



## City Budget 2013

## Theatres 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 the day-to-day 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.....   | 4   |
| 2013 Recommended Service Levels .....   | 5   |
| 2013 Service Deliverables .....   | 7   |
| <b>PART III: 2013 RECOMMENDED BASE BUDGET</b>   |     |
| 2013 Recommended Base Budget.....   | 8   |
| 2013 Recommended Service Changes.....   | 11  |
| 2014 and 2015 Outlook .....   | 12  |
| <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.....  | 13  |
| Issues Referred to the 2013 Operating Budget Process.....   | N/A |
| Core Service Review and Efficiency Study Implementation Progress .....  | 15  |
| <b>APPENDICES</b>   |     |
| Appendix 1: 2012 Performance .....  | 17  |
| Appendix 2: 2013 Recommended Operating Budget by Expenditure Category and Key Cost<br>Driver (by Theatre) ..... | 26  |
| Appendix 3: Summary of 2013 Recommended Service Changes .....   | 32  |
| Appendix 4: Summary of 2013 Recommended New/Enhanced Service Priority Actions .....                             | N/A |
| Appendix 5: Inflows / Outflows to/ from Reserves and Reserve Funds .....  | 33  |
| Appendix 6: 2013 Recommended User Fee Changes (iii) .....   | 35  |
| Appendix 6: 2013 Recommended User Fee Changes (v) .....   | 36  |

**Contacts: Judy Skinner**  
 Manager, Financial Planning  
 Tel: (416) 397-4219

**Therese Chen**  
 Senior Financial Planning Analyst  
 Tel: (416) 392-8095

## PART I: RECOMMENDATIONS

2013 Recommended Operating Budget  
(In \$000s)

| (In \$000s)                         | 2012            |                  | 2013 Recommended Operating Budget |                        |                  | Change - 2013 Recommended              |        | FY Incremental Outlook |         |
|-------------------------------------|-----------------|------------------|-----------------------------------|------------------------|------------------|--|--------|------------------------|---------|
|                                     | Approved Budget | Projected Actual | 2013 Rec. Base                    | 2013 Rec. New/Enhanced | 2013 Rec. Budget | Operating Budget v. 2012 Appvd. Budget |        | 2014                   | 2015    |
|                                     | \$              | \$               | \$                                | \$                     | \$               | \$                                     | %      | \$                     | \$      |
| <b>GROSS EXP.</b>                   |                 |                  |                                   |                        |                  |  |        |                        |         |
| Sony Centre for the Performing Arts | 19,927.0        | 14,682.3         | 16,441.6                          | 0.0                    | 16,441.6         | (3,485.4)                              | (17.5) | (321.6)                | 496.7   |
| St. Lawrence Centre for the Arts    | 3,659.7         | 3,337.0          | 3,405.4                           | 0.0                    | 3,405.4          | (254.3)                                | (6.9)  | 2.4                    | 68.2    |
| Toronto Centre for the Arts         | 4,332.0         | 4,799.0          | 3,742.6                           | 0.0                    | 3,742.6          | (589.4)                                | (13.6) | 362.6                  | 263.2   |
|                                     | 27,918.7        | 22,818.3         | 23,589.6                          | 0.0                    | 23,589.6         | (4,329.1)                              | (15.5) | 43.4                   | 828.1   |
| <b>REVENUE</b>                      |                 |                  |                                   |                        |                  |  |        |                        |         |
| Sony Centre for the Performing Arts | 18,999.4        | 13,748.9         | 15,182.3                          | 0.0                    | 15,182.3         | (3,817.1)                              | (20.1) | (358.2)                | 561.4   |
| St. Lawrence Centre for the Arts    | 2,430.1         | 1,835.6          | 1,973.9                           | 0.0                    | 1,973.9          | (456.2)                                | (18.8) | 68.0                   | 39.8    |
| Toronto Centre for the Arts         | 3,508.2         | 3,520.2          | 2,123.8                           | 0.0                    | 2,123.8          | (1,384.4)                              | (39.5) | 545.2                  | 485.4   |
|                                     | 24,937.7        | 19,104.7         | 19,280.0                          | 0.0                    | 19,280.0         | (5,657.7)                              | (22.7) | 255.0                  | 1,086.6 |
| <b>NET EXP.</b>                     |                 |                  |                                   |                        |                  |  |        |                        |         |
| Sony Centre for the Performing Arts | 927.6           | 933.4            | 1,259.3                           | 0.0                    | 1,259.3          | 331.7                                  | 35.8   | 36.6                   | (64.7)  |
| St. Lawrence Centre for the Arts    | 1,229.6         | 1,501.4          | 1,431.5                           | 0.0                    | 1,431.5          | 201.9                                  | 16.4   | (65.6)                 | 28.4    |
| Toronto Centre for the Arts         | 823.8           | 1,278.8          | 1,618.8                           | 0.0                    | 1,618.8          | 795.0                                  | 96.5   | (182.6)                | (222.2) |
|                                     | 2,981.0         | 3,713.6          | 4,309.6                           | 0.0                    | 4,309.6          | 1,328.6                                | 44.6   | (211.6)                | (258.5) |
| <b>Approved Positions</b>           |                 |                  |                                   |                        |                  |  |        |                        |         |
| Sony Centre for the Performing Arts | 74.9            | 74.9             | 69.5                              | 0.0                    | 69.5             | (5.4)                                  | (7.2)  | 0.0                    | 0.0     |
| St. Lawrence Centre for the Arts    | 41.2            | 37.9             | 35.9                              | 0.0                    | 35.9             | (5.3)                                  | (12.9) | 0.4                    | 0.2     |
| Toronto Centre for the Arts         | 65.0            | 71.0             | 59.8                              | 0.0                    | 59.8             | (5.2)                                  | (8.0)  | 7.8                    | 5.5     |
|                                     | 181.1           | 183.8            | 165.2                             | 0.0                    | 165.2            | (15.9)                                 | (8.8)  | 8.2                    | 5.7     |

## Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

1. City Council approve the 2013 Recommended Operating Budget for Theatres of \$23.590 million gross and \$4.310 million net, comprised of the following services:

| Service:                            | Gross<br>(\$000s) | Net<br>(\$000s)  |
|-------------------------------------|-------------------|------------------|
| Sony Centre for the Performing Arts | \$16,441.6        | \$1,259.3        |
| St. Lawrence Centre for the Arts    | \$ 3,405.4        | \$1,431.5        |
| Toronto Centre for the Arts         | \$ 3,742.6        | \$1,618.8        |
| <b>Total Program Budget</b>         | <b>\$23,589.6</b> | <b>\$4,309.6</b> |

2. The Theatre's services and 2013 proposed service levels, as outlined on page 6 and associated staff complements by Theatre totalling 165.2 be approved.
3. City Council grant Sony Centre for the Performing Arts a 2-year loan repayment deferral on interest and principal on the \$6.65 million capital loan for 2012 and 2013; and the interest accrued over the 2-year holiday be re-amortized over 15 years with payment on principal and interest to commence Dec 31, 2014 at the unchanged interest rate of 5% compounded semi-annually.
4. City Council amend the composition of the Board of Directors of the Hummingbird (Sony) Centre for the Performing Arts to increase the size of the Board by adding the Chief Financial Officer or his/her designate as a non-voting member of the Board to represent the City's financial interests and monitor future capital tenders and awards until the City's \$6.65 million loan and accrued interest is fully repaid.
5. City Council approve the 2013 recommended market rate user fee changes for St. Lawrence Centre's Jane Mallet and Bluma Appel theatres as identified in Appendix 6 (iii) – Column D "2013 Recommended Fee" for inclusion in the Municipal Code Chapter 441, User Fees and Charges.
6. City Council approve the rationalization/restructuring of Toronto Centre for the Arts' user fees as identified in Appendix 6 (v) – "2013 Recommended Fee" in order to better align with the 2013 business plan and to facilitate administration.

PART II: 2013 SERVICE OVERVIEW AND PLAN

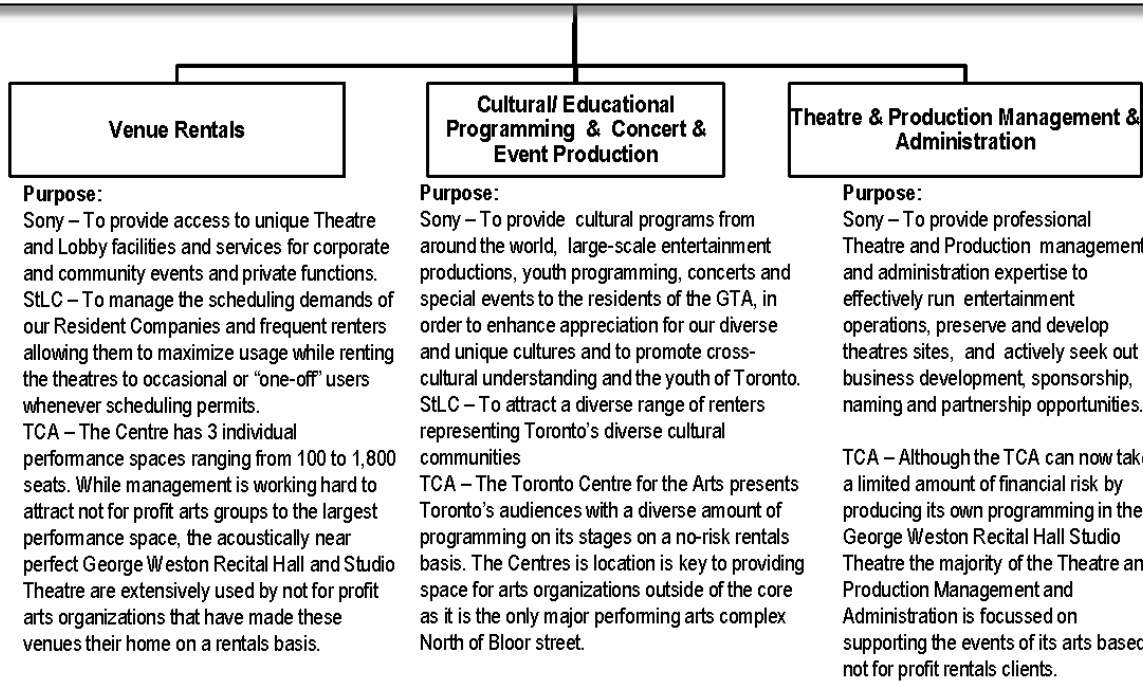
Program Map and Service Profiles

**Theatres**

**Sony Centre For The Performing Arts**  
*Present and produce artistic programming of the highest quality from around the world to serve and educate audiences from Toronto's diverse cultures. In connection therewith, negotiate complex business programming deals to maximize the financial return to the Centre. Provide a unique performance and meeting venue, complete with state-of-the-art technology and first-class catering services. Operate, maintain and promote (with minimal overhead) the importance of Canada's largest theatre (3,191 seats), a world-class heritage designated performance venue designed by Toronto's most famous architect, Peter Dickinson. Strengthen Toronto's Youth by partnering and collaborating with educational institutions to promote the artistic achievements of our students. Bolster the economy of the St. Lawrence Neighbourhood and attract tourism.*

**St. Lawrence Centre for the Arts**  
*Serve as home to some of the best not-for-profit theatre and music companies that reside in and produce work in the City of Toronto. Act as the cultural hub for the City and its residents by maintaining a clean, modern and service-oriented theatrical and entertainment facility. As a focus for Toronto-based performing arts and artists, the Centre will continually attract diverse, high quality, cultural, artistic and public events.*

**Toronto Centre for the Arts**  
*The Toronto Centre for the Arts will become the most versatile performing arts centre in the GTA and a necessary and important part of the cultural lives of the City's diverse population. The Centre will be anchor to the arts community through its role as incubator and partner in promoting the arts. A full range of performing arts will be represented within the programming the Centre has to offer. The Centre will take a leading role in attracting audiences that reflect the full ethnic and social diversity of Toronto's citizens. The Centre embraces its role as an important cultural economic generator and will place strategic emphasis on maximizing the financial benefits to the greater community. The Centre will build important strategic links with the local business and arts community and will seek educational and programming partners that will strengthen the operations of the Centre and its reach into the community.*



Service Customer

- |   |   |   |
|---|---|---|
| <p><b>Venue Rentals</b></p> <ul style="list-style-type: none"> <li>• Venue Client for Events</li> <li>• Event Participant</li> <li>• 6 local theatre and music resident companies</li> <li>• Casual venue renters</li> <li>• Ticket buying citizens of Toronto</li> <li>• Educational organization</li> </ul> | <p><b>Cultural Programming &amp; Concert Event Production</b></p> <ul style="list-style-type: none"> <li>• Theatre Patrons generally and specifically Multicultural and Youth audiences</li> <li>• Concert attendees</li> <li>• Cultural Programming Producers</li> <li>• Educational Institutions</li> </ul> | <p><b>Theatre Production &amp; Management &amp; Admin.</b></p> <ul style="list-style-type: none"> <li>• Theatre operations</li> <li>• Business Partners</li> <li>• Sponsors</li> <li>• Property Developers for air rights not TCA</li> <li>• Heritage Preservation Society not TCA</li> </ul> |
|---|---|---|

## 2013 Recommended Service Levels

The 2013 proposed service levels for Theatres' activities are summarized in the table below:

