



**The Parkwood Foundation  
2017 Budget and Business Plan**

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**Prepared for: The City of Oshawa**

***October 2016***

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The Parkwood Foundation would like to extend our utmost appreciation to the City of Oshawa for continuing to support our treasured McLaughlin Family Estate with an annual operating grant, and capital grants from time to time. This document outlines our accomplishments from the past year and our plans for 2017, our centennial year. It is a plan that requires a great deal of foundational work in order to build for substantial growth for Parkwood's second century of existence.

As our lead benefactor, the City is demonstrating its commitment to the legacy of R.S. McLaughlin. We are requesting continued support in the amount of a \$325,000 operating grant for 2017 and a capital grant of \$75,000 in support of the greenhouse restoration project.

## Vision and Mission Statement

The purpose of The Parkwood Foundation is to preserve the Parkwood Estate, and to operate this national historic site as a museum and heritage garden for the education and enjoyment of all Canadians and visitors, to foster an understanding and appreciation of Parkwood's architectural and landscape architectural features, its collection of art and furniture, and of the life, times and accomplishments of R. S. McLaughlin one of Canada's foremost industrialists and philanthropists.

## Service Description and Client Identification

Parkwood exists to celebrate the social history of the 20<sup>th</sup> century. These Strategic Pillars were established and approved by the Board of Directors in July 2016 to support and advance our Vision and Mission; and to guide the Board in its governance role and management in strategic and operational planning:

- *Uphold a model of excellence in Board Governance*
- *Invest in preserving and enhancing the estate and gardens*
- *Build and strengthen a sustainable revenue generating infrastructure*
- *Effectively brand, promote, and communicate Parkwood's mandate to all stakeholders*
- *Promote and provide a first class experience for staff, volunteers, and customers*

Parkwood National Historic Site and Gardens is first and foremost a Museum and Tourism entity, open to the public to fulfill social, cultural, and educational objectives for our community and beyond. Additionally, in order to advance our Mission, build our brand, and contribute to the strategic goals set out by the City of Oshawa, the Parkwood Board has further embraced the following lines of business to enhance our both our economic and social relevance:

**Parkwood Studios:** as one of Durham Region's few locations with Studio Status, Parkwood's well established film and television production business provides significant revenue and promotion, as well as contributing to the living history and fabric of the estate by paying tribute to the innovative spirit of Mr. McLaughlin.

**Parkwood Weddings:** Parkwood intends to become a major player in the GTA wedding business by providing exclusive and unique experiences.

**Parkwood Conference and Events Services:** establishing the estate as a location of choice for social, corporate, and charity events.

## 2016 Accomplishments

Parkwood began a transformation in 2016, led by the Board of Directors, to prepare for the Estate's second century of existence. We have embarked on a robust plan to boldly position Parkwood as a relevant business entity that makes an ongoing contribution to Oshawa and Durham Region as a vital social, economic, and cultural force.

Early in the year the Board made the difficult decision to change its senior staff leader. In March, we engaged Bob Baker as the Interim Executive Director to oversee operations and to begin implementing the recommendations from the *Integrated Business Development Strategy* his firm, The Baker Group, prepared for the Parkwood Board in Q4 2015. There were eight recommendations in the report against which the accomplishments from 2016 are summarized as follows:

### **Recommendation #1: embark on a strategic planning process**

The Board approved the following Strategic Pillars at its July 20, 2016 meeting. These were developed at a Board strategy session on June 20. The Strategic Pillars guide the organization and inform the Strategic Plan to be created by the new Executive Director and management team.

*Parkwood exists to celebrate the social history of the 20<sup>th</sup> century. These Strategic Pillars have been established by the Board of Directors to support and advance our Vision and Mission; and to guide the Board in its governance role and management in strategic and operational planning:*

- Uphold a model of excellence in Board Governance
- Invest in preserving and enhancing the estate and gardens
- Build and strengthen a sustainable revenue generating infrastructure
- Effectively brand, promote, and communicate Parkwood's mandate to all stakeholders
- Promote and provide a first class experience for staff, volunteers, and customers

### **Recommendation #2: adopt a best practices board governance model**

The Board has updated and modernized Parkwood's By-Laws. The documents are compliant with the Ontario Not-for-Profit Corporations Act (ONCA). The Board has updated and approved Terms of Reference for its three primary governance committees: Finance and Audit, Governance and Nominating, and Physical Plant and Planning, which are consistent with the new By-Laws. Further, a full review of Board policies was completed. To date the Board has approved and implemented new Signing Authority and Whistleblowing policies. A Borrowing policy and Gift Acceptance policy are in development and the Investment Policy will be reviewed in 2017. Finally, a Board Governance Manual which provides a clear outline of the Board's role and how it operates will be tabled for approval in December 2016.

