



Toronto 2015 BUDGET

OPERATING ANALYST NOTES



Theatres

2015 OPERATING BUDGET OVERVIEW

The 3 City-owned and operated Theatres promote theatrical, artistic, and cultural programming in the community through convenient and cost-effective access to state of the art venues that support multi-cultural, not-for-profit, and corporate events.

2015 Budget Highlights

The total cost to operate the 3 City-owned theatres in 2015 is \$23.126 million as shown below.

(in \$000's)	2014 Approved Budget	2015 Rec'd Budget	Change	
			\$	%
Gross Expenditures	22,161.2	23,126.2	965.0	4.4%
Gross Revenues	17,403.8	17,978.4	574.6	3.3%
Net Expenditures	4,757.4	5,147.7	390.3	8.2%

In 2015, Theatres face a net pressure of \$1.388 million. Through on-going operational efficiencies, base expenditure and revenue changes, the Theatres were able to partially offset these pressures, resulting in an 8.2% net increase over the 2014 levels of service.

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Contacts

Judy Skinner

Manager, Financial Planning
Tel: (416) 397-0958
E-Mail: jskinne1@Toronto.ca

Therese Chen

Senior Financial Planning Analyst
Tel: (416) 392-8095
E-Mail: tchen@Toronto.ca

Fast Facts

- *Sony Centre for the Performing Arts* offers a 3,191-seat auditorium and is Canada's largest soft seat theatre.
- *St. Lawrence Centre for the Arts* houses 2 theatres: the 876-seat Bluma Appel theatre and the 498-seat Jane Mallet theatre.
- *Toronto Centre for the Arts* will have 4 theatres by 2015: the new 300-seat Greenwin Stage Tower theatre; the 1,036-seat George Weston Recital Hall; and the 200-seat Studio Theatre

Trends

- The cost per seat generally increases gradually to reflect the cost of inflation, but can also fluctuate from year to year depending on the level of stage activity taking place in the Theatre which impacts the total facility operation costs.
- The cost per seat for Toronto Centre for the Arts experienced a 37% increase in 2015 due to the re-configuration of the Main stage Theatre which resulted in 877 fewer seats and a higher cost per seat.

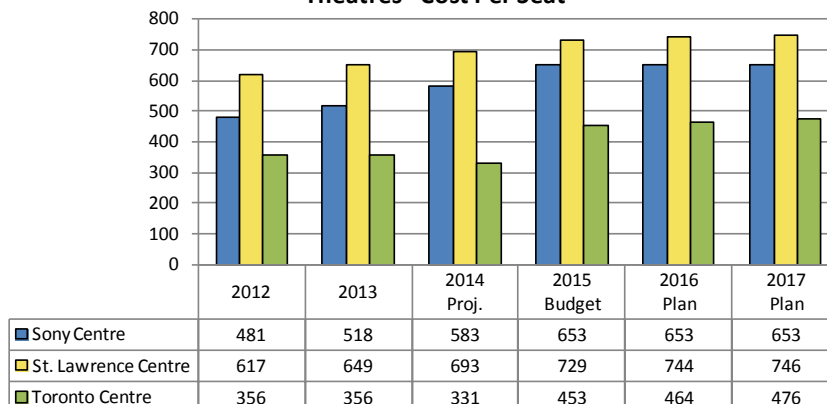
Our Service Deliverables for 2015

The civic theatres endorse culture, arts and theatre by programming a full range of high quality performances and events for both corporate and not-for-profit artists.

The 2015 Recommended Operating Budget provides funding for the 3 city-owned and operated theatres:

- *Sony Centre for the Performing Arts* offers multi-functional space, comprehensive event services, state-of-the-art lighting and sound systems, and a world class stage. The Theatre will build the Centre's brand of excellence in programming performances with diverse appeal to all of Toronto's residents.
- *St. Lawrence Centre for the Arts* provides state-of-the-art facilities to Toronto's not-for-profit performing arts companies and local communities at an affordable cost. The Centre will continue to attract a wide range of cultural and artistic events, with select corporate and for-profit presenters.
- *Toronto Centre for the Arts* offers a first class venue for a full range of performing arts. The Centre will become the most versatile performing arts centre in Toronto. It will build strategic links with the local arts community and seek educational and programming partners that will strengthen the operations of the Centre.

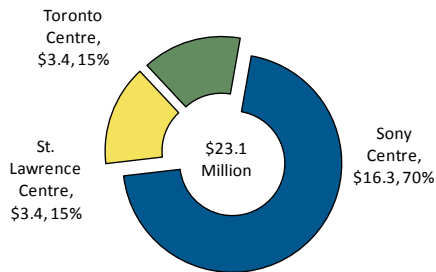
Theatres - Cost Per Seat



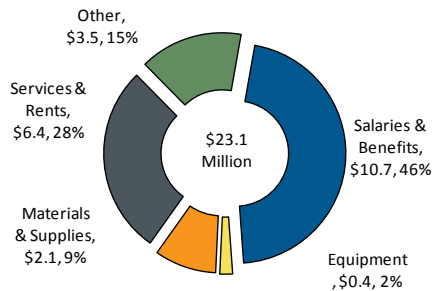
2015 Operating Budget Expenses & Funding

Where the money goes:

2015 Budget by Service
\$23.126 Million

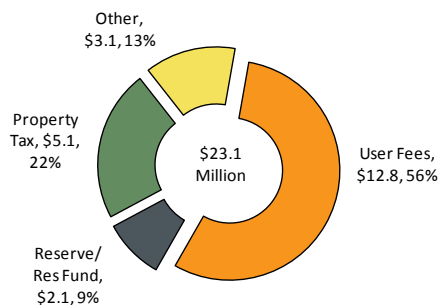


2015 Budget by Expenditure Category



Where the money comes from:

2015 Budget by Funding Source



Our Key Challenges & Priority Actions

- Need to develop viable options for the City-owned theatres based in part on the review consideration, by City Staff and the City's Theatre's Working Group, of the "Final Report: Evaluation and Governance and Operational Models for Toronto's Civic Theatres" by NetGain Partners Inc.
- ✓ The comprehensive review will also be based on each theatre's long-term strategic plan and 5 year business plans. Recommendations from the General Manager of Economic, Development and Culture will be included in a report to Council in 2015.

2015 Operating Budget Highlights

- Sony Centre for the Performing Arts* will continue to strengthen its strong brand strategy, re-establish best practices for networking, sponsorship, and partner opportunities while attracting new corporate rental clients. Net budget is increasing by \$0.399 million for new backstage space and utilities changes.
- St. Lawrence Centre for the Arts* will implement the revised business model that includes an achievable plan for presenting and co-presenting specific shows and events and a plan to attract new resident companies. Net budget is at 2014 level absorbing pressures through lower summer staffing.
- Toronto Centre for the Arts* will continue to focus on the not-for-profit community arts groups by re-configuring its Main Stage theatre into smaller venues for a total of 6 distinct performance spaces. A unique strategy will be developed for each venue to maximize utilization with minimal financial risks to the City. Net budget is \$0.009 million below 2014, resulting from lower forecast activity levels.

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2015 Recommended Operating Budget for Theatres of \$23.126million gross, \$5.148 million net for the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Sony Centre for the Performing Arts	16,274.6	1,637.3
St. Lawrence Centre for the Arts	3,446.8	1,747.9
Toronto Centre for the Arts	3,404.8	1,762.5
Total Program Budget	23,126.2	5,147.7

2. City Council approve the 2015 recommended service levels for Theatres as outlined on page 15, and associated staff complement of 163.1 positions.
3. City Council approve the 2015 recommended market-based user fee changes for St. Lawrence Centre's Jane Mallet Theatre identified in Appendix 7a for inclusion in the Municipal Code Chapter 441 "Fees and Charges".
4. City Council approve the 2015 recommended user fee rationalization for the Toronto Centre's Main Stage Theatre identified in Appendix 7f for inclusion in the Municipal Code Chapter 441 "Fees and Charges".

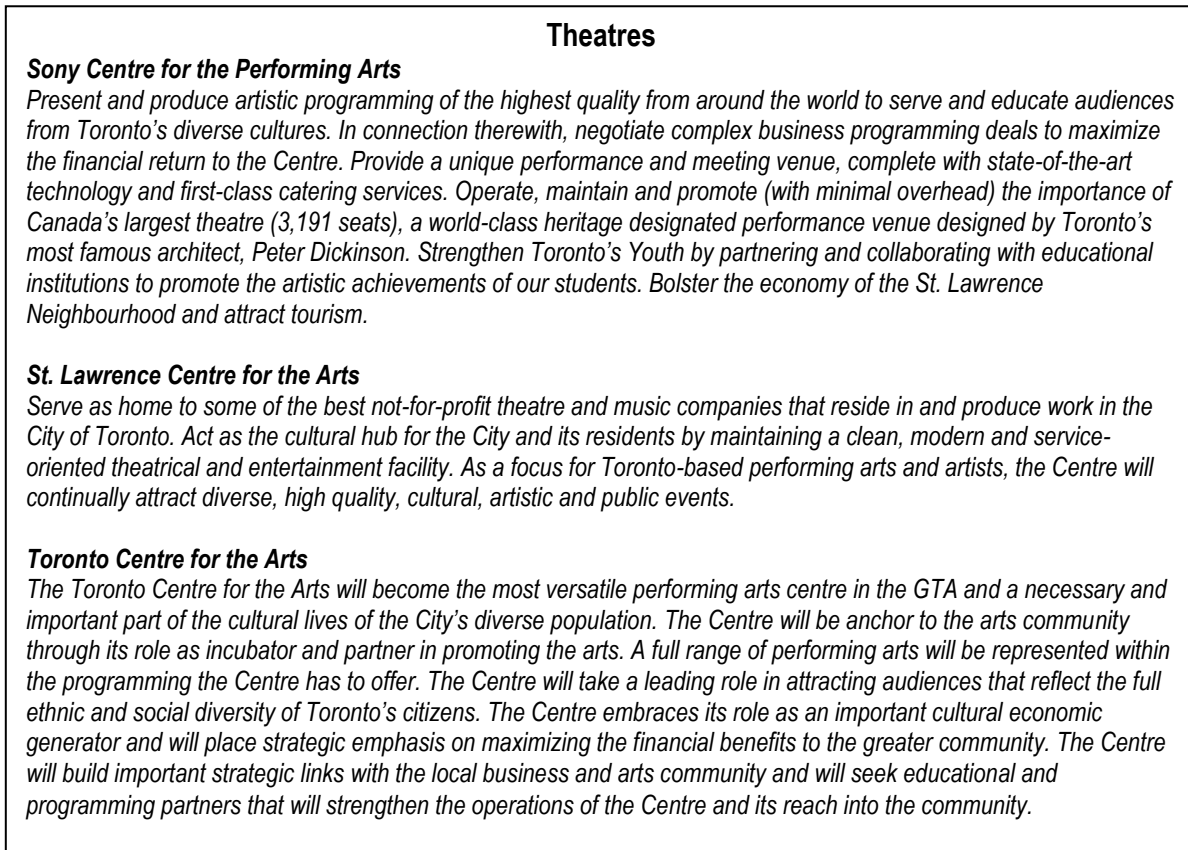


Part I:

2015 – 2017

Service Overview and
Plan

Program Map



Theatrical and Other Cultural Events

Purpose:

To promote Theatre, Arts, and Culture in the community through convenient and cost-effective access to state of the art Theatre venues that support multi-cultural, not-for-profit, and corporate events.

