

2021 Budget Notes

TO Live

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Description

As one of the largest multi-arts institutions in this ever-evolving arts ecosystem, TO Live offers vital programs and services which collectively support the work of Canadian creators and provide an enduring and timeless platform for their stories. A majority of these services are offered through partner relationships with local companies including tenants, such as music, dance, and theatre companies.

Why We Do It

To activate creative spaces by inspiring local and international artists, and connecting audiences—to be the nexus for new ideas, elevate artistic potential and be the catalyst for creative expression that is reflective of Toronto's diversity.

The City of Toronto and TO Live aim to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

What Service We Provide

Theatrical & Other Cultural Events

Who We Serve:

Community Groups, Educational Institutions, Theatre & Music Resident Companies, Corporations, Event Participants & Attendees, Theatre Patrons generally and specifically Multicultural and Youth Audiences, Cultural Programming Producers and Individuals

What We Deliver:

TO Live manages venues for rental and community clients, maintains in a condition which strives to provide world class facilities for those clients and presents a full range of performing arts, theatrical and concert events, family programs, free community events and web series in the three facilities: Meridian Hall, St. Lawrence Centre for the Arts and Meridian Arts Centre

How Much Resources (gross operating budget): \$12.6 million

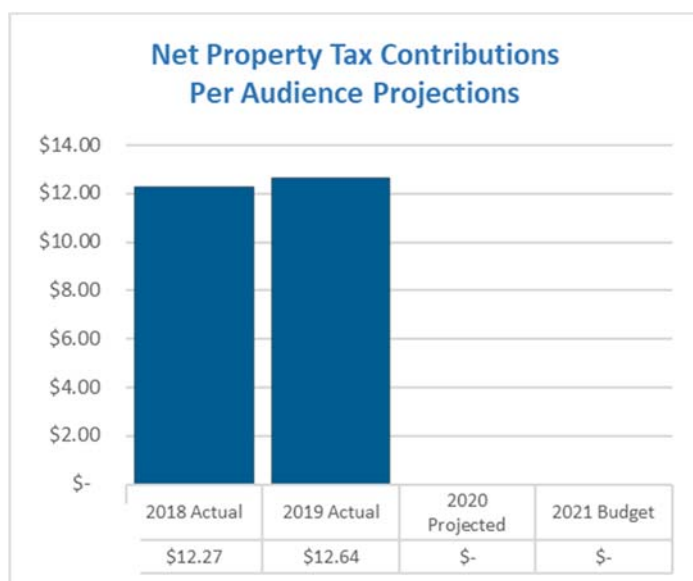
Budget at a Glance*

2021 OPERATING BUDGET				2021 - 2030 10-YEAR CAPITAL PLAN			
\$Million	2021	2022**	2023**	\$Million	2021	2022-2030	Total
Revenues	\$ 1.6	\$ 1.6	\$ 1.6	Gross Expenditures	\$30.4	\$96.8	\$127.2
Gross Expenditures	\$12.6	\$12.6	\$12.6	Debt	\$32.8	\$96.8	\$129.5
Net Expenditures	\$11.0	\$11.0	\$11.0	Note: Includes 2020 carry forward funding to 2021			
Approved Positions	57.0	57.0	57.0				

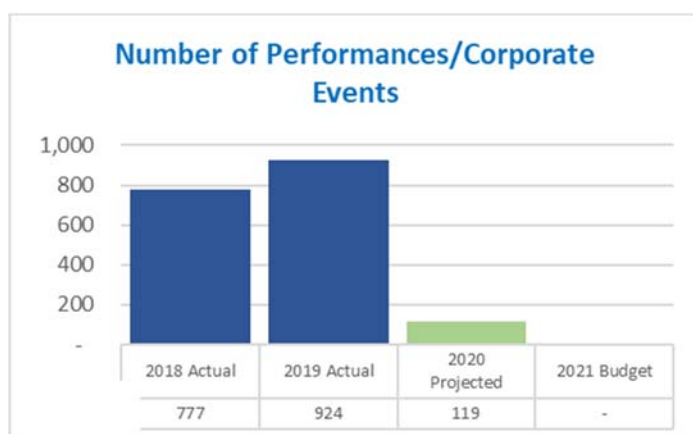
*This document reflects the 2021 Operating Budget and 2021-2030 Capital Budget and Plan as recommended by the City's Manager and Chief Financial Officer and Treasurer, and approved by the TO Live Board of Directors.

**2022 and 2023 outlook is difficult to predict due to uncertainty around the pandemic and public health restrictions.

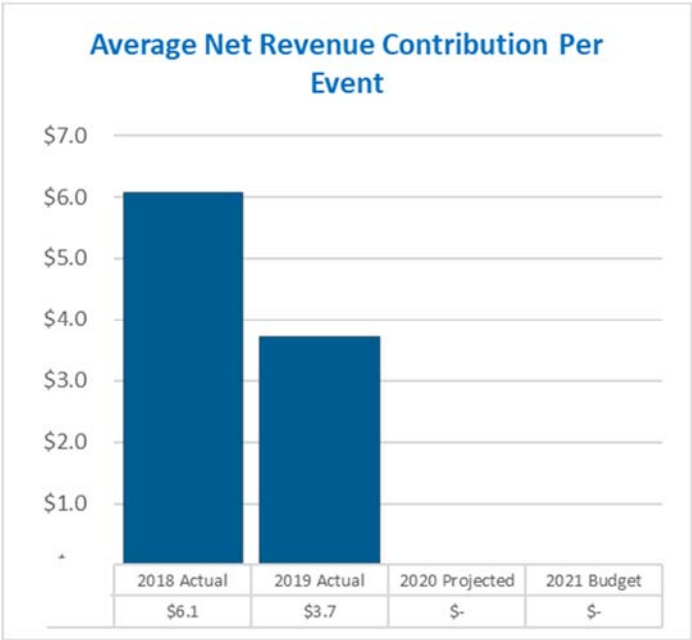
How Well We Are Doing – Behind the Numbers



- Due to the 9-month suspension of operations in 2020 related to COVID-19, the 2020 projected net property tax contribution per audience does not yield the result that is comparable to prior years when regular theatre operations were suspended.
- The uncertainties of future resurgence of COVID-19 and public health restrictions on capacity gathering presents a challenge to accurately predict the number of audiences and performances in 2021.



