



# Staff Report

## Finance

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**Report To:** Committee of the Whole  
**Meeting Date:** August 10, 2021  
**Report Number:** FAF.21.131  
**Title:** Community Foundation Update  
**Prepared by:** Ruth Prince, Director Finance & Information Technology Services

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### A. Recommendations

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THAT Council receive Staff Report FAF.21.131, entitled "Community Foundation Update";

AND THAT Council endorse the corporate structure for The Blue Mountains Foundation as identified in this report.

### B. Overview

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This staff report is to provide Council with an update on the community foundation.

### C. Background

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At the May 17, 2021 Council meeting, the following motion was adopted:

B.3.4 Community Foundation, FAF.21.066

Moved by: Councillor Bordignon

Seconded by: Deputy Mayor Potter

THAT Council receive Staff Report FAF.21.066, entitled "Community Foundation";

AND THAT Council create a task force in cooperation with staff to create a Community Foundation and report back to Council with an implementation and communication plan;

AND THAT Council provide \$20,000 from the Working Capital Reserve to fund the costs of the creation of a Community Foundation;

AND THAT Council appoint Councillor Bordignon and Councillor Sampson to the task force together with Director of Finance and IT Services and Director of Legal Services.

The motion is Carried (7 to 0)

## **D. Analysis**

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The Task Force has met, and the following is a summary of the corporate structure that will form the basis of the proposed foundation. The task force will take continue its work and take direction from Council and other advisors regarding further definition of these core structural components.

The corporate structure is a truly community lead and driven Foundation with the entity “owned” by members and governed by a board of directors. The foundation will apply for federal charity status once it is formed. The Foundation will be separate from the Town with the exception that Council will appoint 2 members to sit on the Board if they so choose.

A group of area residents have started their own foundation, but it hoped that the two initiatives will join forces once this proposed foundation is existing.

**Corporation Name:** The Blue Mountains Foundation

**Applicants:** The Founding Board Members (see below)

### **Objects of the Foundation:**

- a. At the direction of the contributor, to receive and maintain a fund or funds and to apply all or a part of the principal and income thereof from time to time, to charitable organizations that are also registered charities under the Income Tax Act (Canada), and
- b. To organize and operate fundraising events in the Town of The Blue Mountains that will generate net proceeds from time to time, that can be applied to charitable organizations that are also registered charities under the Income Tax Act (Canada), and
- c. At the direction of the contributor, to receive and maintain a fund with The Grey Bruce Foundation or any other applicable third-party fund and to apply all or a part of the principal and income thereof from time to time as determined by The Grey Bruce Foundation or any other applicable third-party fund, to charitable organizations that are also registered charities under the Income Tax Act (Canada).
- d. To manage the assets of the Foundation in any manner as they see fit for distribution to charitable organizations that are also registered charities under the Income Tax Act Canada

### **Special Provisions of the Foundation:**

The Foundation will have two operating divisions:

The Blue Mountains Legacy Fund: This division will be responsible for the receiving and managing or monies donated by third parties for the purposes of contributions to an endowment fund where the income from the fund is used to support local charities.

The Blue Mountains Fundraising Event: This division will be responsible for the organization and running of local fundraising events where the net proceeds will be used to support local charities or added to any endowment funds.

The Financial Year End of the Foundation is December 31st of each calendar year

The Foundation will be comprised of Members. There will be a total of 40 Members of the foundation with at least 50% being residents.

Each Board Member will be entitled to two membership units each (total held by the Board to equal to  $9 \times 2 = 18$  membership units (the "Board Membership Units")

Membership units attached to a vacant Board seat are held by the Chair of the Board until the Board seat is filled

22 membership units will be held by non-Board members allocated by the Board as the Board sees fit ("Non-Board Memberships")

Non-Board Membership units are held by the members for a period of 3 years only. Thereafter the Board may reassign those membership units as they see fit. The Board may renew Non-Board Membership units to an existing member for a further 3-year term.

Foundation Board Members:

- Maximum Board seats 9.
- The Foundation must have a minimum of 5 filled Board seats. The Board can appoint members to fill no more than 3 seats without following the Board selection process noted below,
- Current Members of The Blue Mountains Grants and Donations Committee of Council (5) will be the Founding Board Members
- The Town of The Blue Mountains to have 2 Board positions to be selected by Council and to serve as directed by Council
- Founding Board members will stand for reelection within one year of the formation of the Foundation
- Board Members stand for re-election at each Member annual meeting.
- The Foundation shall apply to Revenue Canada for official charity status as soon as the Board determines

Subject to Council approval, it is the intention of the Task Force to engage the services of a qualified lawyer to create the necessary corporate documents and the Foundation within the next 3 months. The intent is that after the formation of the Foundation and its founding Members Meeting, that the Grants and Donations Committee of Council will be terminated, and all the funds held by the Town for the Grants and Donations Committee be forwarded to the Foundation for distribution to community charities as the Foundation sees fit. This transfer of funds also included the \$20,000 allocation approved by Council. These additional funds will

assist the foundation to cover the costs of its creation and any surplus funds can be used by the foundation for its charitable contribution.

## **E. Strategic Priorities**

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### **1. Communication and Engagement**

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

### **2. Organizational Excellence**

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

### **3. Community**

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

### **4. Quality of Life**

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

## **F. Environmental Impacts**

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N/A

## **G. Financial Impacts**

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Council has allocated \$20,000 from the Working Capital Reserve to assist with the establishment of the foundation.

To date no money has been spent or committed.

## **H. In Consultation With**

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Will Thomson, Director of Legal Services  
Rob Sampson, Councillor/ Task Force Member  
Peter Bordignon, Councillor/Task Force Member

## **I. Public Engagement**

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The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required.

However, any comments regarding this report should be submitted to Ruth Prince, Director Finance & Information Technology Services [directorfit@thebluemountains.ca](mailto:directorfit@thebluemountains.ca).

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## **J. Attached**

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None

Respectfully submitted,

Ruth Prince  
Director Finance & Information Technology Services

For more information, please contact:  
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### Report Approval Details

Document Title:	FAF.21.131 Community Foundation Update.docx
Attachments:	
Final Approval Date:	Jul 16, 2021

This report and all of its attachments were approved and signed as outlined below:

**Shawn Everitt - Jul 16, 2021 - 8:15 AM**