

**VARLEY- MCKAY
ART FOUNDATION OF MARKHAM**

Tuesday, October 14, 2014

Art Gallery

5:00 P.M. – 7:00 P.M.

MINUTES

Attendance:

Board of Directors Present: Terrence Pochmurski, Chair, Craig McOuat, Edie Yeomans, Susan Gray, Paul Keeling, Sid Karsh, Sammy Lee and Ernestine Tahedi

Staff:

Sara Tam, Interim Director, Varley Art Gallery, Moe Hosseini-Ara, Acting Director of Culture, Francesca Dauphinais, Development Officer, and Laura Gold, Council/Committee Coordinator

Regrets:

Councillor Don Hamilton, and Santo Natale

Item	Discussion	Action
1. CALL TO ORDER	The Varley-McKay Art Foundation of Markham convened at 5:05 p.m. with Terrence Pochmurski presiding as Chair without quorum.	
2. DISCLOSURE OF PECUNIARY INTEREST	There was no disclosure of pecuniary interest.	
3. APPROVAL OF MINUTES AND BUSINESS ARISING FROM THE MINUTES	Moved by Sammy Lee Seconded by Craig McOuat That the Minutes from the April 14, May 15 and September 8, 2014 Varley-McKay Art Foundation of Markham be approved as presented.	CARRIED

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	<u>Review of Action Items:</u> • Terrence Pochmurski to follow up with Councillor Moretti regarding the \$5K Remington committed to pay in 2014; • Ernestine Yeomans and Edie Yeomans to meet to discuss recognition of past Board of Directors. They will solicit feedback from the other Board of Directors on this matter. <u>Meeting with Member of the Flato Markham Theatre Board</u> A Member of the Theatre Board met with Terrence Pochmurski to inquire about: (1) the Board's approach to fundraising: (2) operating as a Foundation rather than as an Advisory Board of Council. <u>Resolution passed by Email</u> The following board resolution was passed by email on September 18, 2014: Moved by Terrence Pochmurski Seconded by Sid Karsh 1) That the following wording be deleted from section 6.01 of By-Law No. 1 of the Varley-McKay Art Foundation of Markham: 6.01 Number and Power. The affairs of the Corporation shall be managed by a board of not less than three(3) and not more than twenty (20) directors (the precise number within such minimum and maximum to be determined from time to time by resolution of the board of directors) who may exercise all such powers and do all such things as may be exercised or done by the Corporation and are not by the Letters Patent, Supplementary Letters Patent, by laws of the Corporation or by statute expressly directed or required to be done by the Corporation at a general meeting of the members. 2) That the following wording be inserted under section 6.01 of By-Law No.	Follow up with Councillor Moretti regarding the \$5K Remington committed to pay in 2014 – Terrence Pochmurski Meet to discuss recognition of past Board of Directors – Edie Yeomans and Ernestine Tahedl

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	1 of the Varley-McKay Art Foundation of Markham: 6.01 Number and Power. <u>The affairs of the Corporation shall be managed by a board of directors consisting of twelve (12) directors, to be comprised as follows: ten (10) directors from the public at large; one (1) Councillor from the City of Markham Council; and the Mayor of the City of Markham (who shall be an ex-officio, voting director, and who shall be included in the number of directors to determine quorum when in attendance at meetings of the board of directors but shall be excluded from the number of directors to determine quorum when not in attendance at meetings of the board of directors).</u> 3) That the following wording be inserted under section 7.05 of By-Law No. 1 of the Varley-McKay Art Foundation of Markham: 7.05 Quorum and Voting. A majority of the number of directors shall constitute a quorum for the transaction of business at any meeting of the directors of the Corporation. <u>Ex-officio directors shall be included in the number of directors to determine quorum when in attendance at meetings of the board of directors but shall be excluded from the number of directors to determine quorum when not in attendance at meetings of the board of directors.</u> Questions arising at any meeting of the directors shall be decided by a majority of the votes cast on the question: and, in case of an equality of votes, the Chairperson of the meeting shall not be entitled to a second or casting vote. 4) That the above amendments to By-Law No. 1 of the Varley-McKay Art Foundation of Markham be confirmed at the next annual meeting of the members of the Corporation. CARRIED	
4. DIRECTOR'S REPORT	Sara Tam, Interim Director, Varley Art Gallery provided her Director's report. The report included an update on the following: Gallery highlights; the collections; exhibitions; facility operations; Foundation/Board relations; educational programs; public programs; promotions, marketing and sponsorships; and the Varley Team. The report highlighted	

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	the Gallery's focus on customer service. A Board of Director asked if the kitchen renovation was included in the current renovation. The Director reported that the kitchen renovation was not included in the renovation due to the cost of the renovation being higher than anticipated. The kitchen will be updated in the future as part of its scheduled lifecycle replacement. A Board of Director questioned how many classes at the Gallery were not successful. The Director advised that three classes were cancelled and the others had an 89% fill rate. A copy of the Director's Report was circulated with the agenda package.	
5. DEVELOPMENT OFFICER REPORT	Francesca Dauphinais, Development Officer provided the Development Officer Report. The report included an update on Homes of the Holidays; the Art Auction; Volunteers; the website and social media; and her work plan for October 2014. The Development Officer Report was circulated with the agenda package. There was a discussion on the possibility of expanding the Art Auction and the Garden and White Party.	

