

# Percent For Art Policy Update

## Recommendation

That Executive Committee recommend to City Council:

1. That revised Public Art to Enhance Edmonton's Public Realm Policy C458D, as set out in Attachment 1 of the August 9, 2021, Urban Planning and Economy report UPE00628, be approved.
2. That Public Art Administration, Registration and Outreach Policy C547, Public Art Accession, Selection Criteria and Gift Policy C548 and Public Art Conservation, De-accession and Re-site Policy C549, be repealed.
3. That a Public Art Reserve, to account for and manage the Edmonton Public Art Collection, as outlined in Attachment 2 of the August 9, 2021, Urban Planning and Economy report UPE00628, be established.
4. That \$4.535 million of Capital Pay-As-You-Go Funding be transferred from the approved 2021-2022 Capital Budget to the Public Art Reserve, as outlined in Attachment 3 of the August 9, 2021, Urban Planning and Economy report UPE00628.
5. That the Infrastructure Planning and Design Branch operating expenditure budget be increased by \$1.495 million in 2021 and \$3.040 million in 2022, for costs related to the public art projects committed for the 2019-2022 budget cycle, with funds from the Public Art Reserve, as outlined in Attachment 3 of the August 9, 2021, Urban Planning and Economy report UPE00628.

## Executive Summary

This report provides an update to the Percent-For-Art program, policy and procedures, proposing key funding and administrative changes that will improve the efficiency and effectiveness of the public art program by:

- Consolidating the four current Percent-for-Art policies into one single Public Art Policy and Procedure;
- Decoupling public art funding from individual capital projects and transitioning to a separately funded program to improve art planning, budgeting and reporting, and to maximize the benefits of public art investments;
- Establishing a Public Art Reserve as a long-term transparent and predictable funding source of the Public Art program to meet current and future needs; and
- Creating an interdepartmental Public Art Committee with representation from the City of Edmonton and the Edmonton Arts Council, to provide strategic

guidance on the public art program, and to ensure alignment of public art with the City strategic goals.

The proposed changes in the policy and the updated procedures are aligned with the City's 10-year culture plan, ConnectEdmonton and The City Plan. For example, The City Plan policies speak of the role of public art in activating open space and public facilities and creating partnerships to align public art programs with city capital projects. The proposed changes will result in more effective and comprehensive long-term management of Edmonton's public art program.

### Report

#### Background

The City of Edmonton's first Percent-for-Art policy was established in 1990 and since then Edmonton Arts Council has been a trusted and committed partner and advisor in the implementation of the policy. As a result of the policy, Edmonton's Public Art Collection has grown to approximately 300 pieces of art.

Currently, there are four Percent-for-Art policies: the primary Percent-for-Art Policy, C458C, which was last updated in 2010, and three complementary policies (C547 Public Art Administration, Registration and Outreach, C548 Public Art Accession, Selection Criteria and Gift Policy, and C549 Public Art Conservation, De-accession and Re-site) that were introduced in 2009 to procedurally regulate public art administration, art selection, and conservation, respectively.

Administration reviewed the public art policies from 2015 to 2017. Based on this review, the November 28, 2017, Urban Form and Corporate Strategic Development report CR\_4995, Percent For Art Policy Review Update, presented to Executive Committee, suggested several areas for improvement. The implementation of these suggested improvements, however, was deferred to give the Edmonton Arts Council the necessary time to update the City's 10-year culture plan. This plan, CONNECTIONS and EXCHANGES: A 10-year Plan to Transform Arts and Heritage in Edmonton, was approved by Council in Fall 2018.

In 2019, a joint team of City of Edmonton and Edmonton Arts Council staff initiated a review of the Percent-for-Art program. Administration and the Edmonton Arts Council engaged in a series of consultations to examine the current state of the program. This review identified several inefficiencies mostly related to the decentralized nature of the public art funding model. In the current funding model, public art funding is attached to specific capital projects, which results in several inefficiencies, such as:

- Public art budgets and placement being driven by multiple capital project budgets rather than by a comprehensive public art planning that is aligned with the City strategic plans and maximizes the value of the public art investment.

- Difficulties determining collective Percent-for-Art program budgets, and reporting on Percent-for Art expenditures, due to the dynamic nature of capital project budgeting during the Project Development and Delivery Model (PDDM) process and exacerbated by multiple funding sources.
- Public art funding allocations from a number of capital project budgets not providing a transparent source of funding to meet the long-term needs of the Public Art Collection, including art planning, accession, conservation and maintenance.
- Lack of alignment of the current Percent-for-Art program with the Capital Project Governance Policy C591 and the PDDM. Early involvement of artists in the design phase of the capital projects has been challenging since the Percent-for-Art budgets were typically calculated out of approved capital project construction budgets, which are now only approved once design is substantially advanced at PDDM Checkpoint 3.

