

2022 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 and International creators and provides 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 lead cultural innovation in the City of Toronto by redefining the role of performance spaces as a force for social engagement, cultural exchange and creative innovation.

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 2022 operating budget): \$38.7 million

The City of Toronto aims 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.

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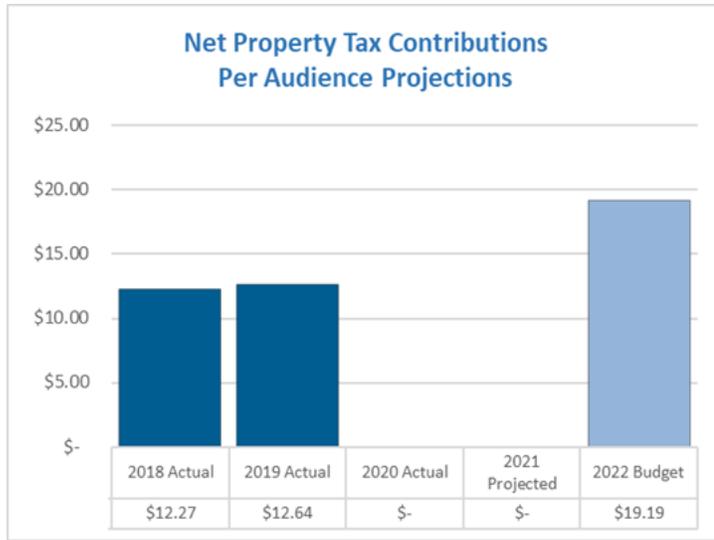
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Budget at a Glance*

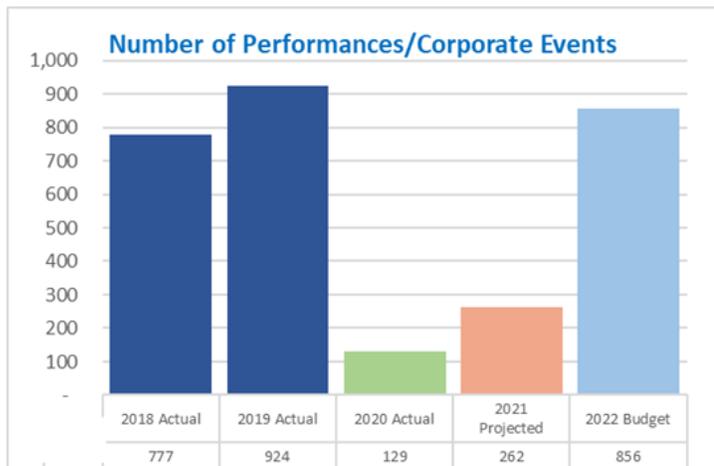
2022 OPERATING BUDGET				2022 - 2031 10-YEAR CAPITAL PLAN			
\$Million	2022	2023	2024	\$Million	2022	2023-2031 Total	
Revenues	\$30.6	\$30.6	\$30.6	Gross Expenditures	\$30.2	\$86.5	\$116.7
Gross Expenditures	\$38.7	\$38.7	\$38.7	Debt	\$29.6	\$86.5	\$116.2
Net Expenditures	\$ 8.1	\$ 8.1	\$ 8.1	Note: Includes 2021 carry forward funding			
Approved Positions	216.8	216.8	216.8				

*This document reflects the 2022 Operating Budget as recommended by the City's City Manager and Chief Financial Officer and Treasurer, and approved by the TO Live Board of Directors. The 2022-2031 Capital Budget and Plan as recommended by the City's City Manager and Chief Financial Officer and Treasurer, differs from the budget approved by the TO Live Board of Directors. Please refer to [Appendix 12](#) for details.

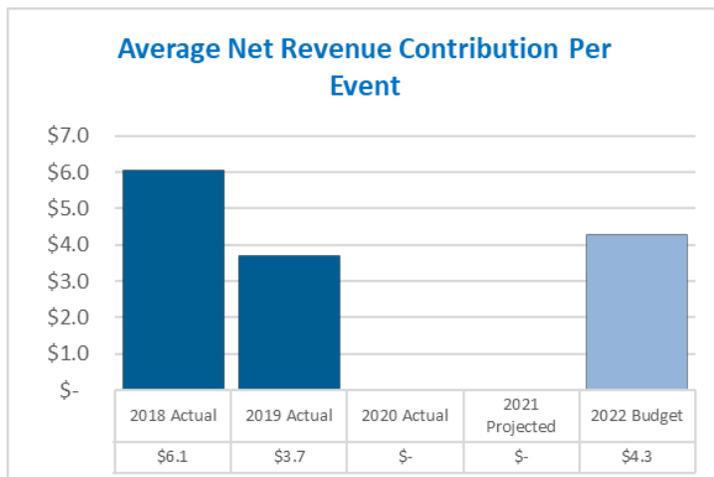
How Well We Are Doing – Behind the Numbers



- Due to the suspension of regular operations in 2020 and 2021 related to the COVID-19 pandemic, the net property tax contribution per audience does not yield the result that is comparable to prior years during regular theatre operations.
- TO Live is anticipating a gradual return to regular operations in 2022, subject to provincial health guidelines.



