

2020 Budget Notes

Heritage Toronto

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What we do

Heritage Toronto celebrates and commemorates the City's rich heritage and the diverse stories of its people, places and events. Working with the private sector, community organizations, and volunteers across the City, we deliver 80+ annual public programs including walking and bus tours, heritage plaques, the Heritage Toronto Awards, and an increasing number of digital programs.

Heritage Toronto provides two main services:

- Heritage Promotion & Education
 - Heritage Fundraising & Partnership Development
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Why we do it

Heritage is a positive force for social inclusion, economic development and is a determinant of sustainability. Public understanding and participation in Toronto's heritage connects people, neighbourhoods and builds a compassionate city which honours its diverse stories to ensure that each resident feels reflected, and has a voice, in its future.

Who we serve

Heritage Promotion and Education

- City Council
- Residents & Visitors
- Event Participants
- Lecture Attendees
- Local Businesses
- Local Communities

Heritage Fundraising and Partnerships

- Community Groups and Associations
 - Corporations
 - Local Heritage Societies
 - Non-Profit Organizations / Foundations
 - Other Levels of Government
 - Visitors
-

Budget at a glance

STAFF RECOMMENDED OPERATING BUDGET			
\$Million	2020	2021	2022
Revenues	\$0.668	\$0.536	\$0.536
Gross Expenditures	\$1.100	\$1.005	\$1.029
Net Expenditures	\$0.432	\$0.469	\$0.536
Approved Positions	9.5	8.5	8.5

Heritage Toronto does not have a 10-year Capital Plan

Key service outcomes

Outcomes	Description
Increase free public programming	Expand programming by digitizing the existing assets of the City and creating new content through the Emerging Historians program which provides mentorships and paid employment to young people.
Increase public education and service	Meet unfilled service demands through modernization of assets, marketing support to local communities and volunteers, community outreach through digital and social media channels.
Increase non-municipal revenue	Continue three year trend of achieving record highs in all private sector and earned revenue streams which has resulted in 60% growth in programming.

Goals and metrics

Planned Activities to Achieve Outcomes	2018 Actual	2019 Proj. Actual	2020 Target	Status
 Emerging Historians	28	46	55	●
 Digital Program downloads	0	2,165	7,600	●
 Private Donations	\$81K	\$95K (17% growth)	\$111K (16% growth)	●

This document reflects the 2020 Operating Budget as recommended by the City's City Manager and Chief Financial Officer and Treasurer, which differs from the budget approved by Heritage Toronto Board. Please refer to [Appendix 11](#) for details.

Our experience and success

- Through City funding of \$0.017 million (over two years) for a new website, Heritage Toronto leveraged \$0.127 million in private donations. The new website now has the ability to make the city's heritage information digitally available to the public and has created efficiencies including a 90% increase in online transactions and a 30% decrease in merchant fees.
- The State of Heritage Report, which received national and international coverage, was delivered to City Council in February and is the result of consultation with 58 community groups and 400+ individuals.
- Procured a one-year contract to infuse indigenous content and history throughout programs.
- Made In Toronto: Dundas + Carlaw also included Heritage Toronto's first digital tour.
- Significant expansion to support Toronto's youth in building professional networks, developing skills sought after by employers, and gaining meaningful, paid work experience through the Emerging Historians program.
- Over ½ of tours were new, with scripts commissioned to young people. The most popular tours in 2019 included Lady Action: Toronto's Trailblazing Women and Little Jamaica.

Key challenges and risks

- Heritage Toronto is focused on modernizing and digitizing its programs as this work is essential to serve a demographically and geographically diverse population.
- There could be a significant impact on the Plaques Program if Section 37 funds become less available as a result of Bill 108. Over the past five years, 23% of annual plaque revenues have been generated by Section 37. From the perspective of public service, there will be a significant curatorial impact as Section 37 funded plaques tend to profile more diverse topics and lesser resourced communities as the revenues do not have to be raised by local volunteers.

Priority actions

- Securing sustainable philanthropic non-municipal funding including presenting sponsorships of the plaques and Heritage Toronto Awards program.
- Addressing growing needs of community groups and local volunteers to promote their events and initiatives.
- Addressing limited audience outreach and increasing service delivery.

