



Toronto 2016 BUDGET

OPERATING BUDGET NOTES



Heritage Toronto

2016 OPERATING BUDGET OVERVIEW

Heritage Toronto raises awareness of Toronto's architectural, archaeological, natural and cultural heritage by delivering volunteer-led walks, bus and cycling tours around the City, installing heritage plaques and markers to commemorate buildings and events, and producing the annual Heritage Toronto Awards event.

2016 Budget Highlights

The total cost to deliver these services to Toronto residents is \$0.309 million net as shown below.

	2015 Approved		Change	
	(in \$000's)	Budget	2016 Budget	
Gross Expenditures	761.5	768.4	6.9	0.9%
Gross Revenues	449.5	459.5	10.0	2.2%
Net Expenditures	312.0	308.9	(3.1)	(1.0%)

The 2016 Preliminary Operating Budget for Heritage Toronto meets the budget target of a 1% decrease below the 2015 Approved Operating Budget funding level.

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Fast Facts

- Heritage Toronto will deliver 100 public Tours, including walking, bus, and bike tours across Toronto, including new Tours for newcomers and diverse cultural communities.
- Heritage Toronto will produce 40 interpretive plaques, telling the history and heritage of Toronto’s key people, places, and events.
- Heritage Toronto will produce 40 Century House markers, successfully piloting this new initiative.
- Heritage Toronto will deliver 18 community plaque presentation events.

Trends

- Heritage Toronto introduced on-line ad sales for the first time in 2015.
- Heritage Toronto increased participation in social media channels.
- Awards attendance has increased as shown below

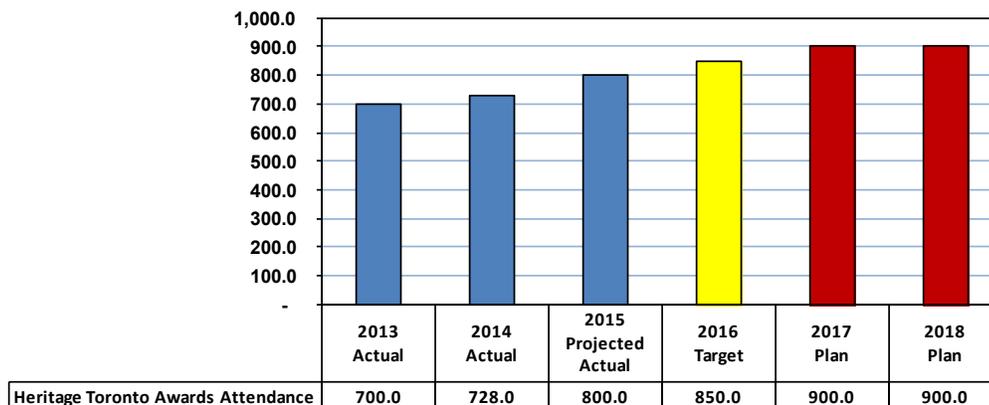
Our Service Deliverables for 2016

Heritage Toronto continues to work on increasing awareness about the importance of the City of Toronto's shared heritage and cultural assets among the general population and visitors.

The 2016 Preliminary Operating Budget will:

- Deliver 80 heritage tours, which include free and ticketed walking, cycling, bus and boutique tours offered in multiple languages.
- Create 40 plaques, interpreting the history of specific sites, people, or events in numerous Wards of the City.
- Deliver 13 community plaque presentation events.
- Create 40 Century House markers and the successful evaluation of this pilot offering.
- Deliver 4 heritage lectures: Heritage Toronto strives to deliver and promote at least one heritage lecture every quarter.
- Deliver the 42nd annual Heritage Toronto Awards and 20th Kilbourn Lecture.
- Deliver special programming for the Jane Jacobs Centennial, which may include Tours, Lectures, and an exhibit.
- Further grow the social media network to increase awareness and participation for all programs.

Heritage Toronto Awards Attendance

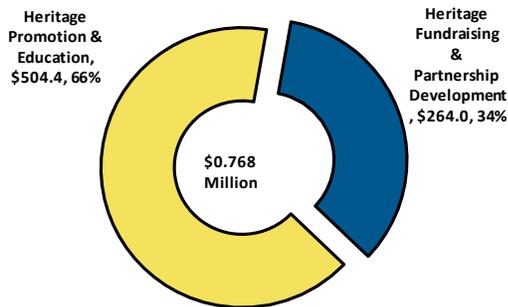


2016 Operating Budget Expenses & Funding

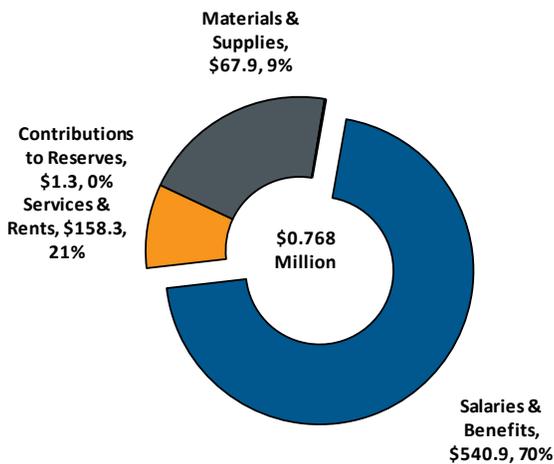
Our Key Issues & Priority Actions

Where the money goes:

2016 Budget by Service

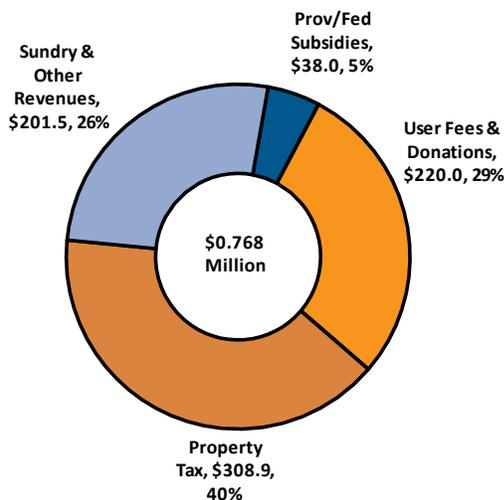


2016 Budget by Expenditure Category



Where the money comes from:

2016 Budget by Funding Source



- **Raise funds;** memberships, individual donations, ticket sales and corporate sponsorships amounting to 60% of Heritage Toronto's gross expenditures, allowing Heritage Toronto to continue to meet its service objectives and reduce reliance on City funding.
- **Introduce new programs related to:**
 - ✓ Jane Jacobs Centenary
 - ✓ Introduction to Heritage Conservation
 - ✓ World War I Plaques
 - ✓ Canada 150 Programs

2016 Operating Budget Highlights

- The 2016 Preliminary Operating Budget for Heritage Toronto of \$0.8 million in gross expenditures provides funding for two services, Heritage Promotion & Education and Heritage Fundraising & Partnership Development.
- The Program has achieved the target of a 1% reduction from the 2015 Approved Budget through measures taken based on the following criteria:
 - ✓ *Sustainable Savings:* Efficiency savings of 2% achieved through a \$0.004 million reduction of general office supplies with no impact on service levels.
 - ✓ *Stabilized Revenue:* Increased donations and sundry revenue for the Plaques & Markers Program, and various lecture series hosted by the Program (net increase of \$0.010 million)

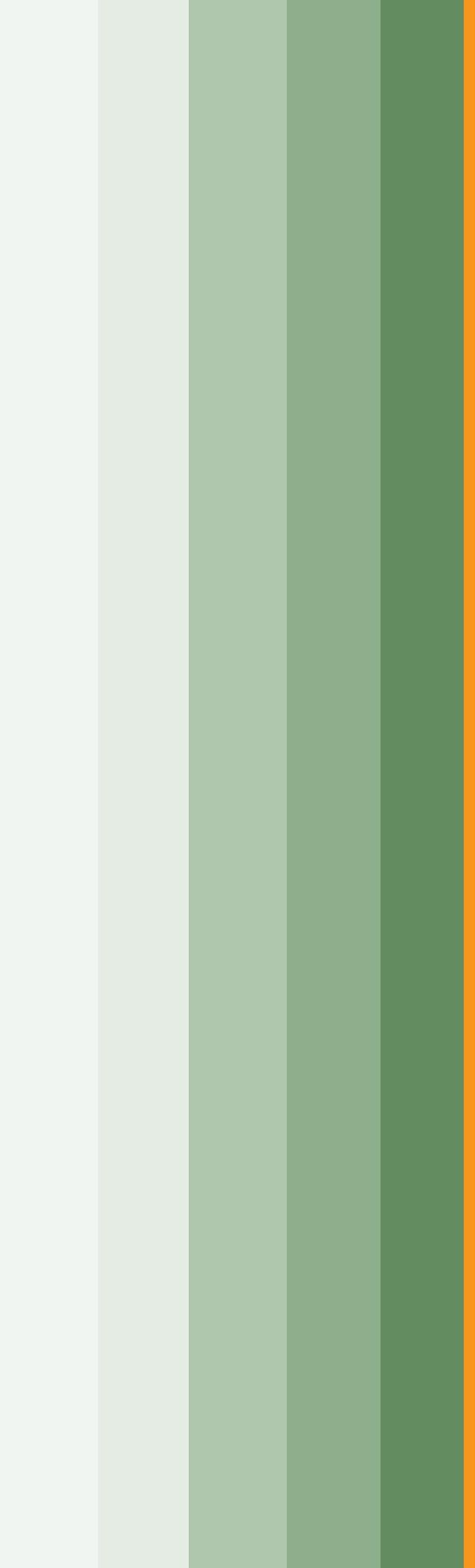
Actions for Consideration

Approval of the 2016 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2016 Preliminary Operating Budget for Heritage Toronto of \$0.768 million gross, \$0.309 million net for the following services:

<u>Service</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Heritage Fundraising & Partnership Development	264.0	73.0
Heritage Promotion & Education	504.4	235.9
	<hr/>	<hr/>
Total Program Budget	<u>768.4</u>	<u>308.9</u>

2. City Council approve the 2016 service levels for Heritage Toronto as outlined on pages 11 and 13 of this report, and associated staff complement of 7.0 positions.