- Due to the 9-month suspension of operations in 2020 related to COVID-19, the number of performances and corporate events has been significantly reduced.
- No performances are projected in 2021 subject to public health guidelines on reopening restrictions.



- Due to the 9-month suspension of operations in 2020 related to COVID-19, the average net revenue contribution per event yields an unrealistic result.
- TO Live is budgeting no operating revenue for 2021.

How Well We Are Doing

Service	Service Measure	2018 Actual	2019 Actual	2020 Budget	2020 Projection	2021 Budget*	2022 Budget*	Status
Service Level Measures								
Corporate Events	# of days used for Corporate Events	199	219	221	33	N/A	N/A	●
Stage Shows	# of days used for Programming Activities	648	1234	895	152	N/A	N/A	●
Community Classes	# of days used	34	39	40	22	N/A	N/A	●
SHSM certifications, Xenia Concerts, Pre-Show events	# of days used	20	34	27	6	N/A	N/A	●
Yoga Classes	# of days used	57	51	60	16	N/A	N/A	●
Discover Dance	# of days used	18	19	24	2	N/A	N/A	●
Other Education & Engagement Activities	# of days used	39	85	110	12	N/A	N/A	●

* Due to COVID-19, the reopening of TO Live venues in 2021 is uncertain. 2021 and 2022 Service Levels are contingent on when reopening is allowed as per public health guidelines.

COVID-19 IMPACT AND RECOVERY

2020 Impact	2021 Impact and Recovery
Financial Impact (Operating) <ul style="list-style-type: none"> Significant revenue loss of \$27.0 million due to suspension of regular operations of TO live venues since March 2020 as a result of COVID-19. To mitigate the revenue shortfall, TO Live implemented cost saving measures including direct costs associated with cancelled/postponed events, building and administrative overheads as well as salaries and benefits for staff on emergency leave and salary reduction for remaining staff. These measures generated savings of \$22.3 million. 	Financial Impact (Operating) <ul style="list-style-type: none"> TO Live is projecting \$0 revenue for 2021 due to the expected continued suspension of operations.
Financial Impact (Capital) <ul style="list-style-type: none"> Capital projects were delayed as part of the City's capital slowdown to enable potential offsets to COVID-19 impacts. 	Financial Impact (Capital) <ul style="list-style-type: none"> The suspension of operations presents an opportunity to engage in a higher number of projects due to less impact of business interruptions on stage activities. Projects that were delayed in 2020 will continue in 2021.
Service Level Changes <ul style="list-style-type: none"> Due to the suspension of regular operations, the programming department pivoted its focus away from traditional stage performances to supporting artists through rehearsals, live streams, and other creative and safe uses of our spaces. 	Service Level Changes <ul style="list-style-type: none"> With the ongoing suspension of operations, TO Live will continue to invest in programming opportunities without the ability to host live audiences in its venues, via our recovery program initiative.

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Launch of recovery program phase 1 with safety measures in place
- Continuation of Meridian partnership which started in 2019
- Expansion of Education & Engagement programs

Key challenges and risks

- Programming targets/product availability
- Capital State of Good Repair budgets to address backlog and Protocol for management of capital projects
- Massey Hall reopening and Live Nation Club launch effects
- COVID-19 restrictions on public gatherings
- Raising funds from corporations and individuals in the new COVID-19 landscape

Priority be given to:

- Safe reopening of our doors and rebuilding confidence in our audiences to return to live events
- Events and activities that create impact and visibility for TO Live venues
- Black, Indigenous, and People of Colour (BIPOC) artists and companies catering for diverse audiences
- Partnerships and collaborations
- Support for artists, arts workers and companies through the affordable provision of space, production and technical support
- Accessibility as reflected in the ticket pricing policy and the number of free performances
- Initiatives of the Diversity, Equity & Inclusion Committee
- Health & safety protocols

RECOMMENDATIONS

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

1. City Council approve the 2021 Operating Budget for TO Live of \$12.560 million gross, \$1.583 million revenue and \$10.977 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Theatrical & Other Cultural Events	12,559.9	1,582.9	10,977.0
Total Program Budget	12,559.9	1,582.9	10,977.0

2. City Council approve the 2021 staff complement for TO Live of 57.0 positions, comprised of 5.0 capital position and 52.0 operating positions.
3. City Council approve the 2021 Capital Budget for TO Live with cash flows and future year commitments totaling \$42.391 million as detailed by project in Appendix 6a.
4. City Council approve the 2022-2030 Capital Plan for TO Live totalling \$84.793 million in project estimates as detailed by project in Appendix 6b.