Service Customer

Theatrical and Other Cultural Events

- Venue Client for Events
- Event Participant
- 6 local theatre and music resident companies
- Casual venue renters
- Theatre Patrons generally and specifically
Multi-cultural and Youth audiences
- Concert attendees
- Cultural Programming Producers
- Educational Institutions

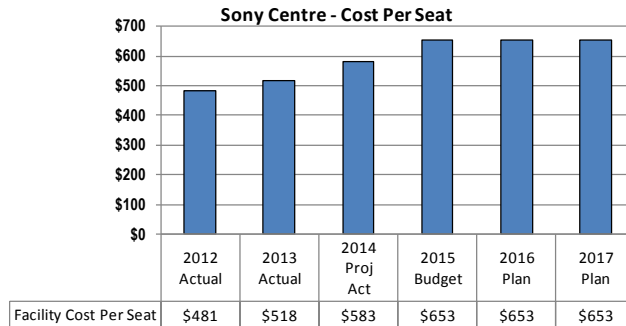
2015 Service Deliverables

The 2015 Recommended Operating Budget of \$23.126 million gross and \$5.148 million net for Theatres will fund:

- *Sony Centre for the Performing Arts* offers multi-functional space, comprehensive event services, an auditorium, state-of-the-art lighting and sound systems, a world class stage and highly experienced event staff. The Theatre will build and reinforce the Centre's brand of excellence in programming performances of diversity which appeal to all of Toronto's residents.
- *St. Lawrence Centre for the Arts* provides state-of-the-art facilities to Toronto's not for profit performing arts companies and local communities at an affordable cost. The Centre will continue to attract a diverse array of high quality, cultural and artistic events, while augmenting its bottom line with select corporate and for-profit presenters.
- *Toronto Centre for the Arts* offers a first class venue for a full range of performing arts. The Centre will become the most versatile performing arts centre in Toronto. It will build strategic links with the local business and arts community, and seek educational and programming partners that will strengthen the operations of the Centre and its reach into the community.

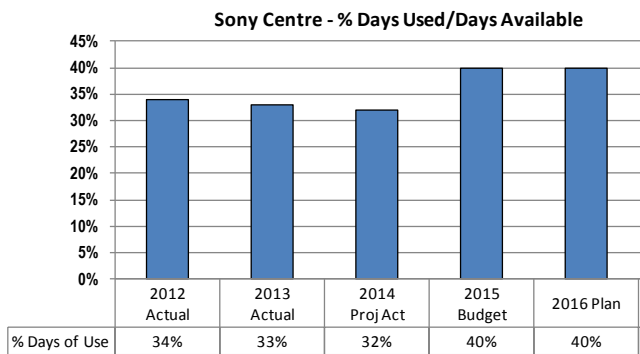
Service Performance: Sony Centre for the Performing Arts

Facility Cost Per Seat



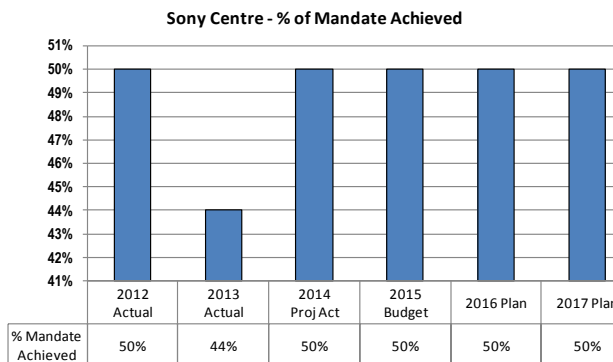
- The cost per seat increased by 21% from 2012 to 2014 due to rising costs in operations as well as higher volumes of activity over the years.
- The 2015 cost per seat includes the increased provision for utilities, as well as the operational costs for the expanded and renovated backstage area.

% Days Used/Days Available



- The percentage of available days booked to days available (365 days) is steady at 32-34% between 2012 and 2014 which reflects the sluggish market conditions.
- The 2015 and future year usage of the Centre is targeted at 40% based on the number of budgeted bookings.

% of Mandate Achieved



- The percentage of performances at Sony Centre which achieved the Centre's mandate to present spectacles, international dance, musical theatre, children's and family events and other quality attractions declined in 2013 as a result of challenges inherent in finding presentations which meet mandate and are self-sufficient.
- The percentage of performances that met the Centre's mandate increased to 50% in 2014.
- The Centre expects to maintain this level in 2015 and beyond.

2015 Service Levels
Sony Centre for the Performing Arts

Sub-Activity/Type	Status	Approved Service Levels	Recommended
		2014	2015
Sony Centre Theatre Corporate Events (Sony)	Approved	95% utilization of the 32 day minimum booking target for corporate events	95% utilization of the 36 day minimum booking target for corporate events
Sony Centre Theatre Not-for-Profit / multi-cultural Events (Sony)	Approved	95% utilization of the 87 day minimum booking target for not-for-profit / multi-cultural events	95% utilization for the 98 day minimum booking target for not-for-profit / multi-cultural events

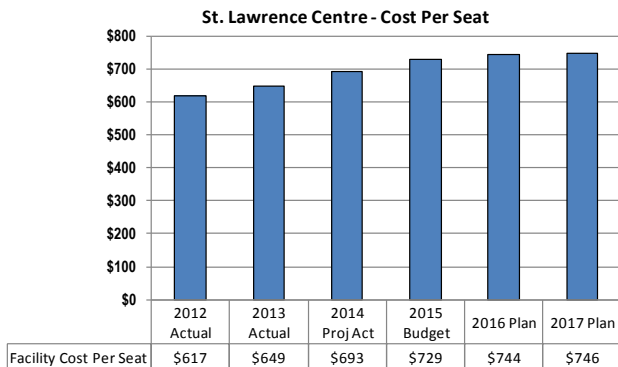
Sony Centre for the Performing Arts

The 2015 Recommended Service Levels have increased over 2014 levels to reflect the number of budgeted events and performances based on the business plan.

Service Performance:

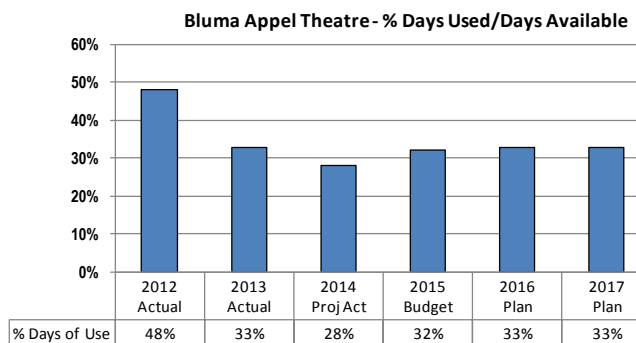
St. Lawrence Centre for the Arts

Facility Cost Per Seat



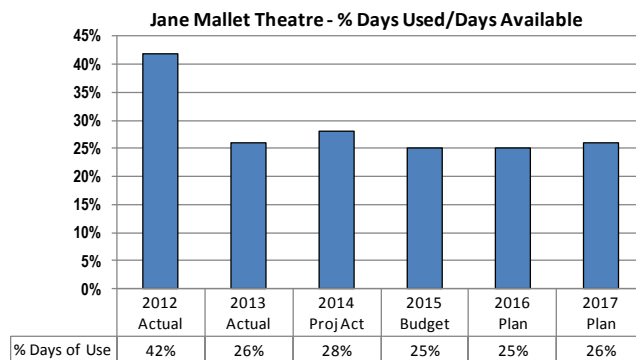
- The steady increase in the cost per seat at St. Lawrence Centre between 2012 and 2015 is due to rising City building and maintenance charges and utility rate increases.
- Future year increases in cost per seat are estimated at the rate of inflation.

% Days Used/Days Available



- The percentage of days used to days available (365 days) in the Bluma Appel Theatre declined in 2013 and 2014 primarily because of cancelled Canadian Stage presentations and bookings.
- The percentage of days used is expected to rise in 2015 and is attributed to higher number of days booked for Canadian Stage.
- The Centre projects it will maintain the 2015 utilization rate in 2016 and 2017 based on future Canadian Stage bookings.

% Days Used/Days Available

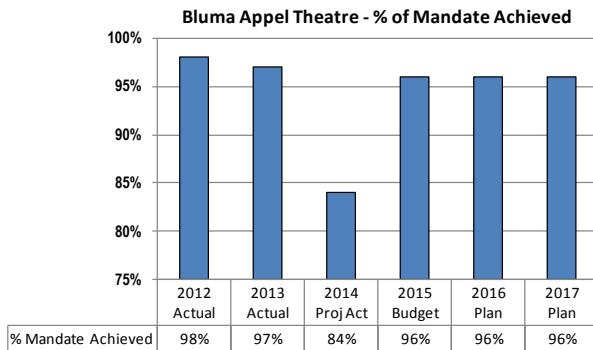


- The Jane Mallet Theatre experienced a 16% decline in the percentage of days used in 2013 due to the departure of a resident company and cancellation of one-time bookings. The impact is carried over into 2014.
- In 2015, the percentage of days used is based on known bookings and one-off events.
- Future year utilization rates reflect the Centre's forecasted usage.

