
2013 OPERATING BUDGET BRIEFING NOTE

Toronto Botanical Gardens Review

Issue/Background:

- At its meeting of October 15, 2012, Parks and Environment Committee (PEC), in response to a request from the Toronto Botanical Garden (TBG), directed PF&R to meet with the TBG to explore options to generate revenue within the existing agreement and to report back to PEC.
- At its October 30 – November 1, 2012 meeting, Council, adopted the following on this issue:
 - City Council request the Provincial and Federal Governments to provide funding to the Toronto Botanical Garden.
 - City Council request the Toronto Botanical Garden to consider options to increase revenues by offering landscape design services to residents.
 - City Council invite the Toronto Botanical garden to participate in Parks Forestry and Recreation's automated electronic donation pilot project.
- At its meeting on December 10, 2012, the Budget Committee directed "That the GM, Parks, Forestry and Recreation submit a briefing note on the Toronto Botanical Gardens review with staff" to be distributed at the Budget Committee Wrap-Up meeting on December 17, 2012.
- This Briefing note summarizes the outcome of the meeting that took place on November 13, 2012 and comments on TBGs financial results.

Key Points:

- The Toronto Botanical Garden operates a not for profit botanical garden open at no charge to the residents of Toronto. Their Lease is administered by the Parks, Forestry and Recreation and expires November 30, 2024.
- Currently, the City does not charge rent to TBG and provides an annual cash grant of \$0.025 million for building maintenance to the TBG. This grant is subject to review every 5 years. An increase was requested by TBG but not granted in 2009 and the next review is in 2014. In addition, Parks, Forestry and Recreation pays directly for TBG's utility and various building costs of \$0.125 million for a total contribution of \$0.150 million in 2011 through the Parks, Forestry and Recreation operating budget. TGB advised that the existing grant of \$0.025 million is insufficient to support the current cost of maintenance for the building and gardens of \$0.380 million per year and is requesting an annual grant increase of \$0.135 million for a total of \$0.160 million, adjusted for inflation annually, to help offset part of these expenditures.

- Arising from a meeting on November 13, 2012, PF&R and the TBG and have confirmed the following measures for 2013:
 - TBG will be operating an onsite all season café starting 2013 and PF&R has given the approvals required under the lease.
 - PFR has also connected the TBG with Precise Parklink who have agreed to donate two "pay-and-display" machines which will allow visitors to the TBG to donate and will issue a tax receipt to anyone who donates in excess of \$10.
 - To support TBG with reducing expenditures, PF&R is considering support for procurement of lower cost supplies, printing, will install high efficiency hand dryers in bathrooms and look into options to reduce hydro usage through a green energy project.

Financial Statements:

- In 2011, TBG generated an operating loss of \$198,233, compared to the operating income of \$95,683 in 2010. The contributing factors to the reduced income were a onetime investment in Razor's Edge Software for Fundraising for \$49,465 and an increase in staffing costs of \$196,176. TBG employs 18 full time and five part time staff for a salary expenditure of \$1.1 million in 2011.
- As of December 31, 2011, TBG has reserve funds balance of \$475,784. Of this amount, \$323,234 is unrestricted and could be available to fund operating shortfalls.
- The operations were impacted by 2011 and 2012's parking lot resurfacing. TBG estimates a reduction in event bookings of \$86,000 in 2012. Since all events are booked a year in advance, they estimate that the impact may continue and reduce bookings for a further \$94,500. The reduction in bookings resulted in drawing from unrestricted cash reserves in 2012 for an estimated \$150,000. The draw was compensated by a onetime fundraising campaign in October – December 2012 which raised \$250,000.
- In 2013, it is expected that the event bookings may start to improve. The introduction of an all season café and Precise Parklink donations equipment will generate additional revenues. TBG staff cannot estimate the new net revenues from these projects.
- PF&R staff did not perform a detailed review of service and staffing levels and cannot comment on additional efficiencies that may be available to TBG.

Impact of Discontinued TBG Operations on the City:

- If TBG is not able to continue its operations, Parks, Forestry and Recreation would consider two options:
 - Discontinue the operations and rent the building: The division could have increased revenues through market rent, but the service provided by TBG would no longer be available to residents.
 - Continue to operate the botanical garden directly: The TBG generates annual revenues of \$1.6 million. PF&R would look at opportunities to increase revenues, reduce services or seek efficiencies to break even and continue operations at no additional cost to the City.

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