

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2004 MAY 13 PM 4:14

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Oakland Museum of California
DATE: May 25, 2004

RE: **RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR
DESIGNEE TO APPROPRIATE FUNDS FROM THE MUSEUM'S
RESTRICTED DEACCESSION FUND FOR THE PURPOSE OF
OBTAINING MUSEUM OBJECTS AND TO PRESERVE, CONSERVE,
RESTORE, AND CARE FOR OBJECTS IN THE MUSEUM'S
COLLECTIONS**

SUMMARY

On July 15, 1997, City Council passed resolutions 73674 and 73675 authorizing the City Administrator to dispose of duplicate or unnecessary museum objects by selling them at auction and placing the proceeds in restricted accounts for future use (a process called "deaccession"). The proceeds are to be deposited in the Oakland Museum Public Trust Fund; that fund has the sole purpose of providing money to buy new objects and to pay for collection conservation. However, the earlier resolutions failed to allow for the appropriation of the funds for the specified restricted purposes. The present resolution corrects that error, providing the City Administrator or designee the authority to appropriate current and future revenues from the museum's restricted deaccession funds to acquire new objects and to preserve, conserve, restore, and care for objects already in the museum's collection.

FISCAL IMPACT

Saving and caring for museum objects that are not relevant to the mission of the museum or the City waste staff resources. It is beneficial, therefore, to sell or dispose of such objects. Funds from the sale of museum objects are deposited into the Oakland Public Museum Trust Fund (No. 7640). This fund contains three specific Projects to fund acquisitions and conservation efforts, as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Balance in Fund</u>
Art Department	P215520	\$ 51
History Department	P215530	\$ 11,227
Natural Sciences Department	P215510	\$ 0

The current resolution allows expenditure from any of these specific funds. In all cases, no City of Oakland General Fund or Capital Improvement monies will be used. Therefore, there is no impact on the General Fund or Capital Improvement Program.

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BACKGROUND

The mission of the Oakland Museum of California ("museum") is to develop exemplary collections, exhibitions, and educational services that promote public understanding of California's art, history, and environment, and to be responsive, accessible, and relevant to the state's diverse and increasingly multicultural population. In pursuit of its mission, the museum holds in public trust and for the City of Oakland approximately 1.2 million museum objects, consisting of artworks, photographs, historical artifacts, archival materials, ethnographic objects, and natural specimens. From time to time, staff determines that certain objects are not relevant or for other reasons no longer appropriate to hold. To keep objects not needed or not relevant to the mission of the museum wastes resources and creates needless liability. The American Association of Museums (AAM) stipulates that such objects may be disposed of or sold at public auction and that the proceeds from such sales are restricted to acquiring new objects or direct care of objects already in the museum's collections. These conditions are necessary to maintain accreditation by AAM.

On July 15, 1997, City Council Resolution 73675 authorized museum staff, subject to the approval of the Museum Director and the City Administrator, to declare museum collection objects surplus to the needs of the museum and the City. Also on that date, City Council Resolution 73674 authorized the City Administrator to deposit all proceeds from the sale of deaccessioned objects into a restricted account, the principal, interest, and earnings of which are reserved for the addition of new objects to the collections and the direct preservation, conservation, restoration, and care of objects already in the collections. However, the foregoing resolutions failed to stipulate the appropriation of funds received from the deaccession process. The present resolution corrects that oversight and completes the process by authorizing the City Administrator or designee to appropriate these restricted funds.

The museum has formal written policies for deaccession and disposal of objects from the collections and for acquiring new objects. Pertinent sections of each policy are quoted below.

Section 4 of the Oakland Museum of California Policy for the disposal of objects deaccessioned from the museum collections:

4. The Director and Chief Curator may recommend sale of deaccessioned objects, with accession numbers removed, through a reputable auctioneer or dealer. Sale at public auction is strongly encouraged. It is our policy not to use the name of the Oakland Museum of California in connection with the sale of deaccessioned objects.

If sold through a dealer or means other than public auction, two independent estimates of fair market value must be secured.

Money obtained from the sale of deaccessioned objects, and accrued interest on that money, will be deposited in one of three projects setup in the Museum Trust Fund (7640), be credited separately to the museum department that deaccessioned the object(s), and spent only with the approval of the Chief Curator of that department. The projects are: Art Department (P215520),

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History Department (P215530) and the Natural Science Department (P215510), and their funds are strictly reserved for the purchase of new objects for the collections or for the direct conservation of objects already in the museum's collections.

The use of funds to purchase new objects may include sales tax but does not include such related costs as transportation, staff time in collecting, or storage facilities. Funds from the sale of deaccessioned objects will not be used for operating or other expenses of the museum, the City, or the Oakland Museum of California Foundation. Deaccessioned objects may not be acquired directly or indirectly by museum staff, members of the Board of the Oakland Museum of California Foundation, the City Manager, or their families.

The "Acquisition by Purchase" section of the Oakland Museum of California Policy for the acquisition of objects for the museum's collections reads:

- 1. Purchases of art, artifacts or specimens for the museum's collections shall become the property of the City of Oakland regardless of the source of the funds used for the purchase.*
- 2. The decision to purchase an object for the museum's collections is based on professional curatorial judgment regarding relevance of the object(s) to the museum's mission, relation to other objects already in the museum's collections, conservation evaluation of physical condition of the object(s), and the museum's ability to maintain and preserve the object(s).*
- 3. Purchases of art, artifacts or specimens for the museum's collections will be approved in advance by both the Chief Curator of the appropriate division and by the Executive Director.*

KEY ISSUES AND IMPACTS

Limited resources are wasted when the museum retains objects that are inappropriate to the mission of the museum and the City. The museum profession, and the Oakland Museum of California's collections policies, stipulate how objects are to be sold and what can be done with the proceeds from such sales. The City has resolutions that cover how objects are to be sold, but fails to provide authorization to appropriate the revenues received. The present resolution simply corrects that oversight by stipulating that the City Administrator or designee can appropriate accumulated funds for the specified purposes.

