



City Budget  
2013

Economic Development and  
Culture  
Operating Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Operating Budget pays operating costs for the City.

# 2013 Operating Budget

## 2013 OPERATING BUDGET ANALYST NOTES BRIEFING NOTES

BUDGET COMMITTEE, NOVEMBER 29, 2012

### TABLE OF CONTENTS

<b>PART I: RECOMMENDATIONS</b> .....	2
<b>PART II: 2013 SERVICE OVERVIEW AND PLAN</b>	
Program Map and Service Profiles.....	3
2013 Recommended Service Levels .....	4
2013 Service Deliverables .....	8
<b>PART III: 2013 RECOMMENDED BASE BUDGET</b>	
2013 Recommended Base Budget .....	9
2013 Recommended Service Changes .....	10
2014 and 2015 Outlook .....	10
<b>PART IV: RECOMMENDED NEW/ENHANCED SERVICE PRIORITY ACTIONS</b>	
2013 Recommended New/Enhanced Service Priority Actions .....	N/A
<b>PART V: ISSUES FOR DISCUSSION</b>	
2013 and Future Year Issues .....	12
Issues Referred to the 2013 Operating Budget Process .....	12
Core Service Review and Efficiency Study Implementation Progress .....	N/A
<b>APPENDICES</b>	
Appendix 1: 2012 Performance .....	14
Appendix 2: 2013 Recommended Operating Budget by Expenditure Category and Key Cost Driver .....	18
Appendix 3: Summary of 2013 Recommended Service Changes .....	20
Appendix 4: Summary of 2013 Recommended New/Enhanced Service Priority Actions .....	N/A
Appendix 5: Inflows / Outflows to/ from Reserves and Reserve Funds .....	21
Appendix 6: 2013 Recommended User Fee Changes (i) .....	23

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## PART I: RECOMMENDATIONS

2013 Recommended Operating Budget  
(In \$000s)

(In \$000s)	2012		2013 Recommended Operating Budget			Change - 2013 Recommended Operating Budget v. 2012 Appvd. Budget		FY Incremental Outlook	
	2012 Approved Budget	2012 Projected Actual	2013 Rec. Base	2013 Rec. New/Enhanced	2013 Rec. Budget	\$	%	2014	2015
	\$	\$	\$	\$	\$			\$	\$
<b>GROSS EXP.</b>	56,158.2	55,494.7	56,705.9		56,705.9	547.7	1.0	556.5	619.4
<b>REVENUE</b>	12,165.1	10,525.8	11,872.0		11,872.0	(293.1)	(2.4)	113.5	113.5
<b>NET EXP.</b>	43,993.1	44,968.9	44,833.9		44,833.9	840.8	1.9	443.0	505.9
<b>Approved Positions</b>	275.8		273.8		273.8	(2.0)	(0.7)	2.5	

## Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

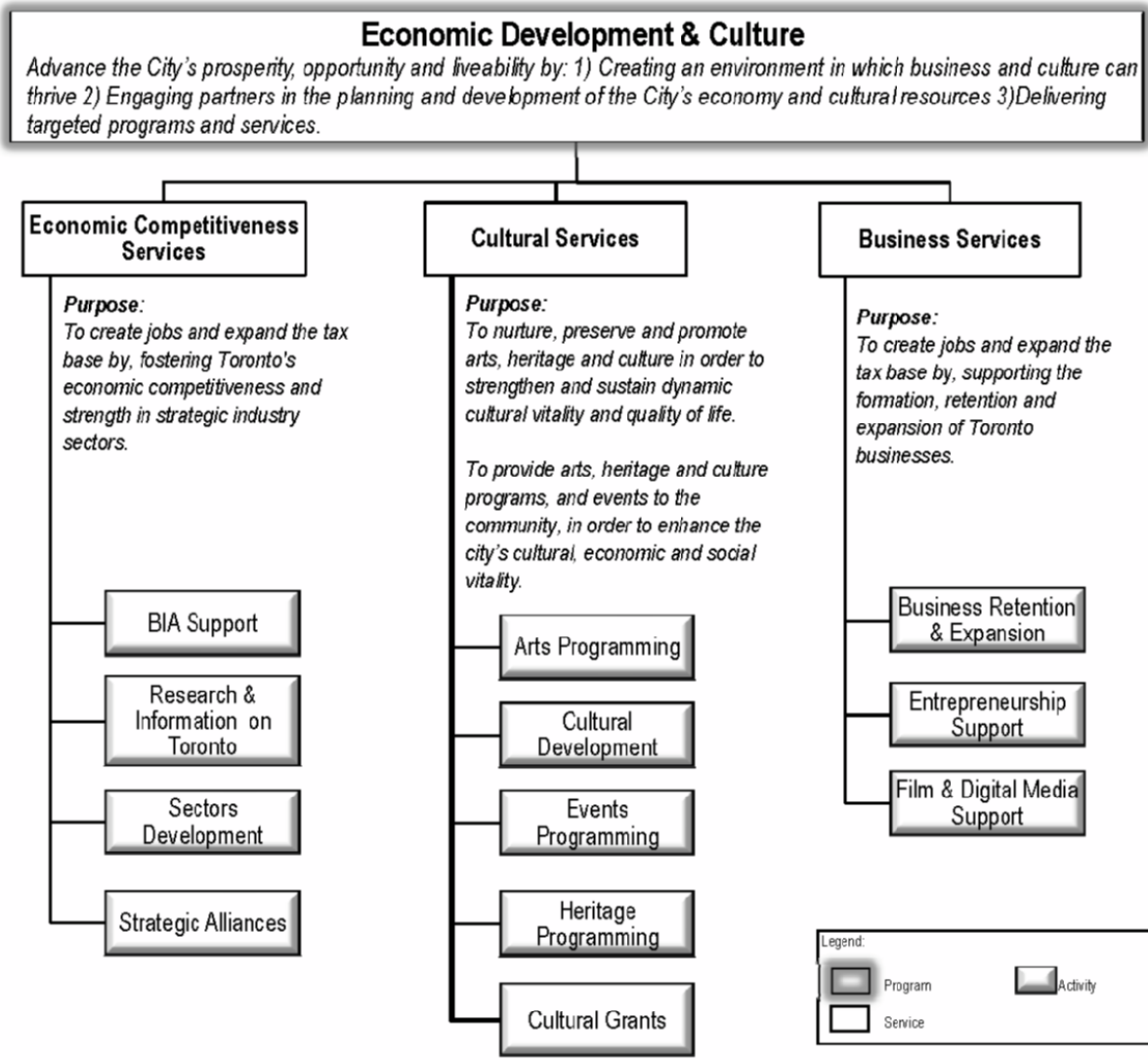
1. City Council approve the 2013 Recommended Operating Budget for Economic Development and Culture of \$56.706 million gross and \$44.834 million net, comprised of the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Culture Services	42,442.8	34,767.3
Strategic Growth & Sector Services	4,336.3	3,708.7
Business Services	4,884.7	3,277.5
Program Support	3,762.1	2,107.4
Film Services	1,280.0	973.0
<b>Total Program Budget</b>	<b>56,705.9</b>	<b>44,833.9</b>

2. Economic Development and Culture's services and 2013 proposed service levels, as outlined on pages 3-7, and associated staff complement of 273.8 positions be approved.
3. City Council approve the technical adjustments detailed in Appendix 6 (i) to add existing user fees that were inadvertently excluded from the Municipal Code Chapter 441, User Fees and Charges.

