

# Toronto 2017 BUDGET



## OPERATING BUDGET NOTES



## Economic Development and Culture

### 2017 OPERATING BUDGET OVERVIEW

Economic Development and Culture (EDC) advances the City's prosperity, opportunity and livability by contributing to the growth of Toronto's economy, encouraging Toronto's cultural vibrancy, and engaging partners in the planning and development of the City's economic and cultural resources.

### 2017 Operating Budget Highlights

The total cost to deliver these services to Toronto residents is \$79.360 million gross and \$61.172 million net as shown below:

(in \$000's)	2016 Budget	Preliminary Budget	Change	
			\$	%
Gross Expenditures	78,162.6	79,360.1	1,197.5	1.5%
Revenue	19,221.1	18,188.4	(1,032.7)	(5.4%)
<b>Net Expenditures</b>	<b>58,941.5</b>	<b>61,171.7</b>	<b>2,230.3</b>	<b>3.8%</b>

The 2017 Preliminary Operating Budget for Economic Development and Culture is 3.8% or \$2.230 million over the 2016 Net Approved Operating Budget, primarily driven by the phase in of tax funding as part of the multi-year Arts & Culture spending plan to meet the \$25/capita target.

[toronto.ca/budget2017](http://toronto.ca/budget2017)

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**Fast Facts**

- EDC supports major community events such as the Caribbean Festival and Pride Toronto.
- EDC offers annual events such as the Cavalcade of Lights, Doors Open, and Nuit Blanche Toronto.
- EDC currently supports 82 Business Improvement Areas to encourage economic growth, competitiveness and entrepreneurship.
- EDC manages 40 heritage properties and more than 200 public art installations.
- EDC issues over 3,000 film permits for more than 1,300 films each year.

**Trends**

- Support of the formation, maintenance and expansion of business incubators in Toronto continues to result in an increasingly number of incubator graduates into Toronto's business community.
- Continued work with other City Divisions and external stakeholders to navigate the challenges of protecting Toronto's employment lands.
- Focused programming to increase public awareness and knowledge of Toronto's history through the City's ten historical museums.

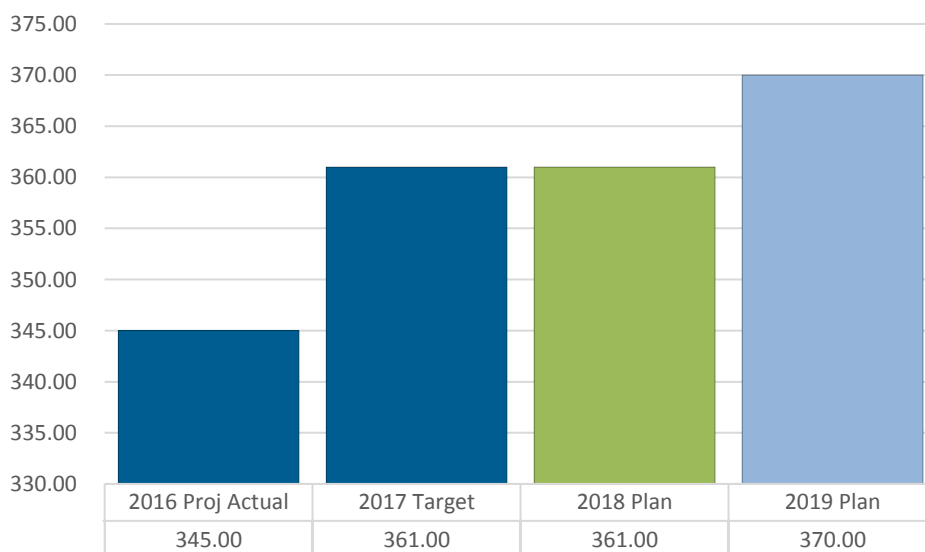
**Key Service Deliverables for 2017**

Economic Development and Culture's services span the continuum between the economic development and cultural vibrancy of the City to capture the benefits of these linked forces. The programs are guided by two main strategies. Both are designed to advance the City's prosperity, opportunity and livability by creating an environment in which business and culture can thrive.

The 2017 Preliminary Operating Budget will enable the EDC Programs to:

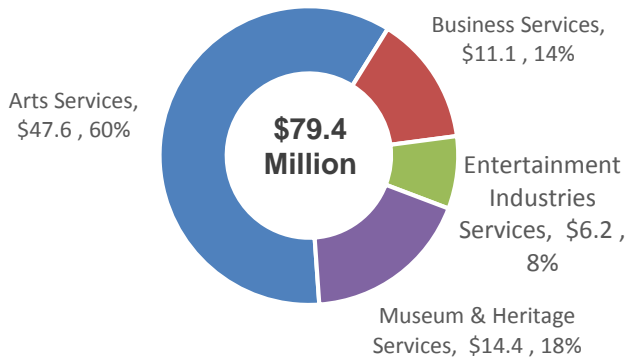
- Produce the Canada 150 Celebrations across the city with enhanced programming, including New Year's Eve and Canada Day activities at Toronto's historical museums.
- Serve 30,000 entrepreneurs and establish micro business owners via business consultations, incubation support and workshops.
- Establish and maintain strong export support capabilities, including building on international city-to-city and city-to-region ties that foster trade opportunities for small and medium size enterprises (SME).
- Provide Cultural Grants to support Toronto's arts community through organizations such as the Toronto Arts Council.

**Outcome Measure - Number of Business Incubation Graduates**

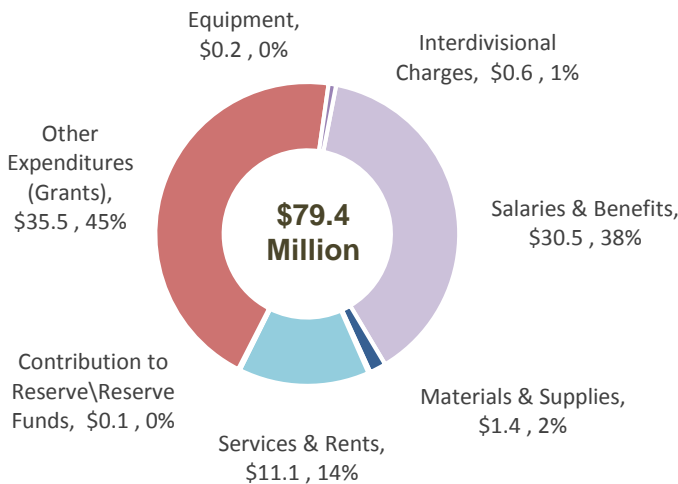


Where the money goes:

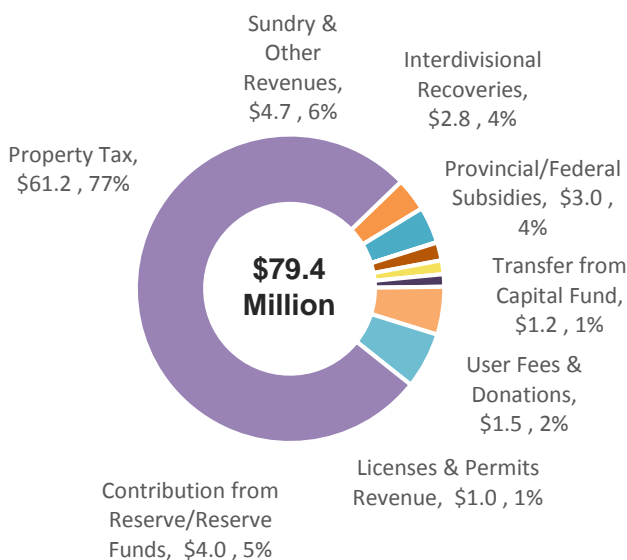
2017 Budget by Service



2017 Budget by Expenditure Category



Where the money comes from:



Our Key Issues & Priority Actions

- **Arts and Culture Phase-In Plan** requires a transfer of \$3.500 million from reserve to tax base to make the 2016 new funding sustainable. Increased arts and culture spending of \$2.000 million planned for 2017 has been deferred for one year.
  - ✓ The 2017 Preliminary Operating Budget includes one-time funding for the Canada 150 Celebrations funds which delivers a \$4.284 million increase of arts and culture activity in the year.
- **EDC will Continue to Maintain the Existing Service Levels** however, the 2017 Preliminary Operating Budget includes actions to reduce expenditures relying on efficiencies and lower budget to deliver the Program.
  - ✓ EDC will leverage solutions such as the customer relationship management tools to increase efficiency and manage the service levels through streamlined operating support functions.

2017 Operating Budget Highlights

- The 2017 Preliminary Operating Budget of \$79.360 million in gross expenditures and \$61.172 million net provides funding for 4 services: Arts Services, Business Services, Entertainment Industries Services, and Museum & Heritage Services.
- This represents an increase of \$2.230 million or 3.8% to the 2016 Approved Net Budget through the following measures:
  - ✓ Base expenditure reductions (\$0.132 million)
  - ✓ Efficiency savings (\$0.690 million).
  - ✓ Service adjustments (\$0.341 million).
  - ✓ Revenue changes (\$0.132 million).
- New and enhanced funding of \$0.055 million gross and \$0 net is provided for Mackenzie House Laneway, Museums and Heritage Photography, and Zion School Desk Reconfiguration.
- Staff complement will decrease by 23.0 from 2016 to end of 2017 (mainly due to end of Canada 150).

## Actions for Consideration

Approval of the 2017 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2017 Preliminary Operating Budget for Economic Development and Culture of \$79.360 million gross, \$61.172 million net for the following services:

<u>Service</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Arts Services	47,593.8	40,158.0
Business Services	11,149.1	6,326.3
Entertainment Industries Services	6,236.9	3,684.6
Museum & Heritage Services	<u>14,380.4</u>	<u>11,002.9</u>
<b>Total Program Budget</b>	<b><u><u>79,360.1</u></u></b>	<b><u><u>61,171.7</u></u></b>

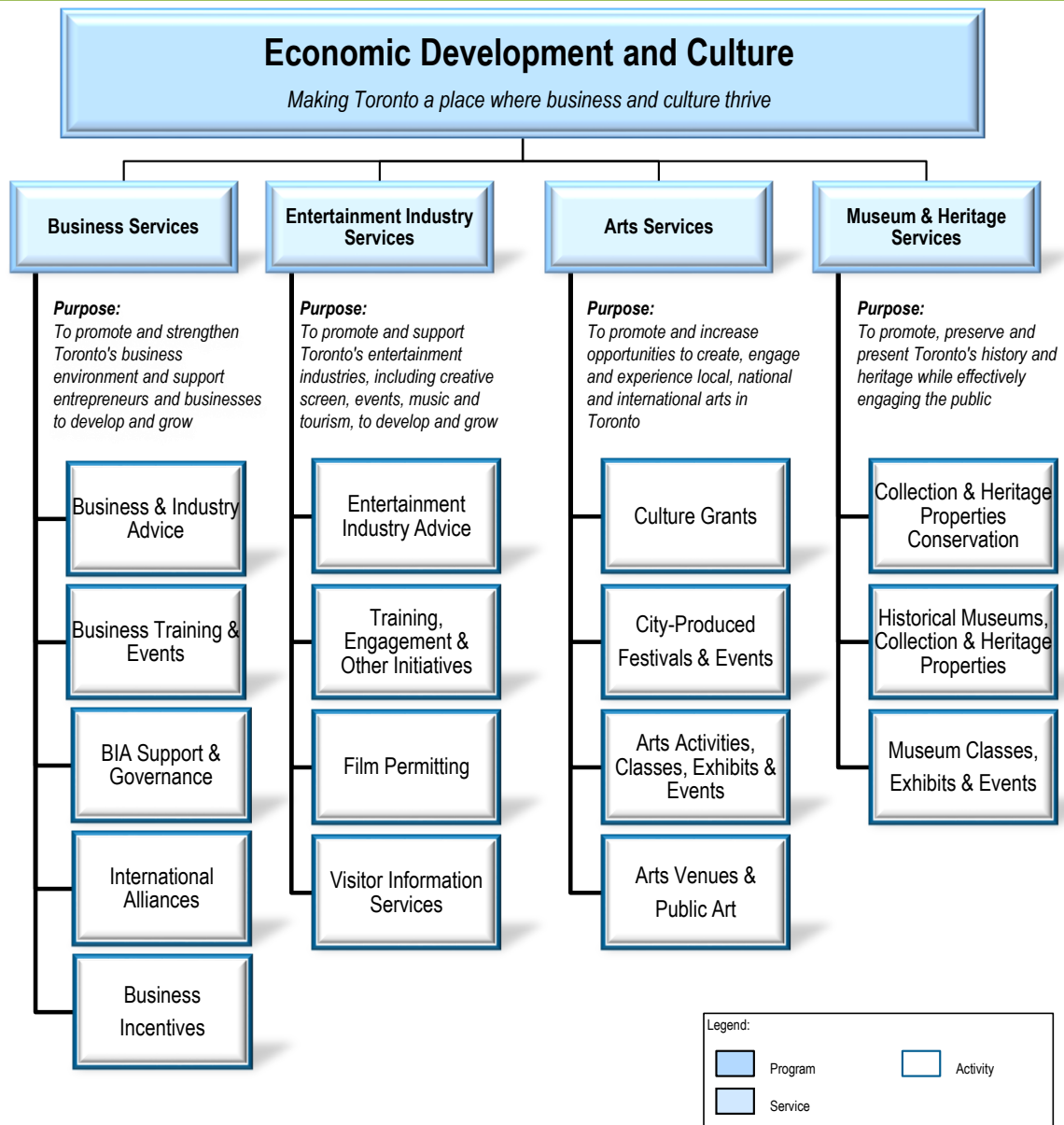
2. City Council approve the 2017 service levels for Economic Development and Culture as outlined on pages 17, 21, 25, and 29 of this report, and associated staff complement of 300.5 positions.
3. City Council approve the 2017 new user fees, technical adjustments to user fees, market rate user fee changes, rationalized user fees, and other fee changes above the inflationary adjusted rate for Economic Development and Culture identified in Appendix 7, for inclusion in the Municipal Code Chapter 441 "Fees and Charges".
4. City Council direct the information contained in Confidential Attachment 1, remain confidential until the outcome of City Council's decision has been communicated to Unions and affected staff.
5. City Council direct the General Manager of Economic Development and Culture, in conjunction with the Executive Director, Financial Planning report to Executive Committee in Spring 2017 on the use of the City's downtown public squares and ways to improve the public's use of these venues, including financial and non-financial comparisons and a review of cost recovery relationships between the 3 squares.