### **Recommendation #3: improve and modernize business operations**

Parkwood has been actively improving and modernizing operations since March. In brief:

- Automating accounting and bookkeeping functions
- IT systems have been enhanced to improve efficiencies.
- A full review of Parkwood Security
- Design of a Performance Management System (to be implemented by new ED)
- Review of banking services to identify efficiencies

### **Recommendation #4: reconsider National Historic Site Status**

Parkwood's Curator conducted extensive research on this item and presented to the Board in April 2016. Based on a number of factors the Board will maintain the status as it is in Parkwood's best interest financially and for branding purposes to be a NHS.

### **Recommendation # 5: rebrand Parkwood.**

In Q4 2016, Parkwood will begin to develop its branding and strategic marketing plan that will be launched in 2017.

### **Recommendation #6: expand on existing and implement new earned revenue opportunities**

**Parkwood Studios** is having another good year with the film and television production business. The Board had the opportunity to learn about this business from an industry expert at the AGM in June. We now have a better understanding that Parkwood, a designated site with Studio Status, is attractive to producers and that our team have built strong relationships within the sector. We also know that the Province and the Region promote our site for potential opportunities. This is an important business for Parkwood.

Another line of business in development in 2016 is the **Parkwood Weddings**. This will be fully launched in 2017. Parkwood intends to become a major player in the GTA wedding business by providing exclusive and unique experiences. Like Parkwood Studios, this business will contribute significant revenue to Parkwood's operational and capital needs.

A full review of **Parkwood Estate** programming offerings and opportunities is underway as we prepare to launch exhibitions and a suite of new and/or refreshed programs during the centennial year. These properties will be designed to attract the local community, tourists, and sponsorship revenue.

### **Recommendation #7: create a disciplined Philanthropy Office**

Parkwood will focus on this recommendation once some of the other items, described above, are implemented. Philanthropy is very important, but earned revenue opportunities will bring more reliable funding into Parkwood.

### **Recommendation #8: dedicate resources to Government Relations**

This plan will be addressed in 2017.

### Capital Projects

In 2016, Parkwood also moved forward with significant capital projects. Staff have developed a master capital list of significant projects that will be sequenced and addressed over the next five-years. The one key project in 2016 and 2017 is the renovation and restoration of five greenhouses on the property. In 2015 Parkwood secured 50% of the funding for this \$1.2 million project from the Federal Government. The City of Oshawa has also made a generous commitment of \$300,000. The balance will be provided by Parkwood through its various fund development initiatives, such as the 2016 gala. Construction is set to begin before the end of 2016 with a completion date of late 2017. Please see the Capital request at the end of this submission.

### New Executive Director

The Parkwood Board is very pleased to announce Laura Mountjoy as the new Executive Director effective November 2016. Laura brings an extensive depth and breadth of leadership, business, and administrative assets to the role.

### SWOT Analysis

Strengths	<ul style="list-style-type: none"> <li>• Exceptional historic resources to meet educational and tourism mandates</li> <li>• Sufficient physical visitor service capacity for event and program offerings</li> <li>• Source of community pride</li> <li>• Dedication of staff (as evidenced by long-service)</li> <li>• Ability to attract volunteers at governance and daily service levels</li> <li>• Exposure &amp; expertise to engage with museum &amp; historic site, horticulture, education and tourism sectors</li> <li>• Growing status among peers</li> <li>• Generally perceived as a capable organization, delivering on a wide-ranging agenda</li> </ul>
Weaknesses	<ul style="list-style-type: none"> <li>• Historic resources are undervalued, with low awareness</li> <li>• Museum functions are under-served. Proportionately more staff for grounds maintenance and ancillary services than museum and educational functions (especially when compared with other cultural sites and organizations having smaller scope but greater resources)</li> <li>• Operating and capital challenges not well-understood, particularly the higher costs and standards required of heritage preservation and presentation</li> <li>• Insufficient financial resources – operating, capital, reserves &amp; endowment funds</li> <li>• Staff resources have steadily eroded in an effort to balance budget (past critical levels in some areas)</li> <li>• Grants &amp; fundraising may actually be a drain on resources – very few support regular operations, projects and events require heightened activity, capital grants increases workload and admin requirements and may increase maintenance requirement</li> </ul>