Our key service levels



64 public Walking Tours



57 Heritage Plaques in the most active program in North America



7,600 downloads of *Sounds Like Toronto* virtual museum

Key service deliverables

- Deliver 64 walking tours with a minimum of 1/3 featuring new neighbourhoods and topics
- Launch *Sounds Like Toronto* virtual museum exhibition promoting the city's music history
- Execute one year contract for Indigenous Content Creator
- Confirm 2nd Historical Plaque District building on the success of the 1st Dundas-Carlaw District (digital version downloaded 1,700 times within the first two weeks of launch)
- Expand Emerging Historians program and engage/hire 55 young people
- Digitally catalogue 300 plaques (out of 700) as Phase 1 of project to fully digitize City Plaque holdings

RECOMMENDATIONS

The City Manager and Chief Financial Officer and Treasurer recommend that:

1. City Council approve the 2020 Staff Recommended Operating Budget for Heritage Toronto of \$1.100 million gross, \$0.431 million net for the following services:

Service:	Gross (\$000s)	Revenue (\$000s)	Net (\$000s)
Heritage Promotion and Education	886.4	386.3	500.1
Heritage Fundraising and Partnerships	213.4	282.5	69.1
Total Program Budget	1,099.8	668.8	431.0

2. City Council approve the 2020 staff complement for Heritage Toronto of 9.5 operating positions.

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2020 STAFF RECOMMENDED OPERATING BUDGET

2020 OPERATING BUDGET OVERVIEW

Table 1: 2020 Staff Recommended Operating Budget by Service

(\$000s)	2018 Actual	2019 Projected Actual	2020 Base Budget	2020 New / Enhanced	2020 Staff Rec'd Budget	Change v. 2019 Projected Actual	
						\$	%
By Service	\$	\$	\$	\$	\$	\$	%
Revenues							
Heritage Promotion & Education	426.5	391.8	386.3		386.3	(5.5)	(1.4%)
Heritage Fundraising & Partnership	265.4	352.3	282.5		282.5	(69.8)	(19.8%)
Total Revenues	691.9	744.1	668.8	0.0	668.8	(75.3)	(10.1%)
Expenditures							
Heritage Promotion & Education	991.3	914.9	886.4		886.4	(28.5)	(3.1%)
Heritage Fundraising & Partnership	123.5	230.7	213.4		213.4	(17.3)	(7.5%)
Total Gross Expenditures	1,114.8	1,145.6	1,099.8	0.0	1,099.8	(45.8)	(4.0%)
Net Expenditures	422.9	401.5	431.0	0.0	431.0	29.5	7.4%
Approved Positions	7.5	8.5	9.5	0.0	9.5	1.0	11.8%

*2019 Budget and Actuals (based on Q3 2019) adjusted retroactively to remove interdepartmental charges and recoveries.

COSTS TO MAINTAIN EXISTING SERVICES

Total 2020 Base Budget expenditures of \$1.1 million gross reflecting a decrease of \$0.046 million in spending below 2019 projected year-end actuals predominantly arising from:

- One-time expenses associated with heritage plaques and the offsetting Section 37 fund revenues.
- Salaries and Benefits are increasing due to inflationary adjustments and an additional one-year contract position fully funded from a third party organization.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in Heritage Toronto's 2020 Staff Recommended Operating Budget do not have any significant equity impacts

2020 STAFF RECOMMENDED OPERATING BUDGET KEY DRIVERS

The 2020 Staff Recommended Operating Budget for Heritage Toronto is \$0.046 million gross or 4.0% lower than the 2019 Projected Actuals. Table 2a below summarizes the key cost drivers for the base budget.