PART II: 2013 SERVICE OVERVIEW AND PLAN

Program Map and Service Profiles



Service Customer

**Economic Competitiveness Services**

- Academia
- Business Improvement Areas
- Business and labour organizations
- Canadian, International and Toronto-based Businesses
- City Manager's Office & Divisions, Agencies
- General public and visitors
- International event organizers and bid-development organizations
- Mayor's Office & Council
- Other orders of government and other municipalities
- Sectors

**Cultural Services**

- Local and international businesses and events
- Not-for-profit groups
- Residents
- Visitors

**Business Services**

- Academia
- Business groups and associations (Business Improvement Areas, film producers, foreign studios/independent production houses, incubators, local real estate & business investors)
- Business owners and entrepreneurs (small-mid size, film & TV)
- Film festivals
- Industry associations (Union and guild members, hospitality)
- Not-for-profit organizations
- Other orders of government

## 2013 Recommended Service Levels

The 2013 proposed service levels for Economic Development and Culture activities are summarized in the table below:

### Service Types and Service Levels

Service	Activity	Sub-Activity	Type	Sub-Type	Approved 2012 Service Levels	Proposed 2013 Service Levels	
Business Services	Business Retention & Expansion		Advice & Consultation		Respond to customer within 1 business day 100% of the time	Respond to customer within 1 business day 100% of the time	
			Advocacy/Development review		Respond to requests within 10 days 100 percent of the time where all information necessary to evaluate the project is available	Respond to requests within 10 days 100 percent of the time where all information necessary to evaluate the project is available	
			Business Incentives		IMIT application review and approval within 6 months of formal application submission to EDC	IMIT application review and approval within 6 months of formal application submission to EDC	
			Facilitation of Commercial, Industrial and Institutional Investment Projects		To provide the City's Gold Star Program for 100 percent of large scale industrial and commercial investment projects	Facilitate advancement and completion of 25 Gold Star projects with total investment value of \$400 million	
	Entrepreneurship Support			Training		Produce and deliver 160 business information and training sessions	Produce and deliver 120 business information and training sessions
				Advice & Consultation		Maintain 80% approval rating of ET clients surveyed	Maintain 80% approval rating of ET clients surveyed
				Business Incubation Services		Provision of timely advice, facilitation and co-ordination to leverage third party delivery of incubation services	Provide timely advice, facilitation and co-ordination to leverage third party delivery of incubation services
				Networks & Partnerships		Meet annual revenue targets 100 per cent of the time	Meet annual revenue targets 100 per cent of the time
				Business Registrations		Process business registrations within 24 hours 98 per cent of the time	Process business registrations within 24 hours 98 per cent of the time
		Filming Activity		Film Permitting		Issue permit in 48 hours / 2 business days or in agreed upon time, 100% of the time	Issue permit in 48 hours / 2 business days or in agreed upon time, 100% of the time
	Cultural Services	Arts Programming		Art Education classes		Provision of 309 classes per year	Provision of 310 classes per year
			Art Events (community organized)		Production / support of 336 events annually	Production / support of 340 events annually	
			Art Exhibits (city-organized)		Provision of 42 exhibits annually	Provision of 45 exhibits annually	
Cultural Development			Acquisition and conservation of art and artefact collections		Conservation of artifact collections to ensure state of good repair and at least 75% of City art collection made publically available	Conservation of artifact collections to ensure state of good repair and at least 75% of City art collection made publically available	
			Adaptive Reuse of Heritage Sites		Projects completed on time and on budget	Projects completed on time and on budget	
			Cultural Facilities Maintenance and Development		Maintenance and management of 61 properties to keep cultural facilities in a state of good repair and to ensure long term sustainability	Maintenance and management of 61 properties to keep cultural facilities in a state of good repair and to ensure long term sustainability	

## Service Types and Service Levels

Service	Activity	Sub-Activity	Type	Sub-Type	Approved 2012 Service Levels	Proposed 2013 Service Levels	
			Cultural Grants Coordination		Council approved grants in 4 months	Council approved grants in 4 months	
			Cultural Research and Cultural Advocacy		Documents provided in a timely manner to meet expectations and aid in supporting strategic goals and objectives	Documents provided in a timely manner to meet expectations and aid in supporting strategic goals and objectives	
			Public Art Selection, Location and maintenance		Average of 15 art projects in process per annum	Average of 15 art projects in process per annum	
	Events Programming			Community event coordination (3rd Party)		Provision of timely support to community groups wanting to produce an event on city property	Provision of timely support to community groups wanting to produce an event on city property
				Design and Delivery of Events		Production of 6 signature events contributing to 64 events days, on time and on budget	Production of 6 signature events contributing to 64 events days, on time and on budget
	Heritage Programming & Support				Protection and promotion of Toronto's cultural heritage facilities and delivery of a wide range of cultural programs at the City's heritage facilities to promote understanding and engage Torontonians actively in their history	Cultural resource management and development of Toronto's heritage facilities and artifact collection and delivery of a wide range of cultural programs to promote heritage and engage Torontonians actively in their history	
	Cultural Grants			Toronto Arts Council Grant Program			<b>Review process completed and Council approved grants in 4 months</b>
				Toronto Arts Council Operation Program			<b>Review process completed and Council approved grants in 4 months</b>
				Major Culture Organizations			<b>Review process completed and Council approved grants in 4 months</b>
				Royal Winter Fair			<b>Review process completed and Council approved grants in 4 months</b>
				Local Art Services Organizations			<b>Review process completed and Council approved grants in 4 months</b>
				Museums			<b>Review process completed and Council approved grants in 4 months</b>
				Artscape			<b>Review process completed and Council approved grants in 4 months</b>

## Service Types and Service Levels

Service	Activity	Sub-Activity	Type	Sub-Type	Approved 2012 Service Levels	Proposed 2013 Service Levels	
			Culture Build			Review process completed and Council approved grants in 4 months	
			Glen Gould Foundation Award			Review process completed and Council approved grants in 4 months	
			Music Garden			Review process completed and Council approved grants in 4 months	
Economic Competitiveness Services	BIA Support		Legislative Oversight		Audited financial statements, annual budgets submitted, annual general meetings held within approved timeframes 99 per cent of the time	Audited financial statements, annual budgets submitted, annual general meetings held within approved timeframes 99 per cent of the time	
			Professional Advice and Support		Services will need to be reduced by an estimated 20% due to loss of staff position	BIA Office will continue to be challenged with maintaining service levels a a result of loss of staff person and the expected addition of 3 new BIAs in 2013	
			Design and Construction Services		Capital projects completion rate likely to be reduced to approximately 70% due to loss of staff position	75% completion rate for Capital Projects	
			Funding		60 projects approved , administered and completed	60 projects approved , administered and completed	
		Research & Policy on Toronto		Citywide Economic Strategic Advice and Consultation		Meet project deadline 100% of the time	Meet project deadline 100% of the time
			Economic Bench Marking / "Best Practices"		Meet project deadline 100% of the time	Meet project deadline 100% of the time	
			Economic Overview		Meet project deadline 100% of the time	Meet project deadline 100% of the time	
			Intergovernmental Economic Project Support		Meet project deadline 100% of the time	Meet project deadline 100% of the time	
			Research Enquiries (Internal and External)		Respond to enquiry/request within one business day 95% of the time.	Respond to enquiry?request within one business day 95% of the time.	
		Visitor Information Services		Consultations with visitors/public (interactive)		35,000 people serviced with accurate information and advice	36,000 people serviced with accurate information and advice
			Event Calendar Maintenance		post 2300 events	post 2300 events	

