

THE CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

STAFF REPORT

DATE: October 13, 2020
TO: Committee of the Whole
FROM: Tiffany MacLaren, Community Economic and Cultural Coordinator
SUBJECT: 2021 Funding for Mississippi Mills Museums

RECOMMENDATION

THAT Committee of the Whole recommends that Council approve a loan for the North Lanark Regional Museum (NLRM) in the amount of \$13,500, repayable over 3 years;

AND FURTHERMORE THAT if annual loan payments are not made funds be withheld from the North Lanark Historic Society's annual municipal grant until such time as the loan has been repaid in full;

THAT Committee of the Whole recommends that Council approve funding for the North Lanark Regional Museum (NLRM) the Mississippi Valley Textile Museum (MVTM) and the Mill of Kintail Museums (JNM & RTMM) at current budgeted amounts for 2021, which was formulated based on their 2020 allotment plus a 2% CPI Increase;

AND FURTHERMORE THAT NLRM funding past 2021 be considered after a review of strategic changes made by the North Lanark Historic Society board demonstrating consideration of recommendations from the *Towards Sustainability for Mississippi Mills Museum* report as well as information from other municipalities that currently share a staffing;

AND FURTHERMORE THAT Municipal funding for all Mississippi Mills Museums be reconsidered once the Conservation Authority's working group has developed and announced future plans for the Museum operations;

AND FURTHERMORE THAT all 2021 museum funding be conditional upon entering into formal funding agreements between the Municipality of Mississippi Mills and the respective museums outlining financial contributions and in-kind services from the Municipality and identifying specific objectives and performance measures required of the museums, including annual reporting on visitors.

BACKGROUND

Mississippi Mills Museums are independent organizations. They are not Municipal departments. They operate under the direction of volunteer boards. While the

Municipality can make recommendations on Museum operations, we cannot tell Museum boards how to run their organizations. Similarly, museum staff and expenses are not municipal responsibilities. Museums play a critically important role in collecting, preserving and sharing our heritage. Heritage artifacts and stories are a source of pride and contribute to our sense of identity. They help us understand our place, our history and our society. The Municipality provides annual funding to our community museums because we value the role they play and understand the importance of protecting our history.

In a letter received on August 24, 2020 Ed Wilson, President of the North Lanark Historic Society requested \$13,500 to cover the expense of a new roof for the museum. The roof was installed before the letter was received prohibiting the Municipality from making recommendations or asking for three quotations, in keeping with our procurement policy.

In a second letter dated September 23, 2020 Ed Wilson, President of the North Lanark Historic Society requested a change to the current funding model for the North Lanark Historic museum resulting in an annual allotment of \$47,000 for the North Lanark Regional Museum. This is a \$20,212 or 75% increase over the amount in the current draft 2021 budget.

Prior to 2016 the North Lanark Regional Museum received a municipal grant of \$5000 a year (plus 2% cpi annually). Their 2015 amount was \$5355. In 2015 the Municipality of Mississippi Mills partnered and split costs with the four museums -North Lanark Regional Museum(NLRM), Mississippi Valley Textile Museum(MVTM), Dr. James Naismith Museum(JNM) and the R Tait McKenzie Museum(RTMM) on a fulsome review of the Museums by third party consultant Sagum Communications. This review included individual Museum Profiles as well a "Towards Sustainability for Mississippi Mills Museums" report listing 10 recommendations towards sustainability. The 2015 profiles and report are attached.

Recommendations #6 and #7 referenced Municipal funding to Museums. #6 - Establish Formal Funding Agreements #7 - Increase Municipal Funding to Museums

After this review the funding structure was revisited and the North Lanark Regional Museum's funding increased. The newly created museum profiles made it clear the individual functions of these museums along with their visitor numbers and site usage are very different and difficult to compare. In order to treat the museums similarly a percentage-based approach was adopted. The new funding model adopted in 2016 was to preclude additional capital requests. Prior to 2016 Capital Improvements from the Museums were considered on a case by case basis.

Since this model was adopted the North Lanark Regional Museum(NLRM) and Mississippi Valley Textile Museum (MVTM) receive annual funding based on a 30% of their respective 2014 operating budgets. Council approved a gradual increase in funding starting in 2016 at 20% of operating, 2017 25% of operating and 2018 30% of operating. At that time 2014 audited numbers were used. For 2019 and 2020 their individual 2018 grant amounts were used with a 2% CPI increase.

