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TO Live

TO Live Policy #304 Facility Fee Surcharge - Update

Date: June 5, 2023

To: Finance and Audit Committee and The Board of Directors of TO Live

From: President and Chief Executive Officer

SUMMARY

The purpose of this report is to seek Board approval for the updated TO Live Policy #304 - Facility Fee Surcharge (FFS) with two changes; an increase to the FFS, and a change in the allocation of FFS funds.

RECOMMENDATIONS

The President and Chief Executive Officer recommends that the Board of Directors of TO Live:

1. Approve the updated Policy #304 Facility Fee Surcharge, as per the changes set out in Attachment 1.
2. Approve the allocation of \$1.00 per ticket from the Facility Fee Surcharge to operations effective immediately on all new contracts for the remaining of fiscal 2023.

FINANCIAL IMPACT

The allocation of \$1.00 per ticket from the Facility Fee Surcharge to operations has the potential to add \$500K annually in new revenue to TO Live's operations.

DECISION HISTORY

At its March 31, 2022 meeting, the Board of Directors of TO Live approved the financial policies as outlined in Attachment 1 and 2 to the report.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.CT31.5>

At its November 30, 2017 meeting, the Board of Directors of Civic Theatres Toronto (now TO Live) approved the financial policies as outlined in Attachment 1 to the report.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CT23.3>

COMMENTS

Management is recommending an update to TO Live Policy #304 - Facility Fee Surcharge (FFS) with two changes: an increase to the FFS, and a change in the allocation of FFS monies. These changes have the potential to add \$500K annually in new revenue for TO Live's operations. The last modification to FFS rates was in 2018.

1. Increase to the FFS

Management would like to increase the FFS rates to assist with budgetary pressures which includes:

- a decrease in City investment
- fluctuations in earned revenue
- inflationary pressures.

Management is recommending these rate increases take effect immediately for all new contracts. The chart below (also outlined in Attachment 1) illustrates the proposed changes.

	Current			Proposed			Base increase
	Base	GST	Total surcharge	Base	GST	Total surcharge	
Meridian Hall	\$3.00	\$0.39	\$3.39	\$3.98	\$0.52	\$4.50	\$0.98
Bluma Appel	\$3.00	\$0.39	\$3.39	\$3.98	\$0.52	\$4.50	\$0.98
Jane Mallet	\$3.00	\$0.39	\$3.39	\$3.98	\$0.52	\$4.50	\$0.98
George Weston	\$3.00	\$0.39	\$3.39	\$3.98	\$0.52	\$4.50	\$0.98
Lyric	\$3.00	\$0.39	\$3.39	\$3.98	\$0.52	\$4.50	\$0.98
Greenwin	\$1.50	\$0.20	\$1.70	\$2.65	\$0.35	\$3.00	\$1.15
Studio	\$1.50	\$0.20	\$1.70	\$2.65	\$0.35	\$3.00	\$1.15
Tickets under \$15	\$1.00	\$0.13	\$1.13	\$1.99	\$0.26	\$2.25	\$0.99

2. Allocation of FFS Monies

The current Policy 304 is silent on the allocation of FFS monies. However, Policy 321 - Facility Fee Reserve Fund (FFRF) (see Attachment 2) indicates that FFS money is one type of contribution to the FFRF. The proposed update to Policy 304 (see Attachment 1) will allow the Board to allocate FFS monies to either FFRF or operations and provide a review via the annual budgeting process.

In conclusion, Management is recommending updating all new contracts to reflect the above proposed changes to the FFS rate and take \$1.00 per ticket into operations.

CONTACT

William Milne
VP of Finance and Administration
T: 416 368 6161
William.Milne@tolive.com

SIGNATURE

Clyde Wagner
President and Chief Executive Officer

ATTACHMENTS

Attachment 1 - Policy 304 - Facility Fee Surcharge
Attachment 2 - Policy 321 - Facility Fee Reserve Fund