- Due to the suspension of regular operations in 2020 and 2021 related to the COVID-19 pandemic, the number of performances and corporate events has been significantly reduced.
- Modest increase in performance activities and corporate events as TO Live anticipates a gradual return to regular operations in 2022.



- Due to the suspension of regular operations in 2020 and 2021 related to the COVID-19 pandemic, the average net revenue contribution per event yields an unrealistic result.
- TO Live is anticipating a gradual return to regular operations in 2022, subject to provincial health guidelines.

How Well We Are Doing

Service	Measure	2019 Actual	2020 Actual	2021 Target	2021 Projection	Status	2022 Budget
Corporate Events	# of usage days	219	37	0	17	●	149
Stage Shows & Other Events	# of usage days	1,234	179	0	493	●	815
Community Classes	# of events	90	16	0	0	●	90
SHSM certifications, Xenia Concerts, Pre-Show events	# of events	34	6	0	4	●	26
Discover Series	# of events	19	2	0	5	●	20
Other Education & Engagement Activities	# of events	85	2	0	19	●	159

TO Live is anticipating a gradual return to regular operations in 2022, subject to provincial health guidelines. Service Levels for 2023 are undeterminable at this time.

● 80% - 100%

● 64 - 79%

● 63% and Under

COVID-19 IMPACT AND RECOVERY

2022 Impact and Recovery

Operating Budget Impact

- As TO Live is anticipating a gradual return to regular operations in 2022, revenue loss of \$7.4 million (representing a \$22.4 million reduction as compared to 2021 – see Appendix 1) directly attributed to COVID-19 is expected to last well into 2022.
- Fewer activities are budgeted in the first quarter of 2022 across all three venues, as compared to pre-COVID levels.
- Fewer large-scale events are budgeted affecting not only base rent and recoverables, but ancillary revenues such as concession sales and ticket rebates, as compared to pre-COVID levels.
- Corporate rentals are budgeted conservatively around larger events which will take time to recover after the pandemic.
- Increased expenditure of \$0.2 million to meet COVID health and safety protocols
- To mitigate the revenue shortfall, TO Live implements cost mitigation measures by absorbing inflationary pressures in the base budget and by reducing administration and departmental overhead.

Service Level Changes

- Programming activities are assumed to gradually return to pre-pandemic levels
 - TO Live will continue to support local artists through the TO Live Presents program and to work proactively with renters returning to live performances
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EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

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

Key Challenges and Risks

- Post pandemic re-building of audiences – consumer confidence
- New competitive market pressures
- Loss of stage rental engagements and corporate event business
- Capital State of Good Repair budgets to address backlog of capital projects

Priority Actions

- 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 2022 Operating Budget for TO Live of \$38.673 million gross, \$30.614 million revenue and \$8.059 million net for the following service:

Service:	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Theatrical & Other Cultural Events	\$38,672.6	\$30,613.5	\$8,059.1
Total Program Budget	\$38,672.6	\$30,613.5	\$8,059.1

2. City Council approve the 2022 staff complement for TO Live of 216.8 positions comprised of 13.0 capital positions and 203.8 operating positions.
3. City Council approve the 2022 Capital Budget for TO Live with cash flows and future year commitments totaling \$40.444 million as detailed by project in [Appendix 6a](#).
4. City Council approve the 2023-2031 Capital Plan for TO Live totalling \$76.277 million in project estimates as detailed by project in [Appendix 6b](#).

2022 OPERATING BUDGET

2022 OPERATING BUDGET OVERVIEW

Table 1: 2022 Operating Budget by Service

(In \$000s)	2020 Actual	2021 Budget	2021 Projection*	2022 Base Budget	2022 New / Enhanced	2022 Budget	Change v. 2021 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Theatrical & Other Cultural Events	6,566.8	1,582.9	4,407.5	30,613.5		30,613.5	26,206.0	594.6%
Total Revenues	6,566.8	1,582.9	4,407.5	30,613.5		30,613.5	26,206.0	594.6%
Expenditures								
Theatrical & Other Cultural Events	15,283.6	12,378.2	15,309.7	38,672.6		38,672.6	23,362.9	152.6%
Total Gross Expenditures	15,283.6	12,378.2	15,309.7	38,672.6		38,672.6	23,362.9	152.6%
Net Expenditures	8,716.8	10,795.3	10,902.2	8,059.1		8,059.1	(2,843.1)	(26.1%)
Approved Positions**	56.5	57.0	N/A	216.8		216.8	159.8	280.4%

*2021 Projection based on Q3 Variance Report

**YoY comparison based on approved positions

COSTS TO MAINTAIN EXISTING SERVICES

Total 2022 Base Budget expenditures of \$38.673 million gross reflecting an increase of \$23.363 million in spending above 2021 projected year-end actuals, predominantly arising from:

- Salaries and benefits adjustments, as staffing level has been adjusted to reflect the gradual return to full operations in 2022, and to ensure adequate staffing capacity for all programs across the 3 venues.
- Other expenditures associated with programs and events are also adjusted to reflect the anticipated recovery and reopening plan in 2022.

