Sony Centre for the Performing Arts
St. Lawrence Centre for the Arts
Toronto Centre for the Arts

Executive Management
Report to the Board
-Fourth Quarter-

March 1, 2019

CEO'S EXECUTIVE SUMMARY

We are at the beginning of our third year in the transition to TO Live and there is a lot to be excited about. In looking at the last quarter of 2018 and the wrap up of the year, there were signs that the strategic efforts of the company were working and that certain trends and short-run trials turned out to have positive results.

Some of the most important questions we are trying to answer are:

- How do we maintain the growth we have seen over the past couple of years?
- How do we maximize our use of assets to create value for the company?
- How do we look to change or augment our portfolio to shed non-performing assets and replace them with high return ones?

I use the language of investment because it is both familiar and apt. Familiar because it removes it from the abstract world of art and apt because we are running a business (it just happens to be in the arts). The same principles apply.

We have seen an incredible upturn in bookings and growth of revenue over the past two years. Some of the factors that have caused this were in our direct control: the reorganization of the company, the extension of the program across all venues, a unified booking system, etc. The most important market factor was the closing of Massey Hall. Since we know that Massey Hall will reopen in the fall of 2020, it's important to watch when we have productions in our house, in this case the Bluma Appel Theatre like Slava's Snowshow (which we programmed), and Champions of Magic (which was a rental). The success of these productions is a first step into longer running shows with more commercial appeal which will offset some of the more avant garde program and partnerships we would like to develop. Look at the numbers that these shows generated and pay close attention that it's partially because of them that we closed our gap and generated a surplus.

In our ongoing search to maximize our assets, we have been working hard to generate a new naming rights agreement on the Sony Centre. What we were working hard on to secure in the last quarter of 2018, we now know as our signed Meridian partnership agreement. This partnership is more than just putting the name on the side of buildings, but rather a strategic alignment of two organizations that truly believe in community and want to take a journey together to help support and build it around our cultural hubs and in the City at large.

As well, on a smaller but very important scale, the outreach of our ticketing services to sell an event not in one of our venues is a great step towards using our skills to generate income in new directions. Watch as we do more of this in the future!

Finally as we move towards 2019 we will begin to take a more detailed look into all of our systems and the product that we generate. We need to ask in an objective way; is this providing us the return on our investment that we need and want? If it isn't, can we change it to something that will? Our return as a not-for-profit is as much a social return as it is a monetary one. Does this asset provide what the community needs? Does this program have the impact we need to make meaningful change? Is our ART at the level we want it to be? These are all questions that we need to answer in 2019.

Stay tuned!

Clyde Wagner
President & CEO
TO Live

PROGRAMMING

2018- Q4

The last quarter of 2018 was a momentous time for the Programming Department, indeed the entire firm: the first Season of CTT Presentations and partnerships was launched and our Corporate Sales and Rental divisions both began to see the results of an expanded mandate. Rentals at the Sony were higher than ever before as the firm continues to benefit from the Massey Hall closure.

Highlights:

- 25,000 tickets sold in 31 days of December at the 900 seat Bluma Appel by CTT's presentation of Slava's Snow Show and the rental Champions of Magic.
- 75 days of the quarter's 92 days used at Sony Centre.
- Financial target for the quarter well exceeded projection.

CTT PRESENTATIONS

2018- Q4

Financial results were mixed but as a whole reached target by end of quarter.

Highlights:

- Launch of Jazz at the George, a brand new season of programming.
- Goran Bregovic and Lila Downs concerts at Sony
- Slava's Sony Show at the Bluma Appel

Challenges:

- North York engagement and attendance; we continue to build meaningful relationships in the community

EDUCATION & ENGAGEMENT

2018- Q4

- E&E continues its long-term planning and relationship building. We continue to receive positive feedback and healthy attendance at current programming as we are meeting with community champions, school boards, and neighbourhood partners to expand our impact.

Highlights:

- School Matinee: Over 1000 students attended Fatty Legs in the Lyric Theatre.
- Relaxed Performances: Xenia Concerts launched 19/20 season with record attendance.

