

# Analyst Briefing Notes

## Economic Development and Parks Committee

January 16, 2005

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Contacts: Alan Cohen, Manager, Financial Planning Division  
Tel: (416) 392-3740

Susan Bury, Senior Financial Planning Analyst  
Tel: (416) 397-4225

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## PART I: 2006 Operating Budget Overview (Consolidated)

**Table 1: 2006 Proposed Budget (Consolidated)**

	2005		2006 Proposed Operating Budget			Change 2006 Proposed from 2005 Budget		FY Incremental Outlook	
	2005 Approved Budget	2005 Proj Act.	2006 Proposed Base	2006 New Council Priorities	2006 Proposed Op. Bud.			2007	2008
(In \$000s)	\$	\$	\$	\$	\$	\$	%	\$	\$
<b>GROSS EXP.</b>	44,157.3	44,157.3	44,107.0	246.9	44,353.9	196.6	0.4	0.0	0.0
<b>REVENUE</b>	5,295.2	5,295.2	4,995.2	177.8	5,173.0	(122.2)	(2.3)	0.0	0.0
<b>NET EXP.</b>	38,862.1	38,862.1	39,111.8	69.1	39,180.9	318.8	0.8	0.0	0.0
<b>Approved Positions</b>	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.0	0.0
<b>TARGET</b>			<b>TBD</b>						
<b>\$ Over / (Under) Program Target</b>			<b>TBD</b>						
<b>% Over / (Under) Program Target</b>			<b>TBD</b>						

### Executive Summary

- The 2005 Projected year-end net expenditures of \$38.862 million net is projected to be fully spent by year-end.
- The 2006 Proposed Budget for the Community Partnership and Investment Program of \$44.354 million gross, \$39.181 million net is comprised of \$39.112 million net for Base funding and \$0.069 million net for New Council Priorities. The Proposed Budget is a \$0.319 million or 0.8% increase from the 2005 Approved Budget. The Base Budget increase is primarily due to annualizations in the Community Services Grant Program and staffing increases for Toronto Arts Council Operations Program approved during 2005. The 2006 Proposed New Priority funding is for Toronto Arts Council compensation adjustments as recommended in the 2005 program review and realignments of funding for the Homelessness Initiative Fund.
- As in previous years, no target has been established for the Community Partnership and Investment Program. A Briefing Note, entitled “2006 Community Partnership and Investment Program Budget Request,” has been completed detailing the implications of increasing the CPIP Base by 2 to 2.5%.

**PART II: Economic Development and Parks Committee**

**Section A: Community Partnership and Investment Program Envelopes**

The Community Partnership and Investment Program includes the following three grants service envelopes, which are under the purview of the Economic Development and Parks Committee:

- Arts and Culture
- Recreation
- Economic Development

**2006 Proposed Budget  
Economic Development and Parks Committee**

	2005		2006 Proposed Operating Budget			Change 2006 Proposed from 2005 Budget		FY Incremental Outlook	
	2005 Approved Budget	2005 Proj Act.	2006 Proposed Base	2006 New Council Priorities	2006 Proposed Op. Bud.	\$	%	2007	2008
(In \$000s)	\$	\$	\$	\$	\$	\$	%	\$	\$
Arts and Culture	15,512.1	15,512.1	15,525.3	37.1	15,562.4	50.3	0.3		
Recreation	1,280.4	1,280.4	1,280.4		1,280.4				
Economic Development	541.3	541.3	541.3		541.3				
<b>GROSS EXP.</b>	17,333.8	17,333.8	17,347.0	37.1	17,384.1	50.3	0.3	0.0	0.0
Arts and Culture									
Recreation									
Economic Development									
<b>REVENUE</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Arts and Culture	15,512.1	15,512.1	15,525.3	37.1	15,562.4	50.3	0.3		
Recreation	1,280.4	1,280.4	1,280.4		1,280.4				
Economic Development	541.3	541.3	541.3		541.3				
<b>NET EXP.</b>	17,333.8	17,333.8	17,347.0	37.1	17,384.1	50.3	0.3	0.0	0.0
<b>Approved Positions</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TARGET</b>			<b>TBD</b>						
<b>\$ Over / (Under) Program Target</b>			<b>TBD</b>						
<b>% Over / (Under) Program Target</b>			<b>TBD</b>						

### Executive Summary

- The 2005 Projected Net Expenditures are projected to be at the budget of \$17.334 million by year-end.
- The 2006 Proposed Budget of \$17.384 million includes a Base Budget adjustment of \$0.013 million for the annualization of two positions approved in the 2005 Operating Budget for the Toronto Arts Council Operations Program and a Proposed New funding adjustment of \$0.037 million to adjust the compensation package for the Toronto Arts Council Operations Program, as approved by Council on February 1-3, 2005.
- Approval of the 2006 Proposed Budget results in no incremental changes for 2007.