## Service Types and Service Levels

Service	Activity	Sub-Activity	Type	Sub-Type	Approved 2012 Service Levels	Proposed 2013 Service Levels
			Hospitality Excellence Program development and coordination ("We've been expecting you")		Add on-line training Train 5000 industry front line staff (direct and pass-through) Distribute 125,000 pieces of welcome collateral Reach 90 million impressions from signage/ads	Train at least 50 organizations on WBEY principles; Attract at least 1000 visits to WBEY industry resource website; Distribute 125,000 pieces of WBEY messaging collateral; Reach 92 million impressions on welcome messages
			Info Kiosks		Develop 120 district maps for full program roll-out	Develop 120 district maps for full program roll-out
			Maps and Information Products (Print, kiosk, web)		sponsorships cover 800,000 copies	raise sufficient sponsorships to print/distribute 800,000 maps
			Neighbourhood tour coordination (TAP into TOI)		775 tour participants requested service and were matched with volunteers	Match at least 775 visitors with volunteers offering tours
	Sectors Development		Business to Business collaboration		Respond to client within one business day 95% of the time	Consult with and/or provide assistance to 300 companies
			Economic Sectors', Advocacy and Promotion		Average 55 Projects annually. Leverage \$1.5 million annually	Average 55 Projects annually. Leverage \$1.5 million annually
			Economic Sectors' Support		Add 20 new companies to the Business Opportunities Bulletin Board.	Add 40 new companies to Business Opportunities Bulletin Board
	Strategic Alliances		Business Matching and Assistance		Meet project deadline 100% of the time	Meet project deadline 100% of the time
			City to City Alliances		Undertake 4 partnership/friendship City Economic Development projects	Undertake 5 partnership/friendship City Economic Development projects
			Export Assistance and Facilitation		Provide export assistance/facilitation to 100 clients	Provide export assistance/facilitation to 100 clients



## 2013 Service Deliverables

The 2013 Recommended Operating Budget of \$56.706 million gross provides funding to deliver services in the following areas:

### Business Services

- Facilitate new commercial/industrial investment activity through the completion of 25 Gold Star Projects, resulting in \$400 million in investment value, the construction or renovation of 3,500,000 square feet of floor space and 5500 jobs retained or attracted to the city.
- Assist in the creation and retention of more than 9,000 local jobs through providing advice, referrals, and learning and networking opportunities to small businesses.
- Advance the growth of 330 on-site early stage companies through the Business Incubation and Commercialization Program
- Facilitate labour force development through the City's economic revitalization initiative in Weston Mt. Dennis.
- Service Toronto's more than 1300 film productions and facilitate 60 annual film festivals assisting with joint marketing, promotion and branding.

### Cultural Services

- Continue to implement the War of 1812 Bicentennial Program
- Increase the impact of Scotiabank Nuit Blanche by extending the duration of some of the installations
- Continue to develop the City's Cultural Centres and Galleries and support creativity and cultural development through the Toronto Arts Council and grants to cultural organizations.

### Economic Development Competitiveness Services

- Initiate implementation of the City of Toronto Economic Growth Plan 2012-2014
- Provide economic analysis and advice and updates to Mayor's Office, City Council, City Manager's Office, City Divisions and ABCCs, Bond Rating Agencies, investors, businesses and other stakeholders
- Provide export development assistance/facilitation to 100 clients
- Add 40 new companies to the Business Opportunity Bulletin Board
- Undertake 4 "partnership/friendship city" economic development projects
- Provide legislative oversight and professional advice to 73 BIAs
- Expand Toronto's key economic sectors, which represent approximately 500,000 jobs (1/3 of City total)
- Deliver high quality visitor information in partnership with Tourism Toronto and the tourism Industry. Assist the Industry to prepare for the 2015 Pan Am Games

## PART III: RECOMMENDED BASE BUDGET

**2013 Recommended Base Budget  
(In \$000s)**

(In \$000s)	2012 Approved Budget	2013 Recommended Base	Change 2013 Recommended Base vs. 2012 Appvd. Budget		FY Incremental Outlook	
			\$	%	2014	2015
	\$	\$	\$	%	\$	\$
<b>GROSS EXP.</b>	56,158.2	56,705.9	547.7	1.0	556.5	619.4
<b>REVENUE</b>	12,165.1	11,872.0	(293.1)	(2.4)	113.5	113.5
<b>NET EXP.</b>	43,993.1	44,833.9	840.8	1.9	443.0	505.9
<b>Approved Positions</b>	275.8	273.8	(2.0)	(0.7)	2.5	0.0

### 2013 Recommended Base Budget

The 2013 Recommended Base Budget of \$56.706 million gross and \$44.834 million net is \$0.841 million or 1.9% greater than the 2012 Approved Budget of \$43.993 million net.

- The 2013 Recommended Base Budget provides funding of \$1.141 million for base budget pressures, representing an increase of 2.6% over the 2012 Approved Budget, offset by recommended service change savings of \$0.300 million net, reflecting a 0.7% decrease from the 2012 Approved Budget, bringing the Program's base budget to \$0.841 million or 1.9% over the budget target of a 0% increase from the 2012 Approved budget.
- Approval of the 2013 Recommended Operating Budget will result in the Program's total staff complement being reduced by 2 positions to 273.8 approved positions as a result of the discontinuation of vacant positions arising from re-structuring.

### 2013 Recommended Staff Complement Base Budget Summary

Changes	Staff Complement
<b>2012 Approved Complement</b>	275.8
- 2012 In-year Adjustments	
2012 Approved Staff Complement	<b>275.8</b>
<b>2013 Recommended change in Staff Complement</b>	
- 2013 Temporary Complement - Capital Project Delivery	
- 2013 Operating impacts of completed Capital projects	-
- 2013 Service Change Adjustments	(2.0)
<b>Total 2013 Recommended Complement</b>	<b>273.8</b>

**2013 Recommended Service Change Summary  
(In \$000s)**

Description	2013 Recommended Service Changes				Net Incremental Impact			
	Position Changes	Gross Expense	Net Expense	% Change over 2012 Budget	2014		2015	
					Net Expense	Position Change	Net Expense	Position Change
<b>Service Efficiencies</b>								
Divisional Restructure Changes	(2.0)	(300.0)	(300.0)	(0.7) %				
<b>Total Changes</b>	<b>(2.0)</b>	<b>(300.0)</b>	<b>(300.0)</b>	<b>(0.7) %</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### 2013 Recommended Service Changes

The 2013 Recommended Operating Budget includes service efficiency savings of \$0.300 million which will reduce 2 vacant positions. This reduction of \$0.300 million net will bring the 2013 Recommended Base Budget to \$44.834 million net which is \$0.840 million or 1.9% over the 2012 Approved Budget of \$43.993 million.