Part I:

2016 – 2018

Service Overview and
Plan

Program Map

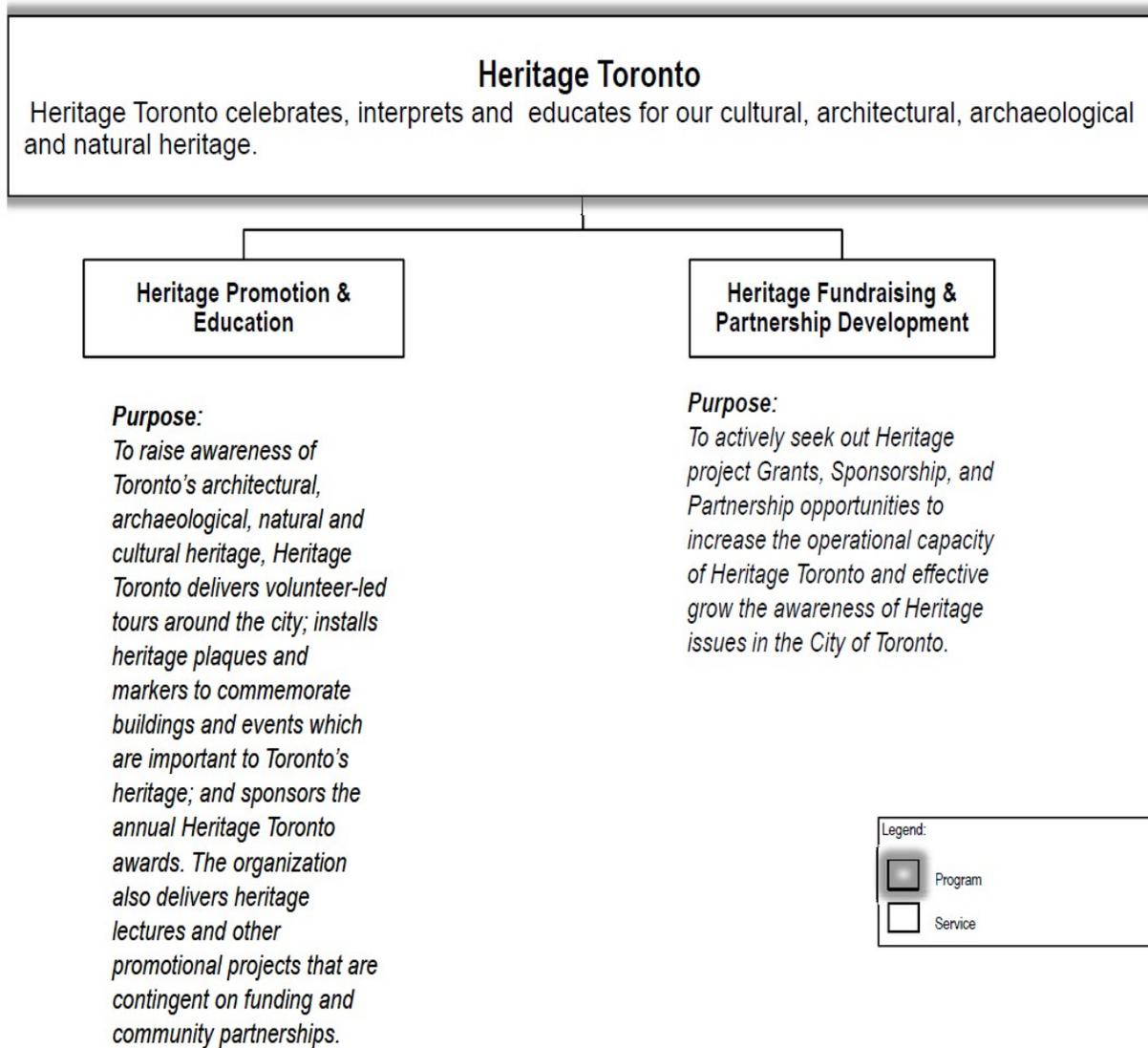


Table 1
2016 Preliminary Operating Budget and Plan by Service

(In \$000s)	2015		2016 Operating Budget			2016 vs. 2015 Budget		Incremental Change 2017 and 2018 Plan			
	Approved Budget	Projected Actual*	2016 Base	2016 New/Enhanced	2016 Budget	Approved Changes		2017	2018		
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Heritage Fundraising & Partnership Development											
Gross Expenditures	277.3	255.8	264.0		264.0	(13.3)	(4.8%)				
Revenue	77.0	67.0	191.0		191.0	114.0	148.1%				
Net Expenditures	200.3	188.8	73.0		73.0	(127.3)	(63.6%)				
Heritage Promotion & Education											
Gross Expenditures	484.2	424.2	504.4		504.4	20.2	4.2%				
Revenue	372.5	303.0	268.5		268.5	(104.0)	(27.9%)				
Net Expenditures	111.7	121.2	235.8		235.8	124.2	111.2%				
Total											
Gross Expenditures	761.5	680.0	768.4		768.4	6.9	0.9%				
Revenue	449.5	370.0	459.5		459.5	10.0	2.2%				