### Improvements to the Public Art Policy and Procedure

Key improvements proposed in the updated Public Art Policy include:

1. **Updating the policy statement** to reflect current aspirations of the public art program based on recent past experience, and to reflect the updated City of Edmonton strategic plans (eg. The City Plan and CONNECTIONS & EXCHANGES: A 10-Year Plan to Develop Arts and Heritage in Edmonton).
2. **Consolidating** the four current Percent-for-Art policies into one Public Art Policy, Procedure, and Program Manual, providing current and clear guidance to the implementation of the public art program.
3. **Decoupling public art funding** from individual capital projects and transitioning to a public art funding model that will improve program efficiency and transparency, and will allow for a more proactive and comprehensive approach to art planning, installation maintenance, and public art budget allocation to maximize the city-wide benefits.
4. **Creating a Public Art Reserve** to ensure a transparent funding source for the public art program to meet its current and future needs, including maintenance. The Reserve will hold and maintain a pool of arts funding (pay-as-you-go) previously included as a part of several individual capital project budgets. This revised funding structure enables improved flexibility, efficiency and transparency of the public art program, and overall fulfillment of the intentions of the public art program.
5. Establishing an interdepartmental **Public Art Advisory Group (PAAG)** to provide guidance to the public art program on behalf of Administration and the Edmonton Arts Council. This advisory group will provide guidance on the selection of art locations, art funding, and will ensure the alignment of the public art program with other civic initiatives.

- 6. Integrating Public Art Policy implementation into Capital Project Governance** / Project Development and Delivery Model (PDDM) and the project management methodology, thereby improving artwork project delivery.

The transition from project-based Percent-for-Art budgeting to a program-based annual funding model through a Reserve, and the introduction of an Interdepartmental Public Art Committee promotes integrated and sustainable program management of the public art program, which will, as a result, maximize the benefits of public art investment.

The proposed changes to the public art policy support the direction of the City Plan and CONNECTIONS & EXCHANGES: A 10-Year Plan to Develop Arts and Heritage in Edmonton. For example, The City Plan refers to public art as a contributing factor to activate open space and public facilities throughout the city and also calls for creating partnerships to align public art programs with city capital projects.

#### **Next Steps**

Upon approval of the updated Public Art Policy by Council, Administration will refine the Procedure and develop a detailed Program Manual to guide the implementation of the public art program, including the transition from a Pay-As-You-Go capital funding model to a consolidated Public Art Reserve model. In addition, Administration will set-up an interdepartmental Public Art Advisory Group with terms of reference, to provide strategic guidance on the public art program.

#### **Budget/Financial**

Public art does not qualify as a capital expenditure and is required to be accounted for as an operating expense in accordance with the Public Sector Accounting Board (PSAB). To align with PSAB standards, as public art projects are completed, associated budgets and expenditures are continuously transferred from capital project budgets to operating budgets in Supplemental Capital Budget Adjustment reports. With the establishment of a Public Art Reserve, all budgets and expenditures are properly reflected in the operating budget, which reduces administrative efforts associated with reallocating budgets and tracking expenditures.

The committed Pay-As-You-Go capital funding in the approved 2019-2022 Capital Budget which is earmarked for public art will be redirected to the proposed Public Art Reserve. Therefore, no additional funding for the Reserve will be required during this budget cycle.

The transfer to the Art Reserve in 2021 includes the outstanding budgets as of May 2021 for current Percent-for-Art projects (except the ones funded through the Downtown Community Revitalization Levy (CRL) Reserve). This equates to \$4,534,739, which will be transferred to the reserve in 2021 (Attachment 3).

It should be noted that, due to the statutory requirements of the CRLs, any of the CRL Reserves with Percent-for-Art budget will continue to fund the current public art projects associated with capital projects funded through the CRL, and no CRL Reserve Percent-for-Art funding will be moved to the Public Art Reserve.

Starting in 2023, an annual transfer to the Reserve is intended to consolidate the funding source from many disparate projects into a single pool to allow for enhanced flexibility, efficiency and transparency of the public art program.

As part of the 2023-2026 budget process, public art funding levels will be established in accordance with the following considerations:

- alignment with approved budget funding levels;
- alignment with long-term program strategic and capital plans;
- alignment with lifecycle maintenance and management plans related to public art; and
- historical public art program investment.

Resources to manage the public art program and to support the Edmonton Arts Council’s work throughout the artwork delivery and life cycle will be managed within approved budgets.

