

NOTE REGARDING NEXT STEPS AND IMPLEMENTATION

This Service Efficiency Study provides advice and recommendations to the City Manager and was conducted in consultation with the Division. The Study identifies actions and directions that could result in more efficient and effective service delivery, organizational and operational arrangements and associated savings.

The City Manager will work closely with senior management to determine which of the actions are feasible and can be implemented, implementation methods and timeframe and estimated savings. In some cases, further study may be required; in other cases the actions may not be deemed feasible.

Implementation will be conducted using various methods and may be reported through annual operating budget processes or in a report to Council or an applicable Board, where specific authorities are necessary. In all cases, implementation will comply with collective agreements, human resource policies and legal obligations.

Preliminary estimated savings have been identified in the study by year where possible. The opportunities identified for estimated potential savings are highly dependent on the viability of these actions as determined by senior management, timeframes, and other implementation considerations such as sequenced action steps and phasing over several years.



CITY OF TORONTO MUSEUM SERVICE REVIEW

**Confidential Draft:
Advice to City Manager**

December 2012

Lord Cultural Resources is a global professional practice dedicated to creating cultural capital worldwide.

We assist people, communities and organizations to realize and enhance cultural meaning and expression.

We distinguish ourselves through a comprehensive and integrated full-service offering built on a foundation of key competencies: visioning, planning and implementation.

We value and believe in cultural expression as essential for all people. We conduct ourselves with respect for collaboration, local adaptation and cultural diversity, embodying the highest standards of integrity, ethics and professional practice.

We help clients clarify their goals; we provide them with the tools to achieve those goals; and we leave a legacy as a result of training and collaboration.

TABLE OF CONTENTS

Executive Summary	i
1. Introduction.....	1
1.1 Purpose of this Report	1
1.2 Background	1
1.3 Scope of Work	2
1.4 Methodology.....	3
2. Analysis	5
2.1 Museum & Heritage Services Operations (Heritage Programming).....	5
2.2 The Market Gallery.....	7
2.3 Annual Operating Costs.....	7
2.4 Annual Capital Costs	12
2.5 Attendance and the Basis for Admission Charges.....	13
2.6 Revenue Generation.....	16
2.7 Comparative Canadian and American Data	18
2.8 Governance and Service Delivery	22
3. Recommendations.....	33
3.1 Recommendations for Ownership, Governance and Management.....	33
3.2 Recommendations for the Museum System as a Whole.....	35
3.3 Recommendations for Specific Sites.....	45
3.4 The Market Gallery and Alternatives.....	60
4. Financial Implications.....	64
 Appendix A: Acknowledgements	 A-1
Appendix B: The Experience of Other Canadian Municipalities	B-1

LIST OF TABLES

Table 1: Cost to Operate the Museums Service Unit	8
Table 2: Staffing Levels for Museums and Heritage Sites, 2011.....	10
Table 3: Cost to Operate Market Gallery	12
Table 4: Comparative Staffing Levels, 2011	12
Table 5: On-Site Attendance Levels	13
Table 6: Admission Charge Adjustments from 2011 to 2012 (+ HST).....	14
Table 7: Breakdown of On-Site Attendance at Combined City of Toronto Museums by Visitor Category	15
Table 8: Attendance at Market Gallery.....	15
Table 9: Sources of Operating Revenues, 2011.....	16
Table 10: Sources of Non-City Income.....	17
Table 11: Sources of Revenue, Market Gallery.....	17
Table 12: Comparisons of Operating Income	18
Table 13: American Association of Museums 2009 Profile.....	21
Table 14: Comparison of Museum Systems	23
Table 15: Summary of Revenue Generation Opportunities	65

EXECUTIVE SUMMARY

The purpose of this report, as indicated in RFP # 9119-12-7136, is to advise the City Manager of the results of an objective service, organizational and alternative service delivery study of two units of the Cultural Services Section of the Economic Development & Culture Division of the City of Toronto:

- the Museums and Heritage Services Unit;
- the Market Gallery of the Art Services unit.

The methodology of this service review included data analysis, tours of all Toronto Museum sites and comparison of the experience of other jurisdictions with respect to governance, service delivery and funding. The analysis was informed by interviews with 61 persons, whose contribution is acknowledged in Appendix A.

The following two mandatory responsibilities and mission of the Museums and Heritage Services Unit were considered in the study process:

- 1) To manage Toronto's significant heritage resources, providing appropriate maintenance to the fragile heritage fabric as well as providing for the development and strategic management of these resources.
- 2) To provide Torontonians and tourists opportunities for inspiration and exploration of Toronto's history to help distinguish the city from others in the world.

In fulfilling these responsibilities, the Mission of the Museum & Heritage Services unit is:

"to tell the story of Toronto in all its diversity by maintaining collections and developing new knowledge and understanding of the city's history and presenting this knowledge in ways that engage citizens and community groups and provide excellence in customer service, while meeting national and provincial museum standards."

The impacts - both actual and potential - of this heritage service and its sites on the residents of Toronto and their visitors were also considered in this review. That each area of the amalgamated City of Toronto has a heritage site which is a focal point for identity formation, historical understanding and community engagement, cooperation and volunteerism is an opportunity for the future.

The study resulted in the following 10 key findings, conclusions and recommendations, herewith respectfully submitted as advice to the City Manager.

1. *The data indicate that in relative terms there is no evidence of over-spending on the City of Toronto museums. In fact many persons interviewed expressed that with financial restraint in recent years there is currently substantial under-funding.*
2. *This study has identified substantial efficiencies associated with centralized staff. Reallocation of some staff positions is recommended in order to accommodate two new positions aimed at increasing attendance and earned and contributed revenue.*
3. *There are opportunities to boost contributed and earned income levels on a system-wide and individual museum basis which would have the impact of reducing the percentage of the total operating budget paid by the City of Toronto.*
4. *The City of Toronto needs to retain ownership of collections and buildings. A change in ownership would have unfortunate legal, financial and other consequences given the fact that collections and facilities were donated to or otherwise acquired by the City of Toronto, sometimes accompanied by tax forgiveness under the Cultural Property Import and Export Act.*
5. *This study recommends modifications within the current governance model to meet objectives associated particularly with increasing attendance, earned and contributed income, given that there are very limited opportunities to reduce costs further. These modifications include the following specific recommendations:*
 - Maintain the existing City ownership in order to protect the collections and heritage resources for current and future generations and also maintain maximum access to capital and operating funds from federal and provincial funding sources.
 - Develop a Foundation to seek private funding support, both capital and operating, for the museums and sites on a collective system-wide basis. This recognizes that private companies and many individual donors prefer not to donate to governments.
 - Introduce a Friends organization at each site and modify the names of some of the sites, as set out below, to recognize continued pre-amalgamation loyalties.
 - Maintain existing centralized staff levels but restructure to add new positions and eliminate others. New positions required are a Development Manager and a Business Manager. Another necessary new position, a Volunteer/Friends Coordinator, need not be City-funded, but could be provided as part of a menu of private sponsorship opportunities.
 - Create incentives for the Foundation, Friends organizations, staff and volunteers to generate revenue by allowing the museums to retain part of the additional income generated and not just result in a reduction in City funding support. This study proposes a formula in which 50% of all additional revenues generated serve to reduce City funding, with the other 50% going to non-staff spending on collections care, the visitor experience and marketing to enhance the museums on an individual and system-wide basis. Doing so will create needed incentives to develop and maintain additional contributed and earned income for the long term.
6. *The best opportunities to limit the financial contribution of the City of Toronto to its museums are to increase attendance and revenue, both earned and contributed. System-wide recommendations include:*

- Seek sponsorship of basic free admission to all of the sites. For most of the sites admission is currently possible only on the basis of guided tours. Basic free admission refers to developing free self-guided tour options and seeking a corporate or foundation sponsorship to replace (and more) the current \$130,000 generated in admissions revenue from all sites combined. The basic free admission will help to boost attendance levels substantially and expose more visitors to existing and new revenue centres. Implementation would be the responsibility of the Foundation which is to be established to raise private funds for all of the museums.
- Introduce self-guided tour opportunities as the service on offer for sponsored free basic admission.
- Seek sponsorship of closed circuit television to mitigate security issues associated with adding self-guided experiences.
- Continue to offer charged-admission guided tour options as at present, but introduce new ones each year to create the change needed to boost repeat visitation.
- Explore opportunities for 'behind the scenes' elements within the charged-admission guided tours where practical.
- Add other revenue generation opportunities for the increased number of visitors drawn by basic free admission. These include pay-for-photo opportunities based on rental of sponsored costumes, dining opportunities in the historic houses using duplicate tables and chairs from the Collections and Conservation Centre, introduction of or increased prices charged for outreach, and interactive donation boxes at each of the sites.
- Continue to focus on rentals as a primary earned income generator balanced against recognition that the museums exist for mission-related reasons.
- Develop a menu of sponsorship opportunities from which potential private supporters may choose.
- "Make big bigger" by focusing on peak festival and event days enhanced by volunteer staffing from among centralized staff.
- Develop separate identities for each of the sites linked to an overall Toronto Museum brand. Recommendations include:
 - Colborne Lodge: Toronto's Museum in High Park
 - Fort York: Toronto's National Historic Site
 - Gibson House: Toronto's Museum of North York
 - Mackenzie House: Toronto's Museum of Political Activism
 - Montgomery's Inn: Toronto's Museum of Etobicoke
 - Scarborough Historical Museum: Toronto's Museum of Immigration
 - Spadina Mansion: Toronto's Museum of the Roaring Twenties
 - Todmorden Mills: Toronto's East York Cultural Heritage Centre
 - York Museum: Toronto's Museum of the Borough of York
 - Zion Schoolhouse: Toronto's Museum of Education
- Introduce an annual Foundation fundraising gala in support of visitor experience and operational enhancements to the museums.

- Recognize that cost control issues are largely city-wide and not specific to the museum system,
- Modify the system in which City departments cannot have surpluses that run into the following year in order to provide incentives to revenue generation.
- Allocate custodial services to each site and have them administered directly by the Museums and Heritage Service unit.
- In a worst case scenario close most or all of the sites for two months each year (January and February) rather than close any completely. Annual work schedules in which some staff work 6 days a week for 30 weeks in summer in exchange for 6 weeks off during a winter closure could facilitate this practice, as well as encouraging staff to take winter vacations. In this way public service can be sustained throughout Toronto.

Recommendations are set out in this report in support of these system-wide recommendations for each of the museum sites.

7. *The only site in which a potential change in use is recommended is the Market Gallery, for which three options are presented. One is a continuation of the current usage with some additional basement floor space to enhance access and critical mass. The other options, which also require additional space, are:*
 - to change the Market Gallery to become a Toronto Museum Visitor Centre as part of the museum system, or
 - to convert the Gallery into a Toronto Children's Museum to be independently operated in space rented from the City.
8. *Two new attendance and revenue oriented positions are recommended to join the Museum & Heritage Services unit staff to substitute for positions that may be eliminated or combined, resulting in no net change to the staffing costs associated with the unit. One new position is a Development Manager to work with the Toronto Museum(s) Foundation to seek sponsorships from private companies, foundations and individuals. The second position is a Business Manager focused on boosting attendance and earned income at all of the sites. A third position, a Volunteer/Friends Coordinator is assumed to be funded by sponsorship.*
9. We estimate additional annual revenues for the museum system as a combination of additional contributed and earned income to be in the range of \$650,000 to \$1,050,000 with no change to operating income from other government sources, as indicated in the following Table.

Additional Revenue Sources for Museum System	Low	High
Sponsorship of Basic Free Admission	\$125,000	\$175,000
Increased income from Paid Guided Tours	\$25,000	\$50,000
Pay-for-Photo Opportunities	\$50,000	\$75,000
Dining Opportunities in Historic Houses	\$100,000	\$150,000
Value of 'Menu' of Other Sponsorships	\$100,000	\$150,000
Increased Rental Income	\$25,000	\$50,000
Fundraising Gala	\$125,000	\$250,000
Recommendations for Specific Sites	\$100,000	\$150,000
Total Additional Revenue	\$650,000	\$1,050,000
50% Allocation to Enhance the Various Museums	\$325,000	\$525,000
50% Allocation to Reduce City Financial Support	\$325,000	\$525,000

10. This study does not recommend City funding reductions. However, if there are to be such reductions, a one-year transition phase is recommended to allow the time needed for implementation of the Foundation, Friends organizations, staffing shifts and the attendance and revenue generation recommendations of this report before any reduction of current levels of City funding take place. Any funding reductions, if necessary, would therefore take place starting in 2014.

1. INTRODUCTION

This introduction sets out the purpose, background, scope of work and methodology of this study.

1.1 PURPOSE OF THIS REPORT

The purpose of this report, as indicated in RFP # 9119-12-7136, is to advise the City Manager of the results of an objective service, organizational and alternative service delivery study of two units of the Cultural Services Section of the Economic Development & Culture Division of the City of Toronto:

- the Museums and Heritage Services Unit;
- the Market Gallery of the Art Services unit.

1.2 BACKGROUND

Following amalgamation in 1998 the City of Toronto in the year 2000 assumed responsibility for the management of 11 museums and sites that had formerly been administered by six municipalities under various forms of governance and with varying levels of professionalism. A Culture Division was established, including a Museum & Heritage Services unit responsible for ten of the sites, and an Arts Services unit responsible for the Market Gallery. In 2005 the Culture Division was reorganized as the Cultural Services Section of the newly created Economic Development & Culture Division (EDC).

At its April 12-13, 2011 meeting City Council accepted a report from the City Manager and the Deputy City Manager/Chief Financial Officer to undertake a Service Review Program intended to mitigate the 2012 Operating Outlook Pressure and contribute toward resolving the City's structural deficit. The City Manager retained KPMG LLP to assist with a Core Service Review, the final report of which was received by City Council at its September 26-27, 2011 meeting.

The Core Service Review identified the following opportunities for consideration by the Cultural Services Section:

- "Reduce cultural services activities by closing museums with the least attendance, and revenues compared to costs."

- “Review the option of consolidating Museum & Heritage Services (Cultural Services) and Heritage Preservation Services (City Planning), and with an independent Heritage Toronto.”
- “Examine the economic viability of Heritage Toronto as a not-for-profit organization with the new responsibility of operating City-owned Museums to allow greater opportunity for Federal and Provincial Capital Grants and revenue generating opportunities.”
- “Review the City’s heritage assets to find operational efficiencies and strengthen fundraising ability, by considering public/private models adopted by other levels of government and by reviewing the partnership model adopted by the City’s successful Bicentennial program.”
- “Given the legislative responsibilities of the City in relation to its heritage assets, ensure the review process is transparent and includes consideration of best practices, including those currently practiced by the City; and”
- “Given the scale and significance of Fort York, and given that the City is (at the time of writing) three months from the start of the Bicentennial of the War of 1812 and the Fort York Foundation is in the midst of a capital campaign to effect the greatest transformation of the site ever, that any review of the Fort be considered after the Bicentennial and its impact can be assessed.”

Following on these recommendations for consideration, on June 7, 2012 the City of Toronto Purchasing and Materials Management Division issued a Request for Proposals # 9119-12-7136 for a Museums Service Review. After a competitive tendering process Lord Cultural Resources, the world’s largest and leading firm specialized in the planning and management of cultural facilities and programs was selected to work closely with the General Manager, Economic Development & Culture, and the Director, Cultural Services to undertake this study.

1.3 SCOPE OF WORK

RFP # 9119-12-7136 identifies the focus of this study as an examination of “the cost-drivers, revenue generating capacity, and alternative service delivery models in the following operations within Cultural Services, EDC:

- Museum & Heritage Services operations and programming, including artifacts collection management, and Cultural Assets’ facilities and capital management;
- Market Gallery operations and programming, including fine arts collection management; and
- Fort York National Historic Site.”

The RFP provides that “the study must take into account the ability to meet professional museum and customer service standards, and provision of an appropriate level of trusteeship in terms of maintenance and development of the city’s most significant heritage assets.” Requirements of the provincial Community Museum Operating Grant program and the ethical standards of the Canadian Museums Association, the Ontario Association of Art Galleries and the International Council of Museums are specifically mentioned.

1.4 METHODOLOGY

The RFP required that the museum planners undertake the following methodology:

- “Conduct an evaluation and analysis of comparable Canadian, American and international jurisdictions to identify a full range of service delivery and alternative service delivery operating and governance options
- Conduct stakeholder interviews
- Conduct site visits
- Propose service delivery and organizational model options that optimize efficiencies while ensuring service effectiveness
- Identify and make recommendations on viable options to increase revenue generating capacity in site operations, programming, artifact collections, and fine art collections
- Propose a range of viable options for alternate service delivery models such as non-profit/Foundation take-over; other government take-over per City donating the assets; some type of public-private partnership; and/or lease or sale of the assets; including pros, cons, service efficiency gains, and implementation implications of the options.
- Identify and make recommendations on strengthening the City’s heritage assets’ fundraising ability.”

In order to meet the objectives of the study Lord Cultural Resources conducted the following work elements:

- We reviewed background information provided by the City of Toronto relevant to the organizational structure, staffing and services provided by the institutions, and the attendance, operating revenues and expenses associated with these museums and sites.
- We toured all of the museums and sites in order to observe opportunities for boosting attendance and revenues and controlling costs, and interviewed senior staff at each site regarding a range of management issues, along with governance and service delivery issues and options.
- We interviewed other persons identified by the City of Toronto in order to help develop and test ideas and options associated with governance, revenue generation and cost control. The Acknowledgments in Appendix A list the 61 persons interviewed for this study. In order to maintain the confidentiality offered to interview subjects there is no attribution of specific comments to any individual, except as required in a few specific cases.
- We explored the experience of other Canadian jurisdictions with respect to governance, service delivery and funding issues, including those with museum systems. A focus on Canadian jurisdictions for these issues is advisable, since American and other international jurisdictions have different tax laws and legal requirements with respect to collections and heritage preservation and dissemination. Appendix B records the jurisdictions that were compared to Toronto.
- We did however consider the experience of American and international examples in which alternative governance models and methods of service delivery and funding have been in place in order to understand the implications for Toronto.

- As noted in the Scope of Work Fort York is midway through the upgrading of its site and operations for the Bicentennial of the War of 1812-14. Accordingly, reference is made to Fort York where findings are relevant, but the recommendations for Fort York may need to be reconsidered after the Bicentennial.

2. ANALYSIS

This chapter first briefly describes the two subjects of the study:

- 2.1 Museum & Heritage Services Operations (Heritage Programming)
- 2.2 The Market Gallery

The chapter then proceeds to analyze the salient data underlying the recommendations that follow in chapter 3:

- 2.3 Annual Operating Costs
- 2.4 Annual Capital Costs
- 2.5 Attendance and the Basis for Admission Charges
- 2.6 Revenue Generation
- 2.7 Comparative Canadian and American Data
- 2.8 Governance and Service Delivery

In each of the five analytical sections, Museum & Heritage Services and the Market Gallery are considered separately where appropriate.

2.1 MUSEUM & HERITAGE SERVICES OPERATIONS (HERITAGE PROGRAMMING)

The objectives of the Cultural Services Section of the Economic Development & Culture Division are two-fold:

- To “nurture, preserve and promote arts, heritage and culture in order to strengthen and sustain dynamic cultural vitality and quality of life”;
- To “provide arts, heritage and culture programs and events to the community in order to advance the city’s cultural, economic and social vitality.”

The responsibility of the Museum & Heritage Services unit of the Cultural Services Section, EDC is also two-fold:

- 3) To manage Toronto’s significant heritage resources, providing appropriate maintenance to the fragile heritage fabric as well as providing for the development and strategic management of these resources.

- 4) To provide Torontonians and tourists opportunities for inspiration and exploration of Toronto's history to help distinguish the city from others in the world.

In fulfilling these responsibilities, the Mission of Museum & Heritage Services is:

"to tell the story of Toronto in all its diversity by maintaining collections and developing new knowledge and understanding of the city's history and presenting this knowledge in ways that engage citizens and community groups and provide excellence in customer service, while meeting national and provincial museum standards."

The unit currently manages 10 of the 11 museums owned by the City. Nine of these are historic site museums, grouped here by geographic region:

Toronto:

- Fort York National Historic Site
- Spadina Museum
- Colborne Lodge
- Mackenzie House

Etobicoke:

- Montgomery's Inn

North York:

- Gibson House
- Zion Schoolhouse

Scarborough:

- Scarborough Historical Museum

East York:

- Todmorden Mills Heritage Site

The tenth institution is the York Museum, which is not an historic site but is housed in a city-owned recreation facility in York.

Centralized Services: The extent to which services to museums are centralized is always an important question for museum systems. Four types of centralized services are to be found serving these 10 museums:

- The Museum & Heritage Services unit includes the Collections Management: Museum Artifacts unit, which is responsible for 150,000 artifacts and 1.1 million archaeological specimens. Most of the collection is housed in a specially equipped Collections and Conservation Centre owned by the City.
- Management of the Museum System, ensuring compliance with corporate, financial, purchasing, human resources, health and safety and risk management policies, is also centralized within the Museum & Heritage Services unit.

- Other centralized services are delivered by other units within Cultural Services, EDC. The Cultural Assets group, operated under the Cultural Affairs unit, is responsible for asset management, capital improvements and facility maintenance of more than 60 properties in Cultural Services' portfolio, including these ten museums. A Program Support unit similarly operates within Cultural Services but outside of the Museum & Heritage Services unit.
- Still other centralized services are provided by other City Divisions, and are accounted for as a percentage of the time worked on the Museum System by the relevant personnel.

2.2 THE MARKET GALLERY

The Market Gallery, located in the former civic council chamber in the historic St Lawrence Market, is operated by the Arts Services unit of Cultural Services, EDC. The unit administers the City of Toronto's fine art collection, consisting of 2,700 works of art, including oil paintings, sculpture, watercolours, prints and drawings dated from the mid-19th century to the present. The present Mission of the Market Gallery is to tell the stories of Toronto by means of art and history exhibitions, heritage educational programs and special events.

2.3 ANNUAL OPERATING COSTS

At the outset of an inquiry into operating costs it must be emphasized that other jurisdictions with museum systems do *not* track indirect staffing and other operating costs and therefore do not reflect the full costs of providing museum service delivery to the extent that the City of Toronto does. However, neither Toronto nor any of the other jurisdictions tracks payroll, legal, communications, human resources and other peripheral services provided to all departments within the jurisdiction.