# Part 1:

## 2017-2019 Service Overview and Plan

# Program Map



## Service Customer

### Business Services

- Entrepreneurs
- New Immigrants
- Youth
- Sector / Industry Associations
- Sector Businesses
- Business Incubators
- Indirect (Beneficial)
  - Unions / Trade Commissions
  - Other Levels of Government
  - Education Sector
  - Residents

### Entertainment Industry Services

- Entertainment Industry Associations
- Entertainment Businesses
- Film & Media Companies
- Tourism Companies
- Restaurants & Hotel Industries
- Visitors (Domestic & International)
- Volunteers
- Indirect (Beneficial)
  - Residents
  - Businesses / Business Associations

### Arts Services

- Artists
- Arts & Cultural Organizations
- Residents
- Visitors (Domestic & International)
- Indirect (Beneficial)
  - Event Organizers
  - Exhibitors
  - Shows and Events Attendees

### Museums & Heritage Services

- Arts & Theater Groups
- Education Sector (Schools & Students)
- Residents
- Visitors (Domestic & International)
- Public and Private Schools
- New Immigrants
- Indirect (Beneficial)
  - Private Companies

**Table 1**  
**2017 Preliminary Operating Budget and Plan by Service**

(In \$000s)	2016		2017 Preliminary Operating Budget			2017 Preliminary vs. 2016 Budget Change		Incremental Change			
	Budget	Projected Actual	Base	New/ Enhanced	Total Budget	\$	%	2018 Plan		2019 Plan	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
<b>Arts Services</b>											
Gross Expenditures	44,900.7	44,315.1	47,593.8		47,593.8	2,693.1	6.0%	(3,536.3)	(7.4%)	425.0	1.0%
Revenue	7,734.7	6,748.4	7,435.8		7,435.8	(298.9)	(3.9%)	(4,721.7)	(63.5%)		
<b>Net Expenditures</b>	<b>37,166.0</b>	<b>37,566.8</b>	<b>40,158.0</b>		<b>40,158.0</b>	<b>2,992.0</b>	<b>8.1%</b>	<b>1,185.4</b>	<b>3.0%</b>	<b>425.0</b>	<b>1.0%</b>
<b>Business Services</b>											
Gross Expenditures	11,312.3	12,072.7	11,149.1		11,149.1	(163.2)	(1.4%)	(87.5)	(0.8%)	229.0	2.1%
Revenue	4,956.1	5,373.1	4,822.9		4,822.9	(133.3)	(2.7%)	(393.7)	(8.2%)		
<b>Net Expenditures</b>	<b>6,356.1</b>	<b>6,699.7</b>	<b>6,326.3</b>		<b>6,326.3</b>	<b>(29.9)</b>	<b>(0.5%)</b>	<b>306.2</b>	<b>4.8%</b>	<b>229.0</b>	<b>3.5%</b>
<b>Entertainment Industries Services</b>											
Gross Expenditures	6,561.8	6,327.2	6,236.9		6,236.9	(325.0)	(5.0%)	(295.4)	(4.7%)	113.3	1.9%
Revenue	2,878.3	3,010.8	2,552.3		2,552.3	(326.1)	(11.3%)	(1,003.7)	(39.3%)		
<b>Net Expenditures</b>	<b>3,683.5</b>	<b>3,316.4</b>	<b>3,684.6</b>		<b>3,684.6</b>	<b>1.1</b>	<b>0.0%</b>	<b>708.3</b>	<b>19.2%</b>	<b>113.3</b>	<b>2.6%</b>
<b>Museum &amp; Heritage Services</b>											
Gross Expenditures	15,387.7	14,420.0	14,325.4	55.0	14,380.4	(1,007.4)	(6.5%)	126.4	0.9%	281.1	1.9%
Revenue	3,651.9	2,918.7	3,322.5	55.0	3,377.5	(274.4)	(7.5%)	(749.5)	(22.2%)		
<b>Net Expenditures</b>	<b>11,735.9</b>	<b>11,501.3</b>	<b>11,002.9</b>		<b>11,002.9</b>	<b>(733.0)</b>	<b>(6.2%)</b>	<b>875.8</b>	<b>8.0%</b>	<b>281.1</b>	<b>2.4%</b>
<b>Total</b>											
Gross Expenditures	78,162.5	77,135.1	79,305.1	55.0	79,360.1	1,197.6	1.5%	(3,792.9)	(4.8%)	1,048.5	1.4%
Revenue	19,221.1	18,051.1	18,133.4	55.0	18,188.4	(1,032.7)	(5.4%)	(6,868.6)	(37.8%)		
<b>Total Net Expenditures</b>	<b>58,941.5</b>	<b>59,084.1</b>	<b>61,171.7</b>		<b>61,171.7</b>	<b>2,230.2</b>	<b>3.8%</b>	<b>3,075.8</b>	<b>5.0%</b>	<b>1,048.5</b>	<b>1.6%</b>
<b>Approved Positions</b>	<b>323.5</b>		<b>300.5</b>		<b>300.5</b>	<b>(23.0)</b>	<b>(7.1%)</b>				

The Economic Development and Culture's 2017 Preliminary Operating Budget is \$79.360 million gross and \$61.172 million net, representing a \$2.230 million or 3.8% increase to the 2016 Approved Net Operating Budget and is over the reduction target by 6.4% or \$3.769 million, as set out in the 2017 Operating Budget Directions approved by Council.

- Base pressures are mainly attributable to the transition of the 2016 Culture phase-in from reserve funding to tax based funding of \$3.500 million, reduced grant revenue from Tourism Toronto of \$0.200 million, and pressures of \$0.861 million including cost of living adjustments (COLA) and utilities.
- To help mitigate the above pressures, the Program was able to achieve base budget reductions through the realignment of expenditures to actual experience, improved administrative efficiencies between its four Services, and combining Cavalcade of Lights with New Year's Eve as a larger event.
- Funding for new and enhanced services include three initiatives: Mackenzie House Laneway Improvements, Museum and Heritage Services – Photography, and Zion School House Desk Configuration all fully funded by a reserve fund dedicated to such purposes.
- Approval of the 2017 Preliminary Operating Budget will result in Economic Development and Culture reducing its total staff complement by 23.0 positions from 323.5 to 300.5 primarily driven by reversal of a one-time Canada 150 initiative and service efficiencies.
- The 2018 and 2019 Plan increases are attributable to increases in base salaries and benefits inclusive of COLA, and planned Arts & Culture spending increase of \$2.000 million in 2018.

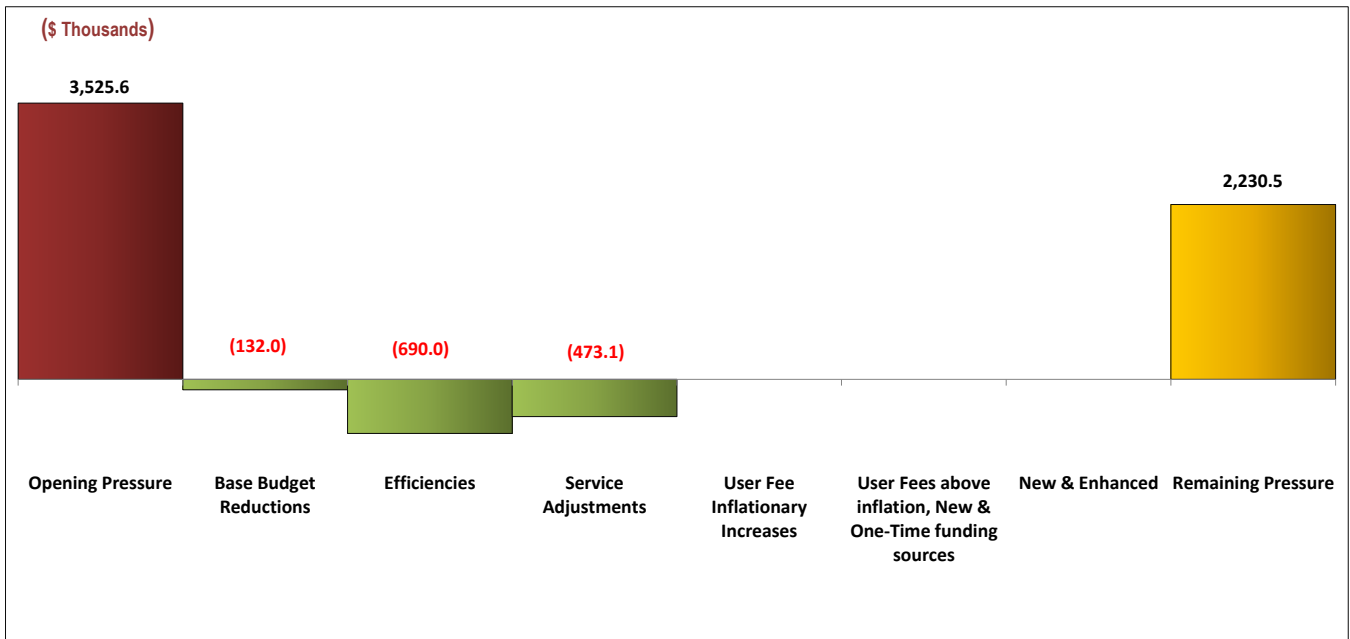


The following graphs summarize the operating budget pressures for this Program and the actions taken that partially offset these pressures and reduce pressures.

**Key Cost Drivers**



**Actions to Achieve Budget Reduction Target**





**Table 2  
Key Cost Drivers**

(In \$000s)	2017 Base Operating Budget								Total	
	Arts Services		Business Services		Entertainment Industries Services		Museum & Heritage Services			
	\$	Position	\$	Position	\$	Position	\$	Position	\$	Position
<b>Gross Expenditure Changes</b>										
<b>Prior Year Impacts</b>										
2016 COLA Reversal	(76.7)		(85.6)		(45.4)		(123.4)		(331.1)	
One-Time Part-Time B Harmonization Award (2016)	(40.0)						(120.0)		(160.0)	
Canada 150	3,438.9	(13.4)	68.1	(0.8)	63.5	(0.4)	398.4	(1.4)	3,968.9	(16.0)
Change of Culture Funding from Reserve to Tax Base	3,400.0				100.0				3,500.0	
Other One-Time Reversals	(200.0)		(1,497.0)		(950.0)				(2,647.0)	
<b>Salaries and Benefits</b>										
COLA	61.6		68.8		35.9		8.2		174.5	
Progression Pay	83.4		94.1		46.3		70.4		294.2	
Base Salaries and Benefits Changes	(37.0)		(76.6)		26.8		444.0		357.2	
<b>Economic Factors</b>										
Increase for Utilities, Water, and Hydro	3.5						31.2		34.7	
<b>Other Base Changes</b>										
Solid Waste Collection Fees							(0.4)		(0.4)	
Other Base Budget Changes	(193.8)		1,090.7		470.0		(787.8)		579.1	
<b>Total Gross Expenditure Changes</b>	<b>6,439.9</b>	<b>(13.4)</b>	<b>(337.4)</b>	<b>(0.8)</b>	<b>(252.9)</b>	<b>(0.4)</b>	<b>(79.4)</b>	<b>(1.4)</b>	<b>5,770.2</b>	<b>(16.0)</b>
<b>Revenue Changes</b>										
2016 COLA Reversal			(11.7)						(11.7)	
Tourism Toronto Grant			(200.0)						(200.0)	
Canada 150	3,424.0		69.9		69.9		404.3		3,968.1	
User Fee Revenues			398.2		100.0		90.0		588.2	
Other One-Time Reversals	(200.0)		(1,497.0)		(950.0)				(2,647.0)	
Other Base Budget Changes	(173.8)		1,090.7		470.0		(840.0)		546.9	
<b>Total Revenue Changes</b>	<b>3,050.2</b>		<b>(149.9)</b>		<b>(310.1)</b>		<b>(345.7)</b>		<b>2,244.5</b>	
<b>Net Expenditure Changes</b>	<b>3,389.7</b>	<b>(13.4)</b>	<b>(187.5)</b>	<b>(0.8)</b>	<b>57.2</b>	<b>(0.4)</b>	<b>266.3</b>	<b>(1.4)</b>	<b>3,525.7</b>	<b>(16.0)</b>

Key cost drivers for Economic Development and Culture are discussed below:

- Prior Year Impacts:
  - Reversal of prior-year cost of living adjustment (COLA) allocation will result in net decrease of \$0.319 million and reversal of one-time allocation for the part-time B unit will result in a net decrease of \$0.160 million.
  - The Canada 150 Celebration in 2017 is funded from the Major Special Events Reserve Fund and will provide arts and culture activity levels throughout 2017.
  - The phase-in of the Arts & Culture spending in 2017 result in a tax base pressure of \$3.500 million as this portion will no longer be funded by the Culture Funding Reserve Fund (XR1726).
- Salaries and Benefits
  - Base salaries and benefits will increase by \$0.826 million which includes COLA and progression pay applicable to all four Services.
- Economic Factors:
  - Increased costs of utilities, water and hydro for Arts Services and Museums sites will be \$0.035 million.
- Other Base Changes:
  - Interdivisional recoveries (IDR) will increase by \$0.033 million which reflects inflationary increases.

- Revenue Changes:
  - Reducing Tourism Toronto grant by \$0.200 million reflects actual sponsorship levels.
  - User fee revenue increase of \$0.588 million comprised of \$0.398 million adjustment to Development Application Revenue Fees consistent with 2016 actual experience (previously recorded in City Planning), \$0.100 million of increased parking revenues driven by increased film permit and location parking requests, \$0.060 million driven by volume of rental activity at Fort York, and \$0.026 million from increased admission fees for Fort York.

To achieve the budget reduction target, the 2017 service changes for Economic Development and Culture consists of base expenditure savings of \$0.132 million net, service efficiency savings of \$0.690 million net, revenue adjustments of \$0.132 million, and service adjustments of \$0.341 million net, for a total of \$1.295 million net as detailed below.