Service Performance:

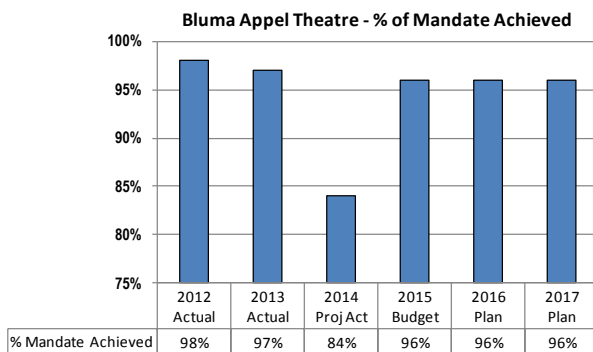
St. Lawrence Centre for the Arts

% of Mandate Achieved



- As a result of fewer Canadian Stage bookings in 2014, the Centre accepted more corporate events that did not meet its mandate to attract diverse, cultural, artistic and public events for non-profit performing artists, causing its percentage of mandate achieved to drop by 13% in 2014.
- The 2015 and future year targets are expected to resume its 2013 levels.

% of Mandate Achieved



- The percentage of performances held in the Jane Mallet Theatre which met the Centre's mandate has fluctuated slightly over the years between 2012 and 2014
- Future year performances in the Jane Mallet Theatre which meet the mandate are targeted at 90% between 2015 and 2017.

2015 Service Levels
St. Lawrence Centre for the Arts

Sub-Activity/Type	Status	Approved Service Levels	
		2014	2015
Bluma Appel Theatre Corporate Events (STLCA)	Approved	55% utilization of the 20 day minimum booking target for corporate events	60% utilization of the 20 day minimum booking target for corporate events
Bluma Appel Theatre Not-for-Profit / multi-cultural Events (STLCA)	Approved	86% utilization of the 126 day minimum booking target for not-for-profit / multicultural events	88% utilization of the 126 day minimum booking target for not-for-profit / multicultural
Jane Mallett Theatre Corporate Events (STLCA)	Approved	100% utilization of the 15 day minimum booking target for corporate events	113% utilization of the 15 day minimum booking target for corporate events
Jane Mallett Theatre Not-for-Profit / multi-cultural Events (STLCA)	Approved	100% utilization of the 64 day minimum booking target for not-for-profit / multicultural events	125% utilization of the 64 day minimum booking target for not-for-profit / multicultural events
Rehearsal Hall Corporate Events (STLCA)	Approved	100% utilization of the 15 day minimum booking target for corporate events	35% utilization of the 15 day minimum booking target for corporate events
Rehearsal Hall Theatre Not-for-Profit / multi-cultural Events (STLCA)	Approved	90% utilization of the 35 day minimum booking target for not-for-profit / multicultural events	147% utilization of the 35 day minimum booking target for not-for-profit / multicultural events

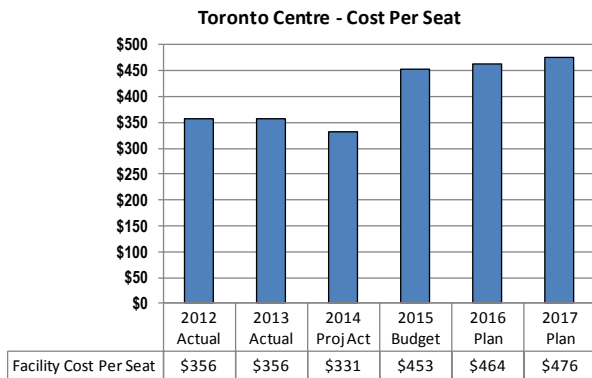
St. Lawrence Centre for the Arts

The 2015 Recommended Service Level for the Bluma Appel and Jane Mallet theatres have changed over 2014 levels as a reflection of known bookings budgeted in 2015.

Service Performance:

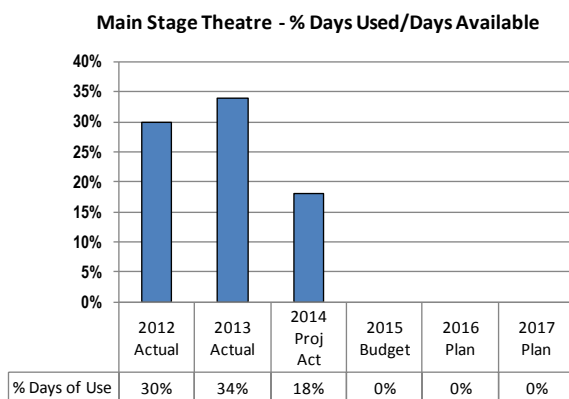
Toronto Centre for the Arts

Facility Cost Per Seat



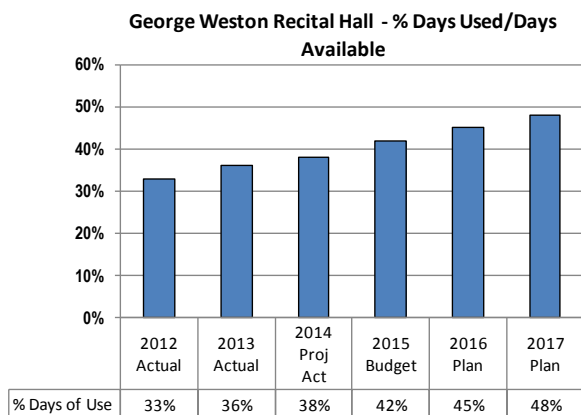
- The cost per seat has remained fairly constant between 2012 and 2014 and is expected to increase by 37% in 2015 primarily due to the reduction in total seating arising from the re-configuration of the Main Stage Theatre (1,727 seats) into two smaller venues (850 seats).
- Future year increases in 2016 and 2017 in the cost per seat is expected at the rate of inflation.

% Days Used/Days Available



- The percentage of days used to days available (300 days per year) in the Main Stage theatre has been declining since 2012 due to reduced programming of this space by Dancap Productions. The days available represents the realistic booking target which is impacted by stage crew costs that are double on Mondays and statutory holidays.
- The further decline in days used in 2014 is due to the continual struggle to program the Main Stage theatre, and the closure and re-structuring of the space into 2 smaller venues which commenced in October 2014.

% Days Used/Days Available

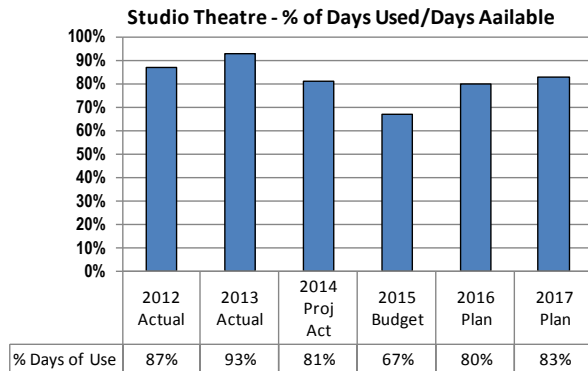


- The percentage of days used as a proportion of days available in the George Weston Recital Hall gradually rose from 2012 to 2014 partly due to reduced IATSE labour costs.
- The Centre anticipates increased bookings in 2015 and future years once the new projection system is installed, and will allow the Centre to pursue not-for-profit film festivals.

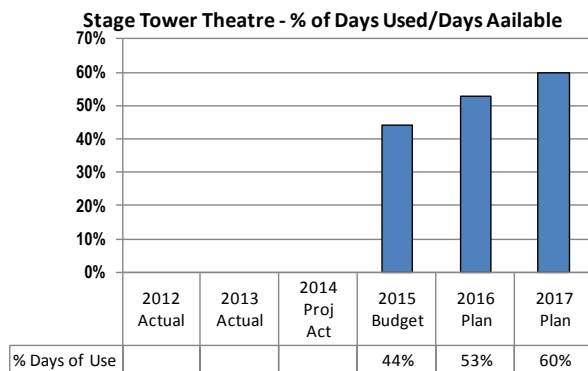
Service Performance:

Toronto Centre for the Arts

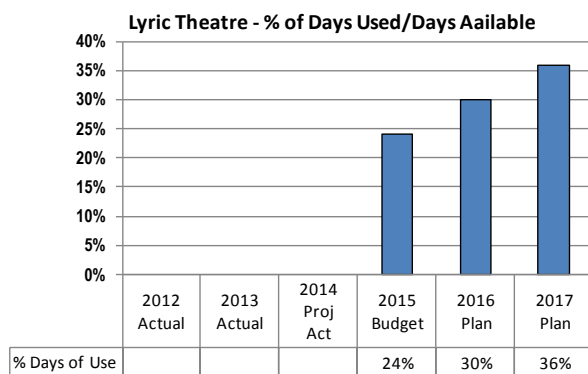
% Days Used/Days Available



% Days Used/Days Available



% Days Used/Days Available

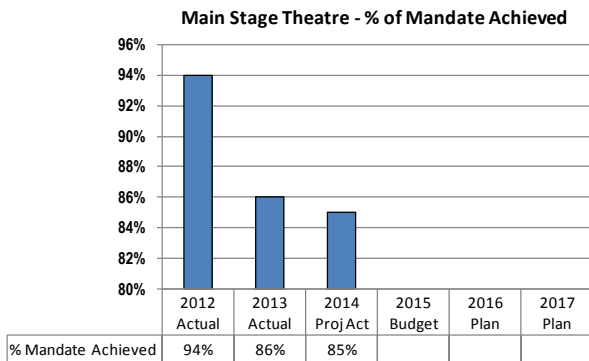


- The Studio Theatre's percentage of days used to days available fluctuates between 2012 and 2014 partly due to the use of extension periods whereby the space is held for a show extension but due to low ticket sales does not get used and does not get counted towards the utilization rate.
- In 2015, the departure of Harold Green Theatre Company to the Stage Tower Theatre will impact its utilization rate.
- Future year targets are expected to recover based on historically high demands for this versatile space.
- The Stage Tower Theatre is one of the new venues offering 300 seats and will be the result of the re-structuring of the Main Stage theatre.
- The space is expected to be complete by March 2015 with scheduled programming to commence in April 2015. The future year targets are based on the trend toward increasing demand for smaller venues from local community artists and not-for-profit arts organizations.
- The Lyric Theatre is the second of the 2 new venues that will offer 550 seats when it opens in the Fall of 2015 and is conducive to a wide variety of performances.
- The future percentage of days used to days available targets have been set based on the anticipated demand for this space once it opens.