2.3.1 MUSEUM & HERITAGE SERVICES ANNUAL OPERATING COSTS

Given that important *caveat*, Table 1 indicates the costs associated with operation of the 10 Museums and Heritage Services unit sites. Unlike the data from most other jurisdictions, the cost data here include centralized staff time (management and administrative) from Metro Hall, collections care and exhibitions preparation time at the Collections & Conservation Centre, and the percentage allocation of staff time to the Museum & Heritage Services unit from the Cultural Affairs unit as well as allocations of time from the Director's Office and Program Services staff. Table 1 also allocates staff and non-staff facility management costs. Excluded are capital program expenses and allocations for special projects like the War of 1812-14 Bicentennial that would not be comparable to the regular operating cost figures from the other jurisdictions compared later.

Table 1: Cost to Operate the Museums Service Unit

Cost to Operate the Museums Service Unit, Including Allocations for Centralized Services and Staff Costs	Total Operating budget for Museums	Service Delivery Unit as % of Full Budget with all Centralized Staff	Staffing Costs	Staffing Costs as % of Total Costs
Centralized Services - Programming, Salaries & applicable Facility Operations				
Metro Hall	\$1,437,830	17.2%	\$1,246,630	86.7%
Collections and Conservation Centre	\$692,400	8.3%	\$568,200	82.1%
Allocation of Time from Director's Office	\$67,799	0.8%	\$67,799	100.0%
Allocation of Time from Program Support Section	\$265,000	3.2%	\$265,000	100.0%
Allocation of Time from Cultural Affairs Unit	\$1,434,719	17.2%	\$949,548	66.2%
Combined Centralized Services	\$3,897,748	46.6%	\$3,097,177	79.5%
Individual Museum Sites - Programming, Salaries & Facility Operations				
Colborne Lodge	\$307,700	3.7%	\$230,500	74.9%
Fort York	\$1,047,500	12.5%	\$743,500	71.0%
Gibson House	\$472,500	5.7%	\$340,200	72.0%
Mackenzie House	\$316,600	3.8%	\$253,700	80.1%
Montgomery's Inn	\$679,200	8.1%	\$556,000	81.9%
Scarborough Historical Museum	\$330,000	3.9%	\$280,800	85.1%
Spadina Museum	\$812,600	9.7%	\$620,500	76.4%
Todmorden Mills	\$381,400	4.6%	\$287,000	75.2%
York Museum	\$7,100	0.1%	\$0	0.0%
Zion Schoolhouse	\$107,500	1.3%	\$63,500	59.1%
Combined Expenditures on Museums and Heritage Sites	\$4,462,100	53.4%	\$3,375,700	75.7%
Museum and Heritage Services Plus Centralized Services	\$8,359,848	100.0%	\$6,472,877	77.4%

Source: City of Toronto 2011 Approved Budget and Analysis by Lord Cultural Resources

- Museum & Heritage Services Unit Operating Expenditures:** The cost to operate the ten museums was in the range of \$8.36 million in 2011. To set that figure in context, the annual operating budget for the McMichael Canadian Collection, a provincial agency located in Kleinburg just outside Toronto was about \$8 million in 2010¹. It reported 2010 attendance at about 98,000 compared to the 174,000 combined on-site visitors that year to the City of Toronto museums.² The comparison, along with the data in Appendix B, indicates that the Museum & Heritage unit operating costs are in a reasonable range, and are in fact considerably lower than the McMichael on a cost per visitor basis.

Interviews with knowledgeable persons, including many not associated with the City of Toronto museums (see Appendix A), did not result in any comments that there was over-spending on the system. There were numerous comments that the museums are underfunded and undervalued and that an exclusive focus on seeking ways and means to reduce the City financial contribution was wrong. Several expressed the view that funding should be increased. It must be emphasized, however, that the interview process did not reflect the views of the general public but rather an interested public that is familiar with what the museums and historic sites are and what they do.

¹ Source: Council for Business and the Arts in Canada, 2011

² Attendance levels for the Toronto museums increased substantially in 2011 as seen later in this chapter.

- **Centralized Staff and Other Services as a Percentage of Total Operating Expenditures:** Of the \$8.36 million spent on the Museum & Heritage Services institutions, 46.6% is allocated to central staff and services, with a slight majority of funds allocated to the specific sites. Other jurisdictions allocate a lower percentage to centralized staff than does Toronto, but as noted at the outset of this section these jurisdictions do not account for all costs. Once this difference is accounted for, the Toronto allocation to centralized services falls within a normative range.
- **Staffing Costs as a Percentage of Total Operating Expenditures:** The data indicate that 77% of operating expenditures of the Museum & Heritage Services unit is allocated to staffing costs. This is substantially higher than the 50-60% norm for individual museums for a variety of reasons. Cuts to funding of the museums over several years have affected non-staff more than staff costs: this is the primary factor that has the effect of driving up the percentage of staffing costs. Another consideration is that the City museums do not pay rent or some other occupancy and administrative costs that other museums do, so that staffing costs appear as a higher percentage of total costs. This higher than normal percentage going to staff costs confirms the need to increase revenue sources available for non-staff programs.
- **Staffing Levels:** The following Table 2 sets out all staff positions to operate the Museum & Heritage Services museums.
 - The Table indicates 35.8 centralized staff FTE associated with the Museum & Heritage Services Unit, with 56.3 FTE at the sites, totalling 92.1 FTE. This proportion of 61% of staff at the sites is a healthy percentage, especially given the very considerable services provided centrally with just under 40% of all staff.
 - The combined staff complement of 92.1 FTE averages to 9.21 FTE per site. This average is also proportionate to the high level of centralized services provided to all 10 museums.

Table 2: Staffing Levels for Museums and Heritage Sites, 2011

Staffing Levels for Museums and Heritage Sites, 2011	Total Full-Time Permanent Staff (budget)	Total Part-Time FTE Non-Permanent Staff (budget)	Total FTE Staff
Metro Hall	14.0	0.3	14.3
Facility Management	13.0	0.0	13.0
Collections and Conservation Centre	7.0	1.5	8.5
Total Central Services	34.0	1.8	35.8
Individual Museum Sites			
Colborne Lodge	2.0	2.3	4.3
Fort York	8.0	4.0	12.0
Gibson House	2.0	3.0	5.0
Mackenzie House	2.0	3.1	5.1
Montgomery's Inn	4.0	4.3	8.3
Scarborough Historical Museum	3.0	0.9	3.9
Spadina Museum	5.0	5.8	10.8
Todmorden Mills	3.0	2.9	5.9
York Museum	0.0	0.0	0.0
Zion Schoolhouse	1.0	0.0	1.0
Total Individual Sites	30.0	26.3	56.3
Total Site and Centralized Staff	64.0	28.1	92.1
Average Staff per 10 Sites	6.4	2.8	9.2

Source: City of Toronto, 2011 Approved Budget

- **Staff Allocation:** Care is taken by the City of Toronto to account for the cost of centralized services, even when these are not part of the Museum & Heritage Services unit. For example, 13 FTE from the Cultural Affairs Section are allocated to the operating costs of the Museum & Heritage Service unit as centralized services. This includes a percentage allocation of the time of a number of staff.
- The Table illustrates that the City of Toronto Economic Development & Culture Division goes to considerable lengths to allocate the time of its staff to the various services provided. It is clear that none of the jurisdictions compared do so and this therefore creates a gap between the operating costs, staffing and centralized service figures for the City of Toronto and those to which we are comparing them.
- **The Efficiency and Effectiveness of Centralized Services:** Most of those interviewed, workers on site and external observers alike, supported the efficiency and effectiveness of centralized staff and services for the Museum sites. A good illustration may be seen with respect to the personnel at the Collections & Conservation Centre. They include employees who are focused on collections care, registration and exhibitions, as well as a costumes specialist who is based at Spadina House. The CCC operates with a total of 8.5 FTE. If there were no centralized staff and each site had one multi-skilled person who could serve all of these functions they would require a staff of 10, not 8.5.

- **Salaries, Wages and Benefits:** With the exception of some exempt management positions, the staff working for the City of Toronto museums is mostly unionized. The salaries paid by the City of Toronto to non-management positions reflect collective bargaining agreements with CUPE Locals 416 and 79. In considering the compensation levels and comparing them to norms in other museums the pattern is generally that support staff persons in the City of Toronto museums are paid higher than wages commonly found at not-for-profit museums, but professional staff are often paid less.
- In considering the issue of salaries and wages we focused in particular on custodians. Most of the City of Toronto museums have custodial work provided by the seven centralized staff in the Cultural Services Section. The exceptions are the Scarborough Historical Museum which is served by a private contractor and Gibson House and Zion Schoolhouse, served by City Parks Forestry and Recreation staff. While it might appear that the \$50,700 salary for the custodians is higher than commonly found at independent museums, senior staff at each of the relevant sites commented that these individuals do more than janitorial work. Reference was made to repairs and maintenance, the moving of artifacts, gardening, and assisting Site Coordinators or Curators in achieving quotas and rental objectives. In addition, the custodians have developed a level of knowledge regarding heritage preservation that offers significant value to their sites. So the wages need not be an issue: but what could be considered is whether these seven custodians who now report through the Cultural Assets unit might not better be part of the Museum & Heritage Services unit, since 100% of their time is allocated to the individual museums.
- **Volunteers:** Another important component of staffing of some of the 10 sites is the contribution made by volunteers. Their enthusiasm and dedication proves the local support for these institutions that is to be found in most of the geographical areas they serve. Volunteers are motivated at a local level because they care about the heritage of their area that is represented and interpreted to the public. Their contribution could be enhanced by a Volunteer Coordinator and by training programs delivered by the City's museum professionals. Public recognition of the contribution of volunteers by City officials is important to sustaining this vital level of support.

2.3.2 MARKET GALLERY ANNUAL OPERATING COSTS

Table 3 indicates the operating expenses of the Market Gallery, and Table 4 shows the Gallery's present staff. As a single institution operated by the Arts Services unit of Cultural Services, EDC, the Market Gallery can integrate most of its services on-site, so the proportion of centralized services costs is far lower. Compared to the ten sites in the Museum & Heritage Services unit, the Market Gallery is at the high end of expenses dedicated to staff – over 89% – enabling the Gallery to operate without major centralized services, but leaving very little for public programming.

Table 3: Cost to Operate Market Gallery

Cost to Operate Market Gallery, Allocations for Centralized Services and Staff	Total Operating budget for Market Gallery	Service Delivery Unit as % of Full Budget with all Centralized Staff	Staffing Costs	Staffing Costs as % of Total Costs
Centralized Services - Programming, Salaries				
Arts Services -Metro Hall	\$11,595	3.7%	\$11,595	100.0%
Centralized Services	\$11,595	3.7%	\$11,595	100.0%
Market Gallery	\$302,200	96.3%	\$271,000	89.7%
Market Gallery Plus Centralized Services	\$313,795	100.00%	\$282,595	90.1%

Source: City of Toronto 2011 Approved Budget and Analysis by Lord Cultural Resources

Table 4: Comparative Staffing Levels, 2011

Comparative Staffing Levels, 2011	Total Full-Time Permanent Staff (budget)	Total Part- Time FTE Non-Permanent Staff (budget)	Total FTE Staff
Arts Services -Metro Hall	0.1	0.0	0.1
Total Central Services	0.1	0.0	0.1
Market Gallery	3.0	0.5	3.5
Total Site and Centralized Staff	3.1	0.5	3.6

2.4 ANNUAL CAPITAL COSTS

The scope of this study is restricted to the operating costs of the Museum & Heritage Unit and the Market Gallery. It does not include the annual capital costs for the Museum system expended by the Cultural Assets group of the Cultural Affairs unit of Cultural Services EDC. Nevertheless it should be borne in mind that the cost of maintaining the museums includes these annual costs for capital improvements, renovations, expansions or refurbishment of these heritage structures. At present the figures for these annual capital costs are skewed by the enhancements of Fort York that are part of the Bicentennial celebrations of the War of 1812-14. The 2011 operating budget of the Cultural Assets group for the museum system was \$649,290, some 20% of which was for Fort York. The current 10-year capital program for the system amounts to just over \$33 million, 40% of which is at the Fort.

Postponing needed capital improvements is a malady that affects many government-owned buildings, not only museums. Delayed improvements only increase in cost as time goes on. Postponing them also usually results in higher operating costs, especially for maintenance. Enhancing climate control or security systems can also be vital to fulfilling the City's commitment to preserve the collections.

Another reason for the City to sustain capital improvements is that their cost can often spark donations from both the private and public sector which may be attracted by a highly visible project to which the City has already committed funds. Generally, cities are more successful at attracting capital commitments to museums in this way than other levels of government.

2.5 ATTENDANCE AND THE BASIS FOR ADMISSION CHARGES

Attendance is an important measure of the public programming of museums, whether admission is free or charged. This section analyzes the attendance data available for Toronto's Museum System.

2.5.1 MUSEUM & HERITAGE SERVICES ATTENDANCE

Total attendance figures for the various sites are shown in the following Table 5 over the period from 2006 to 2011, including average figures over that period. Although there are reasons why some figures are higher or lower in specific years at the various sites, the average data do provide the reasonable order of magnitude needed for this review.

Since the median attendance figure for US history museums is only 10,000 and for US historic sites and heritage houses is only 11,700, these attendance figures compare favourably enough. On the other hand given the large resident, school and tourist markets for Toronto, the City's museums should be able to attract more visitors than median figures for US history museums and historic sites, which include many small communities.

Table 5: On-Site Attendance Levels

On-Site Attendance Levels at City of Toronto Museums							
Museum and Heritage Service Unit	2007	2008	2009	2010	2011	Average	Admission Charge Basis
Colborne Lodge	9,349	9,819	9,290	9,504	7,788	9,150	Charged
Fort York	74,119	61,702	41,742	45,700	52,240	55,101	Charged
Gibson House	7,829	5,163	7,240	7,135	5,921	6,658	Charged
Mackenzie House	9,062	8,623	9,080	8,288	8,309	8,672	Charged
Montgomery's Inn	16,072	14,056	14,174	19,883	30,119	18,861	Charged
Scarborough Historical Museum	18,622	19,007	23,125	28,945	31,083	24,156	By Donation
Spadina Museum	21,289	21,152	22,614	14,410	19,724	19,838	Charged
Todmorden Mills	23,856	20,451	24,699	20,982	23,709	22,739	Charged
Zion Schoolhouse	3,284	2,881	2,503	2,366	2,634	2,734	School Groups Only
York Museum	778	791	1,132	37	104	568	Free
Total	184,260	163,645	155,599	157,250	181,631	168,477	

Noteworthy from Table 5 is the inconsistent basis for admission charges. Most sites charge admission, but the Scarborough Historical Museum and the Market Gallery offer free admission with suggested donations. The York Museum exhibit, with no staff and a location in a community centre, is free but open only by appointment.

The following Table 6 sets out for purposes of context the 2011 admission charges and the increases that were implemented in 2012 as part of the City's Comprehensive User Fee Review. HST is additional. The data indicate a variety of different charge levels that led to a combined total of only about \$130,000 in admissions revenue for all the sites, based on guided tours at most of them.

Table 6: Admission Charge Adjustments from 2011 to 2012 (+ HST)

Museum	Adult 2011	Adult 2012	Child 2011	Child 2012	Youth 2011	Youth 2012	Senior 2011	Senior 2012
Colborne	\$5.71	\$5.71	\$2.38	\$2.65	\$2.62	\$3.54		
Fort York	\$7.62	\$7.96	\$2.86	\$3.76	\$3.81	\$4.87	\$3.81	\$3.81
Gibson	\$5.48	\$5.48	\$2.62	\$2.62	\$3.10	\$3.10	\$3.10	\$3.10
Mackenzie	\$5.71	\$5.71	\$2.38	\$2.65	\$2.62	\$2.62	\$2.62	\$3.54
Montgomery	\$5.71	\$5.71	\$1.90	\$1.90	\$2.86	\$2.86	\$2.86	\$2.86
Todmorden	\$5.24	\$5.31	\$1.43	\$1.77	\$2.14	\$2.65	\$2.14	\$2.14
Spadina	\$7.62	\$7.96	\$3.81	\$4.87	\$4.76	\$5.75	\$4.86	\$4.86
Scarborough (suggested donation)	\$2.83	\$2.83	\$0.94	\$0.94	\$1.42	\$1.42	\$1.42	\$1.42

The following Table 7 indicates total attendance figures for the City of Toronto Museums by category of visitor. The data indicate that **general admissions** account for an average of 69,590 visitors over the five year period, but that with initiatives to boost attendance levels in 2011 the number of general admissions was much higher at 90,590. In either case we believe that there are opportunities to boost attendance levels further among general admissions visitors.

At an average over the five years of about 31,700 visitors, those attending pre-booked **education programs** account for close to 19% of the total. In considering visitor trends the number of school group visits to all sites declined to some 29,700 in 2011 from approximately 35,500 in 2007. This reflects a general decline in school visits, which may be attributed to a variety of factors including transportation costs and general price sensitivity. Total education revenue totaled \$163,000 in 2011, down from \$201,000 in 2007. While it is correct that there has been a general decline in field trips to all museum-related attractions in Toronto and elsewhere there is a need for pricing and other new initiatives to attract more school groups. This is not only about revenue generation but more importantly about fulfilling the museums' educational mission and mandate, which is one reason why museums merit substantial funding support from government and private sources.

The age focus of educational programs at each of the Museums and Heritage Service unit sites is as follows, demonstrating that the sites vary not only in age focus but also in themes that tell a variety of stories about the history of Toronto.

- Colborne Lodge: Grade 2 to Grade 8
- Fort York: Grade 3 to Grade 10
- Gibson House: Grade 1 to 7
- Mackenzie House: Kindergarten to Grade 8
- Market Gallery: Grade 3 to 12
- Montgomery's Inn: Grade 1 to 8
- Scarborough Historical Museum: Grade 1 to 8
- Spadina Museum, Historic House and Gardens: Grade 2 to 12
- Todmorden Mills Heritage Museum and Art Centre: Grade 1 to 8

- York Museum: Grade 5 for Mechanical Wonders
- Zion Schoolhouse: Grade 2 to 8.

Pre-registered programs and booked tours combine to account for an average of about 14,500 visitors or close to 9% of the total. However, these programs account for substantially more income than admission revenue and thus indicate a strong level of success. Centralized staff plays a major role in assisting on-site staff to develop and deliver these programs, and thus contributes to higher attendance and earned income generation.

Rentals business accounts for an impressive average of about 53,400 (32%) of the annual visitors at all the sites. Rentals have already been recognized as a very important way to boost income and a variety of initiatives have been implemented in the past year.

Table 7: Breakdown of On-Site Attendance at Combined City of Toronto Museums by Visitor Category

	2007	2008	2009	2010	2011	Average	Average %
General Admissions	54,764	61,604	69,725	71,265	90,590	69,590	41.1%
Pre-Registered Programs	7,732	7,583	4,054	6,631	8,426	6,885	4.1%
Booked Tours	9,300	8,747	6,120	7,296	6,531	7,599	4.5%
Booked Education Programs	35,706	33,043	31,994	28,012	29,689	31,689	18.7%
Rentals	74,228	67,338	43,703	37,904	43,786	53,392	31.6%
Total	181,730	178,315	155,596	151,108	179,022	169,154	100.0%

Source: City of Toronto 2012. Figures exclude outreach

We believe there are opportunities to increase attendance levels and thus earned income at all of the sites, and to attract more contributed/private income.

2.5.2 MARKET GALLERY ATTENDANCE

Table 8 shows attendance at the Market Gallery:

Table 8: Attendance at Market Gallery

Museum and Heritage Service Unit	2007	2008	2009	2010	2011	Average	Admission Charge Basis
Market Gallery	14,314	14,969	17,310	16,283	14,499	15,475	Free/By Donation

As a free admission attraction in a busy central location, it is remarkable that annual Market Gallery attendance is only about 15,000 visitors, substantially below the average for Montgomery's Inn or the Scarborough Historical Museum. The low attendance, combined with the fact that fully 89% of the operating budget is going to staff costs, suggests that it may be possible to improve the effectiveness and efficiency of the Gallery by considering changes to its mission.

2.6 REVENUE GENERATION

Getting the right mix between contributed funding from government or other sources and self-generated revenue is always a concern in all museum business plans. The capacity of the City of Toronto's museums to generate revenue is a central concern of this study.

2.6.1 MUSEUM & HERITAGE SERVICES REVENUE

Table 9 illustrates current revenues for the Museum & Heritage Services unit. The following points indicate key findings and implications from this data:

- **Financial Support from City of Toronto:** The data indicate that overall the City of Toronto accounts for 83.5% of the operating revenues to support the City of Toronto museum system. As indicated in Appendix B, this percentage is within a common range for Canadian municipalities' financial support of City-owned museums.

Table 9: Sources of Operating Revenues, 2011

Sources of Operating Revenues, 2011	Total Operating Budget	Allocation from City of Toronto	% from City of Toronto	% from Non-City Sources
Centralized Services - Programming, Salaries & applicable Facility Operations				
Metro Hall	\$1,437,830	\$1,394,830	97.0%	3.0%
Collections and Conservation Centre	\$692,400	\$653,900	94.4%	5.6%
Allocation of Time from Director's Office	\$67,799	\$67,799	100.0%	0.0%
Allocation of Time from Program Support Section	\$265,000	\$265,000	100.0%	0.0%
Allocation of Time from Cultural Affairs Unit	\$1,434,719	\$1,434,719	100.0%	0.0%
Combined Centralized Services	\$3,897,748	\$3,816,248	97.9%	2.1%
Individual Museum Sites - Programming, Salaries & Facility Operations				
Colborne Lodge	\$307,700	\$235,300	76.5%	23.5%
Fort York	\$1,047,500	\$628,500	60.0%	40.0%
Gibson House	\$472,500	\$392,600	83.1%	16.9%
Mackenzie House	\$316,600	\$223,100	70.5%	29.5%
Montgomery's Inn	\$679,200	\$480,500	70.7%	29.3%
Scarborough Historical Museum	\$330,000	\$263,600	79.9%	20.1%
Spadina Museum	\$812,600	\$561,800	69.1%	30.9%
Todmorden Mills	\$381,400	\$285,700	74.9%	25.1%
York Museum	\$7,100	\$7,100	100.0%	0.0%
Zion Schoolhouse	\$107,500	\$87,500	81.4%	18.6%
Combined Revenues for Museums and Heritage Sites	\$4,462,100	\$3,165,700	70.9%	29.1%
Museum and Heritage Services Plus Centralized Services	\$8,359,848	\$6,981,948	83.5%	16.5%

Source: City of Toronto 2011 Approved Budget with analysis by Lord Cultural Resources

- **Non-City Funding Sources:** The \$1.38 million in funds generated by the museums from sources other than the City of Toronto in 2011 are set out in the following Table 10 for the 10 sites in the Museums and Heritage Service unit. The data indicate that;
 - All of the sites combined generated only about \$130,000 in admissions income. This is significantly higher than figures for previous years, but still a relatively modest source of revenue.