Program / Agency:

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2021 OPERATING BUDGET

2021 OPERATING BUDGET OVERVIEW

Table 1: 2021 Operating Budget by Service

(In \$000s)	2019 Actual	2020 Budget	2020 Projection*	2021 Base Budget	2021 New / Enhanced	2021 Budget	Change v. 2020 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Theatrical & Other Cultural Events	31,440.4	33,099.4	6,148.2	1,582.9		1,582.9	(4,565.3)	(74.3%)
Total Revenues	31,440.4	33,099.4	6,148.2	1,582.9		1,582.9	(4,565.3)	(74.3%)
Expenditures								
Theatrical & Other Cultural Events	37,576.6	38,698.6	16,375.9	12,559.9		12,559.9	(3,816.0)	(23.3%)
Total Gross Expenditures	37,576.6	38,698.6	16,375.9	12,559.9		12,559.9	(3,816.0)	(23.3%)
Net Expenditures	6,136.2	5,599.2	10,227.7	10,977.0		10,977.0	749.3	7.3%
Approved Positions	222.7	240.4	240.4	57.0		57.0	(183.4)	(76.3%)

*2020 Projection based on Q3 Variance Report

COSTS TO MAINTAIN EXISTING SERVICES

Total 2021 Base Budget expenditures of \$12.6 million gross reflecting a decrease of \$3.8 million in spending below 2020 projected year-end actuals, predominantly arising from:

- Due to COVID-19 restrictions and uncertainties around how live performance will be delivered in post COVID-19 environment, it is uncertain as to when stage activities will resume with audiences while remaining financially viable.
- It is anticipated that the operations of TO Live will continue to be suspended due to the ongoing COVID-19 pandemic in 2021 resulting in further decline in revenue compared to 2020.
- Costs associated with cancelled programs and events are reduced correspondingly in 2021.
- Expenditures represent the requirement to maintain the three venues at minimal operating levels.
- Given the financial impacts of COVID-19 on 2020 actuals, a further comparison of the 2021 Recommended Budget (excluding 2021 COVID-19 impacts) to the 2020 Council approved Budget is provided below:

2021 Base Budget of \$10.977 million in net expenditures reflects a \$14.094 million net decrease from the 2020 Council approved Budget, when excluding \$19.472 million in estimated COVID-19 financial impacts.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in TO Live's 2021 Operating Budget do not have any equity impacts.

2021 OPERATING BUDGET KEY DRIVERS

The 2021 Operating Base Budget for TO Live is \$3.816 million gross expenditures or 23.3% less than the 2020 Projected Actuals. Table 2a below summarizes the key cost drivers for the base budget.

Table 2a: 2021 Key Drivers – Base Budget

Key Cost Drivers		2019 Actuals	2020 Budget	2020 Projection	2021 Base Budget	Change Vs. 2020 Projection	
						\$	%
Expenditures							
1	Salaries and Benefits	17,460.7	18,868.5	9,012.1	6,171.3	(2,840.8)	-31.5%
2	Equipment	489.7	173.2	57.2		(57.2)	-100.0%
3	Service and Rent	10,211.0	11,090.9	3,556.4	4,697.8	1,141.4	32.1%
4	Materials & Supplies	2,954.1	3,469.1	1,540.3	1,509.2	(31.1)	-2.0%
5	Other Expenditures	1,327.2	1,565.7	411.7			
6	Transfer to Foundation	2,323.4					
7	Contribution To Reserves (incl. Insurance Reserve)	2,810.5	3,531.2	1,798.2	181.6	(1,616.6)	-89.9%
Total Expenditures		37,576.6	38,698.6	16,375.9	12,559.9	(3,816.0)	-23.3%
Revenues							
1	Provincial Subsidies	40.6	75.0	6.5		(6.5)	-100.0%
2	User Fees & Donations	23,588.1	26,099.6	3,820.7		(3,820.7)	-100.0%
3	Draw from Reserve Funds	3,169.6	2,691.5	19.6	1,000.0	980.4	5006.7%
4	Other Revenues (Inc. IDR's)	4,642.1	4,233.4	2,301.5	582.9	(1,718.5)	-74.7%
Total Revenues		31,440.4	33,099.4	6,148.2	1,582.9	(4,865.3)	-74.3%
Net Expenditures		6,136.2	5,599.2	10,227.7	10,977.0	749.3	7.3%
Approved Positions		222.7	240.4	240.4	57.0	(183.4)	-76.3%

Salaries & Benefits:

- In an effort to mitigate revenue shortfall, TO Live implemented salaries and benefits savings measures to reduce staffing complement by 80% in 2020 as a result of COVID-19. Salaries and benefits continue to reflect the bare minimal to operate the three venues in 2021.

Services and Rents:

- Significant underspending in 2020 due to suspension of regular operations. Additional program delivery costs to safely reactivate space available for local arts organizations and artists as part of the TO Live's recovery program initiative.

Contributions to Reserves and Draw from Reserve Funds:

- Due to COVID-19, it is anticipated that no facility fee revenues will be received in 2021, resulting in lower contribution to the Facility Fee Reserve Fund.
- The draw from Facility Fee Reserve Fund to address general maintenance and minor state of good repairs will also be reduced in 2021 correspondingly to reflect the loss of facility fee revenues.

User Fees & Donations and Other Revenue:

- Reduced revenue in 2020 due to suspension of operations since March 2020. Stage and corporate activities are not budgeted for in 2021 due to uncertainties on public gathering restrictions.

Table 2b: 2021 Balancing Actions

(\$000s)								
Recommendation	Savings Type	2021				2022		
		Revenue	Gross	Net	Positions	Gross	Net	Positions
Reduction in staffing costs	Other		12,697.2	12,697.2	183.4			
Total Balancing Actions			12,697.2	12,697.2	183.4			-

TO Live will continue to implement cost reduction measures to address the financial pressures arise from COVID-19, while investing in the programming recovery initiative and the safe reopening of facilities. Reductions are attributed to continued suspension of operations resulting from the COVID-19 pandemic while ensuring baseline staffing support is maintained.

