B” - Markham Foundation for the Performing Arts Business Case