- Aside from provincial government support the largest source of earned revenue is from pre-registered programs at about \$324,000, reflecting the focus of many of the sites on such programs and indicating the value of the centralized services personnel who plan and develop these programs with the on-site staff.
- A revenue centre of growing importance with substantial additional opportunities for growth is rentals, which at about \$187,000 outpaced retail, which was at a total of \$110,000 for all sites combined.
- Whereas there are opportunities for growth in earned income the opportunities for contributed income (private support) are more substantial. Combined income from contributed sources was about \$256,000 in 2011, compared to about \$367,000 for grants and subsidies to support operations.

Table 10: Sources of Non-City Income

Source of Non-City Income, 2011 for Museums and Heritage Service Unit	Revenue Totals for Museums	% of Total
Earned Income		
Admissions	\$130,031	9.4%
Program Registrations	\$322,371	23.4%
Rentals	\$187,356	13.6%
Retail	\$108,600	7.9%
Licenses and Permits/Other	\$1,500	0.1%
Other	\$5,000	0.4%
Total Earned Income	\$754,858	54.8%
Contributed Income		
Donations	\$51,600	3.7%
Other Contributions	\$204,750	14.9%
Total Contributed Income	\$256,350	18.6%
Other Government Sources		
Grants and Subsidies	\$366,872	26.6%
Total Government Income	\$366,872	26.6%
Total Non-City Income	\$1,378,080	100.0%

Source: City of Toronto 2011 Approved Budget

2.6.2 MARKET GALLERY REVENUE

Table 11 provides the revenue sources for the Market Gallery.

Table 11: Sources of Revenue, Market Gallery

Sources of Operating Revenues, 2011	Total Operating Budget	Allocation from City of Toronto	% from City of Toronto	% from Non-City Sources
Centralized Services – Programming, Salaries				
Arts Services - Metro Hall	\$11,595	\$11,595	100.0%	0.0%
Centralized Services	\$11,595	\$11,595	100.0%	0.0%
Market Gallery	\$302,200	\$300,700	99.5%	0.5%
Market Gallery Plus Centralized Services	\$313,795	\$312,295	99.5%	0.5%

Source: City of Toronto 2011 Approved Budget with analysis by Lord Cultural Resources

The Market Gallery is almost entirely dependent on City funding. This is not the norm for art galleries, which are usually more successful than small history museums and historic sites at raising or attracting income from private sources. The small size of the space is a limiting factor for attracting earned income, but the disparity again suggests a need to reconsider the mission and direction of the Market Gallery.

2.7 COMPARATIVE CANADIAN AND AMERICAN DATA

It is important that the key data set out above for the City of Toronto museums be considered in the context of the experience of Canadian and American averages.

2.7.1 CANADIAN MUSEUMS MARKETPLACE

Statistics Canada conducts periodic “Heritage Surveys” which include all types of museum-related institutions including history museums, art galleries and historic sites. The latest available survey of where the funds come from to operate museums in Canada was released in March 2011, based on data from 2009. The data reflect a large sample of 632 institutions and are compared in the following Table 12 to data for the City of Toronto museums. Also compared are data from the *2009/10 Survey of Public Museums and Art Galleries* conducted by the Council for Business and the Arts in Canada (CBAC). The CBAC data are of a relatively small sample of 88 public museums and art galleries, skewed by the large size of some of the specific participants, including Canada’s national museums.

Table 9 indicated that the City of Toronto pays about 84% of the total operating costs of the Museum & Heritage Services unit’s 10 museums. Other government sources, principally the Province, contribute another 4%, so that all government support of the 10 museums totals about 88% of their operating cost. The Statistics Canada Heritage Survey indicates that on average for 632 institutions, only 52% of their revenue came from government sources, whereas the CBAC survey of 88 museums indicates that 66% of their revenue comes from government sources. The disparity may be partly explained by the fact that both surveys include many of the larger institutions that are able to raise a higher percentage of their budgets from non-government sources. Nevertheless, it also suggests that there is room to improve the revenue-generating capacity of the City’s museums for more earned and contributed income – a main theme of the recommendations in this report.

Table 12: Comparisons of Operating Income

Sources of Operating Income	Heritage Survey 2009 Data	CBAC Survey 2010	City of Toronto Museum System, 2011
Earned	37%	26%	9%
Private/Contributed	11%	8%	3%
All Levels of Government	52%	66%	88%
Total	100%	100%	100%

2.7.2 MUNICIPAL CULTURAL INVESTMENT IN FIVE LARGER CANADIAN CITIES

By placing Cultural Services in the same Division as Economic Development, the City of Toronto indicates an appreciation of the fact that funds spent on culture today are a vital part of the knowledge economy. However, a study entitled *Municipal Cultural Investment in Five Larger Canadian Cities* (Hill Strategies Research, January 2012) compared financial support for culture in Calgary, Montreal, Ottawa, Vancouver and Toronto. **Noteworthy is that Toronto's net cultural investment per person in 2009 ranked last among the five cities and that the rate of growth from 2006 to 2009 was smallest in Toronto.** Montreal ranked the highest.

2.7.3 HISTORY MUSEUMS AND HISTORIC SITES WITHIN THE U.S. MUSEUM MARKETPLACE

Table 13 that follows is an overview of the U.S. museum marketplace based on 2009 survey data from the American Alliance of Museums (AAM), which is still the latest available. Highlighted are data for history museums and historic sites in comparison to other museum types, categories that would correspond to most of the City of Toronto museums. (Even the Market Gallery, although intended to showcase the City's art collection, is used as much if not more for history-related exhibitions as for art.)

- **Attendance Totals:** Although total U.S. museum attendance increased, the average number of visitors at U.S. museums declined to about 26,500 visitors in 2009 compared to about 33,400 in the 2006 survey. The decline reflects the opening of many new small museums that lowered the average even though total museum attendance as a whole increased.
- **U.S. history museum attendance** is much lower. The median figure for history museums is only 10,000 and for historic sites or houses only 11,700, whereas the average for the City of Toronto's 10 museums is 16,847 – about 50% higher than the U.S. median. However, it must be remembered that many of the small U.S. history museums and historic sites are located in very small markets, so that it would be expected that Toronto's museums should be above the average.
- **Free Admission:** Some 41% of all U.S. museums, 23% of historic sites/houses and 51% of history museums do not charge admission. Free admission helps to increase attendance levels and thus exposure to other revenue centres. More visitors help to create greater value for public investment. Offering free admission is also a motivator for sponsorship. This report recommends consideration of a sponsored basic free admission concept.
- **Sources of Operating Income:** Tax forgiveness for donations to museums and a strong tradition of personal philanthropy enables the average U.S. museum to generate as much as 28% of its operating income from earned sources, 37% of its budget from private donations and sources, and 12% from endowments given or bequeathed to the museum. As a result, only 24% is provided by government sources. This contrast is simply due to cultural differences between the two countries. In Canada there is far less private support for tax and other reasons.

- **Earned Income:** The key comparator is the disparity in earned income – for Toronto’s museums it is only 9%, whereas for U.S. history museums it is 24%, with 32% earned income for historic sites. Museums’ ability to generate earned income depends in part on the allocation of sufficient resources to attract first time visitors and build repeat visitation levels, as well as facilities that are large enough to accommodate good quality rental spaces, retail stores and other revenue-generating spaces as well as visitor experience spaces with enough programs to justify higher charges for those that are charged admission. Many of Toronto’s museums lack some or all of these advantages. Nevertheless it is clear that there are opportunities for more earned income among the City of Toronto museums.
- **Staff Salaries as a Percentage of Total Operating Costs:** Salaries and wages account for an average of 50% of the operating budgets of U.S. museums in general, and about 51% for history museums. If Museum-paid taxes and benefits are included then staffing costs increase to close to 60% of all operating costs. As discussed above, these averages are substantially lower than the 77% average for the ten City of Toronto museums because of a variety of factors, primarily due to under-spending on non-staff items in Toronto. Successive budget cuts have affected non-salary expenditures significantly more than salaries; the preferred way to lower the percentage of the City’s budgets for museum salaries therefore is to increase investment in non-salary expenditures and thereby to enhance programming and give the museums greater opportunity to increase attendance and generate funds. Increasing earned and contributed income must be directed to that end.
- **Marketing Costs per Visitor:** The average U.S. history museum allocated only about 2% of its operating budget to non-staff marketing expenditures compared to close to 4% for historic sites or heritage houses and an overall museum average of about 4%. The average museum spends \$1.29 per visitor on marketing, but history museums averaged only \$0.50 and historic sites \$1.14. Marketing costs are not broken out for the 10 museums of the Museum & Heritage Services system, but all interviews and observation confirmed that marketing is extremely limited, which is a major reason why attendance and earned income are lower than they should be.

Table 13: American Association of Museums 2009 Profile

2009 AAM Profile	Art Museum	Children's or Youth Museum	General Museum	Historic Home or Site	History Museum or Historical Society	Living Collections	Natural History or Anthropology	Science or Tech	Specialized Museum	Overall 2009 Survey	Overall 2006 Survey
Sample Size	156	18	71	89	190	17	32	25	73	671	809
Median Attendance	44,878	130,870	58,500	11,700	10,000	208,574	58,176	357,103	22,000	26,500	33,446
% Charging Admission Fees	47.6%	94.1%	63.2%	77.4%	49.2%	64.3%	63.3%	96.0%	57.1%	59.0%	60.7%
Median Adult Admission Charge	\$8.00	\$7.50	\$7.00	\$6.00	\$5.00	\$8.00	\$8.00	\$10.00	\$7.00	\$7.00	\$6.00
Median Operating Income	\$2,379,176	\$1,729,532	\$1,930,895	\$350,000	\$260,000	\$3,072,452	\$3,256,810	\$7,857,138	\$602,080	\$1,168,559	\$850,000
Average Earned Revenues	21.5%	48.3%	24.8%	31.7%	24.0%	30.0%	31.1%	48.8%	33.2%	27.6%	31.0%
Average Revenues from Private Donors	46.6%	27.8%	33.7%	34.6%	31.0%	20.3%	38.3%	28.9%	37.7%	36.5%	35.2%
Average Revenues from Investment Sources	18.6%	12.1%	8.8%	10.7%	8.5%	14.3%	6.4%	3.0%	9.3%	11.5%	9.6%
Average Revenues from Government Sources	13.3%	11.7%	32.6%	23.0%	36.4%	35.4%	24.2%	19.3%	19.9%	24.4%	24.1%
Median Value of Endowment	\$9,744,500	\$414,875	\$2,539,870	\$1,202,817	\$526,500	\$14,253,806	\$5,078,964	\$1,829,599	\$2,526,508	\$2,825,075	\$1,580,537
Median Earned Income per Visitor	\$8.21	\$6.31	\$7.16	\$9.44	\$4.39	\$4.87	\$6.76	\$11.14	\$10.00	\$7.22	\$5.91
Median Operating Expenses	\$2,317,675	\$2,522,615	\$1,798,754	\$298,200	\$262,206	\$3,630,530	\$3,237,600	\$6,827,362	\$778,859	\$1,166,000	\$829,037
Operating Cost per Visitor	\$49.94	\$15.07	\$30.21	\$28.33	\$26.73	\$15.10	\$29.74	\$20.95	\$32.25	\$31.40	\$23.35
Staff salaries as a % of total expenses [Median]	48.6%	54.5%	53.5%	56.0%	50.8%	63.9%	60.8%	45.8%	39.9%	49.9%	50.9%
Collections care as a % of total expenses [Median]	6.4%	4.1%	9.9%	4.9%	8.5%	26.7%	17.3%	1.2%	10.0%	8.0%	9.4%
Marketing Budget as a % of total expenses	4.4%	8.4%	5.4%	3.8%	2.2%	4.1%	4.5%	7.5%	4.0%	4.1%	4.4%
Marketing Expenses Per Visitor [Median]	\$2.15	\$0.93	\$1.61	\$1.14	\$0.50	\$0.85	\$1.22	\$1.32	\$1.00	\$1.29	\$1.05

Source: 2009 Museum Financial Information, American Association of Museums, 2009

2.8 GOVERNANCE AND SERVICE DELIVERY

The City of Toronto museums are line department museums of the City of Toronto. One of the objectives of this study is to assess whether alternative governance and service delivery models might increase efficiency and effectiveness.

Appendix B provides an overview of how other larger Canadian cities, particularly those with a multi-site museum system, have addressed issues of governance, service delivery, revenue generation and cost control. Table 14 compares statistical data from those where the data was made available. Salient conclusions are:

- Staffing, operating costs and organizational structure in Hamilton, Waterloo and the provincial Nova Scotia Museum system are all quite similar to those in Toronto, with the major apparent differences due simply to Toronto's far greater accounting attention to allocating centralized service costs to the museums.
- Expenditure per visitor is significantly lower in Toronto.
- With their higher spend per visitor Hamilton and Waterloo achieve attendance figures that are almost twice as high per-site as those in Toronto, thereby achieving greater service levels and greater efficiency for the dollars spent.
- Ottawa doubled the attendance figures at its 10 community museums with its Museum Sustainability Plan, proving that increased funding can result in increased attendance, thus achieving greater efficiency and effectiveness for the City's budget contributions.
- Ottawa credits the success of its Museum Network partly to its organizational structure, in which the Directors of all 10 Community Museums participate on the Board of the Network.
- Edmonton has no museum system, but is experimenting with a not-for-profit public corporation established to administer Fort Edmonton. However, the City provides significant centralized services as well as an annual grant, so that its annual subsidy of the corporation amounts to \$2.8 million. The results to date are inconclusive, but there is concern on the part of the centralized City staff that the corporation sees the Fort as an attraction, and has little interest in its operation as a museum.
- Like Edmonton, Vancouver has no museum system but has focused its resources on a single Museum of Vancouver. Its relatively low attendance is blamed on its location in Kitsilano Park, at some distance from the downtown area frequented by residents and tourists.

The first five observations, based on the data in Appendix B from Hamilton, Waterloo and Ottawa and illustrated in Table 14, indicate that greater City investment per visitor could result in higher attendance and therefore greater efficiency and effectiveness per dollar spent. They also reinforce the need for a strategy in Toronto to increase attendance and thereby facilitate opportunities for greater revenue generation. This conclusion is a central theme of this study.

Table 14: Comparison of Museum Systems

Comparative Jurisdictions with Museum Systems in Canada								
	Total Relevant Sites	Reported Total System Operating Expenditures (rounded)	% Allocation of Expenditures to Central Services	% Allocation of Expenditures to Staffing Costs	Reported FTE Staff Positions	% Operating Costs Paid by City/Jurisdiction	2011 Population	Operating Expenditures Per Capita Population
City of Toronto (all sites)	11	\$8,670,000	45%	78%	96	84%	2,615,060	\$3.32
City of Hamilton (city owned only)	7	\$3,200,000	12%	88%	39	75%	519,949	\$6.15
Waterloo Region (regional system)	3	\$4,630,000	N/A	70%	9	87%	507,096	\$9.13
Nova Scotia Museum (provincial system, centrally managed only)	11	\$11,000,000	25%	70%	100	84%	948,500	\$11.60

Source: Interviews by Lord Cultural Resources. There are acknowledged to be substantial additional costs or FTEs that have not been estimated or included for each of the other non-Toronto jurisdictions. More of the costs and FTEs for the City of Toronto museums have been included. Figures shown are rounded.

Having established this comparative context, we turn to consider the two fundamental issues of governance: ownership and management.

2.8.1 OWNERSHIP

The terms of this study include consideration of options to transfer ownership of the museums to other parties. This section considers in turn:

- 2.8.1.1 Ownership of Collections
- 2.8.1.2 Ownership of Buildings
- 2.8.1.3 Private Sector Ownership
- 2.8.1.4 Ownership by Other Levels of Government

2.8.1.1 Ownership of Collections

The City of Toronto owns the collections housed in its museum system. Most of the collections have been given, transferred or deeded to the City as a “public trust”, a legal term meaning that the City owns the collections, but only on condition that it holds them in trust for the public, not only of today but those of posterity as well. This public trust obligation, which has been defined legally in test cases primarily in the United States, also requires the City to maintain the collections in conditions that will ensure their long-term preservation and security – i.e. to meet museum standards. Any transfer of ownership would thus encounter the following legal and financial obstacles, among others:

- Fulfillment of the public trust obligation to keep the collections preserved and secure can be measured against the standards of both the international and the Canadian national and provincial museum professional organizations – the International Council of Museums (ICOM), which is the Museums Council of the United Nations Educational, Scientific and Cultural Organization (UNESCO), and the Canadian and Ontario Museums Associations (CMA and OMA). Aside from professional reasons for subscribing to their principles, remaining in good standing with the CMA and the OMA is a requirement to qualify for federal or provincial grants, both capital and operating.
- Collection policy principles of ICOM, the CMA and the OMA require that collections that are currently in the public realm should be kept in the public realm unless there is no other option, and even then should be donated to other public bodies if at all possible. Although ICOM advises against any kind of deaccessioning, CMA and OMA guidelines provide for it only according to approved professional policies and procedures. Among deaccessioning options, sale of collections should be considered only as a last resort, and proceeds from sales can be used *only* to acquire other artefacts or works of art, or for collections documentation, conservation or security.
- Because the collections are public collections, divestment would be enormously problematic given explicit or implicit obligations to donors made over many years, as well as support from other public and private funders on the basis of an assumed long-term commitment to City ownership and care of the collections.
- Prospective donors would be alienated by reports of deaccessioning of artefacts donated or bequeathed by previous donors.
- According to the federal Cultural Property Export and Import Act, donations to museums of artefacts or works of art for which tax reductions have been claimed must remain visually accessible to the Canadian public; privatization of such works would expose the City to retroactive claims for the lost tax value of the donations, plus interest.

Appendix B notes that the City of Edmonton retained ownership of the Fort Edmonton buildings and collections, even though it transferred responsibility for the operation of the Fort to an independent not-for-profit corporation. The above considerations indicate that retaining ownership of the collections would remain a prudent policy for Toronto also.

2.8.1.2 Ownership of Buildings

The foregoing considerations are equally applicable to most of the City of Toronto museum buildings, since the facilities in which they are housed in themselves constitute a “collection:” all but one of these buildings are themselves artefacts with historic significance. Transfer of ownership of, say, Mackenzie House or the Spadina Museum to a private operator would entail a situation comparable to that of selling City-owned artefacts or works of art, which is to say that these building artefacts would be transferred out of the public realm, with associated consequences.

Situations in which museums in the United States have attempted to partner with private organizations are instructive with regard to the complications of disposing of a heritage building or its collection. For example:

- To save money some institutions have experimented with privatizing some of their assets. This was the case at Colonial Williamsburg in Virginia in 2007 to counterbalance financial losses. Williamsburg sold one of the many historic mansions that make up its site for some US\$15 million on the condition that it remain open to the public one day per week. However, the new owner went out of business shortly afterward and the site ended up on the auction block, creating legal and ethical complications for Williamsburg.
- Another instance occurred in 2000 when the U.S. National Trust for Historic Preservation and the Lee-Jackson Foundation experimented with privatization by closing the Robert E. Lee boyhood home (which had been operated as a public museum) and selling the site to a private owner. The idea was that privatization would ensure that the site would continue to be open to the public – it would just be operated privately. But by 2008, the museum was again on the market and it is now a private home.

2.8.1.3 Private Sector Ownership

As public education institutions that require subsidies, only those situations in which an operating profit is assured would be attractive to a for-profit private sector operator. In situations where the incentive is strong enough for their involvement but the reality is a disappointment, a site or collections can be lost to the public realm, as in the two U.S. examples above. In any case, the relatively small scale of the City of Toronto museums and the very limited incentives for revenue inherent in their operation makes the willingness of a private organization to own or operate one or more of the sites without subsidy very unlikely, especially as a for-profit operator would not have access to revenue from other levels of government or private donors.

A not-for-profit organization could potentially be found or formed, but as the example of Fort Edmonton in Appendix B demonstrates, the organization would require a major and ongoing operating subsidy from the City, as well as the provision of centralized services to meet museum standards. Such a transfer appears to offer no net gain to the City, either financially or administratively.

2.8.1.4 Ownership by Other Levels of Government

One further ownership issue is the question of whether senior government levels might assume ownership responsibility for some of the City of Toronto sites. This appears to be unlikely for most of the sites because the historic value of all but two of them is local rather than national or provincial. Therefore the City of Toronto is the only relevant and likely public institution to ensure their preservation and interpretation to the public. The two remotely possible exceptions are:

- Fort York, which is one of Canada's National Historic Sites. However, Parks Canada policy is to optimize ownership and management of National Historic Sites by other levels of government wherever possible. Current Parks Canada downsizing and budget restraints make any change in this policy unlikely with respect to Fort York.
- Mackenzie House, which is relevant to provincial as well as civic history. However, there appears to be little or no incentive for the province to own and operate it.

2.8.2 MANAGEMENT

Although privatization or uploading ownership to the federal government or province is impractical, there are alternative management structures that are considered here in which the City of Toronto would retain ownership but would confer management responsibilities to other organizations. The options considered are:

- 2.8.2.1 Private Operation of Revenue Centres
- 2.8.2.2 Adoption of One or More Museums by a Private Organization
- 2.8.2.3 Management Services Agreement with a Larger Museum
- 2.8.2.4 Management Services Agreement with a Not-for-Profit Corporation
- 2.8.2.5 Collaborative or Partnership
- 2.8.2.6 Shared Funding with other Government Levels
- 2.8.2.7 Change from Line Department Status
- 2.8.2.8 Maintain Present Status

2.8.2.1 Private Operation of Revenue Centres

Definition: Museum revenue centres may include admissions, shops, food services, rentals and charged programs. Privatization of these activities aims to improve efficiency and to ensure that they are run on a cost-effective basis.