Given the financial impacts of COVID-19 on 2021 actuals, a further comparison of the 2022 Base Budget (excluding 2022 COVID-19 impacts) to the 2021 Council approved Budget (excluding 2021 COVID-19 impacts) is provided below:

- **2022 Base Budget of \$8.059 million in net expenditures reflects a \$1.146 million net increase from the 2021 Council approved Budget, when excluding \$2.893 million in estimated COVID-19 financial impacts on a net basis.**
- *Due to suspension of regular operations in 2021, TO Live was able to reduce its 2021 base budget to reflect the minimal operating subsidy required to maintain base operations. Excluding the \$2.893 million net COVID impact, the 2022 base subsidy is \$5.167 million which represents a status quo from the operating subsidy received during pre-COVID years.*

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in TO Live's 2022 Operating Budget do not have any equity impacts.

2022 OPERATING BUDGET KEY DRIVERS

The 2022 Operating Budget for TO Live is \$23.363 million gross or 152.6% higher than the 2021 Projected Actuals. Table 2a below summarizes the changes by revenue and expenditure category for the 2022 Operating Budget.

Table 2a: 2022 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2019 Actual	2020 Actual	2021 Budget	2021 Projection*	2022 Budget	2022 Change from 2021 Projection	
	\$	\$	\$	\$	\$	\$	%
Provincial Subsidies	40.6	13.0		34.4	794.9	760.6	2213.1%
Federal Subsidies	10.1	48.0		334.1	897.3	563.2	168.6%
Other Subsidies		5.0			75.0	75.0	
User Fees & Donations	23,588.1	3,816.5		949.3	20,047.1	19,097.8	2011.7%
Licences & Permits Revenue							
Transfers From Capital	445.7	523.2	582.9	1,108.5	4,175.8	3,067.3	276.7%
Contribution From Reserves/Reserve Funds	3,169.6	19.0	1,000.0	1,000.0	2,048.0	1,048.0	104.8%
Sundry and Other Revenues	4,186.3	2,142.0		981.2	2,575.3	1,594.1	162.5%
Inter-Divisional Recoveries							
Total Revenues	31,440.4	6,566.8	1,582.9	4,407.5	30,613.5	26,206.0	594.6%
Salaries and Benefits	17,460.7	8,929.3	6,171.3	9,919.5	17,807.5	7,888.0	79.5%
Materials & Supplies	2,954.1	1,284.6	1,509.2	1,260.3	3,206.1	1,945.8	154.4%
Equipment	489.7	57.5		13.8	376.6	362.8	2636.1%
Service and Rent	10,211.0	2,395.0	4,697.8	3,180.8	12,784.5	9,603.7	301.9%
Contribution To Capital				164.8	1,308.9	1,144.1	694.3%
Contribution To Reserves/Reserve Funds	2,810.5	2,340.8		633.3	2,223.2	1,589.9	251.0%
Other Expenditures	1,327.2	276.3		137.2	965.7	828.5	603.9%
Transfers to Foundation	2,323.4						
Total Gross Expenditures	37,576.5	15,283.6	12,378.2	15,309.7	38,672.6	23,362.9	152.6%
Net Expenditures	6,136.1	8,716.8	10,795.3	10,902.2	8,059.1	(2,843.1)	(26.1%)

*2021 Projection based on Q3 Variance Report

Key Base Drivers:**Salaries and Benefits:**

- Salaries and benefits increase due to cost of living adjustment and increase in complement as furloughed staff are rehired to assist with the return to regular operations.

Service and Rent:

- Increase in service and rent driven by higher volume of activities in 2022, and additional costs to maintain COVID-19 health and safety measures.

Contribution to Capital:

- Increase in contribution to capital projects directly offset by anticipated provincial and federal subsidies.

Contribution to and from Reserve/Reserve Funds:

- The contribution to the Facility Fee Reserve Fund was reduced in 2021 due to the pandemic.
- As TO Live gradually returns to regular operation in 2021, it is anticipated that facility fee revenue will be received in 2022 which allows for increased contribution to the reserve.
- The draw from Facility Fee Reserve Fund to address general maintenance and minor state of good repairs has also been adjusted correspondingly in 2022.

User Fees / Sundry & Other Revenues:

- Increases in revenue assume:
 - Large events are budgeted conservatively as they will take time to recover after the pandemic
 - The number and type of corporate and other private events will take time to resume to pre-pandemic level, resulting in an overall drop in contribution margin.
- Revenue is adjusted to reflect the impact of fewer events due to new competitive market pressures.