Funding the Mill of Kintail Museums (JNM & RTMM) did not change at that time. It was determined that since the museums fell under the jurisdiction of the Conservation Authority the existing model of a 2% cpi increase would still meet needs.

This change in funding formula was implemented from recommendation #5 of the 2015 Museum Sustainability Report. It was recommended that annual funding would help museums be sustainable by making them eligible for more grants from other levels of government.

It is important to note this funding was never specifically attached to a curator's salary. The Municipality's allotment is to be used towards operating costs. This allows flexibility for the Museum boards to determine how the funds are spent. The Municipality is not responsible for ensuring the museums have staff.

The 9 strategic recommendations of the Towards Sustainability for MM Museums Report:

- #1 – Rethink the Role of Museums and How to Engage People
- #2 - Tell a Complete Story of Mississippi Mills
- #3 – Increase and Formalize Joint Actions and Initiatives
- #4 - Improve Collections Management
- #5 - Create a Shared Pool of Museum Staff
- #6 - Establish Formal Funding Agreements
- #7 - Increase Municipal Funding to Museums
- #8 - Develop Capital Investment Plans
- #9 - Strengthen Museum Organizations from the Inside Out

2016 - 2020 Municipal Funding for Museums

Year	MOK (JNM & RTMM)	MVTM	NLRM
2016	11,040.00	43,393.00	16,756.00
2017	11,240.00	54,241.00	20,945.00
2018	11,464.00	65,089.00	25,134.00
2019	11,716.00	66,520.00	25,687.00
2020	11,974.00	67,983.00	26,252.00

DISCUSSION

Roof Funding Request NLRM

In a letter received on August 24th Ed Wilson, President of the North Lanark Historic Society requested \$13,500 to cover the expense of a new roof for the museum. Considering the current funding model adopted in 2016 specifically precludes additional capital requests and that the roof was installed before the letter was received staff recommends that funding be given in the form of an interest free loan. Our understanding is that this happened quickly because the contractor had an opening in his schedule, however, this means the Municipality was unable to consult on the type of roof or to request three quotations as is standard with our procurement. The museum chose to go with a very expensive roof type, based on Museum board members recommendations. It is staffs' estimation that this type of roof, while attractive, costs two

to three times the price of other suitable roof options. This expense is not in the 2021 draft budget and would need to be added if Council agreed to a grant instead of a loan. The loan could be repaid over two to three years and if the museum was unable to make payment then the funds could be withheld from their annual funding allotment. In the past similar loan arrangements to pay for capital expenses have been made with the North Lanark Agricultural Society and the Mississippi Valley Textile Museum. In both cases loans were repaid in full.

NLHS Request for Funding to Pay for a Curator

In a second letter dated September 23rd Ed Wilson, President of the North Lanark Historic Society requested a change to the current funding model for museums resulting in an annual allotment of \$47,000 for the North Lanark Regional Museum. This is a \$20,212 or 75% increase over the budgeted allotment for 2021. This increase is not in the current draft budget for 2021.

In order to assist Council in the consideration of this request staff requested updated information from all MM museums – information is based on their individual numbers from 2019. For the purpose of this review the RTMM and JNM are looked at together as the Mill of Kintail Museums. This updated information is attached.

Staff can appreciate that Mr. Wilson's letter comes from a place of need. The North Lanark Historic Museum continues to struggle with sustainability. They operate by virtue of an extremely dedicated and hard-working board – in particular the Historic Society President and Museum Manager, Ed and Doreen Wilson. In order to keep their doors open and full-time curator employed all year, they hold multiple small events that require their own time and funds. They clean, paint, make food and work the events.

In the 2015 "Towards Sustainability for Mississippi Mills Museums" report there were recommendations that have not yet been considered. In particular **#5 - Create a Shared Pool of Museum Staff**. Staff feel it is time this model be seriously considered. The North Lanark Regional Museum had only 255 visitors in all of 2019. A model could exist where NLRM is open May to October. This would mirror the existing schedule of the Mill of Kintail Museums. One suggestion is that the Curator from the MVTM or that of the Mill of Kintail Museum be retained to oversee the museum operations during the winter, they could be responsible for grant applications, paying bills and hiring seasonal staff. A museum studies student could be hired as museum manager each spring. This would result in a huge cost saving for the museum. The North Lanark Historic Society could then concentrate on the Museums' vision and collections. A shorter season would help focus their efforts on the time of year that is most attractive to visitors. The museum sits on a beautiful park like setting, concentrating on welcoming visitors Spring, Summer and Fall would be much more attainable.