Total Net Expenditures	312.0	310.0	308.9		308.9	(3.1)	(1.0%)				
Approved Positions	7.0	7.0	7.0		7.0						

* Based on the 2015 9-month Operating Variance Report

The Heritage Toronto’s 2016 Preliminary Operating Budget is \$0.768 million gross and \$0.309 million net, representing a 1% decrease to the 2015 Approved Net Operating Budget and is in line with the reduction target as set out in the 2016 Operating Budget Directions and Guidelines.

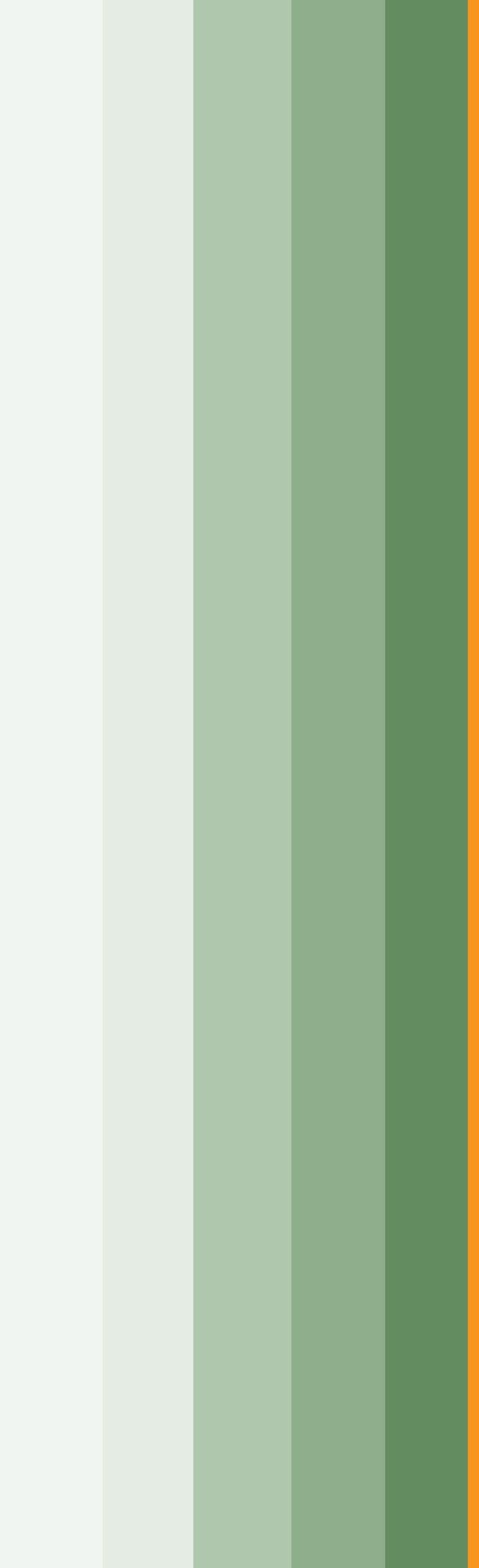
- Base pressures are mainly attributable to an increase in non-labour related costs.
- To help mitigate the above pressures, the Program was able to achieve service efficiency savings through a reduction to general office supplies with no impact on service.
- The 2016 Preliminary Operating Budget does not include any service changes or new and enhanced service priorities.
- Approval of the 2016 Preliminary Operating Budget will not change Heritage Toronto's staff complement.
- Heritage Toronto does not anticipate any incremental changes in 2017 and 2018.