	<ul style="list-style-type: none"> <li>• Operations over-reliant on rental revenues, which can be unpredictable and demanding</li> <li>• Lack of marketing and development staff hampers revenue development</li> </ul>
Opportunities	<ul style="list-style-type: none"> <li>• Continued provincial and regional investment in tourism</li> <li>• Potential grant opportunities to celebrate Canada's sesquicentennial in 2017</li> <li>• Parkwood's 100<sup>th</sup> anniversary will coincide in 2017, suggesting opportunity to ramp up to special events and "reveals" for completed conservation/restoration work, and opportunities to join forces with other celebrants for maximum impact for Oshawa/Durham</li> <li>• New education/heritage &amp; horticultural connections may help increase awareness, support and partnership opportunities, and help increase audience diversity</li> </ul>
Threats	<ul style="list-style-type: none"> <li>• Deferral of capital reinvestment (tendered projects about \$ 600K, further estimated projects about \$ 3 million)</li> <li>• Core activities (museum functions: research, education &amp; interpretation, public programming, exhibitory, collections care and collections management) are not-well supported, so losing competitive position</li> <li>• Continued viability beyond short-term under threat</li> </ul>

## Objectives

2017 marks Parkwood's Centennial. Our overarching objective during this year is to leverage the 100<sup>th</sup> anniversary celebration of the estate to advance our Mission and strategy.

Our goals for 2017 are ambitious. We will begin by opening the entire mansion to visitors. Areas previously not open to the public, like the kitchen and servants dining area, will be accessible as a part of general tours. Like other museums, we will begin to mount exhibitions that will inspire people to visit more than once each year as we will deliver the promise of experiencing something new each time. We will expand McLaughlin Day weekend basement tours to a full week and once again be open for Christmas Holiday tours. Other rooms will be repurposed to showcase the living history since 1972, such as the TV/film business. Programming will be tied into existing history curriculum with schools to drive attendance and build the Mission.

This core business will be complemented by Parkwood Studios, Parkwood Weddings. Further, Parkwood's objectives, outlined below will build upon the Board's Strategic Pillars for growth.

<b>Agency Objective 1</b>	<b>Uphold a model of excellence in Board Governance</b>			
<b>Relevant City Strategic Goals and other City Strategic Plans (if possible, note specific Goals, Objectives, etc.)</b>	<i>Economic Prosperity and Financial Stewardship</i> <i>Cultural Vitality</i> <i>Accountable Leadership</i>			
<b>Strategies</b>	1. <i>Implement best practices governance model building on work from 2016</i> 2. <i>Approve 3-5 year strategic plan developed by Executive Director</i>			
<b>Responsibility</b>	<i>Board of Directors and Executive Director</i>			
<b>Supporting Partners</b>				
<b>Actions Per Strategy</b>	<b>Timing</b>	<b>Status</b>	<b>Performance Indicator</b>	<b>Target</b>
Implement best practices governance model building on work from 2016	Ongoing		Adoption and practice on policies; transparency; recruitment of new Directors.	New policies approved; By-Law amendment approved
Approve 3-5 year strategic plan developed by Executive Director	Q2 2017		Document articulating key objectives with KPIs tabled with Board	Plan designed to advance Parkwood
<b>New Resource Requirements (if any)</b>				
<i>None</i>				
<b>Outcomes/Benefits Per Objective</b>				
<i>A strong and transparent governance model will support the overall achievement of Parkwood's business plan to increase profile and secure ongoing funding.</i>				

<b>Agency Objective 2</b>	<b>Invest in preserving and enhancing the estate and gardens</b>			
<b>Relevant City Strategic Goals and other City Strategic Plans (if possible, note specific Goals, Objectives, etc.)</b>	<i>Economic Prosperity and Financial Stewardship</i> <i>Cultural Vitality</i> <i>Social Equity</i> <i>Environmental Responsibility</i>			
<b>Strategies</b>	1. <i>Develop long-range master capital plan that prioritizes and sequences key investments in capital projects and assets.</i> 2. <i>Develop funding plan for capital revitalization.</i>			
<b>Responsibility</b>	<i>Executive Director and Physical Plant and Planning Committee of the Board</i>			
<b>Supporting Partners</b>	<i>Building trades, specialized heritage facility professionals, community and corporate donors/sponsors/grantors</i>			
<b>Actions Per Strategy</b>	<b>Timing</b>	<b>Status</b>	<b>Performance Indicator</b>	<b>Target</b>
Develop long-range master capital plan that prioritizes and sequences key investments in capital projects and assets.	Q1 2017	Initial inventory developed	Structured plan identifying projects, costing, and funding opportunities	Maintain and beautify the estate to ensure it remains vital for another century
Develop funding plan for capital revitalization.	Q2 2017	Earned revenue opportunities that will subsidize capital projects will be launched in 2017	Funding sources identified and/or secured	Parkwood Estate maintained and/or revitalized.
<b>New Resource Requirements (if any)</b>				
<i>None</i>				
<b>Outcomes/Benefits Per Objective</b>				
<i>Revitalized estate will attract more visitors for tourism, TV/film production, and weddings/occasions</i>				

