

**REPORT TITLE: Implications of Transferring Peel Art Gallery Museum and Archives (PAMA) to the Local Municipalities as Directed by Peel Regional Council**

**FROM: Davinder Valeri, CPA, CA, Chief Financial Officer and Commissioner of Corporate Services**

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## **OBJECTIVE**

To report back to Peel Region Council on the implications of transferring the Peel Art Gallery Museum and Archives (PAMA) to the local municipalities.

## **REPORT HIGHLIGHTS**

- On April 10, 2025, Peel Regional Council directed staff to explore the implications of transferring PAMA to the local municipalities and report back in September.
- The PAMA – Intermunicipal Working Group was established with local representatives from the City of Mississauga, the City of Brampton, the Town of Caledon, and Peel Region to inform and develop the report identifying implications of transferring PAMA to the local municipalities as directed by Regional Council. In addition, a Financial Sub-group was established with representatives from all four municipalities to conduct a deeper analysis of financial requirements and identify financial implications.
- As part of the review, the PAMA Intermunicipal Working Group, and the Commissioners, following consultations with the respective leadership teams, determined that the Archives program would be out of scope of this review.
- The PAMA Intermunicipal Working Group identified implications related to the community, services, governance, legislation, operations, and finances. There are a number of significant implications and risks related to the transfer of Heritage, Arts and Culture from an overall Peel perspective, and these implications and risks may be different for each of the local municipalities as they will be impacted differently.
- Local municipality opinion is that as PAMA is geographically located in the City of Brampton that the City of Brampton should be the owner of the complex in the event council votes to transfer PAMA intact. Alternatively, locals have also expressed that the City of Brampton owns the site and the artifacts and works be transferred to the originating municipality, as a result, splitting the collection. The City of Mississauga has expressed interest in owning their own collection, that they can accommodate operational requirements, and can share access to the collections. All three scenarios were considered while identifying implications.
- If PAMA is transferred, the \$5.87 million budget would be removed from Peel's net tax levy base.
- If PAMA is transferred, the City of Brampton assumes that City of Mississauga and Town of Caledon contributions will cease, creating a tax pressure of approximately \$3.8 million for the City of Brampton.
- From a Regional view, the analysis conducted highlights the significant complexity involved in transferring PAMA to the local municipalities. While the local municipalities believe that

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local delivery may offer benefits such as enhanced community engagement and tailored programming, it also introduces considerable risks. From a Regional perspective, the implications and risks of a potential transfer are substantial and may vary across local municipalities and vary based on the scenario. It introduces considerable legislative, operational, cultural, historical and core service risks that require careful planning and consideration.

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### **DISCUSSION**

#### **1. Background**

At the April 10, 2025, Peel Region Council meeting, Peel Region received direction, as per Motion Resolution 2025-237, which included that staff be directed to report back to a future meeting of Regional Council regarding implications of transferring the PAMA to the local municipalities, and that Regional staff form a working group with City of Brampton and the other interested local municipalities to complete this work; and that the report be brought back to a Regional Council meeting in September.

To prepare for this work, the PAMA Intermunicipal Working Group was established to inform and develop the report regarding implications of transferring the PAMA to the local municipalities (see Appendix I). In addition, a Financial Sub-group with representatives from all four municipalities was also established to conduct deeper analysis of financial requirements and identify financial implications.

#### **2. Scope**

The request was to provide Regional Council with a report that identifies implications of transferring PAMA to the three local municipalities. The scope of the report includes Peel's art gallery, museum, heritage preservation and management, core services, governance and legislative responsibility, operations, financials, contracts and agreements, and cultural and community impact.

As part of the review, the PAMA Intermunicipal Working Group, and the Commissioners, following consultations with the respective leadership teams, determined that the Archives program would be out of scope for this review, and in addition, resident surveys, interviews, and focus groups were not conducted to inform this report.

#### **3. Joint determination that the Archives function falls outside the scope**

As part of the review of the potential transfer of services to local municipalities, the PAMA Intermunicipal Working Group, and the Commissioners representing the local municipalities and Peel, following consultations with the respective leadership teams, determined that the Archives program would be out of scope for this review.

The archival function remains under the responsibility of the Office of the Regional Clerk at the Region of Peel, where it continues to be managed as part of the Region's legislative and records management responsibilities. This includes the identification, preservation, and provision of access to official records and historical documents of the Region of Peel in accordance with applicable legislative and policy requirements. A Regional archives function remains necessary regardless of the potential transfer of PAMA.

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Although the Archives program is out of scope, the Archives collection, and its current space within the PAMA facility, must remain there until a suitable alternative location is identified, regardless of any potential transfer.