### Service Types and Service Levels

| Program             | Service  | Type   | Sub-Type   | Approved 2012 Service Levels | Proposed 2013 Service Levels |
|---------------------|--|--|--|------------------------------|------------------------------|
| Theatres:<br>Sony   | Cultural/Educational Programming and Concert and Event Production      | Community Outreach:                              | City of Toronto - STOMP  | 95%                          | 95%                          |
|                     |  |  | Go Green   | 95%                          | 0%                           |
|                     |  |  | Toy Mountain   | 95%                          | 0%                           |
|                     |  | Cultural & Art Exhibits                          |  | 95%                          | 100%                         |
|                     |  | Cultural Food Services                           |  | 95%                          | 90%                          |
|                     |  | Events/Concerts/Festivals:                       | Chinese Acrobats and Orchestra   | 95%                          | 95%                          |
|                     |  |  | Digifest   | 95%                          | 90%                          |
|                     |  |  | Luminato   | 95%                          | 95%                          |
|                     |  |  | TD Jazzfest  | 95%                          | 95%                          |
|                     |  | Multicultural / Educational / Youth Programming: | Children's Shows   | 95%                          | 90%                          |
|                     |  |  | Programming from around the world  | 95%                          | 95%                          |
|                     |  |  | Symphony Orchestras  | 95%                          | 90%                          |
|                     |  | Theatre & Production Management & Administration | Building & Operations Management (includes Capital Facility investment, Security, etc) |                              | 100%                         |
|                     | Financial Management (including Budgeting)                             |  |  | 100%                         | 100%                         |
|                     | Governance & Board Management (includes Policy & Strategy Development) |  |  | 100%                         | 100%                         |
|                     | Heritage Site Preservation   |  | Renovation of Heritage site  | 100%                         | 100%                         |
|                     | Human Resources Management (including Payroll)                         |  | Including multiple unionized bargaining units and non-unionized staff                  | 100%                         | 100%                         |
|                     | Information Management (I&T)   |  |  | 100%                         | 100%                         |
|                     | Marketing & Promotion of over 140 events                               |  |  | 100%                         | 100%                         |
|                     | Programming Acquisition of over 140 events annually                    |  | Negotiation of numerous complex contracts for programming                              | 100%                         | 100%                         |
|                     | Property Development   |  | Sale of Air Rights   | 100%                         | 0%                           |
|                     | Sponsorship and Partnership Development                                |  |  | 100%                         | 100%                         |
|                     | Venue Rentals  | In-house ancillary services                      | Catering   | 50%                          | 75%                          |
| Marketing           |  |  | 50%  | 100%                         |                              |
| Technical Services  |  |  | 50%  | 100%                         |                              |
| Ticketing           |  |  | 50%  | 100%                         |                              |
| Theatre and Lobbies |  | Community Events                                 | 50%  | 50%                          |                              |
|                     |  | Corporate Events                                 | 50%  | 75%                          |                              |
|                     |  | Corporate Meetings                               | 50%  | 75%                          |                              |
|                     |  | Private Receptions                               | 50%  | 50%                          |                              |
|                     |  | Receptions tied to performances                  | 50%  | 50%                          |                              |
|                     |  |  |  |                              |                              |

Service Types and Service Levels

| Program  | Service   | Type   | Sub-Type   | Approved 2012 Service Levels   | Proposed 2013 Service Levels |      |
|--|---|--|--|--|------------------------------|------|
| Theatres:<br>St. Lawrence  | Theatre & Production Management & Administration          | Building & Operations Management (includes Capital Facility investment, Security, etc) |  | 100%   | 100%                         |      |
|  |   |  | Financial Management (including Budgeting)                             | 100%   | 100%                         |      |
|  |   |  | Governance & Board Management (includes Policy & Strategy Development) | 100%   | 100%                         |      |
|  |   |  | Human Resources Management (including Payroll)                         | Including multiple unionized bargaining units and non-unionized staff                  | 100%                         | 100% |
|  |   |  |  | Information Management (I&T)   | 100%                         | 100% |
|  | Venue Rentals   | Ancillary services provided to renters   | Catering   | 50%  | 50%                          |      |
|  |   |  | Single Ticket and Subscription Sales                                   | 100%   | 100%                         |      |
|  |   |  | Technical Services   | 50%  | 50%                          |      |
|  |   | Bluma Appel Theatre  | Casual Community Renters   | 100%   | 90%                          |      |
|  |   |  | Receptions tied to performances  | 100%   | 100%                         |      |
|  |   |  | The Canadian Stage   | 100%   | 100%                         |      |
|  |   | Jane Mallett Theatre   | Casual Community Renters   | 80%  | 84%                          |      |
|  |   |  | Five Resident Companies  | 100%   | 100%                         |      |
|  |   |  | Receptions tied to performances  | 100%   | 100%                         |      |
|  |   |  |  | 100%   | 100%                         |      |
|  |   | Theatres:<br>TCA   | Theatre & Production Management & Administration                       | Building & Operations Management (includes Capital Facility investment, Security, etc) |                              | 75%  |
| Financial Management (including Budgeting)                             | 90%   |  |  |  | 90%                          |      |
| Governance & Board Management (includes Policy & Strategy Development) | 75%   |  |  |  | 75%                          |      |
| Human Resources Management (including Payroll)                         | 95%   |  |  |  | 95%                          |      |
| Information Management (I&T)   | 95%   |  |  |  | 95%                          |      |
| Programming Acquisition between 300 and 700 events annually            | Negotiation of numerous complex contracts for programming |  |  |  | 95%                          | 95%  |
| Venue Rentals  | In-house ancillary services                               |  | Catering   | 95%  | 95%                          |      |
|  |   |  | Marketing  |  |                              |      |
|  |   |  | Technical Services   | 95%  | 95%                          |      |
|  |   |  | Ticketing  | 95%  | 95%                          |      |
|  | Theatre and Lobbies                                       |  | Community Events   | 75%  | 85%                          |      |
|  |   |  | Corporate Events   | 75%  | 75%                          |      |
|  |   |  | Corporate Meetings   | 75%  | 75%                          |      |
|  |   |  | Private Receptions   | 95%  | 50%                          |      |
|  |   |  | Receptions tied to performances  | 95%  | 95%                          |      |

## 2013 Service Deliverables

The 2013 Recommended Operating Budget of \$23.590 million gross and \$4.310 million net provides funding for 3 City-owned and operated theatres:

***Sony Centre for the Performing Arts*** offers multi-functional space, comprehensive event services, a 3,000-seat auditorium, state-of-the-art lighting and sound systems, a world class stage and highly experienced event staff. The 2013 Operating Budget provides funding to build and reinforce the Centre's brand of excellence in programming performances of diversity which appeal to all of Toronto's citizens.

***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 houses 2 theatres: the 876-seat Bluma Appel theatre and the 498-seat Jane Mallet theatre. The 2013 Operating Budget allows the Centre to support programming while seeking new opportunities to secure revenues.

***Toronto Centre for the Arts*** offers a first class venue for a full range of performing arts. The Centre holds 3 theatres: the 1,727-seat Main Stage theatre; 1,032-seat George Weston Recital Hall; and the versatile 200-seat Studio Theatre. The 2013 Operating Budget provides funding to allow the Centre to operate the facilities and continuing to attract new not-for-profit groups to secure operating revenues for its 3 venues for future years.



## PART III: RECOMMENDED BASE BUDGET

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

| (In \$000s)                         | 2012<br>Approved<br>Budget | 2013<br>Rec'd<br>Base | Change<br>2013 Recommended Base<br>vs.<br>2012 Appvd. Budget |        | FY Incremental Outlook |         |
|-------------------------------------|----------------------------|-----------------------|--|--------|------------------------|---------|
|                                     |                            |                       | \$   | %      | 2014                   | 2015    |
|                                     | \$                         | \$                    | \$   | %      | \$                     | \$      |
| <b>GROSS EXP.</b>                   |                            |                       |  |        |                        |         |
| Sony Centre for the Performing Arts | 19,927.0                   | 16,441.6              | (3,485.4)  | (17.5) | (321.6)                | 496.7   |
| St. Lawrence Centre for the Arts    | 3,659.7                    | 3,405.4               | (254.3)  | (6.9)  | 2.4                    | 68.2    |
| Toronto Centre for the Arts         | 4,332.0                    | 3,742.6               | (589.4)  | (13.6) | 362.6                  | 263.2   |
|                                     | 27,918.7                   | 23,589.6              | (4,329.1)  | (15.5) | 43.4                   | 828.1   |
| <b>REVENUE</b>                      |                            |                       |  |        |                        |         |
| Sony Centre for the Performing Arts | 18,999.4                   | 15,182.3              | (3,817.1)  | (20.1) | (358.2)                | 561.4   |
| St. Lawrence Centre for the Arts    | 2,430.1                    | 1,973.9               | (456.2)  | (18.8) | 68.0                   | 39.8    |
| Toronto Centre for the Arts         | 3,508.2                    | 2,123.8               | (1,384.4)  | (39.5) | 545.2                  | 485.4   |
|                                     | 24,937.7                   | 19,280.0              | (5,657.7)  | (22.7) | 255.0                  | 1,086.6 |
| <b>NET EXP.</b>                     |                            |                       |  |        |                        |         |
| Sony Centre for the Performing Arts | 927.6                      | 1,259.3               | 331.7  | 35.8   | 36.6                   | (64.7)  |
| St. Lawrence Centre for the Arts    | 1,229.6                    | 1,431.5               | 201.9  | 16.4   | (65.6)                 | 28.4    |
| Toronto Centre for the Arts         | 823.8                      | 1,618.8               | 795.0  | 96.5   | (182.6)                | (222.2) |
|                                     | 2,981.0                    | 4,309.6               | 1,328.6  | 44.6   | (211.6)                | (258.5) |
| <b>Approved Positions</b>           |                            |                       |  |        |                        |         |
| Sony Centre for the Performing Arts | 74.9                       | 69.5                  | (5.4)  | (7.2)  | 0.0                    | 0.0     |
| St. Lawrence Centre for the Arts    | 41.2                       | 35.9                  | (5.3)  | (12.9) | 0.4                    | 0.2     |
| Toronto Centre for the Arts         | 65.0                       | 59.8                  | (5.2)  | (8.0)  | 7.8                    | 5.5     |
|                                     | 181.1                      | 165.2                 | (15.9)   | (8.8)  | 8.2                    | 5.7     |

### 2013 Recommended Base Budget

The 2013 Recommended Base Budget of \$23.590 million gross and \$4.310 million net is \$1.329 million or 45% over the 2012 Approved Budget of \$2.981 million net and provides \$1.711 million in funding for base budget increases which have been offset by \$0.383 million in recommended reductions reflecting lower volume levels, bringing the Theatres' base budget to \$1.329 million over the budget target of a 0% increase.

- The recommended budget reductions of \$0.383 million are attributed to efficiency savings.
- Approval of the Theatres' 2013 Recommended Base Budget will result in an overall increase of \$1.256 million net due to reductions in the Theatre's base activity levels of \$1.360 million net which is partially offset by service efficiency savings of \$0.104 million net associated

with the reduction of approved staff complement from 181.1 to 165.2 as highlighted in the table below:

### 2013 Recommended Staff Complement

#### Base Budget Summary

##### 3 Theatres

| Changes  | Staff Complement |
|--|------------------|
| <b>2012 Approved Complement</b>                    | 181.1            |
| - 2012 In-year Adjustments                         |                  |
| 2012 Approved Staff Complement                     | <b>181.1</b>     |
| <b>2013 Recommended change in Staff Complement</b> |                  |
| - 2013 Base Activity Level Change                  | (13.8)           |
| - 2013 Service Changes                             | (2.1)            |
| <b>Total 2013 Recommended Complement</b>           | <b>165.2</b>     |

#### *Sony Centre for the Performing Arts*

- Sony Centre for the Performing Arts' 2013 Recommended Base Budget of \$16.442 million gross and \$1.259 million net is \$0.332 million or 36% over the 2012 Approved Budget of \$0.928 million net and provides \$0.611 million in funding for base budget increases which have been partially offset by \$0.279 million in recommended service efficiency reductions.
- The recommended budget reduction of \$0.279 million is attributed to savings from efficiencies in overhead costs.
- Approval of the 2013 Recommended Base Budget will increase funding to the Theatre by \$0.276 million net attributed to declining volumes in base activity levels requiring 5.4 fewer cost-recoverable positions which will result in a reduction of the Centre's approved staff complement from 74.9 to 69.5 as highlighted in the table below:

##### Sony Centre

| Changes  | Staff Complement |
|--|------------------|
| <b>2012 Approved Complement</b>                    | 74.9             |
| - 2012 In-year Adjustments                         |                  |
| 2012 Approved Staff Complement                     | <b>74.9</b>      |
| <b>2013 Recommended change in Staff Complement</b> |                  |
| - 2013 Base Activity Level Change                  | (5.4)            |
| <b>Total 2013 Recommended Complement</b>           | <b>69.5</b>      |

#### *St. Lawrence Centre for the Arts*

- St. Lawrence Centre for the Arts' 2013 Recommended Base Budget of \$3.405 million gross and \$1.432 million net is \$0.202 million or 16% over the 2012 Approved Budget of \$1.230 million net and provides \$0.306 million in funding for base budget increases which have been partially offset by \$0.104 million in recommended service efficiency reductions.