Examples: France, Turkey and the People's Republic of China provide examples of corporations established by their governments to manage the retail operations of a significant number of museums. However, these companies are viable only because they are on a large scale, both in terms of the size of the institutions and the number of institutions involved.

Analysis: The volume of trade is too small and the overhead due to servicing the 10 Museum & Heritage Services sites is too large to make this a practicable option for the City of Toronto.

2.8.2.2 Adoption of One or More Museums by a Private Organization

Definition: City retains ownership of building and collection, but delegates responsibility for operation to an interested private organization.

Examples: Campbell House, owned by the City, is currently operated in this way by The Advocates Society, which subsidizes its operating costs by over \$100,000 annually, while the City contributes around \$37,000. However, the Society now uses the House only infrequently, does not intend to continue their subsidy indefinitely and is currently seeking other sponsors to transform the House into a Justice Museum. Meanwhile needed capital improvements are not being made. There are many other examples world-wide, but they are almost always heavily subsidized by the government that owns the structure.

Analysis: Although it might be possible to find organizations willing to operate some of the ten museums, such organizations would continue to rely on the City subsidies of operating costs and City responsibility for capital improvements. Considering the risk of lowering the museum standards of the sites, advantages to the City would be doubtful, and maintaining the relationship with the not-for-profit organization could be tenuous, as the Campbell House example illustrates.

2.8.2.3 Management Services Agreement with a Larger Museum

Definition: A larger museum provides management services to smaller institutions for a fee paid by the City, replacing some of the services currently provided by the Museum & Heritage unit.

Example: In Chattanooga the Tennessee Aquarium provides financial administration, ticketing, marketing, H R, IT and revenue-related support on contract to two smaller museums, enabling them to focus on their educational programs. Members of the resultant Chattanooga Museums Collaboration also benefit from joint purchase of retail stock, media hardware and software, insurance, health care and retirement benefits. One CFO serves all three institutions. The smaller museums pay for the Aquarium's staff time plus a management fee, so that they realize a reported \$1.5 million in savings while to the Aquarium the Collaboration is a \$1.1 million revenue source, including donations from sponsors in support of the smaller museums – a win/win solution in Chattanooga.

Analysis: In Toronto the most appropriate institution that might consider such a management services agreement with the City of Toronto museums would appear to be the Royal Ontario Museum (ROM). Given the need for the City to retain ownership of the buildings and collections and to enable staff to focus on heritage preservation and education the management services that might be provided by the ROM could focus on corporate services like finance and human resources. There would be limited opportunities associated with revenue generation because the ROM concessions out its own retail and food service operations; extending such contracts to those City of Toronto sites with existing or potential retail and/or food operations would require the participation of the third-party operators of the ROM facilities and is unlikely due to the low volume and high overhead. Similarly, the Foundation that raises money for the ROM focuses only on the ROM; adding responsibility for the City's sites would fragment rather than strengthen its appeal. So the ROM appears unlikely, and other major institutions such as the Art Gallery of Ontario or the Ontario Science Centre have little to gain or to offer to the specific challenges of the ten City of Toronto museums.

2.8.2.4 Management Services Agreement with a Not-For-Profit Management Company

Definition: City retains ownership of building and collection, but establishes a not-for-profit management company to operate the museums.

Example: Edmonton is experimenting with this option at Fort Edmonton but with mixed results to date, particularly due to the disparity between museum standards and commercial operation of an attraction (see Appendix B). The management company operates the revenue-generating activities on the site – the Selkirk Hotel, the Capitol Theatre, food and retail services and rentals: yet these services are only available because the City invested the capital to build and equip them, and now sustains them with annual subsidies amounting to \$2.8 million.

Furthermore, it does not appear certain that the arrangement has benefited the City or the site financially.

Analysis: Given the small scale of the City of Toronto museums, such an option could be considered only at Fort York, but even there would be practicable only if the City made substantial capital investments and continued an annual subsidy as in the Fort Edmonton example. Since the financial benefits to the City are doubtful, and the commercial operation of the attraction components would challenge the authenticity standards of a National Historic Site, this option does not appear attractive in Toronto.

2.8.2.5 Collaborative or Partnership Arrangements with another Museum or Public Institution Based on Proximity

Definition: Where two or more museums or other public institutions are physically close enough that they may serve the same market to a greater or lesser extent, there may be advantages to merging some or all aspects of their administration.

Examples: In the United States there has been a trend for museums near each other to develop collaborative arrangements. Examples include the Cleveland Cultural Collaborative in the University Circle area of that city, San Diego's Balboa Park, and the museums that comprise the Heart of Brooklyn. Collaboratives seek to develop joint purchasing, ticketing and marketing opportunities and in some cases have a shared Coordinator staff person to help facilitate collaboration.

Analysis: During the course of the study a variety of examples were contemplated for other public or private organizations that might be willing to take over responsibility for managing specific sites because of their proximity. For example, would Ryerson University be willing to operate Mackenzie House because of proximity? Or would the Evergreen Brickworks be willing to operate Todmorden Mills? The main response heard was that such organizations would not achieve benefits proportionate to the costs of operating them.

The most likely example would be management of the Spadina Museum by Casa Loma. Although City-owned Casa Loma is not a museum, it is adjacent, heritage-related and already provides parking for visitors to the Spadina Museum. Collaboration has long taken place as, for example, Casa Loma visitors receive a 25% discount at the Spadina Museum. There is no reciprocation, however, because Casa Loma most recently reported 282,000 visitors while only about 19,000 attended the Spadina Museum. It is thus clear that while the Spadina Museum would benefit from a closer relationship the question is what Casa Loma would gain from assuming management responsibilities for its neighbour. Since Casa Loma is not operated as a museum, there would be a considerable risk that Spadina's museum standards would be sacrificed.

2.8.2.6 Shared Funding with other Government Levels

Definition: Sharing responsibility for the operation of one or more of the museums with provincial or federal levels of government on a substantial partnership basis (rather than the grants in aid which are currently in place).

Examples: *Te Papa* is one of New Zealand's major attractions for residents as well as tourists, funded by both the national government and the City of Wellington. In 2011 the national government's subsidy amounted to over 52% of the total operating budget of NZ\$41.9 million, with the City's contribution of NZ\$2.25 million accounting for just over 5%. When the Wellington City Council in March 2012 voted to cut its support to around a million dollars over the next decade, the public outcry in support of *Te Papa* was so great that the motion was reversed at a June 2012 Council meeting.

Spadina House provides a local example, being jointly owned by City and Province, with the City providing the collections on the condition that the City will be responsible for its operation. Its operating costs and capital improvements do not appear to differ in kind from the other nine museums for which the Museum & Heritage Services unit is responsible. Replicating such a relationship at Mackenzie House, for example, would therefore make little or no difference to the operations, funding, or the level of public service provided at the site.

Analysis: The two sites that might be candidates for such a partnership are Fort York, which is a National Historic Site, and Mackenzie House, which has provincial as well as civic historical significance. Neither prospect looks likely: Parks Canada policy at present is to seek partnerships with other government levels in order to decrease federal government involvement in the operation of National Historic Sites, rather than increasing its commitments to their operating budgets; and under present economic conditions the Province would prefer to maintain its grant funding to all ten sites, rather than taking a major interest in Mackenzie House.

2.8.2.7 Shift from Line Department to Arm's Length or Not-for-Profit Status

Definitions: There are generally considered to be three primary modes of governance for public museums:

- Operation as a **line department** of government, as the City of Toronto does at present;
- '**Arm's length**' status, so-called because a hand at the end of an arm has independent capacity for movement, although in fact it is governed by the head; arm's length institutions typically have Advisory Boards, usually including representatives of the government that owns the building and collections. The arm's length approach is intended to ensure that a museum may operate more independently and raise its own funds from its operations and from grants and donations, while remaining an annual budget item for operating funds from the government level that owns its buildings and collections. Personnel are employed by the arm's length institution, but may have a status equivalent to civil service staff.
- **Independent not-for-profit status**, in which the institution operates completely independently and receives government funding only in grant form. Both arm's length and independent not-for-profit institutions benefit from being able to obtain the right to issue tax-deductible receipts for donations as charitable educational institutions. Independent not-for-profit museums have their own governing Boards. They also often have Foundations which raise and invest funds for their operation or for capital projects. Personnel are employed by the not-for-profit institution, and are not related to civil service standards or conditions.

- **Examples:** The previous method of governance for Toronto's museums under the former Toronto Historical Board may be described as arm's length governance. Campbell House is an example of independent not-for-profit governance of a heritage building; most big-city U.S. art museums have this status.

Analysis: Arm's Length Status: This study considered the idea of returning to arm's length governance by Heritage Toronto. Before amalgamation the museums in the old City of Toronto were governed on an arm's length basis by what was known as the Toronto Historical Board. This issue was raised in almost all interviews. However, virtually all persons interviewed believed that a return to an arm's length governance model by what is now known as Heritage Toronto would *not* be appropriate for the following main reasons:

- Heritage Toronto is focused very much on the built heritage and is an important advocate for architectural heritage preservation; it is deeply engaged with the built environment, not collections care. The responsibilities associated with collections management include storage, conservation, inventory control, risk management, public access, loans and collection development, acquisition, donations, appraisals and deaccessioning. These are not functions with which Heritage Toronto is currently familiar.
- Nor is Heritage Toronto oriented toward the operation of a multi-site museum system. A complete reorganization of the organization would be necessary in order to accommodate the staff and other responsibilities required to operate the city's museums. Other responsibilities would include public and staff safety in areas of food handling, open hearth cooking, firearms use and storage of black powder; public programming and special events expertise, visitor services; retail operations; care of 10 heritage assets in heritage landscapes; and theatres and art gallery operation at Todmorden Mills and the Market Gallery. Adding these as well as the collections care functions to Heritage Toronto would constitute inventing a new institution, which would look very much like the Museum & Heritage Services unit and would be totally dependent on City subsidy for its operation, thereby achieving little or no predictable saving.
- There would likely be no staffing cost savings because collective bargaining agreements made with the City of Toronto would be applicable to Heritage Toronto as an agency of the City.
- With amalgamation, Heritage Toronto was originally given responsibility for raising private funds for the City of Toronto museums. But this was not implemented, as the focus of Heritage Toronto shifted to preservation of the architectural heritage. While the organization has raised private funds for heritage walks, awards dinners and plaques the extent of the fundraising required for the museum system is far more substantial.
- An arm's length organization like Heritage Toronto tends to have more difficulty raising funds from senior levels of government. This is because core municipal funding is used many times over as the matching funding required for many government grants. The Museum & Heritage Services unit raised \$16.5 million in grants from senior levels of government (towards both operating and capital projects) over the last eight years. It appears unlikely that Heritage Toronto could maintain this annual \$2 million-plus average year after year.
- Heritage Toronto does not have a focus on earned revenue, as funds are currently raised from government sources, other grants and sponsorships.

- The effectiveness and efficiency of service delivery when the five sites in the old City of Toronto were operated at arm's length by the Toronto Historical Board was not perceived to be better than the current situation and some persons interviewed cited examples in which it was not nearly as good.

An interview with Board and senior management representatives of Heritage Toronto indicated that the organization is fully satisfied with the status quo regarding its service role but is nonetheless open to considering alternatives if they were presented by the City to Heritage Toronto. In the light of the above analysis, however, there do not appear to be sufficient advantages for the City to give serious consideration to this alternative.

Analysis: Independent Not-For-Profit Status: This other common form of governance would require individual museums or the entire group of City museums to be incorporated according to provincial law as not-for-profit charitable educational institutions. They would apply to the Canada Revenue Agency to request this status and thus be able to offer charitable tax receipts for donations of funds or artefacts. Independence would allow the institution to recruit and pay staff at rates that are not necessarily related to City levels. They could apply to the City annually for grants, but City funding would not be a listed budget item.

The difficulties currently faced by The Advocates' Society in maintaining Campbell House indicate that this status is more appropriate for larger institutions, like the many U.S. art museums that are operated in this way. The ten museums in the Museum & Heritage Services unit are too small and have too limited capacity for revenue generation to make this governance status a practical option, either individually or as a group.

The Foundation Option: However, one aspect of this governance option is worthy of adoption. One of the reasons some people suggest consideration of independent not-for-profit status is that with that status a museum can apply to issue tax-deductible receipts for donations, and often establishes a Foundation to administer such a contributed income program. However, this objective can be achieved by establishing a Foundation for the existing City of Toronto museums as line department institutions. A charitable Foundation that can raise funds in support of individual museums or of the entire museum system is an option that does not depend on any one governance status. It is possible for the City of Toronto museums to continue to maintain line department status *and* to have a private Foundation that seeks to raise funds from private sources, yet at the same time to retain the advantages of City operation.

The Markham Museum provides a successful recent example nearby, having established in 2010 a Friends of the Markham Museum Foundation which raised \$100,000 in support of that City's Museum in its first full year of operation. Other Ontario municipalities that have created Foundations to support their museums are Burlington, Halton, Pickering and Cobourg. The recommendations of this report propose that the City of Toronto museums should follow these examples.

Trends in Changes of Governance: Diligent research across Canada and internationally revealed *no* examples in which line department governance of municipal museum systems changed to independent not-for-profit associations or arm's length governance. Even for individual museums the only example found was the City of Edmonton's management agreement with a not-for-profit company at Fort Edmonton Park, the mixed results of which have been discussed already in this section.

On the contrary, the trend in change of governance is that museums and historic sites have been absorbed by municipal governments to protect heritage resources and collections when their survival has been at risk. For example, the City of Ottawa took over the Cumberland Heritage Village Museum in the early 2000s as a result of amalgamation, and is currently transforming that former shoestring operation into a professionally-run, higher-quality heritage institution as a City line department.

Thus the trends in changes of governance confirm the findings of this section that City line department governance is the preferred option for the maintenance of smaller museums and heritage sites at museum standard, thereby qualifying these institutions for other levels of government support, yet leaving them free to establish Foundations that can generate private financial support as well. This conclusion is the basis of the Recommendations that follow.

3. RECOMMENDATIONS

Based on the foregoing analysis, this chapter sets forth the recommendations of this report in four sections:

- 3.1 Recommendations for Ownership, Governance and Management
- 3.2 Recommendations for the City of Toronto Museum System as a Whole
- 3.3 Recommendations for Individual Museums
- 3.4 Recommendations for the Market Gallery

3.1 RECOMMENDATIONS FOR OWNERSHIP, GOVERNANCE AND MANAGEMENT

This report makes the following six recommendations pertaining to ownership, governance and management of the City of Toronto museum system:

1. **Maintain the existing City ownership in order to protect the collections and heritage resources for current and future generations.** This is consistent with the experience of other Canadian and international jurisdictions. Interviews suggested that maintaining City ownership should continue to lead to higher capital and other funding support from federal and provincial sources than is likely to be the case without City ownership. As the Ottawa example in Appendix B shows, capacity-building for better earned and contributed revenue performance is more likely within a municipal arrangement than outside of it.
2. **Develop a Foundation to seek private funding support, both capital and operating, for the museums and sites on a system-wide basis, recognizing that private companies and many individuals prefer not to donate to governments.** Such a Foundation would have the ability to issue tax-deductible receipts for donations just as would an arm's length or not-for-profit institution. Foundations for specific objectives, especially for capital projects, are often more successful than Foundations seeking operating funds for a system, but the City of Toronto can establish a Foundation that has a dual mandate. Thus the new Foundation should be legally constituted so that:
 - it facilitates donations to individual sites or to the system as a whole as preferred by the donor;
 - separate accounts can be established for funds that are designated for use by specific sites or specific projects;

- undesignated funds can be made available for use anywhere in the system, or for the system as a whole.

In this way the Foundation would be able to launch specific fund drives for specific projects or sites, as well as accepting donations to general funds for the system as a whole. The success of the Foundation for the Fort York Visitor Centre is a good indicator of the need for and likely effectiveness of a Foundation for the overall museum system.

3. **An associated recommendation is that the Toronto Museums Foundation should not have its own staff; rather, staff support to the Foundation is recommended to be a City staff person as is currently the case with the Fort York Foundation.** Foundations with their own staff are more likely to become entities that exist primarily for themselves and lose sight of the reason for their existence. This is what happened, for example, at the Toronto Zoo, which eliminated its Foundation for this reason. Foundations remain in support of their institutions if they are administered in-house. City staff have been reasonably effective in raising contributed income through grants and sponsorships to date, and will be enabled to be still more effective if working through a Foundation.
4. **Introduce a Friends organization at each site.** Volunteers provide vital support to the City of Toronto museums system. Friends' organizations for each museum provide a way in which this local enthusiasm can be more effectively managed and replenished by the efforts of the Friends themselves.

When sites were contemplated for potential closure the performance measures considered were essentially about attendance and revenues relative to operating costs; while appropriate to a point, such criteria do tend to penalize the smaller sites. Another performance measure we recommend is demonstration of local support through the establishment of Friends' organizations that would begin with the volunteers currently engaged at each site.

Each Friends' organization could fulfill several functions, working together to:

- organize and replenish volunteer participation in the operation of the site;
- work with the Foundation to implement fund-raising programs;
- provide a vital base of advocacy for the museum in the community.

All volunteers currently in the system would be encouraged to join their respective Friends' organization in order to continue as volunteers. These organizations would have no administrative or even advisory role in relation to the management of the site, but would create and maintain programs in support of the museum's activities and needs.

Currently some sites have Friends' organizations, but others do not. Those that do include Fort York, where the Friends of Fort York pay uniformed interpreters and guards during the summer months, and Montgomery's Inn, where The Montgomery INNovators raised \$20,000 for a bake oven in the past, and continue to offer strong advocacy for the site today.

5. **Maintain existing centralized staff levels but restructure to add new positions.** This study is not recommending any change in the total number of the present staff complement. Instead, we recommend that senior management identify opportunities for a restructuring by elimination or sharing of some positions to facilitate appointment of two new positions intended to help boost contributed and earned income. The two positions are:

- A full-time **Development Manager** to function as the staff for the Foundation and to implement the recommendations associated with sponsorships and donations, as well as other opportunities to raise private funds. This person would not be asking for funds directly but would support Foundation members in their efforts to raise private funds, either for the system as a whole or for specific sites.
- A full-time **Business Manager** responsible for helping to boost attendance, admissions, retail sales, rentals, pay-for-photo opportunities and other earned revenue generation on an ongoing basis.

Another necessary new position need not be City-funded. We believe it could be funded as part of a menu of private sponsorship opportunities: A full-time **Volunteer/Friends Coordinator**. This person would help to develop all aspects of the volunteer program, including recruitment, training and recognition. This person would also help to develop and sustain Friends' associations for each of the sites.

6. **Create incentives for the Foundation, Friends' organizations, staff and volunteers to generate revenue by allowing the museums to retain part of the additional income generated.** In order to maintain an entrepreneurial incentive for revenue generation at each site, it is important that benefits from fund-raising or other revenue-generating programs should continue to be seen (as they have in the past) in the sites where the revenues are being generated. To maintain this good practice this study proposes a formula in which 50% of all additional revenues generated serve to reduce the City funding, with the other 50% going to non-staff spending on collections care, the visitor experience and marketing to enhance the museums as individual institutions and system-wide. Doing so will create incentives for private funders, volunteers, staff and others to generate additional contributed and earned income for the long term. Without such an incentive interviews suggested that it would be difficult to maintain the needed level of support.

3.2 RECOMMENDATIONS FOR THE MUSEUM SYSTEM AS A WHOLE

The data in this report indicate that compared to other museum systems in Canada the City of Toronto is not over-spending on support for its museums. However, attendance and non-City income levels should be higher.

Revenue centres are any activities or programs that raise other sources of income for the City's museum system. They are of two types:

- Earned income – such as volunteer bake sales, pay-for-photo opportunities, retail shops, cafes, admissions, charged tours and learning programs, or rental of facilities;
- Contributed income -- senior level government grants and private donations, bequests, corporate support and sponsorships.

To boost attendance levels and thus exposure to existing and new earned-income revenue centres additional spending on the visitor experience, marketing and other non-staff costs at the various sites is required. Contributed income, especially sponsorships, can be a source of that additional expenditure. Substantially increased contributed income from private sources can help boost attendance and thus exposure to existing and new earned income opportunities.

The following 15 recommendations are intended to achieve these objectives.

3.2.1 SEEK SPONSORSHIP OF FREE BASIC ADMISSION

The relatively modest attendance levels for the City of Toronto museums are consistent with other small historic sites and houses elsewhere but are low in relation to the large potential resident, school and tourism markets for Toronto. As shown in Appendix B, Toronto museums' attendance levels are significantly less per site than attendance in Hamilton and Waterloo for comparable historic site museums. Ottawa's Museum Network showed that with additional investment it was possible to double attendance levels within a relatively short time.

Free admission has increased attendance substantially everywhere that it has been introduced to formerly charged museums:

- The experience in the United Kingdom was that the introduction of free admission for all of the national museums resulted in a 151% increase in attendance from the year before to ten years after its introduction. This is most important in refuting the claim that attendance increases due to free admission are short-lived.
- The People's Republic of China introduced free admission to over 1,800 museums in 2009. Attendance levels increased substantially. Some Chinese museums had to impose limits on the number of persons who may attend at one time in order to limit the strain on facilities. As in the U.K., the free admission policy paralleled a massive program of building new museums and improving existing ones.
- Baltimore's two leading art museums recently increased their annual attendance by 33% to over 50% by going free.

Total attendance at the City's museums over the five years 2007-11 has averaged just below 170,000, but 59% of these visitors attended as guests on rental occasions (31.6%), booked education programs (18.7%) or pre-registered programs and booked tours (8.6%). General admission visitors amounted to 41.1%, just under 70,000 visitors per year on average. The total admissions revenue generated in 2011 from an all-time high of 90,590 general admission visitors was only about \$130,000 (1.5% of the total operating budget), indicating that a substantial number of visitors were attending on free days.