Further details related to the history and background of the Archives are available in Appendix IV.

### **4. Approach**

The identification and analysis of implications was conducted through a structured, multi-step approach, which included a review of PAMA's current state of operations, identification of implications based on scenarios and the local response to implications.

On behalf of the PAMA Intermunicipal Working Group, Peel facilitated a series of five structured meetings to review PAMA's operations and gain a collective understanding of its functions, services, and requirements. These sessions included workshops to identify and communicate potential implications and risks to local representatives, provide any necessary data, operational reports, and financial information.

To support the approach, Peel staff developed a matrix which included suggested business categories designed to address the various dimensions of service, including core services, programs and education, governance and administration responsibility, legislative and compliance requirements, financials, cultural and community impact, heritage and collections preservation and management, and operations.

This matrix was proposed, validated, and finalized with the input of the PAMA Intermunicipal Working Group. Once agreed to, the matrix was used to identify implications in each area, and the three local municipalities completed their assessment based on their respective evaluations and were provided with an opportunity to provide municipal specific feedback, share their perspective and response to implications, along with identifying mitigation strategies. Input from the local municipalities was a critical component in ensuring that the analysis reflected their interest, response, operational realities, and governance priorities. Further details on the matrix are available in Appendix III.

As a result, the discussion led to three scenarios for consideration:

- Transfer PAMA to the three local municipalities as requested by Regional Council
- Transfer ownership of PAMA (intact) to the City of Brampton
- That the City of Brampton own the site and the artifacts and works be transferred to the originating municipality

### **5. PAMA's Current State of Operations**

This phase of the analysis focused on reviewing PAMA's current business model, and the services it provides at the Regional level. Peel staff provided the PAMA Intermunicipal Working Group with a fulsome overview of PAMA's current state to ensure a collective understanding of all services and operations, including their connection to culture and the community.

A current state document was developed and shared by Peel staff (see Appendix II) along with other relevant data on PAMA's history, its mandate, core programs and services, organizational structure and staffing, funding and budgets, collections, donors, and memberships, governance and legal responsibilities, operational support systems, and visitor statistics. This insight was used

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as a basis to identify implications and risks by evaluating changes to governance and service delivery.

### 6. IMPLICATIONS

With consideration to the possible scenarios, the following implications, from a Regional perspective, have been identified as high impact. These implications require thorough planning and proactive risk mitigation.

- **Loss of Peel County Heritage:** PAMA provides resources to the community that cover the geographical area of the current Peel Region for the time prior to the formation of the County of Peel in 1851 to the present day. Splitting PAMA will result in a loss of more than 50 years of collecting, preserving, and presenting Peel's cultural heritage. If PAMA transfers intact, with a focus on preserving Peel history, this may be avoided.
- **Redistribution of Assets and Loss of Cultural Value:** The 22,000-piece collection in addition to 29,000 archaeological objects, valued at over \$18 million, reflects Peel's shared heritage (regional, national, and international). Decisions would be required on the redistribution of assets and splitting them up could reduce their value.
- **Challenge to Separate Artifacts:** There are no clear criteria for dividing the collection, and many items have complex or unknown origins. Criteria and a process to sort artifacts and works by location will need to be developed and agreed to by local municipalities.
- **Collection Stewardship:** PAMA has the largest combined arts and historical artifact collection in the Region of Peel with approximately 22,000 artifacts. Dividing the collection requires a fair, agreed-upon criteria due to shared ownership and complex histories. Moving to all three locals, or a single-municipality model could result in a conflict with the Donors original intent and the benefit of the Regional lens to the community. These Donor agreements (living and non-living) in both scenarios will need to be reviewed with a legal lens and may require the item to be returned to the Donor if they are not interested in transferring to a local municipality.
- **Copyright Issues:** A new owner would need to renegotiate image rights for artworks. The licences would need to be renegotiated between the owner of the copyright and the new PAMA owner.
- **Category A Status:** PAMA's top-tier designation is held by the Region and cannot be transferred. Any new entity must apply independently for this status. While the City of Mississauga Museums meets the criteria for Class A designation, it is unclear whether it currently holds it. The City of Brampton and the Town of Caledon do not hold Class A status, as they do not operate museums or art galleries.

Under the *Cultural Property Export and Import Act*, transferring cultural property to organizations without Category A status has implications depending on the type of object:

1. Designated Cultural Property – certified by the Canadian Cultural Property Export Review Board (CCPERB), and
2. Non-designated Cultural Property – not certified by CCPERB.

