

## **REQUEST FOR DECISION**

**DATE:** November 4, 2015

Report No. FIN-15-019

**TO:** Laurie Hurst, Chief Administrative Officer

**FROM:** Ian Irvine, Director of Financial Services

**SUBJECT:**

Funding for Public Art Purchase

### **RECOMMENDATION:**

It is accepted procedure that staff not make recommendations on requests for funding. Options available to Council are listed below under **ALTERNATIVES**

### **RELEVANT POLICY:**

Esquimalt Public Art Policy ADMIN-30

### **STRATEGIC RELEVANCE:**

There are no strategic objectives directly related to this decision.

### **BACKGROUND:**

At it's November 2, 2015 meeting, Council requested options from staff about how the Township could fund the potential purchase of a public art piece. The 'Pearl', by Fred Dobbs, was named the People's Choice Award at the recent Sculpture Splash. A photo of the sculpture is attached. It is a bronze sculpture that measures 36"x24"x12", weighs 75 kilograms and can be displayed either inside or outside. Regardless of where the piece would be installed, it would require being pinned into a concrete, stone or a metal base for secure positioning.

In addition to the \$12,000 purchase cost, there are other costs related to displaying and securing the piece. The Township would be required to buy or build a suitable base and preliminary cost estimates are approximately \$1,500 for related materials and labour. Additionally, the artwork would need to be insured by the Township. While the cost premium for the piece would be very low, the Township insurance policy includes a \$5,000 deductible. This means that any damage with costs below that threshold would be paid by the Township and would be funded within the Financial Plan.

While Public Art Policy ADMIN-30 exists, it has not been recently updated. Within the current Policy, funding for public art is to be supported by contributed amounts relating to projects completed within the Township. In the absence of such contributions, amounts are to be allocated within the Financial Plan. To date, an amount of \$2,000, received in 2011, is being held in a deferred revenue account for potential future public art acquisitions.

The Financial Plan includes a separate mechanism for funding requests through the local grants account. However, the Local Grant Policy's clearly stated purpose is to assist not-for-profit societies and community organizations in achieving their objectives. As this potential purchase would not be consistent with this purpose, it is not eligible to be funded through the local grant account.

The Contingency within the Financial Plan allows for security should unexpected expenses arise which can be paid for without a reduction to the service levels. The Township budgets \$250,000 for Contingency within its annual financial plan. At the end of each year, any operating surplus, including unallocated contingency funds, would be held in accumulated surplus or transferred to reserves for future use by the Township.

## **ISSUES:**

### **1. Rationale for Selected Option**

Utilization of the deferred revenue account balance for such an acquisition is consistent with its intended use in accordance with the existing Public Art Policy. While there are sufficient funds available in the Contingency to fund the purchase, such an allocation would reduce the potential surplus balance which could be allocated to infrastructure or other reserves at the end of this fiscal year.

### **2. Organizational Implications**

If the purchase is approved, the Township's Public Works staff would be asked to schedule construction of a sufficient base for the art work before it could be installed and displayed.

### **3. Financial Implications**

Currently there is an amount of \$2,000 in the Township's deferred revenue account. This amount was added to the account under the conditions in the current Public Art Policy and can be used to fund a public art purchase.

Additional costs related to the acquisition and maintenance of this public art piece would be determined and included each year as core expenditures within the Financial Plan.

### **4. Sustainability & Environmental Implications**

There are no sustainability or environmental implications of this decision.

## 5. Communication & Engagement

If Council were to approve the art work purchase, arrangements would then be made to coordinate the payment and delivery of the piece. As well, the Township's insurance provider would be contacted to initiate the process of securing sufficient coverage.

### **ALTERNATIVES:**

1. That Council fund the purchase of public art with \$2,000 currently held in the deferred revenue account with the remainder allocated from the 2015 Contingency.
2. That Council fund the purchase entirely from the 2015 Contingency.
3. That Council not fund the public art purchase.