Table 2
Key Cost Drivers

(In \$000s)	2016 Operating Budget				2016 Base Budget	
	Heritage Fundraising & Partnership		Heritage Promotion & Education		Total	
	\$	Position	\$	Position	\$	Position
Gross Expenditure Changes						
Other Base Changes						
Salaries and Employment Benefits Adjustment	45.6	0.6	(54.9)	(0.6)	(9.3)	
Non-Labour Related Costs	(58.9)		78.6		19.7	
General Office Supplies - Efficiencies			(3.5)		(3.5)	
Total Gross Expenditure Changes	(13.3)	0.6	20.2	(0.6)	6.9	
Revenue Changes (Increase) / Decrease						
Donations	(74.0)		46.5		(27.5)	
Federal and Provincial Subsidies			68.2		68.2	
Other Revenues	(40.0)		(10.7)		(50.7)	
Total Revenue Changes	(114.0)		104.0		(10.0)	
Net Expenditure Changes	(127.3)	0.6	124.2	(0.6)	(3.1)	

Key cost drivers for Heritage Toronto are discussed below:

- Other Base Changes:
 - Increases are primarily due to non-labour costs such as service and rent expenses.
- Revenue Changes:
 - A loss of federal and provincial funding will be partially offset by increased donation and sundry revenues for the Plaques & Markers Program, iPhone apps and lecture series.



Part II:

2016 Budget by
Service

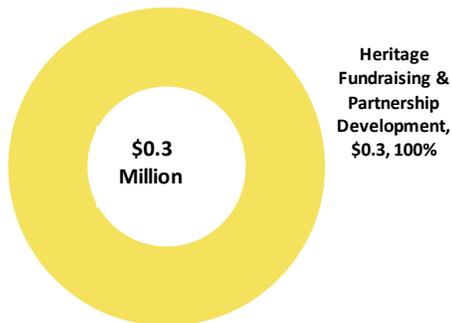
Heritage Promotion & Education



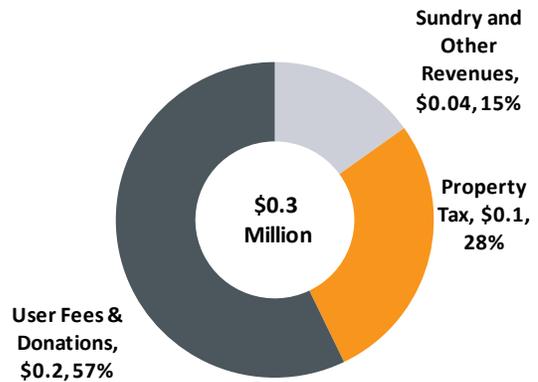
What We Do

- Raise awareness of Toronto's architectural, archaeological, natural and cultural heritage.
- Deliver volunteer-led walks, cycling and bus tours around the City.
- Install plaques and markers to commemorate buildings and events which are important to Toronto's heritage.
- Deliver heritage lectures and other promotional projects that are contingent on funding and community partnerships.

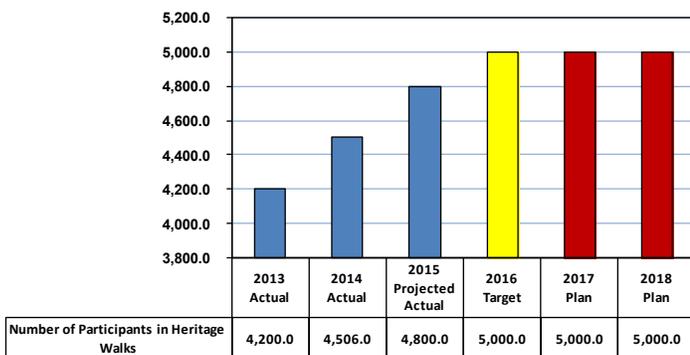
2016 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Key Output Measure – Number of Participants in Heritage Walks



- After a few years of steady growth in attendance, Heritage Toronto expects participation in Heritage Walks to remain steady at 5,000 individuals in 2016, 2017 and 2018.

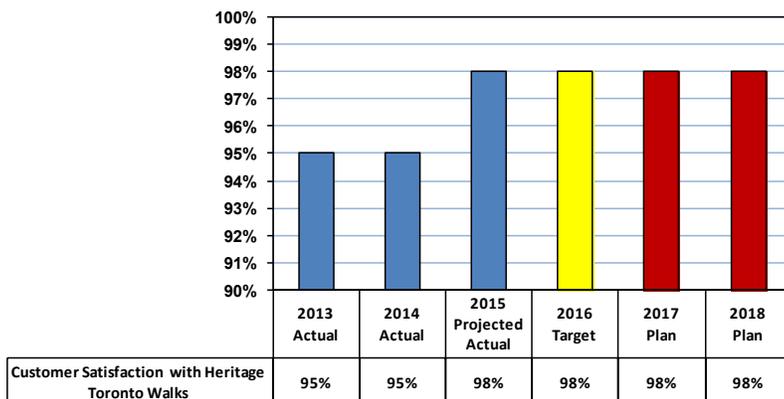
2016 Service Levels Heritage Promotion and Education