Offsets and Efficiencies:

TO Live significantly reduced salaries and benefits and other expenditures budget during the 2021 Budget process to reflect suspension of regular operations. As TO Live focuses on rebuild and recovery in 2022, these expenditures are adjusted based on increased activities.

TO Live's 2022 base subsidy request of \$5.167 million, excluding anticipated COVID impact of \$2.893 million, is consistent with the operating base budget request during pre-COVID years. The 2022 operating subsidy request of \$8.059 million represents a \$2.736 million decrease from the 2021 Council Approved Operating Budget of \$10.795 million.

2023 & 2024 OUTLOOKS**Table 3: 2023 and 2024 Outlooks**

(\$000s)	2021 Projection	2022 Budget	2023 Outlook	2024 Outlook
Revenues	4,407.5	30,613.5	30,613.5	30,613.5
Gross Expenditures	15,309.7	38,672.6	38,672.6	38,672.6
Net Expenditures	10,902.2	8,059.1	8,059.1	8,059.1
Approved Positions	N/A	216.8	216.8	216.8

Key drivers

The 2023 and 2024 Outlook with total gross expenditures of \$38.673 million remains unchanged compared to the 2022 Operating Budget.

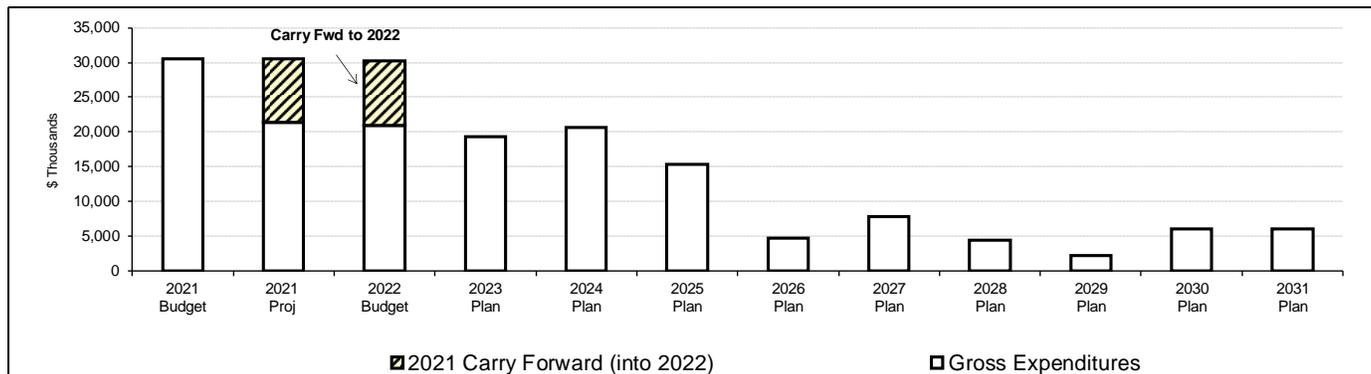
COVID-19 remains an ongoing challenge to the live performance and event industry. TO Live expects a gradual return to regular operations over a significant period of time.

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.

**2022 – 2031
CAPITAL BUDGET AND PLAN**

2022 – 2031 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview
(\$'000)



In \$'000's	2021		2022 Capital Budget and 2023 - 2031 Capital Plan										
	Budget	Projection	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total 10 Year Plan
	Gross Expenditures by Project Category:												
Health & Safety & Legislated	15,716	10,650	13,904	11,783	13,240	8,284			500				47,711
SOGR	11,096	9,886	10,369	4,553	7,345	7,122	4,693	7,838	4,000	2,190	6,000	6,000	60,110
Service Improvement & Growth	3,738	838	5,900	3,000									8,900
Total by Project Category	30,550	21,375	30,173	19,336	20,585	15,406	4,693	7,838	4,500	2,190	6,000	6,000	116,721
Financing:													
Debt	30,473	21,298	29,644	19,336	20,585	15,406	4,693	7,838	4,500	2,190	6,000	6,000	116,192
City Building Fund													
Reserves/Reserve Funds	77	77											
Development Charges													
Provincial													
Federal													
Debt Recoverable													
Other Revenue			529										529
Total Financing	30,550	21,375	30,173	19,336	20,585	15,406	4,693	7,838	4,500	2,190	6,000	6,000	116,721

Changes to Existing Projects
(\$-3.9 Million)

The 2022-2031 Capital Budget and Plan reflects the following changes to existing projects over the nine common years (2022-2030):

- \$2.6 million - Increase in AODA Compliance projects for Meridian Hall and Meridian Arts Centre to address increased costs related to COVID-19
- \$(5.4) million - Decrease in Meridian Arts Centre PVC Roof project cost, as scope changed from a full replacement to a refurbishment

New Projects
(\$8.7 Million)

The 2022-2031 Capital Budget and Plan includes new projects as follows:

- \$2.2 million - New projects added based on recent Building Conditions Audit performed at the Meridian Hall
- \$3.9 million – To support Technical Theatre Improvements at Meridian Arts Centre
- \$2.5 million – To address Exterior Envelope and Site Work at Meridian Hall

Capital Needs Constraints
(\$50.1 Million)

TO Live has nine unmet projects over the 10-year planning horizon:

- TO Live has \$50.1 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 2022 and 2023-2031 Capital Budget & Plan by project; [Appendix 7](#) for Reporting on Major Capital Projects – Status Update; and [Appendix 8](#) for Capital Needs Constraints, respectively.