#### Service Efficiencies: (savings of \$0.300 million net)

##### *Divisional Structure Changes*

- A review of the organizational design of Economic Development and Culture and the finalization of the review of Museum operations will result in net savings of \$0.300 million and reduce 2 vacant positions. This restructuring will be achieved without impacting service levels.

### 2014 and 2015 Outlook (In \$000s)

Description	2014 - Incremental Increase					2015 - Incremental Increase					Total Net % Change from 2013
	Gross Expense	Revenue	Net Expense	% net Change from 2013	# Positions	Gross Expense	Revenue	Net Expense	% net Change from 2014	# Positions	
<b>Known Impacts</b>											
Step and progression pay increases	81.0	0.0	81.0	0.14%		70.9	0.0	70.9	0.13%		0.27%
Salary increases related to negotiated settlements	217.9	0.0	217.9	0.39%		285.6	0.0	285.6	0.50%		0.89%
Harmonization award for parttime rec. workers	0.9	0.0	0.9	0.00%		6.2	0.0	6.2	0.01%		0.01%
Fort York Visitor's Centre	256.7	113.5	143.2	0.25%	2.5	256.7	113.5	143.2	0.25%		0.51%
<b>Sub-Total - Known Pressures</b>	<b>556.5</b>	<b>113.5</b>	<b>443.0</b>	<b>0.79%</b>	<b>2.5</b>	<b>619.4</b>	<b>113.5</b>	<b>505.9</b>	<b>0.89%</b>	<b>0.0</b>	<b>1.67%</b>
<b>Sub-Total - Anticipated Additional Pressures</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>	
<b>Total Incremental Impact</b>	<b>556.5</b>	<b>113.5</b>	<b>443.0</b>	<b>0.79%</b>	<b>2.5</b>	<b>619.4</b>	<b>113.5</b>	<b>505.9</b>	<b>0.89%</b>	<b>0.0</b>	<b>1.67%</b>

Approval of the 2013 Recommended Base Budget for Economic Development and Culture will result in a 2014 incremental cost of \$0.443 million net and a 2015 incremental cost increase of \$0.506 million net in 2015.

##### *Operating Impact of Fort York Visitor Centre*

- Operating expenditures will increase by \$0.143 million in 2014 and 2015 attributed to the addition of 2.5 positions (1.5 custodial positions, 1 Program Development Officer) in June 2014 when the Centre opens.

- The Visitor Centre will exhibit never-seen-before artifacts and provide access to Fort York which includes the largest collection of War of 1812 buildings on the continent.

Future year incremental costs are primarily attributed to the following:

**2014 Outlook***Known Impacts*

- Step and progression pay increases of \$0.81 million.
- Salary increases related to negotiated settlements of \$0.218 million.
- Salary increases of \$0.001 million for the harmonization award for part time recreation workers in Culture facilities.
- The 2014 outlook includes \$0.257 million gross and \$0.143 million net with the addition of 2.5 positions for 6 months of operating cost of the Fort York Visitors Centre. (June 2014 starting date).

**2015 Outlook***Known Impacts*

- Step and progression pay increases of \$0.71 million.
- Salary increases arising from negotiated settlements of \$0.286 million.
- Annualization of salary increases of \$0.006 million for the harmonization award for part time recreation workers in Culture facilities.
- Net expenditure increase of \$0.144 million for annualized operating cost for the Fort York Visitors Centre's operation.

## PART V: ISSUES FOR DISCUSSION

**2013 and Future Year Issues****2013 Issues*****Core Service Review and Efficiency Study Implementation***

- At its meeting of September 26 and 27, 2011 City Council approved the report "Core Service Review-Final Report to Executive Committee" from the City Manager. The City Manager was directed to review efficiency related opportunities for various program areas to determine whether and in what manner implementation is appropriate through the 2012, 2013 and 2014 Operating Budgets. The following action was recommended for Economic Development and Culture:
  - The City Manager be requested to review the City's heritage assets to find operational efficiencies;
  - The City Manager ensure the review process is transparent and includes consideration of best practices, including those currently practiced by the City; and
  - That any review of Fort York be considered after the Bicentennial and its impact can be assessed.
- Included in the 2012 Operating Budget approved by City Council was a \$0.893 million net expenditure reduction anticipated to result from the Museum Services review.
- The Request for Proposals for the Museum Services Review was released June 7, 2012, and proposals were received June 25. The contract was awarded to Lord Cultural Resources in the 3<sup>rd</sup> quarter of 2012.
- The consultants work to review museums has progressed to the point that it is clear that \$0.893 million of the proposed reduction cannot be achieved. It is expected that the consultant will make some recommendations which may assist in reducing overall net costs, and these changes will be implemented during 2013 as part of the divisional organizational review.
- The 2013 Recommended Operating Budget for Museum Services will remain at the 2011 service level with \$0.893 million added back to support continued service delivery.

**Issues Referred to the 2013 Budget Process*****Inflationary Increases for the Community Partnership and Investment Program (CPIP)***

- Budget Committee, at its meeting of April 27, 2012, referred BU24.6 "Inflationary Increases for the Community Partnership and Investment Program (CPIP) to the 2013 budget process. While Economic Development and Culture submitted a request for an inflationary increase of \$0.430 million gross and net for 11 CPIP programs in 2 services:
  - The Arts & Culture group is comprised of funding programs such as the Toronto Arts Council (TAC), the Major Culture Organizations, the Royal Winter Fair, the Local Art

Services Organizations, the Museums, Artscape, Culture Build, the Glen Gould Foundation Award, and the Music Garden

- Business Services is comprised of the Competitiveness, Creativity and Collaboration Investment Program.
- This increase is not recommended due to affordability. The funding level for CPIP grants remains unchanged at the 2012 level of \$19.551 million.

***2013 Recommended User Fee Changes***

- Economic Development and Culture requires Technical Adjustments for 19 user fees inadvertently excluded from the Municipal Code Chapter 441 User Fees and Charges.
- These user fees are charged by Cultural Services for admissions, room rental rates and parking fees at Heritage Sites inadvertently omitted from the report from the Chief Financial Officer on the *Comprehensive User Fee Review*, during the 2012 Budget process.
- Technical Adjustments are detailed in Appendix 6 (i).

## Appendix 1

### 2012 Performance

#### 2012 Key Accomplishments

##### Business Services

- ✓ Facilitated development of new business incubation and acceleration programs, including the Business Inc. series delivered at five library branches across the city, George Brown and Centennial Colleges and Microskills,
- ✓ Anticipate achieving target of \$400 million in investment facilitated and 5,500 jobs retained or created through Facilitating industrial, commercial and institutional investment projects.
- ✓ Supported 22,000 people interested in starting or operating small businesses; processed 2500 business registrations, hosted 100 business seminars and networking events and advised prospective business owners at 75 community events focused at aboriginal, female and young entrepreneurs and diversity-led businesses.
- ✓ Hosted successful "Toronto Day in L.A." in partnership with Ontario Media Development Corp. and Film Ontario.

