

# 2024 Budget Notes

## Heritage Toronto

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### Description

Heritage Toronto builds a better city by bringing people together to explore Toronto's shared past and people's lived experiences. It delivers 80+ public programs annually including: walking, cycling and bus tours, plaques, digital programs and exhibitions, the Heritage Toronto Awards, the Emerging Historian program and, most recently, the Heritage Equity Initiative.

### Why We Do It

Heritage is a positive force for social inclusion, economic development and sustainability. Heritage Toronto's programs connect people and neighbourhoods and build a compassionate city which honours its diverse stories to ensure that each resident feels reflected, and has a voice, in its future.

*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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## What Service We Provide

### **Heritage Promotion and Education**

**Who We Serve:** City Council, Residents and Tourists, Community Organizations, Students and Educational Institutions, Media, Business Improvement Areas (BIAs) and Business, Neighbourhood Groups

**What We Deliver:** 80+ annual public programs

**How Much Resources (gross 2024 operating budget): \$1.121 million**

### **Heritage Fundraising and Partnerships**

**Who We Serve:** Community Organizations, Educational Institutions, Other Charities, Philanthropists, Corporations, Industry and Business, City Divisions, Other Levels of Government

**What We Deliver:** Partnerships with hundreds of community groups, businesses, donors and volunteers across the City

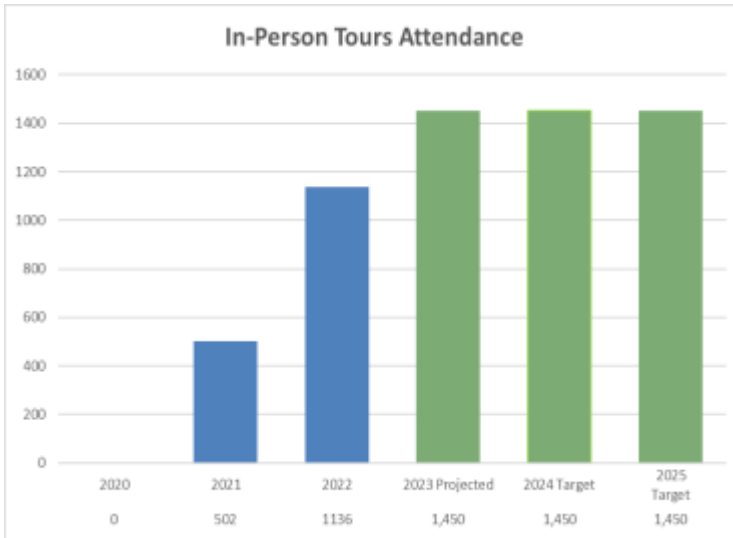
**How Much Resources (gross 2024 operating budget): \$0.215 million**

## Budget at a Glance

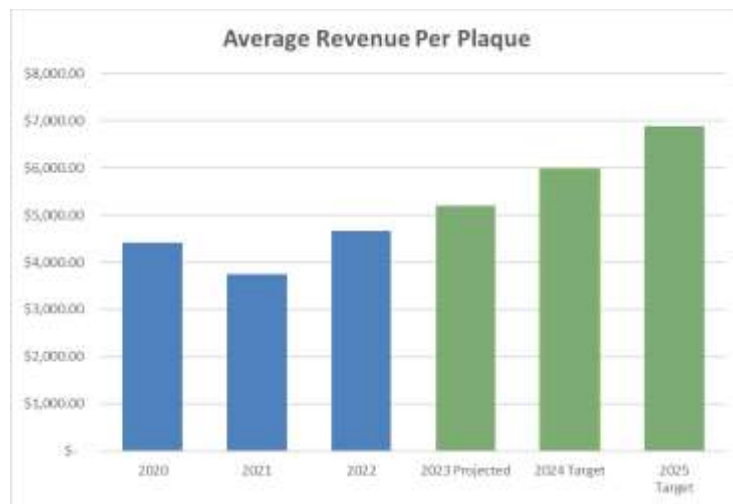
2024 OPERATING BUDGET			
<u>\$Million</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Revenues	\$0.697	\$0.567	\$0.567
Gross Expenditures	\$1.336	\$1.206	\$1.206
Net Expenditures	\$0.639	\$0.639	\$0.639
Approved Positions	9.25	8.50	8.50