- The recommended efficiency measure will realize savings of \$0.104 million attributed to the elimination of 2.1 vacant positions.
- Approval of the 2013 Recommended Base Budget will fund the Theatre by an additional \$0.186 million net due to lost booking revenues which will require 3.2 fewer recoverable crew positions (increase of \$0.290 million net), and is partially offset by the elimination of 2.1 vacant positions (\$0.104 million savings), resulting in a total reduction in the Centre's approved staff complement from 41.2 to 35.9 as highlighted in the table below:

**St. Lawrence Centre**

| Changes  | Staff Complement |
|--|------------------|
| <b>2012 Approved Complement</b>                    | 41.2             |
| - 2012 In-year Adjustments                         |                  |
| 2012 Approved Staff Complement                     | <b>41.2</b>      |
| <b>2013 Recommended change in Staff Complement</b> |                  |
| - 2013 Base Activity Level Change                  | (3.2)            |
| - 2013 Service Changes                             | (2.1)            |
| <b>Total 2013 Recommended Complement</b>           | <b>35.9</b>      |

*Toronto Centre for the Arts*

- Toronto Centre for the Arts' 2013 Recommended Base Budget of \$3.743 million gross and \$1.619 million net is \$0.795 million or 97% over the 2012 Approved Budget of \$0.824 million net and provides \$0.795 million in funding for base budget increases arising from the departure of a major tenant in the Main Stage Theatre.
- No service changes are recommended for Toronto Centre for the Arts.
- Approval of the 2013 Recommended Base Budget will increase funding to the Centre by \$0.795 million net to account for reduced programming of the Main Stage Theatre due to the departure of Dancap Productions, thereby requiring 5.2 less recoverable crew positions and reducing the Centre's approved staff complement from 65.0 to 59.8 as highlighted in the table below:

**Toronto Centre**

| Changes  | Staff Complement |
|--|------------------|
| <b>2012 Approved Complement</b>                    | 65.0             |
| - 2012 In-year Adjustments                         |                  |
| 2012 Approved Staff Complement                     | <b>65.0</b>      |
| <b>2013 Recommended change in Staff Complement</b> |                  |
| - 2013 Base Activity Level Change                  | (5.2)            |
| <b>Total 2013 Recommended Complement</b>           | <b>59.8</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 Expenditure        | Position Change | Net Expenditure | Position Change |
| <b>Service Efficiencies</b>           |                                  |               |             |                           |                        |                 |                 |                 |
| Sony - Reduction in Overhead Expenses |                                  | (278.9)       | (278.9)     | (30.1%)                   |                        |                 |                 |                 |
| St. LC - Staffing Reductions          | (2.1)                            | (103.9)       | (103.9)     | (8.4%)                    |                        |                 |                 |                 |
| <b>Sub-Total Service Efficiencies</b> | (2.1)                            | (382.8)       | (382.8)     | (12.8%)                   |                        |                 |                 |                 |
| <b>Total Changes</b>                  | (2.1)                            | (382.8)       | (382.8)     | (12.8%)                   |                        |                 |                 |                 |

### 2013 Recommended Service Changes

The 2013 recommended service changes consist of service efficiency savings of \$0.383 million bringing the 2013 Recommended Base Budget for Theatres to \$4.310 million net or 44.6% over the 2012 Approved Budget of \$2.981 million.

#### Service Efficiencies: (\$0.383 million gross, savings of \$0.383 million net)

##### *Sony Centre – Reduction in Overhead Expenses*

- Service efficiency savings will be achieved by a reduction of semi-variable overhead costs in Materials and Supplies of \$0.166 million from a base budget of \$1.359 million; and Services and Rents of \$0.113 million from a base budget of \$8.467 million for a total of \$0.279 million.

##### *St. Lawrence Centre – Staffing Reductions*

- Changes in staff effective January 1, 2013 will see the elimination of a Front of House Manager, and a Receptionist position, as well as reduced scheduled Box Office hours resulting in a reduction of 2.1 vacant permanent positions amounting to \$0.104 million net salary savings.
- Responsibilities will be re-allocated to the two remaining Front of House Managers, while the elimination of the Receptionist position will require staff to become self-sufficient with daily office duties.
- Box Office hours available to patrons remain unchanged with fewer attendants present.

### 2014 and 2015 Outlook

Approval of the 2013 Recommended Base Budget for Theatres will not result in any overall net incremental impacts in 2014 and 2015 in order to maintain 2013 service levels. Future year changes are detailed in the table below:

| Description                                       | 2014 - Incremental Increase |              |                |                              |                | 2015 - Incremental Increase |                |                |                              |                | Total Net<br>% Change<br>from 2013 |
|---|-----------------------------|--------------|----------------|------------------------------|----------------|-----------------------------|----------------|----------------|------------------------------|----------------|------------------------------------|
|   | Gross<br>Expense            | Revenue      | Net<br>Expense | % Net<br>Change<br>from 2013 | #<br>Positions | Gross<br>Expense            | Revenue        | Net<br>Expense | % Net<br>Change<br>from 2014 | #<br>Positions |                                    |
| <b>Anticipated Impacts</b>                        |                             |              |                |                              |                |                             |                |                |                              |                |                                    |
| Sony Centre for the Performing Arts               | (321.6)                     | (358.2)      | 36.6           | 2.9%                         | 0.0            | 496.7                       | 561.4          | (64.7)         | (5.0%)                       | 0.0            | (2.2%)                             |
| St. Lawrence Centre for the Arts                  | 2.4                         | 68.0         | (65.6)         | (4.6%)                       | 0.4            | 68.2                        | 39.8           | 28.4           | 2.1%                         | 0.2            | (2.6%)                             |
| Toronto Centre for the Arts                       | 362.6                       | 545.2        | (182.6)        | (11.3%)                      | 7.8            | 263.2                       | 485.4          | (222.2)        | (15.5%)                      | 5.5            | (25.0%)                            |
| <b>Sub-Total - Anticipated Additional Impacts</b> | <b>43.4</b>                 | <b>255.0</b> | <b>(211.6)</b> | <b>(4.9%)</b>                | <b>8.2</b>     | <b>828.1</b>                | <b>1,086.6</b> | <b>(258.5)</b> | <b>(6.3%)</b>                | <b>5.7</b>     | <b>(10.9%)</b>                     |
| <b>Total Incremental Impacts</b>                  | <b>43.4</b>                 | <b>255.0</b> | <b>(211.6)</b> | <b>(4.9%)</b>                | <b>8.2</b>     | <b>828.1</b>                | <b>1,086.6</b> | <b>(258.5)</b> | <b>(6.3%)</b>                | <b>5.7</b>     | <b>(10.9%)</b>                     |

- Sony Centre for the Performing Arts projects an incremental increase in 2014 of \$0.037 million net and an incremental decrease in 2015 of \$0.065 million net to maintain the 2013 level of service and staff complement. The changes are reflective of anticipated activity levels at the Centre.
- St. Lawrence Centre for the Arts is forecasting an incremental decrease of \$0.066 million net in 2014 due to increased revenue targets, and an incremental increase of \$0.28 million net in 2015 to reflect increased salary and benefit costs which are partially offset by projected revenues.
- Toronto Centre for the Arts projects an incremental decrease of \$0.183 million net in 2014 and \$0.222 million net in 2015 to reflect the forecasted volume of business and associated revenues that are partially offset by estimated inflationary increases in labour and non-labour expenses.

## PART V: ISSUES FOR DISCUSSION

**2013 and Future Year Issues****2013 Issues***Sony Centre – Over Target*

- Sony Centre for the Performing Arts' 2013 Recommended Budget of \$1.259 million net is \$0.332 million (35.8%) over the 2012 Approved Operating Budget of \$0.928 million net.
- A decrease in the 2013 forecasted days of use and number of performances due to the general malaise in the economy has negatively impacted revenue projections in 2013 by \$0.275 million net.
- Labour and non-labour inflationary impacts amounting to \$0.071 million and \$0.264 million respectively add a pressure of \$0.335 million which has been partially offset by efficiency savings of \$0.279 million.
- Further reductions in overhead expenses to meet 0% target could compromise the effective servicing of Sony Centre's clients and patrons, as well as the long-term interests of the City with respect to the Theatre's future.

*Sony Centre – Loan Repayment Deferral*

- On Dec 3, 2009 and Feb 23 & 24, 2011, City Council granted capital completion loans to Sony Centre for the Performing Arts in the amount of \$4.65 million and \$2 million respectively, totalling \$6.65 million for the redevelopment of the Centre.
- Sony Centre committed to repay the capital completion loan in 15 annual installments of principal and interest compounded semi-annually at an interest rate of 5%, funded by ticket surcharge revenues, commencing on Jan 1, 2012.
- The number of performances and paid attendance drives the amount of surcharge revenue collected and contributed to the Facility Fee Reserve Fund.
- Due to economic circumstances, these projected volumes were not realized, resulting in insufficient surcharge revenue for the Centre to repay the loan at this time.
- It is recommended that the City grant a 2-year loan repayment deferral on interest and principal on the \$6.65 million loan for 2012 and 2013; and the interest accrued over the 2-year holiday be re-amortized over 15 years with principal and interest payment to commence Dec 31, 2014 at the original interest rate of 5% compounded semi-annually.
- As a condition of the loan repayment deferral, it is further recommended that City Council amend the composition of the Board of Directors of the Hummingbird (Sony) Centre to increase the size of the Board by adding the Chief Financial Officer or his/her designate as a non-voting member of the Board to represent the city's financial interests and monitor future capital tenders and awards until the City's \$6.65 million loan and accrued interest is fully repaid.

*St. Lawrence Centre - Over Target*

- St. Lawrence Centre for the Arts' 2013 Recommended Budget of \$1.432 million net is \$0.202 million or 16.4% over the 2012 Approved Operating Budget of \$1.230 million net.
- Reductions in 2013 revenue projections are attributed to the departure of a resident company, the loss of one-time bookings, and a withdrawal of a resident company booking amounting to \$0.290 million net.
- Budgeted revenue losses are partially offset by staffing reductions of 2.1 permanent positions for 2013 savings of \$0.104 million net.
- Labour and non-labour inflationary impacts totaling \$0.014 million and \$0.008 million respectively add a pressure of \$0.022 million which has been partially offset by prior year annualized savings of \$0.016 million.
- Further reductions in overhead expenditures could impede the Centre's ability to service its clients and patrons and sustain a viable operation.

*St. Lawrence Centre – User Fee Rate Changes*

- St. Lawrence Centre for the Arts' 2013 Recommended Operating Budget includes market rate increases for its user fees in the Jane Mallet Theatre (\$100 or 5.8%) and Bluma Appel Theatre (\$200 or 5.7%) driven by changing market conditions. Please see Appendix 6 (iii) for user fee details.
- It is recommended that City Council approve the 2013 recommended market rate user fee changes for St. Lawrence Centre for the Arts' Jane Mallet and Bluma Appel theatres as identified in Appendix 6 (iii) – Column D "2013 Recommended Fee" for inclusion in the Municipal Code Chapter 441, User Fees and Charges.

*Toronto Centre - Over Target*

- Toronto Centre for the Arts' 2013 Recommended Budget of \$1.619 million net or \$0.795 million or 96.5% over the 2012 Approved Operating Budget of \$0.824 million net did not achieve the 0% target.
- Revenue losses from the departure of Dancap Productions from the Centre's Main Stage theatre amounts to \$0.795 million net.
- Inflationary impacts for non-labour costs total \$0.037 million net which is offset by base budget changes to reflect 2012 actuals of \$0.036 million.
- Further reductions in overhead expenditures to meet the 0% target could hamper the quality of service provided to its customers and impact the Centre's ability to sustain operations.

*Toronto Centre – Rationalization of User Fee*

- Toronto Centre for the Arts rationalized the 2012 market based user fees for its 3 theatre spaces to align with its 2013 business plan and to facilitate administration of the user fees. Please refer to Appendix 6 (v) for user fee restructuring details.

- It is recommended that City Council approve the recommended rationalization of Toronto Centre for the Arts' user fees as detailed in Appendix 6 (v).

