



CITY OF HAMILTON

PLANNING AND ECONOMIC DEVELOPMENT Tourism and Culture Division

TO: Mayor and Members General Issues Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: September 19, 2012	
SUBJECT/REPORT NO: Transfer of Public Art Funds from Capital to Reserve (PED12173) (City Wide)	
SUBMITTED BY: Tim McCabe General Manager Planning and Economic Development Department	PREPARED BY: Jennifer Kaye 905-546-2424 ext. 4807
SIGNATURE:	

RECOMMENDATION

That \$100,000 be transferred from the 2010 Public Art Capital Account (No. 710158705) to the Public Art Reserve Fund Account (No. 108044) to meet increased future demand for Public Art projects and initiatives.

EXECUTIVE SUMMARY

In order to be better positioned to meet increased future demand for Public Art projects and initiatives, staff recommend transferring \$100,000 from the Public Art Capital Account to the Public Art Reserve Fund. Funds remaining in the Capital Account will be used to cover planned 2012 Public Art costs.

Alternatives for Consideration – Not Applicable

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FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial: After the recommended \$100,000 transfer from Capital Account 7101058705, there remains approximately \$295,000 in unspent funds as at July 31, 2012. The forecast unspent balance for this account for December 31, 2012 is approximately \$35,000.

The Public Art Reserve would have an approximate balance of \$400,000 which includes the above transfer of \$100,000.

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

In 2007, through Report ECS07008, a Public Art Reserve Fund (#108044) was established as a source of funding for Public Art projects and initiatives. An initial contribution of \$281,200 was made at that time, representing 1% of a number of downtown capital project costs to be allocated to public art, as per the Downtown Secondary Plan Design Strategy of the time.

Report ECS07008 indicated that ongoing funding for Public Art projects and initiatives would be sought through capital block funding rather than through a percentage allocation. Subsequently, Council has allocated funds for Public Art projects and initiatives through capital block funding as follows:

Date	Block Funding Allocation for Public Art	Notes
2007	\$250,000	The first year funds were allocated.
2008	250,000	
2009	250,000	
2010	250,000	
2011	0	The annual block was not submitted to the capital deliberations, as an overall cost containment measure.
2012	191,000	The annual block was reduced as an overall cost containment measure.
2013	182,000	Approval is pending capital budget deliberations

The intent of this annual allocation is both to cover public art costs incurred within the calendar year and to develop a regular funding mechanism for public art that will allow for growth and development of the program over time. For the first few years, the annual allocation was often not spent within the calendar year, for a variety of reasons:

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- The hiring of a dedicated public art staff position was not completed until November 2008.
- There is a 12 to 18 month lag time between project initiation and the majority of project expenditures due to the time required for project development after an RFP has been awarded.
- A number of public art projects have been funded directly from other capital project budgets.

Consequently, funds have accrued within the capital accounts at a faster rate than they have been spent. This discrepancy has narrowed as the public art program has grown and developed, as follows:

Year	Amount Spent from Public Art Capital Accounts	
2007	\$527	
2008	50,907	
2009	211,352	Includes staffing costs for Art in Public Places Coordinator
2010	66,635	Does not include staffing costs for Art in Public Places Coordinator – moved to current budget
2011	209,992	Does not include staffing costs for Art in Public Places Coordinator – moved to current budget
2012 to date	123,261	Includes staffing costs for additional 1-year contract position

POLICY IMPLICATIONS

There are no policy implications associated with the recommendation of Report PED12173.

RELEVANT CONSULTATION

Manager, Capital Budgets and Development, Financial Planning and Policy, Capital Budgets, Corporate Services Department.

ANALYSIS / RATIONALE FOR RECOMMENDATION

In the past year, there has been increased interest in the Public Art Program from both members of Council and the general public, likely related to the successful completion of a number of projects. While some new projects will be funded from other capital project budgets, some will require funding from the Public Art Program.

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In anticipation of increased demand for funds, and to allow for continued program growth, staff propose that funds that will not be expended during 2012 from the capital account be transferred to the Public Art Reserve Fund, as follows:

Unspent Balance Public Art Capital Account as of July 31	\$395,000
Amount to be transferred to the Public Art Reserve Fund	\$100,000
Current balance of the Public Art Reserve Fund	\$300,000
Balance of the Public Art Reserve Fund after transfer	\$400,000

Funds will be transferred out of the reserve as needed to meet program demand.

ALTERNATIVES FOR CONSIDERATION

Not Applicable.

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

Financial Sustainability

- ◆ Delivery of municipal services and management capital assets/liabilities in a sustainable, innovative and cost effective manner

Growing Our Economy

- ◆ A visitor and convention destination

Social Development

- ◆ People participate in all aspects of community life without barriers or stigma

Healthy Community

- ◆ Plan and manage the built environment

APPENDICES / SCHEDULES

N/A

JK:ro