<b>Agency Objective 3</b>	<b>Build and strengthen a sustainable revenue generating infrastructure</b>			
<b>Relevant City Strategic Goals and other City Strategic Plans (if possible, note specific Goals, Objectives, etc.)</b>	<i>Economic Prosperity and Financial Stewardship</i> <i>Cultural Vitality</i> <i>Social Equity</i> <i>Environmental Responsibility</i> <i>Accountable Leadership</i>			
<b>Strategies</b>	1. <i>Parkwood Tourism</i> 2. <i>Parkwood Weddings and Conference and Events Services</i> 3. <i>Parkwood Studios</i>			
<b>Responsibility</b>	<i>Executive Director</i>			
<b>Supporting Partners</b>	<i>City of Oshawa, Region of Durham, Ontario Film/TV Marketing, Wedding industry, Tourism Ontario</i>			
<b>Actions Per Strategy</b>	<b>Timing</b>	<b>Status</b>	<b>Performance Indicator</b>	<b>Target</b>
Parkwood Tourism	Ongoing	New exhibitions identified  Plans underway to open entire mansions to the public	Increase in visitors, repeat visitors, sponsorship and donor support.	Increase tourist visitors year over year
Parkwood Weddings and Conference and Events Services	Launch in Q4 2016	Planning in progress	20-30 high-end experience weddings per year	\$1 million in annual revenue
Parkwood Studios	Ongoing	Well established business	Continue to be a production location of choice	\$250,000 annual revenue
<b>New Resource Requirements (if any)</b>				
Contracted services of a wedding planner				
<b>Outcomes/Benefits Per Objective</b>				
<i>Increased sustainable revenue base that allows for greater investment in capital renewal and enhanced heritage/tourism programming designed to advance mandate and Mission.</i>				

<b>Agency Objective 4</b>	<b>Effectively brand, promote, and communicate Parkwood's mandate to all stakeholders</b>			
<b>Relevant City Strategic Goals and other City Strategic Plans (if possible, note specific Goals, Objectives, etc.)</b>	<i>Economic Prosperity and Financial Stewardship</i> <i>Cultural Vitality</i> <i>Accountable Leadership</i>			
<b>Strategies</b>	<p>1. <i>Effectively brand, promote, and communicate Parkwood's mandate to all stakeholders</i></p> <p>We will develop and reinforce Parkwood's brand and then develop a marketing plan that is long-range in scope, but initially embraces the centennial year. Our approach will be elegant and simple. We will take advantage of the content and assets Parkwood has in hand at the estate. Something will occur in each month during the year. Whether it is on the website or an exhibition, we will be active throughout the year.</p>			
<b>Responsibility</b>	<i>Executive Director</i>			
<b>Supporting Partners</b>	<i>External vendors, City of Oshawa</i>			
<b>Actions Per Strategy</b>	<b>Timing</b>	<b>Status</b>	<b>Performance Indicator</b>	<b>Target</b>
Effectively brand, promote, and communicate Parkwood's mandate to all stakeholders	Beginning in January 2017	Currently seeking agency	Increased awareness, more website visits, more onsite visitors, increase in revenue. Respected brand.	A well known and respected brand. A top of mind venue for any opportunity or occasion.
<b>New Resource Requirements (if any)</b>				
<i>External branding and marketing agency</i>				
<b>Outcomes/Benefits Per Objective</b>				
<i>Increased awareness, more website visits, more onsite visitors, increase in revenue. Respected brand.</i>				

<b>Agency Objective 5</b>	<b>Promote and provide a first class experience for staff, volunteers, and customers</b>			
<b>Relevant City Strategic Goals and other City Strategic Plans (if possible, note specific Goals, Objectives, etc.)</b>	<i>Economic Prosperity and Financial Stewardship</i> <i>Cultural Vitality</i> <i>Social Equity</i> <i>Accountable Leadership</i>			
<b>Strategies</b>	1. <i>Develop a plan specific to enhancing the staff, volunteer, and customer experience.</i>			
<b>Responsibility</b>	<i>Executive Director</i>			
<b>Supporting Partners</b>				
<b>Actions Per Strategy</b>	<b>Timing</b>	<b>Status</b>	<b>Performance Indicator</b>	<b>Target</b>
<i>Develop a plan specific to enhancing the staff, volunteer, and customer experience.</i>	<i>Q3-Q4 2017</i>		<i>Increased engagement and support.</i>	<i>TBD</i>
<b>New Resource Requirements (if any)</b>				
<i>Noe at this time</i>				
<b>Outcomes/Benefits Per Objective</b>				
<i>Long-term engaged staff, volunteers, and customers who are eager to make Parkwood a success.</i>				

## Resource Requirements

The 2017 budget projects a deficit of \$25,500. This is based on the premise that Parkwood will be making investments in robust new businesses such as Parkwood Weddings, securing sponsorship for revitalized exhibits as part of the Centennial celebrations, and that television/film business will continue to thrive.