### Recommendations

It is recommended that:

- (1) The 2006 Proposed Operating Budget of \$15.562 million gross and net, for the Community Partnership and Investment Program, Arts and Culture Service Envelope, comprised of the following services, be approved:

Grant Program	Gross (\$000's)	Net (\$000's)
<u>Arts and Culture</u>		
Toronto Arts Council Grants	8,913.3	8,913.3
Toronto Arts Council Operation Program	939.3	939.3
Major Organizations	3,936.7	3,936.7
Royal Winter Fair	884.7	884.7
Local Art Services Organizations	330.2	330.2
Museums	77.4	77.4
Artscape	230.8	230.8
Culture Build	250.0	250.0
	<hr/>	<hr/>
Total Arts and Culture Grants	<u>15,562.4</u>	<u>15,562.4</u>

- (2) The 2006 Proposed Operating Budget of \$1.280 million gross and net, for the Community Partnership and Investment Program, Recreation Envelope, comprised of the following services, be approved:

Grant Program	Gross (\$000's)	Net (\$000's)
Major Recreation	824.9	824.9
Minor Recreation	426.2	426.2
Lawn Bowling	<u>29.3</u>	<u>29.3</u>
 Total Recreation Grants	 <u><u>1,280.4</u></u>	 <u><u>1,280.4</u></u>

- (3) The 2006 Proposed Operating Budget of \$0.541 million gross and net, for the Community Partnership and Investment Program, Economic Development Service Envelope, comprised of the following services, be approved:

Grant Program	Gross (\$000's)	Net (\$000's)
Economic Development Sector Initiatives (EDSIP)	220.5	220.5
Economic Sponsorship Initiatives (ESI)	137.0	137.0
Commercial Research	43.8	43.8
Community Festivals	<u>140.0</u>	<u>140.0</u>
 Total Economic Development Sector Initiatives	 <u><u>541.3</u></u>	 <u><u>541.3</u></u>

- (4) The Deputy City Manager responsible for Arts and Culture Grants, in consultation with the Chief Financial Officer, report to Budget Advisory Committee during the 2006 Operating Budget Process, on the appropriateness and financial implications of transferring the Royal Agricultural Winter Fair funding to Exhibition Place; and
- (5) Consideration of funding for the Variety Village request of \$0.125 million be deferred pending a report from the Deputy City Manager in consultation with the Chief Financial Officer to Budget Advisory Committee as part of the 2006 Operating Budget Process, on the operational and financial viability of the organization and proof of continued support from the Provincial government.
- (6) Consideration of funding totaling \$1.428 million be deferred pending Council direction for the promotion and funding of TO Live with Culture during 2006, for the following Grant requests:
- Toronto Arts Council (\$1.097 million)
  - Major Arts Organizations (\$0.300 million)
  - Local Arts Service Organizations (\$0.016 million)
  - Artscape (\$0.015 million)

**Section B: Proposed Operating Budget Overview****Arts and Culture Service Envelope**

The Arts and Culture service envelope includes the following eight grant programs:

1. Toronto Arts Council Grant Program

The Toronto Arts Council (TAC) is an independent, non-profit organization that administers grants programs that support Toronto artists and arts organizations. TAC operates at arm's length from the City, under the terms of a five-year agreement that expires on December 31, 2006.

2. Toronto Arts Council Operations

The proposed funding supports the operations of administering the Toronto Arts Council Grants Program. Under provisions of the five-year agreement between the City and TAC, the Operations grant cannot exceed ten percent of the combined total of the Toronto Arts Council Grants Program and the Toronto Arts Council Operations Grant.

3. Major Cultural Organization Grants Program

The Major Cultural Organizations Grants Program provides financial support to enhance the major cultural organizations that are recognized as essential cultural ambassadors for the City, and programs that have a significant impact on the regional economy.