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6. ART AUCTION TAX RECEIPTS	Moe Hosseini-Ara, Director of Culture provided an update on the art auction receipts. During the processing of the tax receipts for the 2014, Varley Art Auction, concerns were expressed regarding a few very low final bids, when compared to the stated/appraised value. Canada Revenue Agency (CRA) has confirmed that the appropriate method of determining a donated items value is a professional appraisal or market value and not the auction bid value. It has also advised that charitable organizations including foundations have an obligation to dispose of charity assets (auction items are considered charity assets) in a proper manner to ensure the Charity receives appropriate compensation for the asset. It also supports the practice of placing reserve amounts on auction items. Staff recommend for the 2015 Art Auction that a minimum reserve for auction items be set at 40% of the market value/appraised value. The equivalent to the maximum charitable donation tax credit (Federal & Provincial) that a donor could receive for a charitable donation. Having a reserve amount discourages bidders from flipping the item to another charity simply for a tax credit. The Board discussed the pros and cons of setting a minimum reserve for auction items. It agreed to think about the recommendation and report back on the matter at the next meeting.	
7. SUB-COMMITTEE REPORTS	A. Art Acquisition Committee No report was provided. B. Art Auction Paul Keeling provided the Art Auction Report. IBM will sponsor the Art Auction for \$5K and the free admission to Gallery for 2015 for \$5K. The Committee will work towards obtaining higher quality artwork at the 2015 Art Auction. It was believed that having more quality artwork would attract more buyers.	

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	Some suggestions for the 2015 art auction included: (1) getting local celebrities to donate their artworks; (2) working with interior designers to promote the Art Auction and the benefits of purchasing original artwork for your home. C. Sphere Francesca Dauphinais, Development Officer, advised that the Sphere Facebook page will be combined with the Foundation's website. The Sphere page will only include information on the Garden and White Party. It was requested that an explanation for combining the information be included on the Foundation's website. D. Development Committee The Development Committee will meet to discuss fundraising opportunities. It will develop ideas under a short-term mandate. The Board of Directors were encouraged to email Sammy Lee fundraising ideas. The Chair will prepare a draft of the Foundation's Strategic Plan for the November meeting.	Meet to discuss fundraising activities – Development Committee Prepare draft Strategic Plan for Board – Terrence Pochmurski
8. FINANCIAL REPORT	<u>Annual Transfer to The Gallery</u> The Board agreed to the annual transfer of \$27K from Foundation to the Gallery. Moved by Sid Karsh Seconded by Edie Yeomans That the Foundation donate \$27 K to the City of Markham for the benefit of the Varley-McKay Art Gallery to be used for exhibitions, educational programming and volunteer programs. CARRIED	Arrange for funds to be transferred to the Art Gallery – Sid Karsh

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	<u>Statement of Operations and Changes in Fund Balances</u> Sid Karsh presented the <i>Statement of Operations and Changes in Fund Balances for the Year to Date, December 31, 2013 to June 30, 2014</i>. In the first 6 months of 2014, the Foundation's expenses exceeded its revenue by \$2.2K. The Foundations expenditures will continue to exceed its revenue for the remainder of 2014 due to the cancellation of the Homes for the Holiday event. The event has been deemed to have run its course. The Foundation will need to manage its expenses against its income on go forward basis due to the annual loss of revenue from the event. In the short term the Foundation has reserves to cover its expenses. In the long term the \$39K annually raised from the Homes for the Holiday event will need to be recovered through existing fundraising activities or through new fundraising initiatives, or expenditures will need to be cut.	
9. NEW BUSINESS	Paul Keeling requested that the lighting be improved in the back of the McKay House. The Director of Culture will look into this inquiry.	Look into improving the lighting at the McKay House – Director of Culture
10. NEXT MEETING DATE	The next meeting of the Varley-McKay Art Foundation of Markham will be held on Monday, November 10, 2014 at 5:00 p.m. at the Gallery.	
11. ADJOURNMENT	The Board of the Varley-McKay Art Foundation of Markham adjourned at 6:24 p.m.	

Varley-McKay Art Foundation of Markham - Action Item Tracking

No.	Action Item	Meeting Date	Responsibility of Staff/Board Member	Meeting Date to be Completed By	Status
1.	Follow up with Councillor Moretti regarding the \$5K Remington committed to pay in 2014.	May 15, 2014	Terrence Pochmurski	November 10, 2014	In process
2.	Meet to establish criteria for recognizing past Board of Directors	September 8, 2014	Edie Yeomans, and Ernestine Tahedal	November 10, 2014	
3.	Meet to review the Board's fundraising activities	September 8, 2014	Development Committee	November 10, 2014	
4.	Look into improving the lighting at the McKay House	October 14, 2014	Director of Culture	November 10, 2014	
5.	Arrange for funds to be transferred to the Art Gallery	October 14, 2014	Sid Karsh	November 10, 2014	
6.	Prepare draft Strategic Plan for Board	October 14, 2014	Terrence Pochmurski	November 10, 2014	