- Attended a Tamarack Institute conference in a specialized tract for Community Engagement and Collective Impact
- Hosted a PAONE event for 40 local arts administrators/educators with presentations by Indigenous artists.

Challenges:

- North York engagement and attendance; we continue to build meaningful relationships in the community.

CORPORATE EVENTS

2018- Q4

A strong quarter anchored by Sony Centre's 5 recurring events.

Highlights:

- Sony: retained events such as Canadian Tire, IBM, PIA Law, RBC (3rd year) and RGD (5th year).
- StLC: closed 2 new large events at the St Lawrence Centre.
- TCA: hosted corporate event for Ivari in October and December. The event used third-party catering at their first event. For their second event, we convinced them to use in-house catering, and as a result, revenue more than doubled.

Challenges:

- Growing our digital media presence to increase our market opportunities

RENTALS

2018- Q4

Rentals are growing and exceeding expectations. Presentations, Rentals and Corporate Sales between them filled almost every day at the Sony and vastly increased usage at the Bluma Appel with modest usage increases at the other venues.

The last quarter saw the first results of the department's commitment to standardizing and upwardly correcting the outdated rental rates historically charged at StLC and TCA.

Challenges:

- down line challenges will include the re-opening of Massey Hall and the pending opening of the Live Nation concert hall.

PRODUCTION

2018- Q4

The last quarter ended an extremely busy year for the Production team. A production manager was added providing some relief to the workload.

A new lighting board was purchased for the Studio.

MARKETING & COMMUNICATIONS

2018- Q4

- Hired staff to fill vacant positions and maternity leave
- Appointment of a new position, Director of Marketing; successful applicant confirmed to start in January, 2019
- Continued work with branding agency, BLOK Design for final designs and branding guidelines for launch in January, 2019
- Wire-frames and further work with web agency in session for the new website to be launched in the spring of 2019
- Continued activity and preparations for the January TO Live launch and the announcement of the new naming rights partnership with Meridian Credit Union
- Research and identification of loyalty firms

TICKETING

2018- Q4

- Q4 was the busiest quarter of the year, with more than twice as many ticketed events running across the venues as Q1 or Q3, and over 20% more than Q2. This represented a nearly 30% increase over the number of ticketed events in Q4 of 2017. In addition to this rise in events, the number of ticketed patrons increased even more, with nearly 40% more tickets distributed than Q4 of 2017. Tickets to events in Q4 of 2018 accounted for almost 40% of all the tickets distributed for events in 2018.
- With all Box Office staff now employed by CTT, Q4 saw the first significant movement towards the front-line staff taking shifts between the venues
- While not the first instance of CTT ticketing for an off-site venue, *Fall For Dance North* was notable in that it involved an increased amount of cross-venue packaging of offers, as well as the need to fully install a CTT/TM Box Office in the Ryerson Box Office. The success of this event was an important first step towards a future expanding the Ticketing department’s activities beyond our familiar walls.
- In Q4, *Champions of Magic* was the first major long-running event at the Bluma Appel Theatre for which CTT did the exclusive ticketing. This event made more significant use of dynamic pricing than any previous production, and its heavy work load during the holiday season brought together support from the staff across the entire organization to ensure a successful run.

DEVELOPMENT

2018- Q4

- Finalized major Naming Rights project agreement and worked towards partnership announcement in Q1 of 2019
- Hosted prospects at fall 2018 programming including two events following season performances at the Sony Centre and the Toronto Centre for the Art
- Ongoing government relations and advocacy work – municipal, provincial, federal levels, consulates and international governments, including continued applications for 2019/2020 programming

Looking ahead

- Finalize Development plan for 2019 fiscal year and 2019/2020 Season
- Work towards naming rights partnership commencement in Q3 of 2019 including signage applications and activation development
- Complete staffing plan for Development team including hiring of one new position, and filling of one vacancy
- Seek to renew incumbent supporters for 2019/2020 season, and actively solicit for supporters in broad categories across TO Live
- Finalize 2020 Development budget

FINANCE

2018- Q4

- Settled 178 events for the quarter
- Preliminary work continues on 2020 budget
- Continued work on policies
- Prepartion for year end commenced

HUMAN RESOURCES

2018- Q4

- Town Hall October 4, 2018 at TCA
- Rollout of policies October 2, 2018 (227 Fit for Duty, 228 Substance Abuse (Drug & Alcohol Policy), 229 Workplace Violence Policy & Guidelines & 230 Respectful Workplace Policy).
- HR participation and input at Staff Union Negotiations: IATSE 822, Unifor.
- Meetings commenced with JobChart to look into Pay Equity.
- AODA Customer Service Training and Respectful Workplace Training for various staff groups at STLC October 30, 2018.
- Co-op student #2 from September to December 2018 to help bring H&S up-to-date with employee information and other H&S initiatives.