### Future Year Issues - Core Service Review

- 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 the following 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):
  - Responses were received from nine firms, of which five met the key mandatory criteria set out by the REOI.
  - There was no interest to purchase either the St. Lawrence Centre or Toronto Centre. Only Sony Centre attracted interest in the transfer of assets, but with continued City subsidies factored in to the future revenues.
  - Summary of options proposed include:
    - o Maintain status quo with regards to operations of the St. Lawrence Centre
    - o Transfer management of the St. Lawrence Centre but maintain operating subsidy
    - o Maintain management of the Toronto Centre for the Arts but review its operations to increase its use and accessibility with a sustainable subsidy
    - o Transfer management of the Sony Centre but maintain the subsidy
    - o Transfer the ownership of the building and land of the Sony Centre for a nominal sum, eliminate the operating subsidy required, but have the City assume the capital liabilities in the amount of \$6.6 million
    - o Transfer the management of all three theatres to a third party, but maintain the operating subsidies through management fees.
- In the *"Future of the Three Major Civic Theatres – Directions Resulting from the Request for Expression of Interest"* report dated October 22, 2012 to Executive Committee (Item EX24.8), the City Manager recommended the following:
  - City Council recognize the St. Lawrence Centre for the Arts as a community cultural asset and City Council:
    - o Direct the Board and senior management of the St. Lawrence Centre for the Arts, in consultation with the General Manager of Economic Development and Culture, to develop a long term strategic plan and a five-year business plan that ensures a creative, cost-effective and sustainable operation; that minimizes the City's tax funding, that includes performance measures for its service to the community, and



- o that provides for operating and capital reserves, to be presented to the Economic Development Committee in 2013 and as part of the 2014 budget consideration; and
- o Commit to supporting its operations, subject to the five-year business plan being satisfactory to the General Manager of Economic Development and Culture.
- City Council recognize the Toronto Centre for the Arts as a community cultural asset and City Council:
  - o Direct the Board and senior management of the St. Lawrence Centre for the Arts, in consultation with the General Manager of Economic Development and Culture, to develop a long term strategic plan and a five-year business plan that ensures a creative, cost-effective and sustainable operation; that minimizes the City's tax funding, that includes performance measures for its service to the community, and that provides for operating and capital reserves, to be presented to the Economic Development Committee in 2013 and as part of the 2014 budget consideration; and
  - o Commit to supporting its operations, subject to the five-year business plan being satisfactory to the General Manager of Economic Development and Culture.
- 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:
  - o Include allowance for potential adaptive reuse and other innovative strategies for sustained use; and
  - o 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 same October 22, 2012 report was deferred to the November 19, 2012 Executive Committee meeting (Item EX25.5) whereby the following recommendation was made:
  - 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:
    - o The Sony Centre Board be permitted and encouraged to consult throughout this review period with the General Manager of Economic and Development and Culture.
    - o 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.
    - o The City Manager and Legal Services provide assistance as required by the Sony Centre Board.
- These recommendations do not impact the 2013 Service Deliverables for the Theatres. All 3 venues continue to operate and offer services on an on-going basis.

## Appendix 1

### 2012 Performance

#### 2012 Key Accomplishments

In 2012, Sony Centre for the Performing Arts achieved the following results:

- ✓ Grew corporate rentals business by 6 events or 50% from 12 events in 2011 to 18 events in 2012 with major clients including Bell Media Inc, AIDS Committee of Toronto, TD Bank Group, KPMG Management Services and George Brown College.
- ✓ Increased days of use for cultural programming, concert and event productions by 10 days or 10% from 95 days in 2011 to 105 days in 2012.
- ✓ Presented first class artistic productions from more than 14 countries from around the world including Iran, China, Argentina, South Africa, Turkey, Japan, Russia and Spain.

In 2012, Lawrence Centre for the Arts achieved the following results:

- ✓ Increased days of use of the Bluma Appel theatre by 17% from 168 days in 2011 to 197 days in 2012; and in the Jane Mallet theatre by 23% from 150 days in 2011 to 185 days in 2012, respectively.
- ✓ Hosted a number of high profile events including for the third year the "Dora Mavor Moore Awards", the Luminato presentation of La Belle et la Bete, and the Miss Universe Canada Pageant.
- ✓ Negotiated a new four-year Collective Bargaining Agreement with CUPE Local 2652.

In 2012, Toronto Centre for the Arts achieved the following results:

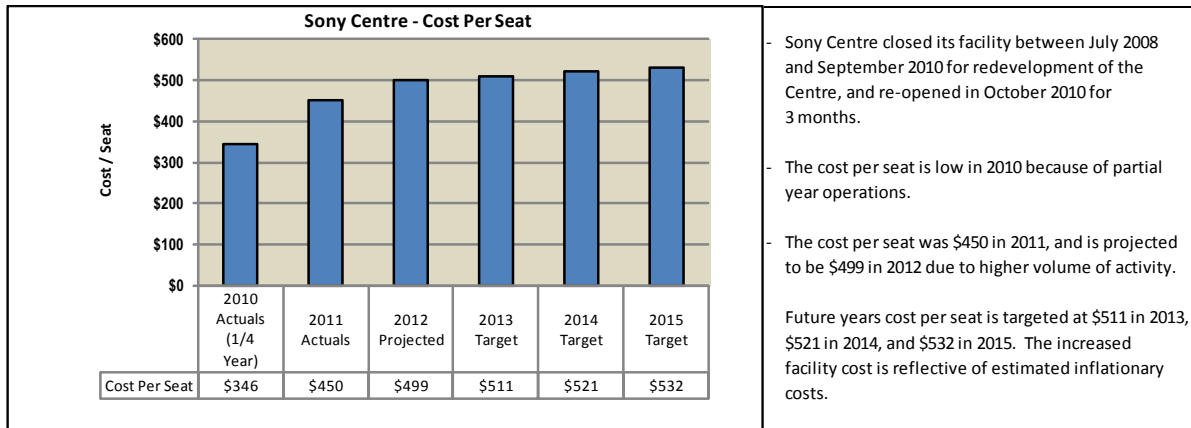
- ✓ Developed a relationship with Classical Theatre Project, a not-for-profit theatre company focused on staging Shakespeare plays for approximately 35,000 high school students in the Main Stage theatre following the recent departure of Dancap Productions who animated this venue with large scale Broadway type shows for the last 5 years.

2012 Performance

Sony Centre for the Performing Arts

Efficiency Measure – Cost Per Seat

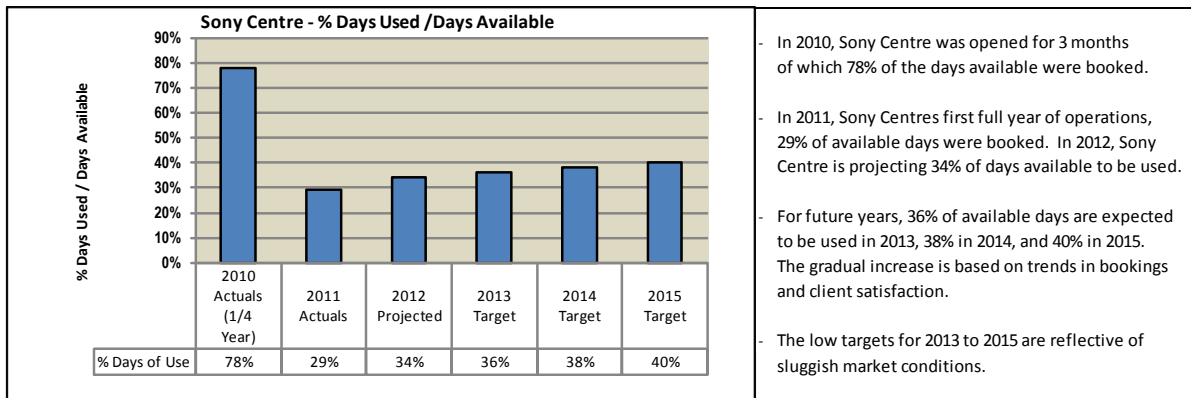
- Sony Centre measures efficiency by dividing the total cost to operate a facility by the number of seats in the theatre for an average cost per seat.



Effectiveness Measure

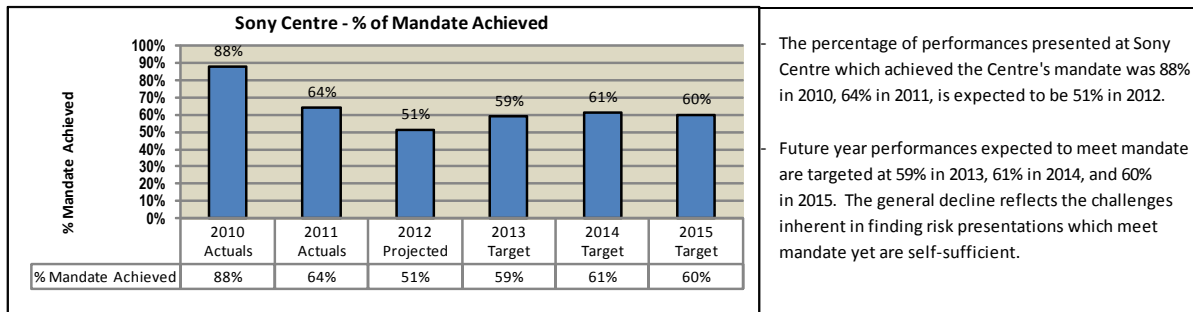
% Days Used/Days Available

- Sony Centre measures effectiveness by the percentage of days used compared to the days available for use.



% of Mandate Achieved

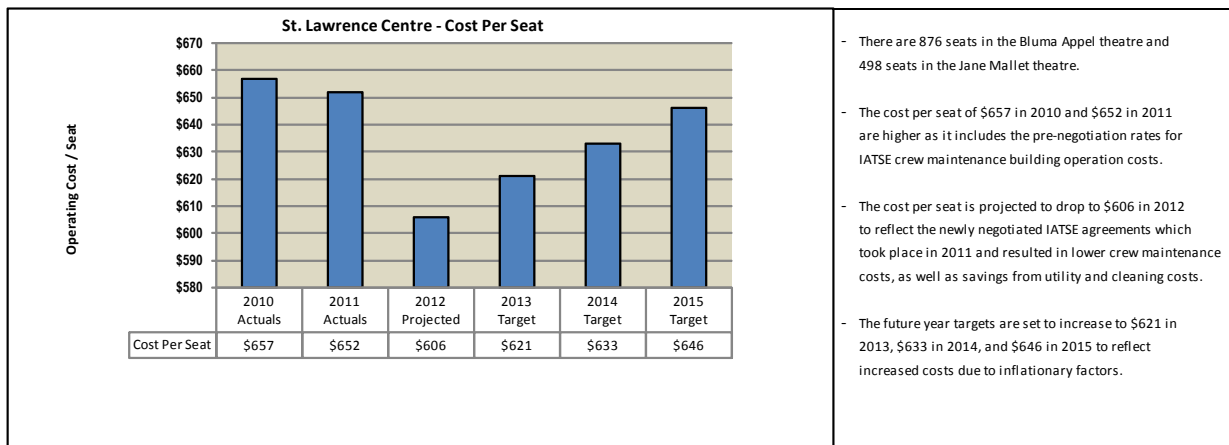
- Effectiveness is also measured by the percentage of performances held at the theatre which meet the Centre's mandate of presenting musical theatre, international dance, children's and family events and other quality attractions.



*St Lawrence Centre for the Arts*

Efficiency Measure – Cost Per Seat

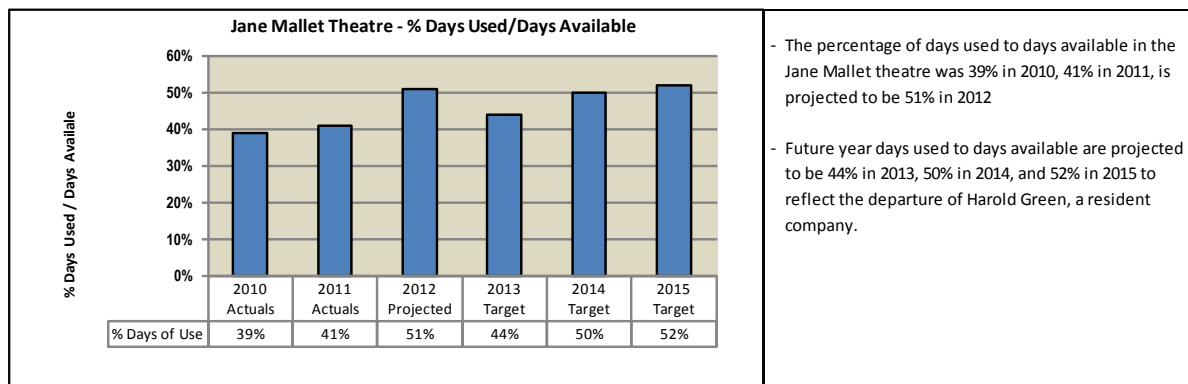
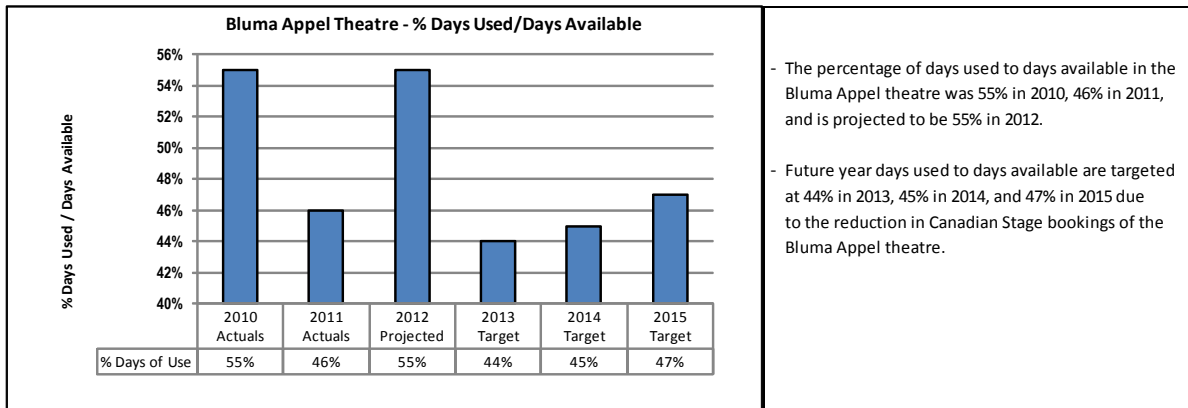
- St. Lawrence Centre measures efficiency by dividing the total facility operations cost by the total number (1,374) seats in the Centre.