4. Royal Agricultural Winter Fair

This is a specific grant provided to the Royal Winter Fair Association to cover the rental costs of Exhibition Place usage to present the annual event. The mandate of the Royal Agricultural Winter Fair is to promote excellence in agriculture, horticulture and equestrian activities through world-class competitions, exhibitions and education.

5. Local Arts Services Organization Grants Program

The Local Arts Service Organization Grants Program (LASO) facilitates cultural development and opportunities throughout the City by providing financial support to local arts service organizations.

6. Museums Grants Program

The Museums Grants Program provides core and ongoing funding to three organizations: Campbell House, The Friends of Fort York and Toronto's First Post Office. Funding provides the organizations with a consistent level of operating funding to achieve their mandates in support of the City's and Culture Plan's goals.

7. Artscape

This is a specific grant provided to the non-profit organization, Toronto Artscape, to create space for the arts, while building communities and revitalizing neighbourhoods. Artscape's property portfolio includes a mix offering low-cost studios, retreat and residency, live-work spaces, office and galleries to individual artists, arts service organizations and non-profit art organizations.

8. Culture Build

The Culture Build Grants Program provides support to Toronto's not-for-profit cultural facilities to bring the facilities into a state of good repair.

Grants Service Envelope: Arts & Culture

2006 Proposed Budget

(In \$000s)	2005		2006 Proposed Operating Budget			Change 2006 Proposed from 2005 Budget		FY Incremental Outlook	
	2005 Approved Budget	2005 Proj Act.	2006 Proposed Base	2006 New Council Priorities	2006 Proposed Op. Bud.	\$	%	2007	2008
	\$	\$	\$	\$	\$	\$	%	\$	\$
Toronto Arts Council Grant Program	8,913.3	8,913.3	8,913.3		8,913.3				
Toronto Arts Council Operation Program	889.0	889.0	902.2	37.1	939.3	50.3	5.7		
Major Organizations	3,936.7	3,936.7	3,936.7		3,936.7				
Royal Winter Fair	884.7	884.7	884.7		884.7				
Local Arts Services Organizations	330.2	330.2	330.2		330.2				
Museums	77.4	77.4	77.4		77.4				
Artscape	230.8	230.8	230.8		230.8				
Culture Build	250.0	250.0	250.0		250.0				
<b>GROSS EXP.</b>	15,512.1	15,512.1	15,525.3	37.1	15,562.4	50.3	5.7	0.0	0.0
Toronto Arts Council Grant Program									
Toronto Arts Council Operation Program									
Major Organizations									
Royal Winter Fair									
Local Arts Services Organizations									
Museums									
Artscape									
Culture Build									
<b>REVENUE</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Toronto Arts Council Grant Program	8,913.3	8,913.3	8,913.3		8,913.3				
Toronto Arts Council Operation Program	889.0	889.0	902.2	37.1	939.3	50.3	5.7		
Major Organizations	3,936.7	3,936.7	3,936.7		3,936.7				
Royal Winter Fair	884.7	884.7	884.7		884.7				
Local Arts Services Organizations	330.2	330.2	330.2		330.2				
Museums	77.4	77.4	77.4		77.4				
Artscape	230.8	230.8	230.8		230.8				
	250.0	250.0	250.0		250.0				
<b>NET EXP.</b>	15,512.1	15,512.1	15,525.3	37.1	15,562.4	50.3	5.7	0.0	0.0
<b>Approved Positions</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TARGET</b>			<b>TBD</b>						
<b>\$ Over / (Under) Program Target</b>			<b>TBD</b>						
<b>% Over / (Under) Program Target</b>			<b>TBD</b>						

- The 2005 Projected Net Expenditures are projected to be at budget of \$15.512 million gross and net by year-end.
- The Proposed Base Budget service level adjustments of \$0.050 million in Toronto Arts Council Operation Program includes a Base Budget increase of \$0.013 million for the annualization of two positions approved in the 2005 Operating Budget and Proposed New funding of \$0.037 million to adjust the compensation package as approved by Council on February 1-3, 2005.
- Approval of the 2006 Proposed Budget results in no incremental changes for 2007.

**Recreation Service Envelope**

The Recreation service envelope includes the following three grant programs:

1. Major Recreation Grants Program

The Major Recreation Grants Program provides ongoing funding to community organizations that provide recreation programs to City residents. It provides a structured link between the Parks and Recreation Division and organizations, to ensure coordination of planning and service delivery.