**Table 3**  
**Actions to Achieve Budget Reduction Target**  
**2017 Preliminary Service Change Summary**

Description (\$000s)	Service Changes								Total Service Changes			Incremental Change				
	Arts Services		Business Services		Entertainment Industries Services		Museum & Heritage Services		\$	\$	#	2018 Plan		2019 Plan		
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.	
<b>Base Changes:</b>																
<b>Base Expenditure Changes</b>																
Realignment of Expenditures to Actual Experience	(67.5)	(67.5)	182.4	182.4	(99.8)	(99.8)	(147.1)	(147.1)	(132.0)	(132.0)						
<b>Base Expenditure Change</b>	(67.5)	(67.5)	182.4	182.4	(99.8)	(99.8)	(147.1)	(147.1)	(132.0)	(132.0)						
<b>Sub-Total</b>	(67.5)	(67.5)	182.4	182.4	(99.8)	(99.8)	(147.1)	(147.1)	(132.0)	(132.0)						
<b>Service Efficiencies</b>																
Realignment of Functions	237.1	237.1	(1.7)	(1.7)	54.6	54.6	(834.9)	(834.9)	(544.9)	(544.9)	(5.0)	(1.5)		(1.5)		
Reduce 2 Vacant Positions for City Produced Events	(145.1)	(145.1)							(145.1)	(145.1)	(2.0)					
<b>Sub-Total</b>	92.0	92.0	(1.7)	(1.7)	54.6	54.6	(834.9)	(834.9)	(690.0)	(690.0)	(7.0)	(1.5)		(1.5)		
<b>Revenue Adjustments</b>																
Increase Enrollment Fees to Summer / Winterlicious Restaurants						(67.1)				(67.1)						
Increase Sponsorship Revenues		(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)		(65.0)						
<b>Sub-Total</b>		(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)		(132.1)						
<b>Service Adjustments</b>																
Reduce Funding for Cultural Hotspots	(50.0)	(50.0)							(50.0)	(50.0)						
Combine Cavalcade of Lights & New Year's Eve as a Larger Event	(160.4)	(195.0)			75.0	75.0			(85.4)	(120.0)						
5% Reduction to Sponsorships & Transfers funded by EDC	(30.0)	(30.0)	(7.0)	(7.0)	(3.0)	(3.0)			(40.0)	(40.0)						
Minor Reductions to Arts & Culture Funding	(131.0)	(131.0)							(131.0)	(131.0)						
Discontinue Zion Church Cultural Centre as an EDC Program												(30.3)				
<b>Sub-Total</b>	(371.4)	(406.0)	(7.0)	(7.0)	72.0	72.0			(306.4)	(341.0)		(30.3)				
<b>Total Changes</b>	(346.9)	(397.8)	173.7	157.4	26.8	(56.6)	(982.0)	(998.3)	(1,128.4)	(1,295.1)	(7.0)	(31.8)		(1.5)		

### Base Expenditure Changes (Savings of \$0.132 million gross & net)

#### Adjustments to Reflect Actual Expenditures

- A review of EDC's four services allowed for expenditure re-alignment as well as savings based on historical experience.

### Service Efficiencies (Savings of \$0.690 million gross & net)

#### Efficiencies from Realignment

- EDC will achieve service efficiencies re-alignment of staffing and service delivery in various service areas, with no impact to service levels. Please refer to Confidential Attachment 1 under separate cover.

*Reduce 2 Vacant Positions for City-Produced Events*

- EDC will realize efficiency savings from the streamlining of operations and future anticipation of functions for its City-Produced Events through the elimination of 2 vacant new positions. Two new positions approved in 2016 were never filled and are not required.

**Revenue Adjustments (Savings of \$0.132 million net)***Increase Enrollment Fees to Summer / Winterlicious Restaurants*

- The enrollment fee will increase from \$1,150 to \$1,300 per restaurant consistent with the growth in the number of participants in Toronto. The fee increase was in 2012 and the number of participating restaurants, as of 2015 year end, are 218 for Winterlicious and 229 for Summerlicious.

*Sponsorship Revenue*

- EDC will increase efforts to secure more sponsorships with an expected increase of \$0.065 million which is achievable based on actual experience.

**Service Adjustments (Savings of \$0.306 million gross & \$0.341 million net)***Reduce Funding for Culture Hotspots*

- There will be less tax-based funding for the 2017 Cultural Hotspots with no impact to the service level. Programming activities will be adjusted in East York and in regions where the Cultural Hotspots have already taken place. Cultural Hotspots programming activities occur across the City and the locations vary year by year.

*Combine Cavalcade of Lights & New Year's Eve as a Larger Event*

- The Cavalcade of Lights event will be aligned as an extended event with the New Year's Eve Event, which will save \$0.085 million gross and \$0.120 million net.

*5% Reduction to Sponsorships & Transfers funded by EDC*

- A general 5% reduction will be applied to sponsorships and transfers not funded by third parties. The impact will be minimal as the reduction is spread across many recipients.

*Minor Reductions to Arts & Culture Funding*

- Funding for operating costs for the following will be reduced with no impact to grant allocations:
  - Toronto Arts Council (TAC) Operations will be reduced by \$0.045 million, and
  - Culture Build Investment Program will be reduced by \$0.086 million.
- TAC Operations has been receiving increases equating to 10% of every increase to funding for grants since the investment in Arts and Culture funding phase-in plan began in 2013.

**Table 4  
2017 Preliminary New & Enhanced Service Priorities**

Description (\$000s)	New/Enhanced								Total			Incremental Change			
	Arts Services		Business Services		Entertainment Industries Services		Museum & Heritage Services		\$	\$	Position	2018 Plan		2019 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	#	Net	Pos.	Net	Pos.
<b>Enhanced Services Priorities</b>															
Staff Initiated:															
<i>Mackenzie House Laneway Improvement</i>								10.0		10.0					
<i>MHS - Photography</i>								20.0		20.0					
<i>Zion School House Desk Configuration</i>								25.0		25.0					
<b>Total</b>								55.0		55.0					

**Enhanced Service Priorities (\$0.055 million gross & \$0 net)**

These one-time small projects funded from the Community Heritage Reserve Fund (XR1044) will improve service at historic sites.

*Mackenzie House Laneway Improvement*

- Funding of \$0.010 million will improve the museum entrance and increase awareness of the laneway entrance in order to increase attendance and revenue.

*MHS - Photography*

- Funding of \$0.020 million will professionally photograph 10 of the more than 40 heritage properties such as Casa Loma, John McKenzie House and the Berkeley Street Theatre that are managed by Museums & Heritage Services. Photographs will be used for documentation of these properties for promotion, educational and archival purposes.

*Zion School House Desk Configuration*

- Funding of \$0.025 million will create storage/ programming space, develop a "quick-release" installation system so the historic school desks are securely fastened in place but can be efficiently detached, removed and stored in a climate-controlled space, and purchase an alternative seating in order to expand programming potential of the site when not attended for heritage (curriculum-based) group programs while also ensuring the stewardship and preservation of the City's heritage assets.

Approval of the 2017 Preliminary Operating Budget for Economic Development and Culture will result in a 2018 incremental net cost of \$3.076 million and a 2019 incremental net cost of \$1.049 million to maintain the 2017 service levels, as discussed in the following table.

**Table 5**  
**2018 and 2019 Plan by Program**

Description (\$000s)	2018 - Incremental Increase					2019 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	Position	Gross Expense	Revenue	Net Expense	% Change	Position
<b>Known Impacts:</b>										
<b>Prior Year Impact</b>										
Canada 150 Celebrations	(5,723.6)	(5,723.6)								
Other One-Time Initiatives	(1,145.0)	(1,145.0)								
<b>Operating Impact of Capital</b>										
Cultural Infrastructure Development	5.0		5.0			207.0		207.0		
Economic Competitiveness Data Mgmt System	100.0		100.0			(100.0)		(100.0)		
<b>Salaries and Benefits</b>										
Base Salaries and Benefits Change	1,000.8		1,000.8			941.2		941.2		
<b>Other Base Changes</b>										
Planned Arts & Culture Spending Increase	2,000.0		2,000.0							
IDC/IDR Changes	0.3		0.3			0.3		0.3		
<b>Sub-Total</b>	<b>(3,762.5)</b>	<b>(6,868.6)</b>	<b>3,106.1</b>			<b>1,048.5</b>		<b>1,048.5</b>		
<b>Anticipated Impacts:</b>										
<b>Service Adjustments</b>										
Discontinue Zion Church Cultural Centre as an EDC Program	(30.3)		(30.3)							
<b>Sub-Total</b>	<b>(30.3)</b>		<b>(30.3)</b>							
<b>Total Incremental Impact</b>	<b>(3,792.8)</b>	<b>(6,868.6)</b>	<b>3,075.8</b>			<b>1,048.5</b>		<b>1,048.5</b>		

Future year incremental costs are primarily attributable to the following:

**Known Impacts:**

- EDC will increase the arts and culture spending by \$2.0 million as originally intended to reach the \$25/capita target. This \$2.0 million increase represents the final year of the original Culture funding phase-in plan.
- In 2017, two information technology initiatives are expected to be fully implemented which will result in operating costs of \$0.105 million in 2018 and \$0.212 million in 2019 which will pay for licenses, salaries and benefits, and equipment (a customer relationship management solution and an online film permitting solution).
- Canada 150 Celebration events throughout 2017 will be completed and the gross expenditures and funding will be reversed, which delivered arts and culture activities.
- The funding for other one-time initiatives including Rio De Janerio Friendship City, Pan Am Showcase 2017 – Toronto Global Forum, and support for significant special events will be reversed.

**Anticipated Impacts:**

- Future savings of \$0.030 million net is anticipated in 2018 as EDC will remove Zion Church Cultural Centre from Arts Services and Museum & Heritage Services - Operational support portfolio and move it into the Below Market Rent Program. This change will allow for the building to be fully used by a community arts venue as it is currently underutilized by the community arts groups.



# Part 2:

## 2017 Preliminary Operating Budget by Service

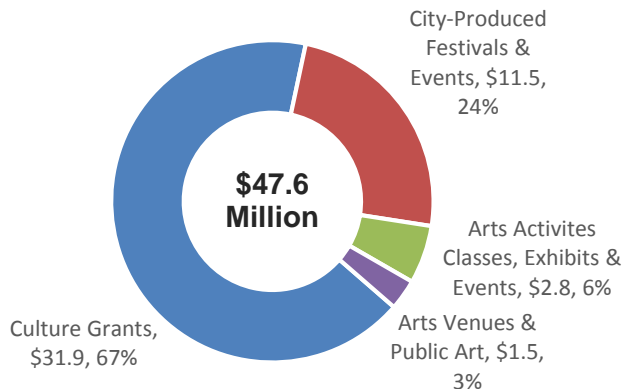
### Arts Services



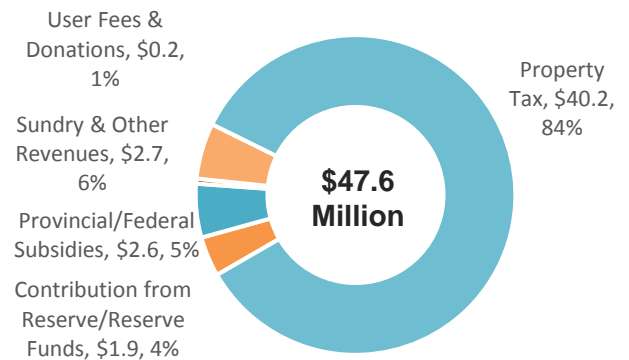
#### What We Do

- Arts Services contribute to the development of arts and culture in Toronto by consulting with and advocating for the city's cultural industries, providing financial support to arts institutions and individual artists, as well as producing major cultural events and inclusive arts programs.
- Celebrate the vibrancy and diversity of Toronto and enrich the city's quality of life through a series of annual cultural events including Cavalcade of Lights, Nuit Blanche Toronto and Doors Open Toronto.

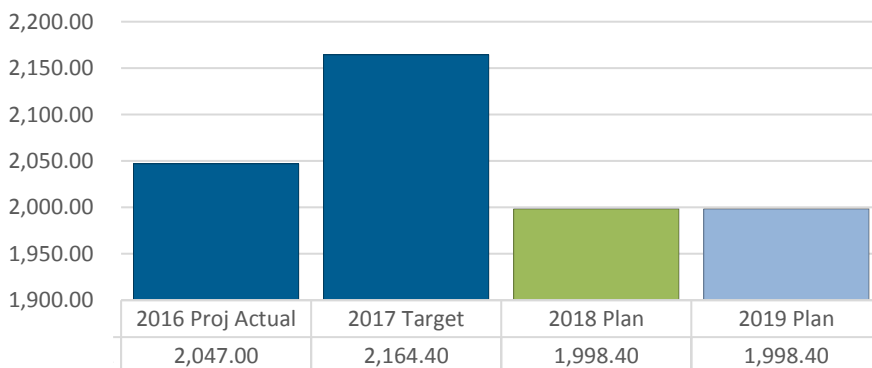
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Outcome Measure – Number of Attendees at City-Produced Events (000's)



- Annual City-Produced events include Cavalcade of Lights, Nuit Blanche Toronto, and Doors Open Toronto.
- Approval of the proposed combination of the Cavalcade of Lights with New Year's Eve celebration will produce a larger event.



## 2017 Service Levels Arts Services

Sub-Activity/Type		Status	2016	2017
Arts Activities, Classes, Exhibits & Events	Community Arts Programs	Approved	Provide 425 classes per year.	Provide 425 classes per year.
		Actual	Provided 425 classes per year.	
	Community Art Events	Approved	Produce/support 425 events	Produce/support <b>435</b> events
		Actual	Produced/supported 430 events.	
	Community Art Exhibits (city-organized)	Approved	Present 45 exhibits.	Present <b>50</b> exhibits
		Actual	Presented 47 exhibits.	
Art Venues & Public Art	Public Art Selection, Location and maintenance	Approved	Manage an average of 15 art projects per annum.	Manage an average of <b>20</b> art projects per annum.
		Actual	Managed an average of 15 art projects per annum.	
City-produced Festivals & Events	Design and Delivery of Events	Approved	Produce 8 signature events providing 74 days of programming ( includes winterlicious/summerlicious)	Produce 8 signature events providing <b>62</b> days of programming ( includes winterlicious/summerlicious)
		Actual	Produced 9 signature events providing 73 days of programming ( includes winterlicious/summerlicious)	
Cultural Grants	Grant review and processing	Approved	Complete review process and secure Council approval for grants in 4 months.	Complete review process and secure Council approval for grants in 4 months.
		Actual	Completed review process and secure Council approval for grants in 4 months.	

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels for Arts Services. Minor improvements are proposed for its community art exhibits, and community art events activities.

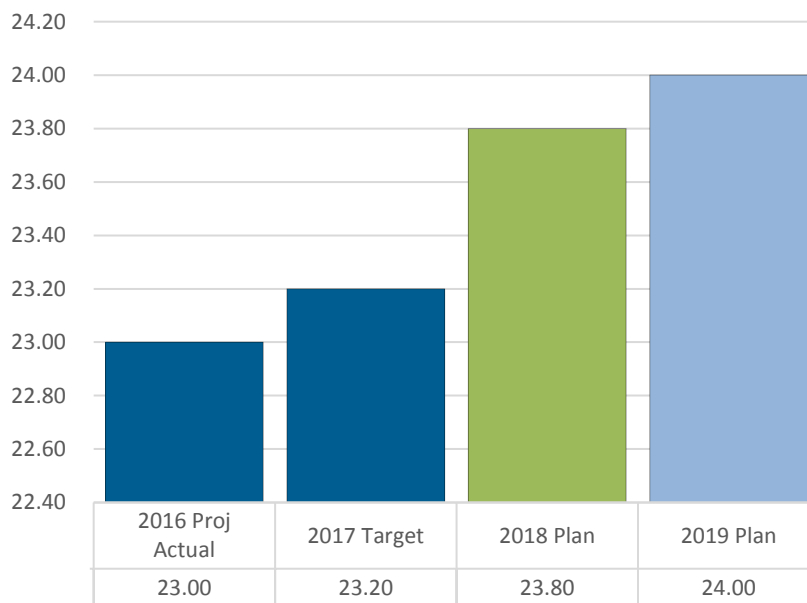
Service Performance Measures

Outcome Measure – Number of Participants in Arts Programs (000's)



- Arts Services provide arts programming to the general public such as the Cultural Hotspots, Arts Lab for growing the arts sector, and Live Arts for investing in youth arts.
- A steady increase in participation is expected over the next three years.