2022 & 2023 OUTLOOKS**Table 3: 2022 and 2023 Outlooks**

(\$000s)	2020 Projection	2021 Budget	2022 Outlook	2023 Outlook
Revenues	6,148.2	1,582.9	1,582.9	1,582.9
Gross Expenditures	16,375.9	12,559.9	12,559.9	12,559.9
Net Expenditures	10,227.7	10,977.0	10,977.0	10,977.0
Approved Positions	240.4	57.0	57.0	57.0

Key drivers

The 2022 and 2023 Outlook with total gross expenditures of \$12.560 million remains unchanged as the 2021 Operating Budget.

COVID-19 remains an ongoing challenge to the live performance and event industry. TO Live expects a gradual return to regular operations over a significant period of time.

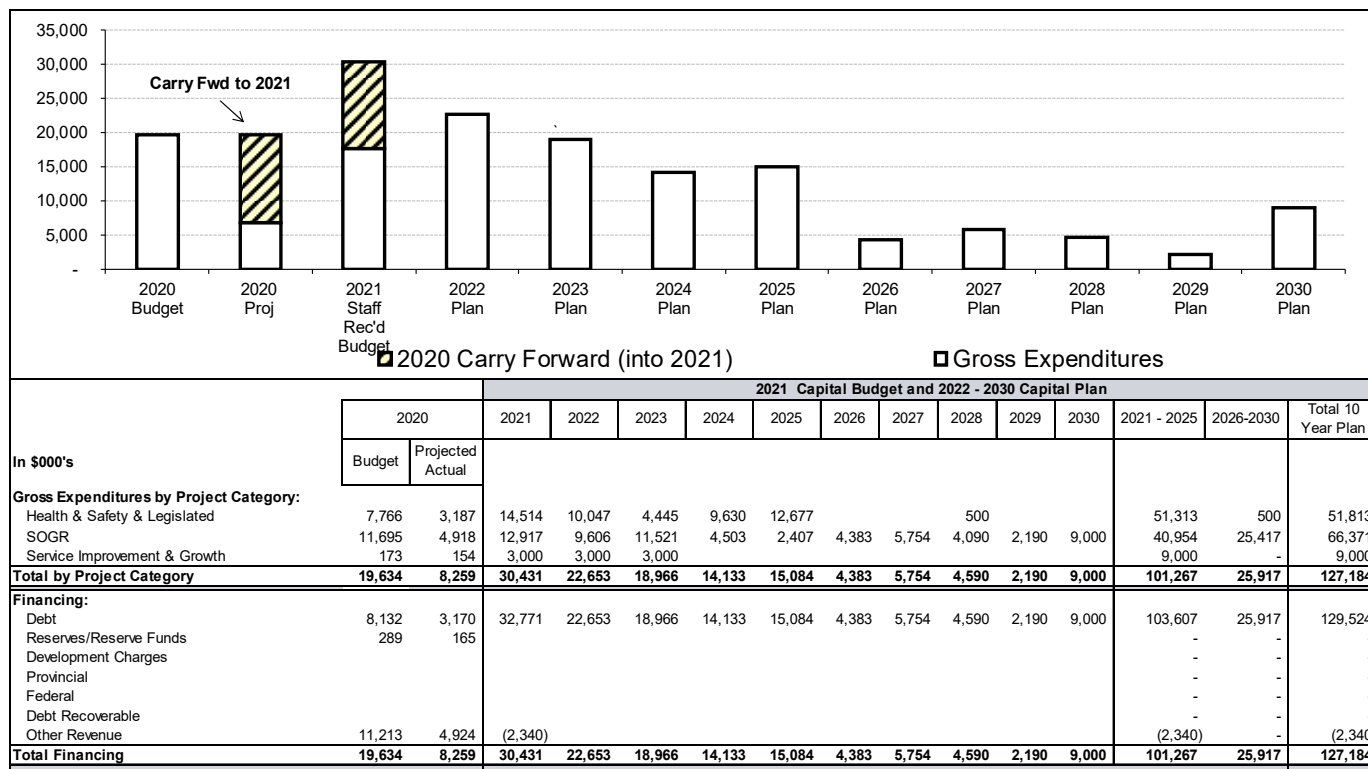
The uncertainty around the pandemic future resurgences, public health guidelines on capacity restrictions and patrons confidence in returning to public gathering, makes it difficult to predict the financial impact in future years.

2021 – 2030 CAPITAL BUDGET AND PLAN

2021 – 2030 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview

(\$'000)



Changes to Existing Projects (\$5.5 Million)

The 2021-2030 Capital Budget and Plan reflects an investment of \$5.5 million to existing projects over the nine common years (2021-2029). These projects have been reviewed by TO Live to reflect updated cost estimates and project delivery schedules as part of the capacity to spend review.

- \$4.7 million – Increase in *Meridian Arts Centre SOGR* projects to address outstanding state of good repairs.
- \$0.7 million – Increase in *St. Lawrence Centre for the Arts SOGR* projects to address accumulated SOGR backlog.

New Projects (\$21.6 Million)

- \$10.3 million – To replace the roofs at Meridian Arts Centre to address signs of aging and deterioration
- \$9.0 million – To continue studies and planning for the *St. Lawrence Centre Redevelopment*
- \$1.4 million – To enhance theatre systems and equipment at the Meridian Hall
- \$0.9 million – To improve facilities in response to COVID-19 Health & Safety requirements





Capital Needs Constraints (\$32.5 Million)

- TO Live has \$32.5 million unfunded projects over the 10-year planning horizon related to the SOGR for Meridian Arts Centre, Theatre systems and equipment at the Meridian Hall and future year Building Condition Audit recommendations.