2. Minor Recreation Grants Program

The Minor Recreation Grants Program supports specific time-limited activities. The Program provides seed funding for new organizations and administration funding for the continuing operation of established organizations that have demonstrated their financial viability.

3. Lawn Bowling Grants Program

The Lawn Bowling Grants Program provides support to local lawn bowling clubs.

Grants Service Envelope: Recreation

2006 Proposed Budget

	2005		2006 Proposed Operating Budget			Change 2006 Proposed from 2005 Budget		FY Incremental Outlook	
	2005 Approved Budget	2005 Proj Act.	2006 Proposed Base	2006 New Council Priorities	2006 Proposed Op. Bud.	\$	%	2007	2008
(In \$000s)	\$	\$	\$	\$	\$	\$	%	\$	\$
Major	824.9	824.9	824.9		824.9				
Minor	426.2	426.2	426.2		426.2				
Lawn Bowling	29.3	29.3	29.3		29.3				
<b>GROSS EXP.</b>	1,280.4	1,280.4	1,280.4	0.0	1,280.4	0.0	0.0	0.0	0.0
Major									
Minor									
Lawn Bowling									
<b>REVENUE</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major	426.2	824.9	824.9		824.9				
Minor	29.3	426.2	426.2		426.2				
Lawn Bowling	1,280.4	29.3	29.3		29.3				
<b>NET EXP.</b>	1,280.4	1,280.4	1,280.4	0.0	1,280.4	0.0	0.0	0.0	0.0
<b>Approved Positions</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TARGET</b>			<b>TBD</b>						
<b>\$ Over / (Under) Program Target</b>			<b>TBD</b>						
<b>% Over / (Under) Program Target</b>			<b>TBD</b>						

- The 2005 Projected Net Expenditures are expected to be at budget of \$1.280 million by year-end.
- The 2006 Proposed Budget is flat-lined over the 2005 Approved Budget. Two new requests were not proposed, given the City’s affordability issues.
- Approval of the 2006 Proposed Budget results in no incremental changes for 2007.

**Economic Development Service Envelope**

The Economic Development service envelope includes the following four grant programs:

1. Economic Development Sector Initiatives Program (EDSIP)

The EDSIP Grants support the initiation or expansion of projects that are expected to yield substantial economic development benefits for the City, by contributing to the size of the local economy through new economic growth and job creation.

2. Economic Sponsorship Initiatives (ESI)

ESI provides ongoing support for projects which have outgrown EDSIP support, thereby supporting the City's emerging economic development strategy.

3. Commercial Research Grants Program

The Commercial Research Grants Program provides grants to business improvement areas and business associations, to support the development of strategies improving the economic viability of their commercial areas. Funding is provided for research and consultant assistance to design comprehensive streetscape plans, to identify local economic issues, to develop area business plans or to improve organizational capacity.

4. Community Festivals and Special Events Grants Program

The Community Festivals and Special Events Grants Program provides financial support to festivals and events to grow and increase their effectiveness, while encouraging organizers to work towards self-sustainability for their community events.

Grants Service Envelope: Economic Development

2006 Proposed Budget

(In \$000s)	2005		2006 Proposed Operating Budget			Change 2006 Proposed from 2005 Budget		FY Incremental Outlook	
	2005 Approved Budget	2005 Proj Act.	2006 Proposed Base	2006 New Council Priorities	2006 Proposed Op. Bud.	\$	%	2007	2008
	\$	\$	\$	\$	\$			\$	\$
E.D.S.I.P.	220.5	220.5	220.5		220.5				
E.S.I.	137.0	137.0	137.0		137.0				
Commercial Research	43.8	43.8	43.8		43.8				
Community Festivals	140.0	140.0	140.0		140.0				
<b>GROSS EXP.</b>	541.3	541.3	541.3	0.0	541.3	0.0	0.0	0.0	0.0
E.D.S.I.P.									
E.S.I.									
Commercial Research									
Community Festivals									
<b>REVENUE</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
E.D.S.I.P.	220.5	220.5	220.5		220.5				
E.S.I.	137.0	137.0	137.0		137.0				
Commercial Research	43.8	43.8	43.8		43.8				
Community Festivals	140.0	140.0	140.0		140.0				
<b>NET EXP.</b>	541.3	541.3	541.3	0.0	541.3	0.0	0.0	0.0	0.0
<b>Approved Positions</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TARGET</b>			<b>TBD</b>						
<b>\$ Over / (Under) Program Target</b>			<b>TBD</b>						
<b>% Over / (Under) Program Target</b>			<b>TBD</b>						