Effectiveness Measure – Number of Youth Participants in Arts Programs (000's)



- Arts Services provide various programming focussed on Toronto's youth (ages 18 to 25).
- This measure indicates the number of Toronto's youth participating in programs offered by Arts Services.
- A steady increase in participation is expected over the next three years.

**Table 6**  
**2017 Preliminary Service Budget by Activity**

(\$000s)	2016	2017 Preliminary Operating Budget							Incremental Change						
	Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2016 Budget	% Change	New/Enhanced	Prelim. Budget	2017 Prelim. Budget vs. 2016 Budget		2018 Plan		2019 Plan		
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
<b>GROSS EXP.</b>															
Culture Grants	32,489.9	32,100.4	(239.0)	31,861.4	(628.6)	(1.9%)		31,861.4	(628.6)	(1.9%)	521.9	1.6%	21.2	0.1%	
City-Produced Festivals & Events	8,169.4	11,727.9	(246.2)	11,481.7	3,312.3	40.5%		11,481.7	3,312.3	40.5%	(4,375.1)	(38.1%)	106.6	1.5%	
Arts Activities Classes, Exhibits & Events	2,872.3	2,851.1	(64.2)	2,786.9	(85.3)	(3.0%)		2,786.9	(85.3)	(3.0%)	307.5	11.0%	264.5	8.5%	
Arts Venues & Public Art	1,369.2	1,403.4	60.3	1,463.7	94.6	6.9%		1,463.7	94.6	6.9%	9.4	0.6%	32.8	2.2%	
<b>Total Gross Exp.</b>	<b>44,900.7</b>	<b>48,082.8</b>	<b>(489.1)</b>	<b>47,593.8</b>	<b>2,693.0</b>	<b>6.0%</b>		<b>47,593.8</b>	<b>2,693.0</b>	<b>6.0%</b>	<b>(3,536.3)</b>	<b>(7.4%)</b>	<b>425.0</b>	<b>1.0%</b>	
<b>REVENUE</b>															
Culture Grants	3,593.8				(3,593.8)	(100.0%)			(3,593.8)	(100.0%)					
City-Produced Festivals & Events	3,412.9	6,856.8	50.9	6,907.7	3,494.8	102.4%		6,907.7	3,494.8	102.4%	(4,721.7)	(68.4%)			
Arts Activities Classes, Exhibits & Events	653.0	453.0		453.0	(200.0)	(30.6%)		453.0	(200.0)	(30.6%)					
Arts Venues & Public Art	75.0	75.0		75.0				75.0							
<b>Total Revenues</b>	<b>7,734.7</b>	<b>7,384.9</b>	<b>50.9</b>	<b>7,435.8</b>	<b>(299.0)</b>	<b>(3.9%)</b>		<b>7,435.8</b>	<b>(299.0)</b>	<b>(3.9%)</b>	<b>(4,721.7)</b>				
<b>NET EXP.</b>															
Culture Grants	28,896.1	32,100.4	(239.0)	31,861.4	2,965.3	10.3%		31,861.4	2,965.3	10.3%	521.9	1.6%	21.2	0.1%	
City-Produced Festivals & Events	4,756.5	4,871.0	(297.0)	4,574.0	(182.5)	(3.8%)		4,574.0	(182.5)	(3.8%)	346.6	7.6%	106.6	2.2%	
Arts Activities Classes, Exhibits & Events	2,219.2	2,398.1	(64.2)	2,333.9	114.7	5.2%		2,333.9	114.7	5.2%	307.5	13.2%	264.5	10.0%	
Arts Venues & Public Art	1,294.2	1,328.4	60.3	1,388.7	94.6	7.3%		1,388.7	94.6	7.3%	9.4	0.7%	32.8	2.3%	
<b>Total Net Exp.</b>	<b>37,166.0</b>	<b>40,698.0</b>	<b>(540.0)</b>	<b>40,158.0</b>	<b>2,992.0</b>	<b>8.1%</b>		<b>40,158.0</b>	<b>2,992.0</b>	<b>8.1%</b>	<b>1,185.4</b>	<b>3.0%</b>	<b>425.0</b>	<b>1.0%</b>	
<b>Approved Positions</b>	<b>80.7</b>	<b>67.3</b>	<b>0.7</b>	<b>68.0</b>	<b>(12.8)</b>	<b>(15.8%)</b>		<b>68.0</b>	<b>(12.8)</b>	<b>(15.8%)</b>					

**Arts Service** provides the development of arts and culture in Toronto by consulting with and advocating for the city's cultural industries, providing financial support to arts institutions and individual artists, as well as producing major cultural events and inclusive arts programs.

The Arts Services' 2017 Preliminary Operating Budget of \$47.594 million gross and \$40.158 million net is \$2.992 million or 8.1% over the 2016 Approved Net Budget.

- In addition to the base budget pressures common to all services, this service is experiencing an increased net pressure of \$3.400 million driven by the phase-in of tax funding for the arts and culture of \$3.500 million.
- In order to offset these pressures, the 2017 Preliminary Operating Budget includes a realignment of expenditures to actual experience resulting in a savings of \$0.068 million, small reductions to grants, sponsorships and funding for Cultural Hotspots, and combining Cavalcade of Lights with New Year's Eve as a larger event. These will generate a combined savings of \$0.406 million net.
- The Canada 150 Celebrations funding of \$4.284 million will support the arts and culture activities in 2017.

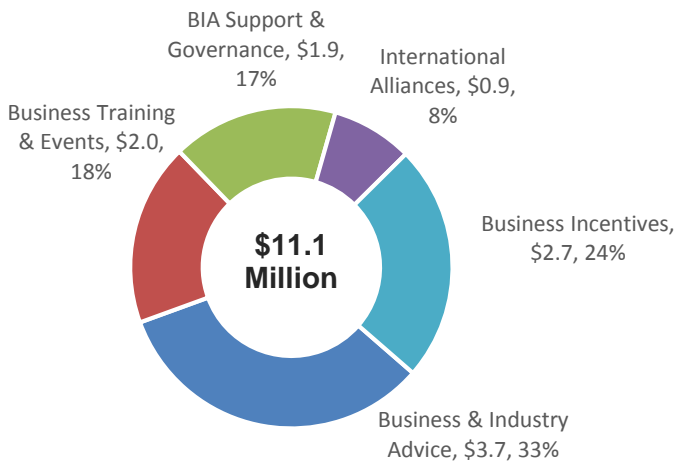
### Business Services



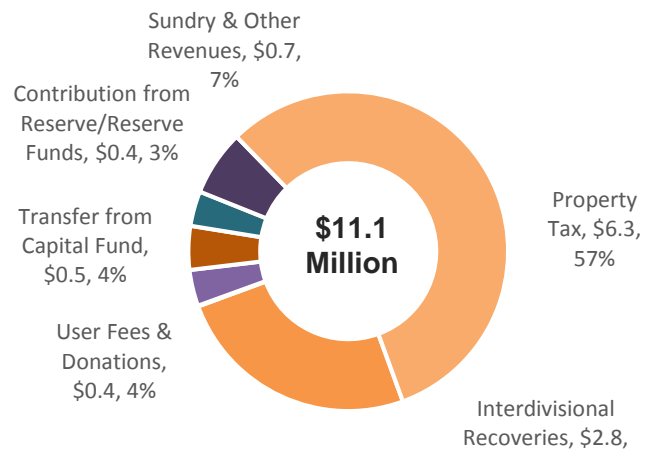
#### What We Do

- EDC supports local businesses create jobs through programs and services such as Gold Star Program, an Imagination, Manufacturing, Innovation Technology (IMIT) property tax incentive.
- EDC advocates and consults with industry to promote the growth of businesses in specific sectors including design, education, financial services, technology, and more.
- EDC links entrepreneurs with the tools they need to grow and develop their businesses which include one-on-one business plan consultations.
- EDC supports 82 business improvement areas through financial incentives, and hands-on advice to create thriving and competitive businesses.

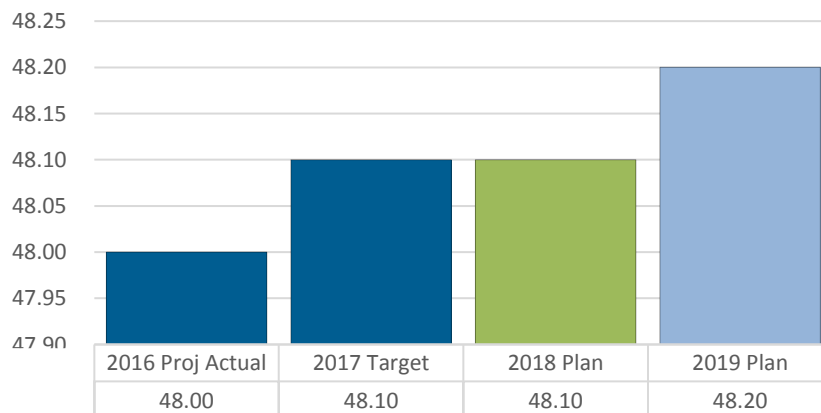
#### 2017 Service Budget by Activity (\$Ms)



#### Service by Funding Source (\$Ms)



#### Outcome Measure – Number of Small Businesses & Entrepreneurs Supported (000's)



- Toronto's small businesses and entrepreneurs are offered assistance with their development and growth.
- This measure indicates the number of small businesses/entrepreneurs that were provided service through Enterprise Toronto Offices and City-supported incubators.
- The number of small businesses and entrepreneurs supported is steadily growing.

**2017 Service Levels  
Business Services**

Sub-Activity/Type		Status	2016	2017
Business & Industry Advice	Business Advice	Approved	Outreach to 3000 Clients via corporate calling and corporate contacts. Responding to Client requests and providing excellent customer service 100% of the time.	<b>Respond to client requests within 1 business day 100% of the time.</b>
		Actual	Responded to client requests 100% of the time.	
	Referrals/ Connections	Approved	Consult with and/or provide assistance to 300 companies.	Consult with and/or provide assistance to <b>297</b> companies.
		Actual	Consulted with and/or provided assistance to 300 companies.	
	Facilitation & Expediting	Approved	Projected 31 Gold Star projects completion.	Projected 31 Gold Star projects completion.
		Actual	Completed the facilitation of 30 Gold Star projects .	
Business Training & Events	Training	Approved	Produce and deliver 110 business information and training sessions.	Produce and deliver <b>75</b> business information and training sessions.
		Actual	Produced and delivered 75 business information and training sessions.	
BIA Support & Governance	BIA governance and oversight	Approved	Ensure that audited financial statements, and annual budgets are submitted, and annual general meetings held within approved timeframes 99 % of the time.	Ensure that audited financial statements, and annual budgets are submitted, and annual general meetings held within approved timeframes 99 % of the time.
		Actual	Ensure that audited financial statements, and annual budgets are submitted, and annual general meetings held within approved timeframes 99 % of the time.	
	Advisory Services	Approved	Achieve a 75% completion rate for Capital Projects.	Achieve a 75% completion rate for Capital Projects.
		Actual	Achieved a 75% completion rate for Capital Projects.	
International Alliances	City to City Alliances	Approved	Undertake 5 partnership/friendship City Economic Development projects.	Undertake 5 partnership/friendship City Economic Development projects.
		Actual	Undertook 5 partnership/friendship City Economic Development projects.	
	Export Assistance and Facilitation	Approved	Provide export assistance/facilitation to 100 clients.	Provide export assistance/facilitation to 100 clients.
		Actual	Provided export assistance/facilitation to 100 clients.	
Business Incentives	Grants	Approved	6 Imagination, Manufacturing, Innovation, Technology (IMIT) application reviews and approvals per year, each within 6 months of formal application submission to EDC. 2016 IMIT Review. [5 applications received in 2016- 3 approved-2 still under review]	<b>Imagination, Manufacturing, Innovation, Technology( IMIT) application reviews and approvals completed within 6 months of formal application submission to EDC 75% of the time.</b>
		Actual	3 IMIT application reviews and approvals completed within 6 months of formal application submission to EDC 60% of the time.	

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels for Business Services. Business Advice and Business Incentives activities are proposing a minor improvement to their service levels while activities such as Business Training & Events proposes to adjust its service level down.

### Service Performance Measures

#### Outcome Measure - \$ Investments Facilitated (\$Ms)



- The retention and growth of businesses in Toronto supported by Business Services results in investment in Toronto and its economy.
- This measure indicates the investment in Toronto as a result of business remaining or expanding in Toronto, with support from EDC.
- There is an expected growth in investment over the next several years, however, various factors may impact this growth.

#### Outcome Measure - # of Net Jobs Created/Retained Annually



- Various services and programs offered through Enterprise Toronto and City-supported incubators support the creation and retention of jobs in Toronto.
- This measure indicates the number of jobs created or retained in Toronto businesses that were supported by Entrepreneurship Support services (business consultation and registration, incubation funded infrastructure).