Table 2a: 2020 Key Drivers – Base Budget

Key Cost Drivers (\$000)	2018 Actuals	2019 Proj. Actuals	2020 Staff Rec'd Base Budget	Year over Year Changes	
				\$	%
Expenditures					
1 Salaries and Benefits	574.1	642.5	688.6	46.1	7.2%
2 Materials & Supplies	70.1	60.0	54.6	(5.4)	(9.0%)
3 Equipment					
4 Service and Rent	360.3	441.6	355.1	(86.5)	(19.6%)
5 Contribution To Capital					
6 Contribution To Reserves	1.4	1.6	1.6		
7 Other Expenditures	109.0				
Total Expenditures	1,114.9	1,145.6	1,099.8	(45.8)	(4.0%)
Revenues					
1 Provincial Subsidies					
2 Federal Subsidies	46.8	94.9	96.9	2.0	2.1%
3 User Fees & Donations	493.5	541.9	541.9		0.0%
4 Contributions from Reserves	147.8	102.3		(102.3)	(100.0%)
5 Other Revenues	3.7	5.0	30.0	25.0	500.0%
Total Revenues	691.9	744.1	668.8	(75.4)	(10.1%)
Net Expenditures	423.0	401.5	431.1	29.6	7.4%

*2019 Q3 Proj Actuals and 2018 Actuals adjusted retroactively to remove interdepartmental charges and recoveries

Salaries & Benefits:

The increase in Salaries and Benefits is driven by inflationary adjustments and the inclusion of a one-year contract position for an Indigenous content creator role, which is fully funded from a third-party organization.

Service and Rent:

The decrease in Service and Rent is as a result of the completion of heritage plaques for 2019. The offsetting Section 37 fund revenues for these plaques are also removed from the contribution from reserves.

Other Revenues:

The increase in Other Revenues is from funding provided by the third-party organization for the one-year contract position.

2021 & 2022 OUTLOOKS**Table 3: 2021 and 2022 Outlooks**

(\$000s)	2019 Projected Actual	2020 Staff Rec'd Budget	2021 Outlook	2022 Outlook
	\$	\$	\$	\$
Revenues	744.1	668.8	536.0	536.0
Gross Expenditures	1,145.6	1,099.8	1,064.9	1,090.9
Net Expenditures	401.5	431.1	528.9	554.8
Approved Positions	8.5	9.5	8.5	8.5

*2019 Q3 Projected Actuals adjusted retroactively to remove interdepartmental charges and recoveries

Key 2021 drivers

Summarize key drivers/changes reflected in outlooks

Salaries and Benefits

- The decrease in Salaries and Benefits is a result of a contract position for *Sounds Like Toronto* ending in 2020 and the associated revenue for funding the position.

Revenue Changes

- The decrease in revenue is driven by the removal of federal funding to reflect for the completion of *Sounds Like Toronto* digital museum, in 2020.

Key 2022 drivers

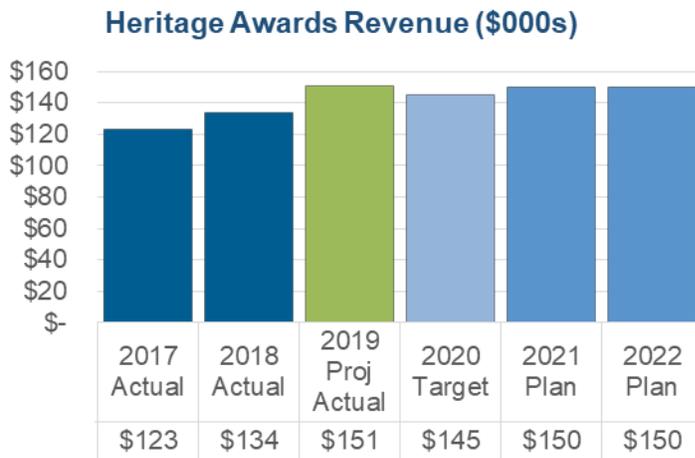
Summarize key drivers/changes reflected in outlooks

Inflationary Impact

- Inflationary increases to Salaries and Benefits.