Type	Status	2013	2014	2015	2016
Plaques and Markers	Approved	Install 80 plaques and markers on an annual basis		Install 40 plaques and markers on an annual basis	Install 40 plaques and markers
Heritage Awards	Approved	Annual Heritage Awards presented with a focus on increasing audience to 900 people			Annual Heritage Awards presented with a focus on increasing audience to 900 people
Heritage Lectures	Approved	Deliver one heritage lecture per quarter		Deliver one heritage lecture every two months	Deliver one heritage lecture every quarter
Heritage Tours	Approved	Test rides in Etobicoke, Scarborough and North York	10% growth in Bike Tours	10% growth in Bike Tours	5% growth in Bike Tours
	Approved	Test tours with City of Toronto Culture and Ontario Black History society	10 % growth in Bus Tours	10% growth in Bus Tours	5% growth in Bus Tours
	Approved	Diversity from Walk Tours to Tours Program (i.e. bus, cycling and paid boutique walks)	10% growth in Walk Tours	10% growth in Walk Tours	5,000 Walk Tours
Liaisons & Consultations	Approved	Begin plans for the 2014 Heritage Voices report	Have 100% representation of all Heritage organizations to contribute to the performance report	Have 100% representation of all Heritage organizations to contribute to the performance report	Have 100% representation of all Heritage organizations to contribute to the performance report
Print/On-line Publications	Approved	Update Website to better share archival publications	Provide new monthly cultural contributions to the on-line publications	Provide new monthly cultural contributions to the on-line publications	Provide new monthly cultural contributions to the on-line publications

Overall, the 2016 Service Levels are consistent with the approved 2015 Service Levels for Heritage Toronto.

Service Performance

Effectiveness Measure – Customer Satisfaction with Heritage Toronto Walks



- Heritage Toronto measures the satisfaction levels of customers of the Heritage Walks through regular surveys.
- Customer satisfaction was recorded at 98% for 2015.

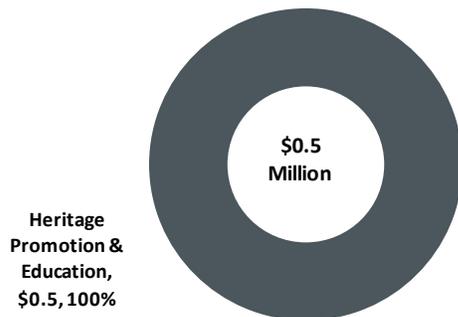
Heritage Fundraising & Partnership Development

Heritage Fundraising & Partnership Development

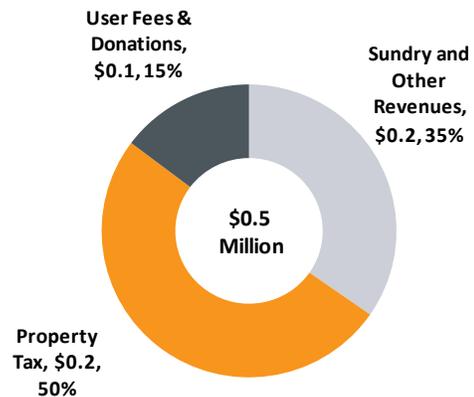
What We Do

- Actively seek our Heritage project grants, sponsorship and partnership opportunities to increase the operational capacity of Heritage Toronto and effectively grow awareness of heritage issues in the City of Toronto.

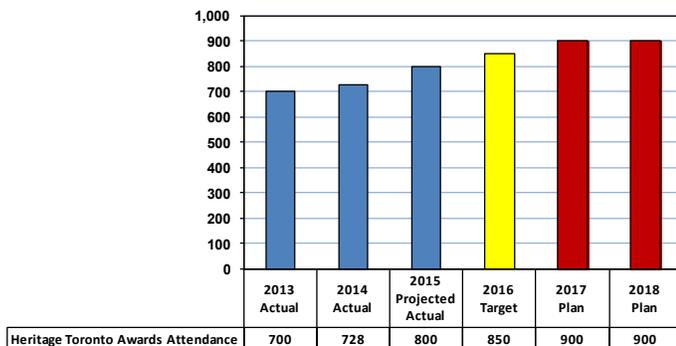
2016 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Key Output Measure – Heritage Toronto Awards Attendance



- Heritage Toronto tracks attendance at the annual Awards & Lecture event to raise funding through increased sponsorship and awareness of Heritage Toronto's work.
- The attendance goal for 2016 is 850 people with 900 expected in 2017 and 2018.

