



<p><b>Item 1</b> <b>File 15-0597</b></p>	<p><b>Department:</b> Arts Commission (ART)</p>
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**EXECUTIVE SUMMARY**

**Legislative Objective**

- The Arts Commission is requesting the release of \$50,000 placed on reserve by the Budget and Finance Committee during the FY2014-15 budget review.

**Key Points**

- On June 25, 2014, the Budget and Finance Committee placed \$50,000, appropriated to the Arts Commission’s relocation to the War Memorial’s Veterans Building in September 2015, on Budget and Finance Committee reserve, pending details on the need for such expenditures.
- The Arts Commission’s budget for the relocation to the War Memorial’s Veterans Building has increased by \$266,455, or 23 percent, from the original budget of \$1,148,218 in FY 2014-15 to the revised budget of \$1,414,671. The increase in costs is due to (a) actual costs being higher than estimated costs, and (b) identification of new costs not included in the original estimates.
- The Department’s revised budget for construction and infrastructure has increased by 46 percent, and the revised budget for furniture has decreased by 26 percent. The Department’s revised budget includes new costs for professional services and a 10.7 percent contingency. According to the Arts Commission, the professional services are necessary to pay for temporary registrar and conservator positions to oversee the relocation of the art work; and the contingency is necessary in the event of unforeseen construction and infrastructure work due to the renovation of an historic building.

**Fiscal Impact**

- The Arts Commission plans to spend the requested \$50,000 in FY15-16 on the build-out of a basement storage space, including art storage furniture, labor needed to move the collection into the new space, and other costs related to the Department’s move to the Veterans Building at the War Memorial.
- The total amount of funds currently available to the Arts Commission for costs related to their move to the War Memorial, including the subject reserved funds of \$50,000, is \$1,389,487, leaving an unfunded balance of \$25,184, which will be absorbed by the contingency funds, if needed.

**Recommendation**

- Approve the release of \$50,000 on Budget and Finance Committee Reserve.

## MANDATE STATEMENT

Section 3.3 of the City's Administrative Code provides that the committee of the Board of Supervisors that has jurisdiction over the budget (i.e., Budget and Finance Committee) may place requested expenditures on reserve, which are then subject to release by the Budget and Finance Committee.

## BACKGROUND

On June 25, 2014, the Budget and Finance Committee placed \$50,000, appropriated to the Arts Commission's relocation to the War Memorial's Veterans Building in September 2015, on Budget and Finance Committee reserve, pending details on the need for such expenditures.

## DETAILS OF PROPOSED LEGISLATION

The Arts Commission is requesting the release of \$50,000 placed on reserve by the Budget and Finance Committee during the FY2014-15 budget review.

## FISCAL IMPACT

The Arts Commission's budget for the relocation to the War Memorial's Veterans Building has increased by \$266,455, or 23 percent, from the original budget of \$1,148,218 in FY 2014-15 to the revised budget of \$1,414,671. According to Ms. Rebekah Krell, Deputy Director of the Arts Commission, the increase in costs is due to (a) actual costs being higher than estimated costs, and (b) identification of new costs not included in the original estimates.

Table 1 below shows the Arts Commission's original and revised budget.

**Table 1: Detail of Arts Commission Budget for FY214-15 and FY2015-2016**

	Original Budget	Revised Budget	Increase/ (Decrease)	Percent Change
Construction/ Infrastructure	\$405,016	\$590,447	\$185,431	46%
Furniture	597,468	443,374	(154,094)	(26%)
Moving	141,734	144,733	2,999	2%
Professional Services		75,600	75,600	n/a
Equipment		1,679	1,679	n/a
Miscellaneous	4,000	7,000	3,000	75%
Contingency (10.7%)		\$151,838	\$151,838	n/a
<b>Total</b>	<b>\$1,148,218</b>	<b>\$1,414,671</b>	<b>\$266,453</b>	<b>23%</b>

As shown in Table 1 above, the Department’s revised budget for construction and infrastructure has increased by 46 percent, and the revised budget for furniture has decreased by 26 percent. The Department’s revised budget includes new costs for professional services and a 10.7 percent contingency. According to Ms. Krell, the professional services are necessary to pay for temporary registrar and conservator positions to oversee the relocation of the art work; and the contingency is necessary in the event of unforeseen construction and infrastructure work due to the renovation of a historic building.

The sources and uses of the funds for the Arts Commission’s move to the War Memorial’s Veterans Building are shown in Table 2 below.

**Table 2: Arts Commission Budget for Move to War Memorial’s Veterans Building**

Sources	Amount
FY2014-15 Arts Commission Budget	\$900,000
FY2015-16 Arts Commission Budget	300,000
Department of Technology work order	139,487
<b>Subtotal</b>	<b>1,339,487</b>
Budget and Finance Committee Reserve	50,000
<b>Total Sources</b>	<b>\$1,389,487</b>

  

Uses	Amount
Construction/Building Infrastructure <sup>1</sup>	\$590,447
Furniture	443,374
Moving	144,733
Professional Services	75,600
Equipment	1,679
Miscellaneous	7,000
Contingency	151,838
<b>Total Uses</b>	<b>\$1,414,671</b>

  

<b>Unfunded</b>	<b>(\$25,184)</b>
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Source: Arts Commission

<sup>1</sup> Includes requested \$50,000 on Budget and Finance Committee Reserve

As shown in Table 2 above, the total amount of funds currently available to the Arts Commission for costs related to their move to the War Memorial, including the subject reserved funds of \$50,000, is \$1,389,487, leaving an unfunded balance of \$25,184, which will be absorbed by the contingency funds, if needed.

According to Ms. Krell, the Department will use the requested \$50,000 specifically towards costs associated with the build-out of a basement storage space and related move costs for the City’s civic art collection.

**RECOMMENDATION**

Approve the release of \$50,000 on Budget and Finance Committee Reserve.

San Francisco  
Arts Commission

June 1, 2015

Edwin M. Lee  
Mayor

Tom DeCaigny  
Director of  
Cultural Affairs

Programs:  
Civic Art Collection  
Civic Design Review  
Community Arts & Education  
Cultural Equity Grants  
Public Art  
SFAC Galleries  
Street Artist Licensing

Supervisor Mark Farrell  
Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 244  
San Francisco, California 94102

Subject: Release of Furniture, Fixture, and Equipment (FF&E) Funds from Reserve

Dear Supervisor Farrell:

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The Arts Commission respectfully requests that the Budget and Finance Committee release \$50,000 in reserves placed on the department's budget for fiscal year 2014-15. The Budget and Finance Committee placed \$50,000 of FF&E on reserve as part of the fiscal year 14-16 Annual Appropriation Ordinance. The Budget Analyst recommended the reserve based on uncertainty around cost estimates and timing related to the Department's upcoming move to the Veterans War Memorial building. The department is confirmed to move in September and the release of reserves will allow for us to fund the build out of secure basement storage space and the related relocation costs for the City's civic art collection, both of which are critical to our core Charter mandated function.

Sincerely,

Rebekah Krell  
Deputy Director & CFO

cc: Angela Calvillo  
Kate Howard  
Harvey Rose  
Ben Rosenfield



City and County of  
San Francisco