**Table 6**  
**2017 Preliminary Service Budget by Activity**

	2016	2017 Preliminary Operating Budget								Incremental Change				
	Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2016 Budget		New/Enhanced	Prelim. Budget	2017 Prelim. Budget vs. 2016 Budget		2018 Plan		2019 Plan	
					\$	%			\$	%	\$	%	\$	%
<b>GROSS EXP.</b>														
Business & Industry Advice	3,058.8	3,723.8	(38.6)	3,685.3	626.5	20.5%		3,685.3	626.5	20.5%	(163.9)	(4.4%)	70.9	2.0%
Business Training & Events	2,822.3	2,030.6	12.4	2,043.0	(779.3)	(27.6%)		2,043.0	(779.3)	(27.6%)	(28.0)	(1.4%)	33.4	1.7%
BIA Support & Governance	1,849.2	1,851.2	5.8	1,857.0	7.7	0.4%		1,857.0	7.7	0.4%	43.4	2.3%	41.5	2.2%
International Alliances	948.2	909.4		909.4	(38.8)	(4.1%)		909.4	(38.8)	(4.1%)	26.8	2.9%	25.6	2.7%
Business Incentives	2,633.8	2,642.8	11.7	2,654.5	20.7	0.8%		2,654.5	20.7	0.8%	34.2	1.3%	57.6	2.1%
<b>Total Gross Exp.</b>	<b>11,312.3</b>	<b>11,157.8</b>	<b>(8.7)</b>	<b>11,149.1</b>	<b>(163.2)</b>	<b>(1.4%)</b>		<b>11,149.1</b>	<b>(163.2)</b>	<b>(1.4%)</b>	<b>(87.5)</b>	<b>(0.8%)</b>	<b>229.0</b>	<b>2.0%</b>
<b>REVENUE</b>														
Business & Industry Advice	835.6	1,916.2		1,916.2	1,080.6	129.3%		1,916.2	1,080.6	129.3%	(240.0)	(12.5%)		
Business Training & Events	2,135.9	945.8	16.3	962.1	(1,173.9)	(55.0%)		962.1	(1,173.9)	(55.0%)	(153.7)	(16.0%)		
BIA Support & Governance	504.3	504.3		504.3				504.3						
International Alliances	90.0	50.0		50.0	(40.0)	(44.4%)		50.0	(40.0)	(44.4%)				
Business Incentives	1,390.3	1,390.3		1,390.3	(0.0)	(0.0%)		1,390.3	(0.0)	(0.0%)				
<b>Total Revenues</b>	<b>4,956.1</b>	<b>4,806.6</b>	<b>16.3</b>	<b>4,822.9</b>	<b>(133.3)</b>	<b>(2.7%)</b>		<b>4,822.9</b>	<b>(133.3)</b>	<b>(2.7%)</b>	<b>(393.7)</b>	<b>(8.2%)</b>		
<b>NET EXP.</b>														
Business & Industry Advice	2,223.2	1,807.6	(38.6)	1,769.1	(454.1)	(20.4%)		1,769.1	(454.1)	(20.4%)	76.1	4.3%	70.9	3.8%
Business Training & Events	686.3	1,084.8	(3.9)	1,080.9	394.6	57.5%		1,080.9	394.6	57.5%	125.7	11.6%	33.4	2.8%
BIA Support & Governance	1,344.9	1,346.9	5.8	1,352.7	7.7	0.6%		1,352.7	7.7	0.6%	43.4	3.2%	41.5	3.0%
International Alliances	858.2	859.4		859.4	1.2	0.1%		859.4	1.2	0.1%	26.8	3.1%	25.6	2.9%
Business Incentives	1,243.5	1,252.5	11.7	1,264.2	20.7	1.7%		1,264.2	20.7	1.7%	34.2	2.7%	57.6	4.4%
<b>Total Net Exp.</b>	<b>6,356.1</b>	<b>6,351.2</b>	<b>(25.0)</b>	<b>6,326.3</b>	<b>(29.9)</b>	<b>(0.5%)</b>		<b>6,326.3</b>	<b>(29.9)</b>	<b>(0.5%)</b>	<b>306.2</b>	<b>4.8%</b>	<b>229.0</b>	<b>3.3%</b>
Approved Positions	63.3	62.5	0.1	62.6	(0.8)	(1.2%)		62.6	(0.8)	(1.2%)				

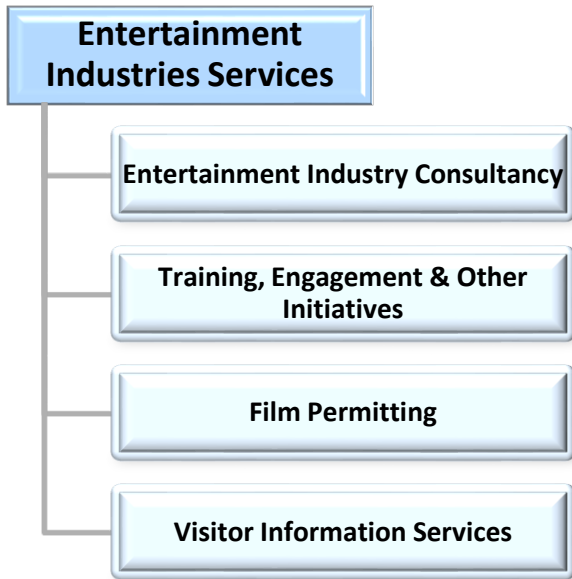
**Business Service** enables Toronto businesses to reach their full potential. Staff help businesses meet everyday challenges and maximize opportunities through a variety of programs

The Business Services' 2017 Preliminary Operating Budget of \$11.149 million gross and \$6.326 million net is \$0.030 million or 0.5% below the 2016 Approved Net Budget.

- The 2017 Preliminary Operating Budget for **Business Service** includes service efficiency measures for its services, and reducing EDC funded sponsorships and transfers by 5%.



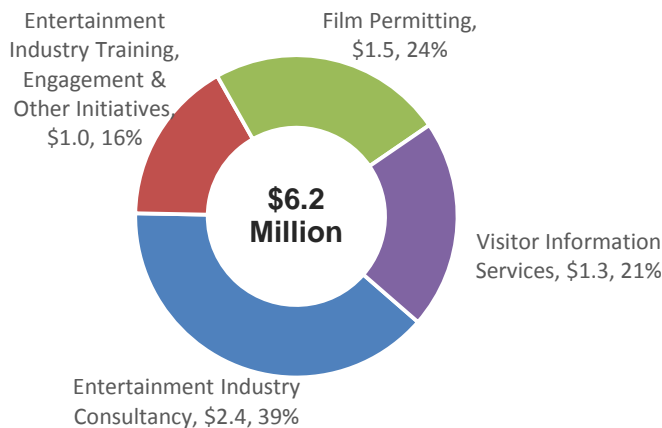
### Entertainment Industries Services



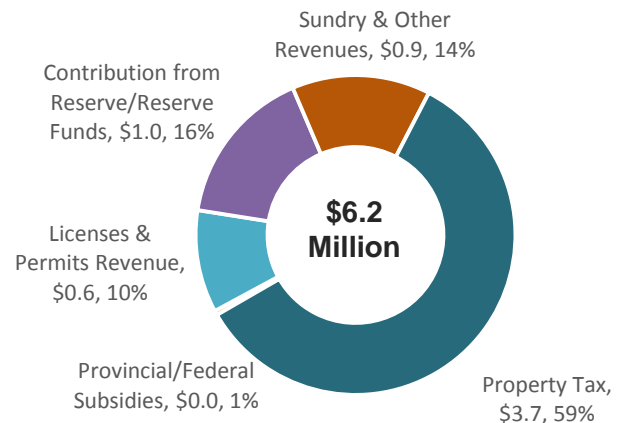
#### What We Do

- The Toronto Film, Television & Digital Media Office co-ordinates and issues permits for all location filming that happens in Toronto.
- EDC leads several partnerships to encourage advancement of the music industry in Toronto.
- EDC provide logistical support and advice to organizers that produce the hundreds of festivals, and events within Toronto each year.
- Visitor Information Services provide front desk and in-person concierge-like services for tourists, maintain the City's festival and event calendar, and deliver the We've Been Expecting You (WBEY) customer service training program.

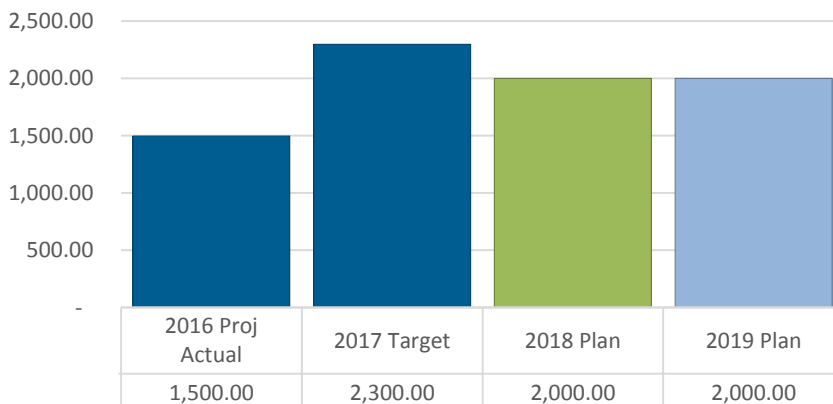
#### 2017 Service Budget by Activity (\$Ms)



#### Service by Funding Source (\$Ms)



#### Effectiveness Measure - # of Information Transactions with Members of the Public



- EDC engages the members of the public through front desk and in-person concierge-like services through the Union Station Visitor Information Centre and the INFOTOGO Mobile unit.
- Through the TAP into TO! Greeter program, volunteer Toronto residents are matched with visitors to share what they love about their hometown.

### 2017 Service Levels Entertainment Industries Services

Sub-Activity/Type		Status	2016	2017
Entertainment and Industry Advice	Advice	Approved	Respond to cleint requests within 5 business days 90% of the time.	Respond to cleint requests within 5 business days 90% of the time.
		Actual	Responded to cleint requests within 5 business days 90% of the time.	
	Special event facilitation & expediting	Approved	Provide support to an average of 420 community groups wanting to produce an event on city property.	Provide support to an average of <b>450</b> community groups wanting to produce an event on city property.
		Actual	Provided support to an average of 800 community groups wanting to produce an event on city property.	
Training, Engagement & Other Initiatives	Training	Approved	Engage 500 organizations in Hospitality Excellence program.	Engage 500 organizations in Hospitality Excellence program.
		Actual	Engaged 500 organizations in Hospitality Excellence Program (WBEY).	
Film Permitting		Approved	Issue film permits each within 48 hours / 2 business days or in agreed upon time, 100% of the time .	Issue film permits each within 48 hours / 2 business days or in agreed upon time, 100% of the time .
		Actual	Issued film permits each within 48 hours / 2 business days or in agreed upon time, 99% of the time .	
Visitor Information Services	Consultations with visitors/public (interactive)	Approved	Provide 60,000 people with accurate information and advice.	Provide 60,000 people with accurate information and advice
		Actual	Provided 60,000 people with accurate information and advice	
	Maps and Information Products (Print, kiosk, web)	Approved	Raise 100% of sponsorship required to print and distribute 800,000 maps.	Raise 100% of sponsorship required to print and distribute 800,000 maps.
		Actual	Raised 100% of sponsorship required to print and distribute 800,000 maps.	
	Neighbourhood tour coordination (TAP into TO!)	Approved	Match at least 775 visitors with volunteers offering tours.	Match at least <b>700</b> visitors with volunteers offering tours.
		Actual	Matched 650 visitors with volunteers offering tours.	

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels for Entertainment Industries Service.

### Service Performance Measures

#### Efficiency Measure – Number of Revisions to Permit Requests per Permit Issued



- EDC expects higher efficiency with new IT initiatives such as the new customer relationship management software and an online solution to film permit management.
- The new "FilmPal" online solution, pending Council approval, will enable Film Officers and the Entertainment Industries Services minimize errors and serve the clients better.

#### Outcome Measure – Number of Visitors to the GTA Receiving Consultations



- Visitor Information Services' provides Toronto's visitors and residents with the information they need to enjoy the city.
- This measure indicates the number of visitors EDC staff provided with information or consultations.

**Table 6**  
**2017 Preliminary Service Budget by Activity**

(\$000s)	2016	2017 Preliminary Operating Budget							2017 Prelim. Budget vs. 2016 Budget						Incremental Change			
	Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2016 Budget	% Change	New/Enhanced	Prelim. Budget	2017 Prelim. Budget vs. 2016 Budget		2018 Plan		2019 Plan					
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%				
<b>GROSS EXP.</b>																		
Entertainment Industry Consultancy	1,404.4	2,297.7	129.3	2,427.0	1,022.6	72.8%		<b>2,427.0</b>	1,022.6	72.8%	(300.9)	(12.4%)	22.0	1.0%				
Entertainment Industry Training, Engagement & Other Initiatives	1,440.9	1,133.2	(102.4)	1,030.8	(410.1)	(28.5%)		<b>1,030.8</b>	(410.1)	(28.5%)	(66.0)	(6.4%)	22.6	2.3%				
Film Permitting	1,561.9	1,610.4	(138.7)	1,471.7	(90.2)	(5.8%)		<b>1,471.7</b>	(90.2)	(5.8%)	36.2	2.5%	34.8	2.3%				
Visitor Information Services	1,554.6	1,243.8	63.6	1,307.4	(247.2)	(15.9%)		<b>1,307.4</b>	(247.2)	(15.9%)	35.3	2.7%	33.9	2.5%				
<b>Total Gross Exp.</b>	<b>5,961.8</b>	<b>6,285.1</b>	<b>(48.2)</b>	<b>6,236.9</b>	<b>275.0</b>	<b>4.6%</b>		<b>6,236.9</b>	<b>275.0</b>	<b>4.6%</b>	<b>(295.4)</b>	<b>(4.7%)</b>	<b>113.3</b>	<b>1.9%</b>				
<b>REVENUE</b>																		
Entertainment Industry Consultancy	297.5	1,047.5	67.1	1,114.6	817.1	274.7%		<b>1,114.6</b>	817.1	274.7%	(850.0)	(76.3%)						
Entertainment Industry Training, Engagement & Other Initiatives	575.2	245.8	16.3	262.1	(313.2)	(54.4%)		<b>262.1</b>	(313.2)	(54.4%)	(153.7)	(58.7%)						
Film Permitting	547.0	547.0	100.0	647.0	100.0	18.3%		<b>647.0</b>	100.0	18.3%								
Visitor Information Services	858.6	528.6		528.6	(330.0)	(38.4%)		<b>528.6</b>	(330.0)	(38.4%)								
<b>Total Revenues</b>	<b>2,278.3</b>	<b>2,368.9</b>	<b>183.4</b>	<b>2,552.3</b>	<b>273.9</b>	<b>12.0%</b>		<b>2,552.3</b>	<b>273.9</b>	<b>12.0%</b>	<b>(1,003.7)</b>	<b>(39.3%)</b>						
<b>NET EXP.</b>																		
Entertainment Industry Consultancy	1,106.9	1,250.2	62.2	1,312.4	205.5	18.6%		<b>1,312.4</b>	205.5	18.6%	549.1	41.8%	22.0	1.2%				
Entertainment Industry Training, Engagement & Other Initiatives	865.6	887.4	(118.7)	768.7	(97.0)	(11.2%)		<b>768.7</b>	(97.0)	(11.2%)	87.7	11.4%	22.6	2.6%				
Film Permitting	1,014.9	1,063.4	(238.7)	824.7	(190.2)	(18.7%)		<b>824.7</b>	(190.2)	(18.7%)	36.2	4.4%	34.8	4.0%				
Visitor Information Services	696.0	715.2	63.6	778.8	82.8	11.9%		<b>778.8</b>	82.8	11.9%	35.3	4.5%	33.9	4.2%				
<b>Total Net Exp.</b>	<b>3,683.5</b>	<b>3,916.1</b>	<b>(231.6)</b>	<b>3,684.6</b>	<b>1.1</b>	<b>0.0%</b>		<b>3,684.6</b>	<b>1.1</b>	<b>0.0%</b>	<b>708.3</b>	<b>19.2%</b>	<b>113.3</b>	<b>2.5%</b>				
Approved Positions	41.9	41.5	0.7	42.2	0.3	0.6%		<b>42.2</b>	0.3	0.6%								

**Entertainment Industries Services** support all aspects of the city's film, music, tourism and entertainment industries.