- The 2005 Projected Net Expenditures are expected to be at budget of \$0.541 million by year-end.
- The 2006 Proposed Budget is flat-lined over the 2005 Approved Budget. One new request was not proposed, given the City’s affordability issues.
- Approval of the 2006 Proposed Budget results in no incremental changes for 2007

**Section C: 2006 Base Budget Issues****Key Issues / Recommendations**

None.

**Issues Referred to 2006 Operating Budget Process****Implication of Base Budget Increase of 2% – 2.5%**

On November 1, 2005, the Budget Advisory Committee requested a Briefing Note on how a 2% – 2.5% increase to the Base Budget for CPIP, to provide consistency with corporate guidelines for operating budgets, would be applied to the Program. Taking into consideration the 0.6% increase in Proposed Base Adjustments, this would equate to an additional \$0.528 - \$0.722 million to the Proposed Base Budget for the Consolidated Grants Program.

As requested, a Briefing Note entitled, “2006 Community Partnership and Investment Program Budget Request,” has been prepared to discuss the funding distribution options, as well as to discuss past increases and to provide explanation of the difference between Partnership and Investment Programs.

Two options have been provided for distribution:

1. A COLA-style increase to CPIP, addressing the increased costs to operate and administer programs in the community by maintaining their “purchasing power. This type of increase would be applied to each service envelope based on Council-approved priorities”; or
2. Increase to the overall CPIP budget applied only to Partnership Programs which provide ongoing “core” funding consistent with Council approved priorities. Currently there are eight Partnership Programs that would receive funding under this option.

**2006 Target**

As in previous years, no target has been established for the Community Partnership and Investment Program. At a flat-line position, of the 2005 Approved Operating Budget of \$38.862 million, the 2006 Proposed Base Budget is \$0.250 million or 0.6% over budget.

As compared to other programs, a 2% target increase, would provide funding of \$39.639 million and put the Proposed Base Budget of \$39.112 million under target by \$0.527 million or 1.3%.

**Outstanding Issues from 2005 and Prior Years**

None

**Section D: 2006 Proposed New Council Priorities**

**Summary of 2006 Proposed New Council Priorities (\$000)**

Council Priority	Description	Total 2006 New Requests		2006 Not Proposed		2006 Proposed Council Priorities		Proposed New Positions	Net Incremental Impact	
		Gross Exp.	Net Exp.	Gross Exp.	Net Exp.	Gross Exp.	Net Exp.		2007	2008
		\$	\$	\$	\$	\$	\$		#	\$
<b>Council Priorities:</b>										
	Sub-Total Council Priorities									
<b>New Rquests Referred to 2006 Operating Budget:</b>										
	<u>Recreation</u>									
	Variety Village	125.9	125.0	125.0	125.0					
	Sub-Total Referred	125.9	125.0	125.0	125.0					
<b>New Program Requests:</b>										
	<u>Arts &amp; Culture</u>									
	TAC Ops - Adjust compensation package	37.1	37.1			37.1	37.1			
	TAC Ops - Add 1 position	40.0	40.0	40.0	40.0					
	TAC Ops - Enhance website	21.0	21.0	21.0	21.0					
	TAC - Incr. investment in arts organizations	1,097.3	1,097.3	1,097.3	1,097.3					
	Major Organizations - Inc. for major cultural organizations	300.0	300.0	300.0	300.0					
	LASOS - Enhance arts/culture in high risk communities	16.5	16.5	16.5	16.5					
	Artscape - Develop more cultural facilities	15.0	15.0	15.0	15.0					
	Royal Ontario Winter Fair - Incr. rent expense	83.0	83.0	83.0	83.0					
	<u>Recreation</u>									
	Major Rec - Inc. for new agencies	500.0	500.0	500.0	500.0					
	<u>Economic Development</u>									
	EDSIP - Expansion of projects	100.0	100.0	100.0	100.0					
	Sub-Total New Program Requests	2,209.9	2,209.9	2,172.8	2,172.8	37.1	37.1			
	<b>Total New Council Priorities</b>	<b>2,335.8</b>	<b>2,334.9</b>	<b>2,297.8</b>	<b>2,297.8</b>	<b>37.1</b>	<b>37.1</b>			
<b>Council Priority</b>		6 - Ensure housing is affordable 7 - Get the powers and funding needed for Toronto to succeed 8 - Improve the planning process 9 - Increase public involvement in civic affairs 10 - N/A								
1 - Improve Public Service										
2 - Make Progress on the Waterfront										
3 - Improve Business Climate										
4 - Make Toronto a clean and beautiful city										
5 -Strengthen our at-risk neighbourhoods										