**Public Engagement**

Administration worked jointly with Edmonton Arts Council to analyze the current Percent-for-Art policies. A series of workshops with the Edmonton Arts Council were held in 2019. The feedback received in these workshops provided the basis for the proposed update to the current Percent-for-Art policies.

The proposed Public Art Policy takes into consideration the City’s new 10-year strategic plan *Connections & Exchanges: A 10-year Plan to Transform Arts and Heritage in Edmonton*, approved by Council in 2018. *Connections & Exchanges* was supported by extensive public engagement, including a series of public events and consultations with the art industry and the public.

**Corporate Outcomes and Performance Management**

|  |                   |                  |                  |
|--|-------------------|------------------|------------------|
| <b>Corporate Outcome(s):</b> Edmonton is attractive and compact. |                   |                  |                  |
| <b>Outcome(s)</b>  | <b>Measure(s)</b> | <b>Result(s)</b> | <b>Target(s)</b> |

|  |  |                              |  |
|--|--|------------------------------|--|
| Edmonton is an attractive city for all residents and visitors  | Percentage of Edmontonians with access to infrastructure and amenities that improve their quality of life. (Source: Community Perception Survey) | 75% (2019)                   | No targets are set for Connect Edmonton performance indicators |
| Edmontonians feel a sense of belonging and connectedness to people, places and stories *                           | Percentage of Edmontonians that attended arts or cultural events (Source: Community Perception Survey)   | 90% (2019)                   | No targets are set for Connect Edmonton performance indicators |
| Edmonton's neighbourhoods come alive with meaningful and relevant opportunities for participation and engagement * | Quality of arts, heritage, and cultural asset and experiences  | Through a Qualitative Survey | Targets are currently being developed by Edmonton Arts Council |

\* Source: CONNECTIONS & EXCHANGES: A 10-Year Plan to Transform Arts and Heritage in Edmonton - Book 2: Alive with Arts and Heritage

### Risk Assessment

| Risk Element  | Risk Description   | Likelihood   | Impact       | Risk Score (with current mitigations) | Current Mitigations  | Potential Future Mitigations  |
|---|--|--------------|--------------|---------------------------------------|--|---|
| <b>Risks if Not Approved (Current policy &amp; procedure remain in place)</b> |  |              |              |                                       |  |   |
| Financial   | Insufficient or fluctuating funding may impact the efficiency of the Public Art program and the long-term management of the Public Art Collection.             | 3 - possible | 1 - minor    | 3 - low                               | Work with EAC and city business areas to manage Public Art spending so that the current and future needs of the Public Art Collection are met. | Explore establishing a single funding source for public art eg. public art reserve.   |
| Project Management (current funding model)                                    | The decisions of art placement and budgeting are made on a project-by-project basis vs. through a centralised city-wide approach, which affects the benefit of | 3 - possible | 2 - moderate | 6 - low                               | Work with EAC and business areas to manage art placement and budgeting to maximize the benefit of public art investment.                       | Explore creating an Inter- departmental Public Art Committee to advise on art placement and budgeting, to ensure a city-wide approach to decision-making and alignment with higher-level city |

|                          |   |              |              |         |   |   |
|--------------------------|---|--------------|--------------|---------|---|---|
|                          | public art investment.  |              |              |         |   | plans and initiatives.  |
| <b>Risks if Approved</b> |   |              |              |         |   |   |
| Project Management       | The internal mechanisms and processes to achieve the intentions of the policy are not well defined. | 3 - possible | 2 - moderate | 6 - low | Policy and Procedure are being updated on a regular basis in collaboration with EAC.                      | Interdepartmental Public Art Committee will define program roles and processes with a program manual.   |
| Commercial               | Business partner fails to deliver on its obligations under the policy.                              | 1 - rare     | 2 - moderate | 2 - low | The Edmonton Arts Council's obligations on the public art program are governed by a Service Agreement.    | Periodic review and renewal of the Service Agreement with EAC.  |
| Public Perception        | Art Selection - Art is perceived to be offensive and not reflective of community and its values.    | 1 - rare     | 3 -major     | 3 - low | Working with EAC, city staff, and community partners to determine appropriate criteria for art selection. | Applying the principles of the policy and procedure consistently and in continued partnership with EAC. |

**Attachments**

1. Public Art Policy
2. Draft Public Art Procedure (for information only)
3. Budget for Art to be Transferred from Pay-As-You-Go to the Public Art Reserve

**Others Reviewing this Report**

- M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement
- G. Cebryk, Deputy City Manager, City Operations
- A. Laughlin, Deputy City Manager, Integrated Infrastructure Services
- R. Smyth, Deputy City Manager, Citizen Services
- K. Fallis-Howell, Acting City Solicitor