##### Cultural Services

- ✓ Implemented first of three-year 1812 Bicentennial program.
- ✓ Supported youth development initiatives at Scarborough Museum (national youth diversity program) and by expanding Live Arts and Arts Lab.
- ✓ Delivered 20 partnership community arts programs targeting underserved populations; leveraged City funding to raise \$80,000 for these initiatives from sponsors and partners
- ✓ Increased direct revenues generated from Summerlicious and Winterlicious Programs by \$125,000

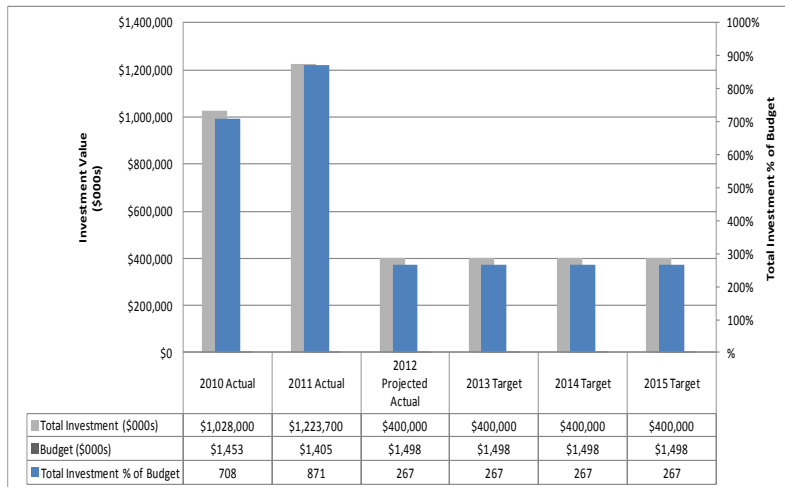
##### Economic Development Competitiveness Services

- ✓ Consulted with stakeholders, including through organizing the Mayor's inaugural Economic Roundtable, and developed the City of Toronto Economic Growth Plan 2012-2014
- ✓ Provided economic development input to key corporate initiatives, including Employment Lands Study, new City-wide Zoning By-law, Port Lands Acceleration Project, evaluation of potential casino, impact of Federal and Provincial budgets and presentations to City Bond Rating agencies (Standard & Poors, Moody's DBRS)
- ✓ Provided legislative oversight and professional advice to 73 BIAs that benefit over 30,000 businesses employing over 400,000 people; delivered 80 streetscape improvement projects worth over \$3.5 billion
- ✓ Negotiated new "friendship city" agreement with Rio de Janeiro and hosted the Vice Mayor of Chongqing to discuss entering into a smart trade agreement in the health sciences sector
- ✓ Supported Mayor Ford's Team Toronto mission to Chicago and the affirmation of the Toronto Chicago Sister City Agreement

2012 Performance

Effectiveness

Business Retention & Expansion Costs and Investment Facilitated

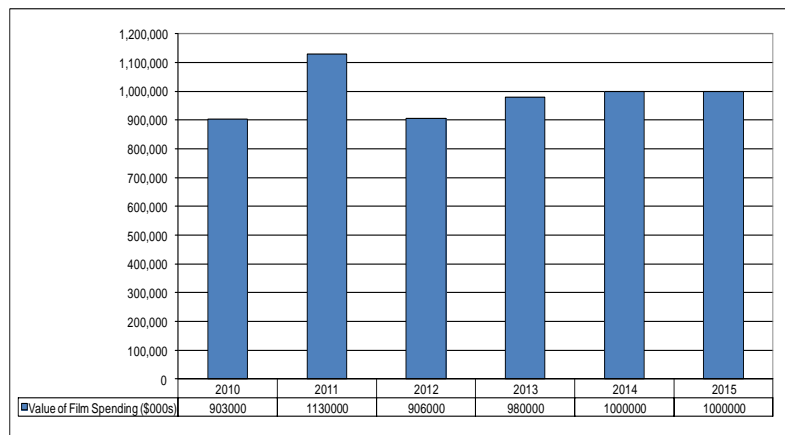


This chart shows the effectiveness of the business retention and expansion activity in facilitating business investment

Includes value of construction, machinery and purchased/leased space.

2010/11 investment levels were higher than normal due to "institutional" projects supported by Infrastructure Stimulus Funding.

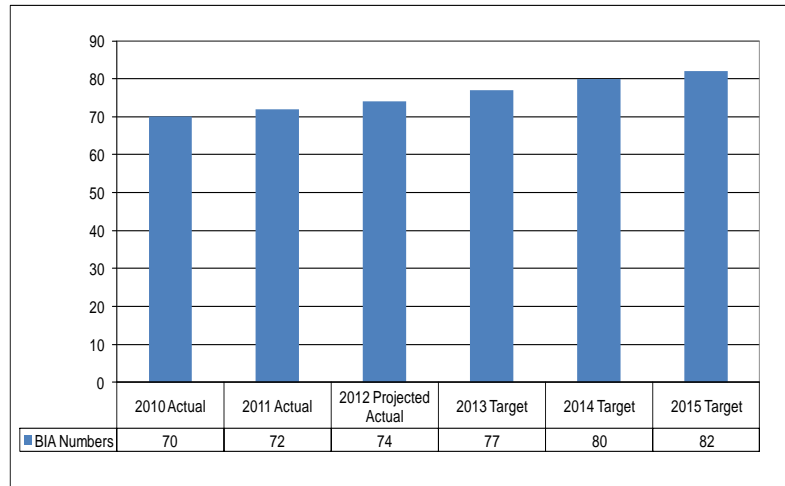
Total Film Production Spending



The chart indicates the amount of money spent by screen-based industries filming in Toronto. 2011 was a record year. Based on productions secured to date, a somewhat lower level of activity is projected in 2012 due to economic conditions.

The spending is projected to recover in 2013 as the economic conditions improve.

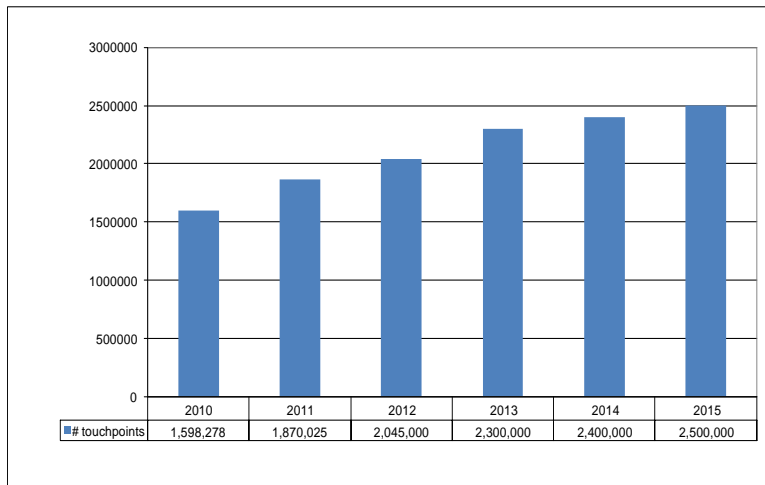
Growth in number of BIAs



The number of BIAs continue to expand as more local businesses are willing to invest in local economic revitalization initiatives.