2022 – 2031 CAPITAL BUDGET AND PLAN

\$116.7 Million 10-Year Gross Capital Program

			
Aging Infrastructure	Accessibility	Equipment	St. Lawrence Centre Redevelopment
\$24.2M 20.7%	\$44.0M 37.7%	\$5.9M 5.1%	\$42.6M 36.5%
Building Envelope, Mechanical & Electrical Systems 	AODA Compliance Projects	Theatrical Systems and Equipment	St. Lawrence Centre Redevelopment

 - Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction*

 - Project includes workforce development requirements as outlined in the City's Social Procurement Program

*Information above includes full project / sub-project 2022-2031 Capital Budget and Plan cash flows. Does not break out the climate component costs separately.

How the Capital Program is Funded

City of Toronto		Provincial Funding	Federal Funding
\$116.7 M 100%		\$0 M 0%	\$0 M 0%
Debt	\$ 116.2 M		
Other	\$ 0.5 M		

CAPACITY TO SPEND REVIEW

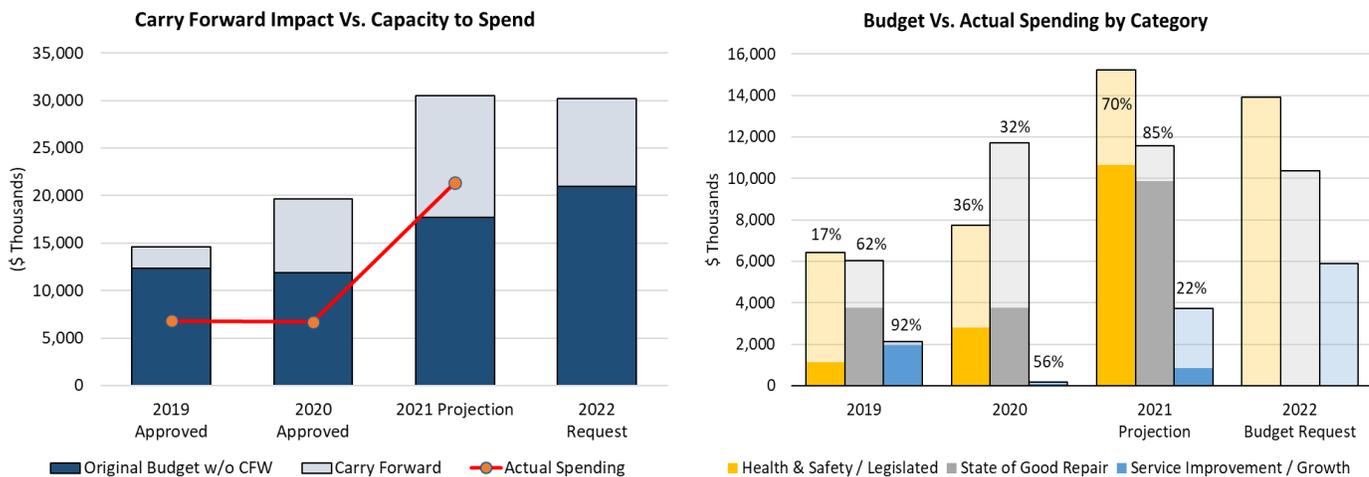
The 10-Year Capital Plan has been developed with consideration of historical demonstrated ability to spend within any given year of the ten year capital plan. A review was undertaken to ensure budgets align with TO Live’s ability to spend and the market’s capacity to deliver.

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 2021 underspending that will be carried forward into 2022 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). 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 2021, TO Live is forecasting to spend \$21.4 million or 70% of the 2021 Council Approved Capital Budget by year-end. TO Live is taking full advantage of the suspension of normal operations to focus on SOGR. Extensive progress was made on all capital project work throughout the summer during Q3.

However, many projects were delayed in the procurement process due to supply chain issues as a result of the pandemic. The COVID-19 pandemic created challenges on many capital projects due to labour shortages, supply chain issues and substantially increasing material costs. However, schedules and contingency solutions were being managed in conjunction with contractors to ensure venues were open in time for TO Live Presents and rental productions scheduled for the fall 2021.

Based on the review of historical capital spending constraints and a capacity to spend review, \$5.5 million in capital spending originally cash flowed in 2022 has been deferred to 2023 and future years. Adjustments to the Capital Plan are noted below:

- The St. Lawrence Centre for the Arts AODA and SOGR projects' 2022 cash flow have been reduced by \$2.2 million and \$3.3 million respectively based on projects readiness to proceed and revised project timelines.