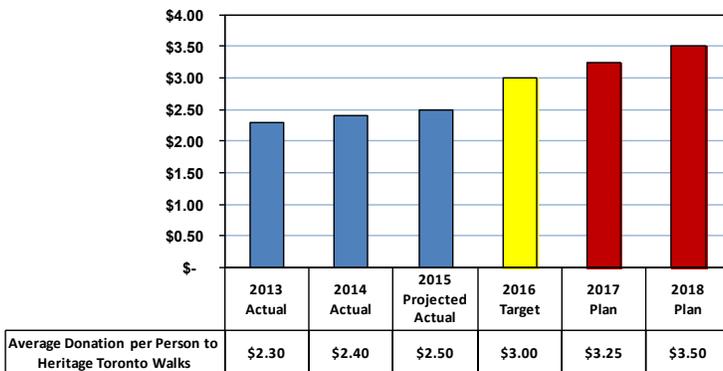
2016 Service Levels Heritage Fundraising & Partnership Development

Type	Status	2013	2014	2015	2016
Federal Grants	Approved	Maintain 15% of operations funded from Federal Grants			Maintain 15% of operations funded from Federal Grants
Provincial Grants	Approved	Maintain 25% of operations funded from Provincial Grants			Maintain 25% of operations funded from Provincial Grants
Charitable Donations	Approved	Increase the number of donations to HT by 10%			Increase the number of donations to HT by 10%
Corporate Sponsorship	Approved	Longterm commitments from corporate sponsors around 5%			Longterm commitments from corporate sponsors around 5%
Partnerships	Approved	Retain 25% of secured partnership value for Heritage Toronto operations			Retain 25% of secured partnership value for Heritage Toronto operations

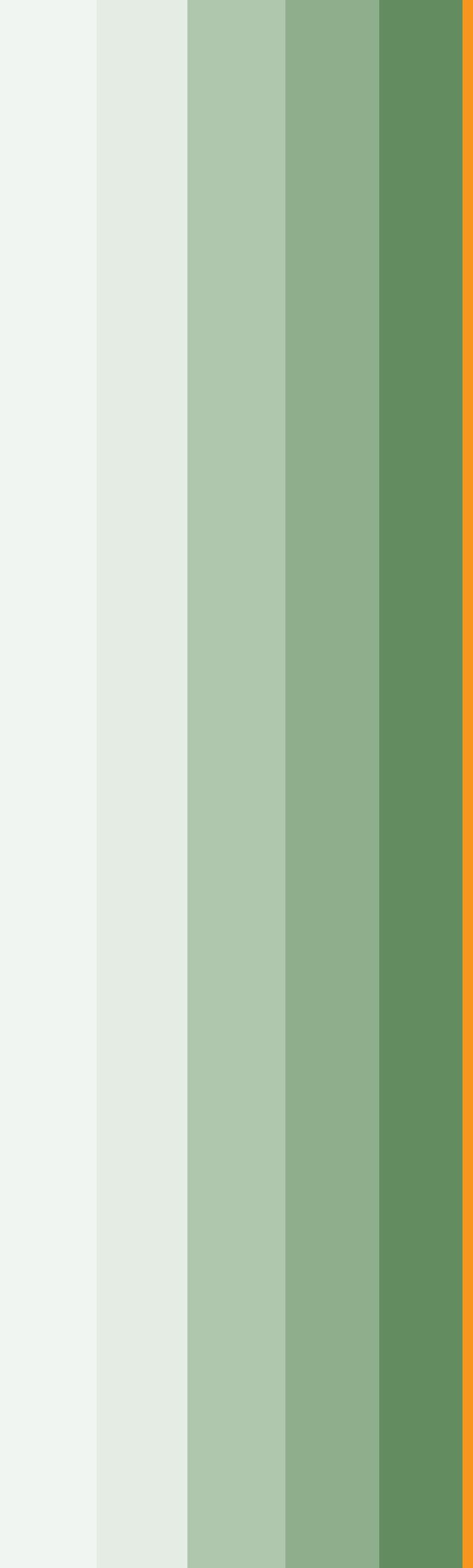
Overall, the 2016 Service Levels are consistent with the approved 2015 Service Levels for Heritage Toronto.

Service Performance

Effectiveness Measure – Average Donation per Person to Heritage Toronto Walks



- Self-generated fundraising activities, through Memberships, individual donations, ticket sales and Corporate Sponsorship, are increasingly important to allow Heritage Toronto to meet its key service objectives and reduce its reliance on City funding.
- In the period 2016 to 2018, Heritage Toronto projects raising 60% of its gross expenditures from the above sources.
- The average donation received per person at a free Heritage Walk was \$2.50 in 2015.
- The goal is to increase the average donation to \$3.00 per person in 2016, \$3.25 in 2017 and \$3.50 in 2018.



Part III:

Issues for Discussion

Issues for Discussion

Issues Impacting Future Year

St. Lawrence Hall Re-Configuration

- Reconfiguration within St. Lawrence Hall, (where Heritage Toronto's office is located) may include moving Heritage Toronto from the 3rd to 2nd floor in 2018.
- This may result in additional costs in 2018 which are not yet known.
- As these costs become known, next steps will involve Heritage Toronto and Financial Planning Division staff budgeting these costs accordingly.