Note:

For additional information, refer to [Appendix 6](#) for a more detailed listing of the 2021 and 2022-2030 Capital Budget & Plan by project; and [Appendix 8](#) for Capital Needs Constraints, respectively.

2021 – 2030 CAPITAL BUDGET AND PLAN**\$127.2 Million 10-Year Gross Capital Program**

			
Aging Infrastructure	Accessibility	Equipment	St. Lawrence Centre Redevelopment
\$ 35.6 M 28.0%	\$ 50.3 M 39.5%	\$ 2.0 M 1.6%	\$ 39.3 M 30.9%
Building Envelope, Mechanical & Electrical Systems	AODA Compliance Projects	Theatrical Systems and Equipment	St. Lawrence Centre Redevelopment

How the Capital Program is Funded

City of Toronto		Provincial Funding	Federal Funding
\$127.2 M 100%		\$0 M 0%	\$0 M 0%
Debt/CFC	\$127.2 M		

CAPACITY TO SPEND REVIEW

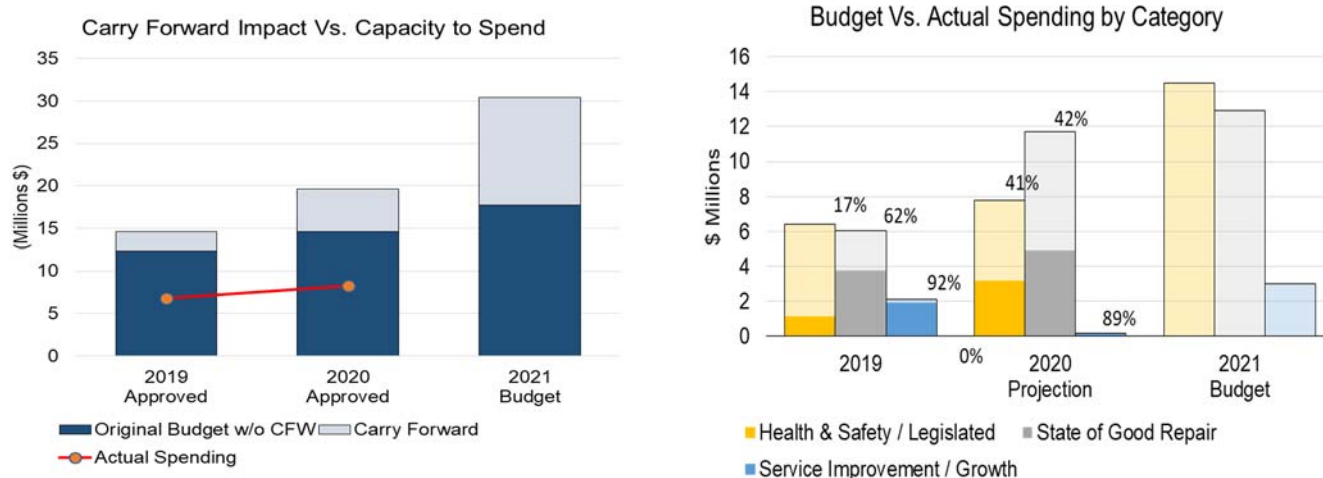
The 10-Year Capital Plan has been developed with consideration of historical demonstrated ability to spend within any given year of the ten year capital plan. A review was undertaken to ensure budgets align with TO Live's ability to spend and the markets capacity to deliver.

A key component in determining an appropriate level of annual cash flows includes historical capacity to spend reviews by project categories (Chart 2 below) as well as the level of projected 2020 underspending that will be carried forward into 2021 to complete capital work.

The capital project planning and delivery is guided by the "Protocol for Management of TO Live Capital Projects" which was adopted by City Council in mid-2019. The objectives of the Protocol are to assist both the City and TO Live to plan and manage capital projects for the three civic theatres in an effective manner that optimizes the operations of the theatres, their state of good repair, and contributes to their use and programs, while complying with the City's policies and priorities for the long term stewardship of City assets. Due to delay in the approval of the protocol document, the spending rate for 2019 was affected.

Up to 2018, the 10-Year Capital Plan for TO Live was managed separately by individual theatre sites. Economic Development and Culture previously managed the St. Lawrence Centre for the Arts and the Meridian Arts Centre (formerly Toronto Centre for the Arts) on behalf of TO Live, while TO Live has independently managed the Meridian Hall (formerly Sony Centre for the Performing Arts). For this reason, 2019 marks the first year that the 10-Year Capital Plan for the three City-owned theatres were consolidated into one single portfolio, as illustrated in the chart below.