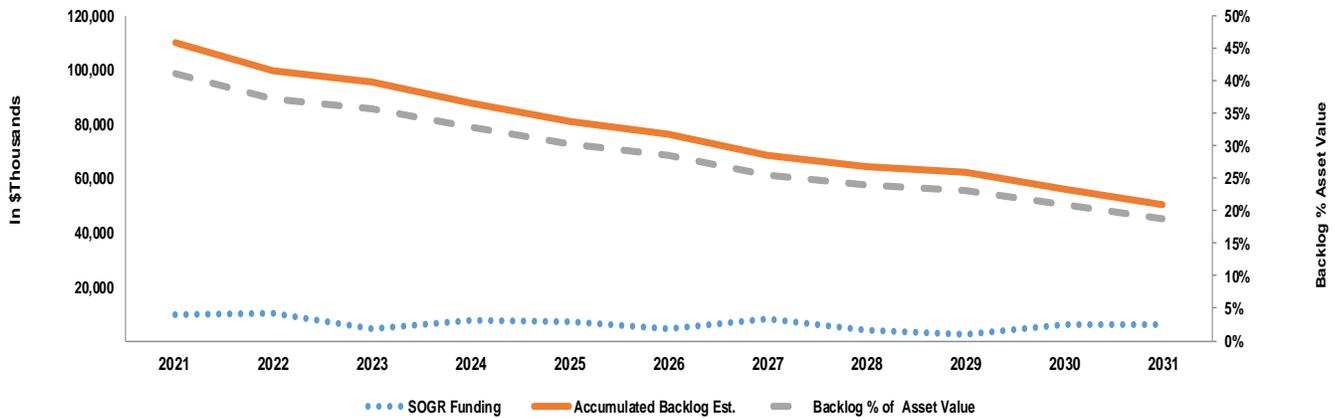
Despite the key adjustment noted above, TO Live still requires cash flow funding of \$30.2 million in 2022 to continue the capital work. The 2022 cash flow is higher than the 2021 projected spending significantly for the reasons below:

- 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 refurbish the aged roof at the Meridian Arts Centre.
- To continue the studies and planning required as part of the redevelopment of the St. Lawrence Centre for the Arts.

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



\$ Thousands	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
SOGR Funding	9,886	10,369	4,553	7,345	7,122	4,693	7,838	4,000	2,190	6,000	6,000
Accumulated Backlog Est.	110,241	99,872	95,319	87,974	80,852	76,159	68,321	64,321	62,131	56,131	50,131
Backlog % of Asset Value	41%	37.3%	35.6%	32.8%	30.2%	28.4%	25.5%	24.0%	23.2%	21.0%	18.7%
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 Building Condition Assessment (BCA) performed at the Meridian Hall in 2021 and the impact of increased construction costs as a result of COVID-19 are taken into consideration in establishing TO Live's 10-Year Capital Plan. The recent BCA included an energy audit which allows for consideration of capital projects with a climate lens in addition to projects required to address SOGR concerns.

The 2022-2031 Capital Budget and Plan provides funding for \$60.1 million of SOGR projects within TO Live over the 10-year period, providing an average of \$6.0 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 \$110.2 million in 2021 to an anticipated \$50.1 million in 2031, while the backlog remains at approximately 18.7% of asset value.

A Building Condition Audit is expected to be completed for the Meridian Arts Centre in 2022 which will result in increased SOGR requirements to be included in the SOGR backlog for 2023 Budget submission.

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 as well as spending capacity, and therefore are not included in the 10-Year Capital Plan. For further details about these projects, please refer to Appendix 8.

APPENDICES

Appendix 1

COVID-19 Impact and Recovery

In \$ Thousands				
COVID-19 Impacts	2021 Net	2022		
		Revenues	Gross	Net
Revenue Loss				
User Fees & Donations	3,059.3	(6,052.5)	(4,688.3)	1,364.2
Other	3,715.3	(1,325.1)		1,325.1
Sub-Total	6,774.6	(7,377.5)	(4,688.3)	2,689.2
Expenditure Increase				
Equipment			203.4	203.4
Sub-Total			203.4	203.4
Total COVID-19 Impact	6,774.6	(7,377.5)	(4,484.9)	2,892.6

Appendix 2

2022 Balancing Actions

N/A

Appendix 3

Summary of 2022 Service Changes

N/A

Appendix 4

Summary of 2022 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 5

Summary of 2022 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 6

2022 Capital Budget; 2023 - 2031 Capital Plan Including Carry Forward Funding

(In \$ Thousands)