Heritage Toronto does not have a 10-year Capital Plan

## How Well We Are Doing – Behind the Numbers



- To rebuild post-pandemic audiences, Heritage Toronto expanded its tour program to include 60 tours from May to October. This encompassed the relaunch of the bus tour to serve those with mobility issues and showcase various city neighborhoods.
- In the 2023 tour season, 65% of offerings were new, with 57% crafted or led by youth from the Emerging Historians and Equity Heritage Initiative programs. Over 40% of tours focused on equity-deserving communities.
- Heritage Toronto transitioned from a donation-only model to introduce paid ticketing for walking tours, accompanied by an expanded array of heritage information tents and complimentary tours at city-wide events and festivals, enhancing the experience with diverse programming.



- Heritage Toronto is actively diversifying its revenue streams while enhancing program quality.
- Shifting from traditional small metal plaques, 54% of Heritage Toronto's plaques are now crafted in large-scale porcelain-enamel, offering a more comprehensive presentation of facts. While this leads to fewer plaques purchased, the improved quality enhances public appeal and visual engagement. Notably, this shift has increased average per-plaque revenue by 53% since 2018, showcasing both greater efficiency and financial success.
- It's important to note that despite the increase in revenue, the number of plaques purchased has decreased due to the rising cost of plaques.

## How Well We Are Doing

Service	Measure	2021 Actual	2022 Actual	2023 Target	2023 Projection	Status	2024 Target	2025 Target
<b>Outcome Measures</b>								
Heritage Promotion and Education	Heritage Plaques Installed	58	60	60	35	●	35	35
Heritage Promotion and Education	Heritage Awards Attendee Approval Rating	N/A	95%	95%	95%	●	95%	95%
Heritage Promotion and Education	In-person Tours Attendance	502	1,103	1,800	1,450	●	1,450	1,450
<b>Service Level Measures</b>								
Heritage Promotion and Education	Page Views of Digital Programs	35,508	28,535	35,000	35,000	●	35,000	35,000
Heritage Promotion and Education	Host Emerging Historians	N/A	N/A	30	30	●	30	30
<b>Other Measures</b>								
Heritage Promotion and Education	Public Subscribers to bi-monthly E-Newsletters	8,255	8,651	9,000	9,000	●	9,000	9,000
Heritage Fundraising and Partnerships	Increase in private donations	35%	-6%	29%	16%	●	-1.6%	-1.6%
Heritage Fundraising and Partnerships	Increases in sponsorship revenues	49%	53%	129%	-14%	●	-8%	-8%
Heritage Fundraising and Partnerships	Total Budget from fed./prov. Gov'ts and private donations	2%	1%	0%	1.8%	●	0%	0%

**2023 Projection to 2023 Target Comparison**

● 100% (MET TARGET) ● 70 - 99% (LOW RISK) ● 69% and Under (REQUIRES ATTENTION)

## EXPERIENCES, CHALLENGES AND PRIORITIES

### Our Experience and Success

- The Equity Heritage Initiative (2020-2023) has fundamentally improved the agency. In 2023, 40% of tours and 47% of plaques, still the largest program in North America, featured equity deserving people and communities.
- Programs were rebuilt to pre-pandemic levels and 4,397 people participated in events.
- 65,000 users engaged with our website to explore Toronto's heritage.
- Delivered programming at seven community festivals across Toronto.
- Youth driven programming, created by 24 Emerging Historians and four Equity Coordinators, represented new communities and served new audiences

### Key Challenges and Risks

- Impact and momentum of the Equity Heritage Initiative will lessen as it is dependent on a time limited corporate grant which will fund only one contract position in 2024 (four positions in 2023).
- Due to financial constraints, it will be difficult to maintain public program levels as the agency will be operating with 30% fewer staff.
- Limited staff resources must be increasingly used to fulfil increased City administrative, reporting and policy requests.
- Economic conditions contributing to a decline in revenues as sponsorship agreements are being renewed at reduced amounts in 2024.