Whereas the main arguments for free admission are mission-related in order to broaden access for underserved socio-economic groups or ethnic minorities, there is also an economic rationale: free entry results in more spending for charged tours, retail, food, public programs and entrepreneurial revenue centres such as pay-for-photo or pay-for-video opportunities. With admissions revenue accounting for only 1.5% of total operating income, the larger numbers of visitors drawn to a museum as a result of free admission will lead to more income from these other revenue centres. Of course, the ability to achieve higher earned income as a consequence of larger numbers of visitors actually depends on how creative and entrepreneurial a museum is in taking advantage of larger visitor volumes.

The interview process in this study revealed very strong support for obtaining corporate or foundation sponsorship of basic free admission to all sites, yet continuing to generate admissions income from guided tours. The belief is that at least the \$130,000 currently earned in admissions income could be generated annually based on a 3 to 5 year commitment from a company or foundation that would be credited with providing basic access to all the City of Toronto museums. Doing so would lead to substantially higher levels of attendance as seen from the experience of museums in other countries as well as attendance levels at the Toronto museums during the limited free admission days currently offered. Higher attendance will in turn expose more visitors to revenue centres, including those set out below for all the sites, and later will reflect opportunities at specific museum sites. Higher attendance will help to provide more value to taxpayers in the context of a better return on the City's investment by having more people attend to learn about the heritage of the city.

In Toronto there are relevant precedents:

- TD Canada Trust sponsors the cost of free guided tours organized by Heritage Toronto.
- Scotiabank's sponsorship of *Nuit Blanche* effectively offers free admission to cultural experiences throughout the city.
- The Power Plant contemporary art museum at Harbourfront has received sponsorship of free admission during the summer months for several years. That sponsorship of free admission was extended to the entire year in celebration of the 25th anniversary of the Power Plant.

It must be emphasized that the likelihood for sponsorship of the City of Toronto museums increases substantially on the basis of free admission as opposed to merely sponsoring discounts or specific programs. Interviews confirmed that providing the people of Toronto and their visitors with access to their heritage without the impediment of admission charges offers the positive optics that should attract a corporate or foundation sponsor on a multi-year basis. The fact that an annual sponsorship in the range of \$130,000 would apply to so many sites throughout the GTA was also perceived to offer strong sponsorship appeal. The sponsorship should be for more than the \$130,000 that is the current revenue from admissions, since an additional budget will be needed to market the free attendance institutions each year, and may include the cost of providing security systems as suggested in Recommendation 3.2.3.

Responsibility for implementing this key recommendation would be the primary task of the Development Manager, who will serve as director of the Foundation, one of the two new positions recommended in the previous section for the Museum & Heritage Services unit. The City and the Foundation together would be responsible for fulfilling sponsor requirements.

3.2.2 INTRODUCE SELF-GUIDED TOUR OPPORTUNITIES IN ORDER TO IMPLEMENT SPONSORED FREE BASIC ADMISSION

Nearly half of all American museums offer free admission. There and at the national museums in Great Britain free admission normally admits the visitor to the permanent collection galleries, but for major temporary exhibitions visitors are usually charged admission. The City of Toronto museums are too small for major exhibitions, but they can and should continue to charge for audio and guided tours, while offering free admission for a self-guided experience.

At present the only way to experience the Spadina Museum, Mackenzie House, Colborne Lodge, Gibson House, Zion Schoolhouse, Scarborough Historical Museum and the historic houses at Todmorden Mills and upstairs areas of Montgomery's Inn is to take guided tours. At Fort York there are both self-guided and guided tour options. This combination is what is recommended for all of Toronto's sites – free admission to a self-guided tour, but with audio and guided tour options offered to those willing to pay for them. School groups would be treated in the same way, with free admission for self-guided tours led by the teacher, but again with each site continuing to charge for special educational tours.

The positive impact on attendance as a consequence of the basic self-guided admission is not only because it is free but also because it offers more choice to visitors. Not everyone has the time or inclination to take a 45-minute or lengthier guided or audio tour. They may already know the museum and as they are accompanying visiting friends and relatives they may believe they are capable of providing a guided tour offering an adequate level of interpretation themselves. They may be repeat visitors who have previously taken the guided tour. In short, offering the choice of a free basic self-guided admission or a charged, guided or audio tour opportunity is more visitor-service-oriented than forcing visitors to take guided tours whether they wish to do so or not.

Virtually all of those interviewed for this study strongly supported the concept of sponsored basic free admission and continued charges for guided and audio tours. Some museum staff interviewed expressed two important reservations:

- that self-guided visits will not provide the level of interpretation needed for visitors to appreciate the historic value of the museums;
- security of the collections.

The concern for historical interpretation of self-guided tours must be met responsibly and creatively at each site. In many historic sites with self-guided tours a laminated page of explanation provides general orientation to the site, with another laminated page made available in each room to interpret its significance. These pages are normally provided in multiple languages. A more expensive medium is an audio system which visitors can access by plugging in earphones, with multiple language tracks. Self-guided tours should provide a rich experience of the site so that visitors leave with a good appreciation of the meaning not only of the site as a whole but also of each individual room.

The security question is an equally valid concern, which is addressed in the following recommendation.

3.2.3 SEEK SPONSORSHIP OF CLOSED CIRCUIT TELEVISION TO MITIGATE SECURITY ISSUES ASSOCIATED WITH FREE SELF-GUIDED EXPERIENCES

Casa Loma is not a museum, but as an attraction which offers self-guided tours it has had no problems with theft or vandalism even without security cameras. However, the Museum & Heritage Services unit is responsible for Toronto's heritage, both in the museum buildings and in the collections they contain. Therefore in order to accommodate free self-guided tours it will be necessary to protect the collections with specified visitor paths and with a monitored electronic security system. Most of the sites already have marked visitor paths with barriers or other ways of indicating that visitors should not go beyond a certain point. These should be consistently planned in anticipation of free self-guided tours so that visitors will always be able to see clearly where they can and cannot venture. Consistent instruction not to touch artefacts will be provided on the laminated interpretation sheets and elsewhere as required.

However, this alone would not be sufficient. The most common way of mitigating security issues associated with free admission self-guided visits to historic sites is to install and monitor a Video Surveillance System (VSS) comprised of what are commonly called 'Closed Circuit Television' (CCTV) cameras that provide a view of all rooms in the site from discreet locations throughout the building. It is important that visitors see the VSS or CCTV screens being monitored immediately on entering the site, so that they are informed that they will be observed throughout their self-guided visit. Contemporary wireless systems would minimize the impact of the equipment on the historic house. Staff on duty at the entrance to each site will monitor the screens, and will need training on how to respond appropriately if a self-guided visitor does not respect the indicated visitor paths, attempts to touch an artefact or appears to be threatening damage or theft. Records of each day's visits would be kept for several months before being erased, so that reference can be made to them, including police inspection, if any damage is subsequently discovered.

The cost of the VSS or CCTV systems that make free entry self-guided tours possible could be partially or fully included in the sponsorship of free admission – not merely replacing the \$130,000 admissions revenue but paying at least in part for the cost of these systems as well. Or, more likely, separate sponsorship could be secured, possibly from the security system manufacturers themselves. If the donation is provided through the Foundation, the sponsor would be able to claim a tax deduction for the value of the donation. Signage calling attention to the surveillance system would acknowledge the sponsors, and relate their contribution to the provision of free admission.

3.2.4 OFFER CHARGED ADMISSION TOUR OPTIONS AND CHANGE SOME OF THEM EVERY YEAR TO CREATE THE CHANGE NEEDED TO BOOST REPEAT VISITATION

The City of Toronto museums have had success with charged admission guided tours. One way of encouraging repeat visitation is to offer several guided or audio tour options, and to let visitors know that the subject matter of the tours will be changed each year or each season. This study recommends continuing the successful development by centralized and on-site staff of a number of thematic tour options from which visitors may choose at each site. During peak periods the guided tours may be on a schedule but during regular periods in which attendance levels are lower visitors may be asked which length and type of tour they would like. Offering a range of guided or audio tours and announcing a new selection each season may motivate some repeat visits, especially if the new season's tours are marketed effectively.

Most important will be to communicate to existing visitors on-site, over the web and by means of other communications that new tour options will be offered next year, and to name the tours to be offered in the following year.

3.2.5 EXPLORE OPPORTUNITIES FOR ‘BEHIND THE SCENES’ ELEMENTS WITHIN THE CHARGED ADMISSION GUIDED TOURS WHERE PRACTICAL

With recommended free admission for a self-guided experience, it is important that charged guided or audio tour opportunities are perceived to offer significantly greater value. This suggests the need to limit access to some spaces for guided tours only, and to offer ‘behind the scenes’ elements at as many of the sites as possible.

3.2.6 ADD OTHER REVENUE GENERATION OPPORTUNITIES FOR THE INCREASED VISITOR NUMBERS DRAWN BY BASIC FREE ADMISSION

In addition to enhanced guided and audio tour opportunities, which will be charged, we recommend that centralized and on-site staff of the museums seek to identify earned income opportunities specific to their sites. Here we provide a variety of general ideas for boosting earned income to take into account higher numbers of visitors exposed to the sites as a consequence of the basic but sponsored free admission:

- **Pay-for-Photo Opportunities Based on Rental of Sponsored Costumes:** This is an opportunity for people to have pictures taken in period costumes and in period settings offered by the various sites. Pay-for-photo opportunities do not require a professional photographer. Rather, smart phones with cameras and the cameras of visitors may be used. The pictures may be snapped by museum staff or volunteers on site for other purposes. In most cases family members will take pictures of each other. To implement this concept the Foundation will need to secure sponsorship of costume rental to allow for pay-for-photo opportunities at most sites. A specific well-known private costume rental company was identified in interviews as a potential sponsor. The company would need to receive visible recognition and would benefit from the tax deduction. Since many phones now have video capability as well, these could be pay-for-video opportunities.
- **Dining Opportunities in Some of the Historic Houses:** It has already been identified by the Museum and Heritage Services unit that rental opportunities are an important revenue generator. Staff has been motivated to boost rental income and positive results have been realized. An additional opportunity to do so is to provide dining opportunities in the historic houses, which is already under consideration for several sites. These could include Colborne Lodge, Mackenzie House, Gibson House, Montgomery’s Inn, the Scarborough Historical Museum, the Spadina Museum and Fort York. Dining may not be appropriate in the smaller houses like Gibson House and Colborne Lodge; but in the larger sites it may be possible to utilize duplicate dining tables and chairs from the Collection & Conservation Centre to facilitate historic dining opportunities. Dining would be limited to particular areas to delimit the zone in which organic food and drink would be allowed, and preparation, service and clean-up support spaces will need to be kept separate from areas in which collections are stored or worked on. There are also opportunities to contract nearby hotels to provide catering services at some of the sites.

- **Increase Prices Charged for Outreach as a Revenue Generator and an Incentive to Attend the Various Museum Sites:** The Scarborough Historical Museum has been the most active in taking outreach programs into the schools. Outreach has staffing and other cost implications and does not add directly to on-site attendance numbers. Increasing prices for outreach will create incentives for on-site visits, particularly if free self-guided admission is offered.
- **Introduction of interactive donation boxes at each of the sites that convey why donations are needed and that respond mechanically to donations.** A focus on enhanced donation boxes was initiated at some of the site in 2011.

3.2.7 CONTINUE THE FOCUS ON RENTALS AS A PRIMARY EARNED INCOME GENERATOR BALANCED AGAINST RECOGNITION THAT THE MUSEUMS EXIST FOR MISSION-RELATED REASONS

The Museum & Heritage Services unit has led the way by placing a strong emphasis on rentals as a revenue source, while balancing rental programs against the heritage preservation, collections care and public education roles of the museums. This study recommends an increased focus on rentals at all sites, while preserving this balance.

Rentals represent a very efficient time-sharing of a site if they take place during evening hours. Opportunities for day-time rentals should be welcomed as long as a balance is maintained that recognizes the need for public access. An issue of conflict between rentals and programming is usually when a museum needs to consider the value of opening to the public during evening hours relative to making the space available for rentals. With the exception of the Scarborough Historical Museum, which opens one evening per week but has little space oriented to rentals, none of the sites opens during regular evening hours and so such conflicts need not arise. Daytime conflicts may occur at the Spadina Museum in which opportunities for renting to weddings and other events during the afternoon may be disruptive to other visitors but this has generally been less of an issue than the perceived disruptions expressed by site neighbours of outdoor rentals in general.

3.2.8 DEVELOP A MENU OF SPONSORSHIP OPPORTUNITIES FROM WHICH POTENTIAL PRIVATE SUPPORTERS MAY CHOOSE

There is often a perception among the potential supporters of museums that sponsorships always require large amounts, but this need not be the case. Relatively small amounts (minimum of \$500) from a large number of supporters can result in substantial levels of income. The Kamloops (B.C.) Museum, for instance, routinely posts placards with lists of individuals, downtown stores and small companies such as doctors', lawyers' and architects' offices who have sponsored each exhibition, event or learning program, and returns to the same local sponsors repeatedly for relatively lower-cost events. The Director has developed a good understanding of the kind of event that each of these modest sponsors prefer; a similar rapport could be developed by the on-site staff and Friends' organizations with potential sponsors or donors in their neighbourhoods.

The Friends' organizations should seek support for lower cost items on the menus of their respective local museums. An important motivator is the credit received, not only by means of a tax receipt issued by the Foundation but also by public recognition on site. Specific opportunities may be developed for each site and in general might include sponsorship of higher and lower cost items such as:

- School bus or other transportation to the museum of their choice for schools in lower income areas
- Specific events and festivals
- Providing heritage summer camp opportunities for those who cannot otherwise afford it
- Adopt-an-artefact opportunity, facilitating conservation of an object in the collection.

3.2.9 'MAKE BIG BIGGER' BY FOCUSING ON PEAK FESTIVAL AND EVENT DAYS ENHANCED BY VOLUNTEER STAFFING FROM AMONG CENTRALIZED STAFF

The City of Toronto museums offer a variety of festival and event days, which tend to be higher attendance days. Monday-to-Friday staff is more likely to work during these days in order to support the events. The idea of 'making big bigger' is to focus marketing and the visitor experience on these days because they are most likely to stimulate the highest attendance. Centralized personnel already contribute to these events with unpaid time, and should be encouraged to continue this good practice, either by providing additional programming to the public or by replacing on-site staff on routine duties so that they can animate the events more.

3.2.10 DEVELOP SEPARATE IDENTITIES FOR EACH OF THE SITES LINKED TO AN OVERALL TORONTO MUSEUM BRAND

The principles of the branding strategy recommended for Toronto's museums are:

- Keep the word 'Toronto' in the name of each museum to reflect the City's ownership and management;
- Strengthen the local or thematic reference in the name of each museum, to build on the volunteer and community support that is so important to their sustainability.

Unlike Vancouver and other municipalities with a large city or regional museum, the heritage of the city of Toronto and its former suburban cities and boroughs is told in a variety of geographically dispersed sites. As discussed earlier the pre-amalgamation loyalties which continue to this day and likely well beyond create positive opportunities for Friends' organizations for advocacy, volunteering and fundraising specific to each site.

An indicator of the validity of an approach that recognizes local support based on pre-amalgamation identities is the strong local support for the Scarborough Historical Museum, which exceeds support for any of the other sites. For example, Scarborough reports 240 volunteers. Interviews suggested that it is the Scarborough name and local pride associated with it that is an important factor in that success.

To build on such issues of identity, loyalty and pride we recommend tag lines associated with many of the sites that reflect either a geographic or thematic focus but that recognize they are part of a 'Toronto' museum system. Some existing and recommended names are as follows:

- Colborne Lodge: Toronto's Museum in High Park
- Fort York: Toronto's National Historic Site
- Gibson House: Toronto's Museum of North York
- Mackenzie House: Toronto's Museum of Political Activism
- Montgomery's Inn: Toronto's Museum of Etobicoke
- Scarborough Historical Museum: Toronto's Museum of Immigration
- Spadina Mansion: Toronto's Museum of the Roaring Twenties
- Todmorden Mills: Toronto's East York Cultural Heritage Centre
- York Museum: Toronto's Museum of the Former Borough of York
- Zion Schoolhouse: Toronto's Museum of Education

The 'tag lines' for each museum are further discussed in the following section 3.3 of recommendations for each site.

3.2.11 INTRODUCE AN ANNUAL FOUNDATION FUNDRAISING GALA IN SUPPORT OF VISITOR EXPERIENCE AND OPERATIONAL ENHANCEMENTS TO THE MUSEUMS

Fundraising galas support numerous museums in Canada and around the world. An example cited earlier is the Power Plant art museum at Harbourfront in Toronto, which reports that 16% of its annual \$3.02 million operating budget comes from its gala. That amounts to about \$483,000 and is at the high end of figures normally found. The idea of a Foundation-sponsored gala for the Toronto museum sites should be focused on specific projects of system-wide support.

3.2.12 RECOGNIZE THAT COST CONTROL ISSUES ARE CITY-WIDE AND NOT SPECIFIC TO MUSEUMS

The data indicate that the annual budget and staff numbers of Toronto's museum system are consistent with Canadian and international norms; in fact, they suggest that higher levels of efficiency could be achieved with greater investment in these resources, which could result in increased attendance and revenue generation. Neither wastage nor long-range cost-saving opportunities were identified. The museum system undoubtedly shares in whatever cost control issues affect the City as a whole, but these should be addressed only as part of cost control measures related to all other City government Divisions.

3.2.13 MODIFY THE SYSTEM TO PROVIDE INCENTIVES FOR EARNING REVENUE BY ALLOWING MUSEUMS TO CARRY SURPLUSES FORWARD

Interviews indicated that there is inefficiency in the current City-wide practice requiring that surpluses in budgets cannot be carried forward from one year to the next. Although City funds must be expended in December of each year, contributed income -- grants, sponsorships and donations -- currently can be deferred to the following year, with the disposition of externally earned revenue at the discretion of the General Manager. Uncertainty as to the disposition of earned revenue that has not been spent by December 31st can be a disincentive for sponsors, Friends, volunteers and staff to work hard to raise funds to support the museums. A slight modification of the system can provide this incentive:

The recommendation is that 50% of any unspent earned or contributed income should be returned to general revenues while 50% may be used to allocate funds for non-staff needs at each site. Thus 50% of the funds raised from additional contributed and earned income will go to reduce the City financial support while the other 50% is used to enhance the visitor experience, equipment purchases, marketing or other non-staff spending.

3.2.14 ALLOCATE CUSTODIAL SERVICES TO EACH SITE AND HAVE THEM ADMINISTERED DIRECTLY BY THE MUSEUM & HERITAGE SERVICES UNIT

Custodial services are the only function recommended for reallocation from centralized services to on-site staff.

Custodial services are currently delivered as follows:

- Seven custodians assigned to the museums are administered by the Cultural Assets unit of Cultural Services, EDC;
- The Parks, Forestry & Recreation Division provides janitorial services (cleaning floors and toilets, snow clearance, grass cutting) to two of the sites;
- One site contracts janitorial services to a private firm.

Under this system full-time on-site custodians are available only at Fort York and the Spadina Museum. At other sites there are recurring complaints that the custodians do not spend adequate time on site and are generally not available on weekends and during special events and festivals when they are most needed.

Seven custodians is not enough to provide a full-time on-site custodian at each site, especially since a 'floater' is needed for times when regular custodians are on leave, so some doubling up would be required in any case -- Zion Schoolhouse can be served by the Gibson House custodian, for instance. A more rational deployment could be achieved if the Museum & Heritage Services unit were to assume responsibility for the administration of the seven custodian positions, which should not present a problem for Cultural Assets, since these 7 custodians already spend 100% of their time on the museums.

The Cultural Assets unit currently comprises two groups – one that supervises custodians and carpenters, and the other that is responsible for capital improvements. **The recommendation is for transfer of the custodians and carpenters group from the Cultural Assets unit to the Museum & Heritage Services unit.** Although there would be no net reduction in costs, the enhanced service delivery, efficiency and effectiveness could be substantial.

3.2.15 IN A WORST CASE SCENARIO CHOOSE COST CONTAINMENT BY SEASONAL CLOSURES RATHER THAN CLOSE ANY SITE COMPLETELY

This report has focused very much on boosting attendance, contributed and earned income. After a testing period of (say) two years, if the attendance and revenue generation strategies recommended in this report both system-wide and for individual sites are not effective in generating additional income and there is a need for additional cost reductions we do *not* recommend closing down any of the sites completely.

Instead, in this worst case scenario we recommend closing some sites seasonally during part or all of January and February, which are the slowest attendance and tourism months of the year and when heating and other occupancy costs are highest. Staff is already encouraged to take holidays during these winter months. In addition, some staff could be subject to an annual work schedule which would require them to work longer hours or more days each week in the busier summer months, in compensation for which they would have equivalent time off in these winter months. In this way these seasonal closures could be achieved without lay-offs. For example, a 6-day work week for 30 weeks from May to October could be balanced by six weeks off work during January and February, in both seasons without any change in pay.

3.3 RECOMMENDATIONS FOR SPECIFIC SITES

The analysis and recommendations that follow build upon recommendations that assume:

- Continued operation of all of the museums;
- Continued City of Toronto ownership and management to maintain the likelihood of funding support from other levels of government,
- A Foundation to secure private funds for the museum system as a whole, with the option for donors to contribute to dedicated funds for each specific museum
- Separate Friends' organizations for each site
- Implementation of the system-wide initiatives for contributed and earned income recommended in the previous section.

The names and tag lines for each of the sites that follow are consistent with the branding strategy recommended above – retaining the reference to Toronto in each site name, but adding a 'tag line' to each that identifies its local or thematic reference. This branding strategy should help to ensure both a city-wide recognition that these sites constitute a system administered by the City, but at the same time should encourage the loyalty of the communities they serve, leading to a growth in volunteers, the formation of strong Friends organizations, and the potential for increasing contributed income from donations and sponsorships.

3.3.1 COLBORNE LODGE: TORONTO'S MUSEUM IN HIGH PARK

Colborne Lodge is of substantial heritage importance as an 1837 villa on its original site. The house is restored to the 1870s period and about 60% of the furnishings are original to the family. The site includes a lodge, a recreated coach house with original furnishings and the Howards' memorial tomb, all located in High Park, where the City's Forestry, Parks and Recreation Division provides this site with snow clearance and lawn cutting services.