Project Code	(In \$000s)	2022 Budget	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2022 - 2031 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
TO001	MAC - AODA Compliance Projects	6,295	4,932	4,733	1,000							16,960	16,960		
TO002	MAC - SOGR Projects <input checked="" type="checkbox"/>	9,425	1,374	277	341	1,534	1,679				3,000	17,630		17,630	
TO003	MH - AODA Compliance Projects	6,356	2,229	2,295	2,604							13,484	13,484		
TO004	MH - BCA Recommendations									3,000	3,000	6,000		6,000	
TO005	MH - Building Envelope	1,028	200	85					90			1,403	1,008	395	
TO006	MH - Mechanical Systems	92										92		92	
TO007	MH - Site Work <input checked="" type="checkbox"/>	83	1,239	1,183								2,505	2,505		
TO008	MH - Theatre Systems and Equipment	524	1,065			20	405					2,014	162	1,852	
TO009	STLC - AODA Compliance Projects		3,383	5,029	4,680			500				13,592	13,592		
TO010	STLC - SOGR Projects	470	1,914	6,983	6,781	3,139	5,754	4,000	2,100	3,000		34,141		34,141	
TO011	STLC - Studies and Redevelopment Planning	5,900	3,000									8,900			8,900
Total Expenditures (including carry forward from 2021)		30,173	19,336	20,585	15,406	4,693	7,838	4,500	2,190	6,000	6,000	116,721	47,711	60,110	8,900

- Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction*

*Information above includes full project / sub-project 2022-2031 Capital Budget and Plan cash flows. Does not break out the climate component costs separately

Appendix 6a

2022 Cash Flow and Future Year Commitments Including Carry Forward Funding (In \$ Thousands)

Project Code	(In \$000s)	2022 Budget	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	Total 2022 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
TO001	MAC - AODA Compliance Projects	6,295										6,295	2,946		3,349
TO002	MAC - SOGR Projects	9,425	1,348									10,773	3,983		6,790
TO003	MH - AODA Compliance Projects	6,356										6,356	1,500		4,856
TO005	MH - Building Envelope	1,028	200									1,228	1,008		220
TO006	MH - Mechanical Systems	92										92	92		
TO007	MH - Site Work	83	1,239	1,183								2,505			2,505
TO008	MH - Theatre Systems and Equipment	524	1,065									1,589			1,589
TO010	STLC - SOGR Projects	470	1,914	322								2,706	2,706		
TO011	STLC - Studies and Redevelopment Planning(2021-23)	5,900	3,000									8,900	8,900		
Total Expenditures (including carry forward from 2021)		30,173	8,766	1,505								40,444	21,135		19,309

Appendix 6b

2023 - 2031 Capital Plan

(In \$ Thousands)

Project Code	(In \$000s)	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2022 - 2031 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
TO001	MAC - AODA Compliance Projects	4,932	4,733	1,000							10,665	10,665		
TO002	MAC - SOGR Projects	26	277	341	1,534	1,679				3,000	6,857		6,857	
TO003	MH - AODA Compliance Projects	2,229	2,295	2,604							7,128	7,128		
TO004	MH - BCA Recommendations								3,000	3,000	6,000		6,000	
TO005	MH - Building Envelope		85					90			175		175	
TO006	MH - Mechanical Systems													
TO007	MH - Site Work													
TO008	MH - Theatre Systems and Equipment				20	405					425		425	
TO009	STLC - AODA Compliance Projects	3,383	5,029	4,680			500				13,592	13,592		
TO010	STLC - SOGR Projects		6,661	6,781	3,139	5,754	4,000	2,100	3,000		31,435		31,435	
Total Expenditures (including carry forward from 2021)		10,570	19,080	15,406	4,693	7,838	4,500	2,190	6,000	6,000	76,277	31,385	44,892	

Appendix 7

Reporting on Major Capital Projects: Status Update

N/A

Appendix 8

Summary of Capital Needs Constraints (In \$ Thousands)

