

NO: **F007**

COUNCIL DATE: **February 18, 2013**

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## FINANCE COMMITTEE

TO: **Mayor & Council**

DATE: **February 1, 2013**

FROM: **General Manager, Parks, Recreation & Culture**  
**General Manager, Finance and Technology**

FILE: **0250-20/F**  
XC: **1850-01**

SUBJECT: **Status of Work related to the Expansion of the Surrey Museum and Reimbursement of Contribution to the Friends Society**

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## RECOMMENDATION

The Parks, Recreation and Culture and the Finance and Technology Departments recommend that the Finance Committee recommend that Council authorize staff to reimburse to the Friends of the Surrey Museum Society \$200,000 that the Society provided to the City for the purpose of assisting with the costs of constructing the next phase of the Surrey Museum.

## INTENT

The purpose of this report is to:

1. provide information about a \$200,000 contribution that was made to the City by the Friends of the Surrey Museum and Archives Society (the "Society") in 2007 to assist with the costs of constructing the next phase of the Surrey Museum; and
2. obtain approval to reimburse this contribution to the Society.

## BACKGROUND

During the period from 2002 through 2005, the Society undertook a community campaign to raise money to assist with the costs of construction of a new Surrey Museum. In 2005 the Society was able to give a donation of \$1.1 million to the City for the purpose of purchasing specialized equipment, fixtures and exhibit components for a new Museum. At the same time the Society also established a *Museum Endowment Fund* of \$285,000 to earn income for the Society to support the Surrey Museum operation and the Surrey Archives. In 2007 the Society contributed a further \$200,000 to the City to assist in the cost of constructing the next phase of expansion to the Surrey Museum.

The Society's capital campaign was supported by Council. In 2003 Council resolved to match to a maximum contribution of \$250,000 all funds that the Society raised in excess of \$1 million dollars. As such, when the Society contributed the referenced \$200,000 to the City, City Council set aside \$250,000 as matching funding for the expansion of the Surrey Museum. This funding amounting to \$450,000 was retained in a special reserve account.

In 2012 City Council approved a *Cultural Plan* for the City, which included an expansion to the Surrey Museum. The 2012 component of the 2012-2016 Five Year Financial Plan that was approved by Council in early 2012 included an allocation of \$450,000 for the design of an expansion to the Surrey Museum. DIALOG Design Architects were retained by the City to prepare a functional plan of options for expanding the Museum and complementary cost estimates for construction. The functional plan was completed in late 2012 along with cost estimates for the next phase of Museum expansion.

In follow up to the planning completed in 2012, the Council-approved 2013-2017 Five Year Capital Financial Plan includes an allocation of \$1 million in the year 2015 for the Phase 2 expansion of the Surrey Museum. This appropriation is intended to represent a one-third share of a \$3 million Museum Phase 2 Expansion Project. It is included in the Financial Plan on the premise that the City will apply to the Federal and Provincial governments for the remaining two-thirds of the needed project funding under a pending federal infrastructure funding program. This program is currently being developed by the Federal government in consultation with the Provinces and municipalities across Canada. The federal government has committed to having this new infrastructure program in place in 2014. This infrastructure program will allow the City to leverage the resources that it commits to the Museum expansion to maximum effect on behalf of Surrey residents and the Society.

In the fall of 2011 the Society expressed concern to City staff that members of the Society were concerned that the contribution that they had made to the City for the Museum expansion was not being used for such expansion and that those who had made contributions to the Society in support of the expansion of the Museum were of the view that the Society should retain the funds until the project is fully committed by the City. Staff understands that similar concerns were raised with the Society's Executive during the Society's 2012 AGM. At that meeting the Society's membership adopted a motion to request that the City return the \$200,000 contribution to the Society. This request was communicated to the City during a meeting between a representative of the Society and the Mayor in January 2013.

At its meeting on Monday, January 28, 2013, Council requested that staff provide a report to Council on the status of the Museum expansion project and in relation to the request of the Society that the City return to the Society its contribution of \$200,000 for the Museum expansion project.

The Society continues to support the objective of expanding the Museum including a children's interactive gallery and a large temporary exhibit space; however, given passage of time since its contribution, the Society would now like to retain the funds that it had previously donated to the City. They remain committed to contributing funding for the expansion of the Museum as and when such an expansion is more imminent.

It is noted that the Society has for the last few years been making annual financial contributions of \$24,000 to the City to allow the public to gain free access to the Museum. Prior to this commitment by the Society the City had been charging an entrance fee to persons wanting to view the exhibits or attend events in the Museum.

It is also noted that in 2010 the City purchased a lot that is immediately abutting the existing Surrey Museum site. This lot was purchased for \$465,000 and was intended to protect land for the future expansion of the Museum including related parking areas.

## DISCUSSION

In consideration of the Society's commitment to its donors in relation to the use of the funds that the Society raised for the Surrey Museum expansion and the Society's on-going commitment to working with the City to achieve an expansion to the Museum, staff hold the view that it would be reasonable for the City to return the Society's contribution of \$200,000 to the Society at this time. Staff is confident that the Society will be willing to raise funds and make a financial contribution to the Museum expansion project when such a project is more imminent.

## CONCLUSION

Based on the above discussion, it is recommended that the Finance Committee recommend that Council authorize staff to reimburse to the Friends of the Surrey Museum Society the \$200,000 that the Society contributed to the City for the purpose of assisting with the costs of constructing the next phase of the Surrey Museum.

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