Successful programs, both in October, include Haunted High Park, which draws about 90 visitors, and the Harvest Festival earlier in October, for which attendance ranges from 800 to 3,000, largely depending on the weather. Peak attendance takes place on Sundays, followed by Saturdays. A spring festival comparable to the Harvest Festival might immediately attract a higher attendance.

Although High Park is a very well used public park, relatively few of its users also visit Colborne Lodge. On-site attendance in 2011 was a very modest 7,788. The site has access to a small number of parking spaces but they are often not available to potential Colborne Lodge visitors. At present all visitors to Colborne Lodge are required to take guided tours which range from 45 to 90 minutes but are available for less time upon request. The building includes a donation box and small gift shop.

With respect to High Park visitors, interviews revealed a common experience that people will walk up to the building, find that there is an admission charge and decide not to enter. The sponsored basic self-guided free admission practice recommended in the preceding section will therefore help to attract substantially more High Park visitors into the facility and expose them both to the heritage being interpreted and to revenue centres.

A current positive initiative at attendance and revenue generation is a plan to renovate the coach house to make it a programming space that may be rented; this should be encouraged. Fortunately the bars on the windows that were not welcoming to visitors have recently been removed. Grenadier Restaurant in the Park already provides High Park visitors with food service so offering food service from Colborne Lodge is not recommended.

In addition to the general recommendations above we offer the following additional ones specific to Colborne Lodge as Toronto's Museum in High Park:

- Add period music to enliven the visitor experience on a regular basis and supplement the live music that has been offered during special events.
- Although there are no real behind-the-scenes tour opportunities in the house a tour of the tomb and discussion of heritage trees could be special charged guided tours, while free admission would be offered for the sponsored self-guided tours, with sponsored CCTV monitored by staff to ensure security.
- Proceed with the proposed renovation of the coach house to make it available as a programming space and develop a rental program for it.
- Explore the potential of utilizing Colborne Lodge as another setting or otherwise for theatrical presentations by the groups now offering Shakespeare in High Park.

3.3.2 FORT YORK: TORONTO'S NATIONAL HISTORIC SITE

The terms of reference for this study call attention to the fact that Fort York is deeply involved in observance of the Bicentennial of the War of 1812-14, and therefore suggests that the Fort should be the subject of a separate study at a later date, especially because of the current addition of a Visitor Centre. While respecting this directive, it is nevertheless useful to consider recommendations specific to Fort York that are consistent with the findings of this study, pending a subsequent site-specific analysis of the Fort after the effects of the Visitor Centre, the Bicentennial of the War of 1812-14 and the Centennial of World War I have been observed.

Fort York is considered the birthplace of Toronto, dating to 1793, and features War of 1812-14 buildings on a 43-acre site. It was designated as a National Historic Site in 1923, the first in Toronto, a distinction that makes it appropriate to refer to the Fort as Toronto's National Historic Site.

Fort York is the highest attended of any of the City of Toronto museums at a nonetheless modest 52,240 visitors in 2011. Attendance levels in 2012 are projected to be in the range of 80,000 visitors as a consequence of observance of the Bicentennial of the War of 1812, which should continue in the following year because the bicentennial of the Battle of York will be in 2013. Opening of the Visitor Centre should help to boost attendance levels in subsequent years. The introduction of the Visitor Centre will also allow more period buildings to be returned to historically appropriate public use, thereby further enhancing potential attendance and revenues.

A business plan for the Visitor Centre in 2011 recommended the concept of sponsored free admission for self-guided experiences at the site and charged admission for guided, behind-the-scenes tour opportunities that have been recommended in this study on a system-wide basis. Similarly, the hiring of a retail specialist at Fort York resulted in a doubling of retail sales. ***The expertise of the successful retail specialist at Fort York should be made available to enhance revenue at the other sites with retail potential.*** An allocation of 15-20% of the time of the Fort York retail specialist to the other sites would be a good example of collaboration for common benefit.

With respect to rentals the removal of a tree nursery from the site has opened up the Garrison Commons area to more concerts and outdoor events which can be operational until 11 p.m. Harbourfront summer camp opportunities are held on site as well. Fort York generated about \$90,000 in net income from rentals in 2011, and expects a large increase in 2012 and continued increases due to use of the Visitor Centre. Most rentals are during evening hours, although a separate facility (the Blue Barracks) allows for some rentals during the day that would not be disruptive to other site visitors. (That would not be the case at most of the other sites).

The success of the Volunteer Coordinator on a six-month contract at Fort York in boosting volunteer support and retention levels is proof of the potential value of a system-wide Volunteer/Friends Coordinator. Some 60 volunteer greeters, 8 cooks and dancers were attracted. Noteworthy is that the Royal Bank of Canada sponsored the 6-month Volunteer Coordinator position for Fort York. This is a good indicator of the potential success of the sponsorship concept in general for the City of Toronto museums and of sponsorship of a system-wide Volunteer/Friends Coordinator in particular.

Fort York also has introduced a Foundation that raises private funds and is another good indicator of the potential of a Foundation for the City of Toronto museums as a whole, supported by Friends' organizations for each site.

Recommendations specific to Fort York in addition to those set out earlier for the museum system as a whole are as follows:

- Seek sponsorship to implement a “heritage walk” concept from Bathurst Street and the East Gate to encourage more people to view the walk to the site entrance and future Visitor Centre as a positive experience. This would require introduction of more markers and kiosks to link to the existing heritage timeline.
- Allocate 15-20% of the time of the Fort York retail specialist to the other sites in support of the recommended Business Manager and thereby help to boost retail sales at other sites which should have more visitors as a consequence of the recommended sponsored free admission concept.
- Extend Augmented Reality (AR) experiences being developed for Fort York to other sites: an excellent partnership arrangement with the Ryerson Multimedia Lab and the Seneca Animation School has provided enhanced visitor experience opportunities to Fort York visitors without cost to the City of Toronto beyond staff time and curatorial advice. Staff would like to extend this concept to other sites and it is recommended that this be implemented.

3.3.3 GIBSON HOUSE: TORONTO'S MUSEUM OF NORTH YORK

Gibson House originated as a family farmhouse of 1851 that was restored in 1971 and opened to the public on its original site west of Yonge Street and north of Sheppard Avenue in North York. The building has very limited visibility in the midst of numerous high rise condominium developments both existing and under construction. The closest condominium will be called Gibson Square and part of the developer's responsibility is to restore the historic landscape, including the planting of apple trees.

On-site attendance in 2011 was only 5,921, but should increase substantially with completion of the condominiums and the attendance and revenue generation recommendations set out in this report or already planned by staff. Although it will not be visible from Yonge Street or Sheppard, the Museum will be visible from a side street named Park Home. Staff and visitors will have access to underground condominium parking.

Gibson House includes collections storage within the building, known as the North York collection. This creates opportunities not only to tell the story of the Gibson family but also to dedicate one of the rooms to an overview history of North York, justifying the tag line 'Toronto's Museum of North York'. The North York Historical Society with a membership of about 60 persons already provides volunteer and advocacy support for Gibson House; this added North York focus in one of the rooms of the House should strengthen this relationship, so that the Society may be persuaded to take on the role of a Friends' organization focused on revenue generation for the House. A small gift shop is efficiently integrated with the admissions desk but revenue is limited because of low attendance levels that should improve in the future both with completion of the condominiums and because of the sponsored basic free admission concept recommended in this report.

Part of the basement space of the house is multi-purpose and used for educational and public programs, birthday parties and limited rental opportunities. Outreach to various community and immigrant groups is provided by making space available in Gibson House for free when otherwise not used. It should be possible for in-kind services to be requested in return.

Recommendations to supplement those for the museum system as a whole are as follows for Gibson House:

- Seek to turn the weakness of being surrounded by condominiums into strength by negotiating with condominium corporations to have Gibson House become part of the monthly common area maintenance charges paid by condo owners, starting with those in Gibson Square. A very modest amount of less than fifty cents per unit per month for all units would entitle the condo owners and residents to become part of the Gibson House Friends' organization, the North York Historical Society, and to enjoy free behind-the-scenes guided tours and discounts on retail and rentals as supporters of the neighbourhood's heritage site nearby. Starting with one condominium building should be used as the basis for approaching other nearby condos to lead to a potentially substantial revenue source.
- Develop dining opportunities to be catered in the dining room by the nearby Novotel hotel using duplicate furniture if available from the Collection & Conservation Centre.
- Utilize the North York collections and other available artefacts to tell the North York Story in one of the upstairs bedrooms in Gibson House.

3.3.4 MACKENZIE HOUSE: TORONTO'S MUSEUM OF POLITICAL ACTIVISM

Mackenzie House at 82 Bond Street in downtown Toronto is the final home of Toronto's first Mayor, William Lyon Mackenzie, who lived there from 1859 to 1861. The house was designated as a National Historic Site in 1949 and restored to focus on the story of political reform and the development of democracy in Canada. In 1967 a modern extension was added to include exhibition and programming space.

Initiatives over recent years have sought to move Mackenzie House away from the historic house museum model and toward one which would provide a different experience, through an exploration of issues raised by Mackenzie. There are two themed tours in development at the moment:

- Mackenzie the Journalist- discussion of Mackenzie's printing and publishing career, connecting issues that he was passionate about with our experiences today.
- Mackenzie's Political Life: Discussion of Mackenzie's political career to refer to the events of the Rebellion of 1837, and the way in which the underlying causes and results are issues that still affect us today.

These topics are touched on in the current museum tours. The new tours will offer more in-depth information on these topics along with opportunities for changed tours in the future. These could relate to:

- political participation and democratic reform
- poverty

- freedom of speech, importance of the press in ensuring an informed citizenry
- discrimination
- slavery and abolitionism
- diversity
- crime
- physical development of the city – civic projects, urban improvements, water, sewer, housing, social programs
- politics
- changes in governance

Hence the tag line recommended is ‘Toronto’s Museum of Political Activism.’ Some suggested ‘Toronto’s Social Justice Museum’, but this has not been recommended because of the current efforts to establish a Justice Museum at Campbell House. A Museum of Political Activism rooted in the example provided by Mackenzie adjacent to Ryerson University and accessible to tourists could have considerable public appeal.

Signage and a banner at the front of the house about Toronto’s first mayor and notorious rebel are much better than those at some of the other sites to communicate the importance of the museum. Despite this signage and a very central location near the Dundas subway station, Dundas Square, Eaton Centre, major theatres, retail and restaurant opportunities, on-site attendance in 2011 was only 8,309. This low attendance is because visiting is currently possible only on the basis of a 45-60 minute guided tour. Our experience in many big cities is that a small attraction in such a high-traffic location attracts a drop-in crowd, many of whom are not prepared for such a commitment of time. Well-marketed free admission for a self-guided tour will substantially increase attendance here.

A highlight of a visit to Mackenzie House is the opportunity to use the printing press and take home a souvenir with one’s name on it. Other popular hands-on opportunities include putting on a petticoat and corset and a stereoscope experience.

There are rental opportunities in the House to accommodate up to 40 persons that have been identified by Museum and Heritage Services as an opportunity for revenue generation. The courtyard is sometimes used for facility rentals but that is dependent on the weather and on the goodwill of site neighbours, which is not always assured. Mackenzie House has developed positive relations with nearby Ryerson University and particularly its history, interior design and media studies programs.

The House is supported by 15 volunteers, who should be encouraged to serve as the core of a Friends’ organization that they can help to develop, with a focus on revenue generation.

In addition to current plans and recommendations applicable to the museum system as a whole such as free basic admission for self-guided tours, the following recommendations are specific to Mackenzie House:

- Discuss with management of the Bond Place hotel opportunities for using Mackenzie House as a very convenient space for off-site functions. This could include smaller dinners using duplicate period furniture if available from the Collection & Conservation Centre. Mackenzie House in this context could become an important asset to the Bond Place Hotel, which was completely renovated in 2011 and promotes a very central location and meeting or social event space for up to 200 persons.
- Sponsorship of period costumes could provide options for guests at social or corporate functions to be in costume.
- Discuss with management of the Bond Place hotel the idea of a very modest (less than 50 cents per night) surcharge on all hotel rooms sold as the basis for offering all hotel guests free guided tour opportunities at Mackenzie House.
- Associate the printing press with an interactive, printing-related donation box. The existing donation box offers no interactivity and has no message communicating why donations are needed. For example, a donation accompanied by the donor's name might activate a 'press' that would print out a front page of one of Mackenzie's papers with the headline "Mackenzie House thanks (donor's name)".
- Develop an interpretative plan for exhibits, tours and school programs around political activism – after Mackenzie, the Women's Suffrage movement, the Temperance movement, the Free Speech Movement, Gay Pride and other examples including those of the recent past and present day. Such exhibits and tours would give the House a unique character that would help to attract more visitors as well as enabling it to remain engaged in current events.

3.3.5 MONTGOMERY'S INN: TORONTO'S MUSEUM OF ETOBICOKE

The Inn was constructed in 1838. An addition has been built to enhance public programming opportunities and amenities, in particular the Tea Room. Events in the nearby park include Shakespeare in the Park and a jazz festival, and a farmer's market is held in the Montgomery's Inn parking lot which, unlike most of the other City museum sites, is large and free. However, relatively few people attend Montgomery's Inn during these events.

Annual attendance figures have averaged about 18,000 persons over the past five years, primarily consisting of persons attending the Tea Room for events. Only about 2,400 visitors per year actually pay for the charged admission guided tours of the Inn. A retail store opportunity is available and could be viable with higher attendance. The recommendation of free admission for self-guided tours will significantly increase actual visits to the Inn, and will expose more visitors to the revenue centres on offer. Retail as well as food services will benefit directly.

The Tea Room functions effectively on the basis of the support of 100 volunteers. The Friends generated over \$5,000 in fruit cake sales and paid for a \$20,000 Bake Oven. A total of 4,000 volunteer hours were generated in the past year and appropriately a Volunteer Appreciation event is now held annually in recognition of the importance of the volunteers program. This Friends' organization should be taken as the model for all the other sites.

A liquor license for the Tea Room would greatly enhance its revenue generation potential. The City is able to obtain a license only for private functions where there is no charge for drinks. It may be possible for the Friends organization to obtain a license and operate the Tea Room at a significantly greater profit to the site.

In addition to the recommendations for the overall museum system set out earlier, the following recommendations are specifically for Montgomery's Inn:

- Recognize the strong support for Montgomery's Inn on the basis of being in the former Etobicoke by modifying the name to be 'Montgomery's Inn: Toronto's Museum of Etobicoke' and utilize one of the rooms to offer collections and interpretation associated with the history of Etobicoke.
- Seek to raise additional funds from the Friends' association and the Foundation to enhance the heritage aspects of the building, particularly the rooms upstairs, as the reason for public investment in the facility. That is, seeking to increase the use of the Inn as a banquet hall and rentals space needs to be balanced against enhancing the heritage aspects of the Inn.
- Introduce behind-the-scenes tour opportunities to include some of the accommodations units upstairs; the nearby Islington cemetery where the Montgomery family plot is located; the library and archives which features an extensive photographic collection; and a food history interpretation opportunity utilizing kitchen facilities.
- Having focused on the heritage aspects of the Inn, seek to widen the visitor experience associated with the Inn rooms upstairs, including a potential partnership with a private hotel operator for overnight experiences and historic suppers utilizing duplicate furniture if it is available from the Collection & Conservation Centre.

3.3.6 SCARBOROUGH HISTORICAL MUSEUM: TORONTO'S MUSEUM OF IMMIGRATION

The Scarborough Historical Museum used to be operated by a separate Board before amalgamation. It still receives strong local support from the Scarborough Historical Society and a second friends group, the Multicultural Council. The former focuses largely on collections development and fundraising while the latter focuses on the multicultural and immigration themes of the Museum. Taking into account the Scarborough focus of the museum it may still be promoted as 'Toronto's Museum of Immigration' by emphasizing that the Scarborough experience with respect to immigration is illustrative of the wider Toronto story.

The Museum is located in Thompson Memorial Park with proximity to a large parking lot without user charges. It is currently a living historical site depicting life from 1858 to the 1920s. Three historic buildings were moved to the site in order to save them and to create more of a critical mass for visitors than would have been possible if they were on separate sites:

- Cornell House, moved to the park in 1962;
- The Kennedy Gallery, a 1920s tractor garage, relocated in 1972;
- The McCowan Log House, relocated there in 1974.

All buildings and objects are specific to Scarborough history. The buildings feature some 3,300 artefacts, all owned by the City of Toronto. A current temporary exhibition, *Life in Canada*, focuses on more recent immigration than the 1858 to 1920 focus of the collections. The major event held on site is Multicultural Days in June; more special event days could be developed on the National Days of each of the nationalities represented among the immigrant population. The Museum is also noted for awards it has received for engaging local youth.

On-site attendance in 2011 was 31,083 and reflects steady increases every year from the 18,600 visitor level reported for 2007. The audience is almost exclusively local or persons who are visiting Scarborough residents. About half of all visitors attend in school groups. The staff is supported by 240 volunteers, also entirely from Scarborough.

Guided tours are offered on all days on a 'pay as you wish' basis utilizing a donation box. The box is not interactive and does not communicate why donations are needed. Self-guided opportunities are offered only during event days when staff and volunteers are stationed in the historic houses. The Scarborough Historical Museum is the only site that offers a regular evening opening.

Revenue is also generated from very popular summer camps and other opportunities during holiday periods and on teacher professional development days. Birthday parties are offered but the site has no retail store, which could be a successful undertaking with the support of the volunteers.

The Museum offers wall space to sell works of art by Scarborough artists. It receives no revenue in return but does get in-kind assistance from the artists during special event days.

In addition to recommendations for the museum system as a whole some recommendations specific to the Scarborough Historical Museum are as follows:

- Demand for family reunions, picnics, anniversaries, graduations, and other events, particularly within immigrant communities, was believed among those interviewed to be substantial. These should be encouraged.
- The national days of the countries from which immigrants originated could provide an extensive calendar of festivals or other events. Attendance on each of these days in succession could result in substantially higher annual attendance totals by year's end.
- Consider the opportunity to add another permanent building to the site that would facilitate rentals opportunities year-round, in all weather, and could provide a location for a heritage retail facility as well. It is important that it be a heritage building to justify adding it to public space in Thompson Park.
- Encourage the Friends to develop an appropriate heritage retail operation.
- Develop an interpretative plan to link the history of Scarborough to the story of immigration, utilizing oral history and resident participation to provide a deeply engaging exhibition and learning program.

3.3.7 SPADINA MANSION: TORONTO'S MUSEUM OF THE ROARING TWENTIES

Built in 1866 and donated to the City of Toronto, what was originally known as Spadina House has been more recently branded as the Spadina Museum. In fact the full official name is the Spadina Museum, Historic House and Gardens. Spadina interprets the 1920s and '30s, and restoration has been made authentic to this period.

Despite proximity to Casa Loma, which attracted about 282,000 annual visitors last year, and a sign at Casa Loma advertising a 25% discount at the Spadina Museum for Casa Loma visitors, Spadina has drawn only about 19,000 visitors per year. The two-hour length of stay at Casa Loma is a major reason for the disparity, as many visitors simply do not have time to visit a second attraction, especially if they are passengers on a timed bus tour.

Another reason is the perception that a 'Museum' or a 'House' must offer a secondary experience to a 'Castle'. This is why 'Spadina Mansion' has been recommended to better convey the scale of the building as well as the wealth of the Austin family who lived at Spadina. A substantial garden would be more likely associated with a mansion, so there is no need to add it to the name.

However, its proximity to the far better known Casa Loma means that the Spadina Mansion needs to assert a distinct identity that makes it a destination worth seeing in addition to Casa Loma. Since the collections and the period of occupation of the building have made it possible to focus on the 1920s, it is suggested that 'Toronto's Museum of the Roaring Twenties' would be a title and a theme that would attract visitors to include it on their tour, even if they initially intended to visit only Casa Loma. This could be especially true if the Spadina Mansion uses jazz and other music of the period in its rooms, and uses the garden for outdoor jazz concerts when the weather permits. The appeal of the tag line should grow stronger as we near the 2020s.

As with other house museums in the City of Toronto museum system it is at present only possible to attend the building on the basis of guided tours, which are generally 45 minutes in duration. Three existing guided tour options include 'Meet the Austins', a Restoration Tour, and on weekends and school breaks a 'Kids' Life' Tour. A sign at the front desk indicates the tour schedule but with modest attendance many tours are offered for small numbers of people as they arrive. A lack of air conditioning in the house makes lengthy tours particularly difficult during hot summer days. This study has recommended giving visitors the choice of free self-guided or paid guided tours. Self-guided opportunities are currently permitted at Spadina only for the gardens. Adding paid guided and audio tours on a Roaring Twenties theme would contribute significantly to the site's attraction, especially if it is communicated to Casa Loma visitors and marketed more broadly as well.

The best opportunities for rentals income are outdoor tented events but complaints by neighbours have curtailed the times available to afternoons and even under these circumstances there are still complaints. Current plans to enhance revenue generation include renovation of the gift shop to include better snack food items. Future plans include restoration of the third floor to become another rentals venue.

In addition to recommendations set out earlier for the overall museums system, some recommendations specific to Spadina are as follows:

- Recognize the appeal of Casa Loma as a castle, the wealth associated with the area and the size of the facility and gardens by referring to the *Spadina Mansion* as opposed to Spadina Museum or House. This should help to boost attendance levels and thus potential earned income, especially when free self-guided tours are offered. Linking the mansion closer to Casa Loma will also increase the likelihood of a much closer collaboration with Casa Loma.
- Seek to have guided or audio tours at the Spadina Mansion as value added to regular admission charges at Casa Loma. This would make Spadina Mansion guided or audio tour experiences part of the admission charges paid to Casa Loma, starting with an allocation of \$0.40 per visitor to the Spadina Mansion whether Casa Loma visitors attend the mansion or not. At 280,000 visitors that would produce \$112,000 in admissions revenue for Spadina, and this amount would give Casa Loma the option of offering free guided or audio tours of the Mansion to Casa Loma's visitors.
- Develop an interpretative plan that acknowledges the earlier history of the house but focuses on the 1920s in order to heighten a very different appeal from the period of Casa Loma; visitors should be able to perceive Spadina Mansion not as just another heritage house, but as a unique experience quite distinct from that of Casa Loma.
- Introduce a variety of other themed tour options for Spadina and phase them in over a period of several years in order to boost repeat visitation. The Roaring Twenties should be a major theme. Include signage promoting 'coming next year' tours as new subjects are prepared. Some possible themes include the lives of the Mansion's servants, health care and healing, and the lives of all those who built the Mansion, as well as all aspects of life and music in Toronto in the 1920s – the Group of Seven painters, for instance.
- Introduce better signage to emphasize that the Mansion is an attraction open to visitation. It currently appears to be a private house.
- Offer period music in some of the rooms associated with the 1920s and '30s to enliven the visitor experience.
- Enhance the East Sun Room, which is the primary rentals venue, by adding photos and artifacts to offer more of a heritage feel to make it more attractive for indoor rentals.
- Meet with site neighbours and the local Ratepayers Association to identify ways and means for weddings, receptions and other rentals to take place on site in a manner that will be acceptable to neighbours yet help to generate the rentals income needed to support operation of the Mansion.
- Offer naming opportunities in appropriate circumstances, particularly to neighbours who may be interested, which need not be expensive but may mitigate complaints about event noise.