**Key Issues / Recommendations*****Items Referred to 2006 Operating Budget*****Variety Village – The Children’s Charity**

In 2004, Council approved a one-time grant of \$0.125 million to the Variety Village, fully funded by the Gordon Sinclair Scholarship Reserve Fund. The City’s contribution was made contingent on at least matching funding being provided by the Province of Ontario. The Province provided \$0.125 million to Variety Village in 2004. A request to continue \$0.125 million in 2005, was not approved by Council.

At Policy and Finance Committee’s June 1, 2005 meeting, a report was requested to address how Variety Village could be funded as a major grant recipient for 2006 and future years, and on the organization’s on-going viability.

Over the past several years, Variety Village has experienced a significant decline in a major revenue program, increased utility and insurance costs, and increased demand for their services. They have approached the Provincial and Federal governments for funding; receiving over \$2.5 million from the Province and over \$1.0 million from the Federal government over the last four years. Some of this funding has been used for capital projects to upgrade their facilities.

It has been determined that Variety Village meets the criteria of the Major Recreation Grants Program, and with continuing partnering with the Parks, Forestry and Recreation Division, they can provide programming and services which supplement the City’s services, and address issues identified in the Council approved, Accessibility Plan. However, if Variety Village was funded out of the existing Recreation Grants Program, a reduction in the allocations process would occur, impacting existing grant service. The Gordon Sinclair Scholarship Reserve Fund, which previously funded the grant, has now been exhausted. In order to accommodate Variety Village in 2006, new funding of \$0.125 million would be required.

For 2006, it is proposed that consideration of funding for the Variety Village of \$0.125 million be deferred pending a report, on the operational and financial viability of Variety Village and proof of continued support from the Provincial level of government of at least a matching level of funding, from the Parks and Recreation Program directly to Budget Advisory Committee, as part of the 2006 Operating Budget Process.

***2006 New Program Requests Proposed*****Toronto Arts Council Operations – Adjust compensation package (\$0.037 million net)**

On February 1-3, 2005, Council adopted the review of the Toronto Arts Council Operations Funding. The review identified that compensation of TAC employees was most comparative to the Ontario Arts Council and that individual positions’ pay scales were typically in the low to mid range comparatively.

TAC has requested a compensation increase of 5%, in order to allow staff to move through established salary ranges, by recognizing seniority and merit. This increase is proposed.

***2006 New Program Requests Not Proposed*****Arts and Culture****Toronto Arts Council Operations – Add 1 FTE (\$0.040 million net)**

As part of the TAC Operations review in 2004, it was identified that there was a staffing deficiency of 3.0 approved positions. This shortfall was addressed during the 2005 budget process with the addition of 2 approved positions at a 2005 cost of \$0.094 million. These positions are being annualized in 2006, at a cost of \$0.013 million. No further funding increase is proposed at this time.

**Toronto Arts Council Operations – Website Enhancement (\$0.021 million net)**

The TAC is requesting \$0.021 million to upgrade their website to improve access to information and to ensure that TAC is able to meet the administration standards established by the City.

As approved in the 2006 Capital Budget, Phase 2 of the Corporate Grants Information System, will further extend functionality to all City grant programs. Full implementation is expected to take place during 2007-2008. To make the transition to the City system, TAC will need to modify its current database, however, review of the revised roll-out timelines indicate funding for this upgrade can be deferred.

**Toronto Arts Council - Increased investment in arts organizations (\$1.097 million net)**

Late in 2004, TAC undertook an internal review of its programs, to assess the extent TAC was able to address its funding priorities. As a result of this review, TAC determined there was a “funding deficit” of \$1.097 million, consisting of \$0.871 million to arts organizations and \$0.226 million to individual artists.

