

Heritage Toronto, 1999 Cash Flow Advance

(City Council on December 14, 15 and 16, 1999, adopted this Clause, without amendment.)

The Policy and Finance Committee recommends the adoption of the following report (December 2, 1999) from the Managing Director, Heritage Toronto:

Purpose:

To request a cash flow advance against a projected deficit in the Heritage Toronto 1999 operating budget specific to meeting salaries and benefit requirements for year-end.

Financial Implications and Impact Statement:

\$404,170.00 to be advanced against a projected deficit in the 1999 operating budget.

The Chief Financial Officer and Treasurer has reviewed the report and concurs with the financial impact statement.

Recommendations:

It is recommended that, the Policy and Finance Committee authorize a cash advance against a projected deficit in Heritage Toronto's 1999 operating budget of \$404,170 to meet payroll requirements for year-end.

Background:

City Council, in anticipation of an early implementation of the governance and management structure for its City-wide heritage programmes approved a reduction in wages and benefits of \$354,400 in 1998 and \$354,000 in 1999 as a part of the Board's 1999 Operating Budget. Assumptions existed that a range of services would be consolidated within the City, and the reduction was understood to be achievable by July 1, 1999. A gapping target of \$40,800 was also approved. Implementation has not progressed and exit incentive mechanisms have not been made available.

The two-year reduction target of \$708,400 plus the \$40,800 gapping target impacts on the 1999 operating budget.

Comments:

The Board has made a conscious effort to control and minimize all expenses, particularly human resource costs and to maximize revenue opportunities. Vacancies occurring within the year have been left vacant and the Board has achieved the FTE target through attrition. The current FTE count is 87 as indicated in the 1999 Operating Budget approval. However, the attrition has occurred late in the year and the financial savings are minimal, compounded by the pay-out of

unfunded vacation and sick bank liabilities which has been absorbed by Heritage Toronto's salary budget.

It should be noted that Heritage Toronto has identified the projected deficit in both the June 30, 1999 and September 31, 1999 variance reports.

Conclusions:

It is recommended that as a result of the delays in the implementation of a new city-wide structure for heritage, the Policy and Finance Committee authorize a cash advance against a projected deficit in Heritage Toronto's 1999 Operating Budget of \$404,170 to meet payroll requirements for year-end..

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