Effectiveness Measure

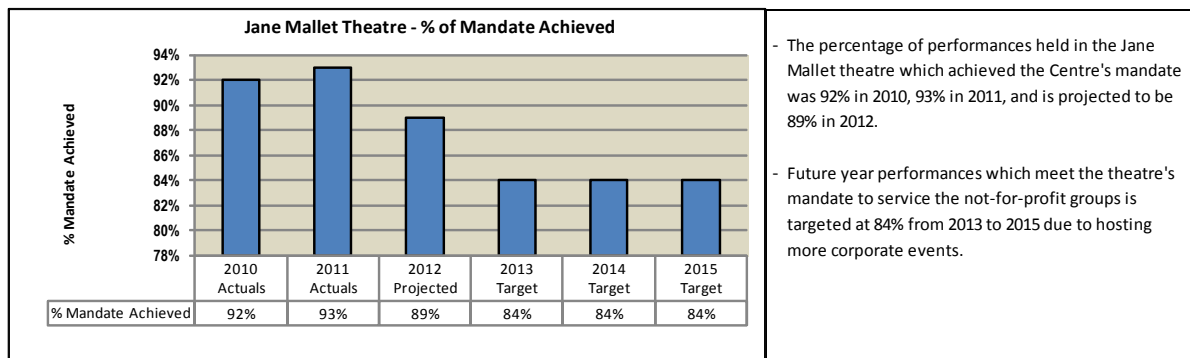
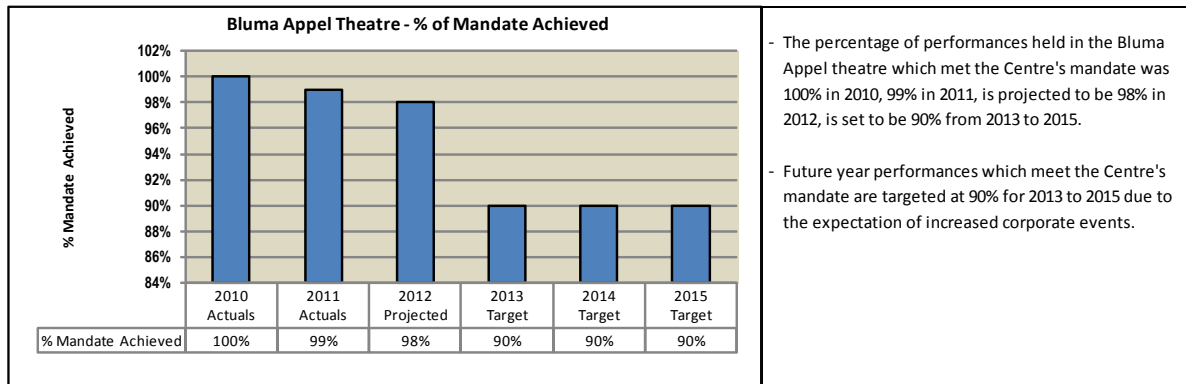
% Days Used/Days Available

- St. Lawrence Centre measures the effectiveness of each theatre – the Bluma Appel and Jane Mallet theatres – by tracking the percentage of days used compared to the days available for booking.



% of Mandate Achieved

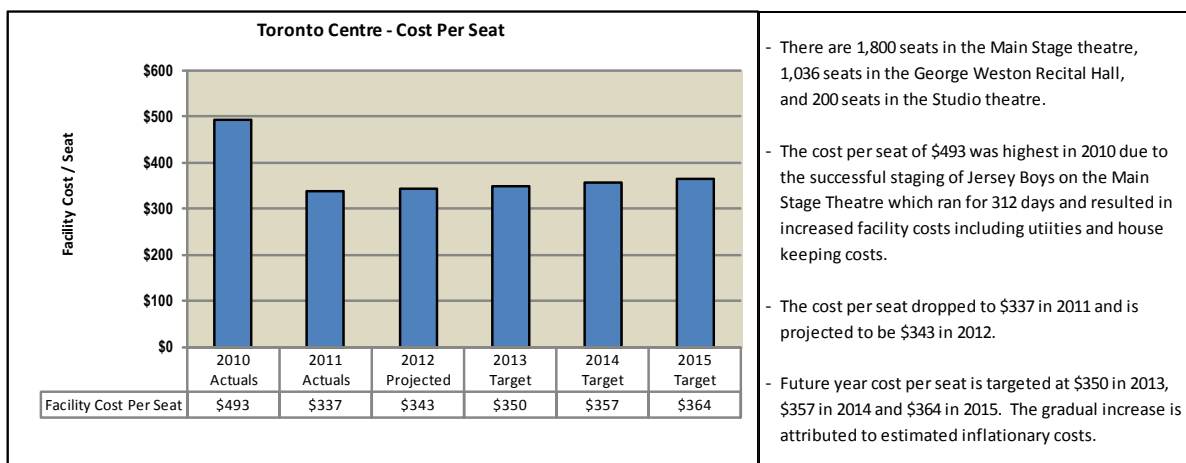
- St. Lawrence Centre's mission statement is to provide a modern and well-equipped theatre to the city's premier not-for-profit theatre companies and presenters. St. Lawrence Centre also measures effectiveness by the percentage of performances held which meet the Centre's mandate.



*Toronto Centre for the Arts*

Efficiency Measure – Cost Per Seat

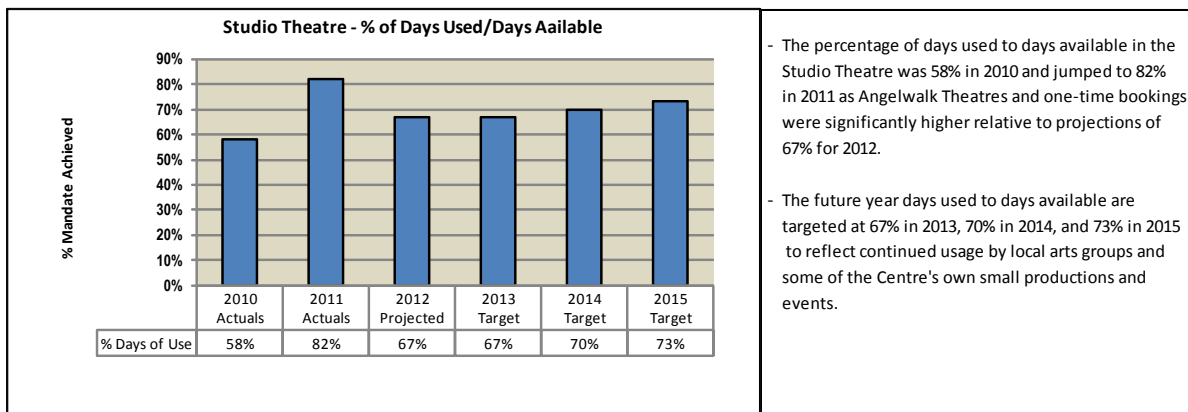
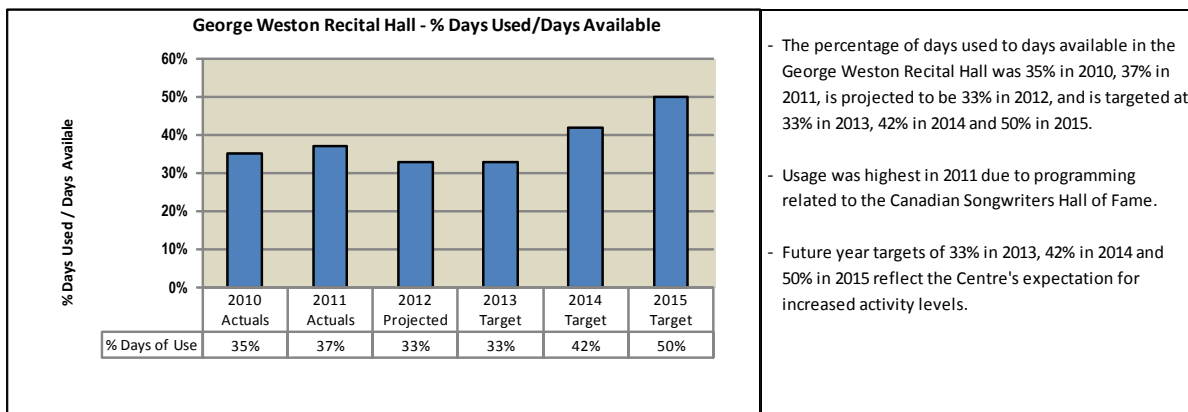
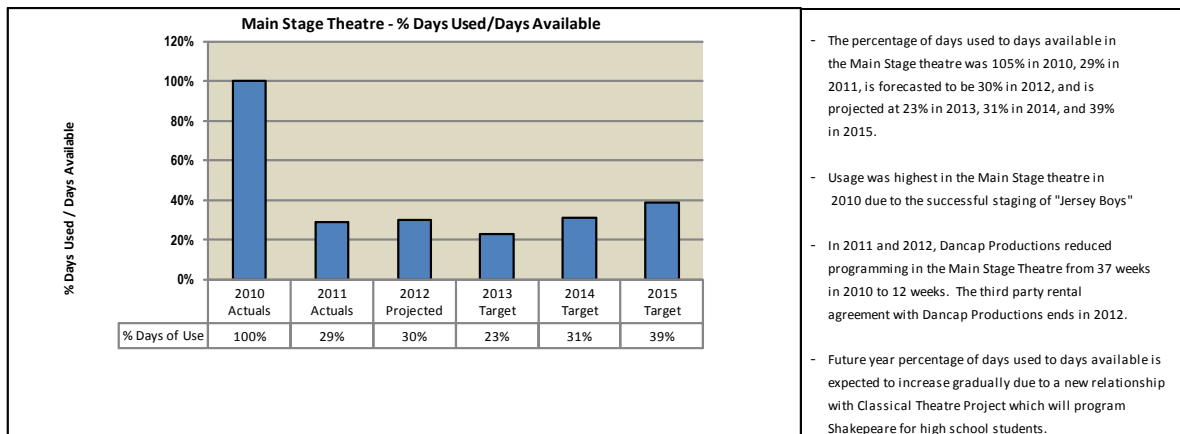
- Toronto Centre measures efficiency by dividing the total facility operations cost by the total number (3,036) of seats in the Centre.



Effectiveness Measure

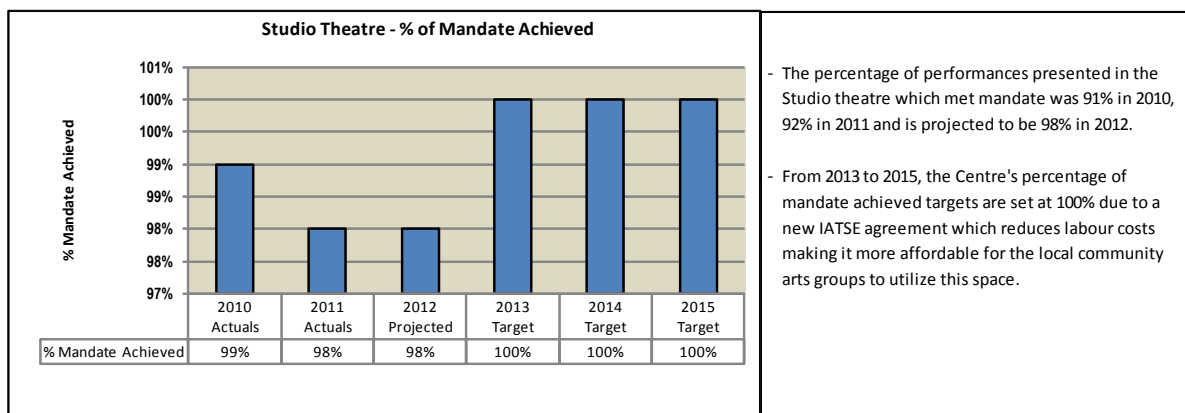
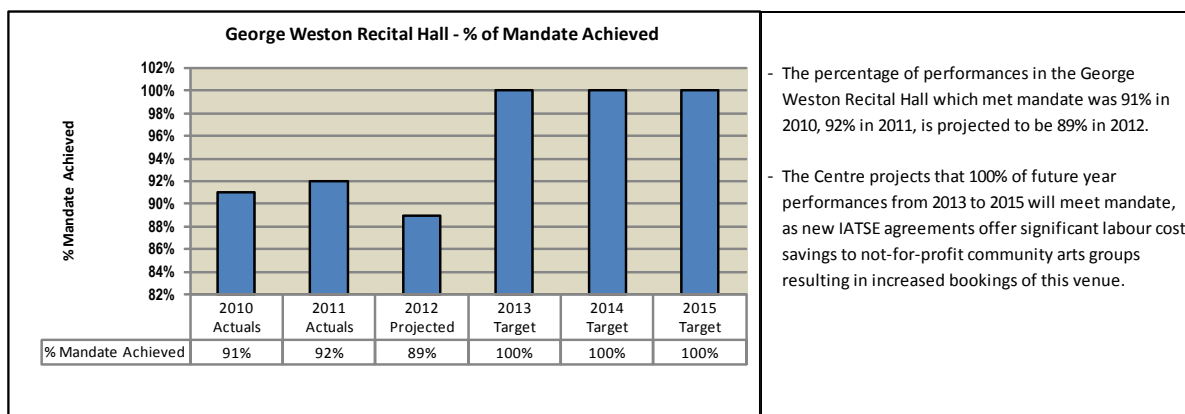
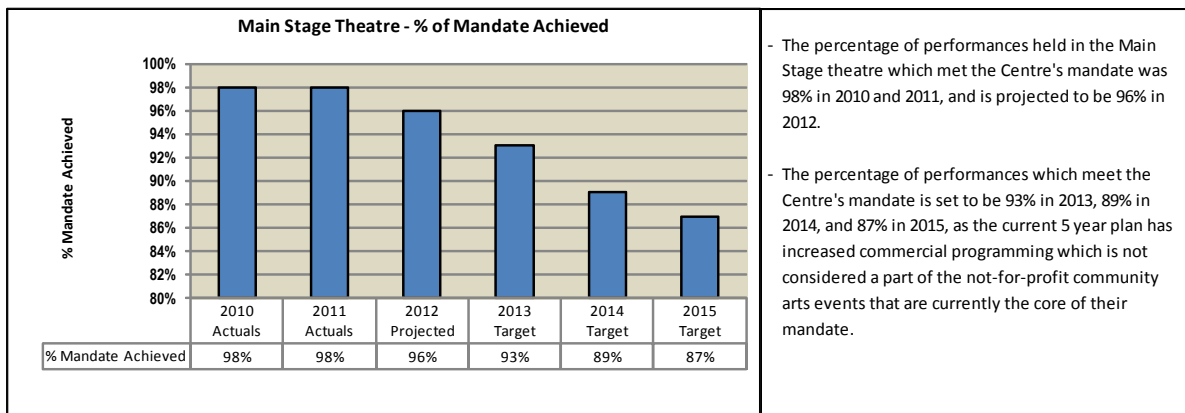
% Days Used/Days Available