Chart 2 – Capacity to Spend



Capacity to Spend Review Impact on the 10-Year Plan

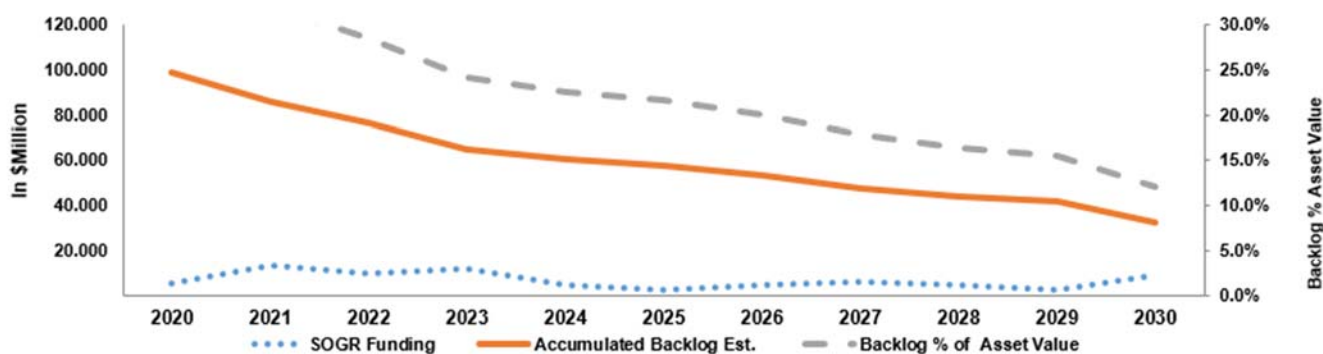
- In 2020, TO Live is forecasting to spend \$8.3 million or 42% of the 2020 Council Approved Capital Budget. \$11.1 million in capital projects were delayed as part of the City's capital slowdown to enable potential offsets to COVID-19 impacts.
- TO Live requires cash flow funding of \$30.4 million in 2021 to continue the capital work. The 2021 cash flow is higher than the 2020 projected spending significantly for the reasons below:
 - To continue capital improvements in the three theatres to address elements that require replacements, reconfigurations and upgrades that are identified in the building accessibility audit as well as various health and safety needs and COVID upgrades including AODA to ensure standards of the facilities are met for patrons and staff.

- To invest in major maintenance in critical and high priority areas that are needing capital improvements to address SOGR backlogs. This will enable TO Live to upkeep the facilities while enhancing customer experience.
- To replace aged roof at the Meridian Arts Centre.
- To continue the studies and planning required as part of the St. Lawrence Centre for the Arts redevelopment.
- There is an opportunity to complete an increased level of capital projects in 2021 due to the reduced programming conflicts as a result of the COVID related suspension of regular operations.

STATE OF GOOD REPAIR (SOGR) FUNDING & BACKLOG

The chart below depicts the SOGR funding and accumulated backlog estimates for key asset classes for TO Live.

Chart 3: Total SOGR Funding & Backlog



\$ Million	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
SOGR Funding	4.918	12.917	9.606	11.521	4.503	2.407	4.383	5.754	4.090	2.190	9.000
Accumulated Backlog Est.	98.918	86.001	76.395	64.874	60.371	57.964	53.581	47.827	43.737	41.547	32.547
Backlog % of Asset Value	36.9%	32.1%	28.5%	24.2%	22.5%	21.6%	20.0%	17.9%	16.3%	15.5%	12.2%
Total Asset Value	267.838	267.838	267.838	267.838	267.838	267.838	267.838	267.838	267.838	267.838	267.838

TO Live has stewardship for the three major City-owned theatres: Meridian Hall, St. Lawrence Centre for the Arts and Meridian Arts Centre. Recommendations from the building condition audits and building accessibility assessments are taken into consideration in establishing TO Live's 10-Year Capital Plan.

The 2021-2030 Staff Recommended Capital Budget and Plan provides funding for \$66.371 million of SOGR-only projects within TO Live over the 10-year period, providing an average of \$6.637 million annually. TO Live will utilize this funding to maintain building infrastructure, major theatre equipment and Heritage Agreement obligations for the three theatres. However, this funding is not sufficient to completely reduce the growing SOGR backlog over the 10-year period. Based on this plan, the accumulated backlog will decrease from \$98.918 million in 2020 to an anticipated \$32.547 million in 2030.

The "Capital Needs Constraints" include additional SOGR projects to help reduce the backlog of Meridian Hall and Meridian Arts Centre. These projects cannot be accommodated within the City's debt affordability and therefore are not included in the Staff Recommended 10-Year Capital Plan. For further details about these projects, please refer to Appendix 8.

APPENDICES

Appendix 1

COVID-19 Financial Impact – Operating

COVID-19 Impacts	(\$000s)					
	2020			2021		
	Revenues	Gross	Net	Revenues	Gross	Net
Revenue Loss						
User Fees & Donations	(22,312.4)		22,312.4	(26,099.6)		26,099.6
Other	(1,935.4)		1,935.4	(3,715.3)		3,715.3
Sub-Total	(24,247.8)		24,247.8	(29,814.8)		29,814.8
Savings due to Underspending						
Materials & supplies		(1,928.8)	(1,928.8)		(1,959.9)	(1,959.9)
Services & rents		(7,967.3)	(7,967.3)		(6,644.2)	(6,644.2)
Equipment		(116.0)	(116.0)		(173.2)	(173.2)
Other expenditures		(1,154.0)	(1,154.0)		(1,565.7)	(1,565.7)
Sub-Total		(11,166.1)	(11,166.1)		(10,343.0)	(10,343.0)
Savings due to Management Actions						
Salaries, wages, benefits		(9,856.4)	(9,856.4)		(12,697.2)	(12,697.2)
Sub-Total		(9,856.4)	(9,856.4)		(12,697.2)	(12,697.2)
Total COVID-19 Impact	(24,247.8)	(21,022.5)	3,225.3	(29,814.8)	(23,040.2)	6,774.6