Project Description	Total Project	Non-Debt Funding	Debt Required	Cash Flow (In \$ Thousands)										
				2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
NOT INCLUDED														
MAC - BCA Recommendations (Future)	9,000		9,000					200	2,200	2,200	2,200	2,200		
MAC - Building Cladding	3,666		3,666	100	2,683	883								
MAC - Flooring Systems (non-public spaces)	750		750					750						
MAC - Flooring Systems (public spaces)	1,500		1,500		1,500									
MAC - Interior Upgrades (non-public spaces)	607		607		61	546								
MAC - Interior Upgrades (public spaces)	607		607	61	546									
MAC - Renewal/Retrofit of Air Handling Units	1,157		1,157		116	1,041								
MAC - Replace Pumps	60		60	6	54									
MAC - Retrofit Elevators	598		598	60	538									
MAC - Technical Theatre Improvements (Future)	1,550		1,550	83	745	16	170	336	200					
MH - ASHRAE Upgrades	2,010		2,010	130	1,880									
MH - Audio / Video Systems	2,244		2,244		15	924	935	153	217					
MH - Audio Systems Upgrades	136		136				8	128						
MH - Basement Washroom and Locker Rooms	830		830		60	770								
MH - BCA Recommendations (Future)	5,200		5,200							1,500	1,000	200	2,500	
MH - Cooling and Chilled Water Plant Replacement	2,027		2,027					51	1,976					
MH - Escalators / Dumb Waiter	364		364		34	330								
MH - Exterior Lighting Systems	427		427										17	410
MH - Generator Power & Backup Systems	1,791		1,791				76	1,715						
MH - Heaters and Controls	613		613			33	580							
MH - Industrial Kitchen Replacement (incl AODA)	884		884		24	860								
MH - Interior Door Rehabilitation	1,500		1,500				1,500							
MH - Loading Equipment	140		140			140								
MH - Lobby Video Systems	1,018		1,018			35	983							
MH - North West Corner Fit Out	1,200		1,200	1,200										
MH - Parking Control System (Electronic Bollards)	300		300			300								
MH - Replace Acoustic Ceiling	1,470		1,470			50	1,420							
MH - Replace Exhaust Fan	203		203	8	195									
MH - Replace Storm & Sanitary Sump Pump Sets	59		59				2	57						
MH - Rigging & Drapery Systems	420		420		23	397								
MH - Staging & Carpentry - Risers, Chairs, Stands	81		81	4	77									
MH - Staging & Carpentry - Stage Floor & Traps	236		236										12	224
MH - Steam System Replacement	550		550										21	529
MH - Theatrical Lighting Systems	3,613		3,613	34	736	685	818	1,340						
MH - Upgrade Sanitary Valve Control	65		65			65								
STLC - Building Condition Assessment	255		255	80			85				90			
STLC - BCA Recommendations (Future)	3,000		3,000											3,000
Total Needs Constraints (Not Included)	50,131		50,131	1,766	9,287	7,075	6,577	4,730	4,593	3,700	3,290	2,450	6,663	

In addition to the 10-Year Capital Plan of \$116.7 million, \$50.1 million in capital needs constraints are identified for the TO Live as reflected in the table above.

- Meridian Arts Centre (MAC) requires \$19.5 million for improvements in flooring systems, upgrades in interior spaces, renewal and retrofit of air handling units as well as SOGR requirements arise from future year Building Condition Audit.
- Meridian Hall (MH) requires \$27.4 million for replacement of cooling and chilled water plant, rehabilitation of interior door, upgrades in audio and video systems and other outstanding SOGR requirements.
- St. Lawrence Centre (STLC) requires \$3.3 million to address future year Building Condition Audit recommendations.

These projects will be included on the list of "Capital Needs Constraints" for consideration in the future year budget process.

Appendix 9

2022 User Fee Changes

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2022 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2022	2023	2024
		\$	\$	\$
Beginning Balance		1,650.8	1,829.6	2,019.0
TO Live Facility Fee Reserve Fund	XR3030			
<i>Withdrawals (-)</i>		(2,048.0)	(2,048.0)	(2,048.0)
<i>Contributions (+)</i>		2,223.2	2,223.2	2,223.2
Total Reserve / Reserve Fund Draws / Contributions		175.2	175.2	175.2
<i>Interest Income</i>		3.7	14.2	17.5
Balance at Year-End		1,829.6	2,019.0	2,211.7

* Based on 9-month 2021 Reserve Fund Variance Report

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 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

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).

Appendix 12

2022-2031 Capital Budget and Plan – Board Approved Vs. City Staff Recommended Budget

\$ Millions	Board	City Staff	Difference	
	Approved	Recommended	\$	%
2022				
Gross Expenditures	22.9	30.2	7.2	31.5%
Debt	22.5	29.6	7.1	31.5%
2023-2031				
Gross Expenditures	73.6	86.5	13.0	17.6%
Debt	73.6	86.5	13.0	17.6%
Total				
Gross Expenditures	96.5	116.7	20.2	20.9%
Debt	96.1	116.2	20.1	20.9%

At its meeting on September 24, 2021, the Board of Directors of TO Live approved the 2022-2031 Capital Budget and Plan which requires a total cash flow funding of \$157.3 million. Decisions of the meeting can be accessed via the following link <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.CT27.6>.

As shown in the table above, the 2022-2031 City Staff Recommended Capital Budget and Plan for TO Live, however, is not consistent with the 10-Year Capital Plan approved by the Board of Directors of TO Live at its meeting. The differences are attributable to the following:

- Additional 2021 carry forward funding of \$5.7 million was identified subsequent to the Board approval to reflect Q3 2021 projected spending
- Increase in cash flow funding to the following projects to reflect updated project readiness and delivery timeline:
 - \$6.0 million to support anticipated capital improvements arise from future Building Condition Audit recommendations for the Meridian Hall and Meridian Art Centre
 - \$4.8 million to address capital work for exterior envelope and site work as well as improvements to the theatrical systems at the Meridian Hall
 - \$4.0 million to enhance theatrical systems and equipment at the Meridian Art Centre