### Priority Actions

- **Expand Reach of Public Audiences.** Determine and implement leading methodologies to measure public impact, expand audience reach, and enhance and service levels.
- **Diversify private revenue:** Accelerate grant and foundation application, diversify corporate partnerships to reduce project dependency, and increase donor engagement and stewardship.
- **Increase earned revenue.** Define optimal mix between paid and free public tours and investigate new ticketed revenue streams including private tours and lectures.
- **Continue rebuild of Digital Accessibility and Service.** Given the success of digital tours and exhibitions, the agency must self-fund repairs to its aging website to ensure public access. Limited staff resources have stretched deadlines into 2024.
- **State of Heritage Report.** Traditionally tied to election cycles, the delayed report will be completed and released to help advise the City, Council members, and the public on heritage matters. The 2024 Report will focus on the heritage priorities of equity deserving communities.
- **Continue review of Heritage Plaque Program.** Complete the program review and implement recommended solutions to ensure fees adequately cover the increasing cost of producing, installing, and maintaining plaques.

## CITY STAFF PREPARED BUDGET

The City Manager and Chief Financial Officer and Treasurer have prepared the following budget:

1. The 2024 Operating Budget for Heritage Toronto of \$1.336 million gross, \$0.697 million revenue and \$0.639 million net for the following services:

**Service:**

	<b>Gross Expenditures (\$000s)</b>	<b>Revenue (\$000s)</b>	<b>Net Expenditures (\$000s)</b>
Heritage Promotion & Education	1,121.3	265.1	861.2
Heritage Fundraising & Partnership Development	214.8	432.1	(217.3)
<b>Total Program Budget</b>	<b>1,336.2</b>	<b>697.2</b>	<b>639.0</b>

- The 2024 staff complement for Heritage Toronto comprised of 9.25 operating positions.

# **2024 OPERATING BUDGET**

## 2024 OPERATING BUDGET OVERVIEW

Table 1: 2024 Operating Budget by Service

(In \$000s)	2022 Actual	2023 Budget	2023 Projection*	2023 Budget excl COVID	2024 Base Budget	2024 New / Enhanced	2024 Budget	Change v. 2023 Budget excl COVID	
By Service	\$	\$	\$	\$	\$	\$	\$	\$	%
<b>Revenues</b>									
Heritage Promotion & Education	225.6	309.5	298.8	320.9	265.1		265.1	(55.8)	(17.4%)
Heritage Fundraising & Partnership Development	261.0	551.0	473.5	551.0	432.1		432.1	(118.9)	(21.6%)
<b>Total Revenues</b>	<b>486.6</b>	<b>860.4</b>	<b>772.3</b>	<b>871.9</b>	<b>697.2</b>		<b>697.2</b>	<b>(174.7)</b>	<b>(20.0%)</b>
<b>Expenditures</b>									
Heritage Promotion & Education	783.6	1,237.3	1,155.3	1,237.3	1,121.3		1,121.3	(116.0)	(9.4%)
Heritage Fundraising & Partnership Development	232.0	197.6	197.6	197.6	214.8		214.8	17.2	8.7%
<b>Total Gross Expenditures</b>	<b>1,015.6</b>	<b>1,435.0</b>	<b>1,352.8</b>	<b>1,435.0</b>	<b>1,336.2</b>		<b>1,336.2</b>	<b>(98.8)</b>	<b>(6.9%)</b>
<b>Net Expenditures</b>	<b>529.0</b>	<b>574.5</b>	<b>580.5</b>	<b>563.1</b>	<b>639.0</b>		<b>639.0</b>	<b>75.9</b>	<b>13.5%</b>
<b>Approved Positions**</b>	<b>10.5</b>	<b>12.5</b>	<b>N/A</b>	<b>12.5</b>	<b>9.3</b>		<b>9.3</b>	<b>N/A</b>	<b>N/A</b>

\* 2023 Projection based on 9 Month Variance

\*\*YoY comparison based on approved positions

### KEY DRIVERS

**Total 2024 Budget** expenditures of \$1.336 million gross reflecting a decrease of \$0.099 million in spending below 2023 budget, predominantly arising from:

- Gross expenditure decreases are as a result of the removal of vacant positions, which have been challenging to fill in the past.
- Revenue decreases, primarily stemming from reduced sponsorship funding for the Equity Heritage program, are partially mitigated by savings in salaries and benefits, as noted above.

### EQUITY IMPACTS OF BUDGET CHANGES

**No significant equity impacts:** The changes in Heritage Toronto's 2024 Operating Budget do not have any significant equity impacts.