3.3.8 TODMORDEN MILLS: TORONTO'S EAST YORK CULTURAL HERITAGE CENTRE

The official name for Todmorden Mills at present is the Todmorden Mills Heritage Museum and Arts Centre. Located on Pottery Road with visibility from the Don Valley Parkway the site features early paper mill and other industrial buildings in the former Borough of East York. These include four *in situ* 19th century buildings -- two historic residences, part of an early brewery, and an historic paper mill converted first into horse stables and more recently into a theatre and art gallery.

Todmorden Mills is of substantial importance as one of Toronto's earliest industrial heritage sites. It was continuously occupied for nearly 200 years until 1955. The site was expropriated by the former Borough of East York in 1964 to become the arts centre/museum of East York.

Although the focus is on the history of industry and the natural heritage of the Don Valley the reality is that Todmorden Mills is far more of a venue for a theatre and art gallery. On-site attendance in 2011 was 23,709, the majority of whom attended theatre performances in the 164-seat Papermill Theatre. The theatre offers very good acoustics and is the home of a variety of live theatre and other cultural groups who utilize the theatre about 280 days per year.

Attending the theatre is charged while attending the art gallery that occupies part of the space is free. The gallery focuses on community and emerging artists. Gallery shows change every two weeks and attract annually about 8,000 visitors, some of whom are on site for the theatre performances. Doors Open accounts for 3,500 visitors, with about 1,300 attending facility rentals, which include special event liquor licenses. Some rentals take place in tents on the north lawn. Since the theatre is not used on Mondays and Tuesdays these are the nights promoted for rentals. Only about 3,000 persons per year attend as public or school visitors to the heritage facilities. Most attend on free days or arrive with discount coupons. Tours of the site take place hourly from 10:30 to 3:30 p.m. but given low attendance are generally offered as small groups of visitors arrive. The site features 110 parking spaces that are available without charge except during evening theatre performances.

The historic houses are currently available on a charged basis for guided tours only. The Helliwell House has been restored and furnished to 1867 while the Regency Cottage, representing the lives of workers, has been restored to the 1850s. Outdoor walking tour opportunities are available for the Wildflower Preserve. The tours begin in a Visitor Centre that is partially used for the storage of materials visible to visitors, and there is no orientation film or exhibition available in that space as might be expected.

Earned income for the site is reported to be in the range of 30%, almost exclusively because of the theatre and rental opportunities.

Recommendations specific to Todmorden Mills are as follows:

- Since the primary focus of the site is the theatre, then the art gallery and lastly industrial heritage, it is recommended that the site should be referred to as a cultural heritage centre.
- The collections and exhibitions in the Visitor Centre should include a focus on East York, so that the site can be identified as the East York Cultural Heritage Centre.
- As one of Toronto's very few industrial heritage sites, Todmorden Mills should remain a heritage attraction, even as it becomes an even livelier centre of contemporary performing and visual art as well. It is understood that the next phase of capital development is to focus on the heritage value of the site.
- Seek to utilize the Papermill theatre to provide daytime peak period opportunities to develop a charged live show on the history of the site using a small group of college or university students as writers and performers. A filmed version of the show could be available to visitors during other periods and offered for free. This should be an item in the menu of sponsorship opportunities. A donation box at the exit of the theatre should be used for revenue generation.

- Seek sponsorship to develop a 7-8 minute audio-visual orientation experience to be shown in the Visitor Centre as the starting point for free admission self-guided tours and charged guided behind-the-scenes tours that would include access to parts of the historic houses not available to those on self-guided tours. This would be another appropriate place for a donation box.

3.3.9 BOROUGH OF YORK MUSEUM: A MUSEUM OF TORONTO

This Museum consists of a display on the history of York that is located in a community centre and is open to visitors only by appointment. The main recommendation here is that a Friends' organization should be encouraged to support it.

3.3.10 ZION SCHOOLHOUSE: TORONTO'S MUSEUM OF EDUCATION

The one-room Zion Schoolhouse was constructed originally in 1869 and closed as an educational facility in 1955. It was restored and reopened on its original site in North York in 1986. The artifacts, however, are not original to the building. The schoolhouse is not open to the general public but is available on a pre-booked basis for school groups, birthday parties, theatre presentations and other programming. On-site attendance in 2011 was only 1,483, most of whom were school groups comparing the educational experience of the 19th century with the present day.

The site is administered by Gibson House on lands that are in a residential area surrounded by a public park that is not registered among City of Toronto parks. Their zoning at present permits single detached dwellings and accessory buildings as well as a wide range of recreational and institutional uses. The Official Plan designates the site Parks and Open Spaces. A senior city planner observed that it is highly unlikely that Planning staff and/or Parks staff will support a land use change to accommodate development beyond that permitted by the existing Official Plan designation.

The ideal scenario would be for Zion Schoolhouse to continue to operate on its original site for many years to come. The original site of a heritage building is an inherent part of its value. This report does *not* recommend relocation of the Schoolhouse. However, if it becomes necessary to close the site and to consider sale of the land the Schoolhouse and its associated Butler building should be relocated to another of the City of Toronto museum sites in order to create a larger critical mass at another site and to give more people access to the schoolhouse. In this way much of the heritage value of the schoolhouse would be preserved, and it could be used to add an educational dimension to another of the City's museums.

Any proposal to relocate the schoolhouse was strongly opposed in the interviews. Most of our interview subjects preferred that it remain on its original site and that additional investment be made to allow it to be open to the general public. If that is not possible and the site has to be sold, the majority preferred its relocation to help strengthen another City museum site.

Recommendations for the Zion Schoolhouse are therefore as follows:

- The present use of the schoolhouse to interpret 19th century education to contemporary school classes should be continued as its principle mission.

- Relocation of the Zion Schoolhouse is *not* recommended. However, if it becomes necessary, select a City museum site that would be strengthened by its addition. There is no room at Gibson House. There was mixed support for it at the Scarborough Historical Museum, with the majority rejecting it on the basis of the fact that the building is not from Scarborough, despite their need for a rentals facility and its chronological fit with the other buildings previously moved to the Scarborough site. The most promising site may be Montgomery's Inn.

3.3.11 COLLECTIONS & CONSERVATION CENTRE

Collections are at the heart of museums. As books are to libraries, or plays are to theatres, artefacts not only constitute Toronto's heritage but are also key to the operation of the 10 museum sites. The Collections & Conservation Centre is thus at the vital centre of the City's museum system. Its functions include:

- Processing of new acquisitions, primarily donations or bequests;
- Documentation of the collections, which ensures that their significance will not be lost to subsequent generations;
- Conservation of the artefacts, aimed at retarding their deterioration due to such factors as fluctuation of humidity, exposure to light, dust or infestation as effectively as possible;
- Movement, installation and lighting of the artefacts in display or storage;
- Security of the artefacts on the museum sites as well as at the Centre.

The Collections & Conservation Centre at 98 Atlantic Avenue was constructed in 1908 as a bank building and is therefore robust. While it is not the ideal building in which to store precious heritage objects, with the conservation lab being the only climate-controlled space in the building, its heavy construction (for a bank's security needs) make the spaces within relatively stable for environmental control purposes.

The collections housed in the Centre and throughout the museum system represent a public trust. They are mostly donations or bequests to the City, which the City has a responsibility to preserve and make available to the public. Despite the excellent work being done by the Collections & Conservation Centre staff, it is clear that the collections are currently at risk due to overcrowding and insufficient human and other resources to care for them.

An unfortunate illusion about museum collections is that they are static. In fact, collection growth is the lifeblood of museums. Opportunities are being lost every day if artefacts from Toronto's past cannot be accepted as donations or bequests, let alone collected more aggressively as they need to be if the collections are to be fully representative, especially of the history of the past 75 years, which are poorly represented in the collection.

A recent study by Lundholm and Associates indicated that the facility is approximately 50% over capacity in terms of storage space. That study offered a number of options to remedy the situation, including expansion or new build at an estimated cost of \$22 million. This is an extremely serious situation: it means that there is no capacity for the City of Toronto collection to grow to reflect the diversity of the population or other aspects of more recent history beyond the current areas of strength in the 19th and early 20th centuries. There is also no capacity to rotate artefacts to and from any of the museums in the system. The quality of Toronto's museum system cannot be sustained if sufficient storage space is not provided to accommodate collection growth.

The Collections & Conservation Centre is a lean operation. This is supported by the following observations:

- There is a 15-year backlog of artefact conservation work, according to staff.
- At 8.5 FTE, the Centre is understaffed. Evidence for this view comes from the recent need to close Spadina House for renovations, which required all staff resources for approximately 10 months, forcing other museums in the system to put their needs on hold.
- There is no artefact acquisitions budget. Collection growth is by donation only.

Core services provided by Collections & Conservation Centre staff to the museums include collection handling, exhibition installation and pest control. Virtually all museum staff expressed satisfaction with the work and support provided by the Centre's staff. In terms of function, this is a success story, with professional services supplied to the system's museums on an as-needed basis. Because they are often on-site at the various museums, they are attuned to the particular issues associated with each of the sites and this reservoir of site-specific knowledge is important for the smooth functioning of the entire system.

Recommendations specific to the Collections & Conservation Centre are as follows:

- This is already an overly lean operation; there are virtually no cost control recommendations that could be made with regard to this specific site that would not seriously impact effectiveness.
- The only revenue generation opportunity associated with the Collection & Conservation Centre is image licensing, which generates about \$500 per year. The personnel may also be helpful in facilitating film shoots that include artefacts in their scenes. Because it is not a public site, other revenue generation opportunities are limited.
- However, the Centre can be instrumental in providing the basis for grant applications to other government levels or Foundations, or for offering the basis of corporate sponsorship of a program to conserve a certain type of artefact, or all the artefacts of a particular site, for instance.
- Special attention should be paid to ensuring that capital funds are provided for the requisite collection management backup systems. The loss of curatorial information due to any equipment failure or other disaster due to the lack of proper backup would be catastrophic.

- The system-wide recommendation for a sponsored Visual Surveillance System such as a Closed Circuit TV (CCTV) system, which is required in order to make the recommended sponsored free basic admission to all sites possible, means that Collections & Conservation Centre staff will need to select the security system and to train on-site staff how to monitor the CCTV screens and how to respond in case of infractions of site security.
- While not within the scope of this study, additional storage capacity should be considered as per the recommendations of the Lundholm report, so that the City of Toronto collection can be expanded to adequately reflect the city's development over the past 50 years.

3.4 THE MARKET GALLERY AND ALTERNATIVES

The Market Gallery currently has three primary functions:

- Interpretation to the public of one of the City's most important heritage sites, the St Lawrence Market;
- Presentation of Toronto's visual art heritage;
- Conservation of the City's historic art collection.

This analysis suggests that each of these functions could be achieved in a different way, so that this section also considers alternatives to the Market Gallery. Specifically:

- Public interpretation of the St Lawrence Market as a heritage site could be achieved by other institutional types such as the three alternatives suggested here;
- Toronto's visual art heritage is already being made available in public buildings throughout the city, and could be even more so;
- Conservation of the City's historic art collection could be achieved in collaboration with other art museums in the city.

The St. Lawrence Market is owned and operated by the City of Toronto Facilities Department, which makes space available to the Market Gallery without charge. The Market Gallery occupies about 3,655 net sq. ft. of space on the second and third floor of the St. Lawrence Market. The space is of very substantial heritage importance as the City Hall for Toronto from 1845 to 1899 – for 54 years before the opening of what is now referred to as the Old City Hall. The exhibition space is on the second floor with office, workshop and collections storage space on the third floor.

An elevator is available from the basement and ground floor levels of the St. Lawrence Market to transport visitors to the second floor public space but relatively few persons take it. Despite free admission and a location in the St. Lawrence Market, annual attendance has been modest at about 16,000 to 17,000 visitors per year. Peak attendance takes place on Saturdays when the Market is open, but it is a very low peak: the St. Lawrence Market attracts about 10,000 people on a typical Saturday but on average the Market Gallery currently attracts only 100 visitors on Saturdays. Sunday is usually a peak day for public galleries, but since the Market itself is closed, so must the Market Gallery. During weekdays a large percentage of total visitors are school groups, which account for about 25% of total visitation.

The Market Gallery is not part of the Museum & Heritage Service unit but rather is part of the Art Services unit, given its objective to “tell the story of Toronto through art.” When established in 1979 the mandate established for the Market Gallery was that it should be available to the public without charge. With an increasing focus on revenue generation the Market Gallery introduced a suggested donation (‘pay what you can’) in 2012 and increased user fees for educational programs from \$3.00 to \$4.00 per person. Revenues from suggested donations were projected to be about \$20,000 in 2012 but actual income is likely to be only about \$5,000. Plans also include making the space available for rentals to help generate earned income.

The Market Gallery does not have a Friends’ association. However, it is reported that there is substantial volunteer support to help develop and show the various exhibitions in the Gallery.

Despite the objective of telling the story of Toronto through art, the reality is that the majority of exhibitions in the space have been heritage-focused, not really focused on art in the sense that art history is presented at such institutions as the Art Gallery of Ontario. However, as a heritage resource that tells the story of Toronto the art collection has one advantage over the City’s artifact collection in that it can represent the history of the more recent past to a somewhat greater extent by collecting works of art created within the past 75 years representing more recent scenes or events. As already noted, due to space limitations at the Collections & Conservation Centre there has been and still is to date little or no artifact acquisition from the past 75 years.

A significant achievement of the Market Gallery is its extension program. The true value of this heritage resource is that 70% of the City’s art collection is displayed in offices, community centres, public libraries and other City of Toronto facilities. City Hall alone displays 1,000 works of art. Since there are opportunities to increase this proportion by extending display of works of art from the collection to still more such facilities, this suggests that the City can realize the value of the collection and share it with the general public at least as effectively in this way – if not more so – than by exhibiting it in the Market Gallery to relatively small numbers of visitors. Nevertheless, the heritage importance of the space confirms the need for the Market Gallery to remain a public facility, even though it may not appear necessary or appropriate for it to maintain its present art exhibition focus.

Recommendations for alternative uses of the Market Gallery and other associated recommendations are as follows:

- Make more of the art collection available to branch public libraries and other public facilities throughout Toronto. This would maintain the original objective of providing access to the City’s art collection without charge and having it available in more of the 99 branch public libraries and other public spaces. Public libraries are often interested in long-term loans of works of art. In practical terms this would require fastening pictures to the wall with security screws and in some cases hanging them high to provide needed security; but public visual access to them would be vastly improved.
- Assuming an alternative use for the Market Gallery space, relocate the art collections storage to be combined with the City-funded collections storage for the Museum of Canadian Contemporary Art or another museum-quality storage space.

- Seek to widen the space available for museum use in the St. Lawrence Market by relocating the picnic tables on the basement level and having that space as the front door of one of the options set out below for future use of the space. At present photos on the walls of the ground floor space and display cases near the entrance already depict the early history of Toronto. Eliminating the picnic tables and having the space part of the future museum would allow the critical mass of space to be increased to around 4,500 sq. ft. The elevator would then be exclusive to the selected future use of the space and could be themed as well.
- Select among the following three options for the future use of the space:
 - **Option 1 - Expanded Status Quo:** Maintain the Market Gallery focus as is and increase the emphasis on art exhibitions consistent with the Market Gallery name and its history since 1979. This option was preferred by one person interviewed who is an advocate for the existing Market Gallery but not by any others interviewed. If the status quo is maintained change the method of requesting funds by introducing an interactive donation box that makes clear why donations are being requested. A slight variant on the status quo would be to broaden the theme to art and architecture; as an important architectural site in itself, the St Lawrence Market could present exhibitions on both the historic and the contemporary architecture and urban planning of Toronto, including models of proposed past or current developments, renovation projects and so on. A Friends' group interested in architectural history could be recruited.
 - **Option 2 - Toronto Museum Visitor Centre:** As the City Hall before the Old City Hall it is appropriate that there be a heritage focus for the space. In fact, as discussed above, the space has been used in recent years for displays that have been much more about heritage than art. Whether or not a Museum of Toronto is established in the future the smaller existing museum sites that currently constitute the Toronto Museums need more public orientation to them. The idea here is that the current and expanded Market Gallery space could have a formal heritage focus and be operated within the Museum & Heritage Service unit, no longer the Art Services unit. The Toronto Museum Visitor Centre would tell various stories about the history of Toronto, particularly to fill in gaps that are not specific to the existing City of Toronto museum sites. The space would also serve to inform and orient visitors through displays and touch screen computers and other interactive methods about the City of Toronto museum sites. This might be considered a preview centre for a future Museum of Toronto and should be more high-tech and multi-media-focused than the existing museums, particularly given the relatively small size of the available space. The concept is one of hub and spoke by attracting visitors to the free admission Toronto Museum Visitor Centre and encouraging them to visit the various museums as well as other heritage resources including the walking tours of Heritage Toronto. While this hub and spoke orientation approach would serve to increase attendance and earned income to the sites, and was preferred by most of those interviewed on this subject, the reality is that it would add to the City's financial commitment to the museums without substantially increasing visitor flow to the Gallery.

- **Option 3 - Children's Museum for Toronto:** This option continues the important function of interpreting the heritage significance of the St Lawrence Market but with a different type of institution that would attract substantially more visitors, especially in its Market location. Toronto is one of just a few major cities in North America without a children's museum, except for the on-line version that has recently been developed. There used to be a small children's museum during the 1990s in the former McLaughlin Planetarium of the Royal Ontario Museum and there has been talk for years about the need for a new facility. Children's museums are hands-on interactive play-learn spaces, primarily for children 8-11 and under. Children's museums have high levels of repeat visitation and the highest attendance per square foot of exhibition space of any museum type. Young children must of course be accompanied by parents or grandparents. This creates opportunities for combined shopping-museum experiences that would be positive for the St. Lawrence Market. In this option the City of Toronto would no longer operate the space but could rather lease it out to one of the groups seeking to establish a children's museum for Toronto, such as the group who are currently maintaining an on-line Children's Museum presence. The St Lawrence Market site lends itself to a heritage- and food-themed children's museum. This option could substantially increase visitor flow to the Gallery, stimulating greater opportunities for earned and contributed income.

All three options assume use of the basement floor, second and third floors and the elevator to link them in order to create needed critical mass. Off-site office and other non-public space would need to be found nearby for options 2 and 3. Either of these two options would require a detailed and focused Concept Plan and Business Plan before a decision is made about them.

Since these more detailed studies have yet been undertaken, for purposes of projecting the general financial implications of this report at this time, we have assumed implementation of the first option, expansion of the *status quo* to accommodate an architectural theme for both historical and contemporary Toronto architecture and urban planning in the Market Gallery's exhibitions.

4. FINANCIAL IMPLICATIONS

The scope of this study does not include feasibility analyses associated with each of the 11 sites or for each of the recommendations. Rather, the objective is to set out a range of additional contributed and earned income likely to be generated, assuming implementation of the primary recommendations. The cost estimates and projections of the time needed for implementation are based on the consultants' experience of comparable transitions in other museum systems elsewhere, as well as our knowledge of the realities here in Toronto. The estimates also take into account the likelihood that not all recommendations may be implemented and that those which are implemented may need to be phased in over time, given the staffing and financial requirements associated with their implementation.

The key assumptions underlying the estimates are as follows:

- Two new attendance- and revenue-oriented positions will be introduced as part of the Museum & Heritage Service unit in a reorganization that will result in no net change to the staffing costs associated with the unit. One new position is a Development Manager to work with the Toronto Museum(s) Foundation to seek sponsorships from private companies, foundations and individuals. The second position is a Business Manager focused on boosting attendance and earned income at all of the sites. A third position, a Volunteer/Friends Coordinator is assumed to be funded by sponsorship.
- Although alternative options are set out for the Market Gallery, including a Toronto Museum Visitor Centre or a Toronto Children's Museum, for the purposes of this analysis the assumption is for continued operation of the Market Gallery, although expanded to include more basement floor space, and with its exhibitions focused explicitly on Toronto's historical and contemporary architecture and urban planning.

Taking these assumptions into account, we estimate additional net revenues for the museum system as seen on the following Table 15. The estimates lead to a range of additional contributed and earned income at \$650,000 to \$1,050,000 with no change to operating income from other government sources. Assuming no change to the total operating budget of \$8,670,000 for the system this would cause non-City income to increase from a rounded \$1.4 million to a range of about \$2 to \$2.5 million.

This could indicate non-City income in the range of 23% to 28% compared to the current 16%. But given the need to provide incentives to sponsors, volunteers, staff and others to work hard to achieve and sustain the additional contributed and earned income we have recommended that half the additional contributed and earned income should be allocated to enhancing the visitor experience, collections care and marketing of the museum system, with the other half used to reduce the City financial contribution to the museums. The net savings to the City by reducing the requirement for City support would thus range from \$325,000 to \$525,000 per year.

It is recommended that a one year transition take place that would allow needed time for implementation of the Foundation, Friends' organizations, staffing shifts and the attendance and revenue generation recommendations before any reduction of current levels of City funding takes place. The funding reductions could therefore begin in fiscal 2014.