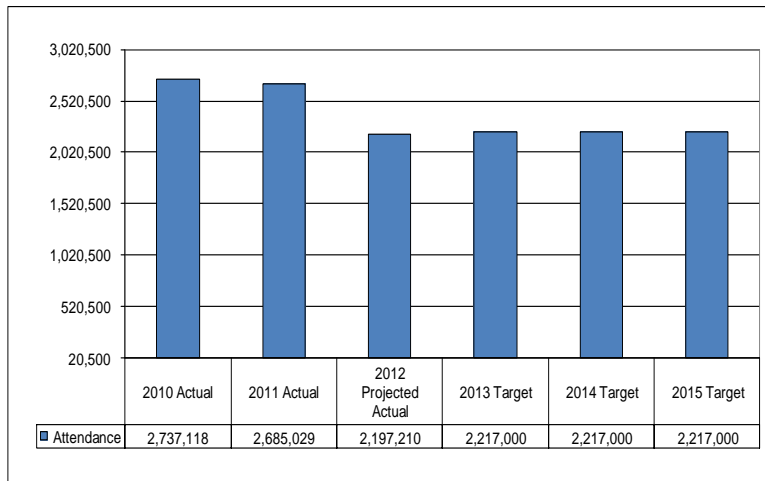


Visitor Information Service number of People assisted



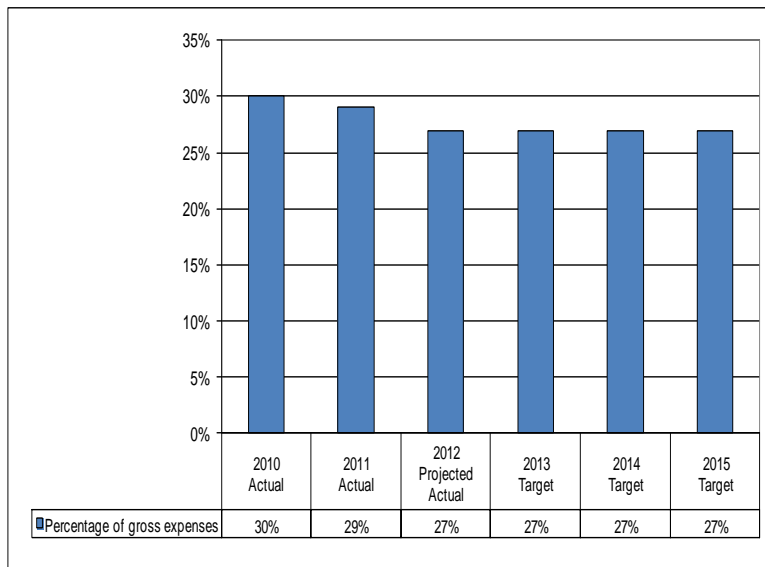
This chart shows the number of service touch points with the public and industry partners (private sector businesses who also interact with visitors such as hotel concierges) across all types of information products and services provided. The number of people using products has been increasing about 15% per year as new services were delivered. A lower rate of growth is projected for 2014-2015 as fewer new services can be funded.

Attendance at Culture Events



This measures the public participation (residents and tourists) in programming and tours at the city's 10 museum sites, five art galleries and cultural centres and participation at special events, including: Winterlicious, Doors Open, Summerlicious, Canada Day, Sunday Serenades, Fresh Wednesdays, Tasty Thursdays, Nuit Blanche, and Cavalcade of Lights

Culture Revenue as a percentage of gross expenses



Revenue (Sponsorships, grants, participation fees, concession revenues) as a percentage of gross operating expenses The chart below expresses Cultural Services ability to enhance and maintain Toronto's culture and heritage by leveraging tax payer resources.

Percentage of gross expenditures has decreased from 30% in 2012 to 27% projected actual in 2012. The targets for the next 3 years are stable at 27%.

Culture activities have reached a level of maturity and changes in formats continues to be essential to increasing revenues.

## 2012 Budget Variance Analysis

### 2012 Budget Variance Review (In \$000s)

(In \$000s)	2010 Actuals	2011 Actuals	2012 Approved Budget	2012 Projected Actuals*	2011 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	\$	%
<b>GROSS EXP.</b>	36,313.7	36,500.3	56,158.2	55,739.6	(418.6)	(0.7)
<b>REVENUES</b>	10,118.0	10,648.7	12,165.1	10,525.8	(1,639.3)	(13.5)
<b>NET EXP.</b>	26,195.7	25,851.6	43,993.1	45,213.8	1,220.7	2.8
<b>Approved Positions</b>	284.8	284.5	275.8	275.8		

\* Based on the Third Quarter Operating Budget Variance Report.

### 2012 Experience

- Economic Development and Culture is reporting net over spending of a \$1.221 million. This unfavorable variance is primarily the result of a \$0.419 million reduction in gross expenditures and \$1.639 million reduction in revenue.
- The \$0.419 million reduction in gross revenue is attributed to:
  - \$0.893 million in unachieved savings to have been realized from the Museum Services Review;
  - \$0.328 million in unplanned property tax payments for the John Street Roundhouse facility; and
  - \$1.639 reduction in expenditures to offset \$1.639 reduced revenue not secured from donations for the 2012 Celebrations.
- The \$1.639 million reduction in revenue is attributed to a reduction in third party donations for the 1812 Celebrations.
  - The events and activities included in the celebrations of 1812 Bicentennial Celebration will be 100% funded from donations and third party contributions. This was originally estimated at \$2.5 million.

### Impact of 2012 Operating Variance on the 2013 Recommended Budget

- The Program's 2013 Recommended Operating Budget includes a base budget increase of \$0.893 million to restore the unachievable 2012 Museum Services Review savings approved in the 2012 Budget process.
- Economic Development and Culture will continue to monitor donation cash flows, matching expenditures with revenue for the 1812 Bicentennial Celebration in 2013.