Service Performance:

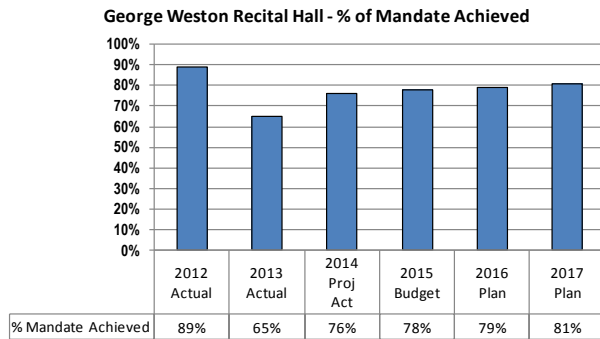
Toronto Centre for the Arts

% of Mandate Achieved



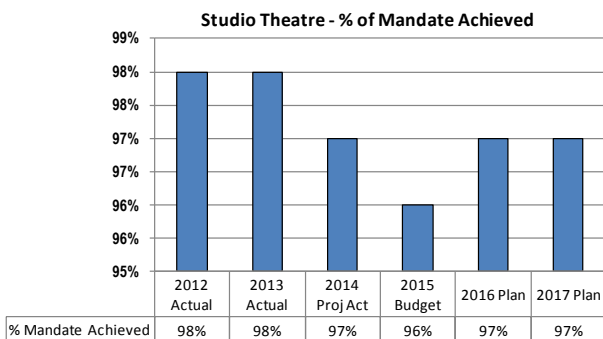
- The percentage of performances held in the Main Stage Theatre which met the Centre's mandate for commercial programming has been declining since 2012 when Dancap Productions' agreement with the Centre ended.
- The Main Stage is now closed and will be replaced by the Stage Tower and Lyric theatres starting in 2015.

% of Mandate Achieved



- The percentage of performances in the George Weston Recital Hall which met the Centre's mandate experienced a 24% drop in 2013 due to a significant amount of rentals from financial institutions.
- Future year targets are expected to improve the percentage of mandate achieved.

% of Mandate Achieved

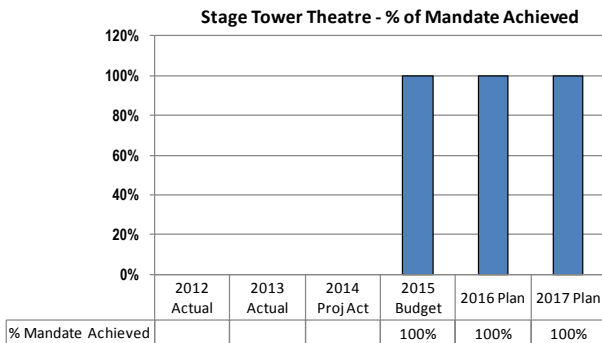


- The percentage of performances in the Studio Theatre which met the Centre's mandate has been consistently high between 2012 and 2014.
- Future year targets are expected to maintain this trend due to affordable IATSE labour costs that attract the local community arts groups.

Service Performance:

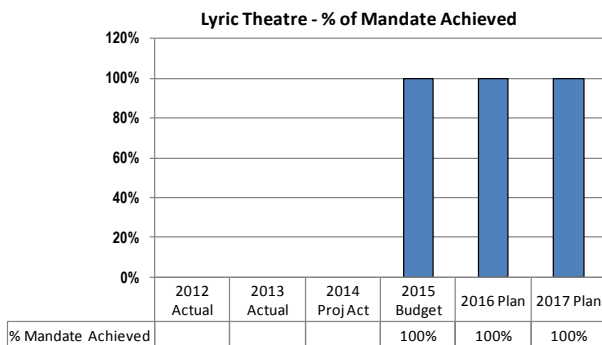
Toronto Centre for the Arts

% of Mandate Achieved



- The new Stage Tower theatre will commence programming in April 2015 and the percentage of performances that meet the Centre's mandate is expected to be 100% between 2015 and 2017 which meet the demands from the local community arts groups.

% of Mandate Achieved



- The new Lyric Theatre is expected to open in the Fall of 2015 and the performances held in this venue are expected to meet the Centre's mandate to achieve a target of 100% from 2015 to 2017.

2015 Service Levels
Toronto Centre for the Arts

Sub-Activity/Type	Status	Approved Service Levels	Recommended
		2014	2015
The Main Stage Theatre Corporate Events (TCA)	Approved	33% utilization of the 10 day minimum booking target for corporate events	N/A
The Main Stage Theatre Not-for-Profit / multi-cultural Events (TCA)	Approved	14% utilization of the 70 day minimum booking target for not-for-profit / multicultural events	N/A
George Weston Theatre Corporate Events (TCA)	Approved	100% utilization of the 20 day minimum booking target for corporate events	100% utilization of the 20 day minimum booking target for corporate events
George Weston Theatre Not-for-Profit / multi-cultural Events (TCA)	Approved	131% utilization of the 80 day minimum booking target for not-for-profit / multicultural events	131% utilization of the 80 day minimum booking target for not-for-profit / multicultural events
The Studio Theatre Not-for-Profit / multi-cultural Events (TCA)	Approved	105% utilization of the 200 day minimum booking target for not-for-profit / multicultural events	100% utilization of the 200 day minimum booking target for not-for-profit / multicultural events
Lyric Theatre Corporate Events (TCA)	Recommended	N/A	100% utilization of the 5 day minimum booking target for corporate events
Lyric Theatre Not-for-Profit Events (TCA)	Recommended	N/A	25% utilization of the 67 day minimum booking target for not-for-profit / multicultural events
Greenwin Theatre Corporate Events (TCA)	Recommended	N/A	100% utilization of the 11 day minimum booking target for corporate events
Greenwin Theatre Not-for-Profit Events (TCA)	Recommended	N/A	100% utilization of the 94 day minimum booking target for not-for-profit / multicultural

Toronto Centre for the Arts

In October 2014, Toronto Centre began the capital project to re-configure the Main Stage theatre into two smaller venues - the 200-seat Greenwin Stage Tower theatre that is expected to be completed by March 2015 with programming scheduled for April 2015; and the 550-seat Lyric theatre that has an anticipated completion date of September 2015. As a result, new service levels have been established for the new theatres while the service levels for the Main Stage theatre have been removed.

In general, the 2015 Recommended Service Levels for the venues at the Centre reflect the Board approved business plan. The 2015 Recommended Service Level for the Studio Theatre has decreased from 2014 levels to reflect demand diverted from the Studio Theatre to the Greenwin Stage Tower Theatre.

Table 1

2015 Recommended Operating Budget and Plan by Service

(In \$000s)	2014		2015 Recommended Operating Budget					2015 Rec'd Budget vs. 2014 Budget		Incremental Change			
	Approved Budget	Projected Actual	2015 Rec'd Base	Rec'd Base Budget vs. 2014 Budget		Rec'd New/Enhanced	2015 Rec'd Budget			2016 Plan		2017 Plan	
	\$	\$	\$	\$	%	\$	\$			\$	%	\$	%
GROSS EXP.													
Sony Centre for the Performing Arts	15,013.3	12,890.9	16,274.6	1,261.3	8.4%		16,274.6	1,261.3	8.4%				
St. Lawrence Centre for the Arts	3,264.3	3,166.8	3,446.8	182.4	5.6%		3,446.8	182.4	5.6%	53.6	1.6%	63.1	1.8%
Toronto Centre for the Arts	3,883.6	4,252.5	3,404.8	(478.8)	(12.3%)		3,404.8	(478.8)	(12.3%)	(30.6)	(0.9%)	(10.5)	(0.3%)
Total Gross Exp.	22,161.2	20,310.2	23,126.2	23,101.7	104.2%		23,126.2	964.9	4.4%	23.1	0.1%	52.6	0.2%
REVENUE													
Sony Centre for the Performing Arts	13,775.3	11,378.6	14,637.2	861.9	6.3%		14,637.2	861.9	6.3%				
St. Lawrence Centre for the Arts	1,516.4	1,464.3	1,698.8	182.4	12.0%		1,698.8	182.4	12.0%	32.3	1.9%	32.2	1.9%
Toronto Centre for the Arts	2,112.1	2,436.6	1,642.4	(469.7)	(22.2%)		1,642.4	(469.7)	(22.2%)	(75.0)	(4.6%)	(25.0)	(1.6%)
Total Revenues	17,403.8	15,279.5	17,978.4	17,978.4	103.3%		17,978.4	574.7	3.3%	(42.7)	(0.2%)	7.2	0.0%
NET EXP.													
Sony Centre for the Performing Arts	1,238.0	1,512.3	1,637.3	399.3	32.3%		1,637.3	399.3	32.3%				
St. Lawrence Centre for the Arts	1,747.9	1,702.5	1,747.9				1,747.9	0.0	0.0%	21.4	1.2%	30.9	1.7%
Toronto Centre for the Arts	1,771.5	1,815.9	1,762.5	(9.1)	(0.5%)		1,762.5	(9.1)	(0.5%)	44.4	2.5%	14.5	0.8%
Total Net Exp.	4,757.4	5,030.7	5,147.7	390.3	8.2%		5,147.7	390.3	8.2%	65.8	1.3%	45.4	0.9%
Approved Positions	156.5	156.6	163.1	6.6	4.2%		163.1	6.6	4.2%				

The Theatres' 2015 Recommended Total Operating Budget is \$23.126 million gross and \$5.148 million net. The Net budget increased by \$0.390 million or 8.2% due to the following:

- **Sony Centre for the Performing Arts'** 2015 Recommended Operating Budget is \$0.399 million or 32.3% above the 2014 Approved Net Budget for Sony Centre and is driven by the operating costs associated with the renovated backstage space, re-alignment of the utilities budget to reflect actuals, and changes in business mix.
- **St. Lawrence Centre for the Arts'** 2015 Recommended Operating Budget is on target at 0% increase above the 2014 Approved Net Budget for St. Lawrence Centre. Inflationary pressures on labour and non-labour factors and increases to Facilities Management costs are completely offset by expenditure adjustments to reflect actual usage, revenue changes based on activity levels, and savings in summer staffing costs.
- **Toronto Centre for the Arts'** 2015 Recommended Operating Budget is \$0.009 million or 0.5% below the 2014 Approved Budget for Toronto Centre. Base pressures include salary and non-labour economic factors and a reversal of reserve fund transfer to operating which are offset by expenditure adjustments and base complement changes to reflect changes in activity levels.