Table 15: Summary of Revenue Generation Opportunities

Additional Revenue Sources for Museum System	Low	High
Sponsorship of Basic Free Admission	\$125,000	\$175,000
Increased income from Paid Guided Tours	\$25,000	\$50,000
Pay-for-Photo Opportunities	\$50,000	\$75,000
Dining Opportunities in Historic Houses	\$100,000	\$150,000
Value of 'Menu' of Other Sponsorships	\$100,000	\$150,000
Increased Rental Income	\$25,000	\$50,000
Fundraising Gala	\$125,000	\$250,000
Recommendations for Specific Sites	\$100,000	\$150,000
Total Additional Revenue	\$650,000	\$1,050,000
50% Allocation to Enhance the Various Museums	\$325,000	\$525,000
50% Allocation to Reduce City Financial Support	\$325,000	\$525,000

APPENDIX A. ACKNOWLEDGEMENTS

We acknowledge here, in alphabetical order, all of those who were interviewed to help inform the direction of this study.

- Alexandra Avdichuk, Supervisor of Collections & Conservation Centre
- Ulanna Baluk, Museum Administrator, Todmorden Mills
- John Barton, Former Chair, Scarborough Historical Museum Board
- Karen Black, Manager, Museum & Heritage Services Unit
- Marie Boal, Acting Curator, Gibson House
- Marty Brent, Supervisor of Museum & Archive Services, Peel Art Gallery, Museums & Archives
- Neil Brochu, Coordinator, Collections & Conservation Centre
- Janet Carding, Chief Executive Officer, Royal Ontario Museum
- Karen Carter & Board, Heritage Toronto
- Madelynn Callahan, Director, Scarborough Historical Museum
- Rita Davies, former Director of Cultural Services, EDC
- Glenn Dobbin, Deputy Director, Royal Ontario Museum
- Karen Edwards, Site Administrator, Colborne Lodge, Spadina Museum and Mackenzie House
- Janice Etter, Member, Montgomery's INNovators
- Doug Fife, Program Officer, Spadina Museum
- Edith Geduld, North York Historical Society
- Geoff Geduld, North York Historical Society
- Bill Greenlaw, Executive Director, Nova Scotia Museum
- Sue Gunton, Director of Planning, Toronto Zoo
- Richard Haynes, Site Coordinator, Fort York
- Dave Healey, Acting Program Officer, Spadina Museum
- Alec Keffer, President, Architectural Conservancy of Toronto
- Freda Kemp, Project Manager, Fundraising & Sponsorship, Fort York
- Ian Kerr-Wilson, Manager, Museums and Heritage Presentation, City of Hamilton
- Anca Knoll, Manager, Finance and Budgets, City of Toronto Economic Development and Culture
- Mike Lipowski, Curator, Montgomery's Inn
- Tim Maguire, President, Canadian Union of Public Employees, Local 79
- Barbara McPhail, Vice Chair, Heritage Toronto

- Robert Mewhinney, Program Coordinator, Social World Studies, Toronto District School Board
- Meredith Miller, Program Officer, Scarborough Historical Museum
- Maggie Newell, Program Officer, Zion Schoolhouse
- Terry Nicholson, Acting Director, Cultural Services Division, EDC
- David O'Hara, Site Administrator, Fort York
- Kathy O'Connor, Program Officer, Spadina Museum
- Pailagi Pandya, Historical Interpreter, Scarborough Historical Museum
- Nadia Pattison, Manager, Arts Services Unit
- Laura Peters, Program Manager, Museums and Heritage Programs, City of Ottawa
- Ken Purvis, Museum Coordinator, Montgomery's Inn
- Eva Pyatt, Chief Executive Officer, Casa Loma
- Jo Ann Pynn, Supervisor, Cultural Assets, Cultural Services Division, EDC
- Shyam Ranganathan, Dean, School of Hospitality, Tourism and Culture, Centennial College
- Wayne Reeves, Chief Curator, Museum & Heritage Services Unit
- Tom Reitz, Manager/Curator, Waterloo Region Museum
- Nancy Reynolds, Museum Site Coordinator, Spadina Museum
- David Ridley, Executive Director, Edmonton Heritage Council
- Linda Rothstein, The Advocates Society, Campbell House
- Elaine Savva, Museum Coordinator, Scarborough Historical Museum
- Rick Schofield, member, Scarborough Historical Society
- Janet Schwartz, Museum Coordinator, Mackenzie House
- Alok Sharma, Supervisor, Special Events, Fort York
- Andrew Steward, member, Fort York Foundation
- James Thompson, former Spadina Museum board member
- Carl Thorpe, Executive Director, Multicultural History Society of Ontario
- Richard Ubbens, Director, City of Toronto Parks, Forestry & Recreation
- Danielle Urquart, Program Officer, Mackenzie House
- Gaetane Verna, Director, The Power Plant
- Pam Wachna, Co-ordinator, Collections and Outreach, Market Gallery
- Darren Wasylucha, Corporate Secretary, Heritage Toronto
- Michael Williams, General Manager, City of Toronto Economic Development and Culture
- Wendy Woodsworth, Heritage Horticulturist, Spadina Museum

APPENDIX B. THE EXPERIENCE OF OTHER CANADIAN MUNICIPALITIES

In this Appendix we review the results of our analysis of municipal museum systems (and, where applicable, individual municipally-operated museums) in other major Canadian jurisdictions. Please see Appendix A for those interviewed.

B.1 CITY OF HAMILTON MUSEUM SYSTEM

Hamilton has a system of municipally owned and operated museums much like that found in Toronto. It includes National Historic Sites that share the designation held by Fort York, as well as specialized museums and historic houses as found also in Toronto. In total, the Hamilton system includes the following seven City-owned and operated sites:

- Dundurn (National Historic Site)
- Whitehern Historic House and Garden (National Historic Site)
- Hamilton Military Museum
- Hamilton Children's Museum
- Fieldcote Memorial Park and Museum
- Hamilton Museum of Steam and Technology
- Stoney Creek Battlefield House Museum and Park (National Historic Site)

In addition, there are three other sites with mixed governance and management arrangements:

- Griffin House – a National Historic Site operated by the City of Hamilton but owned by the Hamilton Conservation Authority.
- Westfield Heritage Centre – a historic site composed of more than 30 heritage buildings owned by the City of Hamilton but operated by the Hamilton Conservation Authority.

- Hamilton and Scourge – an underwater archaeological National Historic Site, the resting place of the War of 1812-14 schooners *Hamilton* and *Scourge*. In this case the City of Hamilton owns the tangible heritage and the Province of Ontario owns the land (the lakebed). The City also maintains a memorial display on the shore of Lake Ontario in Confederation Park.

Data are available only for the seven sites wholly owned and operated by the City of Hamilton. Total attendance at the seven sites is about 205,000, for an average of almost 30,000 per site, almost double the average site attendance in Toronto.

Almost all of these sites (except the Hamilton Children's Museum) are in historic buildings. Thus they are directly comparable with the Toronto system.

Total annual operating expenses for all sites combined is about \$3.2 million, of which 75% is funded by the City of Hamilton compared to 84% for the City of Toronto museums. However, interviews indicate that these figures do not reflect the true costs for the sites because many other costs are absorbed in other departments. Services received from other Hamilton city departments include financial, payroll, legal, insurance and risk management, auditing, purchasing, IT and human resources as well as parks maintenance, but the FTE allocations and value of services are not allocated to museums as they are in Toronto. When this difference is taken into account, Hamilton's percentage of financial support for its museum system is very similar to that of Toronto.

Also similar to Toronto and other municipal museum systems, the Hamilton sites are served by centralized staff and other services. A difference is that in Hamilton, centralized services generally represent non-income-generating expenses such as collections management, conservation, and project management. Centralized services that are tracked comprise approximately 12% of combined operating costs, but this is not representative of the actual situation since many centralized staff costs and services are not tracked or estimated as they are in Toronto.

The seven sites of the Hamilton Museum system are operated by 23 full-time and 25 part-time staff, calculated at 39 full-time equivalent (FTE) positions for an average of around 5.5 FTE per site, significantly less than the average of over 9 staff per site in Toronto. Again, this apparent disparity is due to the fact that so many central services to museums are allocated in terms of FTEs in Toronto, but not in Hamilton.

Staffing costs represent 88% of the total operating budget of the Hamilton Museum system, which is higher than the 77% staffing costs in Toronto. The very high staffing cost percentage for Hamilton tends to confirm the reasonableness of the staffing allocation for Toronto in the context of financial restraint that has affected the museums in both cities.

The most significant contrast between Hamilton and Toronto is the difference in attendance per site: Hamilton's museums on average attract almost twice as many visitors per site as those in Toronto. Again this points to the need for strategies to boost attendance and earned income in Toronto, which is a central theme of the recommendations of this report.

B.2 WATERLOO REGION MUSEUM SYSTEM

The Region of Waterloo oversees a museum system composed of the following three sites:

- Waterloo Region Museum and Doon Heritage Village (on same site)
- Joseph Schneider Haus
- McDougall Cottage

While only three sites, together they comprise a total of 24 heritage buildings. Some 22 of these historic structures are located at Doon Heritage Village. Combined attendance at the three sites is about 95,000 – again averaging around 32,000 per site, about twice the average per-site attendance in Toronto.

Total annual operating cost for the museum system is about \$4.63 million, of which about \$614,000 or 13.3% is non-Region income, with the remaining 86.7% from the Region of Waterloo. This percentage is slightly higher than the 84% allocation of the City of Toronto to its museum system.

The museum system is staffed by about 59 FTE positions (compared to 96 FTE in Toronto), for an average of almost 20 per site, more than twice Toronto's staffing average per site. They account for \$3.2 million in staffing costs or approximately 70% of the \$4.6 million operating budget compared to 77% for Toronto. Centralized services for the Waterloo Region museum system generally represent non-income-generating support services including HR, IT, purchasing and legal services, but there is no estimate of the number of FTEs or costs associated with such services from other Departments of the Region of Waterloo. Actual operating costs are thus higher than the \$4.6 million operating budget indicated.

The comparative data here indicate the reasonableness of the staffing and other financial data for the City of Toronto museums. But as in Hamilton the difference in attendance is significant, showing that the need in Toronto is for strategies to boost attendance and earned revenue.

B.3 CITY OF OTTAWA MUSEUM SYSTEM

The City of Ottawa operates three museums as line departments:

- Billings Estate National Historic Site
- Cumberland Heritage Village Museum
- Pinhey's Point Museum

These museums each have designated staff, but there are also centralized personnel in the following areas:

- Curatorial and collections;
- Exhibitions;
- Facilities management.

According to an interview with a senior manager at the City of Ottawa, the shared staffing arrangement works “incredibly well” but hands-on direction and attention is needed at the senior level to ensure that is the case. Qualitative factors such as constant communication, the right people in the right jobs, and constant managerial attention to accountability are all keys to the success of the shared staffing arrangement.

Although the City operates only three museums directly, and only these three benefit directly from centralized staffing, it supports ten more community museums via the Ottawa Museum Network (OMN), an independent organization that receives substantial funding from the City of Ottawa. The OMN was founded in 2007 and is a result of the City of Ottawa’s Museum Sustainability Plan. This plan was passed by City Council in 2005 as a way of providing better support to these small community museums that tell the Greater Ottawa story. The OMN is not only intended to act as an advocacy body for the city’s smaller museums, but also provides professional support and raises standards so that these seven community museums may successfully apply for City grants – which was not often the case previously.

The City’s Museum Sustainability Plan is the financial support plank of the Ottawa Museum Network. Not only does it provide direct financial support to all ten community museums, it also provides the incentive for the community museums to participate in the Ottawa Museum Network and improve their professionalism, operations and sustainability -- their ability to self-generate *additional* grants, contributed and earned revenue.

Prior to the implementation of the Museum Sustainability Plan, the City spent \$1.66 million in 2005 to support operations at the three line department museums; upon approval, the Plan allowed for an additional \$2.4 million over four years in operating money, almost \$1 million of which went to the ten community museums, and about \$952,000 of which was divided among the three line department museums, with the remainder going to common initiatives. In addition \$3.9 million was allocated to capital investments distributed among the ten community museums. Most of the operating money was spent on additional staff and existing staff salary increases as part of a staff retention strategy.

The impact of the Museum Sustainability Plan has been tangible. In 2004, attendance at all ten community museums was 86,000; by 2009, attendance had more than doubled to 191,386. This is largely because:

- New staff persons were hired to provide curatorial, conservation, education, programming and facility management support.
- A major increase in the number of temporary exhibitions shown at the various museums (from 39 to 79).
- Public programs delivered increased by 74% (from 273 to 474).
- Conservation work on museum collections was funded.
- Creation of ‘Ottawagraphy’ virtual accessibility program (www.ottawagraphy.ca)

The key financial successes achieved as a result of the cumulative operating investment from 2006 to 2009 (\$2.4 million, as above) under the Museum Sustainability Plan were:

- Leveraged senior government funds in total: \$1.82M
- Leveraged senior government funds % increase: 70% (from \$332K to \$564K)

- Earned and private revenues in total: \$2.9M
- Earned and private revenues % increase: 30% (from \$615K to \$801K)
- Overall revenues % increase: 48% (from \$948K to \$1.4M)

The Museum Sustainability Plan has since been renewed. It is a successful example of capacity-building grant-making – in which grants to the museums were used to encourage better performance in generating revenue from the institutions themselves.

Very important to note is that the Ottawa Museum Network is governed by a Board that includes representatives of each of the ten member museums. It has an Executive Director who is a staff member of the Network but not any of the museums, paid out of the City's Museum Sustainability Plan funds.¹ Participation of the museum directors on the Board is a requirement for them to access Museum Sustainability Plan funding – it is this that makes the system work and generates participation and buy-in. This is a secondary reason for the effectiveness of the OMN, along with the extremely important fact of steady municipal funding.

Over the past three years the City has been funding a development planning process for each of the ten community museums. The goal of this process is to ensure that each develops a strategic plan for the next ten years that fits with City goals. The outcome of these processes, now ongoing, will certainly affect the course and direction of the museum system over the next decade, but for the time being all agree that the funding model introduced by the City in the first decade of the 21st century has been very successful.

The successful Ottawa model is of substantially increased City funding for its museums – combined with the crucial mechanism that requires each museum's Director to participate in the Ottawa Museum Network - in order to lead to higher levels of attendance and non-City income.

B.4 THE NOVA SCOTIA MUSEUM SYSTEM

"The Nova Scotia Museum" is the name of that Province's museum system, referring to 27 different sites as opposed to being a single museum facility. The system is administered by the provincial government, with centralized staff in Halifax. The system is therefore analogous to the City of Toronto and other municipal systems but on a provincial scale. The Nova Scotia Museum includes the following sites:

- Museum of Natural History
- Maritime Museum of the Atlantic
- Uniacke Estate Museum Park
- Ross Farm Museum
- Fisheries Museum of the Atlantic
- Wile Carding Mill
- Perkins House Museum
- Ross-Thomson House Museum

- The Dory Shop Museum
- Barrington Woolen Mill
- Old Meeting House
- The Acadian Village of Nova Scotia / Le Village Historique Acadien de la Nouvelle-Écosse
- Firefighters' Museum of Nova Scotia
- North Hills Museum
- Prescott House Museum
- Haliburton House Museum
- Shand House Museum
- Lawrence House Museum
- Fundy Geological Museum
- Balmoral Grist Mill
- Sutherland Steam Mill
- Museum of Industry
- McCulloch House Museum
- Highland Village/An Clachan Gàidhealach
- Cossit House
- Sherbrooke Village
- Fisherman's Life Museum

Of the 27 sites of the Nova Scotia Museum, 11 sites are directly operated and managed by the province. The remaining 16 sites are managed locally. It is also important to note that though five sites are designated as historic houses, several other sites include historic buildings, many linking to the industrial history of the province. Total annual attendance at all 27 sites combined in the Nova Scotia Museum is approximately 450,000 for an average attendance of 16,667 per site -- very close to that of the 10 museums in the City of Toronto's system.

The Nova Scotia Museum has an annual operating budget of about \$16 million, of which about \$11 million is allocated to operation of the 11 direct management sites, while the other \$5 million is provided in the form of grants to the 16 locally managed sites throughout the province.

The most relevant comparison to Toronto's museum system is thus the 11 sites directly operated by the Nova Scotia Museum. This group has 100 FTE positions, only a few more than the number in Toronto, with about the same average number of FTE per site.

In Nova Scotia only 25% of these FTE are centralized, compared to 45% in Toronto, but this is not surprising, given the far greater geographical distances between these museums. Centralized personnel include management, collections, interpretation and other staff. Senior management of the Nova Scotia Museum system expressed a belief in the efficiencies in centralization but said that they have no way to track all centralized costs. Here again, Toronto's closer accounting of centralized staff FTE and other costs means that the apparent disparity is far less significant than it appears.

The operating budget in Nova Scotia is about \$11 million compared to \$8.7 million for Toronto. However, the 11 directly operated sites of the Nova Scotia Museum include three institutions that are larger than any of the City of Toronto sites -- the Maritime Museum of the Atlantic and the Natural History Museum, both in Halifax, and the Museum of Industry in Stellarton.

Non-provincial income at about \$1.8 million of the \$11 million operating budget of the directly operated museums in Nova Scotia amounts to about 16% of total revenue, which is identical to the non-City income of the City of Toronto museums. The data again confirm the reasonableness of the operating budget, staffing, revenue and other figures associated with the City of Toronto museums.

Advice was offered that on-site leaders are necessary components for the success of the Nova Scotia system as a whole because on-site leaders provide expertise that can contribute to efforts such as revenue generation. Leaders also provide visionary direction for promoting sites and raising the relevance of sites amongst target audience groups. The City of Toronto museums employ Site Administrators who, as interviews confirmed, do provide important leadership functions.

B.5 CITY OF EDMONTON COMMUNITY MUSEUMS

Edmonton has approximately 27 museums, most of which are small community museums that are *not* operated by a museum system. Only one minor museum is City-owned and operated (although the Valley Zoo and the Muttart Conservatory are also line departments of the City).

In Edmonton, the vast majority of the small museums are independent not-for-profit organizations. The smaller museums operate quite independently and have little contact with others, creating silos of museum communities and decreased visibility. Widely varying levels of quality and professionalism are evident and sustainability is always a problem.

With regard to funding and sustainability, the approach varies:

- **Direct Grants to Community Museums and City Funding of a Heritage Council:** Unlike Toronto, there is no 'museum system' in Edmonton that includes municipal line department museums. Most of the small independent community museums are supported in part via small City grants that are distributed to the museums upon application – but these often do not amount to much more than several thousand dollars each (with a few exceptions; for example, the Alberta Aviation Museum gets a City grant of about \$200,000 per year, and the Art Gallery of Alberta gets \$325,000), forcing the small museums to make up operating revenue shortfalls via provincial support, contributed revenue and earned revenue where possible.

Coordination of the small community museums is via the Edmonton Heritage Council (established only in 2010), which is not exactly an 'arm's length' agency but is rather best described as a public not-for-profit organization with a significant funding relationship with the City of Edmonton. The Heritage Council is intended to provide much-needed advocacy and training advice, and to serve as a platform for greater collaboration and communication. The goal is to bring coherence to the museum situation in Edmonton, but the situation is still evolving. Cost-saving is not the direct impetus behind the creation of the Heritage Council; rather, it is a mechanism intended to assist the community museums to become more sustainable.

- **Contracting Out a Site with Substantial Revenue Generating Capability:** The City contracts out operations of one site – Fort Edmonton Historical Park – to a not-for-profit private operator, the Fort Edmonton Management Company. Fort Edmonton Park is a large site with four recreated period 'streets', each lined with heritage buildings, representing pivotal time periods in the city's history (the 1840s, the 1880s, the 1900s and the 1920s). The annual municipal grant to Fort Edmonton Management Company is about \$200,000, but the City provides utilities, facility upkeep and management services as well as curatorial and collection management services. As of 2012, the net cost to the City to fulfill its operating responsibilities for the Park is estimated at about \$2.6 million, to which must be added the operating grant given to the Fort Edmonton Management Company. The City also funds capital improvements, such as the recent \$14 million upgrade to the Capitol Theatre on the site to make it capable of hosting a 12-minute 4-D orientation film.

The success of the arrangement with Fort Edmonton is as yet inconclusive; it is understood as the city's 'test case' to determine the suitability of the contracting-out model. City curatorial staff oversee artifact and collection management at Fort Edmonton as well as facility maintenance, but unfamiliarity with museum-quality collection handling practices by staff members of the not-for-profit private operator have created fears about the care and management of the collections on the site.

Because of its unusual management arrangement, Fort Edmonton has no overall Director – there are only functional area leaders. And, perhaps most importantly, there is no shared vision for what Fort Edmonton is or should be between the Management Company and City staff. City personnel tend to see it as a 'museum' while the operating company tends to see it as an 'attraction' in which museum-quality public or education programs, research activities or other museological functions are not a priority. The Park's 2010 Master Plan explicitly notes that the Park is a 'museum' and commits its operators to historical integrity; however, there remain some issues with the absence of professional museum practices at the Park.

The scale of Fort Edmonton plus the City's willingness to commit public investments such as the \$14 million upgrade to the Capitol Theatre to create a 4-D theatre, not likely available to the Toronto sites, creates a situation that makes the contracting out experiment for Fort Edmonton possible, but with limited relevance to Toronto. One exception might be Fort York but in reality implementation of a Visitor Centre there is not likely to boost attendance to the level needed for consideration of contracting out to a private not-for-profit operator.

B.6 MUSEUM OF VANCOUVER

In Vancouver a city museum has operated for many decades in a single facility. The Museum of Vancouver (MOV) attracts about 65,000 visitors per year. This relatively low attendance for a city the size of Vancouver is believed by management to reflect a site in Kitsilano Park that is isolated from the vibrancy of the central city and the limited capital reinvestment in the facility as it seeks to relocate to a better site. The market for MOV is about 54% residents, 31% tourists and 15% school groups, with about 850 memberships. The adult admission charge is \$12.00. The Museum is closed on Mondays except during July and August. Thursday evening openings to 8 p.m. are offered year-round.

MOV operates with a staff of 18 full-time and 5 part-time personnel, reflecting financial restraint in recent years. With summer students and others the total is 25 FTE. Its operating budget is slightly over \$2 million, of which 32% is earned, 4% private and 64% from government sources, almost all from the City of Vancouver. The Museum has no endowment to support operations. Vancouver offers little relevant comparison to the City of Toronto museums.