## Appendix 2

## 2013 Recommended Operating Budget by Expenditure Category and Key Cost Driver

### Program Summary by Expenditure Category (In \$000s)

Category Of Expense	2010	2011	2012	2012	2013	2013 Change from		2014	2015
	Actual	Actual	Budget	Projected Actual	Recommended Budget	2012 Approved Budget	%	Outlook	Outlook
	\$	\$	\$	\$	\$	\$		\$	\$
Salaries and Benefits	23,613.3	24,414.5	24,007.0	24,007.0	24,056.6	49.6	0.2%	24,613.1	25,232.5
Materials and Supplies	1,139.1	1,164.7	1,018.4	1,911.1	1,254.6	236.2	23.2%	1,254.6	1,254.6
Equipment	197.8	93.7	132.4	132.4	147.4	15.0	11.3%	147.4	147.4
Services & Rents	7,939.2	7,661.0	8,357.2	7,045.8	8,801.7	444.5	5.3%	8,801.7	8,801.7
Contributions to Capital									
Contributions to Reserve/Res Funds	930.1	129.0	930.1	930.1	930.1		0.0%	930.1	930.1
Other Expenditures	1,889.9	2,295.4	21,276.5	21,276.5	21,087.6	(188.9)	(0.9%)	21,087.6	21,087.6
Interdivisional Charges	604.3	742.0	436.7	436.7	427.9	(8.8)	(2.0%)	427.9	427.9
<b>TOTAL GROSS EXPENDITURES</b>	<b>36,313.7</b>	<b>36,500.3</b>	<b>56,158.3</b>	<b>55,739.6</b>	<b>56,705.9</b>	<b>547.6</b>	<b>1.0%</b>	<b>57,262.4</b>	<b>57,881.8</b>
Interdivisional Recoveries	9.1	68.6							
Provincial Subsidies	1,412.2	1,706.5	482.7	482.7	482.7		0.0%	482.7	482.7
Federal Subsidies	274.6	325.2	139.2	139.2	139.2		0.0%	139.2	139.2
Other Subsidies	1.1		92.5	92.5	92.5		0.0%	92.5	92.5
User Fees & Donations	1,873.0	1,216.1	1,890.9	1,890.9	1,905.0	14.1	0.7%	1,905.0	1,905.0
Transfers from Capital Fund	1,017.0	1,017.0	1,036.0	1,036.0	1,036.0		0.0%	1,036.0	1,036.0
Contribution from Reserve/Res Funds	636.0	531.9	650.0	650.0	650.0		0.0%	650.0	650.0
Other Revenues	4,895.1	5,783.4	7,873.9	6,234.5	7,566.6	(307.3)	(3.9%)	7,680.1	7,793.6
<b>TOTAL REVENUE</b>	<b>10,118.1</b>	<b>10,648.7</b>	<b>12,165.2</b>	<b>10,525.8</b>	<b>11,872.0</b>	<b>(293.2)</b>	<b>(2.4%)</b>	<b>11,985.5</b>	<b>12,099.0</b>
<b>TOTAL NET EXPENDITURES</b>	<b>26,195.6</b>	<b>25,851.6</b>	<b>43,993.1</b>	<b>45,213.8</b>	<b>44,833.9</b>	<b>840.8</b>	<b>1.9%</b>	<b>45,276.9</b>	<b>45,782.8</b>
<b>APPROVED POSITIONS</b>	<b>285.8</b>	<b>284.8</b>	<b>275.8</b>	<b>275.8</b>	<b>273.8</b>	<b>(2.0)</b>	<b>(0.7%)</b>	<b>276.3</b>	<b>276.3</b>

### 2013 Key Cost Drivers

Salaries and benefits are the largest expenditure category and account for 42.5% of total expenditures. Other expenditures including \$19.5 million for Community Partnership and Investment Program grants accounting for 37.2% of total expenditures.

- Salaries and benefits have increased by 2% since 2010 with a 0.2% increase in 2013, representing a net increase for cost of living adjustments, step and progression pay.
- Materials and supplies have increased by 10% since 2010 with the increases in 2012 and 2013 attributed to the 1812 Bicentennial Celebration, to be 100% offset by donations.
- Services and rents increases plus the materials and supplies increases total \$0.680 million for 2013 and is mainly due to the funding added back for the 2012 reduction for the Museum Services Review.
- Total revenue has increased by 17.8 % since 2010 resulting in a 3.5 % reduction in net funding over the same time period (excluding 19.5 million for CPIP Grants added in 2012).

The 2013 Recommended Base Budget provides funding for the following:

*Prior Year Impacts*

- A decrease of \$0.112 million net including \$0.046 million net reduction for Leap Year and \$0.066 million net for annualized reductions approved in 2012
- \$0.050 for reduction for the discontinued Al La Cart Street Food Pilot

*Economic Factors Labour Related*

- An increase of \$0.071 million for progression and \$0.021 million for step pay increases
- Approved \$0.113 million salary increase for unionized employees and \$0.156 million for the 0.9% increase in OMERS from 2012
- Non-Labour Economic Factors (\$0.166 million) have been offset by a base reduction of \$0.166 million and therefore do not impact the 2013 Recommended Base Budget

*Other Base Changes*

- \$0.050 million increase for Recreation Workers Wage Harmonization in Culture Services
- \$0.244 million gross reduction, net 0, for discontinued use of 60 Atlantic by Artscape
- \$0.101 net reduction for CPI increase to payments from Toronto Port Land Corporation for service agreements to provide Incubator Programs
- A \$0.020 million gross increase, net 0 for refurbishing reproduction furniture at Gibson House funded from reserves

**Appendix 3**  
**Summary of 2013 Recommended Service Changes**



## 2013 Operating Budget - Recommended Service Change Summary of Administrative Review

TYPE	PRIORITY	CITIZEN FOCUSED SERVICES "A" Economic Development & Culture	Recommended Adjustments				2014 Net Incremental Outlook (\$000s)	2015 Net Incremental Outlook (\$000s)
			Change in Gross Expenditure (\$000s)	Change in Revenue (\$000s)	Net Change (\$000s)	Change in Approved Positions		
<b>2013 Recommended Base Budget Before Service Change:</b>			57,005.9	11,872.0	45,133.9	275.8	299.8	362.7
Z1	1	<b>Divisional Structure Change</b>	(248.9)	0.0	(248.9)	0.0	0.0	0.0
<small>(EC-Z001)</small> Service / Activity: MULTIPLE / N/A  <b>Description:</b> Economic Development and Culture has initiated a review of its organization design. It is anticipated that this will identify opportunities to realize savings through efficiencies in 2013. The review will be completed in the first quarter of 2013. The reduction of 2 vacant positions is anticipated.  <b>Service Level Change:</b> The reorganizational adjustments will be implemented without impacting the existing service levels.  <b>ADMIN:</b>			(300.0)	0.0	(300.0)	(2.0)	0.0	0.0
<b>Total Recommended Service Level Reductions:</b>			<b>(300.0)</b>	<b>0.0</b>	<b>(300.0)</b>	<b>(2.0)</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Recommended Base Budget:</b>			<b>56,705.9</b>	<b>11,872.0</b>	<b>44,833.9</b>	<b>273.8</b>	<b>299.8</b>	<b>362.7</b>

**Category Legend - Type**

- Z1 - Efficiency Change
- Z2 - Revenue Change
- Z3 - Service Change

## Appendix 5

### Inflows / Outflows to / from Reserves & Reserve Funds (In \$000s)

#### Program Specific Reserve/Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	Projected Balance as of December 31, 2012	2013	2014	2015
			\$		\$	\$
Design Exchange Reserve Fund	XR3012	Projected Beginning Balance	507.7	507.7	507.7	507.7
		Proposed				
		Withdrawals (-)		(500.0)		
		Contributions (+)		500.0		
<b>Balance at Year-End</b>			<b>507.7</b>	<b>507.7</b>	<b>507.7</b>	<b>507.7</b>

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	Projected Balance as of December 31, 2012	2013	2014	2015
			\$		\$	\$
Vehicle Reseve Fund EDC	XQ1200	Projected Beginning Balance	180.4	180.4	180.4	180.4
		Proposed				
		Withdrawals (-)		(21.5)		
		Contributions (+)		21.5		
<b>Balance at Year-End</b>			<b>180.4</b>	<b>180.4</b>	<b>180.4</b>	<b>180.4</b>