Table 2
2015 Recommended Total Staff Complement

Changes	2015 Budget				Plan	
	Sony Centre	St. Lawrence	Toronto Centre	Total	2016	2017
2014 Approved Complement	65.6	31.1	59.8	156.5		
In-year Adjustments						
Adjusted 2014 Staff Complement	65.6	31.1	59.8	156.5		
Recommended Change in Staff Complement						
Prior Year Impact						
Operating Impacts of Completed Capital Project						
Capital Project Delivery						
Base Changes	5.3	1.3		6.6		
Service Changes						
New / Enhanced Service Priorities						
Total	70.9	32.4	59.8	163.1		
% Change over prior year	8.1%	4.2%		4.2%	-	-

The Theatres' total staff complement will increase by 4.2% or 6.6 positions primarily as a result of the following changes:

- The 2014 Base Budget complement for Sony Centre is increased by 8.1% or 5.3 approved positions arising from the addition of 8 IATSE stage worker positions to correct the 2014 base complement, 1 position to maintain the expanded and renovated backstage space, and 1 out-sourced position that was brought in-house to achieve savings. These additions were offset by a reduction of 4.7 positions due to programming changes.
- St. Lawrence Centre's 2014 Base Budget increases total staff complement by 1.3 recoverable crew positions attributed to increased programming in base activity levels.

Table 3
Key Cost Drivers

(In \$000s)	2015 Recommended Operating Budget			Total Rec'd 2015 Base Budget
	Sony Centre	St. Lawrence Centre	Toronto Centre	
Gross Expenditure Changes				
Prior Year Impacts				
Reversal of Prior Year Reserve Fund Transfers			439.0	439.0
Economic Factors				
Corporate Economic Factors	25.6	23.0	21.6	70.3
Utilities Adjustment to Reflect Actual	85.0			85.0
COLA and Progression Pay				
COLA and Step	43.5	24.5	44.8	112.8
Other Base Complement Adjustments	15.0	25.4		40.4
Other Base Changes				
Re-instated Funding for Renovated Space	200.4			200.4
Changes Due to Programming/Business Mix	1,039.4			1,039.4
Audit Fee Increase		1.0		1.0
Increase in Facilities Mgt & Real Estate Charges		18.2		18.2
Expenditure Adjustments to Reflect Actual		3.9		3.9
Total Gross Expenditure Changes	1,409.0	96.0	505.4	2,010.4
Revenue Changes				
Volume Changes Based on Activity Levels	1,003.0		(380.7)	622.3
Total Revenue Changes	1,003.0		(380.7)	622.3
Net Expenditure Changes	406.0	96.0	886.1	1,388.1

Key cost drivers for the Theatres are as detailed below:

Sony Centre for the Performing Arts

- The return of the backstage area to full operation adds approximately 35,000 square feet of space for a new rehearsal hall, wardrobe room, staff and visiting production offices, and lounge which drive Sony Centre's costs up by \$0.200 million for 2015.
- Inflationary increases applied to labour (cost-of-living adjustment) and non-labour (hydro, gas and water) adds a \$0.084 million pressure to the base budget.
- A correction to the 2014 base utilities budget that has been historically under-stated based on past usage has also increased the base budget by \$0.085 million
- Another key cost driver is the change in the business mix based on the planned activities at Sony Centre, resulting in \$1.039 million additional cost.

St. Lawrence Centre for the Arts

- Economic factors applied to non-labour expenses and cost-of-living adjustments and step pay is a key cost driver, requiring an additional \$0.073 million
- An increase in City cleaning, building and maintenance rates increases the base budget by \$0.018 million.
- The base budget is also increased by a \$0.001 million adjustment to "other expenses" to reflect actual experience.

Toronto Centre for the Arts

- A reversal of the prior year transfers to and from the North York Performing Arts Capital Reserve Fund results creates a pressure in the base budget of \$0.439 million, as less maintenance work is scheduled.
- Inflationary increases for non-labour expenses are \$0.022 million.
- Economic factors applied to salary and benefits (COLA) and step pay totaling \$0.045 million accounts for part of the base budget pressure.

In order to offset the above pressures, the 2015 recommended service changes for Theatres consists of base expenditures changes of \$0.920 million, base revenue changes of \$0.054 million, and service efficiency savings of \$0.025 million as detailed on the next page:

Table 4
2015 Total Recommended Service Change Summary

Description (\$000s)	2015 Recommended Service Changes						Total Rec'd Service			Incremental Change			
	Sony Centre		St. Lawrence Centre		Toronto Centre		\$	\$	#	2016 Plan		2017 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Position	Gross	Net	Gross	Net
Base Changes:													
Base Expenditure Changes													
<i>Savings from Re-Class Position from Outsourcing</i>	(6.7)	(6.7)					(6.7)	(6.7)	1.0				
<i>Expenditure Adjustments to Reflect Actuals</i>			(17.5)	(17.5)	(691.2)	(691.2)	(708.7)	(708.7)		5.5	5.5	1.6	1.6
<i>Base Complement Changes</i>					(204.0)	(204.0)	(204.0)	(204.0)					
Base Expenditure Change	(6.7)	(6.7)	(17.5)	(17.5)	(895.2)	(895.2)	(919.5)	(919.5)	1.0	5.5	5.5	1.6	1.6
Base Revenue Changes													
<i>Volume Changes Based on Activity Levels</i>			103.4	(54.0)			103.4	(54.0)	1.3	(112.7)	(145.0)	1.5	(30.7)
Base Revenue Change			103.4	(54.0)			103.4	(54.0)	1.3	(112.7)	(145.0)	1.5	(30.7)
Sub-Total	(6.7)	(6.7)	85.9	(71.5)	(895.2)	(895.2)	(816.1)	(973.5)	2.3	(107.3)	(139.6)	3.1	(29.1)
Service Efficiencies													
<i>Front of House Reduction and Production Staff Savings</i>			(24.5)	(24.5)			(24.5)	(24.5)					
Sub-Total			(24.5)	(24.5)			(24.5)	(24.5)					
Total Changes	(6.7)	(6.7)	61.4	(96.0)	(895.2)	(895.2)	(840.6)	(998.0)	2.3	(107.3)	(139.6)	3.1	(29.1)

Base Expenditure Changes (Savings of \$0.920 million gross & net)

Sony Centre

- Base expenditure savings will be achieved by converting a contracted Director of Sponsorship position from outsourced to in-house.

St. Lawrence Centre & Toronto Centre

- Adjustments to multiple expenditure line items including general equipment, materials and supplies, and service and rents reflect actual usage and results in a total base reduction of \$0.018 million.

Toronto Centre

- Due to reduced activity level volumes a net reduction of \$0.865 million is shown.

Base Revenue Changes (Savings of \$0.054 million net)

St. Lawrence Centre – Volume Change Based on Activity Levels

- The 2015 planned programming is expected to increase base revenues by \$0.157 million which is partially offset by an increase in associated expenditures for an overall net savings of \$0.054 million.

Service Efficiencies (Savings of \$0.025 million gross & net)

St. Lawrence Centre – Front of House and Production Staff Savings

- Salary and benefit savings arise from a temporary 2 month lay-off of the Front of House and Production staff during the summer months when the Centre is dark. There is no service change or reduction in approved positions resulting from this recommended efficiency as the Centre is already dark during the months of July and August.

Table 6
2016 and 2017 Plan by Program

Description (\$000s)	2016 - Incremental Increase					2017 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Anticipated Impacts:										
St. Lawrence Centre	53.6	32.3	21.3			63.1	32.2	30.9		
Toronto Centre	44.4		44.4			14.5		14.5		
Sub-Total	98.0	32.3	65.7			77.6	32.2	45.4		
Total Incremental Impact	98.0	32.3	65.7			77.6	32.2	45.4		

Approval of the 2015 Recommended Budget for Theatres will not result in any overall net incremental impacts in 2016 and 2017 in order to maintain 2015 service levels.

Future year incremental costs are primarily attributable to the following:

Anticipated Impacts

- St. Lawrence Centre for the Arts forecasts an incremental increase in expenditures and associated revenues due to volume changes in activity.
- Toronto Centre for the Arts expects an incremental increase in salary and benefit costs due to anticipated recoverable crew costs related to future activity levels.



Part III:

Issues for Discussion

Issues for Discussion

Issues Impacting the 2015 Budget

Sony Centre's Ability to Meet Budget Target

- Sony Centre for the Performing Arts' 2015 Recommended Operating Budget of \$1.637 million net is \$0.399 million or 32.3% over the 2014 Approved Operating Budget of \$1.238 million net.
- After the November 2010 theatre renovation, Sony Centre gained the use of 35,000 square feet of space in March 2014 that includes a new rehearsal hall, wardrobe rooms, lounge, bathrooms and elevators. The cost to operate and maintain the new facility requires the re-instatement of funding of \$0.200 million.
- A correction to the historically under-stated utilities budget requires a budgetary increase of \$0.085 million to reflect actual costs.
- A change in programming business mix, resulting in fewer theatre presentations and more reception and meeting events, also adds a net budget pressure of \$0.036 million.
- Labour and non-labour inflationary impacts account for a \$0.084 million pressure.
- These budget pressures are partially offset by base budget savings of \$0.007 million achieved by changing a position from outsourced to in-house employee.
- Any further reductions in overhead expenditures would impede the Centre's ability to service its clients and patrons and sustain a viable operation.
- In addition to the additional funding included in the 2015 Recommended Operating Budget for the Sony Centre, a New and Enhanced request for "Program Investments" for an additional \$0.108 million to support improved marketing, program development, education, and outreach was not recommended.
 - This "Program Investments" request would have resulting in an overall operating budget for Sony at 41% over the 2014 budget in a time of financial constraint.
 - Starting such a new initiative seemed pre-mature prior to consideration by Council in early 2015 of the anticipated report from the General Manager of Economic, Development and Culture, resulting from the work of the Theatres Task Force and the consultant's report on "Evaluation and Governance and Operational Models for Toronto's Civic Theatres."

St. Lawrence Centre - User Fee Rate Change

- St. Lawrence Centre for the Arts' 2015 Recommended Operating Budget includes market rate increases for its user fees in the Jane Mallet Theatre (\$100 or 5%) driven by changing market conditions. Please see Appendix 7a for user fee details.
- It is recommended that City Council approve the 2015 market rate user fee changes for St. Lawrence Centre for the Arts' Jane Mallet Theatre as identified in Appendix 7a for inclusion in the Municipal Code Chapter 441, User Fees and Changes.