Since 2001, TAC has received increased funding of \$0.896 million, representing an increase of 11.2%.

TAC’s request promotes this Council direction of promoting TO Live with Culture, however, the size of the request and future sustainability must be reviewed given the City’s affordability guidelines. This increase has deferred pending Council’s direction with respect to promoting and funding TO Live with Culture during 2006.

**Major Arts Organizations – Restore funding to 1990 levels (\$0.300 million net)**

At the June 24-26, 2003 meeting, Council adopted the Culture Plan (EDC Report 5, Clause 2), which included a recommendation to “restore funding within five years to the Major Cultural Organizations (the Art Gallery of Ontario, the Canadian Opera Company, the National Ballet of Canada, the National Ballet School and the Toronto Symphony Orchestra) to at least the level of 1990, adjusted for inflation.”

Since 2003, the Major Arts Organizations have received increases totaling \$0.699 million (\$0.324 million in 2004 and \$0.375 million in 2005).

This request would also promote the Council direction for TO Live with Culture, however, given the affordability guidelines and future sustainability of funding considerations, this increase has been deferred pending Council's direction with respect to promoting and funding TO Live with Culture during 2006.

**Local Arts Service Organizations (LASOs) – Enhance Opportunities (\$0.016 million net)**

The Local Arts Service Organizations provide programs to enhance arts and culture opportunities for youth / youth-at-risk.

Increased funding of \$0.016 million would allow the LASOs to continue the advancement of the Mayor's Community Safety Plan, through preventative, proactive and innovative arts programming for targeted youth in high-needs neighborhoods, by broadening their service scope to promote inclusive arts and affordable programming, and to expand outreach to underserved groups and high needs neighborhoods.

In 2005, the LASOs received a \$0.025 million increase. It is proposed that the 2006 requested increase be deferred, pending Council's direction with respect to promoting and funding TO Live with Culture during 2006.

**Artscape – Develop more cultural facilities (\$0.015 million net)**

Artscape develops not-for-profit cultural facilities and consulting services to arts organizations in Toronto, municipalities and arts organizations across Canada and the United States. This \$0.015 million request would enable them to develop more of their services, as it expands its portfolio.

Given the affordability issues facing the City, it is proposed this request be deferred, pending Council's direction with respect to promoting and funding TO Live with Culture during 2006.

**Royal Agricultural Winter Fair – Rent Expense (\$0.083 million net)**

Over the years, the City has provided support to the Royal Agricultural Winter Fair (RAWF) through a grant to cover direct fixed costs related to facility usage at Exhibition Place. In 2005, the RAWF received \$0.885 million in grant funding. An increase of \$0.083 million is requested for 2006, to cover increased rental expenses.

Each year, Exhibition Place reviews the operating costs and assigns a rental charge to RAWF and each year, these increases flow thru to the CPIP budget.

It is proposed that the Deputy City Manager responsible for Arts and Culture grants, in consultation with the Chief Financial Officer, report to Budget Advisory Committee during the 2006 Operating Budget Process, on the appropriateness and financial implications of transferring the Royal Agricultural Winter Fair funding to Exhibition Place. No increase is proposed at this time.

**Recreation****Major Recreation – Increase for new agencies (\$0.500 million net)**

Due to yearly increasing numbers of quality requests for funding, a \$0.500 million increase is requested for the Major Recreation program to increase partnering with community agencies. Without new funding, the program will fund any new agencies by reducing allocations to existing grant recipients.

The request warrants consideration, however, given the affordability issues facing the City, this request is not proposed.

**Economic Development****EDSIP – Project expansion (\$0.100 million net)**

EDSIP provides seed money for the initiation or expansion of projects which are expected to yield substantial long-term economic development benefits to the City, by contributing to new economic growth and job creation. Increased funding will provide the means to leverage additional resources from other government level, for three to four more projects during 2006, such as a Financial Services Human Resource Development Study and an Information Technology Marketing Strategy.

While this request does support improving the business climate, it is not proposed due to 2006 City affordability issues.

***Other Issues*****Service Delivery Alignment**

Given the City's new operational structure, the Heritage Preservation Grant program has been re-aligned from the Community Partnership and Investment Program, Arts and Culture service envelope to the Community Partnership and Investment Program, Urban Development service envelope.

**Appendix A**

**Summary of Council Priority Services and New Service Requests**