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	Projected Balance as of December 31, 2012	2013	2014	2015
			\$		\$	\$
Casa Loma Reserve Fund	XR1501	Projected Beginning Balance	240.8	240.8	240.8	240.8
		Proposed				
		Withdrawals (-)		(800.0)		
		Contributions (+)		800.0		
<b>Balance at Year-End</b>			<b>240.8</b>	<b>240.8</b>	<b>240.8</b>	<b>240.8</b>

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	Projected Balance as of December 31, 2012	2013	2014	2015
			\$		\$	\$
16 Ryerson Capital Maintenance	XR3213	Projected Beginning Balance	262.0	262.0	262.0	262.0
		Proposed				
		Withdrawals (-)		(20.0)		
		Contributions (+)		20.0		
<b>Balance at Year-End</b>			<b>262.0</b>	<b>262.0</b>	<b>262.0</b>	<b>262.0</b>

\* Based on 3<sup>rd</sup> Quarter Variance Report

## Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of December 31, 2012 *	Proposed Withdrawals (-) / Contributions (+)		
			2013	2014	2015
			\$	\$	\$
		10,578.0			
Public Realm Reserve Fund	XR1410		(150.0)		
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>10,578.0</b>	<b>(150.0)</b>		

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of December 31, 2012 *	Proposed Withdrawals (-) / Contributions (+)		
			2013	2014	2015
			\$	\$	\$
		21,130.0			
Insurance Reserve Fund	XR1010		(88.6)		
Insurance Reserve Fund	XR1010		88.6		
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>21,130.0</b>	<b>-</b>		

\* Based on 3<sup>rd</sup> Quarter Variance Report



**Appendix 6 (i)**  
**2013 Operating Budget**  
**Technical Adjustments to User Fees**

Ref. No.	Service(FPARS)	Activity (FPARS)	Fee Description	Fee Category	Fee Basis	2012 Fee Price	2013 Recommended Fee	Reason for Adjustments
<b>ECONOMIC DEVELOPMENT &amp; CULTURE</b>								
	Cultural Services	Heritage Programming & Support	Colborne Lodge - Youth/Christmas Gen. Admissions	Market Based	Per youth	\$3.81	\$4.42	Inadvertently excluded from the Municipal Code Chapter 441
	Cultural Services	Heritage Programming &	Colborne Lodge - Adult/General Admissions	Market Based	Per adult	\$5.71	\$6.19	Inadvertently excluded from the Municipal Code Chapter 441
	Cultural Services	Heritage Programming &	Colborne Lodge - Senior/General Admissions	Market Based	Per senior	\$2.62	\$3.54	Inadvertently excluded from the Municipal Code Chapter 441
	Cultural Services	Heritage Programming &	Fort York - Senior/General Admissions	Market Based	Per senior	\$3.81	\$4.87	Inadvertently excluded from the Municipal Code Chapter 441
	Cultural Services	Heritage Programming & Support	Mackenzie House-Senior/Christmas General Admissions	Market Based	Per senior	\$4.52	\$4.42	Inadvertently excluded from the Municipal Code Chapter 441
	Cultural Services	Heritage Programming &	Mackenzie House-Adult/General Admissions	Market Based	Per adult	\$5.71	\$6.19	Inadvertently excluded from the Municipal Code Chapter 441
	Cultural Services	Heritage Programming &	Mackenzie House-Youth/General Admissions	Market Based	Per youth	\$2.62	\$3.54	Inadvertently excluded from the Municipal Code Chapter 441
	Cultural Services	Heritage Programming &	Scarborough Historical Museum-Adult/General Admissions	Market Based	Per adult	\$2.83	\$3.54	Inadvertently excluded from the Municipal Code Chapter 441
	Cultural Services	Heritage Programming &	Scarborough Historical Museum-Child/General Admissions	Market Based	Per child	\$0.94	\$1.77	Inadvertently excluded from the Municipal Code Chapter 441
	Cultural Services	Heritage Programming &	Scarborough Historical Museum-Senior/General Admissions	Market Based	Per senior	\$1.42	\$2.21	Inadvertently excluded from the Municipal Code Chapter 441
	Cultural Services	Heritage Programming & Support	Spadina Museum-Senior/Christmas General Admissions	Market Based	Per senior	\$5.48	\$7.08	Inadvertently excluded from the Municipal Code Chapter 441
	Cultural Services	Heritage Programming &	Spadina Museum-Senior/General Admissions	Market Based	Per senior	\$4.76	\$5.75	Inadvertently excluded from the Municipal Code Chapter 441

**Appendix 6 (i) (Continued)**  
**2013 Operating Budget**  
**Technical Adjustments to User Fees**

Ref. No.	Service(FPARS)	Activity (FPARS)	Fee Description	Fee Category	Fee Basis	2012 Fee Price	2013 Recommended Fee	Reason for Adjustments
<b>ECONOMIC DEVELOPMENT &amp; CULTURE</b>								
	Cultural Services	Heritage Programming & Support	Todmorden Mills-Senior/General Admissions	Market Based	Per senior	\$2.14	\$2.65	Inadvertently excluded from the Municipal Code Chapter 441
	Cultural Services	Heritage Programming & Support	Assembly Hall; Performance Hall Rehearsal Rental	Market Based	Per hour	\$60.00	\$65.00	Inadvertently excluded from the Municipal Code Chapter 441
	Cultural Services	Heritage Programming & Support	Premier Room Rental Rates All Museum Sites / based on museum location, room location, features and rental history/ non peak and peak periods.	Market Based	Per hour, 3 hr minimum	\$200.00 to \$300.00	\$200 to \$350	Inadvertently excluded from the Municipal Code Chapter 441
	Cultural Services	Heritage Programming & Support	Exterior, lawn and grounds rental All Museums / based on museum location, deminsions and features of outdoor space, and rental history.	Market Based	Per hour, 3 hr minimum	\$100.00 to \$200.00	\$60.00 to \$200.00	Inadvertently excluded from the Municipal Code Chapter 441
	Cultural Services	Heritage Programming & Support	Parking lot rental / based on # of parking spaces / 24 hour period / non peak or peak season/ weekday or weekend	Market Based	24 hr period	\$2,000.00 to \$3,000.00	\$1000 to \$ 3000	Inadvertently excluded from the Municipal Code Chapter 441
	Cultural Services	Heritage Programming & Support	Room B Rentals Rates All Museum Sites/ based on museum location, room location, features and rental history/ non peak and peak periods	Market Based	Per hour, 3 hr minimum	\$50.00 to \$75.00	\$50.00 to \$100.00	Inadvertently excluded from the Municipal Code Chapter 441
	Cultural Services	Heritage Programming & Support	Room A Rentals Rates All Museum Sites/ based on museum location, room location, features and rental history/ non peak and peak periods	Market Based	Per hour, 3 hr minimum	\$100.00 to \$150.00	\$100 to \$200	Inadvertently excluded from the Municipal Code Chapter 441