**2024 OPERATING BUDGET KEY COST DRIVERS**

The 2024 Net Operating Budget for Heritage Toronto \$0.639 million gross is \$0.076 million or 13.5% greater than the 2023 Net Budget, when reversing 2023 pandemic costs and applying a zero-base budget approach to all prior year COVID-19 related financial impacts. Table 2 below summarizes the key cost drivers for the 2024 Budget.

**Table 2: 2024 Key Cost Drivers**

(In \$000s)	2024				2025 Annualized impact (Net)
	Revenues	Gross	Net	Positions**	
<b>2023 Budget</b>	<b>860.4</b>	<b>1,435.0</b>	<b>574.5</b>	<b>12.5</b>	<b>N/A</b>
<b>2023 Projection*</b>	<b>772.3</b>	<b>1,352.8</b>	<b>580.5</b>	<b>N/A</b>	<b>N/A</b>
<b>2023 Budget (excl. COVID)</b>	<b>871.9</b>	<b>1,435.0</b>	<b>563.1</b>	<b>12.5</b>	<b>N/A</b>
<b>Key Cost Drivers:</b>					
<b>Salary &amp; Benefits</b>					
COLA		23.0	23.0		
Benefits		1.5	1.5		
<b>Non-Salary Inflation</b>					
External Audit Fee		24.6	24.6		
<b>Revenue Changes</b>					
User Fee	(176.0)		176.0		
<b>Sub-Total - Key Cost Drivers</b>	<b>(176.0)</b>	<b>49.1</b>	<b>225.1</b>		
<b>Affordability Measures:</b>					
Line by Line/Matching Actuals	0.6	(25.2)	(25.8)		
Provincial/Federal Subsidy Increase	0.6		(0.6)		
Salary & Benefits		(122.7)	(122.7)	(3.3)	
<b>Sub-Total - Affordability Measures</b>	<b>1.2</b>	<b>(147.9)</b>	<b>(149.1)</b>	<b>(3.3)</b>	
<b>Total 2024 Budget</b>	<b>697.1</b>	<b>1,336.2</b>	<b>639.0</b>	<b>9.3</b>	
<b>Change from 2023 Budget (excl. COVID) (\$)</b>	<b>(174.8)</b>	<b>(98.8)</b>	<b>75.9</b>	<b>N/A</b>	<b>N/A</b>
<b>Change from 2023 Budget (excl. COVID) (%)</b>	<b>-20%</b>	<b>-7%</b>	<b>13%</b>	<b>N/A</b>	<b>N/A</b>

\*Based on 9 Month Variance

\*\*YoY comparison based on approved positions

**Key Base Drivers:****Salary & Benefits:**

The increase is driven by inflationary increases to salaries and benefits for existing non-union staff positions.

**Non-Salary Inflation:**

The rise in costs is linked to an escalated external audit fee, attributed to a newly awarded contract for the new term from 2023 to 2027 through the City's Bid Award Process approved by City Council at its July 19 meeting ([AU2.11](#)).

**Revenue Changes:**

The decline in revenues is a result of sponsorship agreements expiring in 2023 and being renewed at a reduced amount by the sponsor in 2024, influenced by prevailing economic conditions.

**Affordability Measures:****Table 3: Offsets and Efficiencies**

(\$000s)									
Recommendation	Savings Type	Equity Impact	2024				2025 (Incremental)		
			Revenue	Gross	Net	Positions	Gross	Net	Positions
Review of Operations	Line by Line	No Impact	0.6	(25.2)	(25.8)				
Subsidies from Other Levels of Government	Matching Actuals	No Impact	0.6		(0.6)				
Removing Vacant Positions	Salary and Step Adjustments	No Impact		(122.7)	(122.7)	(3.3)	(35.9)	(35.9)	(0.8)
<b>Total Affordability Measures</b>			<b>1.2</b>	<b>(147.9)</b>	<b>(149.1)</b>	<b>(3.3)</b>	<b>(35.9)</b>	<b>(35.9)</b>	<b>(0.8)</b>

**Offsets and Efficiencies:**

The 2024 Operating Budget includes \$0.148 million in gross and \$0.149 million in net expenditures reductions attributed to:

- Reduction in discretionary expenditures;
- Inclusion of subsidy revenues from other levels of government; and
- Removal of vacant positions that could not be filled in 2023.