Appendix 2

2021 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2018 Actual	2019 Actual	2020 Budget	2020 Projection*	2021 Budget	2021 Change from 2020 Projected Actual	
	\$	\$	\$	\$	\$	\$	%
Provincial Grants		40.6	75.0	6.5		(6.5)	(100.0%)
Federal Grants	30.0	10.1	35.0	31.5		(31.5)	(100.0%)
Other Grants			90.0	2.0		(2.0)	(100.0%)
User Fees & Donations	17,842.5	23,588.1	26,099.5	3,787.1		(3,787.1)	(100.0%)
Licences & Permits Revenue							
Transfers From Capital	206.8	445.7	593.2	561.6	582.9	21.3	3.8%
Contribution From Reserves/Reserve Funds	282.9	3,169.6	2,691.5	19.6	1,000.0	980.4	5002.0%
Sundry and Other Revenues	6,840.6	4,186.3	3,515.2	1,739.9		(1,739.9)	(100.0%)
Inter-Divisional Recoveries							
Total Revenues	25,202.8	31,440.4	33,099.4	6,148.2	1,582.9	(4,565.3)	(74.3%)
Salaries and Benefits	14,762.7	17,460.7	18,868.5	9,012.1	6,171.3	(2,840.8)	(31.5%)
Materials & Supplies	3,088.7	2,954.1	3,469.1	1,540.3	1,509.2	(31.1)	(2.0%)
Equipment	361.8	489.7	173.2	57.2		(57.2)	(100.0%)
Service and Rent	7,020.2	10,211.0	11,090.9	3,556.4	4,697.8	1,141.4	32.1%
Contribution To Capital							
Contribution To Reserves (incl. Insurance)	3,746.2	2,810.5	3,531.2	1,798.2	181.6	(1,616.6)	(89.9%)
Other Expenditures	1,109.6	1,327.2	1,565.7	411.7		(411.7)	(100.0%)
Transfer to Foundation		2,323.4					
Total Gross Expenditures	30,089.2	37,576.6	38,698.6	16,375.9	12,559.9	(3,816.0)	(23.3%)
Net Expenditures	4,886.4	6,136.2	5,599.2	10,227.7	10,977.0	749.3	7.3%
Approved Positions	232.5	222.7	240.4	240.4	57.0	(183.4)	(76.3%)

* Year-End Projection Based on Q3 2020 Variance Report

Appendix 3

Summary of 2021 Service Changes

N/A

Appendix 4

Summary of 2021 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 5

Summary of 2021 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 6

2021 Capital Budget: Current and Future Year Commitments and 2022 - 2030 Capital Plan

Project Code	(In \$000s)	2021 Budget	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2021 2030 Total	Health & Safety & Legislated	SOG	Growth & Improved Service
TO001	Meridian Hall - Electrical Systems	200	-	-	-	-	-	-	-	-	-	200		200	
TO002	Meridian Hall - Theatre Systems and Equipment	1,700	-	-	-29	260	-	-	-	-	-	1,989	289	1,700	
TO003	Meridian Hall - AODA Compliance	6,776	4,856	1,378	1,862	1,714	-	-	-	-	-	16,586	16,586		
TO004	Meridian Hall - Building Envelope	1,309	-	-	85	-	-	-	-90	-	-	1,484	1,228	256	
TO005	Meridian Hall - Mechanical Systems	766	-	-	-	-	-	-	-	-	-	766		766	
TO006	St Lawrence Centre for the Arts - AODA Compliance	-	2,248	1,135	5,029	4,680	-	-	500	-	-	13,592	13,592		
TO008	St Lawrence Centre for the Arts - SOGR	4,601	6,641	11,914	1,422	1,866	3,139	5,754	4,000	2,190	3,000	44,527		35,527	9,000
TO011	Meridian Arts Centre - AODA Compliance	6,510	2,943	1,932	2,710	6,023	-	-	-	-	-	20,118	20,118		
TO012	Meridian Arts Centre - SOGR	8,569	5,965	2,607	2,936	541	1,244	-	-	-	3,000	24,862		24,862	
TO013	Meridian Hall - Vertical Transportation	-	-	-	60	-	-	-	-	-	-	60		60	
TO014	Meridian Hall - BCA Recommendations	-	-	-	-	-	-	-	-	-	3,000	3,000		3,000	
	Total Expenditures (including carry forward from 2020)	30,431	22,653	18,966	14,133	15,084	4,383	5,754	4,590	2,190	9,000	127,184	51,813	66,371	9,000

Appendix 6a

2021 Capital Budget: Current and Future Year Commitments

Project Code	(In \$000s)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total 2021 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
TO001	Meridian Hall - Electrical Systems	200										200	200		
TO002	Meridian Hall - Theatre Systems and Equipment	1,700										1,700	348	(348)	1,700
TO003	Meridian Hall - AODA Compliance	6,776										6,776	2,942	(2,116)	5,950
TO004	Meridian Hall - Building Envelope	1,309										1,309	1,292	(880)	897
TO005	Meridian Hall - Mechanical Systems	766										766	100		666
TO006	St Lawrence Centre for the Arts - AODA Compliance	-										-	271	(271)	
TO007	St Lawrence Centre for the Arts - Health & Safety	-										-	8	(8)	
TO008	St Lawrence Centre for the Arts - SOGR	4,601	5,586	3,000								13,187	4,057	(3,407)	12,537
TO011	Meridian Arts Centre - AODA Compliance	6,510										6,510	6,243	(1,249)	1,515
TO012	Meridian Arts Centre - SOGR	8,569	3,374									11,943	2,956	(2,856)	11,843
Total Expenditure (including carry forward from 2020)		30,431	8,960	3,000								42,391	18,417	(11,135)	35,108