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According to Canadian Heritage guidelines, if a public authority can no longer preserve designated property, it should be transferred to another designated organization. If none are available, transfer to a public institution with a similar mandate is recommended. For certified cultural property, organizations must consult the Charities Directorate of the Canada Revenue Agency before any transfer, as penalties may apply to the institution that is transferring works under the *Income Tax Act*.

Designated items should be transferred to another Class A institution, with decisions made on a case-by-case basis. Non-designated items may be transferred to Brampton, Caledon, or Mississauga, but placing them in storage with lower environmental standards could risk damage to the object.

- **Storage Capacity:** Class A-standard storage is required, along with practical short-term solutions to meet operational needs. The City of Brampton has indicated they will arrange for appropriate storage; the City of Mississauga has confirmed that they have a storage facility, yet not the capacity or Class A designation to hold the collections, and the Town of Caledon does not currently have available storage.
- **Environmental Standards:** Museum-quality storage and climate controls must be maintained. A local municipality would have to ensure that environmental standards are maintained.
- **Compliance with *Ontario Heritage Act*:** The facility is protected under the *Ontario Heritage Act* overseen by Ontario Heritage Trust. Under this legislation, anyone operating or managing heritage goods must adhere to all applicable legislation to restore, renovate, disturb, or alter. A new owner or operator must ensure compliance with the legislative responsibilities.
- **Register New Ownership with *Ontario Heritage Act*:** If there is a transfer of the facility, the local municipality taking ownership will need to register with the Ontario Heritage Trust and consider transitional regulations noted in Section 71.
- **Compliance with Standards:** PAMA follows provincial and national cultural standards. Any transition to local municipalities must ensure continued compliance with the *Ontario Heritage Act*.
- **Education and Programming:** Lack of a regional approach may result in loss of regional school program participation and community partnerships which will impact PAMA's program revenue, funding, and service offerings, especially for specialized offerings. PAMA's role as an educational resource - especially in sharing Indigenous histories - could be significantly reduced. The agreement with Indigenous communities is based on an established regional approach and changes would result in revisiting this agreement and if amendable, potentially having to alter programming.

There is a potential loss of future revenue from regional school programming if collections and programming do not represent the local municipality. In 2024, 80 percent of educational and program attendees were from the City of Brampton, 18 percent came from City of Mississauga and 2 percent from the Town of Caledon. To help increase participation from Mississauga and Caledon areas, PAMA introduced the Creative Access Fund to subsidize school program and transportation costs which has been an obstacle for some Mississauga and Caledon schools. Without this fund, there will be less appeal for Mississauga and

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Caledon residents to participate and is a potential loss revenue in these areas as it would appeal mainly to Brampton residents.

The Brampton Caledon Community Foundation funds creative expression programs. There is a risk to continue to offer the program in the City of Mississauga if owned by the City of Brampton. Potential loss of community partnerships and specialized programming as Brampton talent does not include all genres, such as, Arabic Orchestra which is from Mississauga with no local equivalent. Should a transfer occur, the Region and locals must involve Indigenous partners early and meaningfully to maintain trust and advance Truth and Reconciliation and establish a clear transition and communication plan.

The PAMA buildings has a total of 60,879 square feet. Of this, approximately 25,013 square feet is considered programming space and is regularly utilized. Peel defines suitable programming space to include exhibition areas, classrooms, studios, entrance lobbies, the tunnel, historic courthouse and brides room, council chambers, meeting rooms, and the archival reading room. This excludes staff offices, break rooms, mechanical rooms, washrooms, storage areas, and adjacent spaces such as corridors and stairwells. If precise measurements of programmable space are required, a third-party professional review will be necessary to confirm.

- **Community and Cultural Impact:** PAMA is Peel Region's cultural hub, connecting diverse communities across the region. Splitting or transitioning away from its regional model risks fragmenting services, lowering engagement, and weakening Peel's cultural identity. A local-only approach could limit access for schools and community groups, reduce cross-boundary collaboration, and diminish specialized programs and partnerships.
- **Branding Recognition:** PAMA's brand is closely connected to Peel's identity, and any changes could result in public confusion, reduced engagement, and will require reinvestment. As the Region owns key brand assets, a transition must be carefully managed. Renaming would require time and additional funding to rebuild recognition and could negatively impact programs, partnerships, and community interest. Additional costs would include updating signage (inside and outside the building, local area, and online), managing the transition process, and addressing potential impacts on visitor traffic and community engagement.