In the response to the letters from Mr. Wilson staff also requested comparison information from five neighbouring Municipalities (Carleton Place, Smiths Falls, Perth, Arnprior and Merrickville) regarding their museums. This information is also attached. All museums receive some funding from their Municipalities. Smiths Falls is the only municipality in the list that has more than one museum. Currently their museums are not open during the winter months. These two museums also share staff. The Heritage House Museum is owned by the Municipality and the Railway Museum is owned by an independent board. One administrator divides her time between the two museums and

is paid by the Railway Museum to manage the museum, apply for grants and hire seasonal staff. The Town of Smiths Falls gives the Railway Museum an annual \$20,000 grant which is used to pay staff, or match grants etc. This model has resulted in a huge savings over the past three years. These museums are thriving. The Heritage House welcomes approxitmaely 5,000 visitors a year and the Railway Museum close to 10,000 visitors.

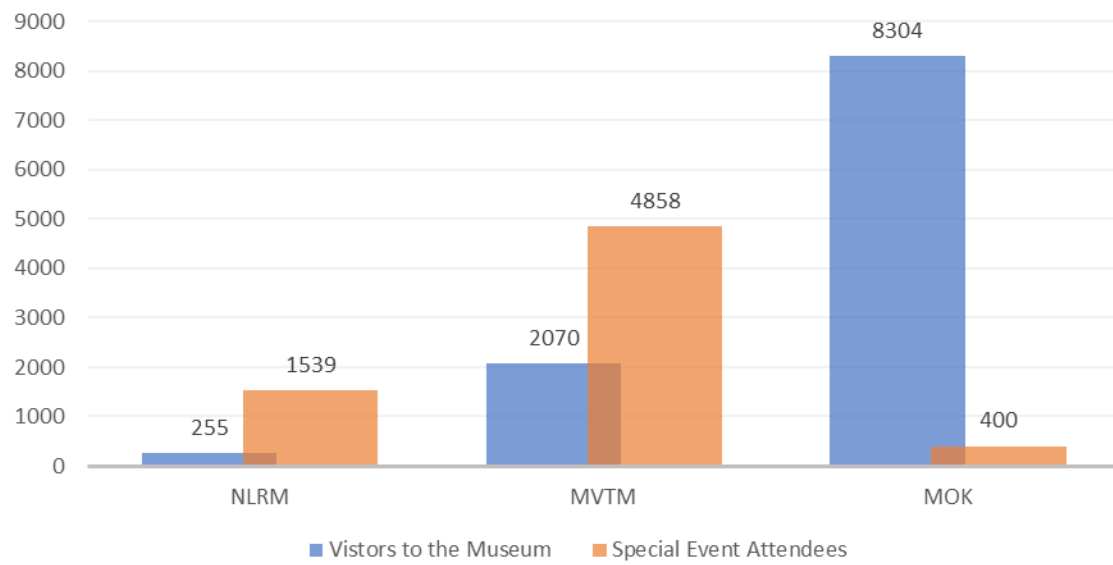
In comparing museums across the region, it is clear they each operate and are funded differently. Mr. Wilson's letter indicated that other Municipalities operate their museums with municipal staff and cover operating expenses. This is the case with Perth and Arnprior. They also receive all museum revenues and oversee museum decisions. Perth and Arnprior each spend over \$175,000 annually on one museum. However, Carleton Place, Smiths Falls and Merrickville each give their museums annual grants and their boards oversee the staff and expenses. Their grants are not directly tied to curator's salaries. Merrickville Museum is operated entirely by volunteers with students hired in the summer.

In Kind Museum Support

A complete review of Museum funding should also incorporate current in-kind support for Museums. The North Lanark Historic Society benefits from some additional cost saving support that in accounted for in other municipal budget accounts.

Mill of Kintail Museums	Mississippi Valley Textile Museum	North Lanark Regional Museum
<ul style="list-style-type: none"> -Inclusion in promotional campaigns -Highway tourism signage 	<ul style="list-style-type: none"> -Inclusion in promotional campaigns -Highway tourism signage -Property tax waivers -Building Insurance -Summer students training via Lanark County 	<ul style="list-style-type: none"> -Grass cutting by Municipal Staff (\$1125 plus hst value) -Snow removal by Municipal Staff -No charge Garbage & Recycling -Inclusion in promotional campaigns -Highway tourism signage -Property tax waivers -Building Insurance -Summer students training via Lanark County