The Entertainment Industries Services' 2017 Preliminary Operating Budget of \$6.237 million gross and \$3.685 million net is \$0.001 million or 0.03% over the 2016 Approved Net Budget.

- In addition to the base budget pressures common to all services, this service is experiencing an increased minor grant pressure of \$0.100 million driven by the overall phase-in of tax funding for arts and culture of \$3.500 million.
- In order to offset these pressures, the 2017 Preliminary Operating Budget includes service efficiencies within the service and line-by-line review resulting in a saving of \$0.100 million.

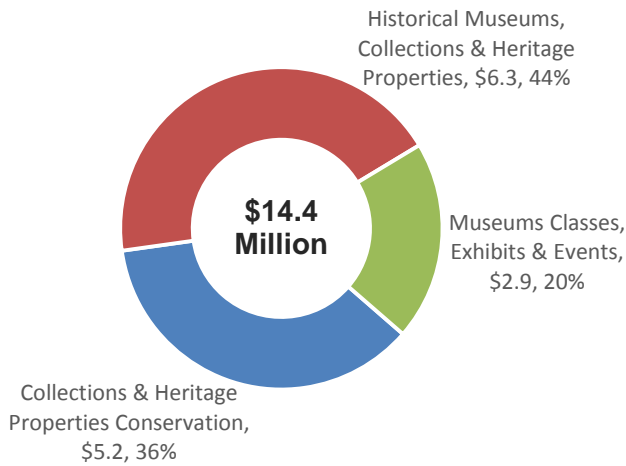
### Museum & Heritage Services



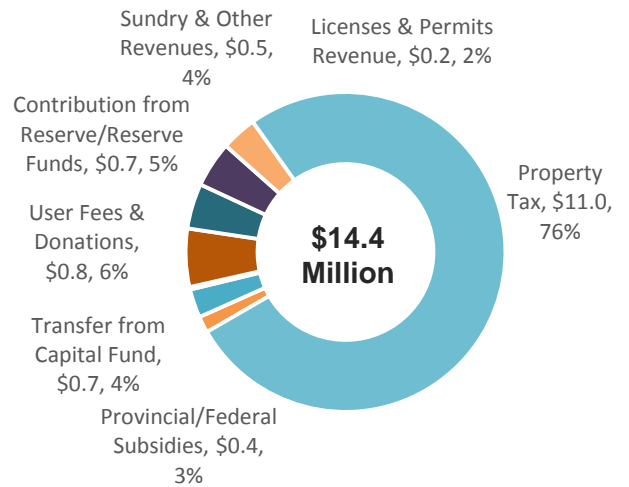
#### What We Do

- Manage 10 Toronto historic sites and offer a broad range of programs, events and exhibits.
- Responsible for the care, conservation and display of a large and significant collection of historic objects – 150,000 items such as furniture, clothing and documents – as well as roughly 1.1 million archaeological objects that are authentic and tangible reminders of Toronto's history.
- Restoration, maintain and provide major service improvement of 100 City-owned heritage buildings located on a total of 40 properties including Colborne Lodge and Casa Loma to cultural centres such as Berkeley Street Theatre and the St. Lawrence Centre for the Arts.

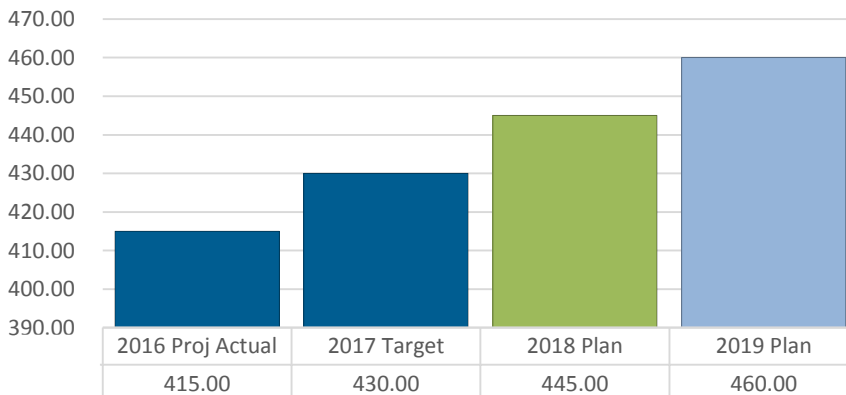
#### 2017 Service Budget by Activity (\$Ms)



#### Service by Funding Source (\$Ms)



#### Outcome Measure – Number of Participants in Heritage Programs and Events (000's)



- EDC manages 10 Toronto historic sites and offer a broad range of programs, events and exhibits.
- Based on actual experience, the number of participants are expected to grow steadily.

### 2017 Service Levels Museum & Heritage Services

Sub-Activity/Type		Status	2016	2017
Historical Museums, Collections and Heritage	Cultural Facilities Maintenance and Development	Approved	Maintain and manage 40 properties in SOGR.	Maintain and manage 40 properties in SOGR.
		Actual	Maintained and managed 40 properties in SOGR.	
Collections & Heritage Properties Conservation	Acquisition and conservation of art and artefact collections	Approved	Conserve artifacts and works of art to ensure state of good repair, and ensure at least 75% of the City art collection is made publicly available.	Conserve artifacts and works of art to ensure state of good repair, and ensure at least 75% of the City art collection is made publicly available.
		Actual	Conserved artifact collections, ensured state of good repair, 75% of City art collection made publically available.	
	Adaptive Reuse of Heritage Sites	Approved	Complete projects on time and on budget.	Complete projects on time and on budget.
		Actual	Projects completed on time and on budget.	
Museums, Classes, Exhibits and Events	Museum & Heritage Programs	Approved	Manage, develop and deliver programming at 12 heritage facilities.	Manage, develop and deliver programming at 12 heritage facilities.
		Actual	Manage cultural resources at Toronto's 12 heritage facilities and artifact collection, and deliver cultural programs to promote heritage and engage Torontonians actively in their history.	

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels for Museum & Heritage Services.

### Service Performance Measures

**Effectiveness Outcome – Revenue from Fee-based Programs (\$000's)**



- Heritage based programs and events generate revenue for the City through permits, programs, events and rental fees.
- A steady increase is expected from 2017 to 2019.

**Table 6**  
**2017 Preliminary Service Budget by Activity**

(\$000s)	2016	2017 Preliminary Operating Budget							Incremental Change						
	Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2016 Budget	% Change	New/Enhanced	Prelim. Budget	2017 Prelim. Budget vs. 2016 Budget		2018 Plan		2019 Plan		
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
<b>GROSS EXP.</b>															
Collections & Heritage Properties Conservation	6,228.7	5,358.6	(145.7)	5,212.9	(1,015.8)	(16.3%)	20.0	5,232.9	(995.8)	(16.0%)	593.2	11.3%	76.2	1.3%	
Historical Museums, Collections & Heritage Properties	6,148.8	6,733.2	(500.2)	6,233.0	84.3	1.4%	35.0	6,268.0	119.3	1.9%	(406.5)	(6.5%)	153.3	2.6%	
Museums Classes, Exhibits & Events	3,010.3	3,068.5	(189.0)	2,879.5	(130.8)	(4.3%)		2,879.5	(130.8)	(4.3%)	(60.3)	(2.1%)	51.7	1.8%	
<b>Total Gross Exp.</b>	<b>15,387.7</b>	<b>15,160.2</b>	<b>(834.9)</b>	<b>14,325.4</b>	<b>(1,062.4)</b>	<b>(6.9%)</b>	<b>55.0</b>	<b>14,380.4</b>	<b>(1,007.4)</b>	<b>(6.5%)</b>	<b>126.4</b>	<b>0.9%</b>	<b>281.1</b>	<b>1.9%</b>	
<b>REVENUE</b>															
Collections & Heritage Properties Conservation	1,781.8	754.8		754.8	(1,027.0)	(57.6%)	20.0	774.8	(1,007.0)	(56.5%)	(20.0)	(2.6%)			
Historical Museums, Collections & Heritage Properties	702.9	1,277.7		1,277.7	574.7	81.8%	35.0	1,312.7	609.7	86.7%	(575.7)	(43.9%)			
Museums Classes, Exhibits & Events	1,167.1	1,273.7	16.3	1,290.0	122.8	10.5%		1,290.0	122.8	10.5%	(153.7)	(11.9%)			
<b>Total Revenues</b>	<b>3,651.9</b>	<b>3,306.2</b>	<b>16.3</b>	<b>3,322.5</b>	<b>(329.4)</b>	<b>(9.0%)</b>	<b>55.0</b>	<b>3,377.5</b>	<b>(274.4)</b>	<b>(7.5%)</b>	<b>(749.5)</b>	<b>(22.2%)</b>			
<b>NET EXP.</b>															
Collections & Heritage Properties Conservation	4,446.9	4,603.8	(145.7)	4,458.0	11.2	0.3%		4,458.0	11.2	0.3%	613.2	13.8%	76.2	1.5%	
Historical Museums, Collections & Heritage Properties	5,445.8	5,455.5	(500.2)	4,955.3	(490.5)	(9.0%)		4,955.3	(490.5)	(9.0%)	169.3	3.4%	153.3	3.0%	
Museums Classes, Exhibits & Events	1,843.2	1,794.7	(205.2)	1,589.5	(253.7)	(13.8%)		1,589.5	(253.7)	(13.8%)	93.4	5.9%	51.7	3.1%	
<b>Total Net Exp.</b>	<b>11,735.9</b>	<b>11,854.0</b>	<b>(851.1)</b>	<b>11,002.9</b>	<b>(733.0)</b>	<b>(6.2%)</b>		<b>11,002.9</b>	<b>(733.0)</b>	<b>(6.2%)</b>	<b>875.8</b>	<b>8.0%</b>	<b>281.1</b>	<b>2.3%</b>	
<b>Approved Positions</b>	<b>137.6</b>	<b>136.2</b>	<b>(8.4)</b>	<b>127.9</b>	<b>(9.8)</b>	<b>(7.1%)</b>		<b>127.9</b>	<b>(9.8)</b>	<b>(7.1%)</b>					

**Museum & Heritage Services** operates 10 historic sites – including Toronto's birthplace, the iconic Fort York National Historic Site – that collectively tell the story of Toronto. **Museum & Heritage Services** also manage, maintain, and lead the development and adaptive reuse and restoration of 100 City-owned major cultural and heritage sites.

The Museum & Heritage Services' 2017 Preliminary Operating Budget of \$14.380 million gross and \$11.003 million net is \$0.733 million or 6.2% below the 2016 Approved Net Budget.

- The 2017 Preliminary Operating Budget for **Museum & Heritage Services** includes service efficiencies resulting in savings of \$0.147 million arising from alignment of expenditures to actual experience. For information concerning the efficiency savings arising from the re-alignment of functions see Confidential Attachment 1.
- The 2017 Preliminary Operating Budget includes funding of \$0.055 million from Community Heritage Reserve Fund (XR1044) for these staff initiated enhanced services: Mackenzie House Laneway, MHS Photography, and Zion School Desk Configuration. See details on page 13 of this report.





# Part 3:

## Issues for Discussion

## Issues Impacting the 2017 Budget

### ***Budget Reduction Target***

- At its meeting on July 12, 2016, the "2017 Budget Process: Budget Directions and Schedule" staff report (EX16.37) was submitted for consideration and adopted by City Council regarding the establishment of the 2017 Budget Process and the scheduling of the review and approval of the Tax and Rate Supported 2017 Operating Budget and 2017-2026 Capital Budget and Plan for the City of Toronto.  
<http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-94519.pdf>
- City Council adopted an across the board budget reduction target of -2.6% net below the 2016 Approved Net Operating Budgets for all City Programs and Agencies utilizing strategies including but not limited to controlling expenditures through cost saving measures, and exploring all services for efficiency savings including opportunities from business process reengineering, streamlining, transformation and innovation to service delivery.
- The Economic Development and Culture Division's 2017 Preliminary Operating Budget is \$79.360 million gross and \$61.172 million net, representing a 3.8% increase from the 2016 Approved Net Operating Budget. This Budget is \$4.312 million or 7.5% above the budget reduction target as set out in the 2017 Operating Budget Directions approved by Council for all City Programs, Agencies and Accountability Offices. The budget target has been adjusted for the following one-time funding:
  - One-time funding of \$0.160 million from the harmonization award which will be included in EDC's 2017 Preliminary Operating Budget and future year Plans, and
  - Ongoing revenues of \$0.389 million of development application fees to reflect actual experience, and transfer of related expenditures for work performed by staff from the tax based to cost recovery.
- The 2017 budget pressures are primarily driven by the phase-in of Arts & Culture spending of \$3.500 million to transition from reserve funding to tax based funding, reduced Tourism Toronto grants of \$0.200 million and inflation increases to base salaries and benefits of \$0.826 million.
- Included in the 2017 Preliminary Operating Budget is \$4.284 million of one-time arts & culture spending for Canada 150, funded from Major Special Events Reserve Fund, which effectively more than offsets the additional planned arts & culture spending increase of \$2.000 million for 2017
- Actions to achieve reductions in 2017 Preliminary Operating Budget reduce the pressures through base expenditure savings of \$0.132 million net arising from realignment of expenditures to actual experience, service efficiency savings of \$0.690 million net arising from streamlining operational support functions, and service adjustments within the Program's current service levels of \$0.341 million net.
- After accounting for the above actions, EDC's remaining pressure is \$4.312 million net which would require an additional 7.5% additional reduction to its 2017 Preliminary Operating Net Budget of \$61.172 million.
- The section below further identifies actions that were submitted to achieve the 2.6% reduction target but are not included in the 2017 Preliminary Operating Budget.