### FINANCIAL IMPLICATIONS

The following key financial implications have been identified:

- **Operations:** The current approved 2025 Budget includes Total Expenditures of \$6.185 million and Total Revenue of \$315 thousand resulting in a Net Expenditure of \$5.87 million. These funds are required to provide the current service level to the community including all support functions required. The cost of support services included in the 2025 budget is \$0.8 million. The \$5.87 million net expenditure is funded by each of the three local municipalities in the amounts outlined in the table below according to the Current Value Assessments outlined in the 2025 Final Levy By-law report approved by Council on March 20, 2025.

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- **2025 Apportionment of PAMA**

Municipality	Share Based on Current Value Assessment	Apportionment
City of Brampton	35.4186%	\$2,078,901
Town of Caledon	6.8571%	\$402,476
City of Mississauga	57.7243%	\$3,388,139
<b>Total</b>	<b>100.0000%</b>	<b>\$5,869,516</b>

If PAMA is transferred, then Peel would no longer include the \$5.87 million as part of its net tax levy and would remove any related user fees from its user fee by-law. Each of the three local municipalities would be responsible for adjusting their respective tax levies to reflect whatever agreement is made between them post-transition. The City of Brampton notes that the financial impact will depend on the future operating model, revenue strategy, and transition arrangements, which require further review.

If PAMA transfers to the City of Brampton, the City of Brampton assumes that the City of Mississauga and the Town of Caledon contributions will cease, creating a tax pressure of approximately \$3.8 million for the City of Brampton. By way of PAMA's Intermunicipal Working Group and the Financial Sub-group, the Region has provided financial details for local consideration, however, the City of Brampton requests that the Region provide additional clarity on baseline operating costs, confirm treatment of reserves, and ensure all current grants and contracts are clarified should Council decide to transfer PAMA. In addition, the City of Brampton indicated that an operational review would be required to align costs and revenues within the City of Brampton's fiscal framework.

- **Capital Program:** As shared through the 2025 – 2028 Business Plan and 2025 Budget Document, there was a total of \$2.591 million of capital work in progress from capital projects approved prior to the 2025 Budget. In 2025, an additional \$1.467 million of capital work was approved. All the capital work relates to maintaining the heritage buildings or mould remediation and funded from existing capital reserves. In the event of a transfer, direction would be required to determine how best to address capital work in progress. The 2025 – 2034 Capital Plan endorsed by Council for planning purposes has a total value of \$19.167 million with all the planned work related to major maintenance of the buildings. As mentioned above, \$1.467 million of capital work was approved for 2025 leaving \$17.7 million of future capital work to be considered in future years. The City of Brampton requests that the Region needs to complete and fund all capital projects in progress prior to transfer.
- **Capital Reserves:** The current annual capital reserve contributions identified to fund the repair and replacement needs of the asset are \$627 thousand per year or \$6.3 million over 10 years, compared against a projected 10-year capital plan of \$19.2 million, which is a shortfall of \$12.9 million or \$1.3 million per year.

The City of Brampton requests that as part of transition, a full 10-year capital plan review is required, with costs broken down by heritage compliance, Class A requirements, state of good repair, and program enhancements. Disclosure of deferred maintenance (e.g., \$12.9 million shortfall) needed before the City of Brampton can assess which priorities to assume. From a Regional perspective, the \$12.9 million shortfall is not deferred maintenance. It is

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planned capital work, and Peel's financing plan is to raise the contributions over the duration of the capital plan through a corporate infrastructure levy.

- **Asset Value:** In addition to the operating and capital budgets, the PAMA buildings have an estimated asset value (as of 2023) of \$45.2 million as well as art, historical artifacts, and archives worth \$18 million. PAMA also has endowments and invested funds that are valued at over \$900 thousand with many having specific criteria associated with their usage. However, revenues related to endowments are not included in the operating budget as they are not used for funding regular operations. The review of Endowments/Invested Funds is viewed as a post-council decision exercise as each endowment is subject to its own set of terms and conditions and therefore no generalizations can be made. Should PAMA's assets including buildings, collections, and investments be transferred to two or fewer local municipalities, the remaining municipalities could potentially seek to receive compensation for their historical financial contributions.

In summary, from a Regional perspective, the \$5.87 million operating budget would be removed from Peel's net tax levy base. The decrease in Peel's total revenue, decrease in assets, and changes to future capital reserve requirements do not materially impact its overall financial risk. If PAMA transfers to the City of Brampton, the City of Brampton assumes that the City of Mississauga and the Town of Caledon contributions will cease, creating a tax pressure of approximately \$3.8 million for the City of Brampton. The City of Brampton has indicated that their decision to take on PAMA is predicated on them developing a sustainable business plan and financial model that demonstrates the City of Brampton's ability to operate and maintain this service and associated assets in a fiscally responsible manner. The City of Brampton has said that should a transfer occur; a review will be required to align costs and revenues within the new owner's fiscal framework.