2019 Museum Visitors



Mill of Kintail Museums Current Status

In 2019 funding for the Mill of Kintail museums came into question due to changes at the provincial level surrounding Bill 108. As a result, the Conservation Authority created the “Mill of Kintail Museum Special Advisory Committee” with the goal of working out future plans for museum operations and funding. In recognition of the important role the Mill of Kintail museums play in Mississippi Mills, Council directed the Mayor and staff to work with the Mississippi Valley Conservation Authority, the Mill of Kintail Special Advisory Committee, the Provincial Government, and other private parties to develop an independent and sustainable model for the R. Tait McKenzie and Dr. James Naismith Collections. They also allocated \$10,000 to support the professional legal advice for a governance structure. The process is being led by the Conservation Authority and the Municipality will continue to follow the situation closely.

Funding for 2021 for MVTM, NLRM and MOKM

Considering visitor numbers and comparison of neighbouring municipalities staff does not recommend a change in Museum funding from the current draft budget. A percentage approach allows for a fair comparison and takes into consideration very different visitor numbers, expenses and other fundraising efforts.

Looking at the most recent audited numbers provided by the museums the amounts currently in the 2021 draft budget for the North Lanark Regional Museum is actually 35% of their 2019 Operating Budget and the budgeted amount for the Mississippi Valley Textile Museum represents only 24% of their 2019 Operating Budget. If we were to bring these numbers forward the amount for the NLRM would be \$22,942 and the MVTM would receive \$85,669.80. In a similar formula the amount for the Mill of Kintail museums would be \$35,697.

Considering that Mississippi Mills has four distinct and valuable museums in three separate locations and that the future is unclear for the Mill of Kintail Museums staff does not recommend changing budgeted numbers for Museum funding at this time. Taking into account the continuing struggles of the NLHS in maintaining a viable operating budget for their museum, staff recommend that the Historic Society use this time to examine the recommendations from the Towards Sustainability for Mississippi Mills Museums Report and consider more cost-effective way of operating. The role of the North Lanark Regional Museum is a very important one. The preservation and curation of our regions rural history and artifacts is a valuable service. Since the NLHS is an independent organization the Municipality can only suggest they review operations, however Council can take any positive and progressive changes into account when making future museum funding decisions.

FINANCIAL IMPLICATIONS

If a loan of \$13,500 is granted to the North Lanark Historic Society this amount could come from reserves. The Historic Society would need to agree to pay back the loan over 3 years. Annual payments could be withheld from annual NLRM funding until the loan is repaid in full.

Recommended 2021 funding the museums is as follows (2% increase over 2020 Budget).

Mississippi Valley Textile Museum	\$69,345.00
North Lanark Regional Museum	\$26,780.00
Mill of Kintail Museums	\$ 6110 (JNM) + \$ 6110 (RTMM) = \$12,220.00
Total for 2021	\$108,345.00

SUMMARY

Staff recommends that the Municipality retain the existing funding model for 2021. Mississippi Mills has four community museums in three separate locations. Each museum has its own unique strengths. However, they also have very different locations, collections, operations and budgets.

In 2015 the Municipality and the Museums partnered on a review resulting in some recommendations for sustainability. Since this time the North Lanark Historic Society has continued to struggle despite receiving a significant increase in funding over the past five years. In 2019 they had only 255 visitors to the museum but remained open all 12 months. The role of the North Lanark Regional Museum is a critically important one. The preservation and curation of our regions rural history and artifacts is a valuable service that is appreciated. However full-time dedicated staff may not be required. Their visitor numbers and low door revenues make this clear. Staff recommend that the Historic Society take a closer look at previous recommendations towards sustainability and consider a more efficient use of their own time and money as well as the Municipal funding they receive.

The future funding and operation model for the Mill of Kintail museums is undecided. The Conservation Authority is in the process of undertaking a review. For these reasons staff feel this is not the time to undergo any dramatic changes to Municipal Museum funding.

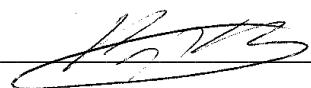
Funding for the Museums was reviewed and redeveloped in 2016 at that time it was recommended that the new funding model specifically preclude additional capital requests. In addition, the request to the Municipality came after the roof was installed and a procurement process was not followed. For these reason staff recommend that the North Lanark Historic Society be offered a loan, repayable over three years, in response to their request for funding towards the cost of their new roof.

Respectfully submitted,

Approved by



Tiffany MacLaren
Community Economic and Cultural Coordinator



Ken Kelly
Chief Administrative Officer