How well we are doing

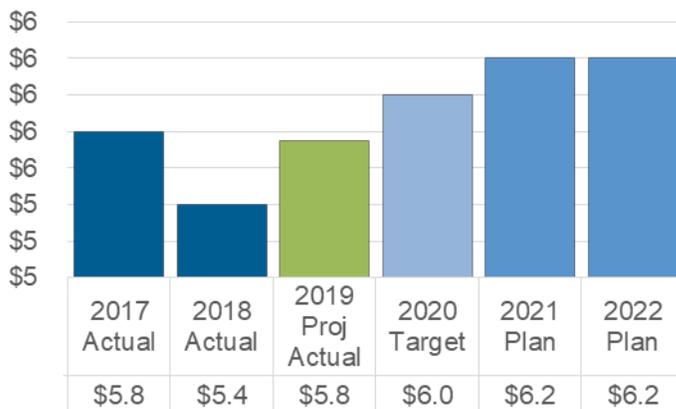
Performance measures



Behind the numbers

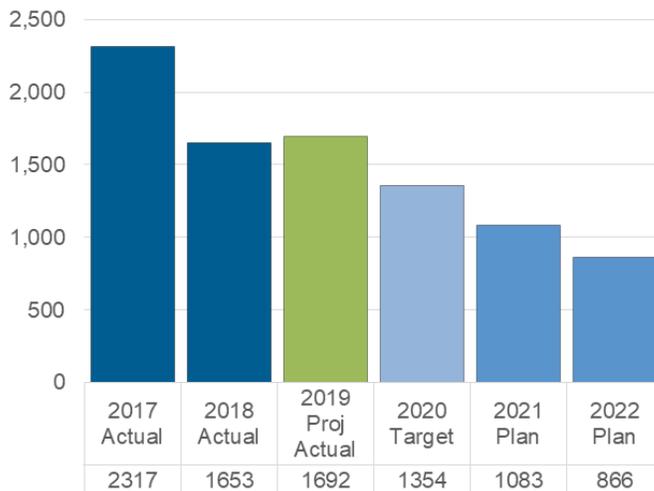
- With the repositioning of the Heritage Toronto awards program as a networking event between the private and public sector, the awards program has become a sold out event with increasing attendee satisfaction.

Walking Tour Average Donations Per Person



- Through the introduction of new tours in 2019 lead by emerging historians and featuring diverse neighbourhoods and topics, Heritage Toronto's donations grew by 23% over the previous year. This growth is expected to continue into 2020 and future years.

Social Media Follower Growth



- Heritage Toronto has seen large growth in social media followers in 2017 through its 3 social media platforms but the growth has begun to decline as Heritage Toronto is not able to allocate additional resources to their marketing and social media presence.
- Social media growth will continue to decline as Heritage Toronto falls behind in improving their social media presence and digital communications.

APPENDICES

Appendix 1

2020 Staff Recommended Operating Budget by Expenditure Category

Category (In \$000s)	2017	2018	2019	2019	2020	2020 Change from 2019	
	Actual	Actual	Budget	Projected Actual *	Total Staff Recommended Budget	Projected	Actual
	\$	\$	\$	\$	\$	\$	%
Provincial Subsidies							
Federal Subsidies	6.0	46.8	94.9	94.9	96.9	2.0	2.1%
Other Subsidies							
User Fees & Donations	547.3	493.5	580.5	541.9	541.9		
Licences & Permits Revenue							
Transfers From Capital							
Contribution From Reserves/Reserve Funds		147.8	33.4	102.3		(102.3)	(100.0%)
Sundry and Other Revenues	2.6	3.7	2.0	5.0	30.0	25.0	500.0%
Inter-Divisional Recoveries							
Total Revenues	555.9	691.9	710.8	744.1	668.8	(75.4)	(10.1%)
Salaries and Benefits	498.5	574.1	728.4	642.5	688.6	46.1	7.2%
Materials & Supplies	31.2	70.1	60.0	60.0	54.6	(5.4)	(9.0%)
Equipment							
Service and Rent	263.6	360.3	322.1	441.6	355.1	(86.5)	(19.6%)
Contribution To Capital							
Contribution To Reserves/Reserve Funds	1.4	1.4	1.6	1.6	1.6		
Other Expenditures	59.7	109.0					
Inter-Divisional Charges							
Total Gross Expenditures	854.3	1,114.9	1,112.0	1,145.6	1,099.8	(45.8)	(4.0%)
Net Expenditures	298.4	423.0	401.2	401.5	431.1	29.6	7.4%
Approved Positions	7.5	7.5	8.5	8.5	9.5	1.0	11.8%