Toronto Centre – User Fee Rationalization

- In October 2014, Toronto Centre for the Arts commenced its Main Stage Reconfiguration capital project to create two new venues: the 200-seat Greenwin Stage Tower theatre and the 550-seat Lyric theatre that are expected to be complete by April 2015 and the Fall of 2015, respectively.
- Projected rental and ancillary revenues associated with the Greenwin Stage Tower theatre are approximately \$0.084 million and are part of the forecasted revenues in the 2015 Recommended Operating Budget.
- There are no revenues projected for the Lyric Theatre in 2015 due to the anticipated completion date of this space.
 - As a result, Toronto Centre for the Arts' 2015 Recommended Operating Budget includes a rationalization of the Main Stage theatre user fees for the Greenwin Stage Tower theatre and Lyric theatre. Please see Appendix 7f for user fee details.
 - It is recommended that City Council approve the 2015 rationalization of the Main Stage theatre user fees as identified in Appendix 7f for inclusion in the Municipal Code Chapter 441, User Fees and Changes.

Future Year Issues

Future of the Three Major Civic Theatres

- At its meeting of September 26 and 27, 2011 City Council considered a Core Service Review and authorized the City Manager to issue a Request for Expression of Interest (REOI) to determine options for sale, lease, operation or other arrangement in respect to the Sony Centre for the Performing Arts, St. Lawrence Centre for the Arts and Toronto Centre for the Arts.
- The Request for Expression of Interest was issued in May 2012 and yielded findings, as presented in a report to the November 2012 Executive Committee entitled "Future of the Three Major Civic Theatres – Directions Resulting from the Request for Expression of Interest" dated October 22, 2012 (Item EX24.8) in which the City Manager recommended:
 - City Council authorize the City Manager to work with City staff to determine how to structure a potential divestment of the Sony Centre for the Performing Arts, and report back to City Council with a proposed process and guidelines that:
 - Include allowance for potential adaptive reuse and other innovative strategies for sustained use; and
 - Are subject to existing zoning and heritage by-laws governing land use and the building, and take into consideration recent capital improvements.
- Consideration of the October 22, 2012 report was deferred to the November 19, 2012 Executive Committee (Item EX25.5) meeting and the following recommendation was made to City Council:
 - Defer consideration of recommendation 3 of the report (October 22, 2012) from the City Manager for 120 days, and request the Board of the Sony Centre to develop and submit to the City Manager's Office, a long-term strategic plan and a five-year business plan for the Sony Centre to continue as a City-owned theatre, which will substantially reduce or eliminate the City's subsidy, and that:

- The Sony Centre Board be permitted and encouraged to consult throughout this review period with the General Manager of Economic Development and Culture.
- The Board of the Sony Centre be encouraged to work with the Boards of the Toronto Centre for the Arts and the St. Lawrence Centre to present a comprehensive plan.
- The City Manager and Legal Services provide assistance as required by the Sony Centre Board.
- *Sony Centre's* Long Term Planning Committee issued an RFP and chose Cultural Asset Management Group (CAMG) as a consultant to draft its plan. In 2013, the Centre undertook a strategic planning process involving:
 - General marketing analysis for all three theatres
 - Sony Centre Business Analysis
 - Sony Centre Business and Strategic Options
 - Sony Centre Strategic Plan and 5 Year Business Model
- The CAMG completed portions of their report in 2013 which have been presented and adopted by Sony Centre's Board of Directors. The final portion of the consultant's report was received by Sony Centre's Board of Directors at the end of March 2014 with a copy provided to the General Manager of Economic, Development and Culture for review and consideration.
- **Toronto Centre for the Arts** Planning Committee underwent a planning process with NetGain Partners Inc. to develop a long-term business plan and strategy. A draft plan was reviewed by the TCA Board at the end of May 2013 which offered 3 options based on community feedback to deliver the Centre's mandate of serving the not-for-profit arts organizations:
 1. Status Quo + Non-stage Use
 2. Status Quo + Non-Stage Use + Non-Performance Use of Main Stage
 3. Status Quo + Non-Stage Use + Reconfiguration of Main Stage
- The third option was the preferred choice as demonstrated by community demands. The final draft contained details of organizational and physical changes, as well as a review of the demand for the 2 smaller spaces. The cost of the reconfiguration capital project of \$6.924 million was included in Economic, Development and Culture's 2014-2023 Capital Budget and Plan with 50% funding from debt and 50% funding from the North York Performing Arts Capital Reserve Fund with cash flows phased over 2014 and 2015.
- Construction of the Greenwin Stage Tower Theatre (200 seats) began in October 2014 and is expected to be complete by March 2015, with programming starting in April 2015. The Lyric Theatre (550 seats) has an anticipated completion date of September 2015. The revenues expected from these new venues are included in the 2015 Recommended Operating Budget.
- Toronto Centre for the Arts' final report from NetGain Partners Inc. was forwarded to the General Manager of Economic, Development and Culture for review and consideration.
- **St. Lawrence Centre for the Arts** Planning Committee also undertook a process with their consultant to address the Centre's future. The option chosen was to maintain status quo and improve value-added services offered to clients including the provision of marketing and

advertising of shows and events. As part of the 2014 Operating Budget, St. Lawrence Centre included an increased marketing budget of \$3,600 to offer email blast services to an established database of subscribers advertising shows and events. There is no change in service level in the 2015 Recommended Operating Budget. In future years, 2 additional marketing positions will be added to enhance this service to clients. The final consultant's report was provided to Economic, Development and Culture for consideration.

- In 2013 the boards of all three theatres endorsed the establishment of a Theatres Working Group (TWG) that includes management representation from each theatre, local City Councillors, City staff and community members to explore close co-operation and shared services.
 - A Request for Proposal for a consultant to undertake a study to evaluate the potential governance and operating models for the theatres was issued by Economic, Development and Culture on December 9, 2013. The objective of the study is to identify and recommend how best to leverage areas of shared interest and maximize collaboration among the three civic theatres. NetGain Partners Inc. was the successful proponent and was awarded the contract on February 12, 2014.
 - The Final Report: Evaluation and Governance and Operational Models for Toronto's Civic Theatres, by NetGain Partners Inc. was presented to the 3 theatres in October 2014 and is being reviewed and considered by City Staff and the City's Theatres Working Group.
 - A report to Council with recommendations from the General Manager of Economic, Development and Culture is expected in 2015. Future year Operating Budget requests could be impacted by the recommendations arising from this report.



Appendices:

Appendix 1

2014 Service Performance

2014 Key Service Accomplishments

In 2014, Sony Centre for the Performing Arts achieved the following results:

- ✓ Launched the Education & Outreach & Animation program (E&O&A) that offered 30 community courses to 350 people, hosted 2 school visits to over 200 students, and held 2 pre-show chats to over 500 attendees.
- ✓ The backstage area was returned to operations that provided 35,000 square feet of space which include multiple rooms such as the rehearsal hall, lounge, wardrobe room, and staff offices.
- ✓ Participated in the Theatres Working Group as part of the advisory committee and voice for the Centre.
- ✓ Staff retention and successful transition to a new Board and new CEO while maintaining the Centre's major donor.
- ✓ Achieved 71% of attractions budgeted and 125% of budgeted corporate events.

In 2014, St. Lawrence Centre achieved the following results:

- ✓ Collaborated with the Theatres Working Group to examine the role of the three civic theatres, explore ways to make the theatres more viable and efficient.
- ✓ Hosted three concerts presented by the Toronto Jazz Festival for the first time in over 15 years.
- ✓ Hosted the Miss Universe Canada Pageant for the fourth consecutive year.
- ✓ Hosted two Luminato presentations; "Kontakthof" by renowned German dance company Tanztheater Wuppertal for four sold-out shows in the Bluma and "Card Table Artifice" featuring RH Thomson and the magic of David Ben for two performances in the Jane.
- ✓ Had a successful run of Canadian Stage shows including the production of "Venus In Fur" and Robert LePage's "Needles and Opium" which is scheduled for a remount in 2015.
- ✓ Booked a total of 127 days in the Bluma Appel Theatre and 101 days in the Jane Mallett Theatre.

In 2014, Toronto Centre for the Arts' accomplishments included the following:

- ✓ Commenced the Main Stage re-configuration capital project that has an expected completion date of April 1, 2015 for the Greenwin Stage Tower theatre.
- ✓ Continued to participate in the Theatre Working Group with the goal of defining a more efficient operating model for the three City-owned civic theatres including the Toronto Centre for the Arts.
- ✓ Continued to work with North York Arts to establish a permanent home at the Toronto Centre for the Arts that includes a dedicated arts hub and office space. This strategic partnership will provide

the Toronto Centre for the Arts with a link to the community arts organizations in the northern end of the City of Toronto.