- Toronto Centre measures the effectiveness of each of its theatre space – the Main Stage, George Weston Recital Hall, and Studio theatres – by tracking the percentage of days used to days available for booking.



% of Mandate Achieved

- Toronto Centre's mission statement is to function as a first class venue for a full range of performing arts. Toronto Centre also measures effectiveness by the percentage of performances presented that meet the Centre's mission statement.





## 2012 Budget Variance Analysis

## 2012 Budget Variance Review

(In \$000s)

| (In \$000s)                         | 2010     | 2011     | 2012            | 2012               | 2012 Approved                       |        |
|-------------------------------------|----------|----------|-----------------|--------------------|-------------------------------------|--------|
|                                     | Actuals  | Actuals  | Approved Budget | Projected Actuals* | Budget vs Projected Actual Variance |        |
|                                     | \$       | \$       | \$              | \$                 | \$                                  | %      |
| <b>Gross Expenditures</b>           |          |          |                 |                    |                                     |        |
| Sony Centre for the Performing Arts | 10,403.9 | 10,648.0 | 19,927.0        | 14,682.3           | (5,244.7)                           | (26.3) |
| St. Lawrence Centre for the Arts    | 3,680.1  | 3,664.0  | 3,659.7         | 3,337.0            | (322.7)                             | (8.8)  |
| Toronto Centre for the Arts         | 7,798.7  | 4,462.7  | 4,332.0         | 4,799.0            | 467.0                               | 10.8   |
|                                     | 21,882.7 | 18,774.7 | 27,918.7        | 22,818.3           | (5,100.4)                           | (18.3) |
| <b>Revenues</b>                     |          |          |                 |                    |                                     |        |
| Sony Centre for the Performing Arts | 9,353.5  | 9,587.0  | 18,999.4        | 13,748.9           | (5,250.5)                           | (27.6) |
| St. Lawrence Centre for the Arts    | 2,009.5  | 2,079.9  | 2,430.1         | 1,835.6            | (594.5)                             | (24.5) |
| Toronto Centre for the Arts         | 6,843.5  | 3,183.9  | 3,508.2         | 3,520.2            | 12.0                                | 0.3    |
|                                     | 18,206.5 | 14,850.8 | 24,937.7        | 19,104.7           | (5,833.0)                           | (23.4) |
| <b>Net Expenditures</b>             |          |          |                 |                    |                                     |        |
| Sony Centre for the Performing Arts | 1,050.4  | 1,061.0  | 927.6           | 933.4              | 5.8                                 | 0.6    |
| St. Lawrence Centre for the Arts    | 1,670.6  | 1,584.1  | 1,229.6         | 1,501.4            | 271.8                               | 22.1   |
| Toronto Centre for the Arts         | 955.2    | 1,278.8  | 823.8           | 1,278.8            | 455.0                               | 55.2   |
|                                     | 3,676.2  | 3,923.9  | 2,981.0         | 3,713.6            | 732.6                               | 24.6   |
| <b>Approved Positions</b>           |          |          |                 |                    |                                     |        |
| Sony Centre for the Performing Arts | 47.7     | 57.1     | 74.9            | 74.9               | -                                   | -      |
| St. Lawrence Centre for the Arts    | 43.1     | 43.1     | 41.2            | 37.9               | (3.3)                               | (8.0)  |
| Toronto Centre for the Arts         | 75.3     | 61.2     | 65.0            | 65.0               | -                                   | -      |
|                                     | 166.1    | 161.4    | 181.1           | 177.8              | (3.3)                               | (1.8)  |

\* Based on the 3rd Quarter Operating Budget Variance Report.

## 2012 Experience

- The third quarter variance projects that the Theatres will be over spent by \$0.733 million or 24.6% over the 2012 Approved net Operating Budget of \$2.981 million by year-end due to the following factors:
  - Sony Centre projects its 2012 Approved Operating Budget of \$0.928 million will be overspent by \$0.006 million or 0.6% due to unfavourable volume of use and less than expected revenues which was offset by a one-time insurance recovery that reduced its projected year-end variance by \$0.335 million.
  - St. Lawrence Centre projects its 2012 Approved Operating Budget of \$1.230 million will be overspent by \$0.272 million or 22.1% by year-end due to various show cancellations and reduced ancillary revenues.
  - Toronto Centre projects its 2012 Approved Operating Budget of \$0.824 million will be overspent by \$0.455 million or 55.2%. The over spending is attributed to reduced programming by Dancap Productions in the Main Stage Theatre.

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

- Each Theatre has included adjustments in their 2013 Recommended Operating Budget to reflect the projected outcomes in 2012.
  - Sony Centre has reduced its expenditure and revenues for a net increase of \$0.276 million to reflect the general slowdown in the theatre industry and the reduced volume of use.
  - St. Lawrence Centre amended its revenue targets downward by \$0.290 million net to account for a lost resident company and changes in programming.
  - Toronto Centre reduced its 2012 revenue targets by \$1.134 million for 2013 for a net increase of \$0.795 million to reflect the discontinued use of the Main Stage Theatre by Dancap Productions.

## Appendix 2A

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

### Sony Centre for the Performing Arts Summary by Expenditure Category

(In \$000s)

| Category of Expense                | 2010 Actual     | 2011 Actual     | 2012 Budget     | 2012 Projected Actual | 2013 Recommended Budget | 2013 Change from 2012 Approved Budget |                | 2014 Outlook    | 2015 Outlook    |
|------------------------------------|-----------------|-----------------|-----------------|-----------------------|-------------------------|---------------------------------------|----------------|-----------------|-----------------|
|                                    | \$              | \$              | \$              | \$                    | \$                      | \$                                    | %              | \$              | \$              |
| Salaries and Benefits              | 4,043.3         | 5,043.5         | 6,584.7         | 5,339.8               | 6,113.9                 | (470.8)                               | (7.1%)         | 6,297.3         | 6,491.3         |
| Materials and Supplies             | 581.5           | 755.6           | 1,359.1         | 1,015.6               | 1,064.8                 | (294.3)                               | (21.7%)        | 1,044.0         | 1,076.2         |
| Equipment                          | 27.6            | 46.4            | 19.6            | 15.9                  | 33.3                    | 13.7                                  | 69.9%          | 32.6            | 33.6            |
| Services & Rents                   | 4,854.7         | 3,512.3         | 8,467.2         | 5,461.7               | 6,285.1                 | (2,182.1)                             | (25.8%)        | 5,859.2         | 6,039.7         |
| Contributions to Capital           |                 |                 |                 |                       |                         |                                       |                |                 |                 |
| Contributions to Reserve/Res Funds |                 |                 | 1,569.0         | 1,216.4               | 1,295.5                 | (273.5)                               | (17.4%)        | 1,270.2         | 1,309.3         |
| Other Expenditures                 | 896.8           | 1,290.2         | 1,927.4         | 1,632.9               | 1,649.0                 | (278.4)                               | (14.4%)        | 1,616.7         | 1,666.6         |
| Interdivisional Charges            |                 |                 |                 |                       |                         |                                       |                |                 |                 |
| <b>TOTAL GROSS EXPENDITURES</b>    | <b>10,403.9</b> | <b>10,648.0</b> | <b>19,927.0</b> | <b>14,682.3</b>       | <b>16,441.6</b>         | <b>(3,485.4)</b>                      | <b>(17.5%)</b> | <b>16,120.0</b> | <b>16,616.7</b> |
| Interdivisional Recoveries         |                 |                 |                 |                       |                         |                                       |                |                 |                 |
| Provincial Subsidies               |                 |                 |                 |                       |                         |                                       |                |                 |                 |
| Federal Subsidies                  |                 |                 |                 |                       |                         |                                       |                |                 |                 |
| Other Subsidies                    |                 |                 |                 |                       |                         |                                       |                |                 |                 |
| User Fees & Donations              | 7,044.4         | 6,728.7         | 14,910.2        | 10,104.0              | 11,612.2                | (3,298.0)                             | (22.1%)        | 11,338.2        | 11,767.6        |
| Transfers from Capital Fund        |                 |                 |                 |                       |                         |                                       |                |                 |                 |
| Contributions to Reserve/Res Funds |                 |                 | 1,541.2         | 1,216.1               | 1,267.7                 | (273.5)                               | (17.7%)        | 1,237.8         | 1,284.7         |
| Sundry Revenues                    | 2,309.1         | 2,858.3         | 2,548.0         | 2,428.8               | 2,302.4                 | (245.6)                               | (9.6%)         | 2,248.1         | 2,333.2         |
| <b>TOTAL REVENUE</b>               | <b>9,353.5</b>  | <b>9,587.0</b>  | <b>18,999.4</b> | <b>13,748.9</b>       | <b>15,182.3</b>         | <b>(3,817.1)</b>                      | <b>(20.1%)</b> | <b>14,824.1</b> | <b>15,385.5</b> |
| <b>TOTAL NET EXPENDITURES</b>      | <b>1,050.4</b>  | <b>1,061.0</b>  | <b>927.6</b>    | <b>933.4</b>          | <b>1,259.3</b>          | <b>331.7</b>                          | <b>35.8%</b>   | <b>1,295.9</b>  | <b>1,231.2</b>  |
| <b>APPROVED POSITIONS</b>          | <b>47.7</b>     | <b>57.1</b>     | <b>74.9</b>     | <b>74.9</b>           | <b>69.5</b>             | <b>(5.4)</b>                          | <b>(7.2%)</b>  | <b>69.5</b>     | <b>69.5</b>     |

### 2013 Key Cost Drivers

Services and Rents are the largest expenditure category and account for 38% of the total 2013 expenditures, followed by Salaries and Benefits at 37%, Other Expenditures at 10%, contributions to Reserves and Reserve Funds at 8%, Materials and Supplies at 6% and interdepartmental charges at 4%.

User Fees and Donations are the largest revenue source and account for 76% of the total revenues generated, followed by Sundry Revenues at 15% and contributions from Reserves and Reserve Funds at 8%.

- A decline in budgeted days of use and number of performances at Sony Centre impacts multiple expenditure categories as follows:

- Salaries and Benefits have declined by \$0.471 million or 7.1% below the 2012 Approved Operating Budget.
  - Materials and Supplies are \$0.294 million or 21.7% below 2012.
  - 2013 Services and Rents are decreasing by \$2.182 million or 25.8% below last year.
  - 2013 Other Expenditures are down by \$0.278 million or 14.4% compared to 2012.
  - A reduction in User Fees & Donations of \$3.298 million or 22.1% below 2012.
  - 2013 Sundry Revenues are also lower than the 2012 Approved Operating budget by \$0.246 million, as it represents the decline in ancillary revenues related to the usage of this facility.
- The 2013 Recommended Operating Budget for Sony Centre includes expenditure and revenue reductions of \$3.485 million and \$3.817 million, respectively; as well as a reduction of 5.2 approved positions to reflect the general slowdown in the theatre industry.

The 2013 Recommended Base Budget provides funding for the following:

#### *Prior Year Impacts*

- A reversal of a transfer to/from the Facility Fee Reserve Fund of \$1.541 million gross and \$0 net to pay interest and principal on the capital loan, as well as state-of-good repair work are included in the 2013 Recommended Base Budget.