* Year-End Projection Based on Q3 2019 Variance Report

** Prior Year Budget and Actuals adjusted retroactively to remove interdepartmental charges and recoveries

Appendix 2

Summary of 2020 Service Changes

N/A

Appendix 3

Summary of 2020 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 4

Summary of 2020 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 5

2020 Capital Budget; 2021 - 2029 Capital Plan Including Carry Forward Funding

N/A

Appendix 5a

2020 Cash Flow and Future Year Commitments Including Carry Forward Funding

N/A

Appendix 5b

2021 - 2029 Capital Plan

N/A

Appendix 6

Reporting on Major Capital Projects: Status Update

N/A

Appendix 7

Summary of Capital Needs Constraints

(In \$ Millions)

N/A

Appendix 8

2020 User Fee Changes

N/A

Appendix 9

Inflows and Outflows to/from Reserves and Reserve Funds 2020 Operating Budget

Corporate Reserve / Reserve Funds

Insurance Reserve Fund (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2019 *	Withdrawals (-) / Contributions (+)		
		2020	2021	2022	
		\$	\$	\$	\$
Beginning Balance		34,554.0	29,462.4	26,435.4	23,282.9
Insurance Reserve Fund	XR1010				
<i>Withdrawals (-)</i>					
<i>Contributions (+)</i>					
<i>Contribution to Insurance</i>		1.4	1.6	1.6	1.6
Total Reserve / Reserve Fund Draws / Contributions		34,555.3	29,464.0	26,437.0	23,284.5
Other Program / Agency Net Withdrawals & Contributions		(5,092.9)	(3,028.6)	(3,154.1)	(3,149.5)
Balance at Year-End		29,462.4	26,435.4	23,282.9	20,135.1

* Based on 9-month 2019 Reserve Fund Variance Report

Appendix 10

Glossary of Terms

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Spend: Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget: A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

Capital Needs Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New / Enhanced: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

Operating Impact of Completed Capital Projects: The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

Rate Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

Staff Recommended Operating / Capital Budget: An operating or capital budget recommended by City Manager and Chief Financial Officer and Treasurer to City Council for consideration and approval.

State of Good Repair (SOGR): The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes

Tax Supported Budget: Budget funded by property taxes.

User Fees: Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).

Value Based Outcome Review (VBOR): The City conducted a Value Based Outcome Review in 2019 for all of its operations and agencies to identify specific opportunities and strategies to maximize the use of tax dollars, enhance its financial sustainability while achieving service outcomes. These opportunities will help the City chart its financial course in the next four years.

Appendix 11

Board Approved Vs. City Staff Recommended Budget

2020 Operating Budget – Board Approved Vs. City Staff Recommended Budget

\$ Millions	Board	City Staff	Difference	
	Approved	Recommended	\$	%
Revenues	0.669	0.669		
Gross Expenditures	1.170	1.100	0.1	6.4%
Net Expenditures	0.501	0.431	0.1	16.3%
Approved Positions	10.5	9.5	1.0	10.5%

- The 2020 City Staff Recommended Operating Budget for Heritage Toronto is not consistent with the Heritage Toronto's Board of Directors Approved Budget.
- The 2020 Board Approved Operating Budget of \$1.170 million gross and \$0.501 million net includes \$0.070 million for new and enhanced initiatives that were not included in the 2020 City Staff Recommended Budget. These initiatives include: audience development initiative, revenue diversification project and digital media co-ordinator position.
 - The audience development initiative comes from a recommendation received from an audience study done in 2019 to address Heritage Toronto's concerns of reaching a limited audience and not being able to grow its service outreach. Heritage Toronto would use \$0.010 million gross and net in one-time funding to launch an audience development initiative.
 - In an effort to address the elimination of project funding expiring in 2020 and growing assistance from the City of Toronto, Heritage Toronto had a report done in 2019 to identify other revenue sources to fund the agencies' continued service growth. The report recommended both short and long term revenue opportunities and Heritage Toronto would use \$0.010 million gross and net in one-time funding to act on immediate opportunities. This funding would also allow Heritage Toronto the resources to begin the work for long-term opportunities.
 - To address the declining social media growth and the growing need from neighbourhood-based community and heritage organizations for wide spread promotion, Heritage Toronto would require a digital media co-ordinator position. This position would allow Heritage Toronto to offer marketing support to community organizations, local volunteers and grow its online engagement including the digitalization of City plaques. Heritage Toronto would require \$0.050 million gross and net on an ongoing basis for this position.