- HR continues to work closely with AODA Consultant to ensure compliance and employment practices for all CTT venues.

Injury/Incident Reports:

	Q4 Total
EMPLOYEES	
First Aid	4
Health Care Injuries/Illnesses	3
Lost Time Injuries	2
Critical Injury (w/Lost Time)	0
Incidents	1
SELF-EMPLOYED	
First-Aid	0
Health Care Injuries/Illnesses	0
Incidents	4
PATRONS	
First Aid	1
Health Care Injuries/Illnesses	2
Incidents	0
Critical Injury	1
TOTAL OCCURRENCES	**18**

Definitions:

- First Aid: basic medical response (i.e. bandage, icing). No further medical attention required
- Heath Care Injuries/Illnesses: requiring medical care (i.e. walk-in clinic, doctor or hospital visit)
- Lost Time Injury: when a worker suffers work-related injury/disease which results in one of the following: being off work past the day of accident, loss of wages/earnings or a permanent disability/impairment
- Critical Injury: suffers an injury of a serious nature that places life in jeopardy, produces unconsciousness, results in substantial loss of blood, involves the fracture of a leg or arm but not a finger or toe, involves the amputation of a leg, arm, hand or foot but not a finger or toe, consists of burns to a major portion of the body, or causes the loss of sight in an eye
- Incident: non-injury workplace investigations (i.e. workplace harassment)

ADMINISTRATION and INFORMATION TECHNOLOGY

2018- Q4

- Completed TCA infrastructure upgrade project
    - Fibre and Ethernet Cabling
    - Wireless network
    - Switches procured and initialized for 2019 Q1 installation

- Preparation for TO Live changeover; includes email, back-of-house, website domains

FACILITIES

2018- Q4

- Commenced discussions with the City Manager's Office, Economic Development & Culture and Facilities Management to align all 2019 state of good repair and capital budgets under TO Live and determine management protocol for projects
- Completed 14 state-of-good-repair projects in the second year of project work. 13 projects in their first year of work continue
- Concluded negotiations with SEIU Local 2
- Started installation of 13 variable frequency drives across all TO Live venues (~$65,000). Project was 100% funded through Toronto Hydro incentives; allows for energy reduction and operational savings
- Performed steam audit at Sony and STLC, identifying energy losses, quantifying them, estimating conservation potential, determine options for conservation
- Performed generator and automatic transfer switch testing at TCA
- Installed test header at TCA, to measure fire pump flow during the fire pump testing
- Collaborated with contractor regarding waste recycling and diversion program for the three venues

Looking Ahead

- 47 new stage-of-good-repair projects/sub-projects will be commencing in 2019 to address accessibility, building envelope issues, health and safety, theatre upgrades and other capital priorities across all venues
- Negotiations will continue with UNIFOR Local 2003E

PATRON SERVICES AND FOOD & BEVERAGE

2018- Q4

- Began offering new hearing assist devices at TCA. Great success for our patrons in the Greenwin, specifically for the more senior audiences with Harold Green Jewish Theatre. Roll out continues across the venues.
- Continued training to front line staff: customer service AODA, respect in the workplace, fire evacuation in all venues.
- Managers underwent AODA "train-the-trainer" training to allow for immediate accessibility training of new staff.
- Improved staff engagement at the STLC with the assistance for an additional food and beverage duty manager.

Looking Ahead

- New employee engagement survey to be rolled in January.
- Engagement of architect for design of TCA satellite catering kitchen
- Initial steps to be taken to populate the TCA and Sony Centre with new lobby and event furniture