Consistent with the City of Brampton's perspective, the City of Mississauga's expectation would be that the full net operating budget would be reduced by the Region, and each local municipality would be individually expected to adjust their tax funding to serve their own needs. The Town of Caledon has not expressed any financial expectations.

Additional implications and responses are outlined in Appendix III: Consolidated List of Implications for further reference.

### **7. Local Response to implications**

At the July 8, 2025, PAMA Intermunicipal Working Group meeting, it is the locals consolidated position that as PAMA is geographically located in the City of Brampton that the City of Brampton should be the owner of the complex in the event council votes to transfer PAMA. Alternatively, the City of Brampton owns the site and the artifacts and works be transferred to the originating municipality. The City of Mississauga has expressed that they can accommodate operational needs, meet requirements, and can share access to the collections presenting a scenario to potentially transfer to more than one municipality.

While the Region has identified several significant implications and risks in the analysis, the three local municipalities perspective is that they are not insurmountable. Local municipalities believe that with a clear transition strategy, robust governance frameworks, and collaborative inter-municipal coordination, the transfer of PAMA can be a catalyst for cultural transformation and community empowerment in the City of Brampton and provide the possibility to further support the active arts, culture, and heritage sector locally within the City of Mississauga. In addition, local

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municipalities acknowledge that staffing, expertise, and service continuity will need to be addressed as part of any transition planning.

Each municipality plans to provide their own report to their respective Council, outlining the specific risks and considerations from their local perspective. These implications and risks may be different for each of the local municipalities as they will be impacted differently.

Local response to specific implications has been included in other parts of this report and appendices.

### **RISK CONSIDERATIONS**

As outlined throughout the report, from a Regional view, the implications carry significant risks. The analysis conducted by the PAMA Intermunicipal Working Group highlights the complexity involved in transferring PAMA to the local municipalities. While the local municipalities believe that local delivery may offer benefits such as enhanced community engagement and tailored programming, from a Regional perspective, the implications are substantial and may vary across local municipalities and vary based on the scenario. It introduces considerable legislative, operational, cultural, historical and core service risks that require careful planning and consideration. If Regional Council requires additional analysis and transition planning, staff will need guidance from Council on the appropriate next steps.

### **PROPOSED NEXT STEPS**

Should Regional Council want to pursue the implications; the following planning requirements will need to be considered:

- a. Local municipalities and key stakeholders carefully identify and elaborate on transition requirements, business planning, and create a clear transition plan, including implementation costs, and logistics to inform decision making. This requires a communication plan and stakeholder engagements, which can be led by the Region, with joint participation from locals. If one municipality assumes ownership of PAMA, it would be most effective for them to lead the overall transition efforts in close collaboration with the Region and other local stakeholders.
- b. A framework will be required, including agreed-to-criteria and a process for artifact division and access rights to the collections. This will need to be done in consultation with donors and indigenous communities. As well the new owner will need to formally assess and address costs and logistics for collection transfer (e.g., packing, transport).
- c. A decision will be required on how all funded capital projects that are in progress will be handled, including state of good repair and program enhancements.
- d. Financial and operational planning will be required by local municipalities to address the \$3.8 million tax pressure and any other operational costs, including required staffing and support services. This may require an operational review to align with the new owner's fiscal framework.

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- e. Longer term planning for the usage of space at PAMA to house the Regional Archives will need to be considered. If there is a need or desire to relocate the Archives, a suitable alternate location must be sourced, with corresponding budget to ensure sufficiency of space and operational requirements. As the Regional Archives collection is currently spread out amongst various locations due to insufficiency of space, an alternate location large enough to house the collection together would be optimal. For the time being, Regional Archives must remain at PAMA, and this will require an agreement to formalize the continued use of PAMA space for archives should PAMA be transferred from Regional ownership.
- f. A period of due diligence will be required to review all existing agreements and contracts, including where any necessary legal agreements, legislative or compliance requirements, and licences need to be formalized.

### **CONCLUSION**

Given these complexities, a coordinated, carefully planned, consensus-driven approach is essential to ensure the protection of cultural assets, continuity of service, and long-term sustainability of PAMA.

### **APPENDICES**

Appendix I - PAMA Intermunicipal Working Group Terms of Reference

Appendix II - PAMA Current State Summary

Appendix III - Consolidated List of Implications

Appendix IV - History and Background of the Archives Program

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