2014 Financial Performance

2014 Budget Variance Analysis

(\$000s)	2012	2013	2014	2014	2014 Approved Budget vs.	
	Actuals	Actuals	Approved Budget	Projected Actuals*	Projected Actual	Variance
	\$	\$	\$	\$	\$	%
Gross Expenditures						
Sony Centre for the Performing Arts	12,540.7	12,061.2	15,013.3	12,890.9	(2,122.4)	(14.1%)
St. Lawrence Centre for the Arts	3,426.3	3,322.5	3,264.3	3,166.8	(97.5)	(3.0%)
Toronto Centre for the Arts	4,766.7	4,093.8	3,883.6	4,252.5	368.9	9.5%
Total Gross Expenditures	20,733.7	19,477.5	22,161.2	20,310.2	(1,851.0)	(8.4%)
Revenues						
Sony Centre for the Performing Arts	11,513.6	10,377.2	13,775.3	11,378.6	(2,396.7)	(17.4%)
St. Lawrence Centre for the Arts	1,963.9	1,755.8	1,516.4	1,464.3	(52.1)	(3.4%)
Toronto Centre for the Arts	3,528.0	2,336.8	2,112.1	2,436.6	324.5	15.4%
Total Gross Expenditures	17,005.5	14,469.8	17,403.8	15,279.5	(2,124.3)	(12.2%)
Net Expenditures						
Sony Centre for the Performing Arts	1,027.1	1,684.0	1,238.0	1,512.3	274.3	22.2%
St. Lawrence Centre for the Arts	1,462.4	1,566.7	1,747.9	1,702.5	(45.4)	(2.6%)
Toronto Centre for the Arts	1,238.7	1,757.0	1,771.5	1,815.9	44.4	2.5%
Total Gross Expenditures	3,728.2	5,007.7	4,757.4	5,030.7	273.3	5.7%
Approved Positions						
Sony Centre for the Performing Arts	72.2	69.5	65.6	62.6	(3.0)	(4.6%)
St. Lawrence Centre for the Arts	37.5	32.7	31.1	31.8	0.7	2.3%
Toronto Centre for the Arts	68.0	63.4	59.8	62.2	2.4	4.0%
Total Gross Expenditures	177.7	165.6	156.5	156.6	0.1	0.1%

* Based on the 9 month Operating Budget Variance Report

2014 Experience

- ✓ The third quarter variance results indicate that the Theatres will be over spent by \$0.273 million or 5.7% over the 2014 Net Operating Budget by year-end due to the following factors:
 - **Sony Centre for the Performing Arts** projects its 2014 Operating Budget will be over spent due to fewer performances and events booked, as well as historically under-stated utilities budgets.
 - Based on November year-to-date results, the year-end spending is projected to be \$0.344 million or 27.8% over budget.
 - **St. Lawrence Centre for the Arts** is projecting to be under spent by year-end because of higher than budgeted rental and ancillary revenues resulting from a commercial show and unbudgeted one-time bookings.
 - The November year-to-date results indicate that St. Lawrence year-end under spending will be \$0.085 million or 4.9% below budget as a result of water and City maintenance charges being lower than budgeted, and savings from crew maintenance costs that was

absorbed by the client due to programming that required a higher number of hours for stage hands.

- **Toronto Centre for the Arts** projects the 2014 Operating Budget will be over spent primarily due to one-time legal costs associated with various grievances connected to the new Collective Bargaining Agreements for stage labour.
 - Based on November year-to-date results, the anticipated year-end spending has been revised to \$0.060 million or 3.4% over budget.

Impact of 2014 Operating Variance on the 2015 Recommended Budget

- ✓ Each Theatre has included adjustments in their 2015 Recommended Operating Budget to reflect the projected outcomes in 2014 and anticipated changes in 2015.
 - Sony Centre's 2015 Recommended Operating Budget includes a net increase of \$0.399 million to reflect the changing programming mix, operating costs for the new renovated space, and increasing utilities costs.
 - St. Lawrence Centre has maintained its 2015 Recommended Operating Budget at 0% increase over 2014.
 - The 2015 Recommended Operating Budget for Toronto Centre includes the anticipated revenues that will arise from increased activity in the new Greenwin Stage Tower space.

Appendix 2a

2015 Operating Budget by Recommended Expenditure Category

Program Summary by Expenditure Category

Sony Centre for the Performing Arts

Category of Expense (\$000's)	2012	2013	2014	2014	2015	2015 Change from		Plan	
	Actual	Actual	Budget	Projected	Rec'd	2014 Approved		2016	2017
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	5,580.2	5,360.8	5,931.5	5,967.8	6,192.7	261.3	4.4%	6,192.7	6,192.7
Materials and Supplies	863.6	892.4	1,027.7	1,024.6	1,215.9	188.3	18.3%	1,215.9	1,215.9
Equipment	24.6	33.4	47.1	45.3	63.0	15.9	33.8%	63.0	63.0
Services & Rents	4,347.2	4,228.6	5,345.7	3,201.9	5,514.6	168.9	3.2%	5,514.6	5,514.6
Contributions to Capital				531.9	952.2	952.2	-	952.2	952.2
Contributions to Reserve/Res Funds	545.4	679.8	1,631.2	1,543.4	1,490.2	(141.0)	(8.6%)	1,490.2	1,490.2
Other Expenditures	1,179.7	866.2	1,030.2	576.0	845.9	(184.2)	(17.9%)	845.9	845.9
Interdivisional Charges							-		
Total Gross Expenditures	12,540.7	12,061.2	15,013.3	12,890.9	16,274.6	1,261.3	8.4%	16,274.6	16,274.6
Interdivisional Recoveries							-		
Provincial Subsidies							-		
Federal Subsidies							-		
Other Subsidies							-		
User Fees & Donations	8,535.5	7,419.2	9,429.1	6,989.2	10,122.7	693.6	7.4%	10,122.7	10,122.7
Transfers from Capital Fund							-		
Contribution from Reserve/Res Funds			1,603.4	1,543.4	1,462.3	(141.1)	(8.8%)	1,462.3	1,462.3
Sundry Revenues	2,978.1	2,958.0	2,742.8	2,846.0	3,052.2	309.3	11.3%	3,052.2	3,052.2
Total Revenues	11,513.6	10,377.2	13,775.3	11,378.6	14,637.2	861.9	6.3%	14,637.2	14,637.2
Total Net Expenditures	1,027.1	1,684.0	1,238.0	1,512.3	1,637.3	399.3	32.3%	1,637.3	1,637.3
Approved Positions	72.2	69.5	65.6	62.6	70.9	5.3	8.1%	70.9	70.9

* Note: Based on the 9 month Operating Budget Variance Report

Appendix 2b

2015 Operating Budget by Recommended Expenditure Category

Program Summary by Expenditure Category

St. Lawrence Centre for the Arts

Category of Expense (\$000's)	2012	2013	2014	2014	2015	2015 Change from		Plan	
	Actual	Actual	Budget	Projected	Rec'd	2014 Approved		2016	2017
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	2,419.4	2,299.2	2,138.9	2,139.1	2,277.6	138.6	6.5%	2,304.8	2,332.5
Materials and Supplies	400.7	419.1	437.0	422.9	443.9	6.9	1.6%	467.7	492.1
Equipment							-		
Services & Rents	497.2	507.5	506.7	497.8	521.6	14.9	2.9%	524.1	534.0
Contributions to Capital							-		
Contributions to Reserve/Res Funds	14.2	14.1	89.1	14.1	114.1	25.0	28.1%	114.1	114.1
Other Expenditures	94.8	82.6	92.6	92.9	89.6	(3.0)	(3.3%)	89.6	90.7
Interdivisional Charges							-		
Total Gross Expenditures	3,426.3	3,322.5	3,264.3	3,166.8	3,446.8	182.4	5.6%	3,500.4	3,563.5
Interdivisional Recoveries							-		
Provincial Subsidies							-		
Federal Subsidies							-		
Other Subsidies							-		
User Fees & Donations	1,934.0	1,718.5	1,410.7	1,428.3	1,562.6	151.9	10.8%	1,593.9	1,625.7
Transfers from Capital Fund							-		
Contribution from Reserve/Res Funds			75.0		100.0	25.0	33.3%	100.0	100.0
Sundry Revenues	29.9	37.3	30.7	36.0	36.2	5.5	18.0%	37.3	37.6
Total Revenues	1,963.9	1,755.8	1,516.4	1,464.3	1,698.8	182.4	12.0%	1,731.1	1,763.4
Total Net Expenditures	1,462.4	1,566.7	1,747.9	1,702.5	1,747.9	0.0	0.0%	1,769.3	1,800.1
Approved Positions	37.5	32.7	31.1	31.8	32.4	1.3	4.2%	32.4	32.4

* Note: Based on the 9 month Operating Budget Variance Report

Appendix 2c

2015 Operating Budget by Recommended Expenditure Category

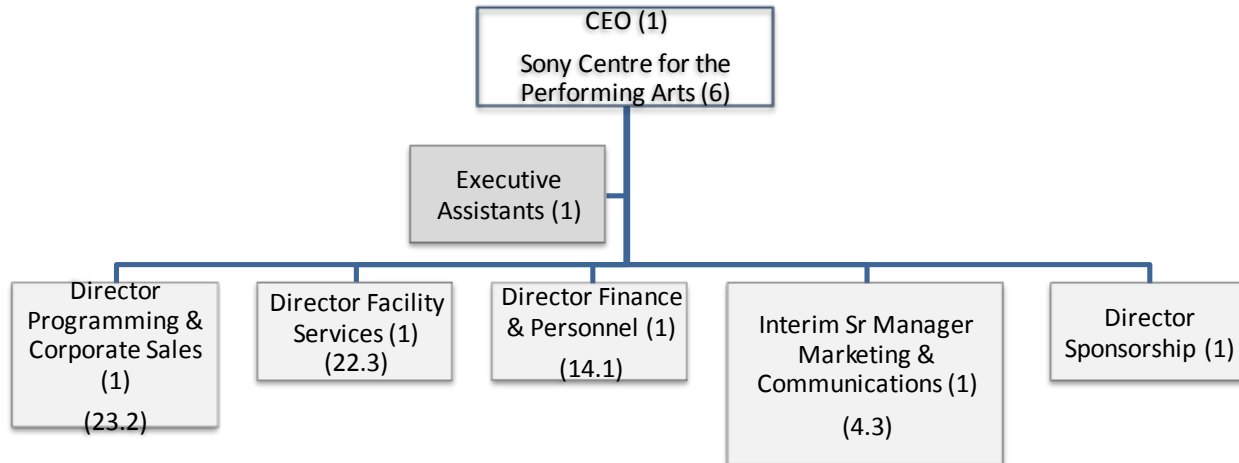
Program Summary by Expenditure Category

Toronto Centre for the Arts

Category of Expense (\$000's)	2012	2013	2014	2014	2015	2015 Change from		Plan	
	Actual	Actual	Budget	Projected	Rec'd	2014 Approved		2016	2017
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	3,509.0	2,936.0	2,341.5	2,695.3	2,182.3	(159.3)	(6.8%)	2,226.7	2,241.2
Materials and Supplies	503.8	489.4	361.1	413.2	393.7	32.6	9.0%	393.7	393.7
Equipment	29.0	36.3	662.3	631.5	371.0	(291.3)	(44.0%)	371.0	371.0
Services & Rents	708.6	615.9	302.5	430.5	391.6	89.1	29.5%	316.6	291.6
Contributions to Capital							-		
Contributions to Reserve/Res Funds	16.2	16.2	216.2	82.0	66.3	(149.9)	(69.3%)	66.3	66.3
Other Expenditures							-		
Interdivisional Charges							-		
Total Gross Expenditures	4,766.6	4,093.8	3,883.6	4,252.5	3,404.8	(478.7)	(12.3%)	3,374.3	3,363.8
Interdivisional Recoveries							-		
Provincial Subsidies							-		
Federal Subsidies							-		
Other Subsidies							-		
User Fees & Donations	3,278.0	2,336.8	1,473.1	1,836.6	1,142.4	(330.7)	(22.5%)	1,142.4	1,142.4
Transfers from Capital Fund							-		
Contribution from Reserve/Res Funds	250.0		639.0	600.0	500.0	(139.0)	(21.8%)	425.0	400.0
Sundry Revenues							-		
Total Revenues	3,528.0	2,336.8	2,112.1	2,436.6	1,642.4	(469.7)	(22.2%)	1,567.4	1,542.4
Total Net Expenditures	1,238.6	1,757.0	1,771.5	1,815.9	1,762.5	(9.0)	(0.5%)	1,806.9	1,821.4
Approved Positions	68.0	63.4	59.8	62.2	59.8			59.8	59.8