The resolution also specifies that in purchasing objects for display or other use the museum can avoid competitive bidding, which is illogical in instances when unique objects are acquired. From time to time, the museum identifies selected objects to add to its collections. Successful acquisition of one-of-a-kind objects requires staff to take swift advantage of opportunities in a fast moving and volatile market. Due to the unique nature of acquiring museum-quality objects, the museum will often exercise the exceptions already authorized by City Council to the competitive bidding policy contained in Sections 2.04.050 (I)2 of the Oakland Municipal Code, which recognizes that calling for bids in some instances can be impractical, unavailable, or impossible. The present resolution therefore allows the City Administrator or designee to expend funds it has obtained for the restricted purpose of acquiring museum objects, without

always having to go through the usual city purchasing process, which is inappropriate when acquiring unique objects that cannot be provided through competitive bidding or local vendors.

Adopting this resolution comes at an important time as the museum is beginning the reinstallation of its main galleries and will be disposing of objects no longer relevant and acquiring new objects more relevant to today's audiences. Additionally, objects now in storage will in some cases require conservation efforts. The present resolution will aid significantly in these efforts.

SUSTAINABLE OPPORTUNITIES

Not applicable.

DISABILITY AND SENIOR CITIZEN ACCESS

Not applicable.

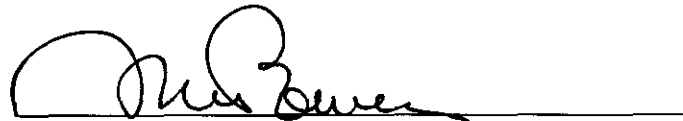
RECOMMENDATION(S) AND RATIONALE

Staff recommends that the City Council approve the resolution so that the deaccession process is complete.

ACTION REQUESTED OF THE CITY COUNCIL

Approve the resolution.

Respectfully submitted,



DENNIS M. POWER
Director, Cultural Arts and Marketing

APPROVED AND FORWARDED TO THE
LIFE ENRICHMENT COMMITTEE:


OFFICE OF THE CITY ADMINISTRATOR

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OAKLAND CITY COUNCIL

FILED
OFFICE OF THE CITY CLERK
OAKLAND

RESOLUTION No. _____ C.M.S.

2004 MAY 13 PM 4: 14



RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO APPROPRIATE FUNDS FROM THE MUSEUM'S RESTRICTED DEACCESSION FUND FOR THE PURPOSE OF OBTAINING MUSEUM OBJECTS AND TO PRESERVE, CONSERVE, RESTORE, AND CARE FOR OBJECTS IN THE MUSEUM'S COLLECTIONS

WHEREAS, the mission of the Oakland Museum of California (hereafter "Museum") is to develop exemplary collections, exhibitions, and educational services that promote public understanding of California's art, history, and environment, and are responsive, accessible, and relevant to the state's diverse and multicultural populations; and

WHEREAS, in pursuit of its mission the Museum holds in public trust and for the City of Oakland artworks, artifacts, specimens, and other museum-quality objects; and

WHEREAS, Oakland City Council Resolution No. 73675 C.M.S, passed July 15, 1997, authorizes the City Administrator to declare Museum collection objects surplus to the needs of the Oakland Museum and the City of Oakland; and

WHEREAS, Oakland City Council Resolution No. 73674 C.M.S, passed July 15, 1997, authorizes the City Administrator to provide for the disposal of, and use of funds generated by, the sale of objects declared to be surplus to the needs of the Museum; and

WHEREAS, standards formally adopted by the American Association of Museums for accredited museums restrict the use of funds from the sale of museum objects solely to obtaining new objects for the collections or for the direct preservation, conservation, restoration, and care of objects already in the collections; and

WHEREAS, proceeds from the sale of objects have been and in the future will be deposited into the Museum Trust Fund (7640), organization 62411 (Museum Curatorial and Exhibition Services), Projects P215520 (Art Department), P215530 (History), and P215510 (Natural Science), the principal, interest, and earnings of which are reserved for the addition of new objects to the collections and the direct preservation, conservation, restoration, and care of objects already in the collections; and

WHEREAS, the Museum from time to time identifies selected objects to be added to the Museum's collections is based on professional curatorial judgment regarding relevance of the object(s) to the Museum's mission, relation to other objects already in the Museum's collections, conservation evaluation of physical condition of the object(s), and the Museum's ability to maintain and preserve the object(s); and, therefore be it

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LIFE ENRICHMENT CMTE.

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RESOLVED: That the City Administrator or designee is hereby authorized to appropriate past, current and future revenues within projects P215510, P215520, and P215530; and be it

FURTHER RESOLVED: That the City Administrator or designee may, as conditions warrant, expend funds it has obtained for the restricted purpose of acquiring museum objects, without having to go through the usual city purchasing process when acquiring unique objects that cannot be provided through competitive bidding or local vendors; and be it

FURTHER RESOLVED: That the City Administrator or designee may, as conditions warrant, expend funds it has obtained for the restricted purpose of providing preservation, conservation, restoration, or direct collections care without having to go through the usual city purchasing process, which is inappropriate when obtaining conservation services that cannot be provided through competitive bidding or local vendors; and be it

FURTHER RESOLVED: That the Office of the City Attorney has reviewed this resolution and a copy will be on file at the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, , 2004

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN, AND
PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California

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LIFE ENRICHMENT CMTE.

MAY 25 2004