**2025 & 2026 OUTLOOKS****Table 4: 2025 and 2026 Outlooks**

(\$000s)	2024 Budget	2025 Incremental Outlook	2026 Incremental Outlook
<b>Revenues</b>			
Sponsorship Revenue ending in 2024		(130.4)	
<b>Total Revenues</b>	<b>697.2</b>	<b>(130.4)</b>	
<b>Gross Expenditures</b>			
Programming Costs		(130.2)	(0.2)
<b>Total Gross Expenditures</b>	<b>1,336.2</b>	<b>(130.2)</b>	<b>(0.2)</b>
<b>Net Expenditures</b>	<b>639.0</b>	<b>0.2</b>	<b>(0.2)</b>
<b>Approved Positions</b>	<b>9.3</b>	<b>(0.8)</b>	

**Key Outlook Drivers**

The 2025 Outlook with total gross expenditures of \$1.211 million reflects an anticipated \$0.130 million or 9.7% decrease in gross expenditures below the 2024 Operating Budget. The 2026 Outlooks expects a further decrease of \$0.002 million or 0.02% above 2025 gross expenditures.

These changes arise from the following:

- Concluding equitable community partnerships and diversifying programming is anticipated to result in a decrease in both associated expenditures and revenues in 2025.

# APPENDICES

## Appendix 1

### 2024 Operating Budget by Category

Category (In \$000s)	2021	2022	2023	2023	2024	2024 Change from 2023		2024 Change from 2023	
	Actual	Actual	Budget	Projection*	Budget	Budget	Budget	Projection	Projection
	\$	\$	\$	\$	\$	\$	%	\$	%
Provincial Subsidies	1.5	1.5	1.5	1.5	1.5				
Federal Subsidies	19.8	4.8	4.4	22.4	5.0	0.6	13.8%	(17.4)	(77.8%)
User Fees & Donations	431.1	421.4	853.0	740.4	688.5	(164.5)	(19.3%)	(51.9)	(7.0%)
Contribution From Reserves/Reserve Funds	16.6	56.8							
Sundry and Other Revenues	1.2	2.1	1.5	8.0	2.1	0.6	42.7%	(5.9)	(73.3%)
<b>Total Revenues</b>	<b>470.3</b>	<b>486.6</b>	<b>860.4</b>	<b>772.3</b>	<b>697.2</b>	<b>(163.3)</b>	<b>(19.0%)</b>	<b>(75.1)</b>	<b>(9.7%)</b>
Salaries and Benefits	590.0	714.8	938.8	835.6	840.6	(98.2)	(10.5%)	5.0	0.6%
Materials & Supplies	24.6	37.5	33.8	28.7	37.5	3.7	10.9%	8.8	30.7%
Service and Rent	193.6	262.9	462.4	488.5	458.1	(4.3)	(0.9%)	(30.5)	(6.2%)
<b>Total Gross Expenditures</b>	<b>808.1</b>	<b>1,015.2</b>	<b>1,435.0</b>	<b>1,352.8</b>	<b>1,336.2</b>	<b>(98.8)</b>	<b>(6.9%)</b>	<b>(16.7)</b>	<b>(1.2%)</b>
<b>Net Expenditures</b>	<b>337.8</b>	<b>528.7</b>	<b>574.5</b>	<b>580.5</b>	<b>639.0</b>	<b>64.4</b>	<b>11.2%</b>	<b>58.4</b>	<b>10.1%</b>

\*Projection based on 9 Month Variance

## **Appendix 2**

**Summary of 2024 Service Changes**

**N/A**

## **Appendix 3**

**Summary of 2024 New / Enhanced Service Priorities Included in Budget**

**N/A**

## **Appendix 4**

**Summary of 2024 New / Enhanced Service Priorities Not Included in Budget**

**N/A**

## **Appendix 5**

**2024 Capital Budget;  
2025 - 2033 Capital Plan Including Carry Forward Funding**

**N/A**

## **Appendix 6**

**Reporting on Major Capital Projects: Status Update**

**N/A**

## **Appendix 7**

**Capacity to Spend Review**

**N/A**

## **Appendix 8**

**Summary of Capital Needs Constraints**

**N/A**

**Appendix 9**

**Capital Program Provincial/Federal Funding Streams by Project**

**N/A**

**Appendix 10**

**Inflows and Outflows to/from Reserves and 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 Service Priorities:** 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).