* Note: Based on the 9 month Operating Budget Variance Report

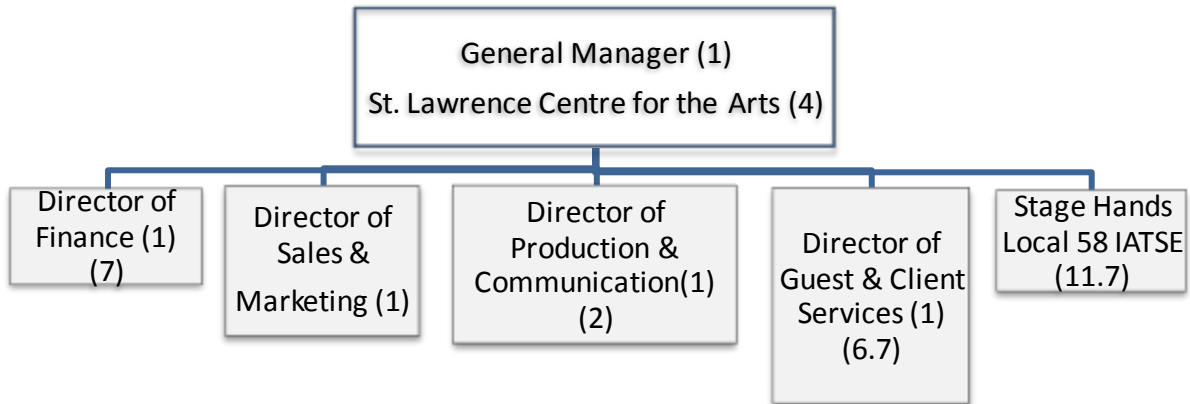
Appendix 3a 2015 Organization Chart



2015 Recommended Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	7.3	11.0	9.8	18.5	46.6
Temp			1.0	23.3	24.3
Total	7.3	11.0	10.8	41.8	70.9

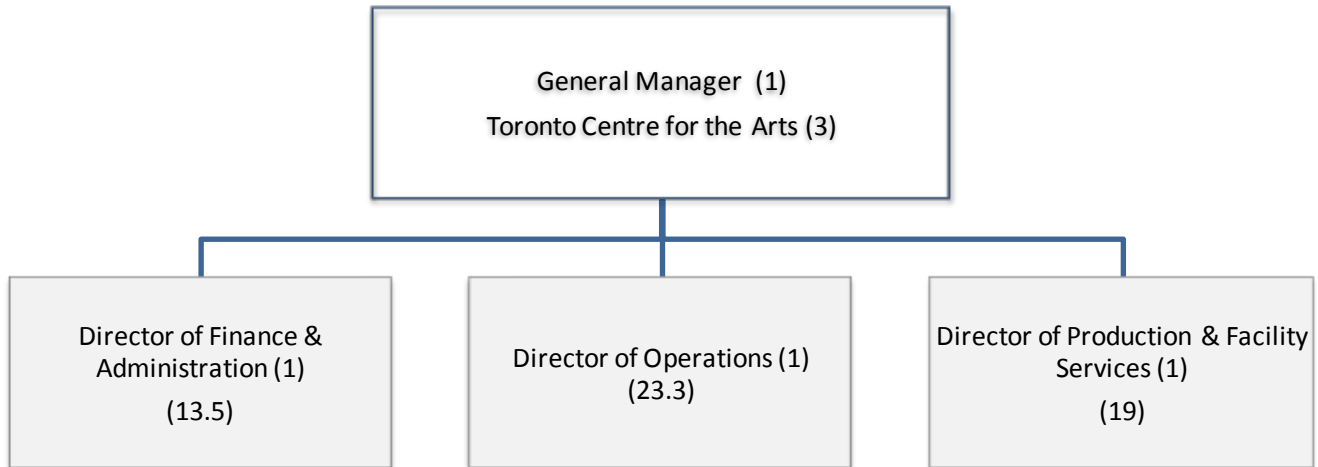
Appendix 3b 2015 Organization Chart



2015 Recommended Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	1.0	8.0	5.0	3.5	17.5
Temporary				14.9	14.9
Total	1.0	8.0	5.0	18.4	32.4

Appendix 3c 2015 Organization Chart



2015 Recommended Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	1.0	12.0			13.0
Temporary			32.8	14.0	46.8
Total	1.0	12.0	32.8	14.0	59.8

Appendix 4
Summary of 2015 Recommended Service Changes

**2015 Operating Budget - BC Recommended Service Change
Summary by Activity
(\$000s)**

Form ID		Agencies - Cluster Program: Theatres	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
2015 BC Recommended Base Budget Before Service Change:			23,150.6	17,978.4	5,172.2	163.1	65.8	45.2
4585	SLC Reduction of Front of House and Production Staff Saving							
51	Description:							
Salary and Benefit savings arise from a temporary 2 month lay off of the Front of House and Production staff during the summer months when St. Lawrence Centre is dark. Total savings amount to \$0.025 million net.								
Service Level Impact:								
There is no service change resulting from this efficiency reduction as St. Lawrence Centre is already dark during the months of July and August. There are no reductions in approved positions.								
Service/Activity: Theatrical & Other Cultural Events / NA								
Staff Recommended:			(24.5)	0.0	(24.5)	0.0	0.0	0.0
BC Recommended Change:			0.0	0.0	0.0	0.0	0.0	0.0
Total BC Recommended:			(24.5)	0.0	(24.5)	0.0	0.0	0.0
Staff Recommended:			(24.5)	0.0	(24.5)	0.0	0.0	0.0
Budget Committee Recommended:			0.0	0.0	0.0	0.0	0.0	0.0
Budget Committee Recommended Service Changes:			(24.5)	0.0	(24.5)	0.0	0.0	0.0
Summary:								
Staff Recommended:			(24.5)	0.0	(24.5)	0.0	0.0	0.0
Budget Committee Recommended:			0.0	0.0	0.0	0.0	0.0	0.0
Budget Committee Recommended Service Changes:			(24.5)	0.0	(24.5)	0.0	0.0	0.0
Total Budget Committee Recommended Base Budget:			23,126.2	17,978.4	5,147.8	163.1	65.7	45.3

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Table 7

Theatre Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance		6,555.4	6,555.4	3,769.4	3,394.4
North York Performing Arts Centre Capital Reserve Fund	XR3007				
<i>Proposed Withdrawals (-)</i>					
- Marketing Initiative			(150.0)	(75.0)	(75.0)
- Minor Capital Repairs			(350.0)	(350.0)	(350.0)
- Main Stage Re-configuration Capital Project			(2,336.0)		
<i>Contributions (+)</i>			50.0	50.0	50.0
Total Reserve / Reserve Fund Draws / Contributions		6,555.4	3,769.4	3,394.4	3,019.4
Balance at Year-End		6,555.4	3,769.4	3,394.4	3,019.4

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance		1.1	1.1	1.1	1.1
St. Lawrence Centre for the Arts Capital Reserve Fund	XR1046				
<i>Proposed Withdrawals (-)</i>			(100.0)	(100.0)	(100.0)
<i>Contributions (+)</i>			100.0	100.0	100.0
Total Reserve / Reserve Fund Draws / Contributions		1.1	1.1	1.1	1.1
Balance at Year-End		1.1	1.1	1.1	1.1

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance		125.0	125.0	98.2	71.4
Sony Centre Facility Fee Reserve Fund	XR3030				
<i>Proposed Withdrawals (-)</i>			(1,462.3)	(1,462.3)	(1,462.3)
<i>Contributions (+)</i>			1,435.5	1,435.5	1,435.5
Total Reserve / Reserve Fund Draws / Contributions		125.0	98.2	71.4	44.6
Balance at Year-End		125.0	98.2	71.4	44.6

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Table 8
Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance		21,307.7			
Insurance Reserve Fund	XR1010				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>					
- Sony Centre			27.8	27.8	27.8
- St. Lawrence Centre			14.1	14.1	14.1
- Toronto Centre			16.2	16.2	16.2
Total Reserve / Reserve Fund Draws / Contributions		21,307.7	58.1	58.1	58.1
Balance at Year-End		21,307.7	58.1	58.1	58.1

Appendix 7a

Recommended User Fees Adjusted for Inflation and Other

Rate Description	Service	Fee Category	Fee Basis	2014	2015			2016	2017
				Approved Rate	Inflationary Adjusted Rate	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
Use of Jane Mallet Theatre	Theatrical & Other Cultural Events	Market Based	Per Day	\$2,000.00		\$100.00	\$2,100.00	\$2,100.00	\$2,100.00

Appendix 7f

Recommended User Fee Rationalization

Service	2014			2015			Comments
	Rate ID	Rate Description	Approved Rate	Rate ID	Rate Description	Budget Rate	
Theatrical & Other Cultural Events	TA001.1	Main Stage Commercial	\$16,900.00	TA011	Lyric Theatre NFP Rental Rate	\$3,044.81	Rationalization of user fees to align with the re-configuration of the Main Stage Theatre into two venues - Lyric and Greenwin Theatres.
Theatrical & Other Cultural Events	TA003.1	Main Stage - Not for Profit	\$10,900.00	TA012	Lyric Theatre Commercial Rental Rate	\$4,664.00	
Theatrical & Other Cultural Events	TA006.1	Main Stage - Educational	\$4,000.00	TA013	Greenwin Theatre NFP Rental Rate	\$707.49	
				TA014	Greenwin Theatre Commercial Rental Rate	\$982.49	