#### *Economic Factors*

- Labour and non-labour inflationary impacts amount to \$0.071 million and \$0.264 million, respectively total \$0.335 million which are partially offset by efficiency savings in overhead expenses of \$0.279 million.

#### *Other Base Changes*

- A reduction in gross expenditure of \$3.268 million and revenues of \$3.544 million related to declining activity levels is included in the 2013 Recommended Base Budget.
- Contributions to/from the Facility Fee Reserve Fund of \$0.911 million gross and \$0 net to fund small capital repairs is also included in the 2013 Recommended Base Budget.

## Appendix 2B

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

### St. Lawrence Centre for the Arts Summary by Expenditure Category (In \$000s)

| Category of Expense                | 2010 Actual    | 2011 Actual    | 2012 Budget    | 2012 Projected Actual | 2013 Recommended Budget | 2013 Change from 2012 Approved Budget |                | 2014 Outlook   | 2015 Outlook   |
|------------------------------------|----------------|----------------|----------------|-----------------------|-------------------------|---------------------------------------|----------------|----------------|----------------|
|                                    | \$             | \$             | \$             | \$                    | \$                      | \$                                    | %              | \$             | \$             |
| Salaries and Benefits              | 2,572.9        | 2,554.3        | 2,550.9        | 2,247.8               | 2,332.0                 | (218.9)                               | (8.6%)         | 2,331.0        | 2,375.8        |
| Materials and Supplies             | 452.2          | 443.3          | 468.0          | 418.9                 | 446.4                   | (21.6)                                | (4.6%)         | 451.2          | 464.5          |
| Equipment                          |                | 0.6            |                |                       |                         | 0.0                                   | n/a            |                |                |
| Services & Rents                   | 566.6          | 526.6          | 452.2          | 512.4                 | 447.8                   | (4.4)                                 | (1.0%)         | 445.1          | 454.9          |
| Contributions to Capital           |                |                |                |                       |                         |                                       |                |                |                |
| Contributions to Reserve/Res Funds | 13.4           | 14.0           | 89.1           | 89.1                  | 89.1                    | 0.0                                   | 0.0%           | 89.4           | 89.7           |
| Other Expenditures                 | 75.0           | 125.2          | 99.5           | 68.8                  | 90.1                    | (9.4)                                 | (9.4%)         | 91.1           | 91.1           |
| Interdivisional Charges            |                |                |                |                       |                         |                                       |                |                |                |
| <b>TOTAL GROSS EXPENDITURES</b>    | <b>3,680.1</b> | <b>3,664.0</b> | <b>3,659.7</b> | <b>3,337.0</b>        | <b>3,405.4</b>          | <b>(254.3)</b>                        | <b>(6.9%)</b>  | <b>3,407.8</b> | <b>3,476.0</b> |
| Interdivisional Recoveries         |                |                |                |                       |                         |                                       |                |                |                |
| Provincial Subsidies               |                |                |                |                       |                         |                                       |                |                |                |
| Federal Subsidies                  |                |                |                |                       |                         |                                       |                |                |                |
| Other Subsidies                    |                |                |                |                       |                         |                                       |                |                |                |
| User Fees & Donations              | 1,967.7        | 1,911.9        | 2,318.9        | 1,738.1               | 1,863.8                 | (455.1)                               | (19.6%)        | 1,930.6        | 1,969.7        |
| Transfers from Capital Fund        |                |                |                |                       |                         |                                       |                |                |                |
| Contributions to Reserve/Res Funds |                |                | 75.0           | 75.0                  | 75.0                    | 0.0                                   | 0.0%           | 75.0           | 75.0           |
| Sundry Revenues                    | 41.8           | 168.0          | 36.2           | 22.5                  | 35.1                    | (1.1)                                 | (3.0%)         | 36.3           | 37.0           |
| <b>TOTAL REVENUE</b>               | <b>2,009.5</b> | <b>2,079.9</b> | <b>2,430.1</b> | <b>1,835.6</b>        | <b>1,973.9</b>          | <b>(456.2)</b>                        | <b>(18.8%)</b> | <b>2,041.9</b> | <b>2,081.7</b> |
| <b>TOTAL NET EXPENDITURES</b>      | <b>1,670.6</b> | <b>1,584.1</b> | <b>1,229.6</b> | <b>1,501.4</b>        | <b>1,431.5</b>          | <b>201.9</b>                          | <b>16.4%</b>   | <b>1,365.9</b> | <b>1,394.3</b> |
| <b>APPROVED POSITIONS</b>          | <b>43.1</b>    | <b>43.1</b>    | <b>41.2</b>    | <b>37.9</b>           | <b>35.9</b>             | <b>(5.3)</b>                          | <b>(12.9%)</b> | <b>36.3</b>    | <b>36.5</b>    |

### 2013 Key Cost Drivers

Salaries and Benefits are the largest expenditure category accounting for 68% of the 2013 total expenditures, followed by Services and Rents at 13%, Materials and Supplies at 13%, contributions to Reserves and Reserve Funds at 2.5%, and Other Expenditures of 2.5%.

User Fees and Donations are the largest source of revenue accounting for 94% of the total revenues generated, followed by contributions from Reserves and Reserve Funds at 4% and Sundry Revenues at 2%.

- The 2013 Salaries and Benefits decreased by \$0.219 million or 8.6% over the 2012 Approved Operating Budget. Personnel costs are reduced due to staffing reductions arising from efficiency reviews (\$0.104 million) and salary reductions associated with the loss of a

resident company (\$0.164 million). These reductions are partially offset by wage increases totaling \$0.022 million, required by negotiated settlements.

- The decline in User Fees and Donations of \$0.455 million or 19.6% below the 2012 Operating Budget is due to the loss of a resident company and one-time bookings (\$0.376 million) and cancelled Canadian Stage bookings in the Bluma Appel theatre (\$0.079 million).
- A reduction of 5.3 approved positions arising from efficiency savings (2.1) and reduced activity levels (3.2) is included in the 2013 Recommended Base Budget.

The 2013 Recommended Base Budget provides funding for the following:

#### *Prior Year Impacts*

- Annualized savings of \$0.016 million net arising from staff reductions that were approved in 2012 Approved Operating Budget are included in the 2013 Recommended Base Budget.

#### *Economic Factors*

- Labour and non-labour inflationary impacts amount to \$0.014 million and \$0.08 million net respectively which are mainly offset by prior year annualized savings in staff costs of \$0.016 million.

#### *Other Base Changes*

- An increase in Contracted Services of \$0.021 million and a decrease in Utilities of \$0.011 million both reflect actual usage.

#### *Revenue Changes*

- Revenue reductions due to the loss of a resident company and one-time bookings that will not return in 2013 account for revenue reductions of \$0.175 million net.
- The cancellation of 6 weeks of bookings by Canadian Stage has resulted in revenue reductions of \$0.114 million net.

## Appendix 2C

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

### Toronto Centre for the Arts Summary by Expenditure Category (In \$000s)

| Category of Expense                | 2010           | 2011           | 2012           | 2012           | 2013           | 2013 Change from |                | 2014           | 2015           |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|----------------|----------------|
|                                    | Actual         | Actual         | Budget         | Projected      | Recommended    | 2012 Approved    | 2012 Approved  | Outlook        | Outlook        |
|                                    | \$             | \$             | \$             | \$             | \$             | \$               | %              | \$             | \$             |
| Salaries and Benefits              | 4,118.1        | 3,234.2        | 2,889.9        | 3,476.2        | 2,546.6        | (343.3)          | (11.9%)        | 2,858.0        | 3,069.8        |
| Materials and Supplies             | 798.8          | 484.4          | 523.1          | 461.8          | 403.7          | (119.4)          | (22.8%)        | 447.1          | 490.5          |
| Equipment                          | 869.2          | 31.2           | 302.5          | 33.3           | 323.3          | 20.8             | 6.9%           | 323.3          | 323.3          |
| Services & Rents                   | 1,324.6        | 696.8          | 400.2          | 611.6          | 252.8          | (147.4)          | (36.8%)        | 260.1          | 268.0          |
| Contributions to Capital           |                |                |                |                |                |                  |                |                |                |
| Contributions to Reserve/Res Funds | 688.0          | 16.1           | 216.3          | 216.1          | 216.2          | (0.1)            | (0.0%)         | 216.8          | 216.8          |
| Other Expenditures                 |                |                |                |                |                |                  |                |                |                |
| Interdivisional Charges            |                |                |                |                |                |                  |                |                |                |
| <b>TOTAL GROSS EXPENDITURES</b>    | <b>7,798.7</b> | <b>4,462.7</b> | <b>4,332.0</b> | <b>4,799.0</b> | <b>3,742.6</b> | <b>(589.4)</b>   | <b>(13.2%)</b> | <b>4,105.2</b> | <b>4,368.4</b> |
| Interdivisional Recoveries         |                |                |                |                |                |                  |                |                |                |
| Provincial Subsidies               |                |                |                |                |                |                  |                |                |                |
| Federal Subsidies                  |                |                |                |                |                |                  |                |                |                |
| Other Subsidies                    |                |                |                |                |                |                  |                |                |                |
| User Fees & Donations              | 5,967.5        | 2,974.9        | 2,958.2        | 3,270.2        | 1,823.8        | (1,134.4)        | (38.3%)        | 2,369.0        | 2,854.4        |
| Transfers from Capital Fund        |                |                |                |                |                |                  |                |                |                |
| Contributions to Reserve/Res Funds | 876.0          | 209.0          | 550.0          | 250.0          | 300.0          | (250.0)          | (45.5%)        | 300.0          | 300.0          |
| Sundry Revenues                    |                |                |                |                |                |                  |                |                |                |
| <b>TOTAL REVENUE</b>               | <b>6,843.5</b> | <b>3,183.9</b> | <b>3,508.2</b> | <b>3,520.2</b> | <b>2,123.8</b> | <b>(1,384.4)</b> | <b>(43.5%)</b> | <b>2,669.0</b> | <b>3,154.4</b> |
| <b>TOTAL NET EXPENDITURES</b>      | <b>955.2</b>   | <b>1,278.8</b> | <b>823.8</b>   | <b>1,278.8</b> | <b>1,618.8</b> | <b>795.0</b>     | <b>96.5%</b>   | <b>1,436.2</b> | <b>1,214.0</b> |
| <b>APPROVED POSITIONS</b>          | <b>75.3</b>    | <b>61.2</b>    | <b>65.0</b>    | <b>71.0</b>    | <b>59.8</b>    | <b>(5.2)</b>     | <b>(8.0%)</b>  | <b>67.6</b>    | <b>73.1</b>    |

### 2013 Key Cost Drivers

Salaries and Benefits are the largest expenditure category accounting for 68% of the total 2013 expenditures, followed by Materials and Supplies at 11%, Equipment at 9%, Services and Rents at 7% and contributions to Reserves and Reserve Funds at 5%.

User Fees and Donations are the largest source of revenues for Toronto Centre for the Arts in 2013 and accounts for 86% of total revenues generated. The second largest revenue source is its contributions from Reserves and Reserve Funds at 14%.

- The decrease in the Salaries and Benefits of \$0.343 million or 11.9% compared to 2012 is primarily due to the departure of Dancap Productions.
- Materials and Supplies is reduced by \$0.119 million or 22.8% over 2012 because of base budget changes to reflect 2012 actual experience.

- The 2013 Services and Rents is down by \$0.147 million or 36.8% over 2012 because of a reversal of the prior year's draw from the North York Centre for the Performing Arts Stabilization Reserve to fund a programming initiative.
- The 2013 User Fees & Donations are declining by \$1.134 million or 38.3% below the 2012 Approved Operating Budget. This reduction is due to the loss of revenues from the use of the Main Stage Theatre by Dancap Productions.
- A reduction of 5.2 approved positions is attributed to the departure of Dancap Productions.

The 2013 Recommended Base Budget provides funding for the following:

#### *Prior Year Impacts*

- A reversal of the prior year's contribution from the North York Performing Arts Centre Stabilization Reserve of \$0.250 million and \$0 net for programming initiatives is included in the 2013 Base Budget.

#### *Economic Factors*

- Non-labour economic factors account for \$0.037 million is reflected in Materials and Supplies, Equipment and Services and Rents.

#### *Other Base Changes*

- Base budget reductions of \$0.036 million in expenditures reflect actual usage.

#### *Revenue Changes*

- A reduction in gross revenues of \$1.134 million and \$0.795 million net marks the end of Toronto Centre's agreement with Dancap Productions to program large commercial productions in the Main Stage Theatre.