Appendices:

Appendix 1

2015 Service Performance

2015 Key Service Accomplishments

In 2015, Heritage Toronto accomplished the following:

- ✓ Heritage Toronto released its "State of Heritage Report" in February 2015 to increase public awareness of heritage issues.
- ✓ Delivered the 41st annual Heritage Toronto Awards and 19th annual Kilbourn Lecture, with an increase in the number of nominated projects and attendance at the event
- ✓ Delivered Black History Month programming in schools across the city through federal government partnerships

Appendix 2

2016 Preliminary Operating Budget by Expenditure Category Program Summary by Expenditure Category

Category of Expense (\$000's)	2013	2014	2015	2015	2016	2016 Change from		Plan	
	Actual	Actual	Budget	Projected	Budget	2015 Approved		2017	2018
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	501,100	543,376	550,300	550,300	540,926	(9,374)	(1.7%)	540,926	540,926
Materials and Supplies	67,500	99,465	70,400	58,934	67,887	(2,513)	(3.6%)	67,887	67,887
Equipment									
Services & Rents	135,100	120,440	133,500	63,500	158,300	24,800	18.6%	158,300	158,300
Contributions to Capital									
Contributions to Reserve/Res Funds	1,500	1,075	1,266	1,266	1,266	0	0.0%	1,266	1,266
Other Expenditures		6,100	6,000	6,000		(6,000)	(100.0%)		
Interdivisional Charges									
Total Gross Expenditures	705,200	770,456	761,466	680,000	768,379	6,913	0.9%	768,379	768,379
Interdivisional Recoveries									
Provincial Subsidies	7,300	4,090	36,200	36,200		(36,200)	(100.0%)		
Federal Subsidies	18,400		70,000	70,000	38,000	(32,000)	(45.7%)	38,000	38,000
Other Subsidies	154,600								
User Fees & Donations	40,500	191,280	192,500	183,000	220,000	27,500	14.3%	220,000	220,000
Transfers from Capital Fund									
Contribution from Reserve/Reserve Funds									
Sundry Revenues	172,600	263,286	150,800	80,800	201,500	50,700	33.6%	201,500	201,500
Total Revenues	393,400	458,656	449,500	370,000	459,500	10,000	2.2%	459,500	459,500
Total Net Expenditures	311,800	311,800	311,966	310,000	308,879	(3,087)	(1.0%)	308,879	308,879
Approved Positions	6.0	7.0	7.0	7.0	7.0			7.0	7.0

* Based on the 2015 9-month Operating Variance Report

For additional information regarding the 2015 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2015" approved by City Council at its meeting on December 9, 2015.

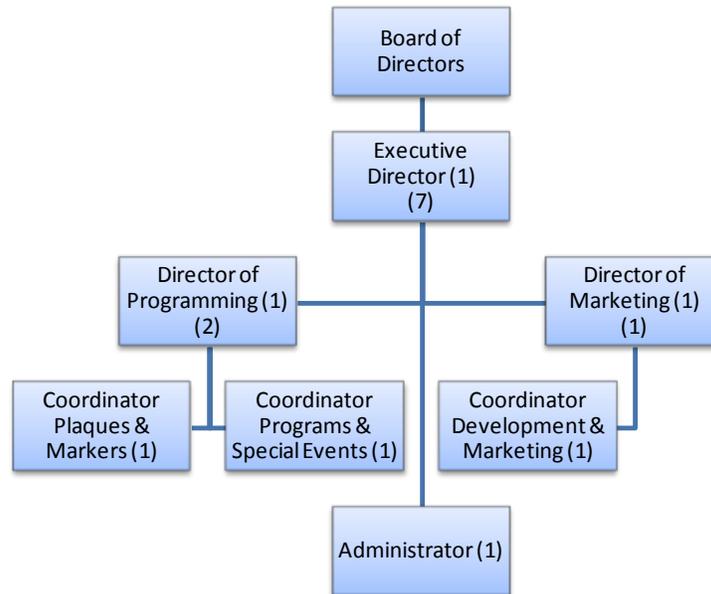
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX10.27>

Impact of 2015 Operating Variance on the 2016 Budget

- The 2015 Operating Variance informed the 2016 Operating Budget process, on which Heritage Toronto achieved the 1% reduction target through underspending on materials and supplies, and services and rents with no impact on the service levels.

Appendix 3

2016 Organization Chart



2016 Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	3.0	3.0	1.0		7.0
Temporary					
Total	3.0	3.0	1.0		7.0

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2015 *	Withdrawals (-) / Contributions (+)		
			2016	2017	2018
		\$	\$	\$	\$
Projected Beginning Balance		25,335.2	25,335.2	12,018.0	2,712.0
Insurance Reserve Fund	XR1010				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			1.3	1.3	1.3
Total Reserve / Reserve Fund Draws / Contributions		25,335.2	25,336.4	12,019.3	2,713.3
Other Program / Agency Net Withdrawals & Contributions			(13,318.4)	(9,307.3)	(4,513.8)
Balance at Year-End		25,335.2	12,018.0	2,712.0	(1,800.5)

* Based on 9-month 2015 Reserve Fund Variance Report