Appendix 6b

2021 Capital Budget: 2022 - 2030 Capital Plan

Project Code	(In \$000s)	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2022 2030 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
TO002	Meridian Hall - Theatre Systems and Equipment	-	-	29	260	-	-	-	-	-	289	289		
TO003	Meridian Hall - AODA Compliance	4,856	1,378	1,862	1,714	-	-	-	-	-	9,810	9,810		
TO004	Meridian Hall - Building Envelope	-	-	85	-	-	-	90	-	-	175		175	
TO006	St Lawrence Centre for the Arts - AODA Compliance	2,248	1,135	5,029	4,680	-	-	500	-	-	13,592	13,592		
TO008	St Lawrence Centre for the Arts - SOGR	1,055	8,914	1,422	1,866	3,139	5,754	4,000	2,190	3,000	31,340		31,340	
TO011	Meridian Arts Centre - AODA Compliance	2,943	1,932	2,710	6,023	-	-	-	-	-	13,608	13,608		
TO012	Meridian Arts Centre - SOGR	2,591	2,607	2,936	541	1,244	-	-	-	3,000	12,919		12,919	
TO013	Meridian Hall - Vertical Transportation	-	-	60	-	-	-	-	-	-	60		60	
TO014	Meridian Hall - BCA Recommendations	-	-	-	-	-	-	-	-	3,000	3,000		3,000	
Total Expenditures		13,693	15,966	14,133	15,084	4,383	5,754	4,590	2,190	9,000	84,793	37,299	47,494	

Appendix 7

Reporting on Major Capital Projects: Status Update

N/A

Appendix 8

Summary of Capital Needs Constraints

(In \$ Millions)

Project Description	Total Project	Non-Debt Funding	Debt Required	Cash Flow (In \$ Millions)									
				2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
NOT INCLUDED													
<i>Meridian Hall - Theatre Systems and Equipment</i>	6.079		6.079	0.370	0.882	0.547	1.738	0.486	0.997	0.559	0.500		
<i>Meridian Hall - Interior Finishes</i>	0.983		0.983		0.085	0.762	0.136						
<i>Meridian Hall - Mechanical Systems</i>	1.501		1.501	0.142	1.281			0.008	0.070				
<i>Meridian Hall - BCA Recommendations 1</i>	1.270		1.270						0.127	1.143			
<i>Meridian Hall - BCA Recommendations 2</i>	2.080		2.080							0.208	1.872		
<i>Meridian Hall - BCA Recommendations 3</i>	2.300		2.300								0.200	2.100	
<i>Meridian Arts Centre - SOGR</i>	18.334		18.334	1.313	3.838	3.738	1.445	0.907	0.396	2.291	2.306	2.100	
Total Needs Constraints (Not Included)	32.547		32.547	1.825	6.086	5.047	3.319	1.401	1.590	4.201	4.878	4.200	

In addition to the 10-Year Capital Plan of \$127.184 million, \$32.547 million in capital needs constraints are identified for the TO Live as reflected in the table above that will be considered for future funding in the budget process of future years.

- *Meridian Hall – Theatre Systems and Equipment* project requires \$6.079 million to improve main line array, replace performance lighting and enhance video systems infrastructure.
- *Meridian Hall – Interior Finishes* project requires \$0.983 million to replace industrial kitchen and acoustic ceiling tiles.
- *Meridian Hall – Mechanical Systems* project requires \$1.501 million to replace chiller and cooling tower and upgrade HVAC distribution.
- *Meridian Hall – Building Condition Audit (BCA) Recommendations* projects require \$5.650 million to address future year SOGR requirements arise from the next BCA. The most recent BCA for Meridian Hall was completed in September 2015.
- *Meridian Arts Centre –SOGR* project requires \$18.334 million to address outstanding SOGR backlog.

Appendix 9

2021 User Fee Changes (Excludes User Fees Adjusted for Inflation)

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2021 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2020 *	Withdrawals (-) / Contributions (+)		
			2021	2022	2023
		\$	\$	\$	\$
Beginning Balance		3,303.0	2,685.0	1,685.0	685.0
TO Live Facility Fee Reserve Fund	XR3030				
<i>Withdrawals (-)</i>		(849.0)	(1,000.0)	(1,000.0)	(1,000.0)
<i>Contributions (+)</i>		231.0	-		
Total Reserve / Reserve Fund Draws / Contributions		(618.0)	(1,000.0)	(1,000.0)	(1,000.0)
Balance at Year-End		2,685.0	1,685.0	685.0	(315.0)

* Based on 9-month 2020 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2020 *	Withdrawals (-) / Contributions (+)		
			2021	2022	2023
		\$	\$	\$	\$
Beginning Balance		38.0	38.0	38.0	38.0
TO Live Programming Reserve	XQ2033				
<i>Withdrawals (-)</i>		-	-	-	-
<i>Contributions (+)</i>		-	-	-	-
Total Reserve / Reserve Fund Draws / Contributions		-	-	-	-
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		38.0	38.0	38.0	38.0

* Based on 9-month 2020 Reserve Fund Variance Report

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2020 *	Withdrawals (-) / Contributions (+)		
			2021	2022	2023
		\$	\$	\$	\$
Beginning Balance		30,142.0	30,142.0	14,678.2	18.3
Insurance Reserve Fund	XR1010				
<i>Withdrawals (-)</i>			-	-	-
<i>Contributions (+)</i>			182.0	182.0	182.0
Total Reserve / Reserve Fund Draws / Contributions		-	182.0	182.0	182.0
Other Program / Agency Net Withdrawals & Contributions			(15,645.8)	(14,841.9)	2,373.3
Balance at Year-End		30,142.0	14,678.2	18.3	2,573.6

* Based on 9-month 2020 Reserve Fund Variance Report

Inflows and Outflows to/from Reserves and Reserve Funds

2021 – 2030 Capital Budget and Plan

Program Specific Reserve / Reserve Funds

N/A

Corporate Reserve / Reserve Funds

N/A

Appendix 11

Glossary

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 provide 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.

Voluntary Separation Program – On July 28th, 2020, City Council approved the implementation of a Voluntary Separation Program for staff who are eligible to retire with an unreduced pension providing a lump sum payment of up to three months' salary to eligible employees, subject to the terms of the program guidelines, funded through savings generated from a combination of permanently eliminating vacated positions and/or holding the positions vacant for a minimum of six months.