**Proposed Actions to Achieve 2.6% Reduction Target Not Included in the Preliminary Budget**

- EDC proposes two actions which will achieve the 2.6% reduction target but currently are not included in the 2017 Preliminary Operating Budget:

Service Adjustment Description (\$000s)	2017 Impact				Net Incremental Impact			
	Gross	Revenue	Net	Positions	2018 Plan		2019 Plan	
					Net	Positions	Net	Positions
<b>Not Included</b>								
Additional Reductions to Arts & Culture	(4,180.0)		(4,180.0)		4,180.0			
Reversal of Nuit Blanche Enhancements	(142.0)		(142.0)					
<b>Total Service Adjustments (Not Included)</b>	<b>(4,322.0)</b>	<b>0.0</b>	<b>(4,322.0)</b>	<b>0.0</b>	<b>4,180.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Additional Reduction to Arts & Culture (Decrease of \$4.180 million gross & net)*

- In 2013, Council set aside the accumulated Sign Tax appeal revenue of \$22.500 million to support the Arts and Culture Phase-in to reach the \$25 per capita target. To reach the target an additional \$17.5 million of permanent funding was identified as the required amount to be added to the Operating Budget to achieve the investment target.
- An initial allocation of \$6.000 million was approved during the 2013 Budget process and a proposed phased-in plan was also approved to complete the phase-in of the spending from 2014 to 2017. The phase-in plan was outlined in the report entitled "Creative Capital Gains: Arts and Culture Funding Update" (ED22.3) and approved by Council on June 11, 2013. The report can be found at the following link: <http://www.toronto.ca/legdocs/mmis/2013/ed/bgrr/backgroundfile-58248.pdf>

Year	(1) = (2) + (3) Cumulative Change in Arts and Culture Spending	(2) Sign Tax Funding	(3) Property Tax-Base	Annual Tax- Base Pressure
2013	6,000	6,000		
2014	10,500	7,500	3,000	3,000
2015	12,500	5,500	7,000	4,000
2016	15,500	3,500	12,000	5,000
2017	17,500	0	17,500	5,500

- EDC's 2016 Approved Operating Budget for its Culture Grants is \$31.209 million which provides important financial and professional support to various organizations such as Toronto Arts Council and Design Exchange. Reducing the grant spending by \$4.180 million will result in a revised net budget of \$26.898 million representing a reduction of 13.8% as shown below:

(\$000s)	2016 Approved Net Operating Budget	2017 Preliminary Operating Budget	Additional Reductions to Meet (2.6%)	Revised 2017 Culture Grants
<b>Total Culture Grants</b>	<b>31,209.3</b>	<b>(131.0)</b>	<b>(4,180.0)</b>	<b>26,898.3</b>

- The reduction of \$4.180 million would bring the Arts and Culture phase in progress down to \$10.315 million, equivalent to \$22.38 per capita and below that of the 2015 funding level.
- To bring the Arts and Culture Plan back on track, a tax-funded increase of \$7.185 million would be required in 2018 to achieve the \$25 per capita target. This would include the deferred \$2.000 million in planned 2017 spending increase, replacing the 2017 one-time Canada 150 funding of \$4.284 million and reversing

previously decreased arts and culture spending in 2016 and 2017 of \$0.536 million and \$0.364 million, respectively.

- Approval of the \$4.180 reduction would bring the 2017 Preliminary Operating Budget to \$75.180 million gross and \$57.381 million net, representing a 2.4% reduction below the 2016 Approved Net Operating Budget.

*Reversal of Nuit Blanche Enhancement (Decrease of \$0.142 million gross & net)*

- Another action proposed is a reversal of 2016 enhancements made to the Nuit Blanche event, which represents a reduction of 5% or \$0.142 million net. EDC will be able to maintain the current level of service for the annual Nuit Blanche event, if the reduction option is approved. However, the reductions may result in reduced exhibitions and negative feedback from the artists' community.
- Including both reductions of \$4.180 million and \$0.142 million would bring EDC's 2017 Preliminary Operating Budget down to \$75.038 million gross and \$57.239 million net, representing a 2.6% reduction to its 2016 Net Approved Operating Budget.

## Issues Referred to the 2017 Operating Budget Process

### *New Services Not Included in the 2017 Preliminary Operating Budget*

New / Enhanced Service Description (\$000s)	2017 Impact				Incremental Change			
	Gross	Revenue	Net	Positions	2018 Plan		2019 Plan	
					Net	Positions	Net	Positions
<b>Not Included</b>								
Referred to the Budget Process:								
2017 TMAC Toronto Music Strategy	200.0		200.0		(200.0)			
Growing Toronto's Screen Industry - A Film Friendly City	180.0		180.0		(180.0)			
<b>Sub-Total Referred to Budget Process</b>	<b>380.0</b>		<b>380.0</b>		<b>(380.0)</b>			
<b>Total New / Enhanced Services (Not Included)</b>	<b>380.0</b>		<b>380.0</b>		<b>(380.0)</b>			

- 2017 TMAC Toronto Music Strategy* – An investment of \$200,000 will allow EDC to explore partnership opportunities, leading to the creation of a "Toronto Music Hub", an arm's length not-for-profit organization to execute key items in the Music Strategy that lie beyond City of Toronto capacity or purview.
  - The funding will provide ongoing support to the "Toronto Music Hub" on compensating music creators and enhance the local business environment for music enterprises.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.ED10.7>

- Growing Toronto's Screen Industry – A Film Friendly City* - An investment of \$180,000 in 2017 will provide marketing and promotion of Toronto's screen industry to domestic and international clients, and improve services in order to solicit new business.
  - This funding will promote the value of the screen industry to residents, undertake a social outreach in the city's busiest film location neighbourhoods (includes marketing, printing and signage), and retain an environmental specialist for GreenScreen zero waste production oversight.
  - This funding will also allow international travel to lead trade delegations on missions to Los Angeles to target new business and to India to activate memorandum of understanding (MOUs) with Maharashtra and the Federation of Indian Chambers of Commerce and Industry.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.ED12.1>

**Note:** a list of new services not included in the Preliminary Budget will be distributed for Budget Committee's consideration.

### ***Update on the Creation of a Foreign Direct Investment Regional Agency***

- City Council at its meeting on July 12, 2016, adopted the reported entitled "*Update on the Creation of a Foreign Direct Investment Regional Agency*" (EX16.15) which approved the City of Toronto's participation in a new foreign direct investment regional agency.
  - *Recommendation 1a* authorized the City of Toronto to commit to an annual contribution of \$0.890 million to the Toronto Global agency for three years ending on March 31, 2019, funded by dividends received from the Toronto Port Lands Company.
  - *Recommendation 3* directed Toronto Port Lands Company to continue to provide grants to Invest Toronto at the rate of \$2.700 million per annum until Invest Toronto ceases operations and to pay any portion of this amount not required by Invest Toronto in 2016 to the City for the purposes of funding the City's first year obligation to Toronto Global and City Council further direct the Deputy City Manager & Chief Financial Officer to determine through the 2017 Budget process the appropriate source of funding for subsequent years.

<http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-94269.pdf>

- As indicated by the above, EDC's 2017 Preliminary Operating Budget includes the contribution of \$0.890 million for Toronto Global.
  - The recommended funding source for the City's funding commitments to Toronto Global in 2017, 2018 and 2019 is Toronto Port Lands Company dividends, which are budgeted each year to be received by the City for this purpose.

### ***Yonge-Dundas Square Relationship***

- The following recommendation was included in previous years' Council decisions concerning the Operating Budget for Yonge-Dundas Square and although work has started, it is not yet complete. They are included here for follow-up as they drive budget (and governance) issues for the Squares.
- On October 8, 2013, City Council considered a report, "Governance and Policy Framework for Toronto's Public Squares" (EX34.6) recommending that Yonge-Dundas Square's Board of Management work with the General Manager of Economic Development and Culture to optimize events across Yonge-Dundas Square and the City's other Civic Squares.
  - The report was referred to the General Manager, Economic Development and Culture, for consideration.
  - The General Manager was also directed to meet with staff and Councillors and report back in the spring of 2014 on ways to encourage better use of the City's Public Squares.
- The General Manager of EDC created a working group including EDC, Financial Planning Division, Facilities Management and Real Estate Services Division staff, and the General Manager of Yonge-Dundas Square to review utilization the City's downtown public squares and ways to improve the public's use of these venues, including financial and non-financial comparisons and a review of cost recovery relationships between the 3 squares.
- The General Manager of Economic Development and Culture, in conjunction with the Executive Director, Financial Planning will report to Executive Committee in spring of 2017 on the use of the City's downtown

public squares and ways to improve the public's use of these venues, including financial and non-financial comparisons and a review of cost recovery relationships between the 3 squares.



# Appendices

# Appendix 1

## 2016 Service Performance

### Key Service Accomplishments

In 2016, Economic Development and Culture accomplished the following:

#### Art Services

- ✓ Reached \$24.29 per capita investment in culture = 19 million people attending 28,000 cultural events.
- ✓ Successfully staged Cultural Hotspot North: 34 new community arts programs; Hot Eats program - over 55 restaurants.

#### Business Services

- ✓ Facilitated 30 investment projects equivalent to \$525 million in investment value and construction/ renovation of 4.2 million square feet.
- ✓ 6,300 jobs were retained or attracted to the city.
- ✓ Leveraged \$38.0 million annually in private funding for BIAs.

#### Entertainment Industries Services

- ✓ Issued over 1200 film permits for productions (6000 locations), 30,000 skilled workers, \$1.5 Billion in film production investment.
- ✓ Successfully completed the LA Mission with the Mayor sponsored by Toronto's Screen Industry community.

#### Museum & Heritage Services

- ✓ Presented the 50<sup>th</sup> anniversary re-creation of the Beatles final concert (1966) at the former Maple Leaf Gardens.
- ✓ Began implementation of the 5-year Roadmap (2016-2021) focussing on a number of key strategic directions and actions to support them.



## Appendix 2

### 2017 Preliminary Operating Budget by Expenditure Category

#### Program Summary by Expenditure Category

Category of Expense (\$000's)	2014	2015	2016	2016	2017	2017 Change		Plan	
	Actual	Actual	Budget	Projected Actual *	Preliminary Budget	from 2016 Budget	%	2018	2019
	\$	\$	\$	\$	\$	\$		\$	\$
Salaries and Benefits	27,143.3	29,376.7	30,335.3	30,093.3	30,456.3	121.1	0.4%	30,100.1	31,041.3
Materials and Supplies	1,187.2	1,510.6	1,384.9	1,124.6	1,396.2	11.3	0.8%	1,243.4	1,243.4
Equipment	226.0	185.4	127.6	202.3	165.6	37.9	29.7%	165.6	165.6
Services & Rents	7,163.8	11,592.4	9,057.6	8,468.3	11,059.7	2,002.1	22.1%	8,598.4	8,598.4
Contributions to Capital									
Contributions to Reserve/Res Funds	930.1	144.0	964.0	144.5	144.0	(820.0)	(85.1%)	144.0	144.0
Other Expenditures	31,353.4	34,093.1	35,689.3	36,315.5	35,501.8	(187.5)	(0.5%)	30,631.8	30,631.8
Interdivisional Charges	924.7	1,181.3	604.0	786.7	636.5	32.6	5.4%	636.8	637.1
<b>Total Gross Expenditures</b>	<b>68,928.5</b>	<b>78,083.6</b>	<b>78,162.6</b>	<b>77,135.2</b>	<b>79,360.1</b>	<b>1,197.5</b>	<b>1.5%</b>	<b>71,520.0</b>	<b>72,461.5</b>
Interdivisional Recoveries	34.8	7.5	1,890.3	1,889.6	2,780.7	890.4	47.1%	2,780.7	2,780.7
Provincial Subsidies	1,094.7	4,111.5	1,531.7	2,624.3	1,262.7	(269.0)	(17.6%)	262.7	262.7
Federal Subsidies	134.8	1,665.4	186.7	307.6	1,771.7	1,585.0	849.1%	186.7	186.7
Other Subsidies	2.5		37.0		37.0			37.0	37.0
User Fees & Donations	578.6	1,188.7	2,082.6	1,019.9	1,497.0	(585.7)	(28.1%)	1,497.0	1,497.0
Transfers from Capital Fund	1,036.0	1,101.0	1,150.0	1,150.0	1,150.0			1,150.0	1,150.0
Contribution from Reserve/Reserve Funds	9,136.6	8,359.1	7,052.2	6,429.4	3,983.6	(3,068.5)	(43.5%)		
Sundry Revenues	8,224.9	7,706.3	5,290.7	4,630.4	5,705.7	415.0	7.8%	5,405.7	5,405.7
<b>Total Revenues</b>	<b>20,242.9</b>	<b>24,139.4</b>	<b>19,221.1</b>	<b>18,051.1</b>	<b>18,188.4</b>	<b>(1,032.7)</b>	<b>(5.4%)</b>	<b>11,319.7</b>	<b>11,319.7</b>
<b>Total Net Expenditures</b>	<b>48,685.6</b>	<b>53,944.2</b>	<b>58,941.5</b>	<b>59,084.1</b>	<b>61,171.7</b>	<b>2,230.2</b>	<b>3.8%</b>	<b>60,200.3</b>	<b>61,141.8</b>
<b>Approved Positions</b>	<b>305.0</b>	<b>302.6</b>	<b>323.5</b>	<b>321.5</b>	<b>300.5</b>	<b>(23.0)</b>	<b>(7.1%)</b>	<b>300.5</b>	<b>300.5</b>

\* Based on the 2016 9-month Operating Variance Report

Economic Development and Culture Division reported a favourable variance as of September 30, 2016, of \$0.111 million or 0.2% below the 2016 Approved Net Operating Budget. EDC projects a year-end unfavourable variance of \$0.142 million or 0.2% over the 2016 Net Budget, driven by the loss of a lead sponsor for the Nuit Blanche partially offset by a proportional decrease in the expenditures for the event.

At year-end, the Program projects 2.0 positions below the approved complement of 313.5, representing a 0.6% vacancy rate and planned gapping of 3.6% is expected to be achieved.

For additional information regarding the 2016 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, 2016" considered by City Council at its meeting on December 13, 2016.

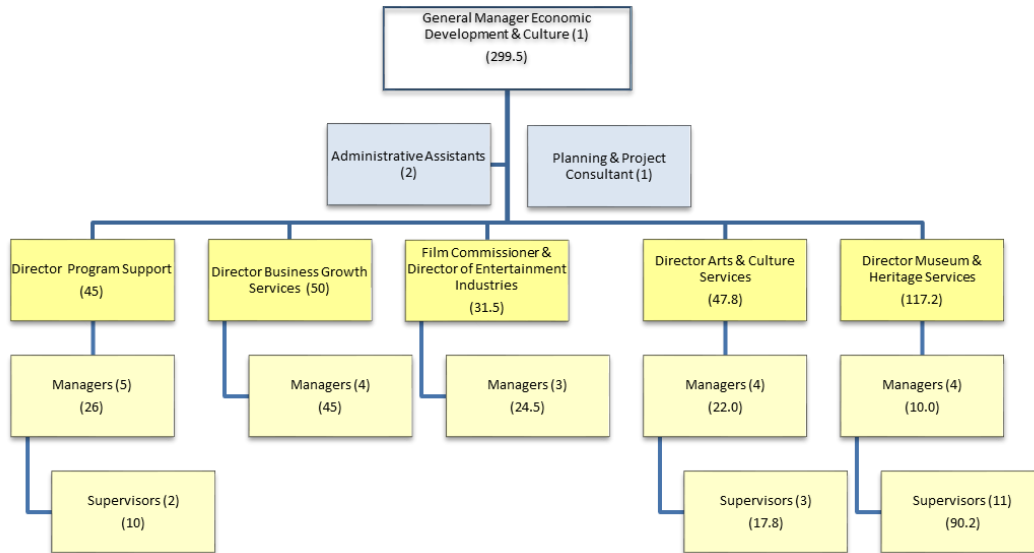
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.BU26.4>

#### Impact of 2016 Operating Variance on the 2017 Preliminary Operating Budget

- There will be no impact from the 2016 Operating Variance on the 2017 Preliminary Operating Budget.