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



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

| TYPE  | PRIORITY | AGENCIES<br>Sony Centre for the Performing Arts | 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>  |          |   | 16,720.5                             | 15,182.3                   | 1,538.2             | 69.5                         | 0.0                                   | 0.0                                   |
| Z1  | 1        | <b>Reduction in Overhead Expenses</b>           | (278.9)                              | 0.0                        | (278.9)             | 0.0                          | 0.0                                   | 0.0                                   |
| <small>(TG2 - B 003)</small> <b>Service / Activity:</b> Sony Centre for the Performing Arts / Theatre operations<br><b>Description:</b><br>Service efficiencies were achieved through a reduction in fixed and semi-variable overhead operating costs in Materials and Supplies and Services and Rents of \$0.279 million. This reduction represents a partial offset to net revenue losses related to declining activity levels.<br><b>Service Level Change:</b><br>There will be no change in service levels<br><b>ADMIN:</b> |          |   | (278.9)                              | 0.0                        | (278.9)             | 0.0                          | 0.0                                   | 0.0                                   |
| <b>Total Recommended Service Level Reductions:</b>  |          |   | <b>(278.9)</b>                       | <b>0.0</b>                 | <b>(278.9)</b>      | <b>0.0</b>                   | <b>0.0</b>                            | <b>0.0</b>                            |
| <b>Total Recommended Base Budget:</b>   |          |   | <b>16,441.6</b>                      | <b>15,182.3</b>            | <b>1,259.3</b>      | <b>69.5</b>                  | <b>0.0</b>                            | <b>0.0</b>                            |

**Category Legend - Type**

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



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

| TYPE | PRIORITY | AGENCIES<br>St. Lawrence Centre for the Arts  | Recommended Adjustments                       |                                     |                           |                                    | 2014 Net<br>Incremental<br>Outlook<br>(\$000s) | 2015 Net<br>Incremental<br>Outlook<br>(\$000s) |
|------|----------|---|---|-------------------------------------|---------------------------|------------------------------------|--|--|
|      |          |   | Change in<br>Gross<br>Expenditure<br>(\$000s) | Change<br>in<br>Revenue<br>(\$000s) | Net<br>Change<br>(\$000s) | Change in<br>Approved<br>Positions |  |  |
|      |          | <b>2013 Recommended Base Budget Before Service Change:</b>  | 3,509.3                                       | 1,973.9                             | 1,535.4                   | 38.0                               | 0.0  | 0.0  |
| Z1   | 1        | <b>Staffing Reductions</b>  | (103.9)                                       | 0.0                                 | (103.9)                   | (2.1)                              | 0.0  | 0.0  |
|      |          | <b>Service / Activity:</b> St. Lawrence Centre for the Arts / N/A   |   |                                     |                           |                                    |  |  |
|      |          | <b>Description:</b>   |   |                                     |                           |                                    |  |  |
|      |          | Staffing reductions include the elimination of 2 vacant permanent positions - a Front of House Manager and a Receptionist, as well as a reduction in scheduled Box Office attendant hours resulting in a total reduction of 2.1 approved positions amounting to \$0.104 million net savings.  |   |                                     |                           |                                    |  |  |
|      |          | <b>Service Level Change:</b>  |   |                                     |                           |                                    |  |  |
|      |          | There are no service changes resulting from this reduction. Responsibilities have been re-distributed to the two remaining Front of House Managers, while the duties of the Receptionist have required staff to become self-sufficient with daily office duties. Box Office hours available to patrons remain unchanged, as only the number of scheduled hours worked by Box Office attendants have been reduced. |   |                                     |                           |                                    |  |  |
|      |          | <b>ADMIN:</b>   | (103.9)                                       | 0.0                                 | (103.9)                   | (2.1)                              | 0.0  | 0.0  |
|      |          | <b>Total Recommended Service Level Reductions:</b>  | <b>(103.9)</b>                                | <b>0.0</b>                          | <b>(103.9)</b>            | <b>(2.1)</b>                       | <b>0.0</b>                                     | <b>0.0</b>                                     |
|      |          | <b>Total Recommended Base Budget:</b>   | <b>3,405.4</b>                                | <b>1,973.9</b>                      | <b>1,431.5</b>            | <b>35.9</b>                        | <b>0.0</b>                                     | <b>0.0</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<br>(In \$000s)                | Reserve /<br>Reserve Fund<br>Number | Description                 | Projected<br>Balance as of<br>December 31,<br>2012 | 2013           | 2014           | 2015           |
|---|-------------------------------------|-----------------------------|--|----------------|----------------|----------------|
|   |                                     |                             | \$   | \$             | \$             | \$             |
| North York Performing Arts<br>Centre Capital Reserve Fund | XR3007                              | Projected Beginning Balance | 7,697.8  | 7,697.8        | 7,597.8        | 7,497.8        |
|   |                                     | Proposed                    |  |                |                |                |
|   |                                     | Withdrawals (-)             |  | (300.0)        | (300.0)        | (300.0)        |
|   |                                     | Contributions (+)           |  | 200.0          | 200.0          | 200.0          |
| <b>Balance at Year-End</b>                                |                                     |                             | <b>7,697.8</b>                                     | <b>7,597.8</b> | <b>7,497.8</b> | <b>7,397.8</b> |

| Reserve / Reserve Fund Name<br>(In \$000s)       | Reserve /<br>Reserve Fund<br>Number | Description                 | Projected<br>Balance as of<br>December 31,<br>2012 | 2013       | 2014       | 2015       |
|--|-------------------------------------|-----------------------------|--|------------|------------|------------|
|  |                                     |                             | \$   |            | \$         | \$         |
| St. Lawrence Centre for the Arts<br>Reserve Fund | XR1046                              | Projected Beginning Balance | 1.1  | 1.1        | 1.1        | 1.1        |
|  |                                     | Proposed                    |  |            |            |            |
|  |                                     | Withdrawals (-)             |  | (75.0)     |            |            |
|  |                                     | Contributions (+)           |  | 75.0       |            |            |
| <b>Balance at Year-End</b>                       |                                     |                             | <b>1.1</b>   | <b>1.1</b> | <b>1.1</b> | <b>1.1</b> |

| Reserve / Reserve Fund Name<br>(In \$000s) | Reserve /<br>Reserve Fund<br>Number | Description                 | Projected<br>Balance as of<br>December 31,<br>2012 | 2013        | 2014        | 2015        |
|--|-------------------------------------|-----------------------------|--|-------------|-------------|-------------|
|  |                                     |                             | \$   |             | \$          | \$          |
| Sony Centre Facility Fee<br>Reserve Fund   | XR3030                              | Projected Beginning Balance | 20.7   | 20.7        | 20.7        | 20.7        |
|  |                                     | Proposed                    |  |             |             |             |
|  |                                     | Withdrawals (-)             |  | (911.4)     | (880.5)     | (905.5)     |
|  |                                     | Contributions (+)           |  | 911.4       | 880.5       | 905.5       |
| <b>Balance at Year-End</b>                 |                                     |                             | <b>20.7</b>  | <b>20.7</b> | <b>20.7</b> | <b>20.7</b> |

| Reserve / Reserve Fund Name<br>(In \$000s)          | Reserve /<br>Reserve Fund<br>Number | Description                 | Projected<br>Balance as of<br>December 31,<br>2012 | 2013         | 2014         | 2015         |
|---|-------------------------------------|-----------------------------|--|--------------|--------------|--------------|
|   |                                     |                             | \$   |              | \$           | \$           |
| Sony Centre Operating<br>Stabilization Reserve Fund | XQ2031                              | Projected Beginning Balance | 181.2  | 181.2        | 181.2        | 181.2        |
|   |                                     | Proposed                    |  |              |              |              |
|   |                                     | Withdrawals (-)             |  | (356.3)      | (370.5)      | (385.3)      |
|   |                                     | Contributions (+)           |  | 356.3        | 370.5        | 385.3        |
| <b>Balance at Year-End</b>                          |                                     |                             | <b>181.2</b>                                       | <b>181.2</b> | <b>181.2</b> | <b>181.2</b> |

## Corporate Reserve / Reserve Funds

| Reserve / Reserve Fund Name<br>(In \$000s)                | Reserve /<br>Reserve Fund<br>Number | Projected<br>Balance as of<br>December 31,<br>2012,<br>\$ | Proposed Withdrawals (-) /<br>Contributions (+) |             |             |
|---|-------------------------------------|---|---|-------------|-------------|
|   |                                     |   | 2013  | 2014        | 2015        |
|   |                                     |   | \$  | \$          | \$          |
| <b>Insurance Reserve Fund</b>                             | XR1010                              | 21,258.9  |   |             |             |
| Sony Centre   |                                     |   | 27.8  | 27.8        | 27.8        |
| St. Lawrence Centre                                       |                                     |   | 14.1  | 14.1        | 14.1        |
| Toronto Centre  |                                     |   | 16.3  | 16.3        | 16.3        |
|   |                                     |   |   |             |             |
| <b>Total Reserve / Reserve Fund Draws / Contributions</b> |                                     |   | <b>58.2</b>                                     | <b>58.2</b> | <b>58.2</b> |

\* Based on June 30, 2012 Commitment Report

**Appendix 6 (iii)**  
**2013 Recommended User Fee Rate Changes**  
**Other Adjustments**

| Ref # | User Fee Description               | Fee Category | Fee Unit/Basis         | 2012 Fee (A) | Inflationary Adjusted Fee (B) | Other Adjustments ('C) | 2013 Recommended Fee (D) | 2013 Incremental Revenue |
|-------|------------------------------------|--------------|------------------------|--------------|-------------------------------|------------------------|--------------------------|--------------------------|
|       | <b>ST. LAWRENCE CENTRE</b>         |              |                        |              |                               |                        |                          |                          |
| 1     | Use of Jane Mallet Theatre         | Market Based | Day Rate<br>Commercial | \$1,700.00   | N/A                           | \$100.00               | \$1,800.00               | \$35,175                 |
| 2     | Use of Bluma Appel Theatre         | Market Based | Day Rate<br>Commercial | \$3,500.00   | N/A                           | \$200.00               | \$3,700.00               |                          |
|       | <b>ST. LAWRENCE CENTRE - TOTAL</b> |              |                        |              |                               |                        |                          | <b>\$35,175</b>          |

**Appendix 6 (v)**  
**2013 User Fee Analysis**  
**Rationalization of User Fees**

| Service (FPARS)   | Fee Category | 2012 Approved Fee |   |                   | 2013 Recommended Fee |                           |                      | Comments   |
|---|--------------|-------------------|---|-------------------|----------------------|---------------------------|----------------------|--|
|   |              | Reference #       | Fee Description   | 2012 Approved Fee | Reference #          | Fee Description           | 2013 Recommended Fee |  |
| <b>Toronto Centre for the Arts</b>                          |              |                   |   |                   |                      |                           |                      |  |
| Venue Rentals   | Market Based | 1                 | Full Lobby standard rate with theatre                   | \$5,000           | 1.1                  | Main Stage Commercial     | \$16,900.00          | Rationalization of 2012 user fees to align with 2013 business plan and city budget |
| Venue Rentals   | Market Based | 2                 | Full Lobby standard rate without theatre                | \$7,500           |                      |                           |                      |  |
| Cultural Programming and Concert and Event Production (n/a) | Market Based | 14                | Main Stage Insurance per day                            | \$200.00          |                      |                           |                      |  |
| Cultural Programming and Concert and Event Production (n/a) | Market Based | 13                | Box Office admin charge Main Stage                      | \$375.00          |                      |                           |                      |  |
| Venue Rentals   | Market Based | 3                 | Lobby Main Stage standard rate with GWRH Rental         | \$2,000           | 3.1                  | Main Stage Not For Profit | \$10,900.00          | Rationalization of 2012 user fees to align with 2013 business plan and city budget |
| Venue Rentals   | Market Based | 4                 | Lobby Recital Hall standard rate with Main Stage Rental | \$1,500           |                      |                           |                      |  |
| Venue Rentals   | Market Based | 5                 | Main Stage standard rate single day                     | \$7,700           |                      |                           |                      |  |

**Appendix 6 (v) (Continued)**  
**2013 User Fee Analysis**  
**Rationalization of User Fees**

| Service (FPARS)                    | Fee Category | 2012 Approved Fee |  |                   | 2013 Recommended Fee |                                    |                      | Comments   |
|------------------------------------|--------------|-------------------|--|-------------------|----------------------|------------------------------------|----------------------|--|
|                                    |              | Reference #       | Fee Description  | 2012 Approved Fee | Reference #          | Fee Description                    | 2013 Recommended Fee |  |
| <b>Toronto Centre for the Arts</b> |              |                   |  |                   |                      |                                    |                      |  |
| Venue Rentals                      | Market Based | 6                 | Piano lounge standard rate without theatre single day    | \$1,000           | 6.1                  | Main Stage Educational             | \$4,000.00           | Rationalization of 2012 user fees to align with 2013 business plan and city budget |
| Venue Rentals                      | Market Based | 7                 | Gallery Theatre standard rate without theatre single day | \$750             |                      |                                    |                      |  |
| Venue Rentals                      | Market Based | 8                 | Board room standard rate day                             | \$300             |                      |                                    |                      |  |
| Venue Rentals                      | Market Based | 9                 | Recital Hall standard rate single day                    | \$4,750           | 9.1                  | Recital Hall Not For Profit        | \$4,700.00           | Rationalization of 2012 user fees to align with 2013 business plan and city budget |
| Venue Rentals                      | Market Based | 11                | VIP lower suite standard rate                            | \$300             |                      |                                    |                      |  |
| Venue Rentals                      | Market Based | 12                | VIP Upper suite standard rate                            | \$300             |                      |                                    |                      |  |
| Venue Rentals                      | Market Based | 10                | Studio Theatre standard rate single day                  | \$825             | 10.1                 | Studio Theatre Not For Profit Rate | \$682.00             | Rationalization of 2012 user fees to align with 2013 business plan and city budget |