

2006 BUDGET BRIEFING NOTE – Hummingbird Centre for the Performing Arts – Reduction Proposal

Issue/Background:

Recommendation #4 in the Analyst Notes on the 2006 Operating Budget for Theatres was adopted by the Budget Advisory Committee at its meeting on January 13, 2006:

- 4) the General Manager of the Hummingbird Centre for the Performing Arts report back to the Budget Advisory Committee on options totalling \$0.173 million to reduce the 2006 Proposed Operating Budget net increase to 2% of the 2005 Approved Net Operating Budget.

Key Points:

- Following the BAC-adopted recommendation above and the discussion at an informal meeting on January 18, 2006 with BAC members, the Hummingbird Centre for the Performing Arts has reviewed its 2006 Proposed Operating Budget and proposed the following reduction totaling \$75K:
 - Reduce gross expenditure on base budget materials and supplies by \$8K
 - Reduce gross expenditure on base budget services and rents by \$67K
- The reduction would be achieved through aggressive cost containment measures with no impact on service delivery.
- As indicated in the table below, this proposal reduces the Program's 2006 Proposed Operating Budget from \$173.2K net to \$98.2K net.

	2006 Proposed Operating Budget (BEFORE)	Reduction Proposal	2006 Proposed Operating Budget (AFTER)
Gross Expenditure	22,138.2	(75.0)	22,063.2
Revenue	21,965.0	-	21,965.0
Net Expenditure	173.2	(75.0)	98.2
Approved Positions	112.4	-	112.4

Conclusion:

The Hummingbird Centre for the Performing Arts has submitted a proposal to reduce the 2006 Proposed Operating Budget by \$75.0K from \$173.2K to \$98.2K. While this does not fully bring the Theatre to the target of 2% over the 2005 Approved Operating Budget, it should be noted that, over the past 10 years, the Hummingbird Centre for the Performing Arts has not requested funding from the City because a stabilization fund had been established against which any surpluses or deficits were applied. Prior to 1996, the Theatre contributed approximately \$12 million in budget surpluses to the City. The Theatre's request for funding in 2006 reflects its attempts to overcome an extraordinary situation that will prevail within that year, that being the departure of 2 of its major long-time tenants, the National Ballet of Canada and the Canadian Opera Company.

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Date:

February 1, 2006