The Corporation of the City of Oshawa					
2017 Operating Budget					
Parkwood Foundation					
	2016	2016	2017		
Description	Projected	Approved	Proposed	2017-2016	2017-2016
	Actuals	Budget	Budget	Variance \$s	Variance %
Personnel Costs	563,000	533,400	626,000	92,600	17.4
Program and Office Supplies	70,500	67,500	70,500	3,000	4.4
Professional Services	187,000	177,500	205,000	27,500	15.5
Maintenance and Repairs	73,327	65,900	74,000	8,100	12.3
Utilities				0	
Contribution to Capital				0	
Contributions and Financial Chg				0	
Agency Generated Revenue	-432,525	-430,600	-625,000	-194,400	45.1
City of Oshawa One Time Operating Grant	-75,000	-75,000		75,000	(23.1)
City of Oshawa Grants	-325,000	-325,000	-325,000	0	0.0
<b>Total Parkwood Foundation</b>	<b>61,302</b>	<b>13,700</b>	<b>25,500</b>	<b>11,800</b>	

### Variance Explanations:

- Personnel cost: staff leadership transition; 2% wage increase; increase in health benefits premiums
- Program and office supplies: computer upgrades
- Professional services: rebranding; marketing strategy; increases in utility costs
- Maintenance and repairs: ongoing upgrades and upkeep to estate
- Utilities: included in professional services
- Agency generated revenue anticipates growth in Parkwood Weddings and Sponsorship support for new exhibitions

## Conclusion

2017 will be a year of transition and growth for Parkwood. Under new leadership, bringing greater focus and discipline to our key businesses, building on the foundational work in 2016, and leveraging Parkwood's Centennial year Parkwood is positioned for growth and success.

We are grateful for the support from the City of Oshawa and appreciate your consideration to continue supporting Parkwood with a \$325,000 operating grant and a \$75,000 capital grant in support of the greenhouse restoration project.

## Contact Information

Bob Baker, Interim Executive Director

[bob.baker@parkwoodestate.com](mailto:bob.baker@parkwoodestate.com)

647-980-6203

## Board of Directors

Nancy Shaw	President
Bob Pinkney	Vice- President
Lisa Weiss	Secretary
Dan Hostick	Treasurer
City Councillor John Aker	Member
Sandy Brittain	Member
Mark Humphries	Member
Justin Landry	Member
Sue Pitchforth	Member
Patrick Rudka	Member

## Capital Budget Input Form

Branch: The Parkwood Foundation

Project Name: Parkwood Greenhouse Restoration

Project Location: 270 Simcoe Street North, Oshawa, Ontario

Project Description: Restore & Rejuvenate Greenhouse #1, 2, 4, 5, & 6

The historic greenhouse complex is in an advanced state of disrepair and at risk of loss. A comprehensive study was undertaken in 2012/13 with the assistance of the City of Oshawa to formulate a complete conservation/restoration program. A pilot project for one of six greenhouses was completed at a cost of approximately \$220,000. Conservation/restoration costs for the remaining five are estimated at \$ 900,000.

Parkwood requested a 1/3 total contribution to the project over four years starting in 2014, which will assist in leveraging further fundraising and grants to achieve the remaining 2/3. Council approved the first contribution in 2014. A 2015 contribution was not approved given some uncertainty about fundraising timing. Council's pledge did indeed help leverage more funding. A Canada 150 Infrastructure grant was approved in 2015 of \$ 503,000 ensuring funding to proceed with the project as planned.

Council generously provided a further \$150,000 in 2016. We would request that Council consider \$75,000 in 2017 to bring the City's total investment to \$300,000 or approximately one-third of the total project cost.

Construction will begin in late 2016 with a late 2017 completion date.

Budget year: 2017

Funding:

Gross Cost: \$1,005,873.00

**Operating Fund: \$300,000 pledged by City of Oshawa (received \$225,000)**

Other Fund: Canada 150 Community Cost Share Program – Up to \$502, 936.

Fundraising by Parkwood - \$202,937