## Appendix 3

### 2017 Organization Chart



### 2017 Total Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	1.0	103.0	2.0	138.0	244.0
Temporary				56.5	56.5
<b>Total</b>	<b>1.0</b>	<b>103.0</b>	<b>2.0</b>	<b>194.5</b>	<b>300.5</b>

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# Appendix 4

## Summary of 2017 Service Changes

## 2017 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

Form ID		Citizen Focused Services A  Program - Economic Development & Culture	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
<b>2017 Preliminary Base Budget Before Service Changes:</b>			80,301.4	17,966.7	62,334.8	307.50	1,107.6	1,050.0
11214		Consolidate Admin & Marketing Functions						
51	0	<b>Description:</b>	Economic Development and Culture will create more efficient services through streamlined administration and marketing functions within the Division. Please see Confidential Attachment 1 for details.					
		<b>Service Level Impact:</b>	The current and future service levels will not be impacted.					
<b>Total Preliminary Service Changes:</b>			(452.1)	0.0	(452.1)	(4.00)	(1.5)	(1.5)
11229		Reduce 2 Vacant Positions Approved for City-Produced Events						
51	0	<b>Description:</b>	EDC will realize efficiency savings from the streamling of operations and future anticipation of functions for its City-Produced Events through the elimination of vacant new positions. Two new positions approved in 2016 were never filled and are not required.					
		<b>Service Level Impact:</b>	The current and future service levels will not be impacted as the new positions are not required.					
		<b>Service:</b> Arts Services						
Preliminary Service Changes			(145.1)	0.0	(145.1)	(2.00)	(0.0)	0.0
<b>Total Preliminary Service Changes:</b>			(145.1)	0.0	(145.1)	(2.00)	(0.0)	0.0

## 2017 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

Form ID		Citizen Focused Services A  Program - Economic Development & Culture	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
11230		Service Efficiencies for Business Services						
51	0	<b>Description:</b>						
EDC will realize service efficiencies for Business Services. Please see Confidential Attachment 1 for details.								
		<b>Service Level Impact:</b>						
The current and future service levels will not be impacted.								
		<b>Total Preliminary Service Changes:</b>						
		(92.8)	0.0	(92.8)	(1.00)	0.0	0.0	
10816		Increase in Enrollment Fees for Summer & Winterlicious Prog.						
52	0	<b>Description:</b>						
Administration fee for the Summerlicious and Winterlicious programs will increase by \$150. The participation rate will be increased from \$1,150 to \$1,300 per restaurant.								
		<b>Service Level Impact:</b>						
The current and future service levels will not be impacted by this fee increase as there is high demand for both Summerlicious and Winterlicious programs.								
		<b>Service:</b> Entertainment Industries Services						
		Preliminary Service Changes						
		0.0	67.1	(67.1)	0.00	0.0	0.0	
		<b>Total Preliminary Service Changes:</b>						
		0.0	67.1	(67.1)	0.00	0.0	0.0	

**2017 Operating Budget - Preliminary Service Changes  
Summary by Service (\$000's)**

Form ID		Citizen Focused Services A  Program - Economic Development & Culture	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
11244		Increase Sponsorship Revenues						
52	0	<b>Description:</b>						
		EDC will increase efforts in attracting and securing sponsorship revenues achievable based on actual experience.						
		<b>Service Level Impact:</b>						
		There is no service impact.						
		<b>Service:</b> Arts Services						
		Preliminary Service Changes	0.0	16.3	(16.3)	0.00	0.0	
		<b>Service:</b> Business Services						
		Preliminary Service Changes	0.0	16.3	(16.3)	0.00	0.0	
		<b>Service:</b> Entertainment Industries Services						
		Preliminary Service Changes	0.0	16.3	(16.3)	0.00	0.0	
		<b>Service:</b> Museums & Heritage Services						
		Preliminary Service Changes	0.0	16.3	(16.3)	0.00	0.0	
		<b>Total Preliminary Service Changes:</b>	<b>0.0</b>	<b>65.0</b>	<b>(65.0)</b>	<b>0.00</b>	<b>0.0</b>	

## 2017 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

Form ID		Citizen Focused Services A  Program - Economic Development & Culture	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
11232	Reduce Funding for Cultural Hotspots							
59	0	<b>Description:</b>						
<p>Programming activities will be adjusted in East York and in regions where the Cultural Hotspots have already taken place. Cultural Hotspots programming activities occur across the City and the locations vary annually.</p> <p><b>Service Level Impact:</b></p> <p>The current and future service levels will not be impacted. The level of programming activities will remain unchanged and in 2017, the Cultural Hotspots event will be held in East York.</p> <p><b>Service:</b> Arts Services</p>								
		Preliminary Service Changes	(50.0)	0.0	(50.0)	0.00	0.0	0.0
		<b>Total Preliminary Service Changes:</b>	<b>(50.0)</b>	<b>0.0</b>	<b>(50.0)</b>	<b>0.00</b>	<b>0.0</b>	<b>0.0</b>
11233	Reorganize Cavalcade of Lights/New Year's Eve Events							
59	0	<b>Description:</b>						
<p>The Cavalcade of Lights (CAV) and the New Year's Eve (NYE) events will be re-organized to provide greater exposure to the public and increase incentives for future sponsors. This will result in a net cost reduction of \$0.120 million.</p> <p><b>Service Level Impact:</b></p> <p>The current and future service levels will not be impacted. The two events will continue to deliver the same level of programming activities.</p> <p><b>Service:</b> Arts Services</p>								
		Preliminary Service Changes	(160.4)	34.6	(195.0)	0.00	0.0	0.0
		<b>Service:</b> Entertainment Industries Services						
		Preliminary Service Changes	75.0	0.0	75.0	0.00	0.0	0.0
		<b>Total Preliminary Service Changes:</b>	<b>(85.4)</b>	<b>34.6</b>	<b>(120.0)</b>	<b>0.00</b>	<b>0.0</b>	<b>0.0</b>



## 2017 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

Form ID		Citizen Focused Services A  Program - Economic Development & Culture	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
11243	5% Reduction to Sponsorships and Transfers funded by EDC							
59	0	<b>Description:</b>						
A 5% reduction will be applied to sponsorships and transfers funded by EDC, which will affect various industry sectors such as non-profit, fashion, financial services, and universities.								
<b>Service Level Impact:</b>								
The current and future service levels will not be impacted.								
<b>Service: Arts Services</b>								
Preliminary Service Changes			(30.0)	0.0	(30.0)	0.00	0.0	0.0
<b>Service: Business Services</b>								
Preliminary Service Changes			(7.0)	0.0	(7.0)	0.00	0.0	0.0
<b>Service: Entertainment Industries Services</b>								
Preliminary Service Changes			(3.0)	0.0	(3.0)	0.00	0.0	0.0
<b>Total Preliminary Service Changes:</b>			<b>(40.0)</b>	<b>0.0</b>	<b>(40.0)</b>	<b>0.00</b>	<b>0.0</b>	<b>0.0</b>

11647	Reductions to Arts and Culture Funding for Op. Functions							
59	0	<b>Description:</b>						
Funding for operational functions will be reduced. This will affect the Culture Build Investment Program, and Toronto Arts Council's administration.								
<b>Service Level Impact:</b>								
There will be no impact to service delivered.								
<b>Service: Arts Services</b>								
Preliminary Service Changes			(131.0)	0.0	(131.0)	0.00	0.0	0.0
<b>Total Preliminary Service Changes:</b>			<b>(131.0)</b>	<b>0.0</b>	<b>(131.0)</b>	<b>0.00</b>	<b>0.0</b>	<b>0.0</b>

**2017 Operating Budget - Preliminary Service Changes  
Summary by Service (\$000's)**

Form ID		Citizen Focused Services A  Program - Economic Development & Culture	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
<b>Summary:</b>								
<b>Total Preliminary Service Changes</b>			<b>(996.4)</b>	<b>166.7</b>	<b>(1,163.1)</b>	<b>(7.00)</b>	<b>(31.8)</b>	<b>(1.5)</b>
<b>Total Preliminary Base Budget:</b>			<b>79,305.1</b>	<b>18,133.4</b>	<b>61,171.7</b>	<b>300.50</b>	<b>1,106.1</b>	<b>1,048.5</b>

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## Appendix 5

### Summary of 2017 New / Enhanced Service Priorities

## 2017 Operating Budget - Preliminary New and Enhanced Services Summary by Service (\$000's)

Form ID		Citizen Focused Services A  Program - Economic Development & Culture	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
11245		Mackenzie House Laneway Improvement						
72	0	<b>Description:</b>						
<p>The signage will be improved for the Mackenzie House laneway to enhance the visitor experience and raise awareness of the museum operations. In addition, a study will be undertaken to review the feasibility of adding a mural and a green flat roof.</p> <p><b>Service Level Impact:</b></p> <p>The improved laneway at the Mackenzie House will enhance the profile of the site, and the walkway for the visitors.</p> <p><b>Service:</b> Museums &amp; Heritage Services</p>								
Preliminary New / Enhanced Services:			10.0	10.0	0.0	0.00	0.0	
<b>Total Preliminary New / Enhanced Services:</b>			<b>10.0</b>	<b>10.0</b>	<b>0.0</b>	<b>0.00</b>	<b>0.0</b>	

11246		Museum and Heritage Services - Photography					
72	0	<b>Description:</b>					
<p>Professional photos will be taken of 10 of the more than 40 heritage properties such as Casa Loma, John McKenzie House and the Berkeley Street Theatre. These photos will be used for promotional, documental, educational and archival purposes.</p> <p><b>Service Level Impact:</b></p> <p>Photos will improve Museums and Heritage Services' collections and heritage properties conservation.</p> <p><b>Service:</b> Museums &amp; Heritage Services</p>							
Preliminary New / Enhanced Services:			20.0	20.0	0.0	0.00	0.0
<b>Total Preliminary New / Enhanced Services:</b>			<b>20.0</b>	<b>20.0</b>	<b>0.0</b>	<b>0.00</b>	<b>0.0</b>

11247		Zion School House Desk Configuration					
72	0	<b>Description:</b>					
<p>The Zion School House will enhance its services by creating storage / programming space, developing a quick-release installation system to ensure historic school desks are securely fastened in place, and purchasing alternative seats to accommodate expanded programming potential of the site when it is not attended for heritage (curriculum-based) group programs.</p>							

## 2017 Operating Budget - Preliminary New and Enhanced Services Summary by Service (\$000's)

Form ID		Citizen Focused Services A  Program - Economic Development & Culture	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
		<b>Service Level Impact:</b>						
		With the flexible seating system, the site could host 4-5 performance series or exhibitions as well as up to 10 public programming partnership per year, compared to that of one performance per year. The site's education programming levels can be maintained based on heritage schoolroom interpretation. The site could also accommodate variety of community partnership programs.						
		<b>Service:</b> Museums & Heritage Services						
		Preliminary New / Enhanced Services:	25.0	25.0	0.0	0.00	0.0	0.0
		<b>Total Preliminary New / Enhanced Services:</b>	<b>25.0</b>	<b>25.0</b>	<b>0.0</b>	<b>0.00</b>	<b>0.0</b>	<b>0.0</b>

**Summary:**

	<b>Total Preliminary New / Enhanced Services</b>	<b>55.0</b>	<b>55.0</b>	<b>0.0</b>	<b>0.00</b>	<b>0.0</b>	<b>0.0</b>
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**Category:**

71 - Operating Impact of New Capital Projects  
72 - Enhanced Services-Service Expansion

74 - New Services  
75 - New Revenues

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## Appendix 6

### Inflows/Outflows to/from Reserves & Reserve Funds

#### Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 *	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
<b>Projected Beginning Balance</b>		200.1	200.1	221.6	243.1
Vehicle Reserve - EDC	XQ1200				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			21.5	21.5	21.5
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		200.1	221.6	243.1	264.6
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		200.1	221.6	243.1	264.6

\* Based on 9-month 2016 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 *	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
<b>Projected Beginning Balance</b>		828.5	828.5	160.5	17.5
Casa Loma Capital Maintenance Reserve Fund	XR1501				
<i>Proposed Withdrawals (-)</i>			(1,668.0)	(1,143.0)	(1,350.0)
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		828.5	(839.5)	(982.5)	(1,332.5)
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			1,000.0	1,000.0	1,000.0
<b>Balance at Year-End</b>		828.5	160.5	17.5	(332.5)

\* Based on 9-month 2016 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 *	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
<b>Projected Beginning Balance</b>		228.2	228.2	178.2	178.2
16 Ryerson Capital Maintenance Reserve Fund	XR3213				
<i>Proposed Withdrawals (-)</i>			(50.0)		(27.0)
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		228.2	178.2	178.2	151.2
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		228.2	178.2	178.2	151.2

\* Based on 9-month 2016 Reserve Fund Variance Report



Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 *	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
<b>Projected Beginning Balance</b>		54.9	54.9	-	-
Community Heritage Reserve Fund	XR1044				
<i>Proposed Withdrawals (-)</i>			(54.9)		
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		54.9	-	-	-
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		54.9	-	-	-

\* Based on 9-month 2016 Reserve Fund Variance Report

### Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 *	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
<b>Projected Beginning Balance</b>		19,645.5	19,645.5	8,142.1	2,319.0
Insurance Reserve Fund	XR1010				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			122.5	122.5	122.5
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		19,645.5	19,768.0	8,264.6	2,441.5
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			(11,625.9)	(5,945.6)	(6,215.3)
<b>Balance at Year-End</b>		19,645.5	8,142.1	2,319.0	(3,773.8)

\* Based on 9-month 2016 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 *	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
<b>Projected Beginning Balance</b>		4,993.3	4,993.3	964.7	964.7
Major Special Events Reserve Fund	XR1218				
<i>Proposed Withdrawals (-)</i>			(3,928.6)		
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		4,993.3	1,064.7	964.7	964.7
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			(100.0)		
<b>Balance at Year-End</b>		4,993.3	964.7	964.7	964.7

\* Based on 9-month 2016 Reserve Fund Variance Report

## Appendix 7a

### User Fees Adjusted for Inflation and Other

Rate Description	Service	Fee Category	Fee Basis	2016	2017			2018	2019
				Approved Rate	Inflationary Adjusted Rate	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
Fort York - Adult/General Admissions	Economic Development & Culture	Market Based	Participant	\$7.96		\$4.44	\$12.40	\$12.40	\$12.40
Fort York-Child General Admissions	Economic Development & Culture	Market Based	Participant	\$3.76		\$1.54	\$5.30	\$5.30	\$5.30
Fort York - Senior/General Admissions	Economic Development & Culture	Market Based	Participant	\$4.87		\$3.98	\$8.85	\$8.85	\$8.85
Fort York - Youth/General Admissions	Economic Development & Culture	Market Based	Participant	\$4.87		\$2.23	\$7.10	\$7.10	\$7.10